

Public Financing for Social Innovation (June 2026)



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Case Study Malaysia



SIM Grant Matchfunding

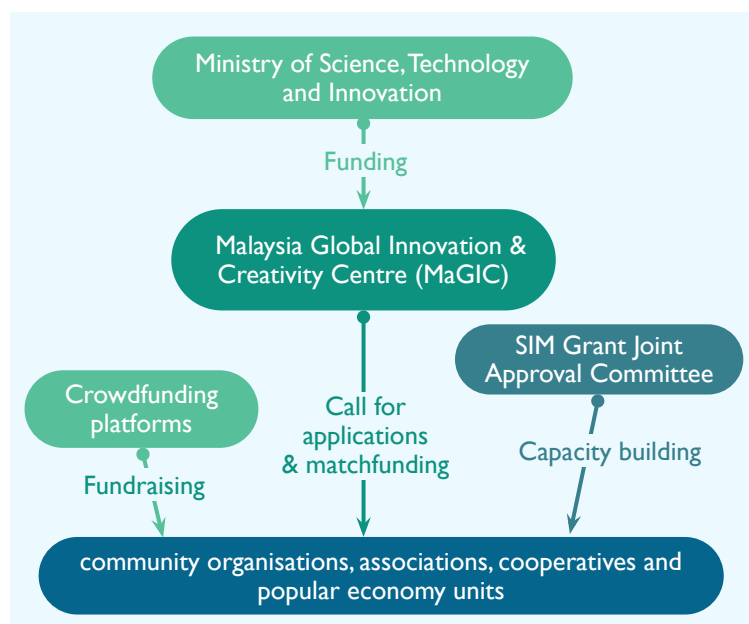
Policy rationale

Social enterprises are slowly growing in Malaysia. According to Malaysia’s Global Innovation & Creativity Centre (MaGIC), there were about 328 active social enterprises in Malaysia in 2020. Following the COVID-19 pandemic, the Social Impact Matching (SIM) Grant was designed to support local social enterprises and other social impact businesses in Malaysia. It aims to sustain initiatives and programmes, fundraise, increase public awareness of social innovation, and help to scale their solutions for good social and environmental outcomes.

Overview

In June 2020, MaGIC opened the call for applications on the Social Impact Matching (SIM) Grant initiative, on behalf of the Ministry of Science, Technology and Innovation (MOSTI). This was administered in parallel with the social enterprise accreditation process, which started in 2019.

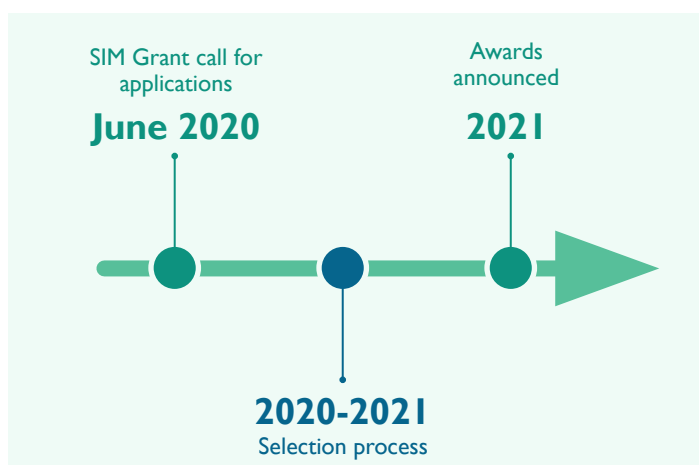
Social enterprises were tasked with launching and crowdfunding projects or initiatives with innovative solutions focused on these five areas: environmental protection, food security, health and social wellbeing, community livelihoods, and heritage preservation. If the projects were successful in reaching their fundraising targets, MaGIC provided matched funding.




The SIM Grant Joint Approval Committee, composed of MOSTI, MaGIC, Yayasan Hasanah (the impact foundation linked to Malaysia’s sovereign wealth fund) and Yayasan Inovasi Malaysia (Malaysia’s innovation agency), assessed the applicant’s feasibility, effectiveness and intended outcome, and review due diligence findings towards making a decision.

Timeline


The SIM Grant was announced by the then Prime Minister in June 2020 as a part of the COVID-19 pandemic Short-Term Economic Recovery Plan (PENJANA). Applicants could receive disbursements within a period of two months from submission, if all documents were in order. The call was closed in 2021.





