

Finding capital for
**sustainable livelihoods
businesses**

A finance guide for business managers



WBCSD Council Project:

Sustainable Livelihoods

The project is conducted by a pool of visionary members who are prepared to share their experiences, their successes and failures in doing business at scale in the poorest regions of the world. Members of the working group span many industrial sectors and hail from our member companies as well as our regional network partners.

The WBCSD provides a 'safe' space in which companies can set aspirational targets with supportive peer input so as to 'learn by doing'. The WBCSD also has a brokering role to encourage novel partnerships between companies and in working with donors to build 'investment friendly' institutional capacity. In addition, the project delivers processes to help companies constructively work with other development actors, such as governments and stakeholders who create the framework within which business operates.

The project focuses on four workstreams:

- > **Business Models** – 'learning by sharing' to identify the building blocks for companies to design their own profitable 'pro-poor' business strategies.
- > **Framework Conditions** – creating capability for business to work with national governments, NGOs & multilateral institutions to improve the 'rules of the game' & foster wealth creation in developing countries.
- > **Communications and Engagement** – ensuring that the potential for responsible business growth is understood deeply inside member companies. Harnessing the energy of many development actors to relate to business as a positive force for change in the battle against poverty.
- > **Pilot Projects** – delivering on the ground 'learning by doing' pieces of business that can be scaled up beyond the 'case study specimens'.

Program structure and resources

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Foreword

Chairs of the Sustainable Livelihoods Project

In our recent publication, *Doing business with the poor – a field guide*, we described the challenge of breaking into an untapped market of over four billion potential customers and business partners, and offered ideas and evidence on how to succeed, with some innovative examples from a number of leading WBCSD member companies. Part of the answer was to design *sustainable livelihoods businesses*, i.e. business models that benefit the poor and benefit the company.

A related challenge is the financing of these business ventures, especially in countries that present business risks. A previous WBCSD report, *Investing for sustainable development – Getting the conditions right*, (July 2002) laid out ways governments can establish framework conditions encouraging corporate investment that will spur development. Amongst other recommendations, it suggests that political leaders strengthen legal and financial systems to help attract foreign direct investment (FDI) and move small businesses out of the informal sector and into an equitable, effective, and rules-driven marketplace. Only then can markets work for all: creating wealth, new businesses, and opportunities for local people, encouraging more sustainable forms of progress that will help achieve the Millennium Development Goals (MDGs).

Framework conditions have been improving in many developing countries. But many companies are not waiting for perfect investment conditions to explore and seize business opportunities in these markets. Leading companies are already competing for the customers and employees of the future. This is driving business to innovate and develop business models and financial mechanisms to enable investment in emerging economies.

In the spirit of learning by sharing, the WBCSD Sustainable Livelihoods working group pooled their thoughts to provide a better understanding of where national companies in developing countries and many multinational companies have already experienced successes, as well as to provide guidance for companies looking to penetrate new and profitable markets in the developing world.

The group realized the need for companies to tap into additional resources, often from external capital providers, to improve the investment profiles of their sustainable livelihoods businesses. To attract the required resources companies may need to rethink how, from whom, and for whom they raise capital. Although it does not provide a comprehensive account of corporate finance, this guide offers an overview of new ways of funding sustainable livelihoods business. The 10 case studies included here describe how a number of companies are already driving financial innovation by exploring unusual funding options.

A key finding is that a considerable amount of money, earmarked for development, is available from a number of sources to support business activities in poor communities. Increasingly these external capital providers are keen to help start up sustainable livelihoods businesses and finance those with limited access to conventional borrowing. However, to attract this external capital and succeed in these markets, companies will need to clearly demonstrate the social benefits of their sustainable livelihoods business.

Another way for companies to make an investment opportunity more appealing is to work across sectors with other companies. The benefit of this 'cluster' approach is that companies can harness complementary expertise and resources to address local needs in a holistic way, while spreading the investment risk.

We believe the lessons in this guide can help many companies, large and small, to design new strategies to finance their sustainable livelihoods business and identify the right partners to support their activities in these markets.

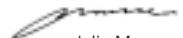


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Executive summary



Project
financial capital



Project
non-financial capital



Partner capital

Financing the ultimate business opportunity

Sustainable livelihoods (SL) business is doing business with the poor in ways that simultaneously benefit disadvantaged communities *and* benefit the company. One of the greatest challenges around *sustainable livelihoods business* is to orchestrate a mindset shift – a fundamental need to embrace new ways of thinking about how business could be done. This core challenge also applies to the financing of these ventures: to make the most of available resources, companies need to redefine how, from whom and for whom they raise capital.

This guide focuses on how to source funding for a sustainable livelihoods business. It aims to provide a blueprint for action. It will help managers decide when to raise capital in-house and when to seek external funds. It explores public – private partnerships, how to raise capital for local operational partners, and why securing this funding may be core to the company's success. It also suggests that sometimes the cheapest, most readily accessible, capital is not the best source of funding.

Finding capital for sustainable livelihoods businesses highlights several key concepts:

Patient capital is investment characterized by a long-term horizon and particularly motivated by positive social and environmental impacts.

A *distributed capital strategy* allows companies to tap into external capital resources to which they would not otherwise have access.



Project capital refers to the capital channeled towards financing the business itself. It can be either financial or non-financial capital.



Raising *partner capital* involves securing the necessary funding for organizations that surround and support the SL business.

Doing business in low-income communities often requires grants or low-cost financing, at least at the outset. One vital message is that there is a lot of money and interest from many different quarters around this type of business. However, there are currently few clearly defined procedures for turning this strong interest into actual cash. Managers raising capital for SL businesses have many promising places to look but need to be creative and persistent in seeking this funding out.

Development agencies are becoming increasingly interested in working with companies and some private foundations are beginning to support for-profits whose goals mesh with their own program objectives. Many of these organizations have billions of dollars at their disposal. However to benefit from this public purpose money SL businesses need to demonstrate tangible social benefits. In addition, managers are probably going to need to learn the language and goals of non-business organizations.

Funding sources encompass:

- > Multilateral financial institutions
- > Bilateral development agencies
- > Private foundations
- > Social loan and venture funds
- > Microfinance institutions

Creating sustainable livelihoods requires companies to explore different ways of doing business so this guide also underscores some of the potential pitfalls, risks and constraints involved. Many companies believe these ventures can indeed be profitable. Yet well documented success stories are still in short supply. Nevertheless, market pioneers have gained a foothold in fledgling markets and have created innovative financing strategies for doing business in poor communities.

This guide profiles financing strategies for ten different projects. Whilst each business initiative is location and industry specific, the lessons apply across multiple sectors. These profiles tap into key insights provided by companies actively involved in accessing patient capital resources and creating effective business partnerships around sustainable livelihoods.

Through *Finding capital for sustainable livelihoods businesses*, managers will gain a strong sense of the potential funding universe and an informed starting point for getting their own cutting-edge business initiative off the ground.

Introduction

Key concepts

Questions you should ask

Where to look for external resources





The World Business Council for Sustainable Development (WBCSD) is exploring through its Sustainable Livelihoods Project how member companies are beginning to do business with the poor in ways that both benefit the poor and benefit their companies. The greatest challenge facing *sustainable livelihoods (SL) businesses* is to bring about the mindset shift and supportive environment that encourages managers to engage in business with poor communities, and regard them as potential customers and business partners.

In our recent publication *Doing business with the poor: a field guide*, we illustrated both the challenge of breaking into an untapped market of over four billion potential customers, and some ideas and evidence on how to succeed, with some innovative examples from a number of leading WBCSD member companies. A related challenge is the financing of these ventures. To attract the required resources companies may need to redefine how and for whom they raise capital.

[This set of guides helps your company explore the latest approaches to new market opportunities...](#)

A series of three practical guides has been designed to help companies approach some of the challenges faced in growing their businesses in fledgling markets. The first of these, *Doing business with the poor: a field guide*, sets out business models being developed by companies engaged in SL business. This second guide explores sources of capital for SL business and strategies for accessing that capital. A third and forthcoming publication *A business guide to development actors* maps out a wide range of partners available to businesses within the development community.

Routes to success

Distributed capital strategies: Effective financing strategies for SL business start with the creation of cross-sector partnerships and involve finding external capital for operational partners as well as direct funding for the project itself

Innovative approaches to funders: Significant resources exist to support projects with social benefits but these take creativity and patience to access

Social returns: Public purpose money comes into play if the project generates real social benefits for the communities involved

Why a finance guide?

Financial resource constraints are currently a primary obstacle to companies starting and scaling SL businesses. Normally, competing for scarce capital is just the way business goes; some projects succeed in attracting investment and others fail. However, in the case of some SL businesses, the decision 'not to go ahead' with a project may be outweighed by the extraordinary potential for social good that these businesses hold. Our aim is to pinpoint sources of finance that place value on these social benefits and thereby help build a more compelling financial case for SL businesses.

