

G20 Challenge on Inclusive Business Innovation



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G20 Challenge on Inclusive Business Innovation



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Foreword



Pioneering companies are finding ways to integrate low-income producers and customers into their value chains.

To celebrate the best inclusive business models around the world, the Group of 20 launched the *G20 Challenge on Inclusive Business Innovation*, managed by IFC, a member of the World Bank Group. The competition solicited entries from commercially viable inclusive businesses that show strong development results and are poised to grow within and across markets.

This publication introduces the 15 winners of the competition. It also highlights a number of other interesting cases, which collectively illustrate the growing trend of inclusive business models.

Approximately 4 billion people live at the base of the economic pyramid (BOP). They make ends meet on less than \$3,000 per year in local purchasing power. Beyond low incomes, they depend on informal or subsistence livelihoods and pay a poverty penalty—higher prices for lower-quality goods and services.

Inclusive business models provide an important opportunity for the private sector: to invest in enterprises that include the poor as full economic partners. By using inclusive business models, local companies are boosting income and generating more goods and services for poor people.

Consider a few examples. A large miller in Malawi offers smaller packages of flour for low-income bakers, selling its stock in remote markets through a fleet of vans. An energy company in Colombia identifies customers who have successfully paid off their natural-gas connection fee, then offers to lend them credit for home improvements, schooling, and appliances. A firm in Mexico's low- and middle-income housing market provides affordable housing to more than 5,000 low-income families.

Not only do inclusive businesses bring clean water, electrical power, modern communications, health care, education, housing, and financial services to millions of people who could not reliably access them before, they also represent opportunities for the people at the BOP to engage with the formal economy. These businesses develop new products, services, and methods of retail and distribution that have the potential to revolutionize markets.

On behalf of IFC, I would like to congratulate the winners of the G20 Challenge. These 15 companies reached more than 40 million people living at the base of the pyramid as suppliers, distributors, retailers, or customers in more than 10 countries.

I hope that you find their stories as inspiring as we do and that other companies will follow their example and achieve transformational change for the poor. IFC looks forward to watching these businesses thrive, bringing inclusive business models to the forefront of global business.

A handwritten signature in black ink, reading "N. Stoilkovic".

Nena Stoilkovic
Vice President, Business Advisory Services
IFC

About the G20 Challenge on Inclusive Business Innovation

The G20 Challenge on Inclusive Business Innovation was launched by the Group of 20 and IFC as the implementing agency on November 3-4, 2011, at the G20 Leaders Summit in Cannes, France. The G20 Challenge was launched with the goal of accelerating the growth of commercially viable inclusive business models that expand opportunity and access to essential goods and services for people living at the base of the pyramid (BOP) in developing countries.

From the time of the launch until March 1, 2012, the G20 Challenge accepted applications from inclusive businesses of any size, from anywhere in the world. For-profit businesses with substantial operations in developing nations that reached individuals living at the BOP as suppliers, distributors, retailers, or customers could apply if they demonstrated financial sustainability and had been working with the BOP for long enough to prove their inclusive business model.¹ Of the 291 businesses that began the online application process, 167 businesses completed the process. The content in this publication is self-reported through the companies' applications to the G20 Challenge and follow-up interviews during the evaluation process.

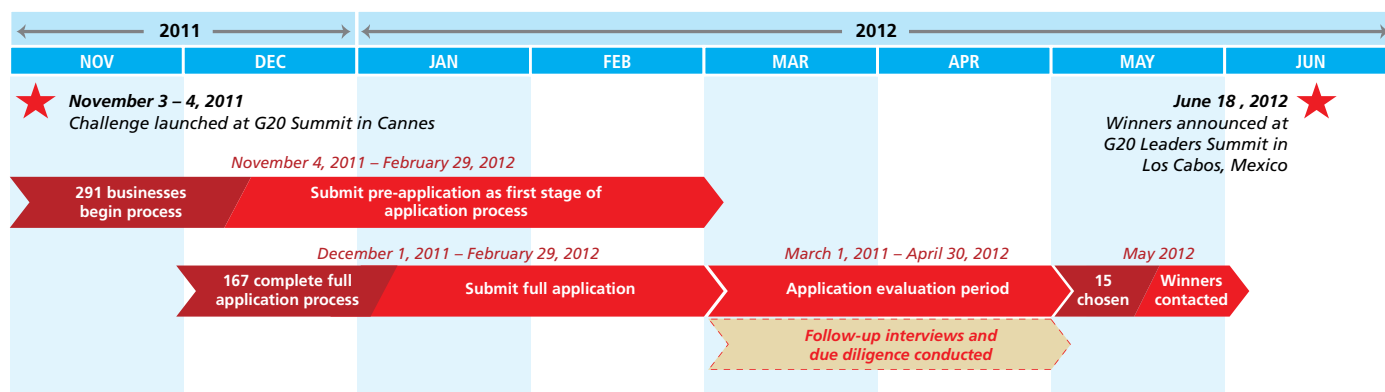
Businesses were evaluated based on five criteria critical to the success of an inclusive business: financial sustainability, development results, innovation tactic, potential for growth and replication, and environmental and social sustainability. Assessment of financial sustainability focused on the financial performance of the business: did its financials indicate the business to be commercially viable? Development results were examined for both breadth and depth: how many people living at the BOP does the business reach and how strongly does the business impact the people it reaches? Evaluation also considered the innovative way in which each business reaches the BOP, each business's potential for growth and the ease with which the model could be replicated in other markets, and

whether or not the business demonstrates environmental and social sustainability.

The judging panel of the G20 Challenge was composed of 12 renowned experts from the private sector, academia, international organizations, and from the G20 itself. Each judge brought a different perspective to the assessment based on her or his own individual experience. Views of judges with accomplished careers in international business were complemented by perspectives of judges from international finance institutions, from the G20, and from academia, where inclusive business is a topic of rigorous study. Each judge assessed applicants individually without input from the others, allowing the 12 perspectives to be aggregated and communicated back to the judges only after they had finished their initial assessments. Based on their aggregate assessments, the judges reached consensus on 15 winners of the G20 Challenge on Inclusive Business Innovation in May 2012.

The 15 winners were invited to the G20 Leaders Summit held on June 18-19, 2012, in Los Cabos, Mexico, where they were honored at an awards ceremony on June 18, 2012. The winners operate in five regions and eight sectors, reflecting the strong diversity in the pool from which they were drawn.

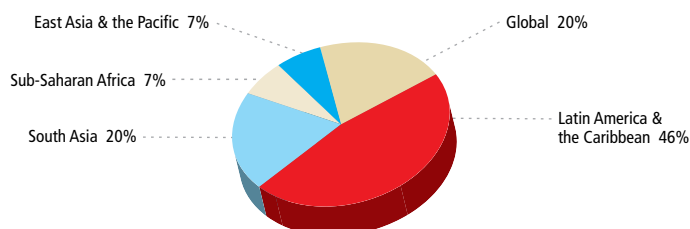
The winners will be invited to a series of G20 workshops where they will strengthen their inclusive business relationships in a business-to-business forum. The regional workshops, organized by the G20 and with the generous additional support from the United Arab Emirates and in cooperation with the Siemens Stiftung (Foundation), will focus on the challenges that businesses face when replicating their business models in other countries. The first workshop will take place in Berlin in September 2012.



¹ To be eligible for the G20 Challenge on Inclusive Business Innovation, a business or subsidiary needed to be founded and working with the BOP before June 30, 2009. Businesses further needed to: i) not be a microfinance institution, private equity fund, or deposit-taking institution; ii) operate outside the sectors of oil, gas, and mining; and iii) not produce or trade in alcohol, tobacco, gambling, or weapons.

WINNERS' STATISTICS

Winners' Region



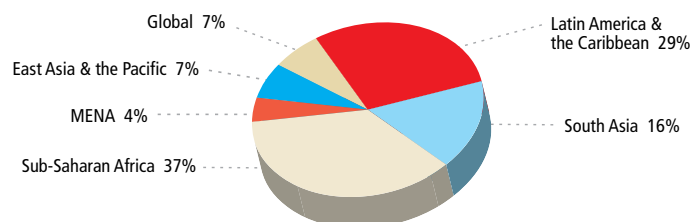
Note: Two global companies have operations in both Latin America & the Caribbean and Sub-Saharan Africa. The third global company operates in South Asia, the Middle East & North Africa, Latin America & the Caribbean, and Sub-Saharan Africa.

Winners' Sector

Sector (applicants could select multiple)	Number of winners
Agriculture	5
Finance	3
Health and education	3
Retail	2
Water	2
Housing	1
Telecommunications	1
Dairy foods	1

APPLICANTS' STATISTICS

Applicants' Region



Note: Statistics of 167 companies that completed full application process.

Applicants' Sector

Sector (applicants could select multiple)	Total
Agriculture	63
Finance	15
Health and education	24
Retail	24
Utilities - energy, water, sanitation, etc.	4
Housing	10
Telecommunications	14
Transportation	3
Other	62

"Other" includes the following self-reported sectors: Energy, water, electronic payments, dairy foods, retail distribution, insurance, vocational training, solar lighting, information technology, recycling, sanitation, forestry, and tourism.

JUDGING PANEL

The judging panel was composed of 12 renowned experts from the private sector, academia, international organizations, and from the G20:

Aigboje I. Aig-Imoukhuede, Group Managing Director and Chief Executive Officer, Access Bank Plc

Ibrahim M. I. Alturki, Alternate Executive Director for Saudi Arabia, The World Bank; Co-facilitator of the G20 Development Pillar on Private Investment and Job Creation

Georgina Baker, Director, Trade and Supply Chain, IFC

Armin Bauer, Principal Economist, Asian Development Bank

Michael Chu, Senior Lecturer, Initiative on Social Enterprise, Harvard Business School

Susanne Dorasil, Head, Economic Policy; Financial Sector Division, German Federal Ministry for Economic Cooperation and Development (BMZ); Co-facilitator of the G20 Development Pillar on Private Investment and Job Creation

Bernard Giraud, Co-founder and President, Livelihoods Fund and Livelihoods Venture (Danone)

Luiz Ros, Manager, Opportunities for the Majority, Inter-American Development Bank

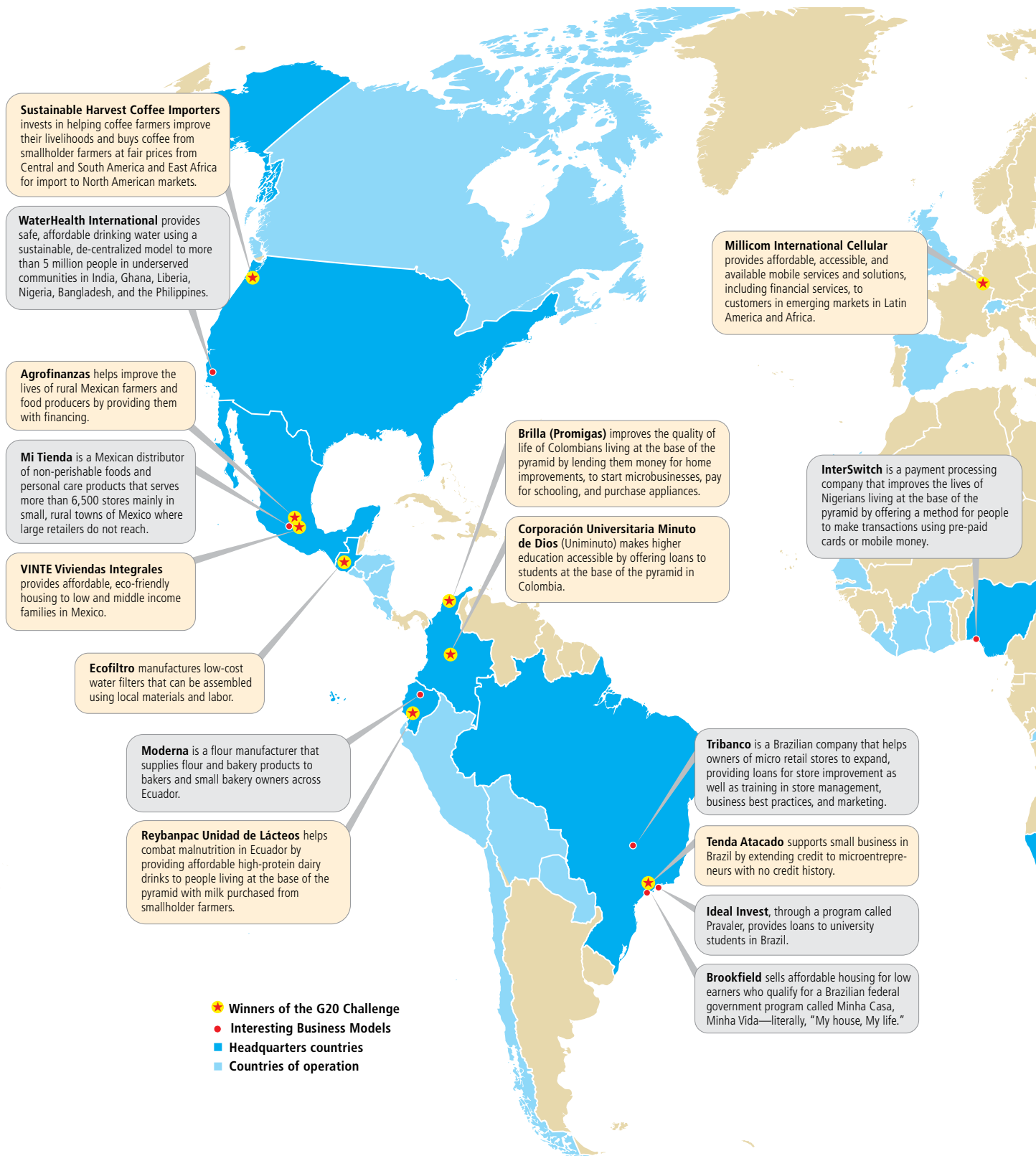
Victor Manuel Rivera Sandoval, Head, General Office of Business Information Management, Under Ministry for Small and Medium Enterprises, Mexican Ministry of Economy; Representing Mexico as the current Chair of the G20 and host of the June 2012 Leaders Summit

