

## INCLUSIVE BUSINESS

### KNOWLEDGE SHARING TEMPLATE

*The aim of this template is to collect experiences, projects, policies or initiatives at local, country and regional level related to the promotion of Inclusive Business.*

<b>1. General Information</b>
<b>1.1. G20 Country</b>
Argentina
<b>1.2. Project / Initiative / Policy name/title:</b>
Mesocredit Program: a line of credit for associative groups in the social economy (Ministry of Health and Social Development, Secretary of Social Economy, National Commission of microcredit)
<b>1.3. General objective</b>
<ul style="list-style-type: none"> <li>✓ Promote a financial tool to accompany the sustainable development of the productive activity and / or marketing self-managed associative groups of the social economy and improving the life quality of its members and their families.</li> <li>✓ Provide a first credit experience for these groups, and prepare them to access future financial tools of the formal system.</li> </ul>
<b>1.4. Expected results</b> <i>(output-level: number of BoP engaged, jobs created, services delivered, etc.)</i>
<ul style="list-style-type: none"> <li>✓ Expected results in the first 2 years of the program:           <ul style="list-style-type: none"> <li>- 1000 Associated Groups,</li> <li>- 10,500 people (members of the groups) reached</li> <li>- 20 non-profit civil society organizations strengthened financially and institutionally, in their credit operations (mesocredit)</li> </ul> </li> </ul>
<b>1.5. Intended impact</b> <i>(outcome-level: income generated or increased, health/education/housing improved, etc.)</i>
<ul style="list-style-type: none"> <li>✓ Expected impact for the first 2 years of implementation:           <ul style="list-style-type: none"> <li>- Improve the productive capacity, increase the net income and improve life quality of the group members and their families</li> <li>- Consolidate fund management organizations as sustainable mesocredit institutions</li> <li>- Develop methodological tools for the implementation of other public and private financing programs for the sector</li> <li>- Networking of the local business sector and local economy enterprises, through schemes that complement this credit, with mentoring, technical assistance and inclusive purchases by local businesses in the formal economy (cross-pollination).</li> </ul> </li> </ul>

## 2. - Legal framework

2.1. Does the Project / Initiative / Policy have an associated regulatory or legal framework?

The program is framed by Law 26.117 Microcredit promotion Program for the Social Economy Development enacted in 2006, which determines the creation of the National Fund for the Microcredit Promotion.

## 3. Implementation

3.1. Implementation level

- Domestic  
 Support of developing and low-income countries (international cooperation)

3.2. Implementing agency (including link)

National Commission of Microcredit, decentralized agency of the Ministry of Health and Social Development of the Nation  
<https://www.argentina.gob.ar/desarrollosocial/conami>

3.3. Direct target group (MNCs, medium or large international or domestic company, SMEs, women, youth, rural/urban communities etc.)

The program is aimed to:

- ✓ Associative groups of the social economy (formal or informal constitution), which are jointly and self-managed, a productive activity and / or marketing of goods and services in urban and / or rural areas:
  - Associations and cooperatives of small producers,
  - Production and service cooperatives,
  - Recovered companies
  - Civil associations with educational and cultural enterprises,
  - Fair trade associations or cooperatives
  - Informal associative groups

3.4. Indirect target group (SMEs, women, youth, rural/urban communities, etc.)

The program implementation indirectly benefits to:

- ✓ Entrepreneurs that integrate the financed groups, their families and the communities where they work
- ✓ Civil society organizations that administer mesocredit funds

