



# Grassroots Business Initiative



## Africa



### Regional Overview

Africa is a key region of focus for the Grassroots Business Initiative (GBI). GBI seeks to identify effective business models that can be scaled up and replicated to stimulate entrepreneurial growth at the grassroots level and develop needs-based product/service offerings, particularly for marginalized communities. GBI provides both funding and technical assistance to promising social enterprises that create sustainable opportunities for the poor in Burkina Faso, Egypt, Kenya, Mali, Mozambique, South Africa, Swaziland and Tanzania, with more to come in the coming year.

Strong initial results have been achieved through clients such as Honey Care, who have expanded their operations to Tanzania; PlayPumps who have replicated their model in Swaziland and Mozambique and are working on an Africa wide expansion strategy; and Gone Rural, who have increased their sales and are looking to expand their export market. Key areas of focus looking forward are scaling up existing clients by increasing their capacity; supporting replication of promising models; increasing focus on wholesale initiatives which will allow GBI to reach an increased number of businesses at the grassroots level; and increasing staff presence in Africa to better support the GBI Africa portfolio. GBI will also continue to work closely with IFC's Africa department and the IFC managed Private Enterprise Partnership for Africa (PEP) to leverage IFC resources for maximum impact.

### Portfolio Overview

Since GBI was established in 2004, it has developed a portfolio of both retail and wholesale project activities and it is considering several new initiatives in various stages of appraisal. An overview of current and pipeline projects in Africa is provided below.

Project	Country	Sector	Loan	Grant	Total
<b>Current Retail</b>			<b>US\$ '000</b>		
Village Artisanal de Ouagadougou	Burkina Faso	Handicrafts		45	45
K-Rep Development Agency	Kenya	Microleasing	100	62.5	162.5
Honey Care Africa Kenya	Kenya	Agribusiness	178	30	208
Honey Care Africa Tanzania	Tanzania	Agribusiness	120	--	120
Sustainable Healthcare Foundation	Kenya	Healthcare	200	50	250
PlayPumps	South Africa/Mozambique /Swaziland	Water		355	355
Streetwires	South Africa	Manufacturing		30	30
Ikamva	South Africa	Handicrafts		90	90
Gone Rural	Swaziland	Manufacturing		216.5	216.5
Siwa Creations	Egypt	Handicrafts	237	--	237
<b>Current Wholesale</b>					
Center for Innovation and Entrepreneurship, University of Cape Town	South Africa	Entrepreneurship		328.5	328.5
Youth and Informal Enterprise Initiative	Kenya/Mali/South Africa/ Nigeria	Entrepreneurship		400	400
Trickle Up	Mali	Entrepreneurship		200	200
Support and Training Entrepreneurship Program	Mali/Burkina Faso	Entrepreneurship		65	65
Business Angel Club	Mali	Entrepreneurship		50	50
West Africa Development Marketplace	West Africa	Entrepreneurship		100	100
Grassroots Finance Initiative	Nigeria	Microfinance		110	110

**Africa Regional Overview**  
**Grassroots Business Initiative**

**Project Descriptions**

***Africa -wide***

**The Youth Enterprise Development Initiative** encourages and facilitates business formation at the bottom of the economic pyramid by improving and providing services delivered to the informal sector and youth entrepreneurs. The initiative scales up existing youth enterprise development initiatives in Africa and promotes the replication of successful models. Implementation of the initiative is taking place in Kenya in close collaboration with the **Kenya Youth Business Trust and Uzima Foundation Africa**; in South Africa in collaboration with the **Nations Trust**; in Nigeria in collaboration with the **Fate Foundation**; and in Mali in collaboration with **Trickle Up**.

***East Africa***

**Honey Care Africa** is a Kenyan social enterprise that empowers subsistence farmers to become high quality honey producers, generally resulting in doubling the farmers' income. Upon providing the farmers with training in commercial bee-keeping, easy access to start-up financing and inventions in beehive technology and harvesting techniques, Honey Care Africa purchases the honey, and packages and sells it on the international market. In FY06, GBI will continue to strengthen the management, production and packaging capacity of HCA and support the enterprise's expansion to Tanzania.

**Sustainable Healthcare Foundation (SHEF)** is a microfranchise network of 65 outlets extending affordable health care and medicines to underserved remote communities in Kenya. The microfranchise model offers local nurses a steady income, allows the network to achieve volume discounts on medicines, and ensures high quality standards in diagnosing and treating patients. GBI works with the SHEF to improve performance through increased marketing efforts and more business training for the franchisees.

