



EVENT SUMMARY



II BASE FORUM INTERNATIONAL

FOR THE DEVELOPMENT OF THE MARKETS
AT THE BASE OF THE PYRAMID
IN LATIN AMERICA AND THE CARIBBEAN

PLAZA MAYOR
Convention Center

Medellín, Colombia

June 6-7 2013

1. The IDB and Opportunities for the Majority



Close to 400 million people in Latin America and the Caribbean (LAC)—approximately 70 per cent of the population—not only live with incomes below US\$10 per day, but also have been excluded of the region’s economic and social growth. This segment, the majority, constitutes the base of the socioeconomic pyramid (BoP) of LAC countries.

In Latin America and the Caribbean, some 400 million people – approximately 70% of the population – live on less than \$10 a day and reap few of the benefits of the region’s economic and social growth. This segment of the population constitutes the socioeconomic “base of the pyramid” (BoP) in the countries of the region. The purchasing power of the BoP is estimated at US\$500 billion per year, offering significant opportunities both for companies that want to take on the challenges of entering these markets and for governments that want to solve problems of poverty and inequity.

In order to tap this potential, the President of the Inter-American Development Bank, Luis Alberto Moreno, created the Opportunities for the Majority (OMJ) initiative in 2007 with the backing of former U.S. President Bill Clinton. The main objective is to support financially viable business models that address the major challenges of poverty. Since its creation, OMJ

has identified, structured, financed, and monitored more than 40 business models that provide goods or services to persons at the BoP in such sectors as housing, infrastructure, education, health, renewable energy, value chains, and agriculture. In Colombia alone—where the BoP accounts for 37% of the population—OMJ has supported projects in partnership with organizations such as Credifamilia, Comfama, and Empresas Públicas de Medellín.

With a portfolio of more than US\$250 million, OMJ is the first and only operational unit within a multilateral institution created exclusively for the promotion, development, and financing of business models for the BoP. These operations are carried out using loans, guarantees, shared risk facilities, and technical cooperation operations, as well as through partnerships with the private sector, local communities, financial institutions, and government agencies.

2. What is the reason for the International BASE Forum for the Development of Markets at the Base of the Pyramid in Latin America

Through the BASE Forum, the IDB has institutionalized a platform to explain, publicize, and discuss ways in which the productive sector and financial institutions in Latin America and the Caribbean are successfully serving the BoP with business models that are profitable and mutually beneficial. The forum demonstrates how the private sector contributes to solving major development challenges in the region, and it is also a platform to share best practices from other regions and identify the tools necessary to create a suitable environment to unleash greater private sector participation in providing goods and services to the BoP.

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The first BASE International Forum took place on June 27-28 2011 in São Paulo, Brazil, and gathered 800 people from all around the world.
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The First International BASE Forum took place on 27-28 June 2011 in São Paulo, Brazil, and brought together 800 people from around the world. The agenda reflected the level of maturity of BoP markets at the time, when most discussion still focused on identifying the BoP – who belonged to it, what its business potential

was, and what its main product and service needs were. Today, only a few years later, several business models have already proven successful and those that have not have provided lessons learned. Discussion no longer focuses on what the BoP is but rather on how to serve it. Firms, financial institutions, entrepreneurs, and investors have clearer roles and have made immense progress in terms of cracking the code of BoP markets.

The Second International BASE Forum provided an accurate snapshot of the current status of addressing the BoP. The main objective was to move discussions to the next level by offering those active in the field and those wishing to enter it a forum to share successful experiences and challenges. The forum also served as a platform to learn about new ideas and advances, and meet and interact with other actors in the environment of business models that serve the BoP.

3. Report on the Second International BASE Forum

The Second International BASE Forum was held in the Plaza Mayor Convention Center in Medellín, Colombia, on 6-7 June 2013, in partnership with Colombia's Caja de Compensación Familiar de Antioquia (Comfama). The IDB's choice of Comfama as a partner for the forum reflects its social mission, which is compatible with the IDB's in its vision of the BoP, as well as its extensive base of clients and members.

The city of Medellín has positioned itself as a world leader in social innovation and socio-economic development— aspects that complement the IDB's mission in its work with the BoP. Medellín also stands out in Colombia as the centerpiece of an entrepreneurial business sector with demonstrated social sensitivity and a commitment to equitable development.

The Second International BASE Forum was attended by close to 1,700 people from various sectors and countries, including Brazil, Chile, Colombia, El Salvador, Guatemala, Mexico, Peru, and Uruguay, as well as Austria, Japan, India, the Netherlands, the Philippines, Spain, Switzerland, and the United States. The forum brought together representatives and decision-makers who constitute the environment of business models that serve the BoP: large companies, entrepreneurs, impact investors, investment funds, financial institutions, academics, international organizations, multilateral institutions, governments, foundations, and a number of nongovernmental organizations.

Close to 1,700 people attended the BASE II Forum, including different sectors and over 15 countries.

Ninety-three national and international panelists from Colombia, Latin America and the Caribbean, the United States, Asia, and Europe participated in the two-day program, which included three special, four plenary, and 12 parallel sessions. At the plenary sessions, three international speakers presented strategic BoP-related business proposals: Stuart L. Hart (co-creator of the BoP concept), on sustainability; Iqbal Qadir (founder of Grameenphone), on productivity; and Deepa Prahalad (international strategist and consultant), on design for the BoP. The parallel sessions were organized around three themes: (1) success stories by sector; (2) businesses and social innovation for serving the BoP; and (3) the challenge of developing markets at the BoP.

In addition to hosting a broad array of participants and top professionals, the Second BASE Forum featured the sponsorship of 19 businesses and agencies from a variety of sectors. This confirms that the region's business sector and governments, and particularly Colombia, are interested in gaining access to traditionally underserved market segments with latent purchasing power.

SPONSORS INCLUDED:

Accion
Banco Caja Social
Bancolombia
Cemex
Citi Microfinance
Coca Cola
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ISAGEN
Nestlé
Office of the Mayor of Medellín
PepsiCo
Presidential Agency for International
Cooperation, Colombia
Promigas
SABMiller
Suramericana de Seguros
Visa

Important Colombian organizations – such as Proexport, Aviatour, Avianca, RS magazine, and Corporación Colombia Internacional – provided special support for the Second BASE Forum by promoting the event across their networks and boosting its profile at the national level. Another 22 organizations, trade groups, and academic institutions helped disseminate information concerning the forum throughout the region through social networks and the Internet.

Media coverage before, during, and after the event was extensive. A total of 134 radio, television, and newspaper correspondents from the region and elsewhere came to Medellín to cover what was considered one of the most important social and economic events of 2013.



4. From the “what” to the “how” of businesses serving the base of the pyramid

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The main purpose of the agenda of the Second International BASE Forum was to move discussion to the next level, no longer focusing on what the BoP is, but rather on the how, when, and where of business models that offer quality goods and services to low-income groups in the region while retaining the profit motive. The forum proved an effective platform for discussing and mainstreaming successful experiences among those that are already active in this market segment and have knowledge that can be shared with others with serious interest in serving low-income populations.

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OPENING SESSION

The Second BASE Forum was opened by the Mayor of Medellín, Aníbal Gaviria Correa; the Colombian Minister of Housing, Luis Felipe Henao Cardona; the Director of Comfama, María Inés Restrepo de Arango; and the President of the IDB, Luis Alberto Moreno. The participants in the opening session highlighted the unexplored potential of BoP communities and the active role that the private sector needs to play in the delivery of quality goods and services to this market segment. This issue was also emphasized by the Governor of Antioquia, Sergio Fajardo Valderrama, in his closing remarks on the first day of the forum.

Remarks by IDB President Moreno

During his presentation, IDB President Luis Alberto Moreno highlighted a number of lessons learned that illustrate both the complexity and the potential of the BoP. He gave several examples showing that success is possible, and shared several lessons learned, starting with the fundamental importance of strategic partnerships.