This guide aims to provide a blueprint for action. Many potential sources of capital do exist, however, as yet, few sources are set up to work with SL businesses. As a consequence, companies are still finding it difficult to navigate this territory. This guide begins to address this challenge: it outlines some promising strategies and innovative opportunities to help companies get funding for their businesses.

It also describes a number of real SL businesses in action. These show some of the innovative and exciting opportunities companies have developed; however, there are currently precious few cases that illustrate the full range of what can be accomplished through employing distributed capital strategies.



Securing finance for a sustainable livelihoods business requires looking for capital in non-traditional places. These are the main concepts behind our thinking:

Sustainable livelihoods (SL) business is doing business with the poor in ways that simultaneously benefit the poor and benefit the company.

Patient capital is investment characterized by a long-term horizon and particularly motivated by positive social and environmental impacts.

A *distributed capital strategy* allows companies to engage external capital resources to which they would not otherwise have access. Often, this is through partnerships that also have the potential to reduce total capital needs and improve the business' chance of operational success. Therefore, in a distributed capital strategy, finding capital for operational partners can be just as important as sourcing direct capital for the project.



Project capital is the direct resource available to support a sustainable livelihoods business. It can be straightforward financial capital, i.e. debt or equity that funds the business. It can also be non-financial resources, such as market research or awareness-raising campaigns undertaken by a partner NGO, which will in effect reduce the overall costs of the business.



Partner capital is funding for organizations that surround and support the project. Companies should take an active role in helping their partners source capital.



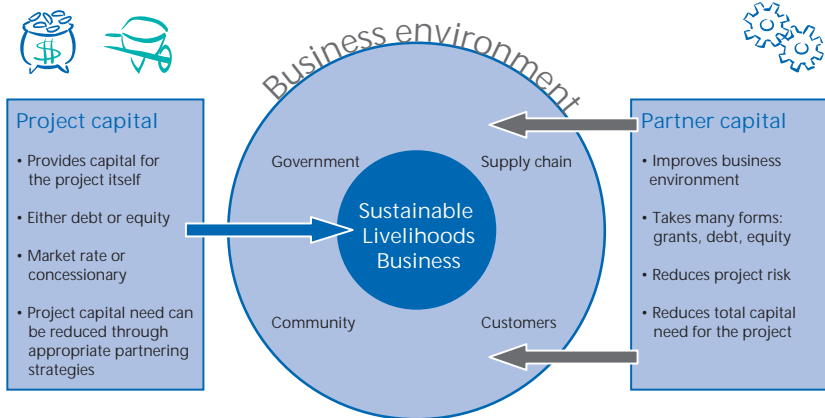
When to source capital in-house ... and when to tap into external resources?



To fund a sustainable livelihoods business, managers need to decide whether to finance internally or look for external resources. If the business requires complex partnerships and does not immediately offer attractive rates of return it might lose out to other more conventional business proposals in the competition for in-house funding. External capital providers, in addition to reducing company's required capital commitment, can bring key expertise and significantly strengthen local commitment to the business venture.



The financing challenges for an SL business go well beyond the direct capital need. A key element of effective financing involves creating partnerships and fostering a business environment that will enable the business to succeed.



As a result, some companies have begun to shift their thinking from a *centralized capital strategy* mentality in which companies go it alone in raising funds for their business to a *distributed capital strategy* in which companies also become capital conduits to already existing local expertise and capacities. For instance, a company may find that it can only be successful in launching an SL business if it facilitates a connection between the World Bank and a local government to build infrastructure and, at the same time, convinces a social investment fund to make expansion loans to local small and medium-sized enterprises (SMEs).



How to find capital for partners...

Local and international partnerships can be the key to the success of SL business ventures but many of these local partners lack capital. An important part of the financing challenge is to help secure capital for partners as well as for the project itself. This can reduce the project capital need and be an indirect way to tap into new sources of funding. For example, companies that form a joint venture with a local SME will indirectly benefit from sources of capital that encourage local enterprise growth but which would not be invested in a multinational.

Acting as a conduit to capital for partner organizations may be a novel situation for companies. While there is a wide range of potential partners (micro-enterprises, non-governmental organizations (NGOs), and government bodies) and a wealth of potential funding sources (multilateral development banks, private foundations and social purpose loan funds) – matching one with the other is something of an art rather than a science. However, this guide maps out ways to help companies and their partners design an appropriate strategy to achieve these goals. It aims to equip managers with a broader understanding of what each partner and source of funding can bring to the table and to offer guidance on how to harness these additional resources.



There are five different sources of capital resources for SL businesses profiled in this guide:

- > Multilateral financial institutions
- > Bilateral development agencies
- > Private foundations
- > Social loan and venture funds
- > Microfinance institutions

Few capital providers are targeting their funding directly at companies ...

None of the above funding sources are primarily focused on providing capital to large companies for their SL businesses. However many are now adapting their operations to cooperate more effectively with the private sector. An important next step is for companies and funders to develop streamlined tools to better realize these opportunities.

... however, there is a lot of available capital.

Many funding organizations are strongly focused on development objectives and are increasingly open to the idea of cooperating with business to achieve their goals. Among the five categories the guide profiles many organizations who collectively deploy billions of dollars for development. A combination of creativity, patience and a focus on social impacts will help companies unlock these resources for sustainable livelihoods business initiatives.

The profiles included highlight major players and smaller innovators

Each of the five categories portrays one or two organizations. It also highlights similar organizations with links to their websites. This resource bank is not meant to be exhaustive – it is instead a mix of established major players and smaller innovators. Most of these organizations will be profiled in a forthcoming publication, *A business guide to development actors*. Within the scope of this guide, managers can get a sense of the potential funding universe and an informed starting point for getting their own business initiative off the ground.

What is different about sustainable livelihoods finance?

- Can sustainable livelihoods businesses really make money?

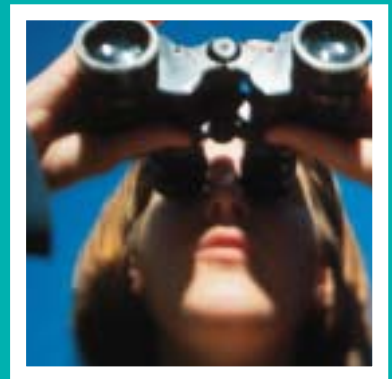
Project capital: Do we source capital in-house or seek external funds?

- How do we source funds in-house?
- How do we source outside funds?

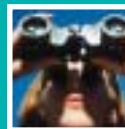
Partner capital: why, where and how?

How do we limit our risk?

Blueprint for action



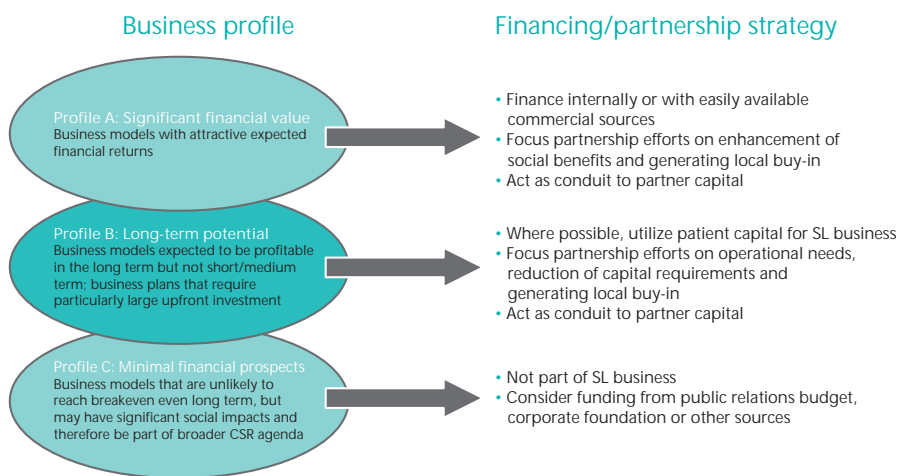
What is different about sustainable livelihoods finance?



The traditional capital budgeting process for a new venture involves estimating capital needs, expected future cash flows and gauging risk. In theory, the right business decision will flow naturally out of the calculated net present value (NPV) and/or internal rate of return (IRR). In practice, there is a lot more subjectivity in the decision-making process; the financial models are just the starting point.

Financing a sustainable livelihoods business does not involve abandoning this traditional modeling process. However it does entail adjustments to factor in indirect and less tangible benefits to the company. External patient capital sources can also provide innovative options for financing this type of business and thereby impact the analysis.

