



Grassroots Business Initiative



East Asia

Regional Overview

The Grassroots Business Initiative (GBI) has started its work in East Asia in close collaboration with the IFC-managed Mekong Project Development Facility (MPDF) in Cambodia and the Program for Eastern Indonesia SME Assistance (PENSA) in Indonesia. The initial projects in this region are therefore located in Cambodia and Indonesia, while expansion to additional countries, such as Lao PDR and Vietnam, will be phased in over the next few years. In preparation for the expansion of activities to additional countries in the region, GBI is creating a regional hub, based in Cambodia, that will coordinate regional initiatives and deliver technical assistance to GBI clients based in this region.

Portfolio Overview

Since GBI was established in 2004, it has taken on several projects from IFC's SME Department's Capacity Building Facility (CBF) and added new projects that were not previously IFC clients. Across all regions, GBI is seeking to achieve a mix of 1) "retail" projects providing support directly to promising small-scale social enterprises, and 2) "wholesale" projects, strengthening and scaling up local institutional capacity to provide appropriate and sustainable services to a greater number of enterprises than GBI can support directly. Below is an overview of current and pipeline projects.

Project	Country	Sector	Loan	Grant	Total
Current Retail			USD '000		
Hagar	Cambodia	Multi-sector	50	105	155
Khmer Silk Processing Association (KSPA)	Cambodia	Handicrafts		7	7
Digital Divide Data (DDD)	Cambodia	Information Technology		414	414
National Center for Disabled Persons (NCDP)	Cambodia	Handicrafts	CBF grant: 20		
Cambodian Health Education Devt. (CHED)	Cambodia	Information Technology	CBF grant: 20		
NYEMO	Cambodia	Handicrafts	CBF grant: 15		
Current Wholesale					
CraftNetwork Cambodia	Cambodia	Handicrafts		375	375
ACLEDA Working Capital Facility	Cambodia	Microfinance		50	50
CraftNetwork – Indonesia	Indonesia	Handicrafts		182	182
Youth Enterprise Development Program	Indonesia	Youth entrepreneurship		96	96
Training Program	Cambodia	Entrepreneurship		4	4
Social Entrepreneurship Investment Council	Indonesia	Entrepreneurship		100	100
Hagar Replication	Nepal/India/Vietnam	Multi-sector		200	200

Current Retail Projects

Hagar is a large Cambodian NGO that has been rehabilitating and reintegrating destitute and trafficked women and their children in Cambodia by providing them with counseling and training to gain tools for self-sufficient living. With earlier support from IFC's CBF and MPDF, Hagar turned several of its donor-funded projects into new for-profit businesses. Hagar Design produces silk products for sale internationally, Hagar Soya produces beverages for the domestic market, and Hagar Catering provides nutritious and affordable meals to factory and hotel workers in Phnom Penh. GBI is currently providing these three businesses with strategic and financial support. In addition, GBI is in the initial stages of replicating the Hagar Anti-Trafficking Model, with the support and collaboration of Hagar, seeking out potential key local partners and organizations in Nepal, India and Vietnam.

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Digital Divide Data (DDD) is a non-profit organization that provides outsourced data services such as data migration, digitization and database management to local and international business and public sector customers. The organization trains and employs disabled people, orphans, and rescued victims of sex trafficking. GBI is currently assisting DDD in expanding its operations and improving its corporate governance.

Current Wholesale Activities

Design and Export Promotion Center - GBI is supporting Design and Export Promotion Centers, in Cambodia (Craftnetwork-Cambodia), and Indonesia (Craftnetwork-Indonesia). The aim of these Centers is to provide design and export marketing expertise to the growing and underserved handicraft producers in Southeast Asia. Both Centers will be assisting a total of 22 GBOs with scaling up handicraft production to accommodate increasing sales demand as well as marketing to international buyers. Assistance to a larger number of GBOs will be provided during the post-pilot stage.

Working Capital Facility with ACLEDA Bank - ACLEDA Bank is Cambodia's leading microfinance bank and an IFC-invested company. GBI, with ACLEDA, has launched a Working Capital Facility that will provide short-term working capital credit-lines to eligible GBOs in Cambodia. The facility will be included in Craftnetwork-Cambodia's service offerings to its member GBOs.

Youth Enterprise Development Program – In partnership with the Indonesia Business Links (IBL) - Young Entrepreneurs Start-Up Program (YES), GBI has developed a technical assistance/capacity building program to support a youth entrepreneurship program in Indonesia. GBI's support will be focused on (1) funding a Business Plan Competition/grants support including development of selection criteria, guidelines and aftercare component for the winners; (2) Technical Assistance to existing and new youth businesses and YES management; (3) Mentorship Program Development, and (4) a monitoring and evaluation system both at the program level and at the beneficiary level.

Management Training for GBOs - GBI is supporting a Training Program to assist various GBOs with HR development requirements. In partnership with the Mekong Private Sector Development Facility (MPDF), GBI utilizes existing training materials that MPDF has developed, working with local trainers to deliver a training program for junior and mid-level managers of partner GBOs. Participants include managers from DDD, Hagar, and member producers of CraftNetwork Cambodia.

Social Entrepreneur Investment Council (SEC) – GBI is in the process of establishing a Business Angel Club in Indonesia (operated through the Social Entrepreneur Investment Council). SEC is comprised of leading businessmen who will provide support to GBOs through mentorship, networking and domestic market linkages. Over time, the SEC will expand its support to include business financing, policy advocacy and others.

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.