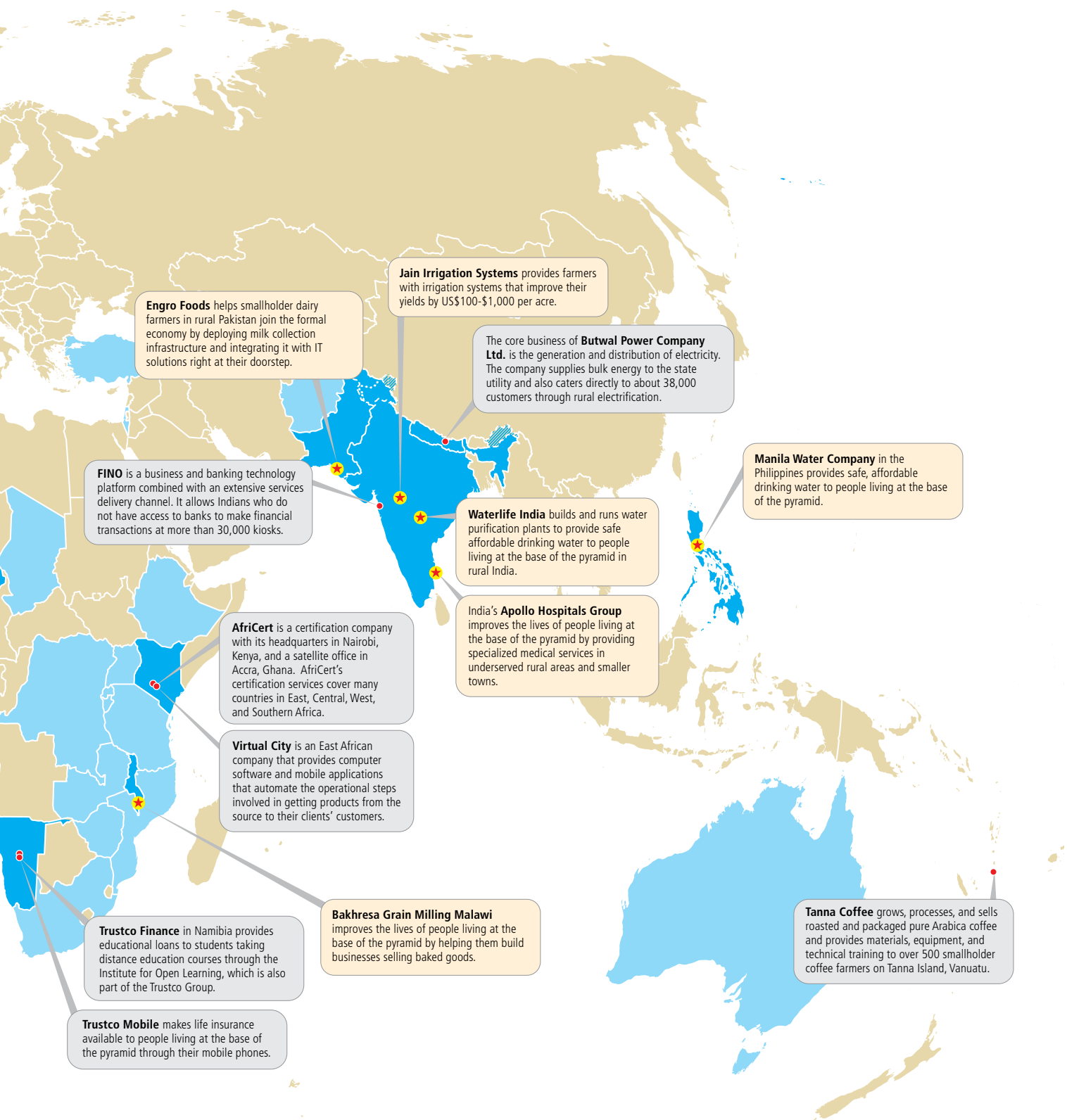
Yasuyuki Sugiura, President & CEO, Mitsubishi International Corporation

Tim Turner, Director, Private Sector and Microfinance Department, African Development Bank

Bharat Wakhlu, Resident Director, Tata Group

Highlights from the G20 Challenge





Agrofinanzas



“ *Agrofinanzas helps improve the lives of rural Mexican farmers and food producers by providing them with financing.* ”

COMPANY INFORMATION

★ Headquarters

Mexico

Countries of operation

Mexico

Year founded

2005

Annual revenue

US\$10.7 million

Employees

26-100

Sector

Agriculture, Finance

COMPANY HISTORY

Agrofinanzas was founded in 2005, when the Esteve family, majority shareholders in ECOM, an international company that trades soft commodities, spun off the supplier financing division of their Mexican subsidiary. Since then, Agrofinanzas has grown and spread, and today serves more than 6,500 clients in 21 Mexican states.

WHO THEY ARE

Agrofinanzas is a non-deposit taking financial institution that provides financing to farmers and food producers in Mexico. Agrofinanzas' clients produce 25 commodities, including sugar cane and sugar, corn, wheat, sorghum, cotton, coffee, cocoa, poultry, pork, and beef, and more than 80 percent of them have never received financing before.

Before Agrofinanzas, these small producers had trouble obtaining financial services for several reasons. First, they didn't have credit histories and there was little financial information available about them. Before Agrofinanzas entered this market, food distributors and processors used their own credit lines to finance individual food producers. Since banks were never involved directly with producers, they never received information about them. The producers also didn't have much collateral to offer, and because the scale of production was small, banks questioned their commercial viability. Finally, the transaction costs in originating and collecting loans were high.

As a result of all these factors, these small producers not only had trouble finding financing—many of them didn't have access to any financing at all. If they did manage to obtain financing, it was through the processor buying their production, making them highly dependent on their purchaser.

HOW THEY REACH THE BOP

Agrofinanzas changes all that, financing supply and distribution chain producers on an individual basis using a profit-and-risk-sharing agreement. These producers get financing at competitive interest rates competitive with those offered by processors and distributors, and far lower than those offered through microfinance institutions. Agrofinanzas also sends information to the national credit bureau on its clients' credit behavior.

AGROFINANZAS' IMPACT

Partnering with Agrofinanzas not only supplies smallholders with capital, but also helps them build a credit bureau history that can be verified by a formal financial intermediary. As a result, Agrofinanzas' clients become free to form a relationship with a formal financial institution, giving them access to services many have never enjoyed before, such as checking and savings accounts, personal loans, and insurance services. A recent poll showed that 35 percent of Agrofinanzas' BOP clients experienced an improvement in their standard of living as a result of Agrofinanzas' services.

LINKS AND RESOURCES

Official website <http://www.agrofinanzas.com/> (Spanish)

Products offered http://www.agrofinanzas.com/index_archivos/Page319.htm (Spanish)

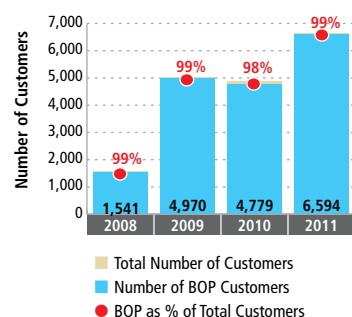
GEOGRAPHY/EXPANSION

Agrofinanzas has grown dramatically in the past few years and is now serving 21 Mexican states, with more than 6,500 clients in 25 commodities. Ninety percent of Agrofinanzas' clients are in rural areas, earning an average income of less than US\$13,850 per year.



KEY DEVELOPMENT RESULTS

For Agrofinanzas' development results, BOP customers are defined as having an income of less than US\$38 per day. Of Agrofinanzas' BOP customers, 90 percent live in rural areas and 10 percent live in urban environments.



“Agrofinanzas' loan portfolio has doubled since 2008 to reach US\$100 million in 2011.”

“It's a very secure business. We have 100 percent recovery on these loans.”

—Francisco Mere, CEO

Among Agrofinanzas' clients are a group of strawberry farmers in rural Mexico who have historically had very little access to basic services. Before receiving loans from Agrofinanzas, these farmers had no channel through which to market their harvest, and were forced to sell their strawberries on the road.

Today, thanks to Agrofinanzas, these farmers now sell their produce to one of Mexico's largest marmalade and juice processing companies, which in turn supplies a large food products company.

Part of Agrofinanzas' model is to connect rural producers with larger companies in the agribusiness supply chain. The farmers and the companies agree on a price in advance at the beginning of the cycle. Making agreements to sell to large companies means the farmers always have a buyer for their harvest. More importantly, with the selling agreement in place, Agrofinanzas can predict how much the farmers will make from the harvest—and can finance them with minimal risk.

The process of assessing risk and deciding whether to make a loan is different for a small producer than it is for a large company. In the case of strawberry farmers, financing is arranged using crop insurance. To determine the likelihood of recovering the loans, Agrofinanzas selects promising producers and assesses their commitment to produce and sell to the large food products company. To date, Agrofinanzas' loans to strawberry farmers have had a zero default rate.

Apollo Hospitals Enterprise Limited



COMPANY INFORMATION

★ Headquarters

India

Countries of operation

India

Year founded

1979

Annual revenue

~US\$2.44 million for one Reach hospital (figure for the Apollo Reach hospital in Karimnagar)

Employees

>1,000

Sector

Health and education

COMPANY HISTORY

Apollo started in 1979 as a 150 bed hospital and launched its Reach hospital system in small towns and rural areas in 2008. Since then, Apollo has grown as India itself has emerged as a major hub in global healthcare. Today, Apollo Hospitals Group runs 54 hospitals with more than 8,500 beds, as well as 1,200 retail pharmacies.

AWARDS

Apollo hospitals have received a number of industry awards, including:

- Best private sector super-specialty hospital
- Best multi-specialty hospital in India
- Best super-specialty hospital in emergency care
- Best private sector hospital in India

“India's Apollo Hospitals Group improves the lives of people living at the base of the pyramid by providing specialized medical services in underserved rural areas and smaller towns.”

WHO THEY ARE

Apollo Hospitals Group is a healthcare organization that owns and manages a network of hospitals and medical facilities in India. In addition to running 54 hospitals with more than 8,500 beds, Apollo owns and operates clinics, diagnostic centers, and retail pharmacies, and provides healthcare management, consulting, education, training, and telemedicine services to Indians of all income levels. Since 2008, the Apollo Group also operates a network of “Reach hospitals,” smaller satellite facilities that operate in underserved regions and offer limited services at discounted rates to people living at the base of the pyramid.

More than 25 percent of families in India live at the base of the pyramid, spending less than US\$70 a month on goods and services. Many of their basic needs go unmet, and they have little access to clean water, financial services, and education.

More than 85 percent of these BOP families live outside major cities. Unfortunately, most tertiary healthcare facilities in India are located in major metropolitan areas—meaning that most Indians living at the base of the pyramid have little or no access to specialized healthcare services.

HOW THEY REACH THE BOP

Apollo's Reach hospitals were created to bridge that gap, making specialized healthcare available to people at the base of the pyramid. Reach hospitals operate in less-developed population centers—known as Tier II cities—and offer medical care at rates 20 to 30 percent cheaper than do other major hospitals. Within Reach hospitals, low-income care is subsidized by services sold to high-income patients living in the same area.

The Apollo Reach hospital in Karimnagar was chosen by Apollo Hospitals Group to represent its model in the G20 Challenge.

APOLLO REACH'S IMPACT

Every Apollo Reach hospital houses 150 to 200 beds, 40 intensive care unit beds, and five operation theaters, and provides specialized services such as cardiology, oncology, radiology, neurosurgery, video endoscopy, as well as blood bank; check-up; complete lab; dental; ear, nose, and throat; and eye care services. Apollo Reach hospitals also offer emergency air ambulance services for life-threatening emergencies in remote areas.

Finally, Apollo Reach hospitals offer telemedicine and mobile healthcare services, allowing patients to communicate with specialist doctors via phone or Internet video-chat. This means that people living in rural or semi-rural areas no longer have to travel long distances and wait for weeks to get a second opinion from a specialist doctor, but can instead consult with doctors, receive health alerts, and receive disease management electronically.

LINKS AND RESOURCES

Official website	http://www.apollohospitals.com/initiatives_reach.php
Overview	http://www.apollohospitals.com/about_company.php
Recent news	http://www.apollohospitals.com/news.php

Apollo Hospitals Enterprise Limited

GEOGRAPHY/EXPANSION

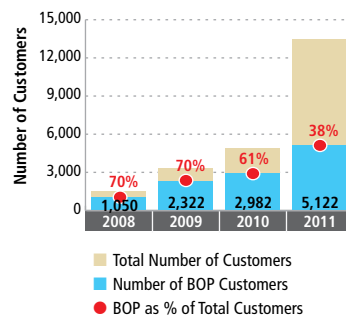
Reach hospitals are able to provide affordable medical services to people living at the base of the pyramid by taking advantage of the lower costs in rural and semi-rural areas. In such areas, the cost of manpower, land, and operations is much lower than it is in large cities. Real estate can be acquired at reasonable prices, and medical and paramedical staff can be paid almost 30 percent less. As a result, overall project cost can be 20 to 25 percent lower, allowing Apollo to provide affordable care while still earning an attractive return on invested capital. Apollo plans to expand their chain of Reach hospitals throughout rural India, offering services like cardiology, cardiothoracic surgery, orthopedics, neurosurgery, and emergency and trauma care.



“ Since 2008, Apollo has established three Reach hospitals treating over 5,000 people. ”

KEY DEVELOPMENT RESULTS

Apollo's development results figures sum the number of BOP customers at three Apollo Reach hospitals in Karimnagar (Andhra Pradesh), Karur (Tamilnadu), and Bhubaneswar (Orissa). Apollo defines BOP customers as those who spend less than US\$70 per month on goods and services.



Bakhresa Grain Milling Malawi Ltd.



“BGM improves the lives of people living at the base of the pyramid by helping them build businesses selling baked goods.”

WHO THEY ARE

Bakhresa Grain Milling (BGM) Malawi is a flour producer that sells packaged wheat flour to commercial bakeries, small bakeries, retailers, and supermarkets in sealed packages of 5 to 50 kg. BGM Malawi is part of The Bakhresa Group, a corporation that operates food, transportation, and logistics businesses in Tanzania, Malawi, Uganda, Kenya, Zambia, Rwanda, and Mozambique.

HOW THEY REACH THE BOP

Much of the population of Malawi consists of people living at the base of the pyramid in small towns and rural areas where basic amenities like electricity are scarce. They live off the land and have no access to transportation because they lack the money to travel. As a result, flour and other goods are not very available in these areas—and when they are, they are often prohibitively expensive.

BAKHRESA'S IMPACT

BGM seeks to improve the livelihoods of these people by supplying them with affordable flour and by helping them to launch small bakery businesses. BGM targets people at the base of the pyramid in several ways. First, it offers its flour in small packages of 5 to 10 kg, which makes it easy for small BOP retailers to buy. Flour is sold in sealed packages, rather than in bulk, giving customers confidence in its quality. BGM uses vans to reach remote rural areas and distribute its products to bakeries, women selling home-baked goods in remote areas, and branch sales offices.

Most important, BGM helps individuals, many of whom are women, launch their own microbusinesses, offering training programs and workshops on the business of how to sell doughnuts, scones, and mandasis, small balls of fried dough. It trains them in bookkeeping and sales and offers workshops on how to use, store, and market flour and bread products. By teaching them how to run a business selling home-cooked baked and fried bread products, BGM empowers these women to make their own living in a dignified way.

COMPANY INFORMATION

★ Headquarters

Malawi

Countries of operation

Malawi

Year founded

2003

Annual revenue

~US\$52.1 million

Employees

101-1,000

Sector

Agriculture

COMPANY HISTORY

The Bakhresa Group started humbly, as a small family restaurant near the port city of Dar Es Salaam, Tanzania, in the 1970s. Since then, its operations have spread to Zanzibar, Uganda, Kenya, Malawi, Zambia, and Mozambique. Today, the company brings in US\$300 million in revenue and employs more than 2,000 people. BGM Malawi was launched in 2003.

