

G20 Inclusive Business Workshops

Regional Workshop Latin America
5 June 2013, Medellín – Colombia



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Workshop Report

G20 Inclusive Business Workshop Regional Workshop Latin America 5 June 2013, Medellín

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**G20 Inclusive Business Workshop Latin America
Medellin - 5 June 2013**

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INTRODUCTION

The second regional G20 Inclusive Business Workshop was held at the Hotel Four Points by Sheraton Medellín, Colombia, on June 5, 2013. This event followed the opening workshop of the G20 Inclusive Business series in Berlin in September 2012 and the first regional workshop Asia in Mumbai in April 2013. The workshop was organised together with the Inter-American Development Bank's [II BASE International Forum](#) 2013, a leading discussion platform on markets at the BoP in Latin America and the Caribbean. The Forum also took place in Medellín on 6-7 June at the Plaza Mayor Convention Center. In combination, these two events provided a unique platform to link up with inclusive business leaders, investors, policy makers, donors and other stakeholders.

The G20 Inclusive Business Workshop Latin America convened around 80 high-ranking participants from across the private, public, financial and academic sectors. It provided a unique multi-stakeholder forum where the winners of the [G20 Challenge on Inclusive Business Innovation](#) met with CEOs and directors of leading inclusive and other businesses, representatives of development agencies and governments, investors as well as other experts in the field of inclusive business models (IB). The workshop focused on the topic "Scaling up Finance for the Base of the Pyramid (BoP)" and explored successful financing solutions which enable the inclusion of low-income people into the value chain, thus supporting the growth of inclusive business models.

This report presents the key take-aways of the G20 Inclusive Business Workshop in Latin America. It provides summaries of each session and describes the outcomes of the working group discussions.

The appendix contains the workshop agenda and the list of participants.

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Context and objectives

Germany and Saudi Arabia, in their roles as co-facilitators of the G20 Development Pillar “Private Investment and Job Creation”, launched the G20 Inclusive Business Workshop series to accelerate the South-South spread of commercially viable inclusive business models that expand opportunity and access for people living at the base of the pyramid (BoP) in developing and emerging countries. The workshops are implemented with generous additional support from the United Arab Emirates and in cooperation with the Siemens Stiftung (Foundation).

The workshop series is part of the implementation of the G20 Challenge on Inclusive Business Innovation, one of the four Action Items of the pillar “Private Investment and Job Creation” of the G20 Multi-Year Action Plan on Development. The challenge aimed at identifying and supporting inclusive business models with the potential for replication and scalability. The winners were presented at the G20 Leaders’ Summit in Mexico in 2012 and were awarded with the participation in workshops to support the up-scaling and replication of their business models. The objective of the workshops is to foster the spread of inclusive businesses across regions by showcasing successful examples, developing solutions to inclusive businesses’ growth challenges, and encouraging new partnerships. The first workshop took place in [Berlin](#) in September 2012 followed by three regional workshops in [Asia](#), Latin America and Africa in 2013 (for more information on the workshops see www.g20challenge.com/about-the-workshops).

The Latin American workshop focused on “Scaling up Finance for the BoP” which was identified as a key challenge for the scale-up and replication of inclusive business models during the kick off workshop in Berlin in 2012. Due to limited access to finance, the lack of adapted financial products and financial education, people living at the BoP are often excluded of the normal business cycle. By providing financing solutions to their customers, suppliers, distributors and retailers, inclusive business models help to bridge this gap and allow low-income people to become market players. The workshop explored innovative instruments and mechanisms for consumer financing on the one hand, and value chain financing on the other hand. Participants discussed key success factors and the required ecosystem to enable the spread of successful financing solutions for the BoP.

The specific objectives of the Latin American workshop were to:

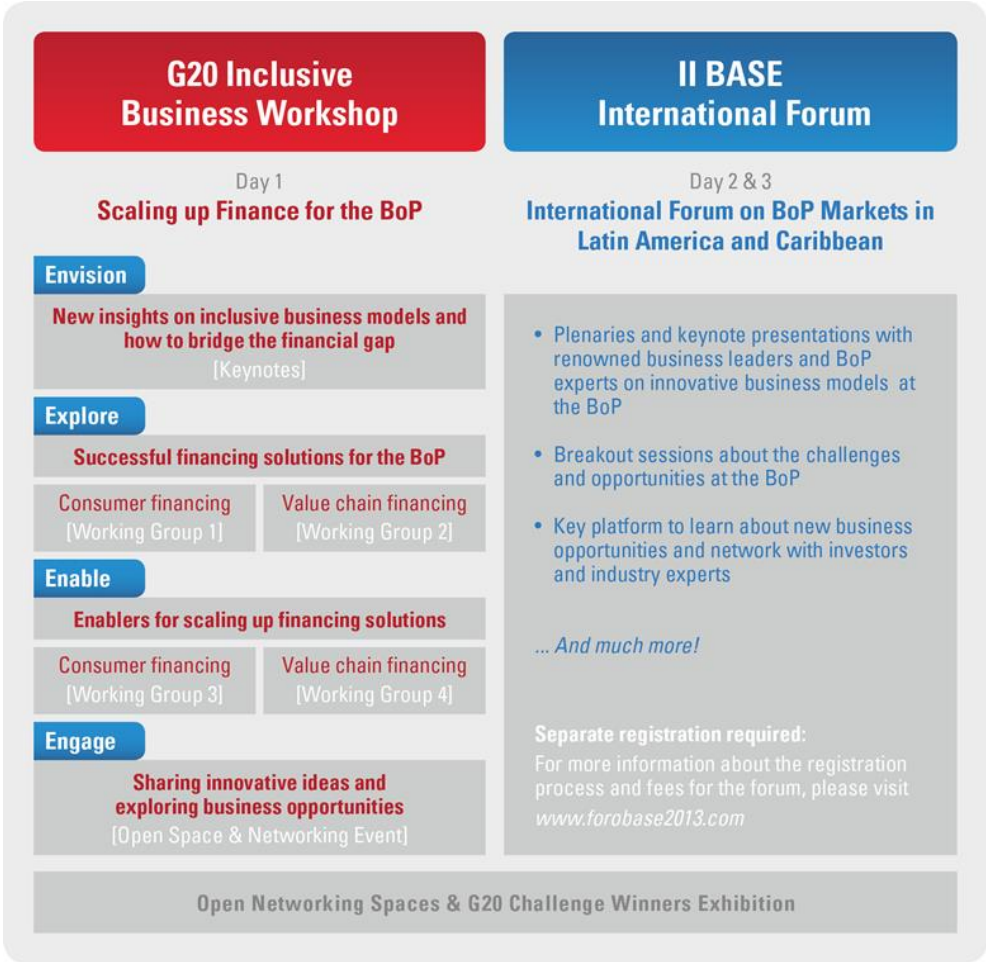
- explore successful financing solutions and mechanisms for the BoP;
- identify key factors and enablers for scaling-up Finance for the BoP;
- encourage new partnerships and business relationships in the Latin American context.