Potential SL business projects fall into one of three categories:



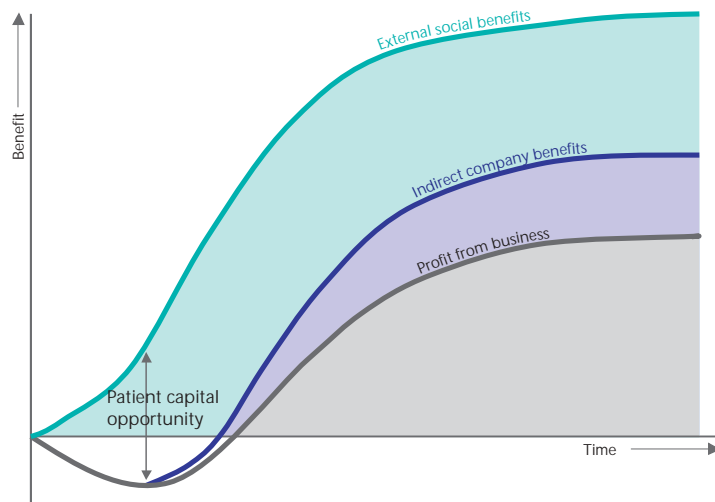
The concepts behind this guide (i.e. patient capital, distributed capital strategies) are key to launching both Profile A and B businesses. For Profile A businesses, they can improve both the chance of operational success and the realization of social benefits. For Profile B businesses, they are even more important. Creative use of external patient capital and partnerships can improve the financial profile of some of these business plans so they become sufficiently attractive to compete successfully for scarce internal capital. In some cases, finding external patient capital sources may be the crucial factor behind whether or not the proposal is approved.

Can sustainable livelihoods businesses really make money?

Companies' examples indicate that these businesses can indeed be profitable but it will still be some time until we can report well-documented success stories.

This is no surprise; new business lines and markets almost always require significant investment before they achieve long-term growth and profitability.

The chart below illustrates a typical profitability path for a new product or business (black curve). It also shows how, in the case of an SL business, indirect benefits (blue curve) and external social benefits (green curve) supplement direct profits. Taking these factors into account significantly enhances the total value creation from the business. This additional value creation makes the business proposal a lot more attractive to external sources of funding. There are organizations who want to see these social benefits created – when they see that a company's business is doing this, they are willing to help finance it. One attractive way they can contribute to achieving these common goals is through providing patient capital for the company.

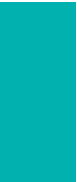


- Profit from business:** Traditional accounting profit that can be directly attributed to the SL business
- Indirect company benefits:** Impacts of the SL business that have financial benefit to the company as a whole (e.g. brand enhancement, customer loyalty, employee morale and new opportunities for profitable business in the future)
- External social benefits:** Impacts of the SL business whose value is not captured by the company but by the communities involved (e.g. jobs and wages for the community, knowledge transfer, reduced pollution, improved health)

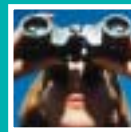
When assessing the profitability and returns of an SL opportunity, it is important to take a long-term perspective and to give weight to the indirect benefits to the company. Having factored these in, many companies are finding SL opportunities to be financially attractive.



In addition, the considerable social benefits these projects bring means that many non-traditional sources of capital may be interested in helping an SL business succeed. These sources of patient capital can help remove obstacles to profitability and shorten the lead-time until a business is fully commercially viable. Both direct funding ([project capital](#)) and funding that improves the business environment and supports partner organizations ([partner capital](#)) can help to achieve this.



Project capital: Do we source capital in-house or seek external funds?



First, managers need to choose whether to finance a sustainable livelihoods business solely with internal funds or look for external project capital. Among other things, this decision will depend on the capital need and expected returns. The range of business profiles described on page 18 puts this in context; Profile A businesses are more likely to be financed internally, while Profile B businesses often need external project capital to be viable.

Many companies have found it useful to tap into sources of external capital even when such investment was not essential to launching the project. In addition to funds, such capital providers can in some instances bring valuable expertise and strengthen local acceptance of the SL business. However, reasons not to involve external capital providers include transaction costs and potentially long lead-times until financing is secured. Putting together a distributed capital strategy takes time and patience. If an opportunity is sufficiently compelling and time to market is important, then relying solely on internal capital could be the best option.

Seeking external capital	
Advantages	Disadvantages
<ul style="list-style-type: none"> > External capital providers may have lower return requirements, can help remove obstacles to commercial viability > Create local ownership and 'buy-in' > Benefit from specialist expertise > Spread risk, reduce internal capital commitment 	<ul style="list-style-type: none"> > Time consuming to negotiate multiple deals > Transaction costs > Possibility for non-aligned incentives, conflict > Potential loss of control over key decisions and assets (e.g. intellectual property)

How do we source funds in-house?

There are two primary obstacles to accessing internal capital. First, SL businesses are a new breed and often do not fit neatly into companies's existing business development models. These innovative businesses are also perceived to have a very high risk profile. This guide illustrates some ways to reduce the risks and improve returns through the use of external capital and partnerships.

How can a manager maximize the chances of approval? How to best position a business plan will depend on the company's capital budgeting process. For example, at *BP*, business plans are evaluated through a number of lenses including economic, strategic, environmental, social impact and reputation. The evaluation of risk in many dimensions is also built in through a systematic process.

The system is designed to bring color to the raw economics which are built up in a consistent manner using standard company planning assumptions (e.g. oil and gas prices, exchange rates) and discount rate.

The specifics of the *BP* example are less important than the overall lesson, that it is crucial for managers seeking funding for a sustainable livelihoods business to understand the intricacies of their internal capital budgeting process. The way companies treat intangible benefits in their financial analysis varies widely.

These benefits may be accounted for by increasing cash flow projections, or by decreasing the discount rate that is used, or they might be part of a qualitative checklist that is separate from the quantitative analysis. Only by fully understanding these specifics can managers identify the most appropriate (and most convincing) way to translate the many benefits of SL business into a form that counts for their company.

Real options theory as a tool for sustainable livelihoods

Real options theory is a framework for making operational decisions modeled after the theory of financial options. In its simplest form, real options theory suggests that a business decision should be evaluated based on the future opportunities that it creates or closes off and the values and probabilities associated with those events. For example, pharmaceutical companies sometimes use this framework to decide how long they should keep investing in a new drug prospect – a process with large upfront costs, high uncertainty and the possibility of a large payoff in the future.

SL businesses share many of these same characteristics. If they are evaluated from the perspective of increasing the probability of success for future profitable opportunities they may look substantially more attractive. While it takes time and effort to implement this methodology rigorously, some companies are finding that this is a useful framework for evaluating SL businesses. For example, *DuPont* uses real option thinking (what they call Option Management) as a key underpinning of their business strategy in fledgling markets.

A key factor is the extent to which a compelling case can be made for the financial value of the many indirect benefits of an SL business (brand value, community relations, customer loyalty and employee morale). Quantifying these important benefits is a long-standing problem but significant progress is being made. Social indicators are being developed to help measure corporate social performance and relate it to corporate financial health.

Additional resources

The indirect benefits that companies can realize from engaging in SL businesses or other socially beneficial projects are wide ranging; among the better resources on this topic are:

Conversations with Disbelievers: www.conversations-with-disbelievers.net/site
Blended Value Map: www.blendedvalue.org

How do we source outside funds?

Whilst sharing the same starting point as securing internal capital, obtaining external patient capital demands new conversations around social impacts and long-term sustainability. Most importantly, corporate managers need to look for capital from non-traditional sources.

As shown on page 13, there are two primary means by which external capital can support an SL business – ‘project capital’ which provides direct funding and ‘partner capital’ which provides funding to external organizations that either provide important ancillary services or have a role in improving the business environment in which the business is located. We look at partner capital in greater detail later in this guide.

Businesses with large upfront investment needs (such as utility, natural resource or heavy manufacturing) are the most likely to need patient capital to directly support their SL businesses. This external capital might have a lower interest rate or a longer time until repayment than traditional loans. In addition, the source of patient capital might be willing to take on types of risk that traditional capital providers would not. External patient capital will most commonly take the form of debt but can also be equity (if the business is set up as a joint venture) or grant funding. In addition, loan guarantees and specialized insurance products (such as political risk insurance) may be used as risk reduction tools to allow traditional financial institutions to provide capital (see page 27 for more information).

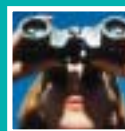
To be credible, when seeking project capital from external sources managers will need to have clearly identified the social and environmental benefits that will flow from their business. This involves both creating a compelling narrative and verifiable supporting documentation. Fundamentally, to benefit from public purpose money, companies need to clearly demonstrate the social benefits of their SL businesses.

In order to communicate effectively with the public and NGO sectors, corporate leaders may need to find ‘translators’ or intermediaries that speak and understand the languages of NGOs and government agencies. Working with outside partners can help companies to identify, measure and communicate the benefits that their SL business can provide. It can also help companies to familiarize themselves with the types of contracts and monitoring that they should expect when engaging with non-business actors.