LINKS AND RESOURCES

Official page	http://www.bakhresa.com/bakhresa-group/group-companies-list.php
Bakhresa Group news	http://www.bakhresa.com/bakhresa-group/news.php

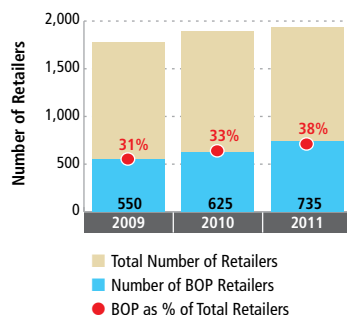
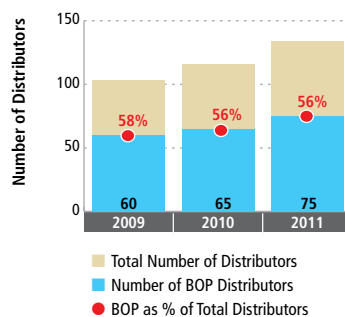
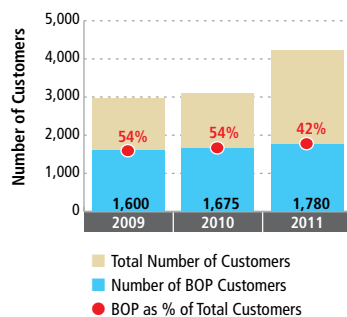
Bakhresa Grain Milling Malawi Ltd.

GEOGRAPHY



KEY DEVELOPMENT RESULTS

Development results figures are estimated based on the number of small-size packages of flour bought and sold. Small-size packages of flour are those preferred by BOP shop keepers and customers because they are within BOP customers' price range. The number of BOP customers includes microenterprise bakeries as well as indirect end customers who purchase flour from BOP retailers. Approximately 10 to 15 percent of small retailers and artisan bakeries are covered through direct distribution, with the remainder purchasing from intermediaries.



“BGM's revenues grew at a compound annual growth rate of 15 percent from 2008 to 2010.”

“As Mary Chibweya learned, running a bakery business like those that Bakhresa supplies can bring pride to women whose former professions put them at risk of abuse.”

—Adapted from “Fish for Sex in Nkhotakota” by Joseph Scott

Mary Chibweya lives in Lozi Village, a community on the shores of Lake Malawi that exists at the very base of the pyramid. When her husband abandoned her, leaving behind five children, she wasn't left with many options. She had no income and no way to clothe or feed her children. At first she tried collecting firewood in the nearby forest to sell to local fishermen. But she didn't earn enough from selling firewood to survive. To get by, she began having sex with fishermen in exchange for fish—which put her at risk of contracting HIV and sometimes resulted in her being beaten.

After hearing about Mary and other women in the same plight, aid organizations decided to help them launch a business selling bread and scones. They provided them with seed money and trained them in business skills. Today, Mary earns enough money selling baked and fried bread products to take care of herself, feed her family, and send her children to school.



Brilla, a program of Promigas



COMPANY INFORMATION

★ Headquarters

Colombia

Countries of operation

Colombia

Year founded

2007

Annual revenue

~US\$30.6 million

Employees

26-100

Sector

Finance

COMPANY HISTORY

Brilla began as an unbranded non-banking finance program in 2007. In December 2007, the Brilla brand was created and launched with a marketing campaign. To take advantage of the loyalty and trust natural gas users had towards the local distribution companies in the regions where Brilla operates, Promigas and the distribution companies publicly endorsed the new Brilla brand name.

In 2009, Brilla began helping people buy computers, which today is one of Brilla's bestselling products at 24 percent of total sales last year. In 2010, it began offering microinsurance. In 2011, Brilla formed alliances with strategic service providers, expanding to new markets and offering more educational loans, including loans of \$272,000 dollars to 642 students.

“Brilla improves the quality of life of Colombians living at the base of the pyramid by lending them money for home improvements, to start microbusinesses, pay for schooling, and purchase appliances.”

WHO THEY ARE

Promigas is an energy holding company in Barranquilla, Colombia. In addition to its own operations, it has investments in 18 other companies in the natural gas transmission and distribution, power distribution, and telecommunications sectors in Colombia, Perú, and Panamá. Approximately 87 percent of Promigas residential natural gas customers belong to the country's lowest income strata. When Promigas started in the natural gas business, it realized that most of its target customers lacked steady jobs and that the gas connection cost, at US\$500 or three times the monthly income for these families, would be a barrier to market penetration.

Promigas and its local distribution companies decided to offer customers alternative financing to cover installation costs for up to 72 months so that people living at the base of the pyramid could receive natural gas. This worked well for both customers and Promigas. But as market penetration increased and more and more customers paid off the cost of installing their gas lines, Promigas began looking for other sources of revenue.

A company survey found considerable demand among Promigas customers for financing for home improvement goods such as flooring, house appliances, and computers, and for credit to pay school fees. Many of Promigas' customers lacked basic amenities such as cement floors, beds, refrigerators, and stoves, and since they were living at the base of the pyramid, most of them had no access to formal banking. The only way for them to borrow money was through informal lenders who charged up to 240 percent annual interest.

HOW THEY REACH THE BOP

Promigas decided to offer a new program, Brilla, which takes advantage of one of Promigas' most valuable assets: detailed information about the payment habits of its 2 million clients. In financing the installation fees for its customers' natural gas lines, Promigas accumulated detailed database records about their customers' billing history and payment habits. With this information, they assigned customers "natural credit scores," identifying people who were low credit risks—customers who had consistently paid their gas bill on time—and began to offer them financing to purchase other items to improve their quality of life.

Once customers pay off their US\$500 installation fee, they qualify for Brilla and are able to request credit for various products. Money lent through Brilla never reaches the customer directly, but appears in the form of a certificate that customers can redeem for a product in a certain store.

BRILLA'S IMPACT

Of its 2.5 million customers, Promigas has now provided Brilla funding to more than 600,000 borrowers (cumulatively since inception). Promigas considers Brilla one of its most important programs, not only because it helps improve the quality of life of people living at the base of the pyramid, but also because it is profitable, which means it can be sustained over time.

Brilla, a program of Promigas

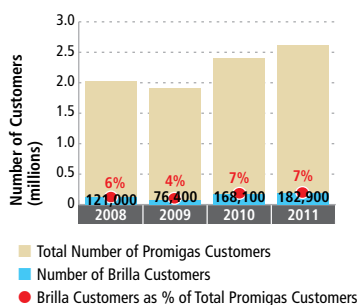
GEOGRAPHY/EXPANSION

Today Brilla operates throughout Colombia, including Atlántico, Magdalena, Cesar, Guajira, Sucre, Córdoba, Bolivar, Valle del Cauca, Quindio, Caldas, and Risaralda.



KEY DEVELOPMENT RESULTS

Promigas defines BOP families as living on less than US\$268 per month.



“Brilla has inspired an economic ripple effect, creating 1,000 new jobs within Promigas and its suppliers and retailers.”

“The success of Brilla demonstrates that its BOP customers repay their debt on time when entrusted with credit.”

The success of Brilla demonstrates that people living at the base of the pyramid behave responsibly when trust is placed in them. Brilla helps welcome people living at the base of the pyramid into the financial system by creating a business relationship with them rather than providing charity. To date, Brilla has provided US\$300 million in loans, of which only 1.28 percent are more than 60 days past due.

Some customers asked for loans to buy computers for their children to help encourage their children to stay home, where it is safe, rather than playing outside. Others wanted to purchase appliances for their home or to start microbusinesses. Some people, for instance, purchased sewing machines to create clothing to sell. Others purchased refrigerators to use to sell cold juice. One woman purchased a cart with a washing machine in it and earned money by going from house to house washing people's clothes.

LINKS AND RESOURCES

Official website	http://www.promigas.com/wps/wcm/connect/web_content/NeoPromigas/Inicio (Spanish) http://www.promigas.com/wps/wcm/connect/NeoPromigas/English (English)
Description of Brilla launch	http://www.promigas.com/wps/wcm/connect/Web_Content/promigas/english/more+links/press+room/news/comunicado+informe+anual+ingles-2008 (English)
Publications	http://www.promigas.com/wps/wcm/connect/web_content/NeoPromigas/Informese/Publicaciones/ (Spanish)

Corporación Universitaria Minuto de Dios



“ Uniminuto makes higher education accessible by offering loans to students at the base of the pyramid in Colombia. ”

WHO THEY ARE

Corporación Universitaria Minuto de Dios (Uniminuto) is a university with 60,000 students on 42 sites throughout Colombia, as well as a distance education program for students in remote areas. Students typically come from the three lowest of the six socioeconomic segments defined by the Colombian government, and most of the sites are located in low-income neighborhoods. Almost two-thirds of Uniminuto's students are women, a point of particular pride since many of the campuses are in areas where women have not previously had access to higher education.

HOW THEY REACH THE BOP

To make education more accessible to people at the base of the pyramid, Uniminuto seeks out local public and private partners to help lower tuition fees and works with the government of Colombia to offer long-term student loans to people at the base of the pyramid. Tuition costs BOP students between US\$400 and \$1400 per semester, which are subsidized prices, and through its financing, Uniminuto requires students to pay just US\$100 to \$200 per month. Uniminuto's 42 sites are spread throughout low-income neighborhoods in cities, small towns, and jungle settlements. Only 28 percent of students attend weekday classes—33 percent take evening programs and another 39 percent are enrolled in distance and virtual education. Most of the students work while they study. Uniminuto offers academic programs according to the needs of each region. About half of Uniminuto's students attend technical and technological (three-year) programs and the rest attend professional programs.

UNIMINUTO'S IMPACT

The university benefits people living at the base of the pyramid not only by lending them the money to go to a high-quality school, but also by encouraging its students to volunteer in low-income communities, requiring social work for graduation. Most importantly, by demonstrating that there is a need for low-cost higher education, Uniminuto has inspired other institutions to adopt the same model.

COMPANY INFORMATION

★ Headquarters

Colombia

Countries of operation

Colombia

Year founded

1992

Annual revenue

~US\$41.5 million

Employees

>1,000

Sector

Health and education

COMPANY HISTORY

Uniminuto was founded in 1992 by the Corporación El Minuto de Dios, the nonprofit Center Minuto de Dios, and the Congregation of Jesus and Mary. Its civil engineering program began in 1992, and its communication program and journalism program in 1993.

LINKS AND RESOURCES

Official website	http://portal.uniminuto.edu/ (Spanish)
Recent news	http://portal.uniminuto.edu/index.php/component/seyret/?task=allvideolist (Spanish)
Recent media coverage	http://portal.uniminuto.edu/index.php/actualidad/uniminuto-en-medios.html (Spanish)
Publications	http://portal.uniminuto.edu/index.php/multimedia/publicaciones-uniminuto.html (Spanish)

Corporación Universitaria Minuto de Dios

GEOGRAPHY/EXPANSION

Uniminuto expects to have more than 110,000 students by 2018.

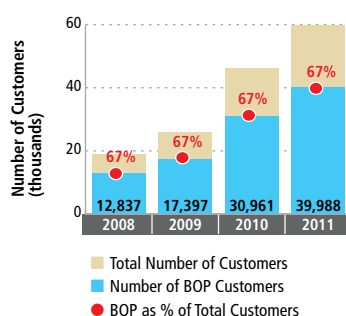


“ By demonstrating that there is a need for low-cost higher education, Uniminuto has inspired other institutions to adopt the same model, oriented to improve education according to the country needs and its development objectives. ”



KEY DEVELOPMENT RESULTS

Uniminuto estimates that two thirds of their customers, or nearly 40,000 students in 2011, live at the base of the pyramid. On average, students' household income is approximately US\$500 per month at the time of their registration.



“ In the past ten years, Uniminuto has gone from a university with a single campus of 2,000 students to almost 60,000 students on 42 sites. ”

Ecofiltro



COMPANY INFORMATION

★ Headquarters

Guatemala

Countries of operation

Guatemala

Year founded

2009

Annual revenue

~US\$744,000

Employees

26-100

Sector

Water

COMPANY HISTORY

The Ecofiltro was first invented in 1981 but was not widely manufactured for many years. Ecofiltro began as a foundation that relied solely on grants and donations to function. But Ecofiltro's NGO partners purchased filters erratically, and Ecofiltro struggled to survive until it became an inclusive business. In 2007, after a World Vision program helped kick start distribution, the brand took off. In 2011, Ecofiltro built a new factory to expand its annual production capacity from 25,000 filters per year to 120,000.

“Ecofiltro manufactures low-cost water filters that can be assembled using local materials and labor.”

WHO THEY ARE

The Ecofiltro is a safe, inexpensive, and ecologically friendly clay filter used to purify contaminated drinking water that can be assembled using local materials and labor.

The filter is composed of three materials: clay, sawdust, and colloidal silver, and it can easily be produced in any developing country. The filter's pores are large enough to allow water through but small enough to trap bacteria, parasitic cysts, and fecal residues. The filter also eliminates smell and color and keeps water refreshingly cool. It is highly portable, and since it is manufactured from local materials, it is also inexpensive.

HOW THEY REACH THE BOP

Most Ecofiltro customers had no access to clean water before Ecofiltro arrived in their homes. Since they survive through their own farming or seasonal work at local coffee and sugar plantations, getting intestinal infections from contaminated water posed a serious risk to their livelihoods.

ECOFILTRO'S IMPACT

When a family begins using an Ecofiltro in their home, they use less firewood (since they no longer have to boil water) and spend less on medicines (to treat intestinal infections from contaminated water). Since children are drinking clean water, they get sick less often and spend more time in school—and parents spend more time at work.

Ecofiltro's value proposition for urban customers is also clear. The average urban family in Guatemala spends more than \$200 a year on bottled water. Ecofiltro's product provides abundant filtered water for only \$35. Ecofiltro sells upscale filters to urban consumers at a profit (pictured), which allows them to sell filters in rural communities at a subsidized rate, as well as donating filters to schools and hospitals.

Ecofiltro also creates employment opportunities directly, running a factory where it employs 33 people from rural communities, providing housing and food, teaching employees to read and write, and paying them over three times what they were making before. Ecofiltro also employs women who had no income prior to Ecofiltro, training them as saleswomen and sending them out with catalogues to go door-to-door and sell and distribute Ecofiltros to customers living at the base of the pyramid.

LINKS AND RESOURCES

Official website	http://www.ecofiltro.org/ (Spanish) http://www.ecofiltro.org/en (English and Spanish)
Product video	http://www.ecofiltro.org/documental-institucional-0 (Spanish)
Testimonials	http://www.ecofiltro.org/testimonios-0 (Spanish)

GEOGRAPHY/EXPANSION

In the past three years, Ecofiltro has sold over 53,000 filters benefitting more than 300,000 people. Ecofiltro sales increased by 50 percent last year, and its profitability more than tripled over the prior year. Its client base now includes 10 NGOs and 326,000 BOP customers reached through eight distributors and 73 door-to-door saleswomen. Whereas an earlier facility produced only 20,000 filters a year, a newly opened plant has the capacity to produce 120,000 filters a year.

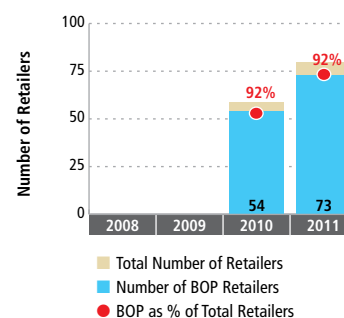
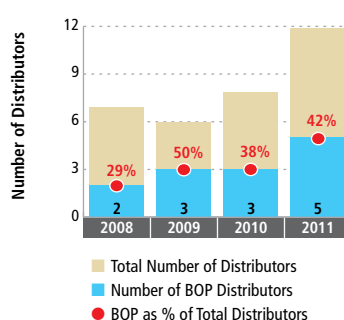
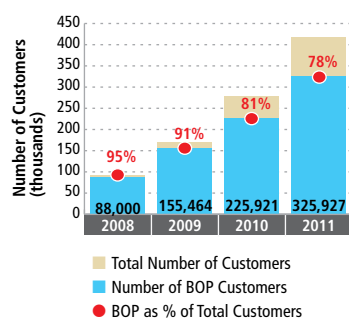
Ecofiltro sold US\$750,000 in filters in 2011 and expects to sell US\$2.5 million in 2012.

