Inclusive Business

An approach that creates value for business and opportunity for people at the base of the pyramid

ADVANCING WORLD BANK GROUP GOALS

Inclusive business is an important link between IFC’s 3.0 strategy and its commitment to achieve the World Bank Group’s twin goals of poverty reduction and shared prosperity. The hallmark of the inclusive business approach is its dual focus—achieving both commercial viability and developmental impact.

Companies using inclusive business models create opportunities for base of the pyramid—or low-income and underserved women and men—by integrating them into their value chain as suppliers, distributors, retailers, or customers in commercially viable and financially self-sustaining ways. This approach expands access to quality goods and services, enabling a wide range of impacts that tackle poverty and improve livelihoods.

A LEADER IN INCLUSIVE BUSINESS INVESTING

IFC clients play a key role in catalyzing more inclusive markets. Since 2005, IFC has committed over $18 billion to more than 580 inclusive businesses. Each year, inclusive business investments represent approximately 10 to 20 percent of IFC’s own-account commitments. These investments span the entire IFC investment portfolio, including financial markets, infrastructure, and manufacturing, agribusiness, and services. They also span geographies, including East and South Asia, Latin America, Sub-Saharan Africa, and beyond.

IFC has also incorporated inclusive business into its own funding strategy, mobilizing capital from investors who want low-risk products with high development impact. Through its treasury, IFC issues AAA-rated Social Bonds to fund inclusive business and other high impact projects.

IFC’S INCLUSIVE BUSINESS TEAM

The Inclusive Business team plays a key role in mainstreaming and scaling up inclusive business projects across IFC operations. We do this by:

• Expanding the analytical foundation and building the evidence base, including establishing guidelines, reviewing IFC projects, and analyzing access gaps.

• Supporting clients to increase their inclusion impact, including helping them to better understand base of pyramid markets and identify opportunities to develop or expand their inclusive business model.

• Driving innovation to accelerate inclusive business investment, including piloting solutions with potential to overcome the challenges often faced by inclusive businesses.

• Building the inclusive business ecosystem, including sharing knowledge through in-depth reports and case studies and engaging key stakeholders, such as the G20 and other international and development finance institutions.

INCLUSIVE BUSINESS MODELS

How companies integrate the base of the pyramid into their value chains often depends on their sector. Types of inclusive business models in the IFC portfolio include:

AGRIBUSINESS: Sourcing from and/or selling to small farmers; Offering affordable and nutritious food and beverages

EDUCATION: Teaching or training underserved students

FINANCE: Providing products, such as micro loans or micro insurance

HEALTH: Treating or creating products and technologies for underserved patients

HOUSING: Developing housing or providing mortgages for lower income buyers

ICT: Expanding access to voice, broadband, and other basic technologies

POWER AND WATER: Providing access to basic services through off-grid solutions or grid expansion

FOR MORE INFORMATION:

www.ifc.org/inclusivebusiness

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Creating Markets, Creating Opportunities