Budget

The SIM Grant initiative gave MaGIC access to MYR 10 million worth of funds (approximately USD 2.5 million) provided by the government to assist blooming social enterprises.



Financial intermediaries

MaGIC partners with six crowdfunding platforms: GIVE.asia, LaunchGood, NGOhub, Sedunia, SimplyGiving and SocioBiz by Alliance Islamic Bank. Social enterprises can still opt for other legitimate ways of crowdfunding, subject to the same SIM eligibility criteria checks. The six crowdfunding platforms offered a 20% rebate on their fees if the projects were approved for SIM Grant, but only for the first MYR 1 million (USD 252,100) raised on each platform.

Target clients

By 2021, MaGIC had received 182 applications and had disbursed funds to 63 social enterprises. More than one-third of the approved SIM Grant funding was directed towards initiatives on community livelihood, followed by 26% for health and social well-being. Marginalised communities, youth and children make up about 50% of the beneficiaries, whilst indigenous communities make up another 30%.

KEY FIGURES	
63 grant recipients	Benefitting 31,500 Malaysians
Across 9 Malay states	Estimated social value of more than MYR 40 million (USD 10 million)

The successful applicants included:

- E-waste Recycling Through Heroes (ERTH) has successfully collected more than 200 tonnes of e-waste since its founding in 2016, preventing toxicity leakage and precious materials wastage.
- OA Organik, a fair trade community enterprise which partners with more than 36 organic farmers by providing capital, training, technology and marketing support.
- Pinkcollar aims to reduce the systemic exploitation of workers from recruitment debt bondage by exercising a zero-placement-fee policy and no salary deductions. It has impacted at least 80 migrant workers in the past and plans to improve job retention in marginalised communities. GoodKids uses performing arts to build confidence among at risk youth from marginalised communities. It plans to increase its empowerment programme through digitalised content.

- HariGaji gives employees financial security and financial freedom through a platform that allows them to access their earned wages early, free of any interest, while promoting good financial habits. It plans to develop an online financial management tool for urban youths belonging to the bottom 40% of households by income (known as B40).
- Edvolution, an education-related social enterprise, created CikguHub, a one-stop online professional development platform for teachers, education leaders and schools. It offers 20 short courses, three online programmes and one tailor-made school solution. Many courses are delivered in the local language to beneficiaries who are predominantly from the B40 category.

Financing terms



The funds received through the SIM Grant are not uniform. An accredited social enterprise could receive up to MYR 500,000 (USD 126,020) in matching grant funds. Non-accredited social enterprises or aspiring individuals/organisations looking to cultivate social innovation could receive between MYR 20,000 (USD 5,041) and MYR 250,000 (USD 63,010). Social enterprises can start the SIM Grant application once they've passed 80% of the crowdfunding target.

Donations via cash or cash grants are also eligible for tax rebates, if the project raises at least MYR 100,000 (USD 25,204) through crowdfunding and has an approved SIM Grant application. Upon approval of the SIM Grant, MaGIC requests tax receipts which will then be sent to the Ministry of Finance for processing. The applicant responsible for the campaign can then issue tax receipts to organisations and individuals who supported the campaign. This gives the donors an extra incentive to donate and to make sure that their money is channeled to sustainable causes that create impact.



Mobilisation potential

The grants were deployed via a 1:1 matching mechanism, providing a minimum of MYR 5,000 (USD 1,260) and up to a maximum of MYR 500,000 (USD 126,020) matching funding per application.



Impact considerations

The 63 social enterprise grant recipients from across nine states were forecast to benefit around 31,500 Malaysians and to deliver an estimated social value of more than MYR 40 million (USD 10 million).

Lessons Learned

Pitfalls to avoid	Success factors
<ul style="list-style-type: none">• Restraining the number of fundraising platforms that can be used• No public communication over the results achieved after project implementation	<ul style="list-style-type: none">• Higher grant tiers used to incentivize social enterprise accreditation.• Tax rebates boosted private donations.• Unsuccessful applicants are redirected into other MaGIC initiatives, namely the Social Impact Challenge Accelerator and the Buy For Impact programme.

Sources:

<https://vulcanpost.com/717524/sim-grant-penjana-magic-cyberjaya-malaysia/>

[MaGIC's US\\$2.4mil Social Impact Matching Grant Open For Application | Digital News Asia](#)

[Total of 63 social enterprises receive RM10 mil under PENJANA's SIM Grant | KLSE Screener](#)