Examples from the field

Vodafone, in setting up its telephone kiosk business used a franchise strategy which required local entrepreneurs to contribute part of the startup capital (see page 40). *Suez*, in its Manaus (Brazil) water concession used loans from development banks to fund part of the infrastructure (see page 36). *EDF* in its rural solar project shared the investment with a corporate partner and the South African Government (see page 43). A good example of how guarantees can free up traditional sources of capital is the *Tlalnepantla Water Company* (Mexico) which used an IFC guarantee and sold bonds on the open market (see page 44).

Partner capital: why, where and how?



A company may decide to provide all the startup capital for a new sustainable livelihoods business itself. This will be likely if the direct costs are low, if moving quickly is particularly important and/or it is very important to maintain control of the business. Even in these cases, external patient capital that supports supply chain businesses (often local SMEs) or not-for-profit partners (often international or local NGOs) can be crucial to success. These partners will contribute to an improved business environment and help to ensure that benefits are widely distributed. Also, they can provide expertise and services that reduce the operational costs and/or the direct capital need for the project; this can be thought of as the 'non-financial capital' that partners provide.

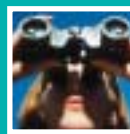
However, these partner organizations are often severely capital constrained. Companies may need to help operational partners approach the foundations, development agencies or social venture funds that can provide these sorely needed financial resources. A large corporate partner can also provide added credibility to a project or partnership and thereby help to attract funding.

Matching partners with funding sources			
Partner type	Likely roles	Funding sources	Examples
Informal community groups & local NGOs	<ul style="list-style-type: none"> Determine needs Aggregate demand Collect payments Aggregate 'in-kind' inputs such as labor 	<ul style="list-style-type: none"> Foundations Multilaterals Bilaterals International NGOs 	<ul style="list-style-type: none"> Essor (Suez, p. 36) El Alto peri-urban community (Suez, p. 36)
Local entrepreneurs and small/medium enterprises	<ul style="list-style-type: none"> Provide market intelligence Distribute and retail products Supply inputs 	<ul style="list-style-type: none"> Microfinance Local banks Social venture / loan funds 	<ul style="list-style-type: none"> South African mobile phone entrepreneurs (Vodafone, p. 40)
International NGOs	<ul style="list-style-type: none"> Determine needs Verify social benefits Distribute and retail products 	<ul style="list-style-type: none"> Foundations Multilaterals Bilaterals 	<ul style="list-style-type: none"> Population Services International (P&G, p. 39)
Universities / Research Institutes	<ul style="list-style-type: none"> Provide research and technical input Verify social benefits 	<ul style="list-style-type: none"> Foundations Multilaterals Bilaterals 	<ul style="list-style-type: none"> Johns Hopkins University (P&G, p. 39)
Multinational companies	<ul style="list-style-type: none"> Complementary products Risk sharing 	<ul style="list-style-type: none"> Internal capital 	<ul style="list-style-type: none"> Total (EDF, p. 43)
Governments	<ul style="list-style-type: none"> Subsidies for consumers Clarify regulatory environment, improve other framework conditions Build infrastructure 	<ul style="list-style-type: none"> Multilaterals Bilaterals 	<ul style="list-style-type: none"> South Africa (EDF, p.43) Bolivia (Suez, p. 36)
Customers	<ul style="list-style-type: none"> Purchases of product / service 	<ul style="list-style-type: none"> Microfinance Governments 	<ul style="list-style-type: none"> South Africa (EDF, p. 43) Sri Lanka (Shell, p. 42)

Patient capital can support projects in many different ways – be creative

Creativity is key to attracting external capital. Doing business in low-income communities often requires grants or subsidized financing, at least until initial hurdles have been overcome. For example, financial support could help create necessary infrastructure and improve the business environment. It could also help potential customers afford the product or it could help the company reduce its costs along the value chain. Deciding what or whom this support should be aimed at will depend on business dynamics, availability of capital and local community involvement.

How do we limit our risk?



There is a much higher risk profile attached to doing business in a developing country. Many of the tools for managing these operational, economic and political risks are common to all forms of international business. We are primarily concerned with highlighting key areas of risk and providing an indication of risk management tools.

We outline strategies for reducing operational and execution risks in our WBCSD *Doing business with the poor: a field guide*. The field guide emphasizes partnering as an effective way to gain local knowledge and foster local community support.

While *political risks* exist in all countries, they can be particularly significant in fledgling markets. These risks include: sudden/unpredictable regulatory changes, asset expropriation and armed conflict. Businesses have limited ability to control these factors but some tools and strategies are available:

- > Various government agencies provide loan guarantees and political risk insurance. Examples include the Multilateral Investment Guarantee Agency (MIGA, part of the World Bank Group: www.miga.org) and the Overseas Private Investment Corporation (OPIC, a US government agency: www.opic.gov, many other governments have similar programs). Political risk insurance reimburses a company in case of various types of political disruption in exchange for premium payments.
- > There are private sector organizations that rate political risk and institutional development in different countries, such as the Economist Intelligence Unit and Political Risk Services. These can help in choosing new markets to enter and in monitoring local conditions.
- > Building support among local constituencies (joint venture partners, customers, employees) lowers the risk of asset expropriation or other government interference. If local players also stand to lose out, there will be a greater incentive for the government not to interfere. In choosing local partners it is important to be sensitive to the local political context.

Economic risk includes factors such as currency fluctuations, inflation and sudden changes in demand or employment conditions. As is the case with political risk, businesses have limited ability to control these factors. Some important tools and considerations are:

- > Financial instruments (options, forwards, etc) that limit exposure to currency movements.

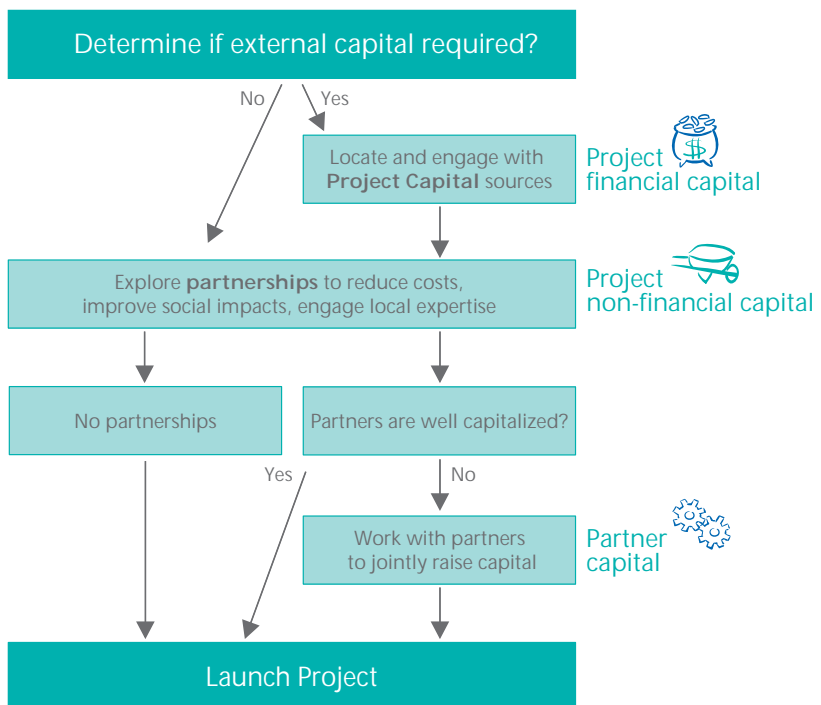
- > Operating decisions (e.g. currency in which to borrow, currency in which to collect revenue; country from which to source raw materials) that can act as natural hedges against currency movements.
- > Economic forecasts exist from both public agencies and private forecasting firms. Some of the same entities that rate the political and regulatory climate also provide economic ratings and forecasts.



The idea of sustainable livelihoods business is relatively new. The strategies presented here and the examples of businesses and funders detailed in the next two sections provide small pieces of a larger picture that is still being created. One key message is that there are significant potential funds and interest from many different quarters. However, there are currently few clearly defined procedures for turning these into actual funding. Managers raising capital for an SL business have many promising places to look but need to be creative and persistent in seeking that funding out. While these are new and difficult financing issues for businesses, companies that become familiar with the financing strategies needed to support both their own project and their partners will have a competitive advantage.

There is no foolproof strategy for financing an SL business, however the sample process shown below is a good starting point.

Sample decision process



To build a successful SL business it is at least as important to adopt a new mindset as to follow specific steps. The following rules of the road are based on the WBCSD's research in the field. They set out best practices and serve as a summary of some important considerations. Collectively, they describe an approach that seems to be characteristic of successful efforts in this field.

Recommendations for SL business managers

Rule 1 – Review: Review your company position and available resources.

- > *Know what has been done:* Other companies may have valuable local experience and a track record with patient capital providers, your own company may well have a history or expertise in this area buried away – a quick search could bear fruit.
- > *Know the territory:* When designing any business strategy, it is essential to know who is out there before looking for investment – reconnaissance of both project capital and partner capital sources is critical in putting together a sound distributed capital strategy.
- > *Define the social benefits:* To benefit from public purpose money, your project needs to provide public benefits.

