

A photograph of two women in saris standing outdoors in a rural setting. The woman on the left is wearing an orange and yellow sari and is smiling while looking at the woman on the right. The woman on the right is wearing a red sari and is looking back at the first woman. In the background, there is a brick wall, some greenery, and laundry hanging on a line.

# INVESTING IN ENTREPRENEURS FOR IMPACT FUND





DID YOU KNOW?

**\$4.2 trillion**  
is needed to meet the  
Sustainable Development  
Goals (SDGs)?

## THE ISSUE

Impact investing can play a critical role in **advancing the SDGs by equipping innovative entrepreneurs tackling pressing social and environmental issues with different forms of capital.** Since 2018, the capital committed to impact investing has more than doubled. However, it remains a relatively new field, having only been defined 17 years ago.

A key question remains today—whether the strong demand from environmentally and socially-minded investors, who seek both impact and positive financial returns, can be met with viable investment opportunities. While this might be achievable in sectors like energy, e-commerce, fintech, and healthcare, it is particularly challenging to address absolute poverty—or in other words: **meeting the needs of people living on less than USD3 a day** in emerging economies.





Photo credits: Inka Moss

Philanthropic impact investing offers a transformative approach to addressing absolute poverty, and for Asia Community Foundation, it represents a powerful way to move beyond traditional charitable giving. By strategically deploying philanthropic funds into high-impact social ventures, we aim to help them scale, amplifying their positive impact and ensuring that the giving not only addresses immediate needs but also fosters sustainable, long-term solutions.

We are excited to partner with elea, a pioneer in philanthropic investing, on the **Investing in Entrepreneurs Impact Fund**. This partnership combines ACF's mission to catalyse funding for greater impact with elea's deep expertise in impact investing, to bring this innovative model to the region.

elea Foundation for Ethics in Globalization was created in 2006, when the term "impact investing" was first coined, to fight absolute poverty with entrepreneurial means, leveraging the opportunities of globalization. elea's vision is to positively impact 100 million people by 2030. They do this by making philanthropic impact investments in early-stage ventures targeting people living in absolute poverty in low- and middle-income countries across four key investment themes. Since its inception, elea has invested in around 50 ventures dedicated to creating sustainable, impactful change.



## WHY PHILANTHROPIC IMPACT INVESTING?

Contributing donors make a donation to the Investing in Entrepreneurs Impact Fund, which is used to invest in social enterprises dedicated to tackling absolute poverty. This approach is essential for several key reasons:

### EXPECTATION GAP

Working with Base of Pyramid clients does not produce fast and high financial returns, and often needs patient capital beyond 10 year funds. Impact investing is lagging behind mainstream private markets by about 10-15 years, lacking a well-established secondary market. Although there have been some successful exits, elea focuses on maintaining impact as companies grow. This requires the ability to hold onto illiquid investments for the long term which is currently best supported by philanthropy.

### RISK GAP

elea typically invests in early-stage companies with annual revenues of less than \$1 million. These investments come with significant risks, requiring patient capital as their progress is often not linear. elea aims to be the first institutional investor in these companies with an average ticket size of USD200,000 to USD500,000. Unlike the established venture capital markets in the US and Europe—where a select few high-performing companies can cross-subsidise others—outsized success stories in markets focused on individuals living in absolute poverty are still rare.



### CAPABILITY GAP

Investing in low- and middle-income countries requires significant effort in finding and evaluating potential new investments due to fragmented and unclear markets, limited professional resources, and emerging support systems. Post-investment, elea typically joins the board and works closely with the founders to achieve both impact and financial goals. As the investment amounts are relatively small, standard private equity fees do not cover the costs of these extensive efforts.

### ECOSYSTEM GAP

elea aims to be a role model in the global philanthropic impact investing industry by focusing on ecosystem development. They have developed their own proprietary impact measurement method, and set up and partnered with a research centre for social innovation. elea's founder, Peter Wuffli, also published a book, *THE elea WAY*, detailing elea's journey, insights, challenges, and lessons learned. elea has also launched the *elea Entrepreneurs' Community* to connect entrepreneurs, fostering a space for shared experiences and learning from one another and industry experts. These initiatives are crucial for the sector's long-term sustainability and rely on philanthropic donations, rather than market returns, for funding.



# KEY PRIORITIES

ACF and elea are excited to announce a long-term, strategic partnership in Asia aimed at:

- 1 Collaborating with accelerators and incubators to build a robust pipeline of impact ventures dedicated to alleviating absolute poverty in Asia.
- 2 Investing in a diverse portfolio of impact ventures across Asia while offering strategic support, including in-depth due diligence and hands-on collaboration through board memberships, to enhance growth and maximise social impact.
- 3 Shaping a robust philanthropic impact investing ecosystem and network across the region.



Photo credits: Unsplash

## HOW DOES THE FUND WORK?







Photo credits: Dharma Life

# ABOUT THE FUND

## OVERVIEW

### NAME

**Investing in Entrepreneurs for Impact Fund**

### REGIONS OF OPERATIONS

85% allocation to ventures in Asia

15% allocation to ventures in the rest of the world

### INCEPTION DATE

October 2024

### MINIMUM ANNUAL INDIVIDUAL CONTRIBUTION

**SGD20,000**

*Multi-year contributions encouraged*

### FUND TARGET AND DURATION

**SGD4,000,000 / USD3,000,000**

over five years

This Impact Fund aligns with and contributes to the following UN Sustainable Development Goals:



## TO GIVE:

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Individuals with '[Accredited Investor](#)' status, their associated private wealth entities, or corporate entities that pass ACF's Know-Your-Donor process may give through ACF's various funds.

10% of the total funds raised will cover ACF's fundraising and administrative costs.