“The Ecofiltro model can be replicated in any developing country.”



KEY DEVELOPMENT RESULTS

Ecofiltro has 326,000 BOP customers reached through 73 door-to-door saleswomen.



“Ecofiltro has recently expanded its production capacity to catch up to the high demand for its filters.”

Engro Foods Limited



COMPANY INFORMATION

★ Headquarters

Pakistan

Countries of operation

Afghanistan, Pakistan

Year founded

2004

Annual revenue

~20.9 billion PKR

Employees

>1,000

Sector

Dairy foods

COMPANY HISTORY

Engro Foods Limited was launched in 2004 as a fully-owned subsidiary of Engro Corporation Limited, one of Pakistan's largest conglomerates, with seven businesses that include chemical fertilizers, PVC resin, a bulk liquid chemical terminal, industrial automation, power generation, commodity trade, and of course, foods. Engro Foods began in dairy, then expanded to other areas of the food business. The company has processing plants in Sukkur and Sahiwal, and an ice cream factory in Sahiwal. The company also owns and operates a dairy farm. More recently, the company has also entered into the international market. Its first venture has been to acquire a halal foods business, Al Safa Halal, Inc. (Al-Safa) in North America.

“Engro helps smallholder dairy farmers in rural Pakistan join the formal economy by deploying milk collection infrastructure and integrating it with IT solutions right at their doorstep.”

WHO THEY ARE

Engro Foods Limited is a foods company in Pakistan that manufactures, processes, and sells dairy products, juices, ice cream, and frozen desserts. Since the company's core business is dairy, procuring milk is one of its most important activities. Pakistan's dairy sector is large, with more than 67 million dairy animals. But the spread of dairy in Pakistan is different from that of other milk-producing countries, where most milk is produced at very large farms. In Pakistan, the millions of dairy animals are dispersed across hundreds of thousands of square kilometers with very small individual farm size.

Most of Pakistan's 8 million farming households live at the base of the pyramid, and the average household owns between two and five animals. Their dairy yields are low, due to primitive farming methods, lack of technical skills, weak feeding patterns, and lack of health services for the animals. More than 97 percent of smallholder farmers live in rural areas where they have no access to markets where they can sell their milk. When they sell their milk, they are often subject to exploitation by middlemen, unjust pricing, and payment delays. As a result, smallholder farmers often raise cattle only for their own consumption in “back yard farming” rather than considering it a viable commercial business.

HOW THEY REACH THE BOP

Engro has tried to change the game by buying milk from these small suppliers. Engro has done this by establishing milk procurement infrastructure in deep rural Pakistan and using a management information system to manage its procurement through GPRS-powered mobile devices. The company has more than 1,000 locations to which farmers can walk in and bring their milk to sell to Engro. The milk is then collected by a fleet of more than 250 vehicles and moved to milk processing plants. Dairy farmers are paid for their supply on a weekly basis and supported by a field force of over 1,500 people. The management information system enables prompt and accurate payments and allows Engro to vary the frequency of those payments to match suppliers' needs, all while monitoring procurement in real time.

ENGRO'S IMPACT

Through Engro's milk collection network being present right at their doorstep, coupled with on-farm training and technical guidance on farming and milk production, Engro is encouraging smallholder farmers to farm on a commercial basis. This is helping improve the livelihoods of hundreds of thousands of people.

LINKS AND RESOURCES

Official website <http://www.engro.com/our-businesses/engro-foods-limited>

Engro Corp
Official website <http://www.engro.com>

Engro Foods Limited

GEOGRAPHY/EXPANSION

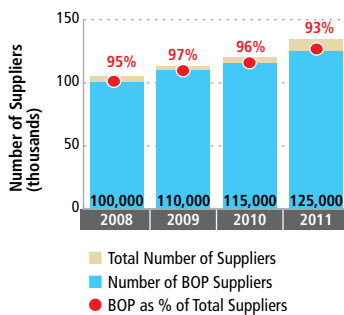
Engro is expanding rapidly. Sales have grown 20 times since 2006, and between 2006 and 2011, milk procurement tripled. The business has 1,000 milk purchase locations, 250 vehicles carrying milk to processing plants, and a field force of over 1,500 people working to help farmers develop their dairy production.



“ The Engro business model empowers people in small villages at the grassroots level, allowing them to participate in the market, boost their livelihoods, and contribute to the country's economic development. ”

KEY DEVELOPMENT RESULTS

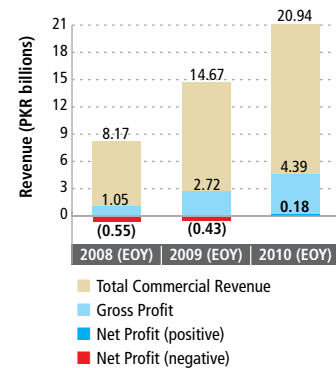
Engro Foods has 125,000 direct and indirect end suppliers. Almost all of these end suppliers are BOP suppliers.



“ With more than 1,000 locations in deep rural areas, Engro is improving the lives of people at the base of the pyramid. ”

KEY FINANCIAL SUSTAINABILITY INDICATORS

Engro started to make net profits in 2010 and attributes its losses in 2008 and 2009 to the rapid growth of its business.



Jain Irrigation Systems Limited



“Jain provides farmers with irrigation systems that improve their yields by US\$100–\$1,000 per acre.”

COMPANY INFORMATION

★ Headquarters

India

Countries of operation

India, USA, Israel, Switzerland, Turkey, South Africa, UK, Chile, Brazil, Spain, Australia (countries with manufacturing plants)

Year founded

1963 (trading business) then entered as manufacturer in 1978

Annual revenue

~33.3 billion INR

Employees

>1,000 (7,200)

Sector

Agriculture, Water supply, Finance, Retail

COMPANY HISTORY

Jain was founded in 1963 and soon began carrying and selling fertilizer, seed, and pesticide. In 1978, the company took over a banana powder plant and adapted it to produce papain, an ingredient used in meat tenderizers. In 1980, Jain began manufacturing PVC pipes; in 1989 the company expanded to micro irrigation; and in 1994, Jain began food processing, particularly dehydrating onions and producing fruit purees, concentrates, and pulp.

WHO THEY ARE

Jain Irrigation Systems Ltd. (JISL) is a company in India that manufactures irrigation systems and distributes them to smallholder farmers to help them improve their yields. Jain then procures farm produce from its own customers, benefitting from their increase in efficiency.

HOW THEY REACH THE BOP

Jain, the leading provider of micro irrigation systems in India with 55 percent of the drip irrigation market and 35 percent of the sprinkler market, works with smallholder farmers on both ends of the food supply chain, seeking out progressive, receptive farmers; providing them with micro irrigation systems; training them in efficient planting, irrigating, and harvesting; selling them organic fertilizer and high-yield seeds; and, finally, purchasing their raw produce.

JAIN'S IMPACT

Micro irrigation—that is, drip irrigation and sprinkler systems—is much more water- and energy-efficient than flood irrigation. By shedding their dependence on wasteful traditional forms of irrigation, farmers increase their income by US\$100 to \$1,000 per acre at the same time as conserving 500 million cubic meters of water per year compared to flood irrigation.

The company's work is made possible thanks in part to subsidies from the Indian government, which pays 50 percent of the purchase cost for farmers with less than five hectares. The farmers raise the balance themselves or finance it through banks.

The company also runs an institute to train its 2,000 distributors and engineers to take orders, deliver products, and teach people how to use them. The distributors, along with Jain's own agronomist and engineers, in turn train the farmers on their farms. In addition, Jain's procurement network consists of 2,100 contract farmers, which allows them to maintain a high standard of food safety and traceability in a market that is otherwise highly fragmented.

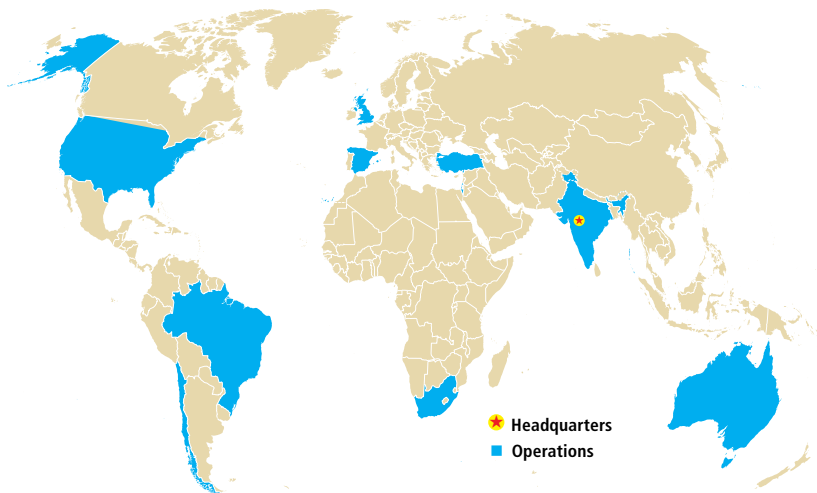
LINKS AND RESOURCES

Official website	http://www.jains.com/
Services	http://www.jains.com/Solution/index.htm
About Jain	http://www.jains.com/Company/index.htm

Jain Irrigation Systems Limited

GEOGRAPHY/EXPANSION

Since its founding, Jain has expanded into the Middle East, Europe, Australia, Central and South America, Africa, and North America.

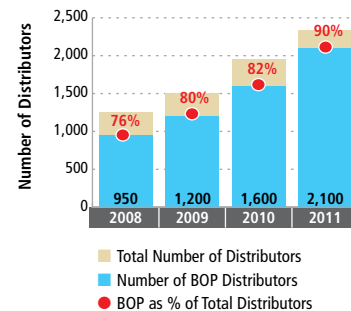
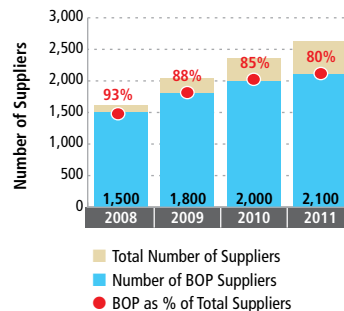
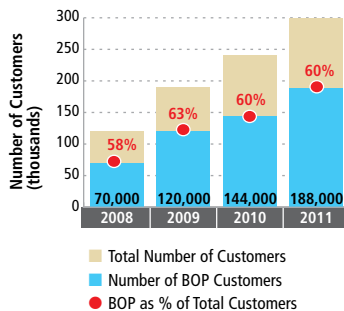


“ Using Jain’s techniques, banana productivity went from 8–10 tons per acre to 30–35 tons per acre. ”

— Dr. Dilip N. Kulkarni, President, Sustainable Agriculture

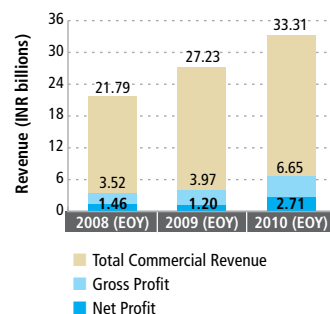
When one of our clients visited the Jain campus and saw its productivity practices, he resigned his job as a teacher to start farming instead. Using Jain’s techniques, banana productivity went from 8–10 tons per acre to 30–35 tons per acre. Today, he’s a large farmer, with 60 acres of land, and trains 200 village farmers at his farm every year.

KEY DEVELOPMENT RESULTS



KEY FINANCIAL SUSTAINABILITY INDICATORS

Jain attributes its net profit decline 2008 to 2009 to flooding. From 2008 to 2010, Jain nevertheless experienced an average annual growth rate of 24 percent. Thirty to 40 percent of customer purchases from Jain are subsidized.



“ Today, Jain employs 7,200 people worldwide. ”



Manila Water Company, Inc.



COMPANY INFORMATION

★ Headquarters

Philippines

Countries of operation

Philippines

Year founded

1997

Annual revenue

~11.0 billion PHP

Employees

~1,600

Sector

Water

COMPANY HISTORY

The Manila Water Company demonstrates that a private company can be inclusive and environmentally sustainable at the same time as enjoying commercial success. The company first turned a profit in 2001 and has grown steadily ever since. In 2009, government regulators extended the company's original 25-year mandate by another 15 years, until 2037. Most recently, the company forged an agreement to operate, manage, and expand water and wastewater facilities in Boracay, Aklan, the country's premier tourist destination, as well as in Laguna and Clark, Pampanga.

“*Manila Water Company in the Philippines provides safe, affordable drinking water to people living at the base of the pyramid.*”

WHO THEY ARE

Manila Water Company provides clean water and sewage facilities to more than 6 million people in 23 cities and municipalities in greater Manila.

In the early 1990s, the water distribution network in the Manila area was in crisis. Access to water was spotty, leaks in the city's aging mainlines were ubiquitous, and few areas had 24-hour water. Most people did not have access to clean water or sewage facilities. What water they had was purchased from water tankers or fetched from public faucets or shallow wells, many of which were contaminated with waterborne diseases.

The government-owned water utility, the Metropolitan Waterworks and Sewerage System, lacked the capacity to address the crisis. So in 1995, the government of the Philippines enacted the National Water Crisis Act, which gave the president one-year emergency powers. The president decided to turn over the operation of the water network to the private sector. In 1997, the Manila Water Company was granted exclusive rights to distribute water and operate the sewage system in greater Manila's East Zone—a district with more than 6 million people that includes the cities of Makati, Pasig, Mandaluyong, Marikina, San Juan and Taguig, most parts of Quezon City, some parts of Manila, and the municipality of Pateros, as well as cities and municipalities in Rizal Province further east.

HOW THEY REACH THE BOP

With its new mandate, the Manila Water Company laid more than 3,200 kilometers of new pipelines, eliminated unregistered connections, and extended its sanitation services, constructing 33 sewage treatment plants that now process up to 100 million liters of wastewater per day. Since then, water loss had plunged from 63 percent down to 14 percent in 2010 and 11 percent in 2011, 24-hour availability of water went from 26 percent to 99 percent, and compliance with water quality standards rose to 100 percent—all while producing the highest net income in the company's history.

MANILA WATER'S IMPACT

Part of the company's mission is to improve the health and sanitation conditions of communities at the base of the pyramid. In addition to charging inexpensive rates and accepting flexible payment methods, Manila Water Company also runs “livelihood programs,” which are specifically designed to improve the lives of people living at the base of the pyramid. Tubig Para sa Barangay—literally, “water for the poor”—provides a 24-hour supply of safe, affordable drinking water to low-income customers in greater Manila. Another program, which targets public institutions in marginalized communities that previously had no access to clean and affordable water, has improved the water facilities for more than 1.5 million people by installing washing facilities and drinking fountains in schools, hospitals, jails, markets, and orphanages.