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Overview of workshop proceedings

The G20 Inclusive Business Workshop in Latin America offered a unique peer-learning platform where six of the G20 Challenge winners, business leaders and inclusive business experts shared best practices and discussed solutions for scaling-up and replicating inclusive business models in Latin America. The agenda combined interactive peer-learning sessions and networking opportunities with discussions by internationally renowned experts.

The approach of the workshop was geared around the four “E” dimensions. The plenary sessions “Envision” with keynote speeches had the objective to provide participants with new insights on inclusive business models and how to bridge the financial gap. In the working group sessions “Explore” participants had the opportunity to discuss successful financing solutions for the BoP. Best practices and success stories on the basis of the examples of the G20 challenge winners were presented. During the Worldcafé session “Enable” the discussions focused on how to enable the scale-up and replication of innovative financing solutions. Finally through an open collaboration space and the evening event “Engage”, the workshop gave space for exploring new collaboration opportunities. The event concluded with a panel discussion between businesses, policy makers and donors on how to facilitate financial inclusion. The following graph gives an overview of the workshop.



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The workshop day began with a welcoming note and an introduction by **Lukas Socarras** (Program Manager, Siemens Stiftung (Foundation)). **Eriko Ishikawa** (Global Program Manager, International Finance Corporation - IFC) then set the scene for the workshop by illustrating the context and application process of the G20 Challenge on Inclusive Business Innovation.

Following this introduction, the plenary session “**Envision**” began with a keynote address from **Ted London** (Senior Research Fellow, William David Institute; Faculty Member, University of Michigan’s Ross School of Business) who provided new perspectives on the scale-up and replication of inclusive business models.

In two parallel working groups “**Explore**”, participants were invited to discuss and share their experiences on successful solutions for financing of the BoP. Working group 1 “Consumer financing” focused on challenges, solutions and opportunities in providing access to finance to BoP consumers. Working group 2 “Value chain financing” focused on financing solutions along the value chain. Both groups were enriched by the contributions of six of the winners of the G20 Challenge. For group 1, **Leónidas López Herrán** (President, Corporación Universitaria Minuto de Dios), **Carla Berriña-Kim** (Head of Sustainable Development, Manila Water Company) and **Alfredo Nava** (Investor Relations officer, VINTE Viviendas Integrales) presented their successful inclusive business models. Group 2 included presentations by **Juan Carlos Espinosa** (Head of Distribution Channels and New Businesses, Agrofinanzas), **David Griswold** (President, Sustainable Harvest Coffee) and **Marco Gorini** (CEO VoxCred S/A, Tenda Atacado Group).

After a **networking lunch**, the afternoon plenary session “**Envision**” with keynote speaker **Rupert Scofield** (President and CEO, FINCA International) offered new insights on microfinance and presented success factors in expanding financing solutions which serve the needs of the BoP.

The subsequent session “**Enable**” aimed at exploring enablers for the upscaling of financing solutions for the BoP. In a worldcafé session, participants discussed which innovations and external conditions are necessary to advance financing solutions for the BoP and how donors, financial institutions and governments can support this development. After the afternoon coffee break, the session “**Engage**” served as an open collaborative space and gave participants the opportunity to explore collaboration potential and develop new business ideas.

The evening session was opened up by **Luiz Ros** (Manager, Opportunities for the Majority, Inter-American Development Bank). Then, a panel discussion took place on the topic “Bridging the financial gap: the impact of inclusive business models”. Participants of the panel were **Susanne Dorasil** (Head of Division, Economic Policy; Financial Sector, German Federal Ministry for Economic Cooperation and Development - BMZ), **Marco Gorini**, **Santiago Pérez** (Vice President Personal and SMEs Banking, Grupo Bancolombia) and **Camilo Santa** (Advisor for Inclusive Business and Impact Investment in the National Agency of Overcoming Extreme Poverty - ANSPE). Innovative financing solutions for the BoP were presented and a dialogue between businesses, policy makers and donors on how to facilitate access to finance for the BoP was initiated. The end of the workshop day was

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marked by closing remarks from **Susanne Dorasil** and by a networking cocktail reception which was organised in cooperation with Business Call to Action - United Nations Development Program (UNDP).

Following the workshop, the **BASE Forum** took place on June 6-7 (for more information see www.forobase2013.com). During these two days, the G20 Challenge hosted a special **exhibition** about the fifteen innovative inclusive business models of the G20 Challenge winners.

