



Social Procurement Policy Examples in Southeast Asia and East Asia

This document has been prepared by the [Biji-Biji](#) team in Malaysia.

Malaysia

[MaGIC Social Procurement Programme](#)

- Budget 2021 with a budgetary allocation of RM20 million
- It said a poll conducted by the Social Enterprise World Forum revealed that 26% of social enterprises regard supportive government policies as having the greatest impact on their sustainability.

Singapore

[National Sustainable Procurement Roundtable \(NSPR\)](#)

- A nation-wide movement to promote sustainable procurement, with the objective of building an innovative and sustainable supply chain that efficiently meets sustainability objectives.

Thailand

[Social Enterprises in Thailand](#)

- Encouraged by the growth of social enterprise internationally, the Thai government supported the **2010** establishment of a national sector body, the **Thai Social Enterprise Office (TSEO)**, and since then has developed a Social Enterprise Promotion Act, offering tax relief for corporations setting-up social enterprises and tax incentives for social investment.

[The State of Social Enterprises in Thailand](#) (2021)

- The recently enacted law has introduced many mechanisms to promote social enterprises such as the **Social Enterprise Promotion Fund**, preferential treatment for government procurement, and less strict policies to ensure capital access. Once fully implemented, these policies and mechanisms may be a good example which other countries could look to replicate

[Thai social enterprises face obstacles to funding despite government support, new study reveals](#) (2021)

- The survey found they still face major challenges, in particular with access to finance.
- Almost a quarter of businesses surveyed report access to capital (both loan and equity) as a major obstacle, and just over a fifth struggle to obtain grant funding. A third of respondents find it difficult to find investors due to a limited network.
- Two key policies of the 2019 Act – the Social Enterprise Promotion Fund and favourable treatment in government procurement – are still to be implemented.
- **Thai social enterprises: key facts**
 - They operate mostly in agriculture, health and education.
 - They are more often led by women (35%) than mainstream businesses (24%).
 - Most are viable businesses: 42% reported making a profit last year, and 19% reported breaking even.
 - They are optimistic: 82% anticipate future growth.
 - Beneficiaries of social enterprises services are diverse, and include people on low incomes, elderly people, and children and young people as the top three groups.

- They proved resilient and agile during the Covid-19 pandemic: more than half (54%) did not lay off staff and 30% have transferred operations online.
- A substantial number report they are receiving no government support and need funding to overcome the challenges presented by the pandemic.

South Korea

[Korea's Social Enterprise Policies](#) (2016)

- The South Korean government has established a unit under the Ministry of Employment and Labor dedicated to social enterprises.
- Promotion of public employment by South Korea's Ministry of Employment and Labor can be traced back to 2001, when the focus was on community welfare.

[Republic of Korea Pledges \\$355 Million to Support ASEAN Green Infrastructure and Ocean Health](#) (2019)

- The financing from the Republic of Korea will support the implementation of ADB's new Action Plan for Healthy Oceans and Sustainable Blue Economies
- The [ASEAN Catalytic Green Finance Facility](#) was launched on 4 April 2019 in Chiang Rai, Thailand and is part of the ASEAN Infrastructure Fund, a regional financing initiative established by ASEAN governments and ADB in 2011 and administered by ADB.

Taiwan

[KPMG](#)

- Social Enterprise Action Plan in 2014 / Social Innovation Action Plan in 2018

Social Enterprise involvement in infrastructure

[Forging new paths for green infrastructure in ASEAN region](#) (2019)

- The recent announcement by a Singaporean government agency, Infrastructure Asia and the **Asian Development Bank (ADB)** to develop bankable green infrastructure projects **across Southeast Asia** is a positive move.
- The case for sustainable development across Southeast Asia is irrefutable given the region is increasingly and disproportionately being exposed to **climate change**. For example, Lloyd's estimates **US\$22.5 billion** of gross domestic product (GDP) is **at risk from flooding in Southeast Asian cities alone**.

[ASEAN Catalytic Green Finance Facility \(ACGF\)](#)

- The ACGF is an ASEAN Infrastructure Fund initiative supporting governments in Southeast Asia to prepare and finance infrastructure projects that promote environmental sustainability and contribute to climate change goals.
 - [ADB Progress and Results as of Dec 2020](#)

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