"We need to leverage the strengths of each partner, starting with private sector businesses, which need to

provide resources, have a willingness to take on risks, provide innovation, and be flexible," President Moreno said. "The public sector contributes with its extensive platforms that can cover more territory and reach a larger number of people. Social sector organizations bring great credibility, which is the result of their work in the communities themselves. And, in the case of the IDB, apart from patient capital, we offer knowledge and contacts: we connect people to ideas and resources."



The second lesson learned, President Moreno said, is that "[w]e have to adapt to consumption patterns at the BoP. Firms must be ready to offer financing models tailored to these clients' ability to pay, such as

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A man with dark hair and glasses, wearing a dark suit, white shirt, and light blue tie, is speaking at a podium. He is looking slightly to his right. The background is a soft purple and blue gradient. The podium is dark wood. A microphone is visible in front of him.

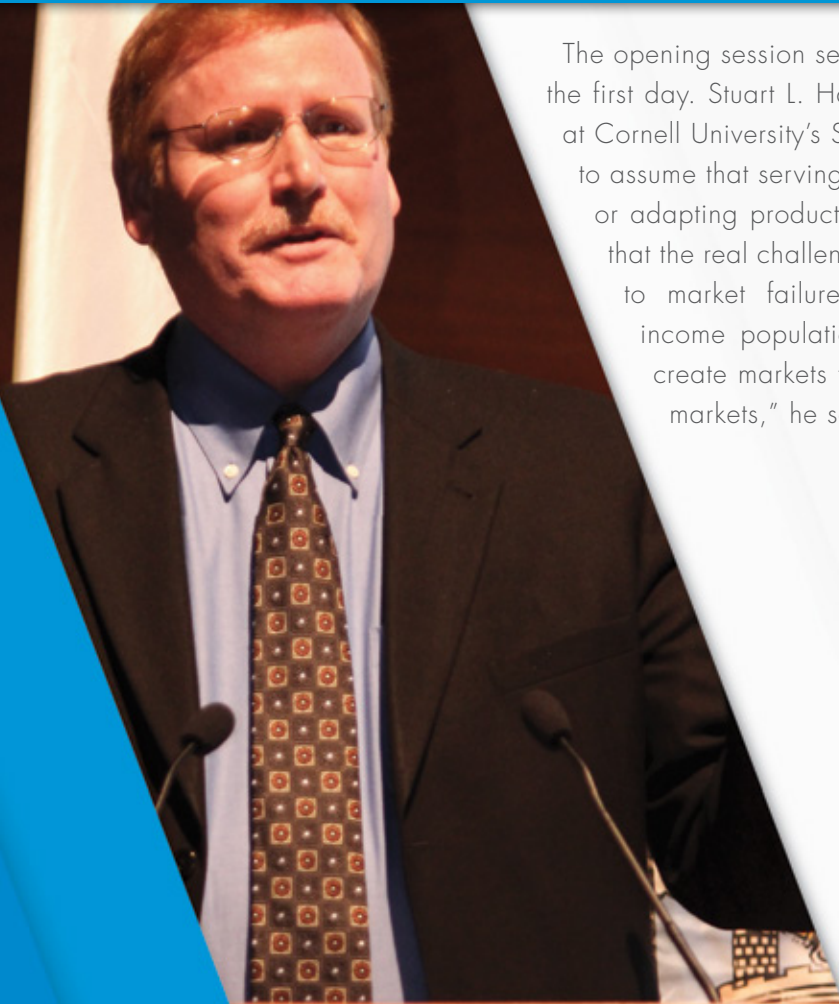
prepayment arrangements." He gave the example of Cemex's Patrimonio Hoy program, which offers solutions to families who are building their own houses incrementally. The program is being scaled up with OMJ support in the form of a US\$10 million credit guarantee.

President Moreno mentioned that leveraging existing distribution chains is key to successfully penetrating the BoP, because infrastructure that is inadequate for reaching consumers undermines this greater capacity for penetration. "Those who think that product innovation is the only challenge are mistaken. The real innovation lies in distribution platforms and in how the consumer is reached," he said.

Lastly, President Moreno noted the lesson learned that "the expectations of low-income consumers are not limited to basic needs. They also want access to more sophisticated products and services," including access to a university education.

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OPENING REMARKS



The opening session set the tone for the other speeches and sessions on the first day. Stuart L. Hart, co-creator of the BoP concept and professor at Cornell University's School of Management, noted that it is a mistake to assume that serving the BoP is only a question of lowering unit costs or adapting products to low-income environments. Hart emphasized that the real challenge lies in being innovative by providing solutions to market failures that have prevented demand among low-income populations from being met efficiently. The goal is "to create markets from existing needs, not create needs in existing markets," he said.

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PLENARY SESSIONS

With the aim of reviewing practical cases specific to the host country, President Moreno moderated a panel on the first day with major Colombian entrepreneurs who have been successful in serving the BoP. The panel discussion, which was entitled **Colombia – Country of Large Pioneering Companies Serving the Base of the Pyramid** – included Samuel Azout, founder and President of Fundación Fútbol con Corazón and former Director of the Agencia Nacional para la Superación de la Pobreza Extrema (ANSPE); Juan Esteban Calle, General Manager, Empresas Públicas de Medellín (EPM); Antonio Celia Martínez, President, Promigas;

Julián Jaramillo, President, Alpina; and Santiago Pérez, Vice President of Personal Banking and SMEs, Grupo Bancolombia.

The examples presented at this plenary session provided a clear vision of Colombian society and of how the private sector has evolved over the past 15 years from a passive to an active actor seeking to serve the BoP. Once one of the region's most unequal societies, Colombia today it is among the world's most vibrant economies, following 10 years of sustained economic growth.



Left to right:
Julián Jaramillo, Alpina; Samuel Azout, Fútbol con Corazón;
Luis Alberto Moreno, BID; Santiago Pérez, Bancolombia;
Juan Esteban Calle, Empresas Públicas de Medellín; Antonio Celia Martínez, Promigas

The panel highlighted the innovative work of Colombia's private sector in meeting the basic needs of the BoP from a market-based perspective. As explained by Juan Esteban Calle of EPM and Antonio Celia Martínez of Promigas, Colombia has become a world pioneer in providing universal access to public utilities, based on spectacular innovations that have made it possible to reach consumers with limited economic means, including low-income households that represent an important share of the population.

Colombia has become a world pioneer in the universal provision of public services through innovations that have allowed companies to reach consumers with lower incomes.

EPM and Promigas are uncovering hidden credit histories, helping approximately 1 million Colombians by providing credit lines. These companies have provided US\$600 million in loans exclusively for the purchase of home appliances, construction materials, computers, and education, thereby strengthening financial inclusion. For its part, Bancolombia is notable for its efforts to expand its client base by providing millions of Colombians at the BoP access to financial services for the first time through the use of mobile banking, correspondent banks, and the redesign of financial products.

From a consumer products perspective, the key message from Alpina was that the company offers products for all Colombians, not only for those at the top of the pyramid. These products allow Alpina to simultaneously fight malnutrition—which currently affects 40% of the population—and grow its business exponentially.

What do these different examples and business strategies have in common? First, all strategic business units have been scaled up. Second, the private sector has learned that,

in order to be successful and grow, it cannot leave the redistribution of wealth entirely in the hands of the public sector. Finally, businesses now understand that their growth must occur in fairer and more prosperous societies. As noted by Samuel Azout of the Fundación Fútbol con Corazón: "The objective is to transform the current pyramid into a diamond, with opportunities for the majority to move into the middle class. Although we don't yet have a magic formula for eliminating poverty, society has understood for the first time in history that in order to prosper it must work consistently towards that objective."