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WELCOMING AND INTRODUCTION TO THE WORKSHOP



Lukas Socarras, Program Manager - Siemens Stiftung (Foundation), opened the G20 Inclusive Business Workshop and highlighted the positive contribution of the G20 Challenge winners for sustainable development in developing and emerging economies. He introduced the mission of the Siemens Stiftung, and addressed its specific motivation for supporting the G20 Inclusive Business Workshops. The Siemens Stiftung promotes entrepreneurial approaches to help people master social and environmental challenges. It puts an emphasis on collaborative approaches and multi-stakeholder strategies. Overall, the Siemens Stiftung takes on a holistic, integrated vision of sustainable

development in Latin America and worldwide.

CONTEXT OF THE G20 CHALLENGE



Eriko Ishikawa, Global Program Manager - International Finance Corporation (IFC), emphasized the critical role of inclusive business models in reaching global development goals and illustrated the contribution of IFC in increasing the development impact of its clients while making sound investments. She presented the objectives and framework of the G20 Challenge on Inclusive Business Innovation and gave an overview of the eligibility criteria and the selection process. She provided insights on the applicants and emphasized the importance of the regional workshops to strengthen the inclusive business relationships of the winners in the regions. She also highlighted the success stories of

different G20 winners and IFC clients who have realized their business models in Latin America.

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PLENARY SESSION “ENVISION”

Keynote Address by Ted London



Ted London, Senior Research Fellow - William David Institute; Faculty Member - University of Michigan’s Ross School of Business, provided new insights on doing business with low income people by presenting a new framework for next generation inclusive business models which builds upon mutual value creation and integrated investments for development. He emphasized the importance of linking business initiatives with development partners in order to enhance mutual understanding, create new markets and maximize impacts. In that context, he outlined a new partnership model which aims to foster interdependent relationships between all inclusive business model partners.

Furthermore, Mr. London recommended that enterprise leaders should work with a set of guiding principles to improve their cooperation with the poor. Overall, he spoke in favour of reframing approaches to working with low-income people in order to build an environment that supports the generation of shared wealth.

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WORKING GROUPS “EXPLORE”

Working Group 1 - Consumer Financing

Presentations by the G20 Challenge winners:

- **Corporación Universitaria Minuto de Dios (Uniminuto)** by Leónidas López Herrán, President
- **Manila Water Company** by Carla Berriña-Kim, Head of Sustainable Development
- **VINTE Viviendas Integrales** by Alfredo Nava, Investor Relations Officer



Facilitator: Julia Rohe, adelphi

Summary

Successful financing instruments and mechanisms to provide access to finance to BoP consumers were discussed on the basis of the successful examples of the G20 Challenge Winners. Three G20 Challenge winners who are involving low-income people as consumers presented their business models and innovative financial solutions for the BoP.

Uniminuto from Colombia seeks out local public and private partners to help lower tuition fees to make education more accessible to people at the BoP. They also work with the government of Colombia to offer long-term loans to students at the BoP.

Manila Water provides safe, affordable drinking water to the BoP in the Philippines by laying out more than 3,200 kilometres of new pipelines, constructing new sewage treatment plants and eliminating unregistered connections.

VINTE enables Mexican families living at the BoP to access finance for eco-friendly housing. Working with the Mexican government, VINTE not only addresses the shortage of affordable housing but is engaged in all phases of the development process - from acquiring land to selling the house.

Following the winners' presentations, participants discussed opportunities and challenges in providing access to finance to BoP consumers.

Key take-aways

What are successful solutions for BoP consumer financing?

- First and foremost it is important to develop integrated solutions instead of isolated ones, taking into account the needs and financial possibilities of different target groups as well as potential contributions of other stakeholder groups to the financing model.
- Strategic alliances of inclusive businesses with public, governmental and financial institutions as well as traditional private businesses can help to foster a beneficial environment for consumer financing models and to develop further viable solutions.

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- Inclusive businesses can offer diverse and flexible tariffs and subsidies to their different target groups. Through cross-subsidization models, these can be balanced internally. Additionally, various payment schemes can help to ensure continuous and straightforward transactions between buyer and seller; for example, a certain percentage of a customer's salary could be transferred directly from the employer to the inclusive business that provides in turn certain goods or services.
- Consumers of the BoP should be encouraged to create cooperatives in order to enhance their bargaining and purchasing power.

What are opportunities in the field of BoP consumer financing?

- The whole financing cycle needs to be considered in order to develop sustainable financing solutions. Consumers of the BoP can and should become part of these integrated solutions.
- Partnerships with local communities and donor organizations as well as integrated community based cooperatives can be established in order to create a solid foundation for consumer financing models.
- Modern information and communication technologies offer great opportunities for inclusive businesses with regard to consumer financing models and should be used to their full potential in order to reap their benefits.

What are challenges of BoP consumer financing?

- One of the prioritized goals of inclusive businesses is to be financially sustainable and independent over time. However, the pursuit and realization of this goal is complicated by various internal and external factors.
- The business has to maintain quality standards and deliver customer value to ensure that customers stay willing to pay for the goods/services. This is one of the reasons why it is a challenging but necessary task to take on the customer's perspective when defining the business model and implementing strategies.
- To be truly inclusive in terms of consumer financing, it is required to establish a broad range of financing mechanisms that target different income groups. There exist manifold financing mechanisms for traditional business models; however, at present there are no or only very few business models that include sustainable consumer financing mechanisms for inclusive businesses and could be adapted on a large scale.
- If a business decides to replicate a given business model, it enters a new stage facing new challenges. Entrepreneurial creativity is one of the most important conditions in order to succeed in the replication process.
- Volatile regulatory environments in the country/countries of operation complicate the establishment of consumer financing solutions that are applicable and sustainable in the long-term.
- When inclusive businesses move to new markets, they have to tackle certain cultural challenges, for example how to deal with different payment mentalities of consumers across regions or countries.