LINKS AND RESOURCES

Official website	http://www.manilawater.com/
Consumer info	http://www.manilawater.com/section.php?section_id=5
Investor info	http://www.manilawater.com/investors/index.php
News and updates	http://www.manilawater.com/investors/news-updates.php

Manila Water Company, Inc.

GEOGRAPHY/EXPANSION

Manila Water Company is expanding to India, where it's working to reduce water wastage and supply bulk water; and to Vietnam, where it's working to reduce water leakage in Ho Chi Minh City.

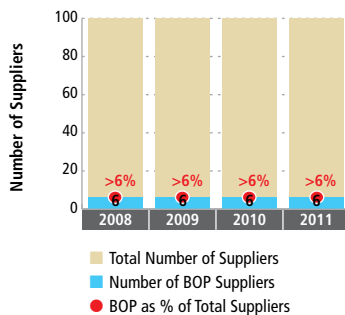
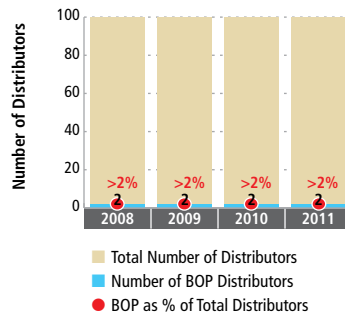
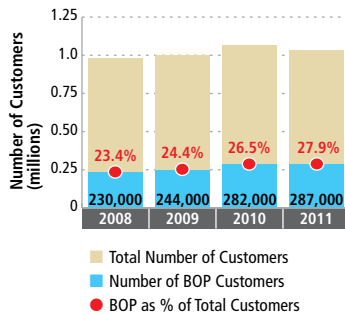


“Tubig Para sa Barangay brought relief to our lives—we no longer have to buy costly mineral water or line up just to get water.”



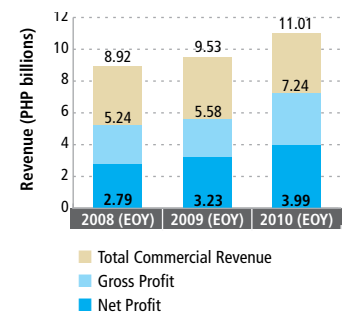
KEY DEVELOPMENT RESULTS

One hundred percent of customers are BOP in BOP-targeted programs including Tubig Para sa Barangay. When considering the Manila Water Company as a whole, 27.9 percent of customers live at the base of the pyramid.



“The Manila Water Company demonstrates that a private company can be inclusive and environmentally sustainable and still turn a profit.”

KEY FINANCIAL SUSTAINABILITY INDICATORS



Millicom International Cellular



“*Millicom provides affordable, accessible, and available mobile services and solutions, including financial services, to customers in emerging markets in Latin America and Africa.*”

COMPANY INFORMATION

★ Headquarters

Luxembourg

Countries of operation

Mobile networks: El Salvador, Guatemala, Honduras, Bolivia, Colombia, Paraguay, Chad, Democratic Republic of Congo, Ghana, Mauritius, Senegal, Tanzania and Rwanda.

Fixed telephone services: Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua

Year founded

1990

Annual revenue

~US\$4.5 billion

Employees

1,000-10,000

Sector

Telecom services

COMPANY HISTORY

In 1979, Millicom Incorporated was formed to pursue cellular telephone opportunities in the United States of America and, in 1982, it was awarded a cellular development license by the U.S. Federal Communications Commission. From early 1983 onwards, both Millicom Incorporated and Industriförvaltnings AB Kinnevik (Kinnevik), a company that had acquired a mobile license to operate in Sweden, began applying for cellular licenses internationally.

Millicom International Cellular S.A. (MIC) was formed on December 14, 1990, from the respective international cellular interests of both Kinnevik and Millicom. MIC was incorporated under Luxembourg law on June 16, 1992. In December 1993, Millicom Incorporated shareholders endorsed a merger with MIC and MIC officially began trading on NASDAQ on December 31, 1993.

WHO THEY ARE

Millicom is an emerging markets telecom operator providing voice, data, cable TV, and value added services in Latin America and Africa. Millicom operates under the Tigo brand in 14 countries in Latin America and Africa.

HOW THEY REACH THE BOP

Millicom makes its services affordable to even the lowest earners by offering prepaid telephony—i.e. voice, SMS and data—in very small denominations and allowing top-ups for as little as US\$0.10. In 2011, Millicom customers spent, on average, less than \$10 per month on mobile services and around one third of Millicom customers generated average revenue per user of less than \$1. Millicom has started offering mobile financial services in seven of its 13 mobile markets which are predominantly cash economies (more than 90 percent cash). In addition to mobile telephony, Millicom aims to provide affordable and easily accessible financial services for the unbanked population.

MILlicom's IMPACT

Affordable mobile access enables people at the base of the pyramid to pursue employment opportunities, source market information on soft commodity prices, obtain medical advice and insurance amongst other services, or send and receive money. In countries where transport and fixed telephony infrastructure can be limited or unreliable, mobile telephony is the primary means of getting in touch.

Millicom works to ensure that its mobile coverage extends to low-income areas. It also allows customers who run out of minutes to make an essential call on credit which they pay back when they next top up. The value of airtime lent to customers is often a small denomination (less than \$1) but the success of the service demonstrates its relevance to Millicom customers, many of whom live on less than \$1 a day. This “Tigo Lends You” service was used by 15 million people in 2011 and 64 million transactions took place in December 2011 alone.

The company also allows family members working in the cities to send money to their relatives in the countryside through in-market mobile money transfer services sold now under the “Tigo Cash” brands in seven out of Millicom’s thirteen mobile markets.

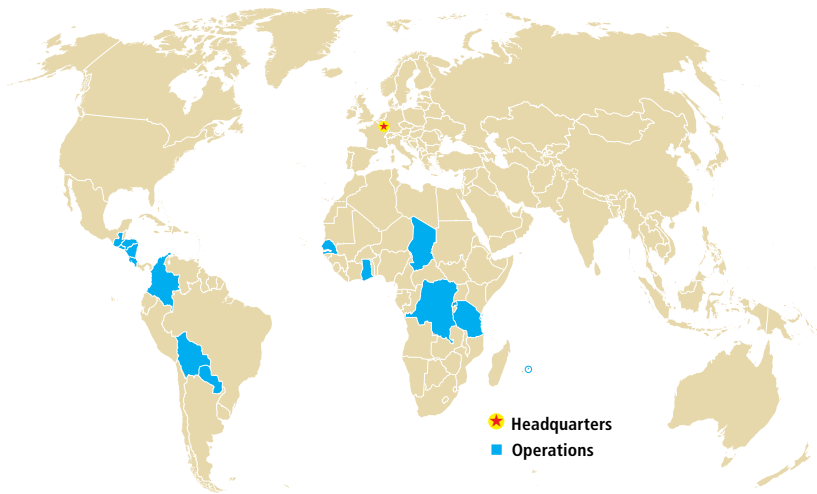
Millicom is among the largest direct and indirect employers in the countries in which it operates. At the end of 2011, Millicom had more than 680,000 points of sale, some of which are run by a single person selling Tigo products on a street corner.

LINKS AND RESOURCES

Official website	http://www.millicom.com/
Fact sheet	http://files.shareholder.com/downloads/MICC/1863119656x0x361043/19261e29-951b-4c3f-85cf-4019954919cc/Company_Fact_sheet.pdf
Press releases	http://www.millicom.com/press/releases.cfm
Global operations info	http://www.millicom.com/operations/operations.cfm

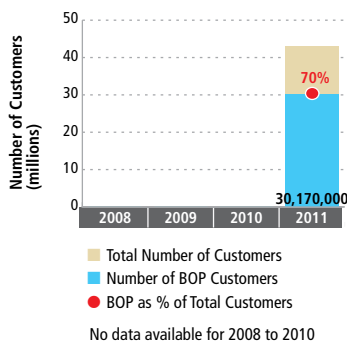
Millicom International Cellular

GEOGRAPHY



KEY DEVELOPMENT RESULTS

Millicom counts customers generating revenue per unit of less than US\$10 per month as BOP customers.



“With Tigo Cash, workers in cities can send money back to their families in the rural areas safely, conveniently, and at a low cost.”

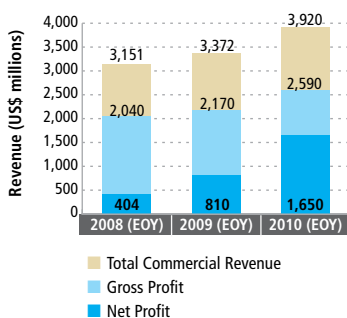
“For migrant workers in the cities without access to financial services, the mobile phone is the safest way to send remittances home to their families in the rural areas.”

In many developing countries, urban centers are populated with migrant workers from rural areas who have come to the city to earn money to send to their families back home. Many of these workers live at the base of the pyramid and do not earn enough to be serviced by the traditional banking system.

With no access to formal banking services, the only way for them to send remittances to their families is through informal networks, such as via a bus driver who drives a rural route. The worker hands the money over to the driver, the family picks up the money at the bus station and the driver pockets a 10 percent commission. With no formal mechanisms in place to guarantee the safety of the transfer, families may receive less than they are sent or nothing at all.

Millicom makes it easy to send remittances through mobile phones. Workers buy credit on mobile phone accounts or upload mobile money onto their mobile phone wallet and send that mobile money to their families' mobile accounts. The credit appears instantly on the family member's phone, and he or she can then cash it out at one of the many points of sale in the extensive Tigo distribution network. At the end of 2011, Millicom had one Tigo point of sale for approximately every 300 people across its Latin American markets. The process is cheaper, faster, and more secure than sending money through informal channels.

KEY FINANCIAL SUSTAINABILITY INDICATORS



Reybanpac Unidad de Lácteos



“Reybanpac helps combat malnutrition in Ecuador by providing affordable high-protein dairy drinks to people living at the base of the pyramid with milk purchased from smallholder farmers.”

COMPANY INFORMATION

★ Headquarters

Ecuador

Countries of operation

Ecuador

Year founded

2000

Annual revenue

~US\$195 million

Employees

101-1,000

Sector

Agriculture

COMPANY HISTORY

Reybanpac is incorporated under the law of the Republic of Ecuador. The company was founded in 1977 as a banana exporter and still owns 8,000 hectares of bananas, which are distributed in the coastal provinces of Los Rios, Guayas, and El Oro. Today, the company also produces dairy, forestry, and plastic packaging. The company employs more than 7,800 people and was the first company in South America to receive the Rainforest Alliance certification. In 2003, it received the EurepGAP (GlobalGap) certification for its banana and pineapple plantations.

WHO THEY ARE

Reybanpac Unidad de Lácteos is a food company in Ecuador that collects raw milk from smallholder farmers and processes it into ultrapasteurized milk, cheese, yogurt, and dairy drinks, which it then distributes to supermarkets and small retailers.

HOW THEY REACH THE BOP

Ecuador has one of the highest rates of malnutrition in Latin America. More than 78 percent of its people live at the base of the pyramid, and half do not work enough to meet their needs. Reybanpac improves their lives and their health by selling more than 50 million liters a year of nutritious dairy foods to BOP retailers and distributors who sell to BOP consumers. Reybanpac fortifies many of these foods with vitamins and minerals that combat malnutrition.

One of the main causes of malnutrition is inadequate protein, and Reybanpac's major innovation was to take advantage of whey by adding it to its dairy products. Whey is a high-quality protein that is harvested when milk is processed into cheese.

In Ecuador, whey is considered an undesirable waste product of the cheese production process, and it is dumped into rivers at a rate of 800,000 liters a day. Reybanpac not only harvests the whey from its own cheese production, but also buys unwanted whey from other small cheese producers.

REYBANPAC'S IMPACT

Reybanpac's first whey product was a dairy beverage made with milk and whey. The company is now developing a yogurt for infants six to 24 months old, fortified with whey, vitamins, and minerals that contribute to brain development.

Reybanpac also improves the lives of smallholder farmers by providing a guaranteed market for their milk and creating economic opportunities in rural areas. The company works with more than 2,500 family dairy farms run by farmers in remote, rural regions with poor access roads. Reybanpac is able to reach them even in these remote areas, buying their raw milk and using cooling tanks to keep the temperature constant as the milk is transported. Once the milk is processed and packaged, Reybanpac uses hundreds of local distributors to deliver affordable dairy products to more than 45,000 microretailers.

LINKS AND RESOURCES

Official website	http://www.reybanpac.com/ (Spanish)
Products offered	http://www.reybanpac.com/html/productos.htm (Spanish)
Certifications	http://www.reybanpac.com/html/certifica.htm (Spanish)
Dairy business website	http://www.agr.ec (Spanish)

Reybanpac Unidad de Lácteos

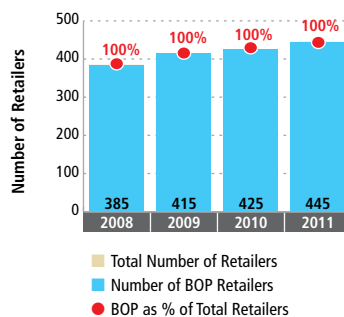
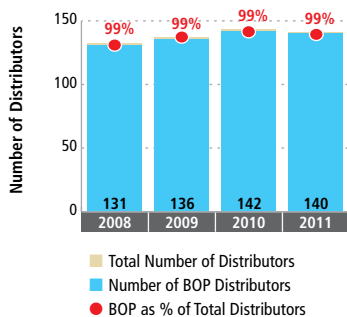
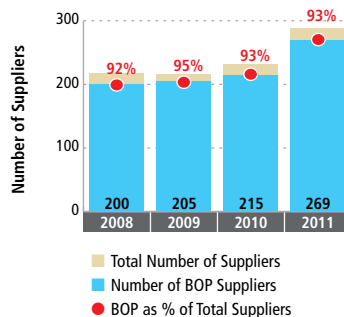
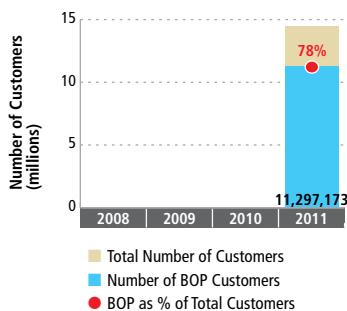
GEOGRAPHY/EXPANSION

Reybanpac has expanded its operations, buying raw milk and supplying milk products in Coca, a state in the Amazon region, and expanding into the suburbs of major cities such as Guayaquil and Quito.



KEY DEVELOPMENT RESULTS

Percentage of BOP customers is approximated from a percentage for all of Ecuador taken from a World Resources Institute publication. Reybanpac works with 269 direct suppliers and intermediaries to reach more than 2,500 family dairy farms.



“ Reybanpac works with more than 2,500 family dairy farms run by farmers in remote, rural regions with poor access roads. ”

Sustainable Harvest Coffee Importers



“Sustainable Harvest invests in helping coffee farmers improve their livelihoods and buys coffee from smallholder farmers at fair prices from Central and South America and East Africa for import to North American markets.”

WHO THEY ARE

Sustainable Harvest Coffee Importers is an import company that buys coffee from smallholder farmers at fair prices for sale in North American markets.