The second plenary session – entitled **The Great Corporate Leap to Markets at the Base of the Pyramid: Strategy or Chance?** – was moderated by Professor Hart. Its focus was regional, and participants included José María Ayuso, Regional Executive Director for Products, Visa Latin America & the Caribbean; Carlos Mejía, General Manager, DuPont Colombia; Andrés Peñate, Vice President for Corporate Affairs, SABMiller Latin America; and Roberto Salas Guzmán, General Manager, Masisa. This panel identified valuable lessons from companies that are successfully working with the BoP, thanks not only to their creativity and ability to identify needs, distribution platforms, and strategic allies, but also to their conscious decision to create new lines of business with goals in markets that have traditionally been underserved.

DuPont, for example, has created a “co-laboratory” to innovate hand-in-hand with the BoP. For this company, targeting the BoP means including it in its innovation efforts. Such is the case of its MixPack product in Mexico, which is a child nutrition product for rural communities.

Similarly, Andrés Peñate of SABMiller emphasized that this process of co-creation is only possible thanks to advances in information technology. Thanks to its improved use of the data and statistical information

the company gets from its store owners, SABMiller has been able to closely examine the needs, habits, and patterns of the BoP. Its goal is to build a platform of 40,000 store owners over the next four years, a platform which—as Peñate indicated—has great potential not only for SABMiller but also for other businesses that wish to target the BoP.

For Visa, micro, small, and medium-sized enterprises (MSMEs) represent the “greatest challenge and the greatest opportunity,” according to José María Ayuso. The company has targeted this segment not only by providing credit that is tailored to its needs, but also by offering financial education. Many MSMEs are unaware of the potential of credit access to grow their businesses.

Masisa’s contribution to the panel focused on lessons learned. The company’s current business models would not have been as successful if they had not been proposed at the highest levels, explained Roberto Salas Guzmán. The leadership of the company’s president or board is vital for launching these models, which clearly represent a strategy to differentiate Masisa from the competition. Salas Guzmán also emphasized that companies need to adapt to work with local governments and organizations, among other steps, in order to be ready to serve the BoP.

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Lastly, the representatives from Masisa and SABMiller agreed on the importance of learning from mistakes. There are several reasons that pilot programs fail, the most important of which is that ideas are developed without sufficient knowledge or identification of the real needs or problems to be solved. Sociological or ethnographic exercises have helped Masisa and SABMiller to better understand the BoP.



Left to right:
Roberto Salas Guzmán, Masisa; Stuart L. Hart, Universidad de Cornell;
Andrés Peñate, SABMiller América Latina; José María Ayuso, VISA



JUNE 7 2013

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OPENING REMARKS



The second day of the Second BASE Forum was opened by Iqbal Quadir, Director of MIT's Legatum Center and founder of Grameenphone. His presentation was entitled Mass Technologies as a Driver of Social Change. Convinced of the impact of technology on reducing poverty, Mr. Quadir created Grameenphone, a mobile telephone operator, in the 1990s. Today, Grameenphone provides service to more than 41 million people in rural areas of Bangladesh.

Quadir's presentation identified various features that explain Grameenphone's success, including that (1) the model depends in large part on the ability to roll it out and achieve the greatest possible penetration in the BoP consumer segment, something that Quadir achieved by making use of the existing client network of Grameen Bank (Nobel Peace Prize Winner Muhammad Yunus' "bank for the poor"); and (2) the model managed to decipher and make use of the consumer's code—the desire of every person to improve his or her own quality of life. Grameenphone's success lies in the fact that cell phones make people more productive by helping them increase their incomes and, therefore, purchase or increase spending on education, housing, and health care. Something as simple as a cell phone unleashes infinite development possibilities that empower the BoP.

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PLENARY SESSIONS

The first plenary session on the second day of the forum was devoted to an important topic in the field of business models for the BoP. The panel discussion, entitled **Financial Solutions for Base-of-the-Pyramid Businesses**, was moderated by Carl Muñana, General Manager of the IDB Group's Inter-American Investment Corporation. The panelists were Esteban Altschul, Operations Manager for Accion; Eliza Erikson, Investment Director of the Omidyar Network; Luis Gallo, Chief Executive of the Banca de Inversión Social; Giselle Leung, Manager of the Investors' Council of the Global Impact Investing Network (GIIN); and Álvaro Rodríguez Arregui, co-founder and Chief Executive of Fondo Ignia.

The plenary session highlighted the fact that, in addition to traditional sources of funds earmarked for or invested in models that serve the BoP (public investment, microcredit, cooperative credit, and funding from foundations and nonprofit organizations), novel investment and financing alternatives also exist, particularly in the form of impact investment funds and micro-mortgage and micro-savings programs. In Colombia, there are at least three locally-owned investment funds and some 14 similar foreign-owned funds.

The discussion focused on existing challenges in the world of impact investing, which relate mainly to it being a relatively recent business model. Many funds are in the process of being formed, as is the case of Colombia's Banca de Inversión Social. However, there is still a major need to develop an environment that protects this sector from the high level of risk involved in its operations. For starters, information about the business in general—such as business opportunities at the geographic or sector level and successful and

There are innovative alternatives for investment and financing, particularly in the form of impact investment funds and micro-mortgage or micro-savings programs.

unsuccessful experiences—is very limited. In this regard, the Global Impact Investing Network has focused on creating different measurement tools and developing research teams to demonstrate the economic return of the businesses, share lessons learned, and enhance the transparency of information.

The Chief Executive of Fondo Ignia underlined the importance, beyond monetary considerations, of simply making the investment. Many of the best businesses that bring about major innovations do not generally have good business management practices and capacities. For this reason, Ignia devotes its efforts to developing capacities beyond the business model, given that the model can evolve naturally. The Omidyar representative, in turn, highlighted the importance of creating specific rules and regulations for this type of business as part of the strengthening of the aforementioned environment for the sector.

Impact investing is an area that still needs to mature. Toward this end, it is important that the lessons of the market—beyond the philanthropy factor—be shared and used. Given that there is still a long and arduous road ahead for impact investing, its development also demands considerable patience and courage. Lastly, stakeholders must learn to “speak the same language” to make partnerships and collaboration much more fruitful.

The second plenary session—entitled **Emerging Business Models: BoP Market Leaders of Tomorrow**—brought together the new generation of entrepreneurs in the region to share how they have implemented business models that will improve BoP access to quality

goods and services at affordable prices. The panel was moderated by María Cavalcanti, partner in the First Brazil Impact Investment Fund, and included Nelson P. Irizarry, Vice President of Business Development for GTV GloboKasNet; Rodolfo Muralles, General Manager of Salud a tu Alcance; Carla Renata Sarni, President of Sorridents; and Luis Velasco, Chairman of the Finance and Investment Committee of Promotora Social México.

Interest and activity surrounding the concept of inclusive business or the BoP market have grown in recent years, demonstrating that it is possible to create value for lower-income communities in a commercially viable way. Cases from around the region—such as Sorridents (Brazil) and Salud a su Alcance (Guatemala)—are evidence of this.

Sorridents offers quality dental services to more than 1.3 million low-income persons in Brazil through a network of 140 dental clinics. Salud a su Alcance offers wide-ranging prepaid health care programs to more than 300,000 low-income families in Guatemala for a base premium of US\$3 per month.

Nonetheless, the emergence of these business models requires financial and facilitation resources – and/or the creation of conditions – that generally lie outside the companies’ or communities’ sphere of influence.

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Such was the case of GTV GloboKasNet. However, after receiving support from the IDB to finance its pilot phase, this company was able to expand the presence and coverage of financial and business organizations to more than 6,000 urban and rural communities in Peru.

Entrepreneurs often postpone the decision to develop these business models because of a lack of sufficient resources to support this type of risk or to finance the initial investment. An awareness of these limitations has led Promotora Social México to provide sustainable social investment in the health, education, and economic development sectors, with the aim of creating opportunities for development and well-being for the most disadvantaged in Mexico.