Photo credits: Bayoba

## WHERE DOES THIS FUND INVEST?

### **AGRICULTURAL VALUE CHAINS:**

The livelihoods of up to 70% of the population in low- and middle-income countries depend on the agricultural sector. elea invests in impact ventures with innovative business models that are aimed at effectively enhancing smallholder farmers' productivity and improving the quality of their produce according to ecological and fair-trade standards. As most of these farmers have no direct access to markets, impact ventures in the elea portfolio help to build skills and foster the direct integration of smallholders into agricultural value chains.

### **EMPLOYABLE SKILLS:**

A key challenge in fighting absolute poverty is equipping young people with the skills they need to earn a living after basic education. elea invests in impact ventures that offer market-oriented, practical skills training for motivated youth from low-income households. After completing the training, elea portfolio companies assist these young people in finding employment, enabling them to achieve financial independence and access new opportunities.

### **LAST-MILE RETAIL AND SERVICES:**

Most goods and services in low- and middle-income countries are sold in the informal retail market, where inadequate infrastructure and inefficient market structures often lead to limited availability and higher prices. elea invests in impact ventures that enhance small merchants' productivity and integrate them into digital supply and distribution systems. Through innovative solutions, elea portfolio companies build the necessary infrastructure to improve access to socially impactful goods and services at fair prices.

### **CLIMATE AND LIVELIHOODS:**

If left unchecked, climate change could push up to 130 million people into poverty over the next decade and cause over 200 million people to migrate within their own countries by 2050. Those living in poverty will suffer the most. elea invests in impact ventures with innovative business models that help communities adapt to climate change, enhancing their social and economic resilience, thus helping to combat absolute poverty.





Photo credits: East Africa Foods

## HOW IMPACT VENTURES ARE SELECTED

elea embeds impact management at the core of its investment process through a proprietary Impact Measurement Methodology. At the beginning of every engagement, the expected impact of the investment is calculated based on 'elea Impact Points'. The elea Impact Points reflect the:

- **Specific effect on every beneficiary**
- **Evaluation of the organisation and business model of the company**
- **Potential risk factors**
- **Additional benefit created by elea's involvement as an active philanthropic investor**

At the end of every calendar year, the actual impact and progress achieved for each of the portfolio ventures are measured.

## DONOR ENGAGEMENT

**Philanthropic investors gain access to the ACF-elea Philanthropic Investors' Circle and can anticipate the following:**

- 1 Closed-door learning events to dive deeper into the philanthropic impact investing process
- 2 Closed-door convenings with Impact Fund members and impact ventures to share insights, experience, and updates
- 3 Priority invitations to exclusive learning trips, offering the opportunity to visit impact ventures in the field
- 4 An annual impact report, sharing progress on the Impact Fund's performance



## WHERE DOES THE IMPACT FUND INVEST?

The following four impact ventures, that elea currently invests in, illustrate the types of ventures to be supported by this Impact Fund.

1

## EAST AFRICA FOODS

[www.eafoods.com/](http://www.eafoods.com/)

East Africa Foods sources fresh fruits and vegetables from local smallholder farmers in rural areas and sells them on both the formal and informal urban markets. By cutting out the middlemen, East Africa Foods can hence offer higher prices to farmers, and offer support and advice on increasing their yield and quality. Moreover, East Africa Foods leverages modern logistics and streamlined processes to reduce post-harvest losses and food waste, as well as to ensure access to higher quality fresh produce for mass-market customers.

### OPERATING LOCATIONS

Tanzania

### YEAR FOUNDED

2013

### YEAR OF FIRST ELEA INVESTMENT

2020

### VENTURE TYPE

Agricultural Value Chain



Photo credits: East Africa Foods



# DHARMA LIFE

[www.dharmalife.in](http://www.dharmalife.in)

Dharma Life aims to establish a rural distribution network for affordable and innovative products and services tailored to low-income households. Its offerings address six key areas: access to clean energy, safe drinking water, livelihood products, indoor air pollution reduction, and improvements in nutrition and hygiene. The organisation recruits, trains, and supports village-level entrepreneurs to serve as local representatives and sales agents, integrating its services into the community.

## OPERATING LOCATIONS

India

## YEAR FOUNDED

2009

## YEAR OF FIRST ELEA INVESTMENT

2015

## VENTURE TYPE

Last-Mile Retail and Services





# BAGOSPHERE

[www.bagosphere.com/](http://www.bagosphere.com/)

BagoSphere helps increase the job readiness and productivity of frontline workers by developing their skills and mindsets.

Since 2012, BagoSphere has opened new career pathways for young people in the Philippines. Their professional training focuses on both technical and human skills—transferable abilities that empower individuals to become more resilient and adaptable. The trainings build up young people's self-agency and confidence, enabling youth from low-income communities to access well-paid jobs in the service industry, mainly in call centres and microfinance institutions.

## OPERATING LOCATIONS

Philippines

## YEAR FOUNDED

2012

## YEAR OF FIRST ELEA INVESTMENT

2015

## VENTURE TYPE

Employable Skills





# ATEC

[www.atecglobal.io/](http://www.atecglobal.io/)

ATEC provides low-income households with access to clean cooking devices. The integrated pay-as-you-go technology in each device ensures product affordability and tracks live usage data that generates carbon credits. ATEC combines social and environmental goals, using revenue from carbon credits to expand the distribution of these life-improving devices at scale.

## OPERATING LOCATIONS

Cambodia and Bangladesh

## YEAR FOUNDED

2016

## YEAR OF FIRST ELEA INVESTMENT

2021

## VENTURE TYPE

Climate and Livelihoods







Photo credits: Dharma Life

## TO GIVE:

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