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Working Group 2 - Value Chain Financing

Presentations by the G20 Challenge winners:

- **Agrofinanzas** by Juan Carlos Espinosa, Head of Distribution Channels and New Businesses
- **Sustainable Harvest Coffee Importers** by David Griswold, President
- **Tenda Atacado Ltda** by Marco Gorini, CEO VoxCred S/A, Tenda Atacado Group



Facilitator: Francisco Luis Fernandez, adelphi

Summary

Successful financing instruments and mechanisms to provide access to finance along the value chain were discussed on the basis of the successful examples of the G20 Challenge Winners.

Agrofinanzas from Mexico involve the BoP into their value chain by providing financing to farmers and food producers. By using a profit-and-risk-sharing agreement the producers get financing at competitive interest rates.

Sustainable Harvest Coffee Importers buy coffee from Central and South American smallholder farmers six months ahead of schedule delivery to import to North American markets. In this way, producers have collateral in the form of coffee contracts to be able to access loans. Producers are also included in negotiations with the final buyer and obtain assistance in making informed decisions about the sale of their product.

Tenda Atacado purchases food and household merchandise in bulk and sells them to the BoP for resale. 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. In this way, small entrepreneurs get the credit they need to extend their businesses.

Following the winners' presentations, participants discussed opportunities and challenges in providing access to finance to BoP consumers.

Key take-aways

What are successful solutions for BoP value chain financing?

- The provision of business and management trainings, e.g. workshops or role plays, to entrepreneurs in the field of inclusive business can help to achieve a better understanding of the issue and can contribute to improved strategic decision-making and handling of difficult situations.

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- Inclusive businesses can give microcredit loans to their suppliers, e.g. small-holder-farmers working with aggregators. Maintaining a supplier database that includes internal measures of performance, reliability etc. can help to establish a solid basis for decision-making. External information publicly provided by governmental or non-governmental institutions can be used in addition to analyse the creditworthiness of the supplier.
- A holistic stakeholder approach helps to ensure transparency and effectiveness of value chain financing models. Joint events such as discussion forums with suppliers, creditors and other parties encourage mutual dialogue and facilitate the development of viable solutions
- Governments can also play an important role in including the BoP in value chains. They can encourage banks to cooperate with each other, communities and traditional and inclusive businesses with regard to microcredits, or introduce financial reforms (example: Mexico) that regulate the profit-making of banks.

What are opportunities in the field of BoP value chain financing?

- To include the BoP in the value chain of inclusive businesses is not only an opportunity but a necessity. It should be the goal to develop an integrated ecosystem for businesses, suppliers and banks to create a shared understanding of the social and business dimensions of the issue.
- As a precondition, all parties have to get an understanding of the needs of and the interrelations among the other parties involved in the value chain. On the one hand, businesses and banks have to become clear about the needs and aspirations of the BoP; on the other hand, the tasks, processes and practical constraints of banks and businesses need to be considered as well.
- A majority of suppliers has not had any access to credits in the past and thus cannot provide information to businesses and banks about its credit history as a proof of creditworthiness. Thus, it is important to establish trust through openness, honesty and humility and to develop models including clear contracts and collateral agreements. Another option is to focus on aggregators since it is easier to acquire information about them and to develop reliable long-term relationships.
- Partnerships of inclusive businesses with traditional private businesses for joint value chains (e.g. coffee supply chains) can help establish efficiency and reliability.

What are challenges of BoP value chain financing?

- Some markets are still underdeveloped with regard to value chain financing models. This complicates the transfer of certain inclusive business models to these markets and to scale up successful approaches.
- To establish functioning solutions, businesses are dependent on the support of public, governmental and financial institutions. However, there is a lack of programmes and initiatives from their side and it is difficult to get them on board.
- For inclusive businesses, it is often difficult to get a comprehensive understanding of the legal status and further selection criteria such as production and sales volumes, quality standards or the credit history of individual suppliers. This complicates the introduction of integrated and sustainable value chain financing models.

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PLENARY SESSION “ENVISION”

Keynote Address by Rupert Scofield



Rupert Scofield is President and CEO of FINCA International, a global non-profit *microfinance organization* providing financial services to lowest-income entrepreneurs. Mr. Scofield presented the history and global growth of the Foundation for International Community Assistance (FINCA). He described success factors and challenges for establishing a global microfinance network, when the sector was still under development and experiences were missing. One of the main difficulties was to raise capital in the different growth phases. He highlighted the relevance of an institution’s culture and stressed that in many cases the human capital of an institution is more crucial than its financial capital.

He also emphasized the importance of institutional structures and processes while replicating the FINCA model outside Latin America. After moving into new markets, FINCA succeeded in keeping the core of its business model, focusing on organic growth and relying on tested methods and approaches.

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WORLDCAFÉ SESSION “ENABLE”

The Worldcafé session focused on “Enablers for scaling up financing solutions for the BoP” and consisted of a roundtable approach, whereby participants were split into six roundtables. Each table was led by one facilitator and was aimed at discussing what the enablers are for scaling up financial solutions for the BoP. On the basis of the challenges identified in the morning discussions, the Worldcafé was divided into four different topic areas, namely Financing & Investment, Innovation & Technology, Regulation & Incentives, and Knowledge & Skills. Each roundtable discussed solutions and approaches on one key topic area, whereas Knowledge & Skills and Innovation & Technology were addressed by two tables.