These initiatives demonstrate that it is possible to create value through entrepreneurial activities, leading not only to returns but also to a positive impact on low-income communities.



PARALLEL SESSIONS

The parallel sessions held in the afternoon on both days of the Second BASE Forum focused on three thematic areas (four sessions for each area): **(1)** Success stories by sector (successful cases and lessons learned in housing, broadband, education, and health); **(2)** Business and social innovation to serve the base of the pyramid (sessions on how to address challenges within companies); and **(3)** The challenge of developing markets at the base of the pyramid (sessions on how to address external challenges concerning the enabling environment for businesses at the BoP).

SECTORIAL
SUCCESS STORIES

BUSINESS AND SOCIAL
INNOVATION TO SERVE
THE BOP

THE CHALLENGE OF
DEVELOPING BOP MARKETS

SECTORIAL SUCCESS STORIES

Private health care: Developing new models and systems for serving the base of the pyramid



Left to right:
Carlos Orellana, salaUno; Juan Carlos Ordóñez, Salud Digna Para Todos; Kelle Bevine, BID; Gopi Gopalakrishnan, World Health Partners; Enrique Coronado, Por ti, Familia.

This has been the experience of Mexico's salaUno, a clinic that has successfully replicated the Aravind model for eye care from India. SalaUno implemented a hub-and-spoke model that has allowed specialization, the provision of differentiated services, and, consequently, high-quality service focused on satisfying patients. It took the company only two months of operations to demonstrate that it was profitable. The cases of Salud Digna Para Todos (a chain of clinics in Mexico) and Por Ti Familia (a network of doctors' offices in Peru) are similar. These business models are based on large volumes, allowing both companies to obtain favorable commercial terms and offer quality medical consultations and lab tests at affordable prices.

The health care sector in Latin America and the Caribbean still has significant gaps in terms of providing services to the BoP. In light of this, new private sector actors are launching business models to serve this segment, and these are proving to be successful. A high degree of standardization and a large volume of patients are the key elements that allow these companies to offer affordable prices to the BoP while remaining profitable. One lesson mentioned by the health panel was that standardization is achieved through specialization and scalability, along with gaining patients' trust.

World Health Partners (WHP) – a nonprofit organization that provides health care and reproductive health services – emphasized the importance of scale in its work with rural communities in India. WHP has employed public-private partnerships to scale up its activities, using existing infrastructure and making use of technology for online consultations.

In summary, based on various models implemented in different countries around the world, this panel demonstrated that success for business models that provide health care services for the BoP lies not only in the volume of patients served, but also in the quality of service. The latter is key to creating patient loyalty toward the health networks.

SECTORIAL SUCCESS STORIES

Affordable housing: Implementing new financing mechanisms

One of the problems that most affects the lives of people at the BoP in Latin America and the Caribbean is the lack of decent-quality housing. The housing panel discussed how the sector represents an enormous opportunity for private sector investment and innovation.

In Colombia, Credifamilia specializes in housing finance for individuals at the BoP, with loans averaging US\$15,000. Credifamilia has successfully penetrated low-income communities using a network of advisors with portable devices to evaluate families' borrowing capacity and assist them in implementing a savings plan aimed at meeting the initial payment. Meanwhile, in Peru, Habitat for Humanity has succeeded in penetrating the poorest settlements in the Lima metropolitan area, providing home improvement loans for dwellings without floors or roofs, and using community labor.

In Brazil, Grupo Terranova has found a niche helping to solve land tenure conflicts in settlements on private property. Terranova negotiates with and creates commercial relationships between the owners and the inhabitants, and provides legal advisory services to mediate conflicts, guide the technical design of projects to modernize dwellings and community infrastructure, and finance the execution of these projects.

Other organizations have managed to bring the public and private sectors together in their work. Such is the case of the Ashoka network of social entrepreneurs, which implemented the Reforma Mais program in

In Colombia, Credifamilia specializes in financing BoP housing with loans up to US\$15,000 on average.

Brazil with the participation of Banco do Nordeste's CrediAmigo program, low-income housing promoter Cearah Periferia, and the Brazilian association of cement companies (ABCP). Reforma Mais offers integrated credit and technical assistance solutions for home improvement to low-income families. In Colombia, the Caja de Compensación Familiar de Antioquia (Comfama), which has directed a mortgage loan program combined with government subsidies toward helping more than 4.5 million people, recently created a new model known as "social leasing." This model allows families to rent a home for a two-year period, during which time part of the rent is set aside as savings

SECTORIAL SUCCESS STORIES

toward a down payment. At the end of this period, the lease contract is transformed into a home loan, and the tenant becomes the owner of the dwelling.

Some of the many reasons why millions of low-income families do not have adequate housing are the lack of access to finance, inability to obtain materials, lack of a property title, and lack of technical skills for

construction. Housing is an enormous, priority market for everyone. The cases presented by the panel provide evidence of the business potential of this sector, as long as companies and organizations are willing to gain an understanding of the market, develop the capacity for innovation, and provide solutions to the needs of persons at the BoP.



Left to right:
Luis Daniel Albuquerque, Terra Nova; Sofía Botero Uribe, COMFAMA;
César Bouillon, BID; Felipe Gómez, CFO, Credifamilia; María Teresa
Morales, Hábitat para la Humanidad; Dmitry Bayakhchev, Ashoka.

SECTORIAL SUCCESS STORIES

Market-based solutions for improving access to education at the base of the pyramid



Left to right: Mary Anne Amorim, PUPA Educación; Francisco Vizcaya, FINAE; Carina Lakovits, Ministerio Federal de Finanzas de Austria (BMF); Gabriel Silva, Ideal Invest Brazil; Manoel Knopfholz, Grupo Positivo.

Although basic education coverage has increased significantly in Latin America and the Caribbean over the last 30 years, there are still significant gaps at the pre-school and university levels.

During the session entitled Market-based Solutions for Improving Access to Education at the Base of the Pyramid, four innovative Latin American companies working in the pre-school and university education sectors demonstrated, with tangible results, that financially sustainable business models aimed at serving the BoP have an enormous positive impact in the region. In this way, the education gap between developing countries and developed countries in Europe, North America, and Asia is being closed.

Representatives from Pupa Educación, Finae, Ideal Invest, and Grupo Positivo described the challenges those entities have faced in developing their innovative business models. They addressed such topics as access to investment financing, the design of relevant products and services for the BoP, and the best way to promote and position products and services in emerging and unproven markets such as the BoP.

Although it was interesting to hear about the challenges these companies have faced and continue to face, the most striking aspect of this session was the description of the impact that these institutions are having on the BoP. For example, the two financial institutions—Ideal Invest and Finae—had surprising and impressive figures in terms of the numbers of students to whom they have provided loans. Those students now have the chance to enjoy the benefits of a university education, and 70% are the first in their family to have the opportunity to earn a university degree.

The results presented by the companies at this education panel attest to the fact that market-based solutions have had a significantly positive impact on the BoP.

SECTORIAL SUCCESS STORIES

Broadband platforms: Closing the digital divide

The maxim of the impact investment industry has been to provide essential products and services to the BoP, above all on a large scale. Nonetheless, there is a key opportunity that could further boost and unite this already vibrant industry: closing the digital gap that prevails at the BoP. The cases presented at the broadband panel demonstrated that broadband connectivity and penetration in the region have an enormous impact in terms of accelerating positive development processes across many areas: health, education, value chains, etc. The panel, which was moderated by Cisco, presented the experiences of major companies such as Intel and UNE EPM Telecomunicaciones, as well as Higueiras Hospital in Brazil and Makaia (a nonprofit organization that supports the institutional strengthening of civil society organizations, local governments, and other social initiatives).

Most business models that are currently being developed across the world involve the use of innovative technologies that either improve the current paradigm or represent a departure from it, and this is occurring at an unprecedented pace. The tools for innovation will become increasingly available and the cost of hardware and software are now a fraction of what they were a decade ago. However, this reality has not penetrated the BoP, nor is it helping to ensure its inclusion.