HOW THEY REACH THE BOP

About 95 percent of Sustainable Harvest's coffee comes from farmers who live at the base of the pyramid. Most live in rural, highland communities in Latin America, where there are few formal jobs and little economic activity. Most never went beyond primary school, and many of them face food insecurity for one to two months a year. Their average farm is less than 2 hectares, they make most of their cash income from coffee production, and they have limited access to basic goods. Sustainable Harvest also buys from smallholder coffee farmers in East Africa, who generally earn little money from coffee production and have limited access to health and education services. Their livelihood is vulnerable to weather, drought, and political events that disrupt production.

In both regions, Sustainable Harvest tries to help farmers move from subsistence to sustainability by helping them improve the quality of their product, by including them in its negotiations with the final buyer, and by helping them to make informed decisions about the sale of their product. Sustainable Harvest operates according to a “relationship model,” emphasizing transparency and sharing its costs, pricing, and transactional information with its supply chain partners. The company is highly committed to being transparent about where its coffee comes from and where it is sold.

SUSTAINABLE HARVEST'S IMPACT

In the past, finance organizations have been reluctant to lend money to smallholder farmers because they lack traditional forms of collateral, and as a result, it is difficult for them to grow beyond subsistence. To help smallholder farmers access financing, Sustainable Harvest contracts coffee from them six months ahead of scheduled delivery, which allows them to get loans using their coffee contracts as collateral.

Sustainable Harvest also helps farmers boost their yields and the quality of their production by offering them training and technical assistance. The company invests one-third of its retained earnings in providing training, technical assistance, and financial education to its farmers, teaching them to use organic fertilizers rather than chemicals and connecting them with finance organizations, international NGOs, and coffee roasters—partnerships that attract funding to support infrastructure for education and business operations.

COMPANY INFORMATION

★ Headquarters

United States

Countries of operation

Bolivia, Brazil, Canada, Colombia, Costa Rica, Ecuador, El Salvador, Ethiopia, Guatemala, Honduras, Malawi, México, Nicaragua, Perú, Rwanda, Tanzania, United States

Year founded

1997

Annual revenue

~US\$78 million

Employees

26-100

Sector

Agriculture

COMPANY HISTORY

Sustainable Harvest was founded in 1997. Since then, it has formed alliances with smallholder farmers in three regions, entering Central America in 2002, South America in 2006, and East Africa in 2007. Today, Sustainable Harvest has 36 dedicated staff members, and imports coffee from 14 countries around the world, with offices in Portland, Oregon; Oaxaca, Mexico; Lima, Peru; and Moshi and Kigoma, Tanzania.

In 2011, Sustainable Harvest generated US\$78 million in revenue, and it has been listed as one of the fastest growing companies in *Inc. Magazine's* annual list since 2008.

LINKS AND RESOURCES

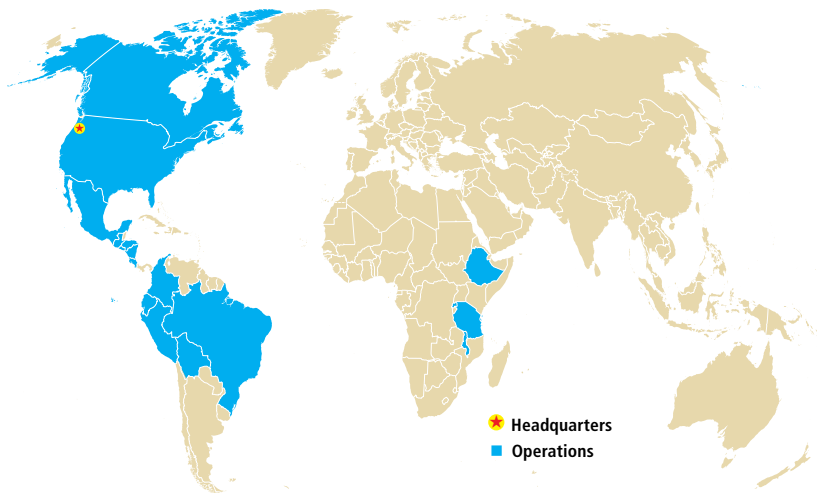
Official website <http://www.sustainableharvest.com/>

Stories of impact <http://www.sustainableharvest.com/stories/>

Sustainable Harvest Coffee Importers

GEOGRAPHY/EXPANSION

Sustainable Harvest has expanded, forming alliances with smallholder farmers in three regions, entering Central America in 2002, South America in 2006, and East Africa in 2007.



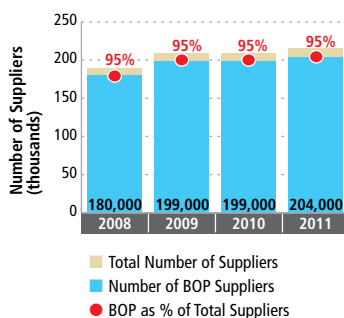
“ The cooperative is very special to me because we began in poverty, but we got organized, we started helping each other, and we looked for a market that would be fair to us. ”

— Romulo Sanchez,
President of Rio Azul Cooperative



KEY DEVELOPMENT RESULTS

BOP suppliers are organized into cooperative associations. The numbers below are for all the countries Sustainable Harvest operates in.



“ There are hundreds of thousands of men and women in Mexico and the other coffee-growing countries around the world who depend on coffee for their livelihood but have no idea how to sell it. ”

Tenda Atacado Ltda



COMPANY INFORMATION

★ Headquarters

Brazil

Countries of operation

Brazil

Year founded

1948

Annual revenue

US\$798 million

Employees

>1,000

Sector

Retail

COMPANY HISTORY

Tenda was founded in 2001. Today, it reaches 1 million customers per month and employs 3,200 people.

“Tenda supports small business in Brazil by extending credit to microentrepreneurs with no credit history.”

WHO THEY ARE

Tenda Atacado Ltda (Tenda) is a wholesaler and retailer that supplies food, toiletries, and household goods to people and microbusinesses at the base of the pyramid in the Brazilian state of São Paulo.

HOW THEY REACH THE BOP

Tenda's business is purchasing food and household merchandise in bulk and selling it through their 16 retail stores in São Paulo. Every month, Tenda serves about 1 million customers, mainly people buying hygiene products and other products for their businesses. Almost half of Tenda's sales come from microentrepreneurs buying products for businesses in the food industry, such as street food carts, small coffee shops, pizzerias, and bakeries. The company's ability to purchase large volumes of merchandise means it can offer products at prices affordable to people living at the base of the pyramid.

In São Paulo, more than 60 percent of microenterprises fail within the first five years—often due to lack of access to credit. Many of these small entrepreneurs lack access to any formal financial services at all. Because these customers are outside the financial system and have no credit history, banks are reluctant to lend to them.

TENDA ATACADO'S IMPACT

Tenda helps small entrepreneurs get the financing they need for their business to grow by employing an innovative way of assessing their creditworthiness. The company runs a market intelligence unit that compiles and processes information about its customers' purchasing history and extends private-label credit cards to those whose purchasing patterns make them a good credit risk. Meanwhile, Tenda's collection department takes steps to retain even delinquent customers, negotiating payment plans according to the customer's ability to pay. So far, Tenda has allowed more than 30,000 entrepreneurs to purchase on credit.

The company also trains entrepreneurs in the financial and administration management of small businesses and is hoping to begin selling insurance.

LINKS AND RESOURCES

Official website <http://www.tendaatacado.com.br/> (Portuguese)

Products <http://www.tendaatacado.com.br/produtos.shtml> (Portuguese)

Tenda Atacado Ltda

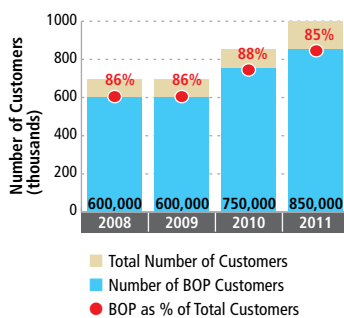
GEOGRAPHY/EXPANSION

Tenda recently began operations in Luanda, Angola, running one store using the same business model.



KEY DEVELOPMENT RESULTS

Tenda Atacado has 850,000 BOP customers who make up 85 percent of its total customer base.



“ So far, Tenda has allowed more than 30,000 entrepreneurs to purchase on credit. ”

VINTE Viviendas Integrales



“ VINTE provides affordable, eco-friendly housing to low and middle income families in Mexico. ”

COMPANY INFORMATION

★ Headquarters

Mexico

Countries of operation

Mexico

Year founded

2001

Annual revenue

~US\$95 million

Employees

>1,000

Sector

Housing

COMPANY HISTORY

VINTE Group began operations in 2003. In 2005, it reached an agreement with Intel and Microsoft to include a free computer in each house. As of 2011, VINTE had sold more than 11,000 houses. Between 2008 and 2011, VINTE's net revenues increased by 27 percent annually, while its profits grew by 36 percent each year, demonstrating that a company focused on providing affordable housing to the base of the pyramid can compete with the largest publicly-traded homebuilding companies in Mexico. VINTE also has operations in green and social businesses, including recharging wells and lagoons, telemetry systems to digitally measure consumption, solar energy water heaters, photovoltaic systems, and Internet service.

WHO THEY ARE

VINTE is a homebuilder in Mexico that specializes in affordable, sustainable housing for low and middle income families. VINTE is engaged in all phases of the development process from acquiring land to designing, planning, building, marketing, and selling houses. VINTE is currently developing eight housing developments in four states, mainly of central Mexico.

Mexico has a shortage of an estimated 8.9 million houses, of which 75 percent are in the affordable housing segment. By 2030, Mexico's population will reach 121 million people, creating a need for an additional 11 million new houses.

HOW THEY REACH THE BOP

VINTE is helping to address the shortage of affordable housing, working with the government of Mexico through programs designed to enable lower-income customers to access housing finance. The Mexican government sees the housing sector as an instrument for social and economic development, and, together with INFONAVIT and FOVISSSTE, it offers mortgage credits to more than 6 million families who earn less than US\$920 per month. Since VINTE's houses increase in value over time, appreciating up to 10 percent per year, owning these houses is an important way for low and middle income families to build equity over time.

VINTE offers eight types of houses, from entry-level to middle-income. A typical entry-level home is about 450 square feet and consists of a kitchen, a living-dining area, two bedrooms, and one bathroom. A middle-income home consists of a kitchen, a dining room, a living room, three bedrooms, and two bathrooms. VINTE's housing developments also feature gated courtyards, schools, water treatment plants, playgrounds, and recreational areas. Residents pay community fees toward the maintenance of these communal facilities, and VINTE trains new homeowners in how to jointly manage the development.

VINTE'S IMPACT

Customers are young working adults, schoolteachers, bus drivers, factory workers, and office workers, with annual household incomes ranging from US\$6,000 to \$27,000. About 75 percent of them rely on integral government-sponsored programs to finance their purchase. Many are first-time homebuyers, and many come from Mexico City's informal housing settlements, where they had limited access to clean water, electricity, sanitation, roads, schools, and parks.

VINTE's houses start at US\$23,000, and the company uses modern infrastructure services and innovative technologies such as rooftop solar cells to help homebuyers save money on electricity bills and other maintenance costs. VINTE also encourages homeowners to use water, gas, and lighting efficiently, enabling them to save money on utility bills. The company has won six national housing awards, most recently for building environmentally-friendly communities.

LINKS AND RESOURCES

Official website <http://www.vinte.com.mx> (Spanish and English)

Achievements <http://www.realparaiso.com/Vinte/Achievements.html>

VINTE Viviendas Integrales

GEOGRAPHY/EXPANSION

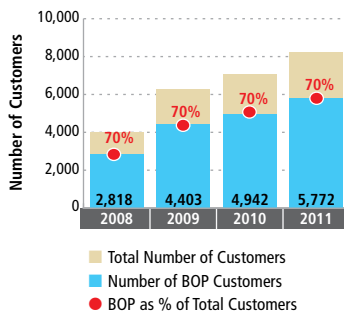


“ VINTE helps empower low and middle income families by including a free Internet-enabled computer in every house it builds. ”



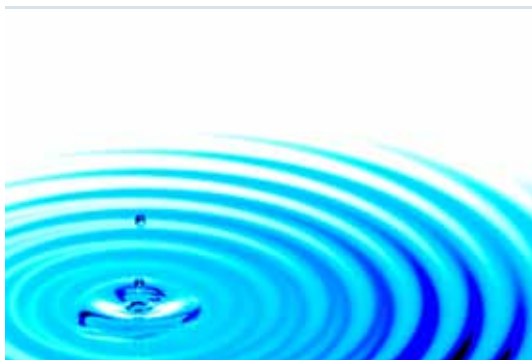
KEY DEVELOPMENT RESULTS

The firm defines BOP customers as customers who purchase a house for less than US\$39,000.



“ VINTE’s continuing commercial success demonstrates that a company focused on providing affordable housing to low-income families can compete with the largest publicly-traded homebuilding companies in Mexico. ”

Waterlife India Private Limited



“ Waterlife builds and runs water purification plants to provide safe affordable drinking water to people living at the base of the pyramid in rural India. ”

COMPANY INFORMATION

★ Headquarters

India

Countries of operation

India

Year founded

2008

Annual revenue

~US\$3.65 million

Employees

101-1,000

Sector

Water

COMPANY HISTORY

Waterlife built its first water purification plants in the state of West Bengal, which has one of the highest rates of waterborne diseases in India. The company then expanded to Uttar Pradesh and Tamil Nadu and today has 1,700 water purification plants in seven states.

WHO THEY ARE

Waterlife builds and runs water purification plants in underserved areas of rural and urban India that otherwise have no access to safe drinking water.

There are more than 600,000 villages in India, and most of them do not have enough clean water. In fact, in most of rural India and many urban centers, there is no access to safe drinking water. In many places, the groundwater has been contaminated by municipal effluents and by industrial pollutants such as fluoride, nitrates, and arsenic. India ranks 122nd out of 123 countries surveyed on the safe water index. Most of the people living at the base of India's pyramid lack access to basic goods such as toilets, electricity, health care, and schooling, and, earning less than \$3 a day, they certainly cannot afford bottled water.

HOW THEY REACH THE BOP

In addition to providing safe drinking water to people living at the base of the pyramid, Waterlife also creates jobs by hiring and training operators from local villages to operate, maintain, and service the purification plants, and establishing a distribution network of local entrepreneurs to deliver water to the remote parts of the village via rickshaw or auto-rickshaw for a delivery fee.

WATERLIFE'S IMPACT

Contaminated water contributes to high rates of infant mortality, lost wages, school absenteeism, deformed bones, and cancer, and India has one of the world's highest numbers of diarrhea deaths among children. The government of India is unable to provide safe drinking water to all of its citizens and has called upon private companies to address the need. Before Waterlife, however, often the government or a large company would fund the construction of a water purification plant that soon became defunct due to lack of maintenance.

Waterlife, in contrast, takes steps to keep its water purification plants running. It partners with the government, which pays for the construction of the plant itself, then charges customers a small monthly fee that generates enough revenue to cover ongoing maintenance and operations of the plant. In this way, the company ensures that all of its operations are profitable and scalable—which means the model can be replicated to provide safe water throughout India.

Waterlife provides technologies that are green and environmentally friendly and thus provides triple bottom-line returns.