Rule 2 – Align: Identify and align with partner goals. Set clear expectations.

- > *Learn the language:* Many potential financial and operational partners will be unaccustomed to working closely with large corporations. Often, language differences, or differences in terminology and approach will mask a shared purpose that could potentially lead to a mutually beneficial partnership.
- > *Align goals with partner goals:* In forming your own capital strategy, it makes sense to assess alternative sources of capital and these organizations' goals – to see if your business activities overlap and can be suitably aligned. All organizations, whatever their legal form, have specific drivers that motivate them (the equivalent of the profit motive for a business); find out what these drivers are and align your activities and communication strategy accordingly.
- > *Define goals, set expectations:* Work together with partners to establish a clear roadmap to achieving common goals. Ensure that performance monitoring and metrics are not just restricted to your organization, but also include your partners. Be clear about your own profit expectations and share this with partners; it may make initial negotiations more difficult but will help to avoid future misunderstandings.

Rule 3 – Design: Decide who bears what risks, who brings which resources.

- > *Reduce overall project risk:* Seek out risk guarantors such as credit guarantee institutions to protect against expropriation of resources, breaches of contract, political violence and inconvertibility of currency. If revenue is in local currency, ensure debt repayment is also in local currency.
- > *Reconfigure risk:* Divide total capital need into tranches, each of which can appeal to a different investor type. Patient capital could take on some of the higher financial risk (and higher social return) investment. This will offset risk for more mainstream investors (or the company itself) who will then be able to participate in an SL business. The potential exists to take advantage of tax benefits when portions of a project are undertaken by NGOs.
- > *Choose the right internal capital source:* Wherever possible, align philanthropic and business activities. Strategic use of internal philanthropic resources can help build the supporting infrastructure around an SL project. On occasion, this can make more sense that using business unit resources or external capital.
- > *The cheapest capital is not always the best source:* Sometimes, the indirect strategic benefits of involving more costly capital into a business should be taken into account. Companies should strive to involve local institutions into a capital strategy because of the knowledge that they bring and the goodwill that involving them can generate in the local community.

Rule 4 – Execute: Patient capital is a long-term proposition, structure internally for flexibility.

- > *Manage for change:* Successful SL businesses require change in all departments, including finance; however this change can be introduced in ways that are more likely to be accepted. Delivering a distributed capital strategy will be similar to exploring a more familiar business process change initiative. Learn what has worked culturally in the past to deliver effective change internally. Frame the SL business within existing company language, norms and culture; this will help to make change more acceptable.
- > *Be patient:* Patient capital requires patience – be prepared to invest time and resources to building the appropriate credibility amongst funding agencies and partner organizations. The full benefits of partnerships will only be realized over time and will initially be very slow work. Make sure to deliver on promised goals and maintain communication.

Practical experiences of WBCSD member companies

- Suez
- Veolia
- Procter & Gamble
- Vodafone
- Eskom
- Shell
- EDF

Practical experiences from other companies

- Tlalnepantla Municipal Water Company
- ICICI Bank
- Pamir Energy Company





These profiles draw on key insights provided by companies actively involved in accessing patient capital resources and creating effective partnerships around sustainable livelihoods businesses. The profiles are skewed towards utilities companies. This is primarily because utilities have, out of necessity, become 'early adopters' of the financing strategies described in this guide. Utilities have capital-intensive projects and often face regulatory pressure to extend services to poor communities. However, other companies, such as *Procter & Gamble* and *Hewlett-Packard* have also been exploring innovative capital strategies in fledgling markets.

This guide profiles financing strategies for ten different projects. Whilst each business initiative is location and industry specific, the lessons apply across multiple sectors. These profiles tap into key insights provided by companies actively involved in accessing patient capital resources and creating effective business partnerships around sustainable livelihoods.

Suez, water utility (South America)

Implementing a diversified capital strategy

Veolia, water and electric power utility (Morocco)

A concession model that promotes affordability

Procter & Gamble, consumer goods (Multiple locations)

Breaking into new markets alongside NGO partners

Vodafone, communications (South Africa)

Co-investing with local entrepreneurs

Eskom, electric power utility (Africa)

Catalysing the African power sector through pooled investment

Shell, electric power utility (Sri Lanka)

Ensuring customer affordability with the help of external partners

EDF, electric power utility (South Africa)

Creating affordability with government support

We also highlight three examples of innovative financing structures from other organizations:

Tlalnepantla Municipal Water Company, a water utility (Mexico)

Using a loan guarantee in a sustainable livelihoods context

ICICI Bank, bank (India)

Creating a layered capital structure using philanthropic capital

Pamir Energy Company, electric power utility (Tajikistan)

Combining foundation, MFI and bilateral funding sources

Key project features

Project capital

Suez, multilaterals, bilaterals, customers / communities

Partner capital

Bilaterals such as the French Embassy in Brazil

Capital savings from partners

Customer / community in-kind contribution reduced total capital need

Company indirect benefits

Improved reputation, new business development.

Suez (South America)

Implementing a diversified capital strategy

The Suez Group aims to build its competitive edge as a leader in water and sanitation in developing countries. To do this, it has engaged with a wide range of funders including multilaterals and bilaterals. It also has found innovative ways of making services affordable to customers by allowing them to contribute labor.

Suez aims to develop local niche expertise to secure future contracts.

This includes finding solutions to providing water and sanitation services in rapidly growing peri-urban areas with little existing infrastructure.

Here, two major challenges arise:

- > How to finance high-cost infrastructure when an adequate return on investment is not possible within traditional financial structures
- > How to ensure that infrastructure will be operated and adequately maintained long term

The two SL businesses described below illustrate how *Suez* addresses these issues:



Manaus: In 2000, *Aguas do Amazonas (AdA)*, *Suez*'s Brazilian subsidiary, was awarded a concession to provide water and sanitation services in Manaus, a city of 1.5 million people. As part of its contractual obligations, the company agreed to expand the water network to poor neighborhoods and informal settlements. The NGO ESSOR helped determine community needs for these deprived areas (accounting for 60% of the population) and also new customers' ability to pay.



El Alto: In 1997, *Aguas del Illimani (AdI)*, another *Suez* subsidiary, was granted a concession to operate water and sanitation services in the Bolivian cities of La Paz and El Alto. *AdI* has successfully increased coverage in both cities and is currently planning further expansion. Financing is being secured through a public-private partnership involving the Bolivian government, local communities and the Swiss State Secretariat for Economic Affairs (SECO). The primary asset that *Suez* is bringing in this case is its technical and management expertise.

Securing external funding was crucial in these businesses because most customers had limited ability to pay for their water supply. Also, uncertain financial returns made it difficult to raise sufficient funding internally.



In Manaus, the bid for the concession amounted to \$70 million. Part of this was financed by the International Finance Corporation and by BNDES, a Brazilian development bank providing \$31.5 million in the form of a market-rate loan. The French Embassy in Brazil helped fund ESSOR's participation. Learning from its recent experience in Argentina, where currency devaluation led to significant foreign exchange losses, Suez decided to borrow in local currency.

In El Alto, an infrastructure fund is being set up to extend services to peri-urban areas. Total investment will be \$7.5 million and will provide around 15,000 families with access to water and sanitation services.

El Alto – Funding sources		
	Amount (US\$)	(%)
Switzerland (SECO)	3,000,000	40.0
Suez / Adl	300,000	4.0
Communities	4,200,000	56.0
Total	7,500,000	

The \$4.2 million community contribution to this SL business comprises both labor (around 30%) and cash (around 70%). Customers help excavate the trenches for the water and sewer networks. Customers also pay a connection fee with a long-term repayment schedule; this is the cash contribution. The connection fee is \$450 for both water and sewerage; there's a 33% discount if the customer chooses to make an in-kind contribution. Long term, customers save money by connecting to the water system: they pay less than half of what

they pay to existing water vendors while getting three to four times as much water. Once the project is completed, peri-urban communities will receive the same level of service as any other customer.



This example demonstrates that reaching universal access to water is possible, even in low-income areas, when the business financing is appropriate to local conditions and when pricing policy is adapted to the economic conditions of targeted customers, including allowing for in-kind contributions. Private companies can play a significant role in human development by ensuring the financial viability of their services.



Key project features

Project capital

Veolia, local and regional governments

Partner capital

Public authorities supply upstream infrastructure

Capital savings from partners

Neighborhood associations reduce communication costs, local resident labor reduces excavation costs

Company indirect benefits

Learning about public/private partnerships will support future expansion in lower and middle income countries.

Veolia (Morocco)

A concession model that promotes affordability

Since 2002, Veolia has managed the water, sanitation and electricity services in Rabat-Sale, Tangiers and Tétouan, Morocco. It has contractual obligations in these cities to provide connections to lower income residents. Veolia is working with a variety of NGOs to help improve communication between Veolia and local residents.