Facilitators: Alexandra Oppermann and Jonas Naguib from the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). Julia Rohe, Anais Mangin, Mirko Zürker and Francisco Luis Fernandez from adelphi.

Financing & Investment

Main challenges identified:

- Traditional banks and financial institutions lack interest in BoP financing
- Risk management of BoP suppliers, distributors and buyers is missing
- Challenge of developing long-term financing

Key take-aways

- To enable Financing & Investment models for the BoP, it is highly relevant to connect the public, financial and economic sector. Thus it would be beneficial to establish a network of relationships between public and financial institutions and businesses that delivers value to all parties and ensures a high level of integrity.
- Value chain financing models can provide benefits to all parties involved; in order to reap them, it is important to recognize and clearly point out these incentives and to reduce any associated costs and risks.
- To facilitate communication among the parties, it plays a vital role to understand the “culture” of each other, i.e. backgrounds, needs, goals, constraints etc. In this context, it helps to be open-minded and not afraid to ask questions. Additionally, a clear articulation of the own position and the development of a shared and comprehensible language prevent misunderstandings and allow for effective collaboration.
- Self-employment opportunities should also be part of the economic model offered to BoP markets.

Innovation & Technology

Main challenges identified:

- It is difficult to involve “individuals” in value chain financing
- Lack of tailored financing products/services for BoP customers
- Need to enhance innovation opportunities in rural areas

Key take-aways

- Governments are responsible for the creation and administration of databases on the credit history about members of the BoP. Alternative sources like information from public utility service providers shall be considered to gather information on credit-worthiness. Governments can support this process by implementing new regulations. An additional option discussed as data source is the use of universal identification systems.
- Alternative solutions to assess creditor risk have to be identified. One innovative example discussed on this context is called “potential based lending”. It was suggested by Lumni, a partner of Uniminuto, who provides financial products to BoP customers on the basis of “their potential” (i.e. future capacity) instead of the current creditworthiness. In cooperation with Lumni, Uniminuto currently develops a new product that allows assessing the individual borrower’s capacities on the basis of their expected career success. A further approach, which is currently tested by Uniminuto, is called “reputation based lending”: Information about the individual borrower’s capacity is gathered through an analysis of social media interactions.
- Another innovative concept is “online peer-to-peer lending”. Exemplary in this field is Kubo Financiero México, an online platform that provides branchless banking services: On the basis of existing client information (e.g credit history), Kubo creates individual risk profiles for each client which can be retrieved from potential creditors. A further idea discussed is “reputation based lending”: an approach which uses social media platforms to access information about their clients.
- Innovation within established financial institutions should be encouraged as well. At present, there is a lack of professional financial products which really match the needs and behaviors of BoP clients. The development and offering of tailored financial solutions would facilitate BoP financing at a large scale.
- Schools and universities could serve as an “innovation motor”. Through cooperation with local governments and inclusive businesses, their academic and practical proficiency could contribute to the development of advanced BoP financing solutions.
- The high innovative potential of individuals and communities with regard to the development of financing solutions should be fostered and bundled. Innovation communities or online platforms could help to stimulate and steer creativity and connect initiatives with each other. Creative methods like Design Thinking could be applied on a collective basis. Besides, an environment that promotes the implementation of small pilot projects within a “trial and error” approach would enable innovators to test and improve their ideas.
- The introduction of collective innovation and co-creation opportunities should not neglect rural areas. Even though the potential is existent, a lack of opportunities and initiatives in rural areas hinders its exploitation.

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- BoP customers would benefit from a single, comprehensive platform that lists and clearly describes all financing products/services offered by financial institutions and inclusive businesses. A map would help users to identify options in regional proximity.
- On the other hand, it would also be helpful to connect inclusive businesses to each other, e.g. through an online platform. It would provide the opportunity to share concepts, practices and technologies that were successfully implemented by inclusive businesses. Besides, a database could be created that provides data on BoP customers, underpinned by actual experiences of inclusive businesses with them.

Regulation & Incentives

Main challenges identified:

- Uncertainty of legal framework conditions when working with governments
- Lack of public/government support programmes for value chain financing
- Scale-up/replication to underdeveloped markets is difficult
- There is a limited lobby for inclusive businesses in the private sector
- Legal status and criteria for inclusive business models are not clear

Key take-aways

- The status of inclusive businesses should become clearer to other parties. The business structures should be formalized and comprehensive information should be made widely accessible.
- Incentives for inclusive businesses and their value chains should be set in order to promote sustainable business models which contribute to social progress. A clear definition and examination of eligibility criteria for these incentives is key to the efficiency and effectiveness of this approach. Incentives could include specific financing options linked to social performance outcomes.
- Governments should develop clear strategies for promoting inclusive businesses and the empowerment of the BoP. On the one hand, they themselves can change their purchase behaviour by turning to local products and services in the public sector; on the other hand, they can facilitate financing options for inclusive businesses and members of the BoP through financial reforms and regulations and can actively support the dialogue between all parties involved.
- Public Private Partnerships are a good way to support the scale of inclusive business models.

