

## 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>	
Saudi Arabia	
<b>1.2. Project / Initiative / Policy name/title:</b>	
KAFALAH Fund	
<b>1.3. General objective</b>	
Support SME's to obtain financing by partnering with financing institutions.	
<b>1.4. Expected results</b> <i>(output-level: number of BoP engaged, jobs created, services delivered, etc.)</i>	
Increase contribution of SME's to the GDP.	
<b>1.5. Intended impact</b> <i>(outcome-level: income generated or increased, health/education/housing improved, etc.)</i>	
Support vision 2030 in expanding the size of SME's in the economy through increasing contribution of SME's from 20% to 35% of the GDP.	
<b>2. Legal framework</b>	
<i>2.1. Does the Project / Initiative / Policy have an associated regulatory or legal framework?</i>	
Not Applicable	
<b>3. Implementation</b>	
<b>3.1. Implementation level</b>	<b>3.2. Implementing agency</b> <i>(including link)</i>
<input checked="" type="checkbox"/> Domestic <input type="checkbox"/> Support of developing and low-income countries (international cooperation)	<a href="https://www.kafalah.gov.sa/Pages/default.aspx">https://www.kafalah.gov.sa/Pages/default.aspx</a>

3.3. <b>Direct target group</b> (MNCs, medium or large international or domestic company, SMEs, women, youth, rural/urban communities etc.)	
SME's	
3.4. <b>Indirect target group</b> (SMEs, women, youth, rural/urban communities, etc.)	
Women, youth, rural and urban communities	
3.5. <b>Nº of countries involved</b> (if project is Regional/Global)	
NA	
3.6. <b>Project status</b>	3.7. <b>Duration</b> (mm/yyyy – mm/yyyy)
<input type="checkbox"/> Under design <input type="checkbox"/> In progress <input checked="" type="checkbox"/> Completed	Open ended and may be modified depending on the goals achievement and economy needs
3.8. <b>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>	3.9. <b>Role of the BoP</b>
The fund acts as a guarantor for SME's with viable business case and no financing banks.	<input type="checkbox"/> BoP as customer <input checked="" type="checkbox"/> BoP as distributor <input type="checkbox"/> BoP as retailer <input type="checkbox"/> BoP as supplier
3.10. <b>Sector</b> (more than one answer possible)	
<input checked="" type="checkbox"/> Agriculture or Food <input checked="" type="checkbox"/> Energy <input checked="" type="checkbox"/> Health <input type="checkbox"/> Education <input type="checkbox"/> Water, Sanitation <input checked="" type="checkbox"/> Waste Management <input type="checkbox"/> Housing or Construction	<input checked="" type="checkbox"/> Retail, Manufacturing or Consumer Goods <input type="checkbox"/> Information Communications Technology (ICT) <input type="checkbox"/> Financial Services <input checked="" type="checkbox"/> Tourism <input type="checkbox"/> Cross-sectoral <input type="checkbox"/> Other: _____
3.11. <b>Topic</b> (more than one answer possible) (* See Annex for definitions)	
<input 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 type="checkbox"/> Partnerships <input type="checkbox"/> Environmental impact <input checked="" type="checkbox"/> Gender	<input type="checkbox"/> Digitalization <input type="checkbox"/> Capacity building <input type="checkbox"/> Data <input type="checkbox"/> Impact investing <input type="checkbox"/> Other: _____
<b>3.12. Main area of intervention / Type of support provided</b> <i>(What is the project's/initiative's/policy's focus regarding the main challenges faced by inclusive businesses -more than one answer is possible-)</i>	
<input checked="" type="checkbox"/> Financial resources <input type="checkbox"/> Rules and regulations <input checked="" type="checkbox"/> Information <input type="checkbox"/> Capacity	
<b>4. Funding</b>	
<b>4.1. Origin</b> <i>(more than one answer possible)</i>	
<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 type="checkbox"/> Private sector <i>(impact investment fund, private equity fund, venture capital fund, commercial bank, corporation, etc.)</i> <input type="checkbox"/> Other: _____	
<b>4.2. Brief description of funding / contributions</b> <i>(e.g. name of funding institution, type of financing instrument, etc.)</i>	
Fund is provided by Aramco, a company owned by government.	
<b>4.3. Available funds</b> <i>(optional)</i>	
<b>4.4. Value of project</b>	
Unspecified	
<b>4.5. Description of financing/procurement process</b>	
Applicants (mainly SME's and individuals) submit financing requests to participating banks with Kafalah program. Commercial banks submit requests to Kafalah if guarantor is required when Kafalah reviews the feasibility and approves or rejects based on subjective and objective parameters.	

5. Monitoring and Evaluation	
5.1.1. Does the project / initiative / policy involve a monitoring process?	5.2.1. Does the project / initiative / policy involve an evaluation process?
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5.1.2. Brief description	5.2.2. Brief description <i>(specify type of evaluation - process, outcome, impact – and methodology)</i>
Ongoing monitoring of the progress of the financed business until the loan is paid back and goals are achieved.	The fund approved the guarantee of an SME Based on quantitative and qualitative KPI's, and viability of the business concept and market need for the introduced product/service.
5.1.3. Lessons learned and results <i>(if applicable)</i>	5.2.3. Lessons learned and results <i>(if applicable)</i>
6. Contact Information	
6.1. Contact Information <i>(if there is a website of the project/policy/initiative, please include it)</i>	
<a href="https://www.kafalah.gov.sa/ContactUs/Pages/default.aspx">https://www.kafalah.gov.sa/ContactUs/Pages/default.aspx</a>	
7. Supporting material	
<i>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</i>	

## 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.