Veolia operates these services on a concession (as opposed to full privatization) model. As a result, the public authority owns most of the infrastructure and utilizes the expertise of *Veolia* to operate and maintain the network.

The key challenge to the success of this program is to create innovative solutions that help bridge the gap between what it costs to provide water, sanitation and electricity services and what residents can afford to pay. Connection to water and sanitation services typically costs between \$650 and \$3,300, which is far beyond the reach of the target customers.

One strategy that helps to bridge this affordability gap is that *Veolia* is only responsible for constructing the final connection to user homes. In Tangiers and Tétouan this will require an investment from *Veolia* of approximately \$750 million over the next 25 years. However, the public authorities are responsible for building the rest of the network. This requires approximately twice the investment that *Veolia* will make. The public authorities may have access to a variety of forms of subsidized financing and therefore do not need to pass their full cost on to end users.

Additionally, lower income residents who cannot afford to pay for a connection up front will be offered the option of paying in monthly installments over five to seven years. Currently, *Veolia* finances this installment payment arrangement itself, however, it is investigating alternative mechanisms with both international development agencies and local financial institutions.

Finally, in Tétouan, *Veolia* will soon be testing the idea of involving residents in some of the excavation work. While this has the potential to reduce costs and increase affordability, *Veolia* needs to be careful to ensure the quality and speed of all the work that gets done.



Key project features

Project capital

All startup capital for this business was provided internally by P&G

Partner capital

International development agencies and foundations provide capital to partners such as Population Services International

Capital savings from partners

NGO partners generate public awareness – reduce project capital requirements

Company indirect benefits

Future business development, employee morale.

Procter & Gamble (Multiple locations)

Breaking into new markets alongside NGO partners

The P&G Health Sciences Institute has developed a water treatment product for home use. Each sachet purifies ten liters of water and retails at around \$0.10 in countries including Guatemala, the Philippines, Morocco and Pakistan. This is a simple, affordable way to provide safe drinking water to the one billion people who lack access to piped water.

In some countries where *P&G* has a presence, it will be able to provide these sachets through its existing channels. For other countries, including many of the most needy, *P&G* is exploring a 'franchise model' whereby it would partner with an existing NGO such as Population Services International to provide a public awareness campaign and sell its product. In most markets, this distribution role would be filled by for-profit businesses. However, in fledgling markets NGOs will sometimes have more appropriate skills and experience and be able to access other or cheaper sources of capital.

In markets where *P&G* sells through its own retail channels, this business is expected to be profitable long term. However, margins will be lower than in mature markets. These direct returns to *P&G* are enhanced by indirect benefits on the back of the social good achieved. These indirect benefits, such as a boost to employee morale, can help sell a business idea internally.



Key project features

Project capital

Vodacom and individual entrepreneurs (sometimes with help from local financial institutions)

Company indirect benefits

Brand enhancement, future business development.

Vodafone (South Africa)

Co-investing with local entrepreneurs

This project shows how a sustainable livelihoods business can become a financial success for everyone involved. Here, once local entrepreneurs were shown how they could make money for themselves, they found a way to come up with some capital to get started.

As a condition of securing its license, *Vodacom* (a joint venture between Vodafone and Telkom SA) needed to serve disadvantaged communities in South Africa. *Vodacom* Community Services decided to offer pay-as-you-go telephone access to people in poor neighborhoods.

Vodacom set up stationary phone shops or kiosks (old shipping containers) with multiple lines, all connected to *Vodacom's* existing infrastructure through a wireless link.



The individual phone shops are franchises owned and operated by local entrepreneurs who sell services to customers on a prepaid basis. This program required an initial in-house investment of \$660,000. It now provides over 23,000 phone lines at around 5,000 sites. At the site level, total capital expenditure has reached almost \$20 million. *Vodacom* pays around \$3,950 to purchase and modify a shipping container for each individual phone shop. The local franchisees are responsible for purchasing the equipment and transporting the container to the kiosk site (around \$3,450). A shop with a central location can generate revenues of around US\$1,190 per month for the franchisee. In 2003, the Community Service program generated revenue of \$129.5 million for *Vodacom*.

Vodacom has reached operational breakeven with this venture and is now looking to replicate this program in other parts of Sub-Saharan Africa.

Key project features

Project capital

Eskom, the Industrial Development Corporation (IDC), the Development Bank of South Africa (DBSA); each participant expected to contribute approximately \$125 million

Company indirect benefits

Future business opportunities through catalyzing investment in the African power sector; right of first refusal on operating and maintenance contracts

Eskom (Africa)

Catalyzing the African power sector through pooled investment

The Africa Power Investment Initiative (APII) will make equity investments in commercially viable power and related services projects on the African continent outside South Africa. For example, it might fund hydroelectric power plants or interconnections between African countries. The APII, through its power infrastructure investments, will contribute to the development of Africa's economic capacity and long-term economic growth. The APII will be formally established by the end of 2004; it has been approved by Eskom and is in the approval process of the other founding partners.



The APII is a project development company that is being formed jointly by *Eskom Holdings* (Eskom), the Industrial Development Corporation (IDC) and the Development Bank of South Africa (DBSA). Various international investors have expressed keen interest in investing in the APII. In addition to being an investor, Eskom will be the technical partner to this initiative. The total capital commitment to APII is expected to be approximately \$400 million to \$500 million. This will consist of approximately \$125 million from each partner, to be drawn down on a project by project basis over five to seven years.



Eskom expects to generate a return on equity of 12% from investments in projects through the APII which is consistent with its other businesses; it is not accepting below commercial rate returns. Political risk insurance agencies, such as MIGA (part of the World Bank Group), have expressed strong interest in providing political risk insurance to APII projects across multiple risk categories.

In addition to financial returns, there are two other, less direct, benefits that will accrue to *Eskom* from its participation in this initiative. First, it has the right of first refusal to operating and maintenance contracts on APII projects. Second, this fund is expected to act as a catalyst for the African power sector more broadly which is likely to create future business opportunities for *Eskom* that would not otherwise exist. *Eskom* will have access to expert project evaluation skill from local and international funding institutions. Furthermore, *Eskom* will be associated with a viable vehicle through which the New Partnership for Africa's Development (NEPAD) commitments could be implemented.

Key project features

Project capital

Shell financed this venture solely with internal capital. Their total upfront investment was \$1.6million

Partner capital

Multilateral (World Bank), microfinance (SEEDS)

Company indirect benefits

Experience setting up village power ventures positions company for future business development.

Shell (Sri Lanka)

Ensuring customer affordability with the help of external partners

Shell has found innovative ways to employ patient capital and to develop new markets in renewables. It has been able to reduce product prices in fledgling markets, thus attracting new customers whilst achieving breakeven within three years.

In 1999, *Shell Solar Lanka Limited* acquired Solar Power and Light Company. There are roughly 2 million households in Sri Lanka that are not hooked up to the electrical grid. Many use kerosene lanterns and battery charging services, both of which are relatively expensive. *Shell* decided to offer these households solar systems. These provide cheaper electricity long term, as well as a cleaner and more convenient source of power.



The World Bank and the Global Environment Facility (GEF) provide a grant of \$120 per system – this meant *Shell* was able to offer these products locally for \$500. This pricing discount goes a long way to making the system attractive to potential customers. However, many are still not able to pay \$500 upfront. Working together with local banks and micro-finance organizations such as Sarvodaya Economic Enterprise Development Services (SEEDS), *Shell* has developed a credit scheme to overcome this hurdle. Under the scheme, customers pay an initial deposit of around \$100 and a further \$10 per month over five years. Sales have seen strong growth from 350 units in 1999 to 20,000 units in 2003.

Since 2002, *Shell's* sustainable livelihoods business in Sri Lanka has reached break even. *Shell's* experience has reinforced the lesson that even if they can offer a better product that is cheaper to operate long term, customers in fledgling markets still may not buy it *unless* it is made more affordable by spreading payments over time.

Key project features

Project capital

EDF, corporate partner Total,
Government of South Africa

Company indirect benefits

Improved reputation, new business
development

EDF (South Africa)

Creating affordability with government subsidies

Electricité de France's sustainable livelihoods business shows how government or donor grants are essential to customer affordability. Insufficient initial grants mean that tariffs cannot be lowered sufficiently to reach the poorest population segments. External support is crucial to making this business commercially and socially viable.



This project requires \$9.8 million. Of this, 59% comes from the South African government through a grant for each customer fitted with a photovoltaic kit. 39% comes from shareholders (*EDF* and *Total*) contributions and 2% comes from customers through a modest connection fee.

KwaZulu Energy Services (KES) began operation in July 2002; 3,000 solar home systems had been installed by December 2003 and 15,000 solar home systems will be installed by 2005. *EDF* has three other projects currently running: two pilot projects in Mali and a large-scale project in Morocco. Now firmly established, existing projects will be extended to reach a wider customer base and new projects are under development in Senegal, Uganda, Tanzania, Madagascar, Laos, India and China.