Knowledge & Skills

Main challenges identified:

- Awareness of the BoP/cultural context; example: different payment mentality
- Lack of expertise on specifics of BoP models when replicating
- Lack of awareness, trust and financial education of the BoP
- Lack of a common language among the parties of the value chain

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Key take-aways

- For banks and investors it is necessary to understand and measure both social and financial performance criteria of inclusive businesses to evaluate the utility of their lending or investment activity. After the evaluation process, they should share their findings with other potential creditors and investors to enhance their decision-making by creating informal risk assessment and trust systems.
- It would be helpful to create a platform accessible for all parties who are already or could potentially be involved in BoP financing models. It should provide relevant information about the needs and financial capacities of BoP customers and introduce tools and systems already in place in order to improve their income situation.
- To facilitate communication with entrepreneurs in the field of inclusive business, other parties should try to “learn their language” and adapt their own style to it.
- Education and training of members of the BoP is a vital part of improving their situation sustainably. As a precondition, access to them has to be facilitated and their educational needs have to be better identified in order to offer appropriate courses. The improvement of technical skills as well as general business skills should be focussed and best practices could be demonstrated to create knowledge and skills in a vivid way. Capacity building tools could be provided through platforms and networks. Equally important to the provision of professional training is to point out the opportunities for the BoP and to encourage entrepreneurial thinking among them right from the beginning.
- BoP capacities and knowledge can be further strengthened through the connection of individual and collective initiatives and the creation of partnerships and networks between different actors and sectors.

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EVENING SESSION

Opening remarks



Luiz Ros, Manager of the Opportunities for the Majority (OMJ) - Inter-American Development Bank (IADB), first introduced the OMJ in general, and then addressed its specific motivation for supporting the G20 Inclusive Business Workshops. OMJ promotes and finances inclusive business models that develop and deliver quality products and services, create employment, and enable low-income producers and consumers to join the formal economy. He highlighted the important role of inclusive business models in creating opportunities for people at the BoP to obtain goods and services and to find ways to empower them. He further outlined that private firms and financial institutions have built in the

capacity that allows them to bring high quality goods and services like education, housing, water, as well as health and financial services to low-income population in a more efficient manner.

Panel discussion - Bridging the financial gap: The impact of inclusive business models

Panelists

- **Susanne Dorasil**, Head, Economic Policy & Financial Sector Division - German Federal Ministry for Economic Cooperation and Development (BMZ)
- **Marco Gorini**, CEO - VoxCred S/A, Tenda Atacado Group
- **Santiago Pérez**, Vice President Personal and SMEs Banking - Grupo Bancolombia
- **Camilo Santa**, Advisor for Inclusive Business and Impact Investment in the National Agency for the National Agency of Overcoming Extreme Poverty, ANSPE - Colombia

Moderator: Francisco Luis Fernandez, adelphi

Summary

The panel discussion showcased innovative financing solutions for the BoP and initiated a dialogue between businesses, policy makers and donors on how to facilitate access to finance for the BoP. The panelists highlighted how inclusive businesses can act as enablers for financial inclusion and discussed the roles and responsibilities of governments and donors in supporting inclusive businesses. They stressed that inclusive business models need implementation support, especially in the areas of financing, capacity building, incentives and network facilitation.

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Key Take Aways

- Collaborations of different actors in the value chain are recommended in order to reduce the costs and risks of providing finance to the BoP. Governments and development agencies can facilitate such multi-stakeholder collaborations and provide capacity-building programmes regarding financial services.
- The development of mobile money services using cost-effective ICT technologies can facilitate money transfer and lending to the BoP.
- Branchless banking access points allow deeper penetration of banking services into poor communities at less cost to banks than traditional branch establishments.
- It is important to find innovative way of assessing the creditworthiness of BoP customers. Only through the assessment of a multitude of customer's data (e.g. a customers' purchasing history and purchasing patterns etc.) a solid credit risk assessment can be done.
- Inclusive business models need to respond to the specific needs in the community with methods adapted to the social, cultural and geographic characteristics of a particular community.
- The lack of social services and educational measures at the BoP represents a significant hurdle for financial inclusion. Involving and collaborating with local stakeholders such as public authorities, community organisations and NGOs is critical in order to implement such programmes.
- It is important to first understand where the private sector is currently working on social aspects, and then determine how the government can act as a facilitator for those activities.
- Through public-private alliances and mechanisms the government can harness and channel private sector resources under the umbrella of poverty reduction strategies.



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Closing remarks



Susanne Dorasil, Head of Division, Economic Policy; Financial Sector, German Federal Ministry for Economic Cooperation and Development (BMZ), closed the workshop presenting the rationale behind the G20 Inclusive Business Workshops series, as well as the motivation for German development cooperation to support inclusive business models through technical and financial assistance. The workshops series provides a unique platform to link up inclusive business leaders with investors, policy makers and donors while showcasing innovative and successful inclusive business models. The third regional workshop is scheduled for October 2013 in Kenya and will close up the series. The outcomes of the G20 Inclusive Business Workshop in Medellin will be reported to the G20 Development Working Group.

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IMPRESSIONS



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APPENDIX

Agenda

Moderator Francisco Luis Fernandez, adelphi

9.00 - 9.30 Registration and coffee

9.30 - 9.45 **Welcoming and introduction to the workshop**

/ Location: Salón Medellín

Speaker: Lukas Socarras, Program Manager - Siemens Foundation

9.45 - 9.55 **Context of the G20 Challenge on Inclusive Business Innovation**

Speaker: Eriko Ishikawa, Global Program Manager -International Finance Corporation

9.55 - 10.35 **Plenary session “Envision”**

Keynote address

Speaker: Ted London, Senior Research Fellow - [William Davidson Institute](#); Faculty Member - University of Michigan’s Ross School of Business

The keynote challenged new perspectives on the scale-up and replication of inclusive business models and inspired creativity and new thinking.

10.35 - 10.50 - Coffee Break

10.50 - 12.30 - **Working Groups “Explore” (running in parallel)**

Successful financing solutions for the BoP

The morning working groups enabled the sharing of best practices and success stories on Finance for the BoP on the basis of the successful examples of the G20 Challenge Winners. The discussions addressed the following questions: What are successful financing instruments and mechanisms to provide access to finance along the value chain and to BoP consumers? What opportunities do they present and what challenges exist to scale and replicate these solutions?

