



OPPORTUNITIES *for the* MAJORITY

Partnering for Better Basic Services across Latin America: Boosting Business Models

Melding Expertise and Financing

Many private companies in Latin America and the Caribbean have innovative ideas of ways to do business providing basic services such as health care, education, energy, and water to people at the base of the socio-economic pyramid. Yet these pioneering businesses need expert know how and funds to test their ideas in the marketplace so they can be ready to absorb the financing needed for their transformation to commercial viability.

The Inter-American Development Bank's Opportunities for the Majority Initiative (OMJ) and the Multilateral Investment Fund (MIF) launched in 2012 the *Program to Accelerate Business Providing Services to Poor and Low-income Communities* bringing critical technical expertise to a vital new partnership that fills an important gap in the market and connects businesses with new consumers while improving the lives of low-income populations.

OMJ and MIF are mobilizing this novel instrument that melds their experiences developing business models and distribution platforms with grants to speed up the development of basic services business models so they are ready to absorb credit from OMJ and attract other impact and commercial investors.

Faster Models to Markets

In the first semester of 2013, through the *Program to Accelerate Businesses Providing Services to Poor and Low-income Communities* up to eight pre-commercial business models will be supported in Latin America and the Caribbean to bring new or improved access to health, education, energy, water, and sanitation services to thousands of poor and low-income households in the region.

OMJ and MIF will work in partnership on this new \$3.4 million regional program, jointly selecting companies that receive technical assistance grants up to \$250,000 to bring their pilots to scale in a low income marketplace.

OMJ and MIF together will develop eligibility scorecards to select the business models with the most potential and decide how best to fast track these pre-commercial businesses to market readiness through rigorous tailoring of the technical assistance. The program helps firms to determine the best procurement channels, management, business practices, and products for their local markets.

Gauging the interest of customers at the base of the economic pyramid and finding ways to reach them affordably is a crucial question for businesses. OMJ has cracked that code by working through proven distribution channels. In this program, it teams up with MIF which has 20 years of experience in private sector capacity building and grant-making, to develop and expand distribution channels and marketing strategies.

Businesses supported through the program range from start ups to small and medium-size enterprises, to subsidiaries of large companies.

Attractive Models for Investors

OMJ's success in commercializing ways of delivering basic services to people at the base of the pyramid is a cornerstone of this new program. OMJ's expertise in identifying and scaling business models and distribution platforms is crucial to the new partnership. And MIF's proven system of measuring and tracking the social and economic performance of its projects is important so that private companies can attract impact investors.

Thanks to the program, five business models are expected to reach scale and be ready to accept OMJ credit.

The program will disseminate and share lessons learned via networks of social investors at workshops and conferences, online publications, videos and other media.



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