EDF expects to generate returns of more than 8% from this business with all indications being that this will be greater with costs coming down as the organization becomes established and more experienced. Higher returns will mean that *EDF* can reduce customer tariffs and thereby reach lower income customers. While these returns are lower than those *EDF* typically expects from its businesses, projects such as this are still considered attractive since they help fulfill *EDF's* mission of expanding access to energy. They also extend the

company's experience in providing services to low-income customers and in working with a wide range of partners.





This section illustrates structures that have been successfully used to finance sustainable livelihoods style businesses. While these examples are not from WBCSD member companies, the techniques employed can be broadly applied.

Tlalnepantla Municipal Water Company (Mexico)

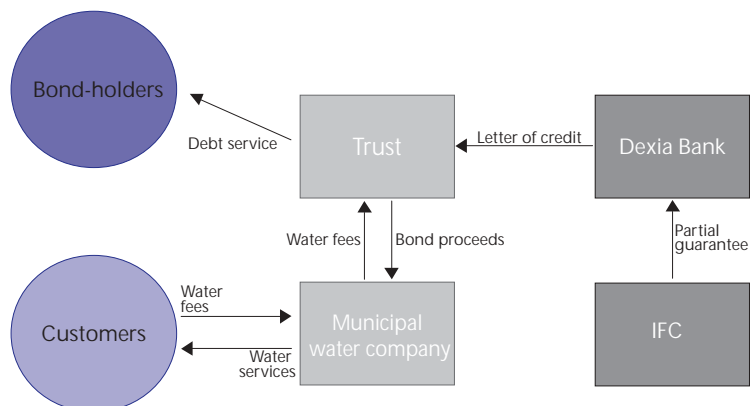
Using a loan guarantee in a sustainable livelihoods context

While this case primarily involves a municipality rather than a company, it is a good illustration of financial innovation within a sustainable livelihoods context, in particular the use of credit guarantees.

Tlalnepantla wanted to construct a \$8.8 million water treatment plant to treat domestic sewage for industrial reuse, saving scarce water of drinking quality to be used only where truly needed. This plant was financed with the proceeds of a bond issue, backed by payment of water user fees. However, given that the Mexican municipal bond market was largely undeveloped, the bonds needed additional backing. A partial guarantee was therefore provided by the International Finance Corporation (IFC), which proved a key element of the deal's success. Specifically the guarantee was provided to Dexia (a major European bank committed to sustainable development) and Dexia issued a letter of credit for the benefit of the bondholders.



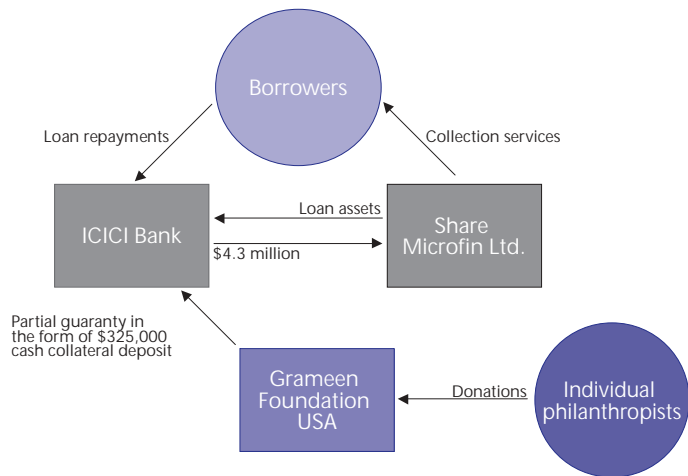
While the IFC's guarantee was only for a portion of the transaction and did not involve any cash outlay, it was crucial to reducing risk and thus getting this project funded. This model is also expected to serve as a precedent and catalyst for further development of the Mexican municipal bond market.



ICICI Bank (India)

Creating a layered capital structure using philanthropic capital

ICICI is India's second largest bank. Prompted by regulation that requires all banks to serve rural customers and attracted by the size of the potential market, ICICI has got involved in microfinance. Here is the structure of a recent securitization deal between ICICI and SHARE, an Indian microfinance lender.



Essentially, this transaction involved ICICI purchasing \$4.3 million in loans from SHARE with security enhancement via a partial guarantee from the Grameen Foundation USA (funded by philanthropic donations). This transaction benefits SHARE by freeing up capital so it can continue to grow and by providing capital at lower financing costs, 9% rather than the typical 12% – 13% they currently pay for commercial bank loans.

This transaction structure is of interest to banks wanting to get involved in microfinance. It can also be more widely applied to the financing of SL businesses. It shows how the use of limited amounts of philanthropic capital for credit enhancement can allow SL businesses to access much larger amounts of capital from traditional financial institutions.

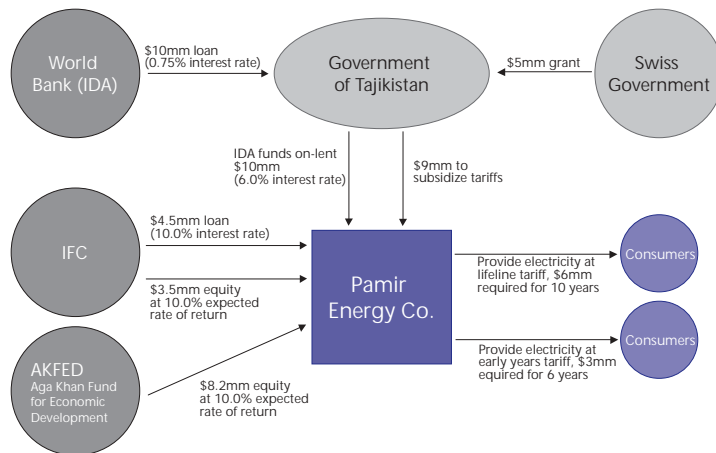
Pamir Energy Company (Tajikistan)

Combining foundation, MFI and bilateral funding sources

The Pamir Energy Company was set up to help address social and environmental issues in the remote Gorno Badakhshan region in eastern Tajikistan after the fall of the Soviet Union. With the collapse of local infrastructure, many people were forced to cut down forests for firewood. Poverty, political risk and logistical difficulties combined to deter investment in rebuilding the local electricity infrastructure.



To address this problem, the Aga Khan Fund for Economic Development (a private foundation) took the lead in sponsoring the Pamir project and approached the International Finance Corporation (IFC) for help. They jointly determined that the best way to proceed was to rebuild and complete a variety of Soviet-era power plants, mostly hydroelectric. The key to making the project a success was lining up financing and ensuring that the electricity produced was affordable to customers. Both the IFC and AKFED provided equity to the project, the IFC also provided a loan.



Source: Modified from a diagram provided by the World Bank Group



At the IFC's request, the World Bank joined the project with \$10 million in concessional financing from the International Development Association (IDA). IDA's involvement assisted the Tajik Government in meeting its social obligations by using the spread between the IDA interest rate to the Government, and the rate at which funds are lent on to the project company. These funds, together with a Swiss Government grant of \$5 million, covered the costs of subsidizing a minimum 'lifeline' level of consumption for ten years.

Multilateral financial institutions

- The World Bank Group
 - The World Bank (IBRD and IDA)*
 - International Finance Corporation*

Bilateral development agencies

- UK Department for International Development (DFID)

Private foundations

- Rockefeller Foundation

Social loan & venture funds

- E+Co
- Foursome Investments

Microfinance institutions

- ACCION International



Multilateral financial Institutions (MFIs)



This section highlights funding organizations that promote development in fledgling markets. It aims to give a broad indication of the potential funding universe and the types of organization companies can approach to raise external capital for sustainable livelihoods businesses. More detailed profiles of these organizations will be available in a forthcoming publication *A business guide to development actors*.

Multilateral financial institutions (MFIs) provide financial support and professional advice for economic and social development in developing countries. They are government sponsored yet enjoy independent legal and operational status.

This includes the World Bank Group, the four regional development banks and a variety of institutions with narrower memberships and/or more specific sector specializations. Most of these institutions have billions of dollars in total assets. The largest of these, the World Bank, has assets totaling over \$200 billion.

How multilaterals relate to business			
	Unlikely	Possible	Likely
Project capital		✓*	
Partner capital			
<i>NGOs</i>		✓	
<i>Local businesses</i>		✓*	
<i>Governments</i>			✓
<i>Customers</i>	✓		

* Multilaterals' willingness to directly finance for-profit businesses varies widely; certain institutions (e.g. International Finance Corporation, Inter-American Investment Corporation) have this as their primary mission and so would fall into the Likely category; many others however are focused on funding public sector institutions.