Closing this digital divide opens up a range of opportunities for companies in this industry interested in serving the BoP in a variety of sectors. As highlighted by the panel, broadband access is allowing microentrepreneurs to visit the local library to update their Avon orders, review new inquiries regarding their handicrafts, or find the best place to buy a new sewing machine.

In the medical field, for example, broadband allows for providing medical services via videoconference, receiving digital copies of test results, and making an initial diagnosis. With broadband, service is unlimited, and only those cases that need additional attention are referred to a hospital. This significantly reduces long waiting lists and transportation costs.

Substantial investments in infrastructure are required to close the digital divide. Given the scale of the challenge, it is important that the public and private sectors join forces to overcome this constraint. Risks and resources need to be shared. Connectivity should be on the agendas of both the public and private sectors as a tool to drive the large-scale delivery of products and services.

BUSINESSES AND SOCIAL INNOVATION TO SERVE THE BOP

Intrapreneurs: Guiding business toward the BoP



One of the initial hurdles faced by companies attempting to enter BoP markets stems from the skepticism of some executives about the robustness and sustainability of business models devoted to meeting the needs and aspirations of low-income people. Some executives simply do not see the need to serve these communities if this entails making changes to traditional business practices.

It is at this point that the work of intrapreneurs – executives who promote entrepreneurship within their companies and turn creative and innovative ideas into profitable opportunities that promote business growth – can help to break with traditional paradigms and awaken corporate interest in tapping a BoP market where others only see difficulties.

Some executives simply don't see a need in serving these communities if that requires making adjustments to the traditional way of doing business.

The intrapreneurship panel brought together medium-sized companies and multinationals with a presence in Latin America and the Caribbean that have managed to bring about internal changes in their firms, encouraging the creation of business lines targeting the BoP. The experience of intrapreneurs in multinationals such as PepsiCo, Telefonica, and Alpina, and medium-sized

BUSINESSES AND SOCIAL INNOVATION TO SERVE THE BOP



businesses such as Brazil's Tenda Atacado, provides three lessons on how to promote business innovation within the company.

First, it is important that stakeholders developing the business model feel ownership of the project to serve the BoP. Toward this end, their opinions must be taken into account, and close relations must be encouraged with the communities and individuals that the model seeks to impact. Second, it is essential that executives from different units within the company and with different professional profiles be encouraged to participate in the process of creating products and services for the BoP. Colleagues must be persuaded through appropriate arguments that avoid creating false expectations by proposing realistic targets, resisting frustration, and remaining tireless and patient in negotiations throughout the entire process. Third, one must lead by example. Intrapreneurs have high levels of energy and passion for what they do, and this allows them to inspire and be patient, setting a positive example for everyone else involved.

BUSINESSES AND SOCIAL INNOVATION TO SERVE THE BOP

Distribution platforms: Accessing BoP markets using nonconventional channels



Haidy Duque Cuesta, Corporación Kayrós;
to her right, Carla May Berina - Kim, Manila Water.

This panel conversation focused on developing alternative channels to serve low-income markets by using distribution platforms that will make it possible to achieve the expected economies of scale. Representatives from Dialog Consultoría, Corporación Kayrós, VisionSpring, Manila Water, and Natura shared their experiences and lessons learned from the implementation of business models that opted for alternative channels for the delivery of goods and services to the BoP. Innovation and alliances with strategic partners were emphasized as key factors for penetrating these low-income markets.

A number of existing business models have opted for nonconventional channels to serve the BoP. VisionSpring, for example, provides access to affordable eye care through microfranchises and a hub-and-spoke model, while Natura has a network of sustainable relationships that promotes self-determination at the BoP. Manila Water – a private company that provides water and sewerage services – has succeeded in expanding its services to the BoP in the Philippines and internationally through partnerships with other local service providers. It has also adapted service delivery to the BoP's

habits and ability to pay. The Kayrós Corporation creates inclusive and community-based models for self-financing at the BoP.

The main lesson from these models is that end beneficiaries at the BoP should be seen not only as consumers, but also as active agents who can assist in penetrating this market segment even further. In several cases, persons at the BoP have been incorporated into the sales force and become vehicles for reaching end beneficiaries.

BUSINESSES AND SOCIAL INNOVATION TO SERVE THE BOP

The panel underlined the importance of maintaining quality, given that the BoP also demands quality goods and services. Moreover, cost optimization is linked to an effective structure of partnerships that make it possible to use existing distribution platforms to reach this market and ultimately expand the platforms themselves.

Low margins and high sales force turnover were some of the challenges mentioned. Nonetheless, it was emphasized that success depends on achieving

economies of scale (with high sales volumes offsetting low margins) and on creating arrangements for knowledge-based earnings and incentives for the sales force.

The use of nonconventional distribution channels has become an effective vehicle for penetrating the BoP market. It is therefore essential to promote environments that build on established platforms by using strategic partnerships for scaling up and replicating commercial, sustainable business models in that market.



BUSINESSES AND SOCIAL INNOVATION TO SERVE THE BOP

Social innovation: Applying new tools for private-sector-driven development



Left to right: César Buenadicha, FOMIN; Myrtille Danse, BOPInc; Dane Smith, FSG; Julián Ugarte, SocialLab; Victor Grau, MIT D-Lab; Francisco Noguera, Compartamos con Colombia.

Defining social innovation can be difficult. It is one of those concepts “you know when you see.” The city of Medellín was recently named by the Wall Street Journal as the most innovative city in the world, making it the perfect place to discuss social innovation. Representatives of the BoP Innovation Center, MIT’s D-Lab, Compartamos con Colombia, FSG, and Social Lab shared their experiences with implementing innovative tools that use the private sector to overcome social problems.

What is social innovation? As stated by FSG Director Dane Smith: “It starts with a vision. There is nothing more eye-opening than the shock of the possible. It can be a transformative innovation, as revolutionary and game changing as a malaria-detecting online game, the application of a mundane technology process, or an idea to solve a social issue, like the company that brings fresh water to remote communities at a lower cost using a helicopter and flexible tubing.”

However, social innovation alone is not enough. In order for a product or service to be truly revolutionary, it must be adopted by the user and its implementation must be sustainable. As noted by Julián Ugarte, Director of Social Lab: “There is no social innovation without adoption. This is one of the reasons that creating value-added is so important in this environment. Without user buy-in, the idea loses significance. Sustainability is just as important. Many visionaries fail on this front, but it is what separates successful social innovations from ‘ideas that no one has heard of.’ The same effort that is put into the business should be invested in developing the innovative idea; this will be reflected in the long-term results. In conclusion, social innovation = the sustainable implementation of an innovative solution to a social problem.”

BUSINESSES AND SOCIAL INNOVATION TO SERVE THE BOP

Building new business models for the base of the pyramid: Starting from scratch



Left to right: Duncan Duke, Ithaca College; Mauricio Contreras Cifuentes, Tetra Pak; Dulce Alejandre, CEMEX; Claudia Lorenzo, Coca-Cola Brazil; Jean Paul Zalaquett, Chilectra.

The forum also brought together major regional firms that have recognized the unexplored potential of the BoP and have decided—following strategic analysis—that this market segment offers opportunities for their companies and for the development of the countries in which they operate. Panelists at this session were from Cemex, TetraPak, Coca Cola, and Chilectra.

The discussion showed that all business models serving the BoP emerge from a company's need to solve an operational problem, without which these models would never have been able to expand beyond the pilot phase. Moreover, it is clear that models for the BoP face enormous challenges that require commitment by companies at the operational and executive levels.

TetraPak faced the challenge of increasing its milk production in the Bangladeshi market. The only way to achieve this was by incorporating small producers into its value chain. Several of the challenges—including how to supply technology, know-how, and capital and create distribution platforms—were addressed by

TetraPak shared about the challenge of increasing its milk production in the Bangladeshi market. The only way to achieve it was incorporating small producers in its value chain.