3.5. Nº of countries involved (if project is Regional/Global)

3.5.1. City, Country, Region 1: Argentina 3.5.2. City, Country, Region 2: 3.5.3. City, Country, Region 3: 3.5.4. City, Country, Region 4: 3.5.5. City, Country, Region 5:	
<b>3.6. Project status</b>	<b>3.7. Duration</b> (mm/yyyy – mm/yyyy)
<input type="checkbox"/> Under design <input checked="" type="checkbox"/> In progress <input type="checkbox"/> Completed	Implementation of the program: May 2018 -May 2020
<b>3.8. Brief description of the link with the BoP</b> <i>How does the project / initiative / policy include the BoP? How does it benefit the BoP? How does it define the BoP and its role?</i>	<b>3.9. Role of the BoP</b>
The associative groups of the social economy are made up of workers from the most vulnerable sectors of society. Given their own vulnerability and forms of organization of the productive process, they find limited access to financing through the formal system.	<input type="checkbox"/> BoP as customer <input type="checkbox"/> BoP as distributor <input type="checkbox"/> BoP as retailer <input checked="" type="checkbox"/> BoP as supplier
<b>3.10. Sector</b> (more than one answer possible)	
<input type="checkbox"/> Agriculture or Food <input type="checkbox"/> Energy <input type="checkbox"/> Health <input type="checkbox"/> Education <input type="checkbox"/> Water, Sanitation <input type="checkbox"/> Waste Management <input type="checkbox"/> Housing or Construction	<input type="checkbox"/> Retail, Manufacturing or Consumer Goods <input type="checkbox"/> Information Communications Technology (ICT) <input checked="" type="checkbox"/> Financial Services <input type="checkbox"/> Tourism <input type="checkbox"/> Cross-sectoral <input type="checkbox"/> Other: _____
<b>3.11. Topic</b> (more than one answer possible) (* See Annex for definitions)	
<input checked="" type="checkbox"/> Inclusive business models and strategy <input type="checkbox"/> Scale <input type="checkbox"/> Policy and government	<input type="checkbox"/> Results measurement and impact <input type="checkbox"/> "What is IB?" <input checked="" type="checkbox"/> Innovation

<input checked="" type="checkbox"/> Finance for inclusive business <input type="checkbox"/> Corporates in inclusive business <input checked="" type="checkbox"/> Partnerships <input type="checkbox"/> Environmental impact <input type="checkbox"/> Gender	<input type="checkbox"/> Digitalization <input checked="" type="checkbox"/> Capacity building <input type="checkbox"/> Data <input checked="" type="checkbox"/> Impact investing <input type="checkbox"/> Other: _____
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**3.12. Main area of intervention / Type of support provided** *(What is the project's/initiative's/policy's focus regarding the main challenges faced by inclusive businesses -more than one answer is possible-)*

<input checked="" type="checkbox"/> Financial resources <input type="checkbox"/> Rules and regulations <input type="checkbox"/> Information <input type="checkbox"/> Capacity
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**4. Funding**

**4.1. Origin** *(more than one answer possible)*

<input checked="" type="checkbox"/> Government / State-owned enterprise <input type="checkbox"/> Multilateral Development Banks (MDBs) or Development Financial Institutions (DFI) <input type="checkbox"/> International Organisations (IOs) <input type="checkbox"/> NGO / Foundation <input checked="" type="checkbox"/> Private sector <i>(impact investment fund, private equity fund, venture capital fund, commercial bank, corporation, etc.)</i> <input type="checkbox"/> Other: _____
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**4.2. Brief description of funding / contributions** *(e.g. name of funding institution, type of financing instrument, etc.)*

The program is financed through the National Fund of Microcredit created by Law 26117. The fund is composed of the budget items assigned to the National Ministry of Social Development and it is administered by the National Commission of the Microcredit Promotion Program.