LINKS AND RESOURCES

Official website	http://www.waterlifeindia.com/
Press mentions	http://www.waterlifeindia.com/press.html
Products	http://www.waterlifeindia.com/solutions.html

Waterlife India Private Limited

GEOGRAPHY/EXPANSION

The company began operations in West Bengal, then expanded into Uttar Pradesh and Tamil Nadu. Today it runs more than 1,700 water purification plants in seven states across India.



“ In one village, the rate of diarrhea dropped from 100 cases per month to fewer than 10 after Waterlife installed a water purification plant. ”

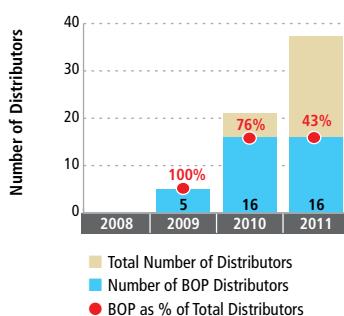
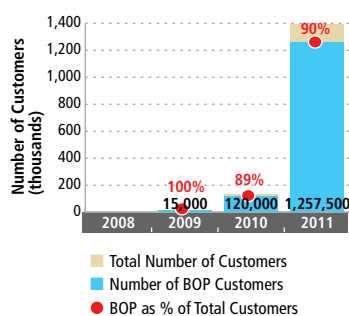
— Sudesh Menon, Managing Director / CEO

Many areas of India have no access to pure water, and what water there is is polluted with sewage, industrial chemicals, or both. In one village, the sugar cane industry contaminated the water with chloride, which locals believe caused birth defects. With more than 100 cases of diarrhea per month and even more during rainy season, the area was left in dire need of a safe water source.

After Waterlife installed its purification plant, the number of diarrhea cases per month dropped below 10.

KEY DEVELOPMENT RESULTS

Ninety-five percent of BOP customers live in rural areas; five percent live in urban areas.



“ Waterlife currently runs more than 1,700 water purification plants in seven states across India. ”

Annex 1, Other Interesting Business Models

AFRICERT LTD

Headquarters: Kenya

Countries of operation: Burundi, Burkina Faso, Côte d'Ivoire, Ethiopia, Ghana, India, Kenya, Malawi, Mozambique, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Zambia, Zimbabwe

Year founded: 2004

Annual revenue: 74 million KES (2011)

Employees: 30 (Kenya and Ghana offices)

Sector: Agriculture

AfriCert is a certification company based in Nairobi, Kenya, but with certification operations in East, Central, and Southern Africa (Kenya, Uganda, Tanzania, Rwanda, Burundi, Ethiopia, Malawi, Zambia, Zimbabwe, Mozambique, and South Africa) and also in West Africa (Ghana, Nigeria, Ivory Coast, and Burkina Faso). Certification by AfriCert based on private or market standards, such as Utz, FLO, 4C, SAN/RA, or GlobalG.A.P. is an emerging market and trade opportunity for products coming from African producers in commodity crops such as coffee, cocoa, tea, cotton, cut flowers, and fruits. Certification ensures that products from smallholder producers can have access to niche or specialty markets in Europe and the United States. AfriCert certifies its smallholder customers by visiting the producers to assess their practices against set criteria on food safety, good agricultural practices, and social and environmental requirements. Once producers prove that they have the structures and the management systems to sustain compliance with a particular standard, a third-party certificate is granted or a sales license is issued. Farmers can use this certificate or license to access specialty markets that can offer better prices for their certified products.

BANCO TRIÂNGULO S/A – TRIBANCO

Headquarters: Brazil

Countries of operation: Brazil

Year founded: 1990

Annual revenue: ~US\$241 million

Employees: 101-1,000

Sector: Finance

Tribanco is a Brazilian company that helps owners of micro-, small-, and medium-sized retail stores to expand, providing loans and check-cashing services to help them outfit and renovate their shops as well as providing training in store management, business practices, and marketing. All of these stores are family businesses, which means the whole family is involved in running the shop. Tribanco currently lends to more than 35,000 stores that borrow an average of US\$12,000. It operates in more than 90 percent of Brazil, including more than 5,000 towns, as well as remote rural areas with little or no access to financial services. With the help of Tribanco and its parent company Martins Group, which wholesales much of these businesses' stock items, many small businesses have grown up to 10 times their initial size.

Tribanco also partners with financial and non-financial institutions to offer other services for their clients, including Tribanco Corretora de Seguros, which offers insurance to storeowners and consumers.

BROOKFIELD INCORPORAÇÕES

Headquarters: Brazil

Countries of operation: Brazil

Year founded: 1978

Annual revenue: ~US\$1.77 million

Employees: >1,000

Sector: Housing

Brookfield is one of the largest real estate developers in Brazil, with operations in São Paulo, Rio de Janeiro, Brasília, and Goiânia. Though it is primarily known as a developer of luxury housing, Brookfield also sells affordable housing for low wage earners. Brookfield began investing in affordable housing following the introduction of a Brazilian federal government program called Minha Casa, Minha Vida—literally, “My house, My life.” The program provides housing to families that earn less than US\$1000 per month and guarantees that they will pay no more than 10 percent of their income in rent. By the end of 2011, Brookfield had delivered 9,343 affordable housing units to low-income customers.

Brookfield low-income housing developments are built with complete accompanying infrastructure, including waste water treatment stations and facilities to provide drinkable water, and the building that houses the headquarters for the construction site is turned into a community center with sports courts, playgrounds, and facilities that offer professional courses in computers or bookkeeping.

BUTWAL POWER COMPANY LIMITED

Headquarters: Nepal
Countries of operation: Nepal
Year founded: 1966
Annual revenue: ~480 million NPR
Employees: 101-1,000
Sector: Energy

The core business of Butwal Power Company Limited is the generation and distribution of electricity. With a combined generation capacity of 17.1 megawatts from its two hydropower plants located at Andhikhola and Jhimruk, which are wholly owned and operated, the company supplies bulk energy to the state utility and also caters directly to about 38,000 customers through rural electrification. Taking into account the investment BPC has made into other projects like Khudi and Khimti, the company currently holds about 30 equity megawatts under its portfolio. Three projects totaling up to about 200 megawatts are under development, of which 67 megawatts is poised to go under construction in 2012 and 2013.

BPC's distribution business operates primarily in rural and hilly regions of Western Nepal, encompassing the districts of Palpa, Syangja, Arghakhachi, and Pyuthan. Of its 38,000 direct customers, a majority live at the base of the pyramid, earning their living through farming. In order to manage the operational challenges associated with rural electrification and to contribute towards the livelihood of communities, BPC has adopted a modality wherein customers form User Organizations (UOs). UOs are groups of customers who organize to facilitate the operation of the distribution business by collecting fees from other consumers and performing minor repairs on the electrical system in case of breakdowns, among other activities. In return, BPC compensates the UOs by providing a discount of 10 percent of the total fees collected, which contributes toward their daily operation. BPC also supports the UOs by providing training for carrying out minor repairs and maintenance, fee collection, bookkeeping, and other activities. As of 2011, a total of 112 User Organizations have been formed, comprising approximately 30,000 customers.

FINANCIAL INCLUSION NETWORK & OPERATIONS LTD (FINO)

Headquarters: India
Countries of operation: India
Year founded: 2006
Annual revenue: ~1.86 billion INR
Employees: >1,000
Sector: Finance

Financial Inclusion Network & Operations Ltd (FINO) is a business and banking technology platform that allows Indians living at the base of the pyramid who do not have access to banks to join the formal financial environment by providing them with tools to make financial transactions at more than 30,000 point-of-transaction terminals or handheld devices. The company enables its customers to make financial transactions by issuing smart cards, personal identification cards that scan fingerprints and authenticate customers' identities biometrically and allow them to deposit money, withdraw cash, receive payments from employers or the government. Rather than having to travel a long way to get to a bank, an insurance office, or the government social security office, FINO enables customers to access services at a FINO station in their local area. FINO currently has more than 48 million customers, who use more than 30,000 transaction points in 26 states.

IDEAL INVEST

Headquarters: Brazil
Countries of operation: Brazil
Year founded: 2001
Annual revenue: ~US\$17.4 million
Employees: 101-1,000
Sector: Education, Finance

Ideal Invest, through a program called Pravalor, provides loans to university students in Brazil. Over 60 percent of these students come from families with incomes of less than US\$1,750 per month, and 66 percent are the first in their families to go to college. The company helps students living at the base of the pyramid by offering a zero-interest loan, in which students pay only the principal amount and the university pays 100 percent of the interest as a form of financial aid. Students make monthly repayments throughout their program, and they must be up-to-date in order to qualify for a loan for the next semester's tuition. The educational institution benefits because it gains students who would otherwise not have the means to attend, and Ideal Invest gains allies that will market its services.

Investors, meanwhile, are getting market returns, paid in part by students and in part by the educational institution's subsidy of student interest. Most of the students in the Pravalor program would not have been able to attend the program of their choice were it not for their Pravalor loan.

INTERSWITCH LIMITED

Headquarters: Nigeria
Countries of operation: Nigeria, Uganda
Year founded: 2001
Annual revenue: ~US\$54 million
Employees: 101-1,000
Sector: Electronic payments

InterSwitch Limited is a payment processing company that improves the lives of Nigerians living at the base of the pyramid by offering a method for people to make transactions using pre-paid cards or mobile money. In 2011, InterSwitch had 15,300 direct and indirect BOP customers.

InterSwitch helps underbanked customers access and transfer money easily by offering the Verve, a pre-funded card that can be funded through mobile phones, via the Internet, or at ATMs, point of sale terminals, and bank branches. The money is available instantly to the recipient and can be withdrawn at an ATM. Parents use the Verve to send money to their children in college, conglomerates use it to pay casual workers, and people across Nigeria use it to send money to loved ones in rural areas.

MI TIENDA

Headquarters: Mexico
Countries of operation: Mexico
Year founded: 1999
Annual revenue: ~US\$6.34 million
Employees: 101-1,000
Sector: Retail distribution

Mi Tienda is a Mexican distributor of non-perishable foods and personal care products that serves more than 6,500 stores mainly in small, rural towns of Mexico where large retailers do not reach.

The rural villages of Mexico are served mostly by tiny shops that are often integrated into owners' homes. These stores cater to customers living at the base of the pyramid, people who earn less than US\$4 a day. The retailers who run them have low levels of business knowledge and limited access to finance, and they are often not served by wholesalers because of the high transportation costs associated with reaching smaller stores in rural parts of the country. When they do have access to products, they often face high prices and minimum purchase quantities, which require working capital they do not have.

Mi Tienda helps improve their livelihoods by distributing affordable food products and consumer goods to underserved areas and by extending credit to retailers that do not have access to financing. The company also trains retailers in accounting, working capital management, inventory management, product assortment, and customer service, and offers them advice on how to modernize their stores, improve sales, and increase their income. By working with Mi Tienda, retailers increase their income by an average of 32 to 35 percent. These retailers reached 780,000 customers in 2011, up from 440,000 customers in 2010.

MODERNA ALIMENTOS

Headquarters: Ecuador
Countries of operation: Ecuador
Year founded: 2008
Annual revenue: ~US\$103.5 million
Employees: 101-1,000
Sector: Agriculture

Moderna is a flour manufacturer that supplies flour and bakery products to bakers and small bakery owners across Ecuador. The company supplies approximately 5,000 small bakeries, selling both flour and a bread ingredients mix made of flour, yeast, sugar, and flavoring.

Moderna's customers are people living at the base of the pyramid who either bake bread in their homes for sale in open-air markets or run small stores that they operate with one or two other family members. Moderna helps them earn a living, providing them with the ingredients they need and offering them training on bread baking, pastry preparation, business management, accounting, and even self-esteem. With Moderna's help, some of these microenterprises grow into small or medium-sized businesses, and some even expand to small convenience stores.

TANNA COFFEE DEVELOPMENT COMPANY

Headquarters: Vanuatu
Countries of operation: Vanuatu
Year founded: 1984
Annual revenue: 33.7 million VUV
Employees: 1-25
Sector: Agriculture

Tanna Coffee Development Company grows, processes, and sells roasted and packaged Arabica coffee. The company provides the materials, equipment, and technical training for coffee growing and basic processing to over 500 smallholder coffee farmers on Tanna Island, Vanuatu, empowering them to earn more by engaging in value-addition. Previously, all of Tanna Coffee's smallholder suppliers lived a subsistence farming lifestyle on outer islands, without access to education, electricity, piped water, or sewer systems and relied on seasonal harvesting work for a very small cash income. Though the people are entirely food secure, the farmers lacked regular income to pay for their children's education.

By supplying Tanna Coffee, smallholder farmers can now earn a substantial value-added income to pay for their children's schooling and also improve their overall standard of living. Others on the island buy raw product and process it at one of Tanna's 45 village-based processing centers spread throughout the island before reselling to Tanna Coffee. Coffee then travels to Tanna Coffee's main roasting and packaging factory in Port Vila, Vanuatu, after which it is supplied to Vanuatu's local domestic market and the ever-expanding tourism sector, as well as being exported overseas to select customers. Tanna Coffee plans to expand into the production of fruit, nuts, and essential oil products.

TRUSTCO FINANCE (PTY) LTD

Headquarters: Namibia
Countries of operation: Namibia
Year founded: 1997
Annual revenue: ~34.5 million NAD
Employees: 101-1,000
Sector: Finance

Trustco Finance (Pty) Ltd in Namibia provides educational loans to students taking distance education courses through the Institute for Open Learning (IOL), which is also part of the Trustco Group. Trustco Finance lent to 54,000 BOP students from 2005 to 2011.

Last year, only 12 percent of Namibian high school graduates went on to higher education. Every year, a great many more have the wish to continue their education, but do not get admitted due to limited places in universities and vocational training centers. The Institute for Open Learning seeks to address the great unmet demand for higher education by offering distance learning classes in education, business, and information technology to under-qualified teachers. More than 97 percent of IOL students apply for loans through Trustco Finance; most are unable to obtain loans at other financial institutions due to low incomes. Seventy-eight percent of Trustco Finance clients reside in rural areas where the majority of the population makes a living as subsistence farmers and small shop owners. Trustco Finance makes their education possible by lending them the money they need at an affordable rate.

TRUSTCO MOBILE

Headquarters: Namibia
Countries of operation: Namibia, South Africa, Zimbabwe
Year founded: 2008
Annual revenue: ~1.35 million ZAR
Employees: 1-25
Sector: Telecommunication, Insurance

Trustco Mobile makes life insurance available to uninsured people living in Africa through their mobiles. Approximately 800 million Africans do not possess life insurance. Traditional life insurance models require the payment of a fixed premium every month, a difficulty for customers who may have irregular cash flow or other more-pressing uses for the money that they would otherwise spend on the premium. The financial burden incurred by the death of a breadwinner places a heavy strain on such families, creating a financial setback that it can take years to recover from.

While fewer people living in developing countries have life insurance, many consumers possess a cell phone. Trustco Mobile enables mobile carriers, banks, retailers, and companies in any other transaction-based industry seeking to establish customer loyalty and give back to their community the opportunity to extend a free life insurance benefit to their customers, allowing a benefit of up to US\$10,000 in the event of death. Trustco Mobile has 12 years of experience in the micro insurance industry. The company provides software that manages and tracks the amount of benefit for each covered person, so that the client and their customers do not have to track this on their own. In this way, Trustco Mobile currently has 2.1 million customers reached through mobile phones. To renew their free life insurance benefit every month, consumers need to make purchases through Trustco Mobile's strategic partners. For example, a consumer would renew her life insurance through a mobile carrier by topping up her phone credit. The value of the life insurance benefit is based on the frequency and value of those transactions.