BUSINESSES AND SOCIAL INNOVATION TO SERVE THE BOP

investing resources, bringing innovative talent into the team, and having a clear corporate commitment to scaling up operations.

Chilectra, Chile's largest electricity distributor, discovered unexplored potential at the BoP by designing a recycling network in Santiago. The network allows BoP families to reduce their electricity payments based on the weight of recyclable material collected. The discount can be as high as 10%. The pilot was so successful that it is now a business unit within the company and is being replicated in Colombia and Brazil.

The experiences of Cemex and Coca Cola yielded similar conclusions regarding the business model as a response to a need within the company and the commitment to scaling up. Cola Cola works closely with small neighborhood stores in Brazil through its Coletivo program, under which a recycling program is complemented by business training for women entrepreneurs. With Coletivo, Coca Cola is not only helping improve the quality of life of hundreds of women in Brazil, it is also improving its distribution platform. For its part, Cemex designed its BoP model in the 1990s, after it realized that its sales to the BoP were the only ones that were not adversely affected during the Tequila crisis. Since then, Cemex has served more than 500,000 Mexican families through its Patrimonio Hoy program for the construction of incremental housing.



THE CHALLENGE OF DEVELOPING BOP MARKETS

Public-private partnerships: Creating new templates for accelerating commercial expansion



Left to right: Carolina Blackburn, ANSPE; Maria Senna, CAIXA; David Bloomgarden, FOMIN; Rubén Avendaño, EPM; Moisés Cherem, Enova.

This panel showed how public-private partnerships (PPP) are being used in Latin America and the Caribbean to scale up and accelerate business models that provide basic services to the BoP more efficiently and effectively. PPPs are useful in various fields, from education and health services to public utilities. Although PPPs face many challenges owing to their institutional, legal, and operational complexity, there are many success stories that have had a major positive social and economic impact on society.

The cases presented by the panelists provided evidence that PPPs help to accelerate business models that serve the BoP. Such is the case of Enova, which since 2009 has operated the Network for Innovation and Learning, which consists of 70 academic centers that provide education and access to

technology for the BoP in Mexico. Success resides in a tripartite (public, private, and social) partnership with a single objective – quality education for the BoP.

The cases presented by panelists showed that PPP accelerate business models that serve the BoP.

THE CHALLENGE OF DEVELOPING BOP MARKETS

Similarly, in Colombia, EPM's Social Financing Program, which provides easy access to credit for the purchase of home appliances, construction materials for home improvements, and other needs, is successful because of the partnership between this state-owned enterprise and retail stores where the EPM card can be used. The experience of Caixa, a state-owned bank in Brazil, is similar to that of EPM in that it has established partnerships with stores and lottery kiosks that act as outlets for channeling its products to low-income communities.

The Agencia Nacional para la Superación de la Pobreza Extrema (ANSPE) in Colombia aligns the private sector, international development partners, the non-profit sector, and the voluntary sector to improve the living conditions of 1.5 million families belonging to the Unidos Network. PPPs are also essential to the work ANSPE is doing through the Centro de Innovación Social.



THE CHALLENGE OF DEVELOPING BOP MARKETS

The use of value chains as instruments for social inclusion



Businesses, financial institutions, governments, and donors perceive value chains as an effective mechanism for the inclusion of the BoP. However, BoP communities face a series of hurdles that prevent them from easily joining these chains, depriving them of significant opportunities. This panel showed how the public and private sectors and the donor community can leverage their capacity to create income for the BoP and include it in their value chains.

The cases of two large enterprises show that companies must be prepared to innovate in the way that they do business to be able to include the BoP in their value chains. Nestlé presented its Distrito Lechero program, which consists of creating milk collection centers that provide rapid payment systems, free technical assistance, and microcredit for dairy producers. This has helped Nestlé become the leading milk purchaser in Colombia, with

production of 226,000 tons per year, having added 10,000 people to its value chain. Citi Microfinance's successful experience serving the BoP market is based on the introduction of mobile technology to help informal workers without access to the financial system build a credit history.

The Agencia Colombiana de Reintegración (ACR) presented its experience in Colombia with reintegrating ex-paramilitaries and ex-guerrillas through value chains. The ACR works closely with private companies, encouraging them to include reintegrated individuals in their value chains. It also provides technical support, sponsors productive projects, and offers apprenticeships. Coca Cola, Femsa, and Grupo Éxito are some of the companies that have had success in this area. The representative of the German Ministry for Economic Development and Cooperation emphasized the benefits of these kinds of models for business innovation.

THE CHALLENGE OF DEVELOPING BOP MARKETS

Development of risk analysis tools for base-of-the-pyramid projects



Left to right: Daniela Carrera, BID; Dan Gertsacov, Lenndo; Jared Miller, Entrepreneurial Financial Lab; Jorge Gomes, TCX Fund; Rob Grimberg, Capital Tool Company.

One of the major difficulties faced by a loan applicant is the need to undergo a rigorous administrative process and provide a large amount of personal information to the financial institution. The most cumbersome part of the credit process is that, in most cases, giving this information is not enough to gain the lender's trust; in addition, the loan application must be accompanied by a large number of documents that serve as evidence of the information provided.

When a microentrepreneur needs a loan to support an adequate level of inventory or to purchase equipment to improve sales, he or she has to go through the lengthy loan application process in order to comply with the financial institutions' requirements. This includes lengthy questionnaires and the submission of a large number

of documents providing evidence of income, given that the microentrepreneur's accounting systems are not sufficiently sophisticated for the financial institution. To avoid these types of obstacles, creative solutions have been developed to address the problems of these entrepreneurs, who manage to forge ahead despite the obstacles they face. The firms in the risk panel—TCX Fund, Lenndo, Capital Tool Company, and Entrepreneurial Financial Lab—provided a palpable demonstration of this creativity.

Muestra palpable de esta creatividad fueron las empresas del panel de riesgo del II Foro BASE: TCX Fund, Lenndo, Capital Tool Company y Entrepreneurial Financial Lab.

THE CHALLENGE OF DEVELOPING BOP MARKETS



Lenndo uses the opinions of an individual's neighbors, school teachers, store owners, or friends to create a platform of references and recommendations based on social networks. Applicants register on the Lenndo website and invite people who know them well to vouch for them. The Lenndo account can also be linked to social networks that the individuals belong to, such as Facebook and Twitter. The references received, together with information from the social networks, allow Lenndo to calculate a score that reflects the honesty and sincerity of the applicant, as well as the consistency of the information provided. This score improves in tandem with increased activity on the social networks. Once a certain

score is reached, the applicant becomes eligible for a loan that can be used to cover education, health care, or home improvement expenditures.

Another example of innovation is that of a group of talented and visionary young people who, concerned about the persistent problem of lack of access to financing among small-scale entrepreneurs, created the Entrepreneurial Finance Lab (EFL). EFL designed its own patented psychometric application, which analyzes the

behavior, management capacity, and business acumen of an entrepreneur. This allows for assigning a risk rating and identifying entrepreneurs worthy of financing. The psychometric application is being used by microfinance institutions, venture capital funds, and angel investment (or patient capital) funds in some 20 countries, and it takes into account cultural factors specific to each geographic market. The technology is truly breaking paradigms by transforming qualitative information into quantitative data on which to base credit decisions.

THE CHALLENGE OF DEVELOPING BOP MARKETS

Regulatory frameworks: Facilitating financial inclusion



Informality, low incomes, subsistence, and exclusion are perhaps the key ingredients in the vicious cycle of poverty. Financial inclusion can help to break this cycle, allowing individuals not only to access new goods and services, but also to launch or improve their small businesses through access to working and investment capital. Indeed, access to financial products allows entrepreneurs to generate more income for their families, improve their quality of life, and create new opportunities for their communities.