Working Group 1 - Consumer Financing

/ Location: Salón Santafé

Presentations by the G20 Challenge winners:

- **Corporación Universitaria Minuto de Dios** by Leónidas López Herrán, President
- **Manila Water Company** by Carla Beriña-Kim, Head of Sustainable Development
- **VINTE Viviendas Integrales** by Alfredo Nava, Investor Relations Officer

Facilitator: Julia Rohe, adelphi

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Working Group 2 - Value Chain Financing

/ Location: Salón Botero

Presentations by the G20 Challenge winners:

- **Agrofinanzas** by Juan Carlos Espinosa, Head of Distribution Channels and New Businesses
- **Sustainable Harvest Coffee Importers** by David Griswold, President
- **Tenda Atacado Ltda** by Marco Gorini, CEO VoxCred S/A, Tenda Atacado Group

Facilitator: Francisco Luis Fernandez, adelphi

12.30 -
14.00 Networking Lunch

14.00 - **Plenary Session “Envision”**
14.40 / Location: Salón Medellín

Keynote address

Speaker: Rupert Scofield, President and CEO - FINCA International

The keynote offered new insights on access to finance and addressed key challenges in expanding financing solutions serving the needs of the BoP.

14.40 - **Worldcafé Session “Enable”**
16.15 **Enablers for scaling up financing solutions for the BoP**

The afternoon session discussed how to enable the scale-up and replication of innovative financing solutions provided by inclusive business models. The discussions addressed the following questions: How can we successfully advance financing solutions for the BoP? What innovations and external conditions are required? How can donors, financial institutions and governments support?

16.15 - Coffee Break
16.45

16.45 - **Open session “Engage”**
17.45 **Open collaboration space: exploring partnerships**

The open collaboration space gave participants the opportunity to explore collaboration potential and develop new business ideas.

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- 18.00 - **Evening Session**
21.30 / Location: Salón Medellín
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- 18.00 - **Opening remarks**
19.30 Speaker: Luiz Ros, Manager for the Opportunities for the Majority (OM) - Inter-American Development Bank (IADB)
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- Panel Discussion - Bridging the financial gap: the impact of inclusive business models**
- Panellists:
- Susanne Dorasil, Head, Economic Policy & Financial Sector Division - German Federal Ministry for Economic Cooperation and Development (BMZ)
 - Marco Gorini, CEO - VoxCred S/A, Tenda Atacado Group
 - Santiago Pérez, Vice President Personal and SMEs Banking - Grupo Bancolombia
 - Camilo Santa, Advisor for Inclusive Business and Impact Investment in the National Agency for the National Agency of Overcoming Extreme Poverty, ANSPE - Colombia
- Inclusive businesses can act as enablers for financial inclusion. The panel discussion showcased innovative financing solutions for the BoP and initiated a dialogue between businesses, policy makers and donors on how to facilitate access to finance for the BoP.*
-
- Closing remarks**
- Speaker: Susanne Dorasil, Head, Economic Policy & Financial Sector Division - German Federal Ministry for Economic Cooperation and Development (BMZ)
-
- 19.30 - **Networking cocktail reception**
21.30 *In cooperation with UNDP - Business Call to Action*

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List of participants

	Name	First name	Position	Organisation
Mr.	Afanador	Diego Alejandro	Research and Environment Coordinator	Banco Caja Social
Ms.	Alejandro Mora	Dulce Adriana	Inclusive Business Manager	CEMEX
Ms.	Angel	Tatiana	Management Coordinator	Indupalma Ltda.
Ms.	Arango Giraldo	Rocio	Senior Professional	Ruta N Medellín
Ms.	Arbelaez	Juliana	Public Relations Coordinator - Attorney	Instiglio
Ms.	Arciniegas	Catalina	CSR Management Assistant	La Asociación Nacional de Empresarios de Colombia - ANDI
Ms.	Barnett	Gayle	Economic Policy Advisor	Canadian International Development Agency
Ms.	Barrera	Ana	Director Housing for All - Colombia	Ashoka Colombia
Mr.	Bayakhchev	Dmitry	Program Director, Brazil and Latin America	Ashoka
Ms.	Beriña-Kim	Carla	Head, Sustainable Development Department	Manila Water
Mr.	Bernal	José Vincente	Financial Advisor	Corporación Universitaria Minuto de Dios
Mr.	Camacho	Manuel Antonio	Director Colombia	Sistema B
Ms.	Corena	Ana	Co-Founder	eSe Conectivo
Mr.	Coronado	Enrique	Chief Executive Officer	Porti Familia
Ms.	Correa	Catalina	Social Business Leader	Bancolombia
Ms.	Cotes	Rosana	Corporate Social Responsibility Director	Proteccion S.A.
Mr.	Day	Graham	Manager Social Business Accelerator Program	LGT Venture Philanthropy
Ms.	de Amorim Ribeiro	Mary Anne	President	PUPA Empreendimentos Educacionais
Mr.	de Dixmude	Sebastien Jacques	Lead Consultant	PriceWaterhouseCoopers
Ms.	Dorasil	Susanne	Head of the Economic Policy & Financial Sector Division	German Federal Ministry for Economic Cooperation and Development (BMZ)
Mr.	Eddy	Michael	Executive Director	Instiglio
Mr.	Engel	Marcel	Managing Director, Social Capital	World Business Council for Sustainable Development - WBCSD
Ms.	Enright	Sara	Program Associate	Business Call to Action - UNDP
Mr.	Espinosa	Juan Carlos	Head of Distribution Channels and New Businesses	Agrofinanzas
Mr.	Fernandez Correa	Francisco Luis	Senior Associate	adelphi
Mr.	Fonseca Rendeiro	Antonio	General Manager	Fundacion Eugenio Mendoza