It is foreseen for a second stage, from the second year of the program implementation, that the organizations can increase the mesocredit funds with the contribution of other public and / or private entities such as private and public banks, international organizations, and private companies

**4.3. Available funds** *(optional)*

Available funds for the first stage of the program (May2018- May2020): \$ 80,000,000 (US \$ 2,000,000)

<b>4.4. Value of project</b>	
Total project amount: \$ 100,000,000 (US \$ 2,500,000)	
<b>4.5. Description of financing/procurement process</b>	
<p>The National Commission of Microcredit (CONAMI) is a decentralized agency National Ministry of Health and Social Development, which aims to design and implement financing programs for entrepreneurs and social economy associative groups at the national level.</p> <p>CONAMI, operates as a second-tier entity, since it works granting non-reimbursable funds to non-profit civil society organizations (civil associations, foundations, NGOs, indigenous communities, small business federations, federations and cooperative associations), which grant the loans to the associative groups of low income.</p>	
<b>5. Monitoring and Evaluation</b>	
<b>5.1.1. Does the project / initiative / policy involve a monitoring process?</b>	<b>5.2.1. Does the project / initiative / policy involve an evaluation process?</b>
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>5.1.2. Brief description</b>	<b>5.2.2. Brief description</b> <i>(specify type of evaluation - process, outcome, impact – and methodology)</i>
CONAMI constantly monitors the credits granted by the fund management organizations through: <ul style="list-style-type: none"> <li>- Monthly portfolio reports through a fund management software</li> <li>- Visits to the associative groups financed</li> </ul>	After the first year of the program, an evaluation of the quantitative results and systematization of good practices on credit methodologies will be carried out.
<b>5.1.3. Lessons learned and results</b> <i>(if applicable)</i>	<b>5.2.3. Lessons learned and results</b> <i>(if applicable)</i>
<b>6. Contact Information</b>	
<b>6.1. Contact Information</b> <i>(if there is a website of the project/policy/initiative, please include it)</i>	
Julián A. Costáble Chief Coordinator of the National Commission of Microcredit National Ministry of Health and Social Development Mail: <a href="mailto:jacostabile@desarrollosocial.gob.ar">jacostabile@desarrollosocial.gob.ar</a>	

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National Ministry of Health and Social Development  
Mail: [msbarbuio@desarrollosocial.gob.ar](mailto:msbarbuio@desarrollosocial.gob.ar)

## 7. Supporting material

*Please provide links to or upload any further supporting materials, including: newspaper articles, case studies, toolkits, photographs, and any other relevant materials to help illustrate the project*

<https://www.argentina.gob.ar/solicitar-un-mesocredito>

## ANNEX

**BoP as customer:** business models that reach low-income consumers (products, services that target low-income consumers).

**BoP as distributor:** business models that reach low-income distributors (distribution, awareness, market building).

**BoP as supplier:** business models that engage source products from low-income workers and suppliers

**BoP as retailer:** business models that sell goods to the consumer, e.g. at the BoP

**Capacity building:** Lessons learned from capacity building programmes.

**Corporates in inclusive business:** corporate business models that engage the BoP.

**Digitalisation:** impact of digitalisation on business and society.

**Data:** Data and inclusive business. Data and the BoP.

**Environmental impact:** inclusive business models that mitigate or adapt to climate change.

**Finance for inclusive business:** finance for inclusive business, e.g. impact investing, accessing funding.

**Gender:** economic empowerment of women, gender issues.

**Impact investing:** publications from impact investors and about impact investing in general.

**Inclusive business:** Inclusive businesses provide goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people living at the base of the economic pyramid (BOP) making them part of the value chain of companies' core business as suppliers, distributors, retailers, or customers. In addition to these commercially inclusive activities, businesses may also pursue broader socially inclusive goals. Inclusive business should promote sustainable development in all its dimensions – economic, social and environmental.

**Inclusive business models and strategy:** business-planning tools, assessment of models.

**Innovation:** Innovative business models, importance of innovation and how to be innovative.

**Partnerships:** business-to-business, business to government, or business to NGO partnerships within inclusive business models.

**Policy and government:** policy issues and ecosystem for IB; resources from or for donors and policymakers; policy recommendations.

**Results measurement and impact:** approaches to measurement of results, findings on results of inclusive businesses.

**Scale:** strategies for scale.

**“What is IB?”:** introductory literature on IB, discourse papers that define IB.