

Access to finance for inclusive business

Limited access to the right kind of finance is a common challenge for businesses working at the Base of the Pyramid. But increasing the flow of capital is fundamental to growth of inclusive businesses (IB), and to maturing of the sector.

This month we aim to navigate the finance landscape for businesses and investors, in partnership with [Inclusive Business Accelerator](#). We hear from key facilitators in this space about the state of the investment market, entrepreneurs tell us about how they are getting investment-ready and are helping MSMEs do the same, and we highlight resources and programmes that are helping businesses and investors get the right support.



Unitus Impact's Shuyin Tang: "It would be great to see more successful exits in the impact space"



The Inclusive Business Accelerator provides matchmaking support to businesses and investors

- What are your motivations for starting your business? How do you add value to the market? Do you have an exit strategy? [Shuyin Tang from Unitus Impact tells us what impact investors really want to know.](#)
- **Which capital for which inclusive business?** A perennial question for businesses and investors and one that this month's [Editor's Choice, Frontier Capital](#), from Omidyar Network addresses well. It's written as a clarion call for investors but its clarity on capital types will help any entrepreneur too.
- **What is needed to successfully grow businesses in Base of the Pyramid markets?** Niek van Dijk explains Inclusive Business Accelerator's approach: connecting ventures to expertise and capital [by building a structure of professional local BDS support providers in several countries and providing an online match making and training platform for entrepreneurs and investors.](#)
- [Finance for inclusive business is coming from new sources, including corporates.](#) BoPInc's Nicolas Chevrollier explains why investing in social enterprise, can give a corporation a foothold in a new Base of the Pyramid market.
- [Should challenge funds deploy grants or loans if they aim to scale businesses that deliver development return?](#) Hugh Scott reflects on experience as Director of the Africa Enterprise Challenge Fund to offer his view on this question.

- [South African natural cosmetics social enterprise Botanica explains its journey to scale](#), from participating in the Green Pioneer Accelerator and the SEED Accelerator programmes to attracting social impact investors.
- In South East Asia, Angel investors and HNWIs have traditionally invested in early stage businesses. But with an increasing demand for larger sums of capital, the market is changing. **Impact Investment Exchange Asia (IIX)** suggests that [impact investment in the region has reached an inflection point](#) and believes the time is right for its new \$50 million growth equity fund.
- [Impact investing is on the upswing in South Africa](#) as well, writes SEED's Mirko Zuerker. Enterprises and investors in South Africa have traditionally lacked the knowledge to make the right financial decisions but with increasing awareness the scenario is changing.
- "It's commonly known that it is difficult to find a suitable investor if you are an inclusive business entrepreneur; but it's quite the same the other way round!" New platform [Inclusify aims to simplify the market for impact investors](#).
- MSMEs not only face the problem of availability of finance but also encounter other hurdles including limited financial awareness and a lack of adequate collateral says Esperance Uwinmana. She tells us how her [new organisation WISE is helping address these issues for women entrepreneurs in Rwanda](#).

Support for inclusive businesses seeking investment

- A recent poll by VC4Africa, an online platform for start-up funding, identified the **social impact of a company as the most important criteria investors consider** after quality of management team and market potential. Ben White tells us how [VC4Africa is supporting inclusive businesses to prepare for and access investment](#).
- Emerging markets are suffering from an overhang of unused capital due to a lack of suitable companies for investment. [DFID's Connect to Grow supports companies to improve their investment prospects in three steps](#).
- Finding the right kind of capital and indeed the right kind of investor for your inclusive business is a daunting task. There are now **a number of helpful platforms** to narrow your search. [Caroline Ashley lists some options here](#).

TOOLS FOR BUSINESS

CHECKLIST: Is your inclusive business investment-ready?

This document provides an initial checklist of things to consider, to assess whether your business is ready to attract investment.



Corporate impact venturing: French multinational ENGIE has invested in Rural Spark which develops rural grid solutions in India



Inclusive business Botanica's Moringa production unit provides employment to low-income people in South Africa.



VC4Africa helps inclusive businesses find investment to scale and increase their impact.

IN OTHER NEWS

- Are you a business, social enterprise, entrepreneur or investor? Join Intelicap and its partners at the **Sankalp Forums** in Africa on 25-26 Feb and Mumbai 20-22 April 2016. Hub members get 20% off [Sankalp Africa tickets today](#). More information about [Sankalp Global Forum in Mumbai here](#).
- WEBINAR Recording: In December, the Hub hosted [an evidence-based discussion with Hystra and African Enterprise Challenge Fund on what works for smallholder farmers](#). With probing questions from the audience and candid views from the participants, you can now listen to the recording and download the reports on the webinar event page.
- WEBINAR Recording: We also co-hosted a conversation on **overcoming external constraints to scale** with Business Call to Action. Speakers from Pronaca, Ikea Group and Novo Norsk compared notes on their own inclusive business initiatives. [Listen to the recording and access support on scaling your inclusive business initiative here](#).
- In our quest for new innovations are we forgetting that those at the BoP are already driving their own solutions? [Join the conversation](#) with Dr. Martin Vogelsang from Good Roots.



CmiA audit with cotton farmers in Tanzania. Listen to the webinar recording: [What works for smallholders](#)



Don't miss the global Sankalp Summit in Mumbai

INCLUSIVE BUSINESS IN ASIA FORUM

16-19 February, 2016. Manila, Philippines

The 2nd IB Asia Forum, organised by the **Asian Development Bank** in cooperation with its partners, will bring together practitioners from businesses, investors, governments, and development partners to discuss recent innovative approaches and examples of inclusive business investments. Uniquely, the event will also discuss how governments and business associations can support or create a better enabling environment for Inclusive Business as well as exchanging experiences from Latin America and Asia.

[Register here to attend, and follow all the discussion in the lead up to the Forum](#)



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