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	Name	First name	Position	Organisation
Ms.	Garcia	Adriana	Economist	Pavco de Occidente SAS
Mr.	Gironella	Ignacio	Advisor Private Business and International NGOs	Agencia Presidencial de Cooperación Internacional - APC
Ms.	Gonzalez	Luisa Fernanda	CSR Director	Indupalma Ltda.
Mr.	Gonzalez Lupercio	Mario Elias	Inclusive Business Advisor	CEMEX
Mr.	Gorini	Marco	CEO	VoxCred, Tenda Atacado Group
Mr.	Griswold	David	Founder	Sustainable Harvest Coffee
Mr.	Hasenstab	Christian	Sustainability Consultant	Insovienda
Mr.	Hauschnik	Peter	National Program Manager CERCAPAZ	Deutsche Gesellschaft für Internationale Zusammenarbeit - GIZ/Programa CERCAPAZ
Ms.	Hernandez	Sandra	Marketing & Commercial Advisor	Oro Verde
Ms.	Hertveldt	Sabine	Senior Operations Officer	International Finance Corporation - IFC
Ms.	Hoyos	Andrea	Financial Planner	Allianz
Mr.	Hurtado	Juan Carlos	Administration Manager	Hybrytec
Ms.	Ishikawa	Eriko	Global Program Manager	International Finance Corporation - IFC
Mr.	Izzo	Daniel	Executive Director	Vox Capital
Mr.	Jordan	Hans	Market Developer	BASF
Ms.	Leung	Giselle	Manager, Investors' Council	Global Impact Investing Network
Mr.	Lizarralde	Rubén Dario	General Manager	Indupalma Ltda.
Mr.	London	Ted	Senior Research Fellow	William Davidson Institute
Mr.	López Herrán	Leónidas	Director	Corporación Universitaria Minuto de Dios
Mr.	Macia	Santiago	Sustainability Director	Codesarrollo
Ms.	Mangin	Anais	Project Manager	adelphi
Ms.	Mejia	Catalina	Colombia Investment Strategy Coordinator	Instiglio
Ms.	Melo	Jenny	Staff Editor	NextBillion en Español
Mr.	Moncada	Jaime	Program Director	CECODES
Ms.	Montes Vásquez	Jenny	Project Manager	Altesos
Ms.	Montoya Duque	Joane Andrea	Analyst Business Development	Hybrytec
Ms.	Murgueitio Cortes	Yolanda Patricia	Social Advisor	Mild Coffee Company Huila
Ms.	Muro	Ana	CSR and Inclusive Business Coordinator	BCSD Argentina / CEADS
Ms.	Mutis	Juliana	General Director	Minka-dev
Mr.	Naguib	Jonas	Private Sector Cooperation	Deutsche Gesellschaft für Internationale Zusammenarbeit - GIZ
Mr.	Olivella	Rafael	Vice President of Legal and Corporate Affairs	Celsia

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	Name	First name	Position	Organisation
Ms.	Oppermann	Alexandra	Sector Project "Innovative Approaches for Private Sector Development" Advisor	Deutsche Gesellschaft für Internationale Zusammenarbeit - GIZ
Ms.	Ospina	Alexandra	CSR Specialist	Deutsche Gesellschaft für Internationale Zusammenarbeit - GIZ
Ms.	Parada	Alejandra	Professional	CECODES
Mr.	Pavez	Karime	Project Manager	SNV
Mr.	Perez	Santiago	Vice President Bancolombia Corporate Group	Bancolombia
Ms.	Perez Castro	Andrea	Country Director	Grameen Caldas
Mr.	Pescador	David	Investment Process Analyst	New Ventures Colombia
Mr.	Porter	Kenneth	Supply Chain Manager	Alliance for Responsible Mining
Ms.	Posada Correa	Nathalia	Sustainable Development Professional	Sodexo
Mr.	Rengifo	Sergio	Director of Social Projects	CECODES
Ms.	Rivera	Claudia	Executive Director	Fundación Nutresa
Ms.	Rodriguez Rueda	Paula Andrea	Project Coordinator	Fundación Capital
Ms.	Rohe	Julia	Project Manager	adelphi
Mr.	Ros	Luiz	Manager for the Opportunities for the Majority	Opportunity for the Majority
Mr.	Salazar	Carlos	Director of Innovation	Celsia
Mr.	Scofield	Rupert	President	FINCA International
Mr.	Segovia	José Luis	Country Representative	SNV
Mr.	Segura	Fabio	Investment Manager	LGT Venture Philanthropy
Ms.	Serrano	Maria Marcela	Consultant	Hatch
Mr.	Sibille	Romain	Director Full Economic Citizenship	Ashoka Mexico & central America
Mr.	Socarras	Lukas	Program Coordinator	Siemens Fundacion
Mr.	Suárez Cuéllar	Leonardo	Entrepreneur	Eco Mum Pack del Valle SAS
Mr.	Torres	Manuel	Vice-President	Accion
Mr.	Van Iwaarden	Coen	Senior Advisor Latin America	BiD Network
Mr.	Veglio	Filippo	Director, Social Capital Focus Area	World Business Council for Sustainable Development - WBCSD
Ms.	Villota	Eliana	Cofounder and Director Latinamerica	Minka-Dev
Mr.	Viviescaz Monsalve	Carlos Mario	Executive Director	Corporación Empresarial del Sur del Valle de Aburra - PROSUR
Ms.	Yepes	Astrid Elena	Director of Inclusion Programs	Bancolombia
Ms.	Zhang	Deanna	Investment Manager, Latin America	LGT Venture Philanthropy
Mr.	Zürker	Mirko	Project Manager	adelphi