**K-Rep Development Agency (KDA)** is a subsidiary company of the K-Rep Group that develops appropriate microfinance products and services to create economic opportunities for low income people. GBI is assisting KDA with strengthening and scaling up KDA's innovative asset-financing product to reach more entrepreneurs in the remote communities of Kenya. To-date the product has been extended to finance beehives, dairy production, fishing gear and irrigation pumps.

***West Africa***

**Village Artisanal de Ouagadougou** is a permanent venue for promotion of handicrafts produced in Burkina Faso. Managed by the Burkina Chamber of Commerce, Industry and Crafts in collaboration with the Luxembourg Agency for Development Cooperation, the Crafts Village aims to be a center of excellence, holding the 400 craftsmen and women currently working in the Village to high quality standards. GBI is focusing on strengthening the operations of the Village as well as marketing its products through the IFC Educational Retail Shop.

**The Support and Training Entrepreneurship Program (STEP)** is a micro-enterprise training and capacity building program targeting low-income entrepreneurs in Mali and Burkina Faso. The STEP Program provides one-on-one consulting services and training through its core of well-trained.

**FATE Foundation**, in Nigeria, aims to foster wealth creation by promoting business and entrepreneurial development amongst Nigerian youth. GBI is working to provide technical assistance, support, and financing for the programs core activities as well as linking FATE with a local MFI to provide loans/start-up capital to graduates of FATE's Aspiring Entrepreneurs Program.

**Business Angel Club Mali** GBI is supporting the recently founded Club Des Investisseurs Maliens de L'Entreprenariat ("CIME"), a Mali Business Angel Club which stimulates the local business community in getting more involved in its country's socio-economic development by empowering young people to make a difference through sustainable income generating activities. CIME provides young, start-up entrepreneurs with advice, mentoring, technical assistance and potential angel funding.

## **Africa Regional Overview** **Grassroots Business Initiative**

**Trickle Up**, in Mali, is part of the global Trickle Up initiative, which provides micro-entrepreneurs with initial seed capital (\$100), basic business development services, business training, and access to savings groups and technical assistance. GBI is supporting Trickle Up's activities in rural areas of Mali, focusing heavily on women and youth/informal entrepreneurs.

**Technical Assistance to Regional Development Fair Winners**, in West Africa, will match 32 micro-entrepreneurs with local consultants for one-on-one business services, support, technical assistance and high expertise to implement their winning projects.

### **Southern Africa**

**The Centre for Innovation and Entrepreneurship (CIE), University of Cape Town, South Africa** provides a comprehensive package of training, mentoring, business development services and micro-loans to promising young entrepreneurs and social enterprises in marginalized communities. GBI is working with CIE to expand its financing and business development services.

**Roundabout PlayPumps** is an enterprise with an innovative solution to lack of access to clean water: a merry-go-round that pumps water into a storage tank as children play! The pumps pump water at much faster rates than any conventional handpump can. Maintenance is ensured through the training of a local micro-entrepreneur, and maintenance costs are recovered through commercial or public awareness advertising featured on the storage tanks. In FY06, GBI will support PlayPumps expansion to Mozambique, Swaziland, Zambia and Uganda.

**Gone Rural** employs more than 700 women in the remote areas of Swaziland to plait high quality homeware products from locally grown lutindzi grass sold to high-end stores in Europe and the United States. Through their engagement with Gone Rural, the women not only gain a steady income, but also access to training and HIV/AIDS awareness workshops. GBI works with Gone Rural to strengthen their management and production capacity, facilitate market linkages and expand their extension services.

**Streetwires** is a South African enterprise that creates wire art for sale on domestic and international markets. The enterprise currently employs over 120 staff who would not otherwise have gainful income. GBI is assisting Streetwires with enhancing their production management, marketing and sales.

**Ikamva Labantu** is one of South Africa's largest NGOs and has more than 15 years experience with helping the poorest obtain income generating opportunities. **Community Creations** is a division of Ikamva that trains disadvantaged and disabled workers in creating handmade products, such as dolls, clothing and greeting cards for sale in South Africa and abroad. GBI is helping to make CC more sustainable.

### **North Africa**

**Siwa Creations** is an initiative of Environmental Quality International (EQI) to increase the economic self-sufficiency of Siwan women through the revitalization of traditional handicraft production. SIWA trains women artisans and provides them with the raw materials and tools to produce clothing and handicrafts that are sold both domestically and internationally under the brand name Siwa Creations. GBI works with EQI to increase production capacity, add new business lines and increase brand recognition and product presence in international markets.

*The Grassroots Business Initiative (GBI) aims to strengthen, scale up and replicate enterprises that empower and engage the poor as entrepreneurs, consumers, employees and suppliers. GBI accomplishes this through providing capacity building and financing to small-scale social enterprises and the intermediaries that support them.*