

Inclusive Business

Private sector solutions to ending poverty

WHAT IS INCLUSIVE BUSINESS?

Inclusive businesses bring people living at the base of the economic pyramid—those who are poor or underserved—into value chains as suppliers, distributors, retailers, or customers. The dual focus of the Inclusive Business approach—achieving both commercial viability and development impact—fosters opportunity and expands access using private-sector solutions that are sustainable, replicable, and scalable.

WHY IS INCLUSIVE BUSINESS IMPORTANT?

Focusing on IFC's ultimate clients at the base of the pyramid puts the power of the private sector to work to address critical development gaps.

As highlighted by IFC 3.0:

- 2.4 billion people lack basic sanitation
- 2 billion people are unbanked
- 1.2 billion people lack reliable electricity
- 700 million lack access to water services
- 400 million people lack essential healthcare
- 121 million children are not in school

Inclusive businesses work to improve access and opportunity for people at the base of the pyramid, no matter where they live. This focus aligns with the World Bank Group's goals of ending extreme poverty and promoting shared prosperity.

HOW DOES INCLUSIVE BUSINESS SUPPORT IFC 3.0?

IFC 3.0 puts the private sector at the heart of development by creating markets and mobilizing the private sector to achieve development goals. It makes our ultimate clients—the poor and underserved—the focus of our work. Because the Inclusive Business approach focuses on people at the base of the pyramid and emphasizes the creation of inclusive and sustainable markets, it directly supports the objectives of IFC 3.0.



IFC's Achievements in Inclusive Business

A Leading Investor

IFC invests between \$1–2 billion in inclusive businesses annually. Over the past five years, Inclusive Business commitments represented 17 percent of IFC's long-term finance. These investments reach all industries, including financial markets, agribusiness, services, technology, and infrastructure.

Global Knowledge and Expertise

IFC created the G20 Inclusive Business Framework and shares its sector expertise to increase inclusion, maximize impact, and create connections among clients within its global network.

Capital Mobilization

IFC is a leader in the emerging social bond space, having issued nearly \$3 billion in social bonds to fund inclusive projects. IFC also leverages concessional finance windows for Inclusive Business.

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WHAT ARE SOME EXAMPLES OF IFC'S INCLUSIVE BUSINESS INVESTMENTS?

IFC's investment teams are actively building IFC's Inclusive Business portfolio throughout the globe. Some of our successes include the following:

- **Lebanese Association for Development (Al Majmoua).** IFC's partnership with Al Majmoua began in 2014 when it provided the nonprofit microfinance organization a \$2 million loan to expand its portfolio to include more low-income small business owners and female entrepreneurs. In 2017, IFC extended a \$5 million loan to Al Majmoua to support the development of micro-businesses and the small-scale production of goods, targeting both local entrepreneurs and refugees.
- **salauno.** With a mission to end needless blindness in Mexico, salauno provides affordable and accessible eye care to patients of all income levels. IFC's \$2.2 million loan helped salauno expand the reach of its physical network. The company is on track to become Mexico's leading surgical eye care provider and aims to treat 500,000 patients annually.
- **Luminus Technical University College.** In a region faced with high youth unemployment, Luminus provides vocational education tailored to the needs of Jordan's economy. With support from a \$8.8 million IFC loan, Luminus has trained over 40,000 people—including refugees and women—with employment placement rates over 80 percent.
- **Bonne Viande de Madagascar (BoViMa).** With support from the World Bank Group and a \$7 million loan from IFC, BoViMa is building a modern feedlot and slaughterhouse in an impoverished region of Madagascar. The company will buy cattle and source animal feed from a network of approximately 12,000 local farmers, working closely with them to honor traditional practices while introducing modern, sustainable techniques.

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IFC's Inclusive Business Team

IFC has a dedicated team that provides support across the corporation to increase the deal flow and maximize impact in Inclusive Business.

The team:

1. **Provides a framework** for identifying, measuring, and analyzing Inclusive Business impact—including integration with IFC's AIMM system
2. **Supports operational teams throughout IFC** to articulate, improve, and expand their Inclusive Business impact
3. **Offers strategic support to IFC clients** that want to do more in Inclusive Business
4. **Demonstrates IFC's global leadership** in Inclusive Business through knowledge products and external engagement