The main barriers in the area of demand are limited knowledge, a lack of confidence in the financial system, information constraints, and the relatively higher socio-economic vulnerability of the BoP, as well as geographical dispersion, fixed supply costs, and regulatory hurdles. In relation to supply, a number of barriers must be overcome, including uncertainty regarding the feasibility of the business model, inappropriate management techniques, financial services that are ill-suited to the needs of the BoP, limited infrastructure, and high costs.

Participants in the regulation panel explained, based on their experiences, how regulatory frameworks and financial innovation are critical aspects of the enabling environment for business models that serve the BoP. The panel consisted of representatives from Peru's Superintendency of Banks, Insurance, and Pension Fund Administrators (SBS), Uruguay's Microfin, Grupo Bancolombia, and Colombia's Department of Social Prosperity (DPS).

THE CHALLENGE OF DEVELOPING BOP MARKETS



Left to right: Sergio Navajas, FOMIN; Mariana Escobar, Departamento para la Prosperidad Social de Colombia; María Adelayda Calle Correa, Grupo Bancolombia; Antonio Martínez, Microfin; Luis Martín Auqui Cáceres, Superintendencia de Banca, Seguros y AFP Perú.

Bancolombia has launched a rigorous program in support of financial inclusion, targeting existing barriers. The bank promotes inclusion by means of nontraditional channels such as mobile banking and the use of correspondent agents. The latter number 1,400 and are distributed across 753 municipalities in Colombia. Microfin, a microfinance institution in Uruguay, has overcome several hurdles and now provides financial access to microentrepreneurs using alternative channels.

From a governmental perspective, Peru's SBS stands out in the region for its regulatory framework, which attempts to overcome the barriers described based on five pillars: (1) regulation and innovation; (2) transparency and consumer guidance; (3) consumer protection; (4) financial education and culture; and (5) coordination with other agencies in the country.

Colombia's DPS – created recently to lead the country's poverty reduction strategy – focuses its efforts on financial inclusion at the national level through a partnership with Banco Agrario and Davivienda on a project that has so far cost US\$103 million.

AGENDA

THURSDAY JUNE 6

REGISTRATION AND BREAKFAST

Plaza Mayor Convention Center / Gran Salón

OPENING CEREMONY

Honorary Council:

Aníbal Gaviria Correa, Mayor of Medellín

María Inés Restrepo de Arango, Director of COMFAMA

Luis Alberto Moreno, President, Inter-American Development Bank (IDB)

Luis Felipe Henao, Ministry of Housing of Colombia

KEYNOTE ADDRESS:

BoP 2.0: Next Generation Strategies for the Base of the Pyramid

Keynote Speaker: Stuart L. Hart. Professor and Samuel C. Johnson Chair in Sustainable Global Enterprise, Cornell University. Co-creator of the BoP concept

COFFEE BREAK

PLENARY I

Colombia: Country of Pioneering Companies serving the BoP

- **Moderator: Luis Alberto Moreno**, President, IDB

- **Panelists:**

Samuel Azout, Founder and President, Fútbol con Corazón Foundation

Juan Esteban Calle, General Manager, Empresas Públicas de Medellín

Antonio Celia Martínez, CEO, Promigas

Julián Jaramillo, CEO, Alpina

Santiago Pérez, Vice President of Retail Banking for Individuals and SMEs, Grupo Bancolombia

THURSDAY JUNE 6

PLENARY II

The Corporate Leap to the BoP: Plan or Opportunity?

- **Moderator:**

Stuart L. Hart, Professor, Cornell University. Co-creator of the BoP concept and Samuel C. Johnson Chair in Sustainable Global Enterprise at Cornell University.

- **Panelists:**

José María Ayuso, Regional Product Executive Director for Latin America and the Caribbean, VISA

Carlos Mejía, General Manager, DuPont Colombia

Andrés Peñate, Vice President of Corporate Affairs, SABMiller Latin America

Gonzalo Alberto Pérez, CEO, Suramericana

Roberto Salas Guzmán, General Manager, Masisa

LUNCH

CONCURRENT SESSIONS

Sectorial Success Stories

Affordable Housing: Deploying New Finance Vehicles

- **Moderator:** César Bouillon, Lead Research Economist in Research Department, IDB

- **Panelists**

Luis Daniel Albuquerque, COO, Terra Nova

Dmitry Bayakhchev, Director for Full Economic Citizenship and Housing for All Brazil & Latin America, Ashoka

Sofía Botero Uribe, Director for National and International Cooperation, COMFAMA

María Teresa Morales, Director of Housing Finance in Latin America and the Caribbean, Habitat for Humanity

Felipe Gómez, CFO, Credifamilia

Business and Social Innovation to Serve the BoP

Internal Champions: Guiding the Corporation to the BoP

- Moderator: Faye Yoshihara, Founder, Forest Fractal LLC

- Panelists:

Camilo Acero, General Manager for Social Business ConSentido, Alpina

Marco Gorini, CEO, VoxCred – Grupo Tenda Atacado Diego Ruiz, Vice-President for Public Policy and Government Affairs, PepsiCo

Antonio Santacruz Carmona, Strategic Development Manager, Telefónica

The Challenge of Developing BoP Markets

Regulatory Frameworks: Enabling Financial Inclusion

- Moderator: Sergio Navajas, Senior Specialist, Multilateral Investment Fund (MIF) - IDB Group

- Panelists:

Luis Martín Auqui Cáceres, Chief of Banking Supervision, Superintendencia de Banca, Seguros y AFP Perú

María Adelaida Calle Correa, Legal Director for Financial Intermediation, Grupo Bancolombia

Mariana Escobar, Subdirector, Departamento para la Prosperidad Social

Antonio Martínez, Founding Partner and CEO, Microfin

COFFEE BREAK

Sectorial Success Stories

Private Sector Healthcare: Developing New Models and Systems to Serve the BoP

- Moderator:

Kelle Bevine, Chief Strategy Unit Structured and Corporate Finance Department, IDB

- Panelists:

Enrique Coronado, CEO, Co-founder and Board Director, Por ti, Familia

Gopi Gopalakrishnan, Founder and President, World Health Partners

Juan Carlos Ordóñez, CEO, Salud Digna Para Todos

Carlos Orellana, Co-founder, salaUno

Business and Social Innovation to Serve the BoP

Social Innovation: Applying New Tools to Private Sector - led Development

- Moderator: César Buenadicha, Senior Specialist, MIF – IDB Group

- Panelists:

Myrtille Danse, Executive Director, BoP Innovation Center

Victor Grau, Co-Director, MIT D-Lab

Francisco Noguera, Manager of Pioneros Alliance for Social Innovation, Compartamos con Colombia

Dane Smith, Managing Director, FSG

Julián Ugarte, Executive Director, Socialab

The Challenge of Developing BoP Markets

Developing Innovative Risk Analysis Tools for BoP Projects

- Moderator: Daniela Carrera, Country Representative for Brazil, IDB
- Panelists:

Dan Gertsacov, CEO of Americas Region, Lenndo

Jorge Gomes, Senior Vice President of Structuring, TCX Fund

Rob Grimberg, Founder, Capital Tool Company

Jared Miller, Director for Latin America, Entrepreneurial Financial Lab

KEYNOTE ADDRESS:

Deepa Prahalad,

Author, business strategist and consultant specializing in opportunities at the intersection of consumer experience, technology and strategy.

CLOSING REMARKS:

Sergio Fajardo,

Governor of Antioquia

FRIDAY JUNE 7

REGISTRATION AND BREAKFAST

Convention Center Plaza Mayor / Gran Salón

OPENING REMARKS

Hans Schulz, Vice President for the Private Sector and Non-Sovereign Guaranteed Operations, IDB

KEYNOTE SPEAKER

Iqbal Quadir. Founder and director of the Legatum Center for Development and Entrepreneurship at MIT. In the 1990s, Quadir founded Grameenphone, which provides effective telephone access throughout Bangladesh.