VIRTUAL CITY LTD

Headquarters: Kenya

Countries of operation: Kenya, Tanzania, Uganda

Year founded: 1999

Annual revenue: ~US\$1.69 million

Employees: 26-100

Sector: Agriculture, Retail, Research, Health & education

Virtual City is an East African company that provides computer software and mobile applications that automate the operational steps involved in getting products from the source to the customers in various industries, including health, education, agriculture, retail, distribution, transportation, and utilities. Entrepreneurs pay a small monthly fee or a transaction fee to access technology that automates the process of managing orders, sales, delivery, and payment of consumer goods, including produce from small farms.

The company's agricultural sector product manages the weighing, grading, pricing, and tracking of produce collected from farmers. When buyers purchase a farmer's harvest, they use Virtual City's product to weigh the produce and send the information to a field agent's handheld device, capturing details such as quality, quantity, location, and balance due. This information is automatically sent to headquarters, where it is consolidated in a database so that staff can access farmer information, produce information, and customized reports as necessary. Automating this process eliminates paperwork, reduces administrative costs, reduces fraud, and gives members of the supply chain accurate, real-time information they can use for trading, making decisions about credit, and tracking productivity. Virtual City improves the livelihoods of smallholder farmers by reducing transaction costs associated with poor measurement and graft and by speeding the collection of payments so that farmers can be paid promptly for their harvest. In 2011, Virtual City's products helped 1.2 million BOP customers receive goods at prices not inflated by middlemen; many of these customers were reached through the 230,000 BOP retailers that use Virtual City's products. Farmers utilizing Virtual City increased their yield to a minimum 50 percent increase in earnings compared to non-participating farmers. Virtual City has been shown to increase farmer incomes by over US\$100 per year.

WATERHEALTH INTERNATIONAL

Headquarters: United States

Countries of operation: Bangladesh, Ghana, India, Liberia, Nigeria, the Philippines

Year founded: 2004

Annual revenue: Not disclosed

Employees: 101-1,000

Sector: Utilities

WaterHealth provides safe, affordable drinking water using a sustainable, decentralized model to more than 5 million people in underserved communities in India, Ghana, Liberia, Nigeria, Bangladesh, and the Philippines. WHI's goal is to provide clean water to as many people as possible at the cheapest price. WaterHealth uses off-the-shelf technologies such as UV light disinfection to purify available water to exceed WHO standards for drinking water quality. Water is distributed and sold directly to individuals through water centers located in peri-urban and rural areas, bringing clean water to areas where access to it is lacking. WHI has also established education and social marketing campaigns in these areas to teach potential customers about the benefits of clean water. The revenue that comes from selling water to consumers pays for the operation and maintenance of the water center. For a fee, customers can also have water delivered to them. The distributors and plant operators are local people who receive specialized training.

Annex 2, Judges' Biographies

AIGBOJE I. AIG-IMOUKHUEDE

Group Managing Director and Chief Executive Officer, Access Bank Plc



Aigboje Aig-Imoukhuede spent over 10 years at Guaranty Trust Bank Plc and resigned in 2002 to become the Managing Director/Chief Executive Officer of Access Bank Plc and transform the bank into a worldclass financial services provider. Aigboje's visionary leadership inspired unprecedented rapid growth over eight years, bringing Access to rank in the top four banks. In October 2007, Aigboje was ranked amongst the Top 10 Most Respected CEOs in PricewaterhouseCoopers' annual survey. In 2012, he won the "2011 Ernst & Young West Africa Entrepreneur of The Year" award. Aigboje currently serves on the National Economic Management Team. He was awarded the National Honour of Commander of the Order of the Niger (2011) for his contributions to the development of the Nigerian economy. Aigboje is an Alumnus of Harvard Business School Executive Management Programme. He holds LLB and BL degrees from the University of Benin and the Nigeria Law School respectively. He is a Fellow of the Aspen Institute's African Leadership Institute, an Honorary Fellow of the Chartered Institute of Bankers (CIBN), and Chairs the sub-committee of the Bankers Committee on Economic Development and Sustainability.

IBRAHIM M. I. ALTURKI

Alternate Executive Director for Saudi Arabia, The World Bank; Co-facilitator of the G20 Development Pillar on Private Investment and Job Creation



Mr. Ibrahim M.I. Alturki has been the Alternate Executive Director for Saudi Arabia at the World Bank Group (WBG) since November 2010. He also represents the Group of 20 as the Co-Facilitator of the PIJC working group. Prior to his current role with the World Bank Group, Mr. Alturki served as the Advisor to the Executive Director for Saudi Arabia within WBG. His earlier roles include a three-year term as Director of the Africa Region at the OPEC Fund for International Development (OFID) in Austria, three years as Senior Operations Officer for the Africa Region at OFID, and also 15 years in Operations roles with the Africa Region for the Saudi Fund for Development, where he was based in Riyadh, Saudi Arabia.

GEORGINA BAKER

Director, Trade and Supply Chain, IFC



Georgina Baker is the Director of Trade and Supply Chain for IFC. She is responsible for trade finance in general, including the Global Trade Finance Program (US\$3.2 billion in emerging market trade commitments last fiscal year) as well as the Global Trade Liquidity Program, which has won many awards for its crisis response. Building on the success of these two programs, she is now developing new programs to support supply chain and warehouse finance. Georgina has been with the IFC for 20 years during which time she has worked on IFC's investments in many areas including manufacturing investments in Eastern Europe and financial sector investments in South Asia, Europe, Central Asia, Middle East, and North Africa. Before joining IFC, Georgina received an MBA from the London Business School and previously worked in the UK and in Indonesia as a mechanical engineer.

ARMIN BAUER

Principal Economist, Asian Development Bank



Armin Bauer has been Principal Economist with the Asian Development Bank (ADB) since 1995—in its operational, knowledge, and Strategy and Policy departments. He was one of the key authors of ADB's 1999 Poverty Reduction Strategy and led in 2010 major work on "Operationalizing Inclusive Growth." He also managed poverty trust funds in ADB and published on topics including poverty reduction and inclusive growth, the social impact of the global recession, social dimensions of inclusive growth in middle-income countries, labor markets, and developed tools for ex-ante poverty and social impact analysis, among others. Dr. Bauer launched ADB's Inclusive Business (IB) Initiative, which is jointly implemented by ADB's Private Sector Department and the Regional and Sustainable Development Department. It prepares IB market scoping studies for 10 Asian countries, develops an IB impact assessment tool, and establishes IB investment funds and partnerships. Prior to working at ADB, Dr. Bauer was with the German Technical Assistance Agency (GIZ) in 1991–1995, the German Development Bank

(KfW) in 2003–2006, and grassroots NGOs in India in the 1980s.

MICHAEL CHU

Senior Lecturer, Initiative on Social Enterprise, Harvard Business School



Michael Chu was appointed a Senior Lecturer in the Initiative on Social Enterprise of the General Management Group of the Harvard Business School in July 2003. He is also Managing Director of the IGNIA Fund, an investment firm based in Monterrey, Mexico, dedicated to investing in commercial enterprises serving low-income populations in Latin America, which he co-founded in 2007. He continues to serve as Senior Advisor and a founding partner of Pegasus Capital, a private equity firm in Buenos Aires. Before Pegasus, as President & CEO of ACCION International, a nonprofit corporation dedicated to microfinance, Chu worked to develop financial services for low income sectors as a new segment of banking capable of outstanding returns. He was also active in the private equity industry as a member of Kohlberg Kravis Roberts & Co (KKR) and in the senior management of large multinational corporations.

SUSANNE DORASIL

Head, Economic Policy; Financial Sector Division, German Federal Ministry for Economic Cooperation and Development (BMZ); Co-facilitator of the G20 Development Pillar on Private Investment and Job Creation



Susanne Dorasil is Head of the Economic Policy; Financial Sector Division at BMZ, in charge of sustainable economic development (economic policy, financial and private sector development), corporate social responsibility and innovative business models for development as well as ICT for development. She is currently serving as German co-facilitator of the G20 development pillar on Private Investment and Job Creation and as German co-chair of the Sub-group on SME Finance of the Global Partnership for Financial Inclusion. Susanne Dorasil was formerly Deputy Head of the Central Africa, West Africa II, Madagascar Division; Senior Advisor to the German Executive Director at the World Bank

Group (focal areas: IDA; dept sustainability, lending instruments, corporate governance, safeguards/performance standards, good governance, fragile states); Private Secretary to the Permanent State Secretary of the BMZ; and Deputy Head of the Legal Division. She studied law at the Free University of Berlin and holds a Master of Laws degree from King's College London. She passed her bar examination in Berlin.

BERNARD GIRAUD

Co-founder and President, Livelihoods Fund and Livelihoods Venture (Danone)



Bernard Giraud is the co-founder of the Livelihoods Fund (a mutual fund with Danone and others such as Credit Agricole, Schneider Electric, and CDC Climat) and President of Livelihoods Venture. Until recently, he was Vice-President of Sustainability and Shared Value Creation of Danone, where he played a key role in developing an ambitious carbon reduction and offset policy. In 2008, he created the Danone Fund for Nature with IUCN and the Ramsar, which implemented large-scale mangrove restoration and agroforestry projects in Africa and Asia. Bernard Giraud created additional funds mixing economic and social value creation: danone.communities (€80m, social business) and danone.ecosysteme (€100m, sustainable farming). Before joining Danone in 1998, Bernard Giraud was Executive Director of governmental organisation Invest in France Agency North America (DATAR). He served as Director for International Activities in the Marine Division of US-based Johnson Worldwide, as General Director of Regional Development Agencies in the West and South of France, and as a Board Member and Executive Director of Corporate Responsibility Europe.

LUIZ ROS

Manager, Opportunities for the Majority, Inter-American Development Bank



Luiz Ros was appointed Manager for the Opportunities for the Majority (OM) Sector Office under the Vice Presidency for the Private Sector in January 2008. Under his management, the Initiative has developed a portfolio of 34 operations for US\$200 million across 18 countries in Latin America and the Caribbean. Before entering the Bank, Ros was the Global Manager for Markets and Sustainable Enterprise at the World Resources Institute (WRI). Ros has also served as a member of the strategic board for the VC III Stratus Investment Fund, which is based in São Paulo, Brazil, and supports small, sustainable businesses.

VÍCTOR MANUEL RIVERA SANDOVAL

Head, General Office of Business Information Management, Under Ministry for Small and Medium Enterprises, Mexican Ministry of Economy; Representing Mexico as the current Chair of the G20 and host of the June 2012 Leaders Summit



Mr. Víctor Manuel Rivera Sandoval is an Economist who graduated from Universidad de las Americas-Puebla, Mexico. He holds a Master's degree in Strategic and Innovation Management from the Autonomous University of Barcelona, Spain. Mr. Sandoval joined the Ministry of Economy in 1993; since then he has been involved in the design of public policy for SMEs and the development of programs to drive innovation, productivity, and competitiveness. During his career in the public sector, he has been representing the Under Ministry in the Directing Committees for SMEs in the federal government (Science and Technology, Education, Finance, Agriculture, Tourism, Social Development, Forest, Business incubators, SMEs Funds) and has a close relationship with States governments, private sector, Academia, and international organizations. The latter, currently as a Delegate for OECD Working Party for Small and Medium Enterprise and Entrepreneurship (WPSMEE), OECD Working Group on Bribery in

International Business Transactions, Japanese International Cooperation Agency (JICA), and Mesoamerican Integration and Development Project (MIDP).

YASUYUKI SUGIURA

President & CEO, Mitsubishi International Corporation



Yasuyuki Sugiura has a long history with Mitsubishi Corporation (MC) and Mitsubishi International Corporation (MIC), including roles as General Manager of the Corporate Strategy and Research Department and General Manager of the Regional Strategy and Coordination Department. From 2006–2008, he served as Chief Financial Officer and Senior Vice President for the Corporate Division at MIC's New York Office. In 2008, he returned to Tokyo as General Manager for the Corporate Communications Department where he managed media relations and also worked as Editor of the MC Group magazine RYOWA, which currently distributes 40,000 copies to 500 group companies. Shortly thereafter, in 2009, he was promoted to Senior Vice President of MC. In 2011, he returned to MIC as Executive Vice President and Chief Operating Officer, and in April of 2012, Mr. Sugiura was promoted to President & CEO of Mitsubishi International Corporation.

Mr. Sugiura graduated from the University of Tokyo in 1978, Faculty of Economics, and the International University of Japan in Niigata in 1988.

TIM TURNER

Director, Private Sector and Microfinance Department, African Development Bank



Mr. Tim Turner, a Canadian national, is the Director of the Private Sector and Microfinance Department at the African Development Bank (AfDB). Tim joined the AfDB in 1996 as the inaugural Head of Risk Management. Previously, he worked for Smith Barney, an American Investment Banking firm, in both London and New York. He holds an engineering degree from the University of Toronto and an MBA from IMD in Switzerland.

BHARAT WAKHLU

*Resident Director,
Tata Group*



Based in New Delhi, Bharat is the Resident Director for the Tata Group. He served as the President of Tata Incorporated, New York, managing the Group's presence in the Americas, before his current assignment. Mr. Wakhlu's work within many of the Tata Group's diverse companies, spans over 28 years, and has concentrated on creating monetizable and sustainable value for stakeholders. He has been active in emphasizing the role of corporate organizations in working towards Sustainable Business, Poverty Alleviation, and Human Rights. Bharat has authored the book: "Total Quality – Excellence through Organization-wide Transformation," is the Co-editor of "Restoring Values – Keys to Integrity, Ethical Behaviour and Good Governance," and has also written a novel, *Close Call in Kashmir*, published by Penguin (India) in 2010. He is a Member of the Tata Group's Steering Committees for Innovation and for Climate Change, and is on the Boards of the Indian Institute of Corporate Affairs, the American Society for Quality (ASQ-USA), and the Advisory Boards of the Global Sustainability Council (UK) and Fordham University, USA.

Acknowledgments

This publication would not have been possible without the input of the 29 companies profiled through the “G20 Challenge on Inclusive Business Innovation.” The team thanks the companies for allowing their business models to be profiled in this publication and for their leadership in the growing field of inclusive business.

The IFC writing team included Alexis Geaneotes, Sabine Hertveldt, Eriko Ishikawa, and Toshi Masuoka, with input from Dalberg Global Development Advisors and Sunjay Dixit. Much of the language herein was adapted from the G20 Challenge applications submitted by the 29 companies profiled in this publication.

The team thanks the 12 judges for devoting their time and efforts to select the 15 G20 Challenge winners and the Mexican Presidency of the Group of 20 for honoring the winners at the G20 Leaders Summit in Los Cabos, Mexico. The team would like to give special thanks to Susanne Dorasil from the German Federal Ministry for Economic Cooperation and Development (BMZ) and to Ibrahim Alturki from Saudi Arabia — the two co-chairs of the G20 Pillar on Private Investment and Job Creation — without whom the *G20 Challenge on Inclusive Business Innovation* would not have been possible. Special thanks also go to Alexandra Oppermann (GIZ) and Nicole Maldonado (BMZ) for their continued support throughout the project.

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