PLENARY I

Financial Solutions for BoP Businesses

- Moderator:

Carl Muñana, General Manager, Inter-American Investment Corporation (IIC) – IDB Group

- Panelists:

Esteban Altschul, Chief Operating Officer, Accion

Eliza Erikson, Director of Investments, Omidyar Network

Luis Gallo, Managing Director, Banca de Inversión Social BIS

Giselle Leung, Manager of Investors' Council, Global Impact Investing Network GIIN

Álvaro Rodríguez Arregui, Co-founder and Managing Director, IGNIA

COFFEE BREAK

PLENARIA II

Emerging Business Models: Tomorrow's BoP Market Leaders

- **Moderator:** **María Cavalcanti**, Managing Partner, FIRST Impact Investing Fund Brazil

- **Panelists:**

Nelson P. Irizarry, Vice-president for Business Development, GTV GloboKasNet

Rodolfo Muralles, Founder and Director, Salud a tu Alcance

Carla Renata Sarni, Chairman, Sorridents

Luis Velasco, President of Finance and Investment Committee, Promotora Social México

Sectorial Success Stories

Broadband Platforms: Closing the Digital Divide

- **Moderator:**

Andrés Maz, Executive Director of Advance technology Policy, Cisco

- **Panelists:**

Francisco Albornoz, Chief of Cardiology, Higuera Hospital

Marc Willy Eichmann Perret, CEO, UNE EPM Telecomunicaciones

Catalina Escobar, Director, Makaia

Jaime Estrada, Director of Corporate Affairs Group in Latin America, Intel

Business and Social Innovation to Serve the BoP

Building New Business Models for the BoP: From the Ground Up

- Moderator: Duncan Duke, Professor, Ithaca College
- Panelists:

Dulce Alejandre, Inclusive Business Manager, CEMEX

Mauricio Contreras Cifuentes, Marketing Manager for Colombia and Ecuador, Tetra Pak

Claudia Lorenzo, Social Business Director, Coca-Cola Brazil

Jean Paul Zalaquett, Director of Innovation and Sustainability, Chilectra

The Challenge of Developing BoP Markets

Public-Private Partnerships: Establishing New Patterns for Accelerating Commercial Scale-up

- Moderator: David Bloomgarden, Lead Specialist, MIF – IDB Group
- Panelists:

Rubén Avendaño, Assistant Director, Institutional Relations, EPM

Carolina Blackburn, Director of Private Social Innovation, ANSPE

Mois Cherem, Co-founder and CEO, Enova

Maria Senna, Manager of Consumer and Business at the National Superintendence of Basic Income, Caixa

COFFEE BREAK

Sectorial Success Stories

Using Market-Based Solutions to Improve BoP Access to Education

- Moderator: **Carina Lakovits**, Officer, Austrian Federal Ministry of Finance (BMF)

- Panelists:

Mary Anne Amorim, Founder and CEO, PUPA Education

Manoel Knopfholz, Director of Business Development, Grupo Positivo

Gabriel Silva, CFO, Ideal Invest Brazil

Francisco Vizcaya, Founder and CEO, FINAE

Business and Social Innovation to Serve the BoP

Distribution Platforms: Accessing the BoP Markets Through Unconventional Channels

- Moderator: **Liane Freire**, Founder, Dialog

- Panelists:

Haidy Duque Cuesta, Director, Kayrós Corporation

Lorena Luna, Coordinator of Latin American Partnerships, VisionSpring

Carla May Berina - Kim, Head of Sustainable Development, Manila Water

Rafael Sánchez, Innovation Leader of Commercial Models for Latin America, Natura

The Challenge of Developing BoP Markets

Using Value Chains as Instruments for Social Inclusion

- Moderator: Filippo Veglio, Director of Social Capital Focus Area, WBCSD

- Panelists:

Manuel Andrés, President, Nestlé Colombia and Ecuador

Susanne Dorasil, Head of the Economic Policy & Financial Sector Division at BMZ

Alejandro Eder, Director, Agencia Colombiana para la Reintegración

Jorge Rubio, Director, Citi Microfinance

CLOSING REMARKS

Luiz Ros, Manager, Opportunities for the Majority, IDB

KEYNOTE SPEAKERS



STUART L. HART

Professor and Samuel C. Johnson Chair in Sustainable Global Enterprise, Cornell University. Co-creator of the BoP concept.



DEEPA PRAHALAD

Author, business strategist and consultant specializing in opportunities at the intersection of consumer experience, technology and strategy.



IQBAL QUADIR

Founder and director of the Legatum Center for Development and Entrepreneurship at MIT. In the 1990s, Quadir founded Grameenphone, which provides effective telephone access throughout Bangladesh.

BASE II INTERNATIONAL FORUM - PHOTOS

BASE II INTERNATIONAL FORUM



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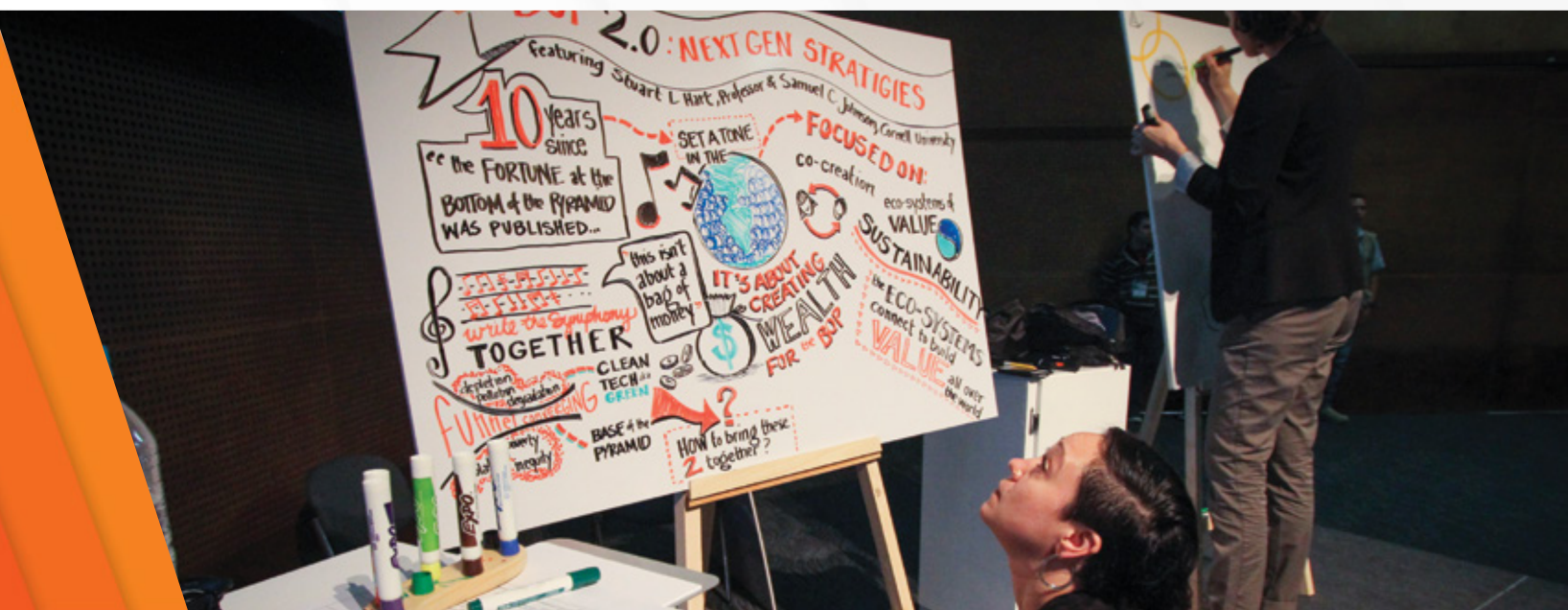
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