The MFIs provide financing for development through:

- > **Long-term loans** based on market interest rates. To fund these loans the MFIs borrow on the international capital markets and re-lend to borrowing governments in developing countries
- > **Very long-term loans** (often termed credits) with interest well below market rates. These are funded through direct contributions from governments in donor countries
- > **Grant financing** some MFIs offer grants, mostly for technical assistance, advisory services or project preparation

- > **Debt and/or equity investment** some MFIs provide debt and equity to private sector companies in developing countries

Overall, the focus of most MFIs has been on lending and providing technical assistance to governments. However, MFIs are increasingly looking to work with private sector institutions including those working in partnership with NGOs.

The World Bank Group

The World Bank Group is one of the United Nations' specialized agencies, and is supported by 184 member countries. The World Bank centers its efforts on reaching the Millennium Development Goals, agreed by UN member states in 2000 and aimed at sustainable poverty reduction. The World Bank Group consists of five organizations:

- 1 – International Development Association (IDA)
- 2 – International Bank for Reconstruction and Development (IBRD)
- 3 – International Finance Corporation (IFC)
- 4 – Multilateral Investment Guarantee Agency (MIGA) provides political risk insurance (guarantees) to investors and lenders to developing countries.
- 5 – International Centre for Settlement of Investment Disputes (ICSID) settles investment disputes between foreign investors and their host countries.

The World Bank (IBRD and IDA)

The IDA and the IBRD make up what is commonly known as the World Bank. Their primary mission is to make loans and provide professional expertise to governments in developing nations.

IDA: The International Development Association – provides interest-free credit and grant financing, and is the world's largest source of concessional assistance. In 2002, IDA provided \$8.1 billion in financing for 133 projects in 62 low-income developing countries.

IBRD: The International Bank for Reconstruction and Development – promotes sustainable development, through loans, guarantees, and non-lending services. In 2002, IBRD delivered loans totaling \$11.5 billion for 96 projects in 40 creditworthy developing countries.

How can companies tap into World Bank resources?

For a sustainable livelihoods business, a company could team up with an agency such as the World Bank in a variety of ways:



- > Facilitating funding for partner organizations such as governments and, to a lesser extent NGOs (the Development Marketplace is one program that focuses on NGOs)



- > As a project contractor: each year the World Bank Group lends between \$15-20 billion to governments in developing nations. This generates around 40,000 contracts for a vast range of goods and services (particularly in the infrastructure and utilities sectors)



- > As part of a multi-pronged effort to improve the local business environment

While the World Bank has substantial resources and is committed to development goals, there are two important caveats:

- > The World Bank is a very large organization with highly detailed procedures for dispersing money; many companies have encountered significant delays and difficulties in working with the World Bank
- > While the World Bank is increasingly open to working with business, it also retains some historical mistrust of for-profits; overcoming this and other cultural barriers remains a hurdle

Further information

World Bank: www.worldbank.org leads to private sector development resources, procurement guidelines, bid evaluation.

Development marketplace: www.developmentmarketplace.org promotes innovative development ideas through early stage seed funding

Similar organizations (see also IFC section)

African Development Bank: www.afdb.org

Asian Development Bank: www.adb.org

Central American Bank for Economic Integration (CABEI): www.cabei.org

European Bank for Reconstruction & Development: www.ebrd.com

Inter-American Development Bank: www.iadb.org

International Fund for Agricultural Development: www.ifad.org

Islamic Development Bank: www.isdb.org

Nordic Development Fund: www.ndf.fi

OPEC Fund for International Development: www.opecfund.org

International Finance Corporation

The International Finance Corporation (IFC) promotes sustainable private sector investment in fledgling markets. Set up in 1956, IFC is the largest multilateral source of loan and equity financing for private sector projects in developing nations. In particular, it offers:

- > Hard currency and local currency term loans
- > Equity, convertible loans and other mezzanine financing
- > Partial guarantees of loans and bonds
- > Securitization
- > Risk management services
- > Resource mobilization services, including loan syndications, capital markets operations and securities underwriting

How can companies tap into IFC resources?

The IFC's mission is specifically to promote business activity in developing nations. As a result, most of its work is business-linked. For multinationals, projects with a relatively high level of local involvement and ownership are core candidates for IFC funding. Also, well-established local partners would be well positioned to apply for IFC financing.

To date, the IFC has rarely provided direct resources to multinationals but it is very active in promoting local private sector development. Many local business partners, suppliers and distributors are ideal candidates for IFC funding. The IFC does not rule out investing in businesses owned by multinationals based in the developed world; as it recognizes the positive impact these businesses can have. A project could be considered for investment as long as a convincing case is made that traditional financing is not available and that the IFC can add value beyond its direct financial contribution. Clear social and environmental benefits improve the project's chances of securing IFC funding.

What does the IFC look for in an investment?

In its mainstream investment operations, the IFC expects traditional commercial returns. However, it is willing to take on variety of risks that traditional private sector investors would not. The IFC believes that it is able to do this while still achieving its target returns because of its local expertise gained through many years of investing in developing countries.

The IFC seeks out projects that have:

- > Significant potential for development impact
- > No access to traditional commercial financing
- > Meaningful participation of a local company and/or locally run subsidiary
- > Meet or exceed social and environmental standards
- > Long-term partnership potential through project replicability and expansion
- > Strong, credible sponsorship with experienced management teams
- > Clear need for IFC's bundled service offering (funding and consulting services)
- > Multiple facility or group support within the IFC/WB

What specialized funding resources are available from the IFC?

- > The Corporate Citizenship Facility (CCF)
- > SME Capacity Building Facility and SME Linkages Program (CBF)
- > Regional Project Development Facilities (PDFs)
- > Environmental Opportunities Facility (EOF)
- > Global Environment Facility (GEF)
- > Netherlands Carbon Funds (INCaF)

Of these funds, the CBF, PDFs and EOF have particular freedom to engage with companies that are not existing IFC clients. However, in all cases, the IFC looks favorably on using these facilities to support companies in which it has already invested. So there may be advantages to structuring a project so that it can receive debt or equity finance from the IFC as well as applying for funds from one of its specialized facilities.



CCF focuses on supporting projects with positive social (rather than environmental) impacts. CCF provides grants of \$10,000-\$150,000 to co-fund technical assistance in promoting corporate citizenship activities.



CBF comprises the SME Capacity Building Facility and the SME Linkages Program. The Capacity building facility gives grants of \$50,000-\$500,000 for financial and business services that support SMEs, strengthen their business environment and improve these companies' use of IT. The linkages program provides in-kind resources to design and implement relevant IFC and external special funds and professional services to strengthen SMEs.



PDF allocates in-kind resources from regional Project Development Facility field offices located in Africa, South Asia, China, Southeast Europe and the Pacific for early stage organizations. Grants for outside technical assistance normally range from \$50,000-\$1 million. Core criteria are: long-term profitability, scalability, and need for technical assistance. This is most appropriate for local NGO and SME partners.



EOF divides projects into two categories: clean production initiatives and innovative projects. Clean production initiatives introduce process re-engineering to increase input efficiency and reduce costs of pollution abatement. Clean production initiative grants for technical assistance range from \$10,000-\$200,000 and co-financing for capital expenditure up to \$1 million. Innovative projects utilize technological advancements to generate local environmental benefits. Grant funding ranges from \$10,000-\$200,000; in addition, debt and equity finance is available up to \$2 million. The core criteria for investment are: innovation, long-term profitability, strong sponsors, demonstrated need for special funds due to higher than usual costs or perception of risk.



GEF provides grants, low interest loans, partial risk guarantees, and/or 'patient' equity ranging from \$200,000-\$10 million for the incremental costs associated with projects securing global environmental benefits. Core criteria for investment are: host country endorsement, innovation, long-term profitability, replicability and performance beyond minimal compliance.



INCaF arranges long-term purchase agreements for GHG reductions (carbon credits) from projects involving energy efficiency; renewable energy; switches to cleaner fuels; reducing GHG emissions from landfills and coalmines and reducing flaring. INCaF's criteria for investment are that the proposed project must reduce GHG emissions relative to local baselines.

Further information

IFC general information: www.ifc.org

Similar organizations (see also World Bank section)

CDC Capital Partners: www.cdcgroup.com

European Investment Bank: www.eib.org

European Investment Fund: www.eif.org

Inter-American Investment Corporation: www.iic.int

Nordic Investment Bank: www.nib.int/en/index.html



Bilateral development agencies – or bilaterals – provide professional advice and financial support to developing nations. Unlike MFIs, they are sponsored by a single government. The financial support that bilaterals offer encompasses grants, loans and equity investments. Similar to MFIs, bilaterals have recently increased their focus on financial support for the private sector. New funds and facilities that support for-profit projects (recently created by some of the larger bilaterals) attest to this growing commitment. However, many bilaterals retain some historical mistrust of profit-making businesses; overcoming this and other cultural barriers can be difficult.

Developed world governments use typically bilaterals as their primary channel for Overseas Development Assistance (ODA). The scale of this aid is significant. The United States provides over \$10 billion per year and four other countries each provide over \$4 billion.

How bilaterals relate to business			
	Unlikely	Possible	Likely
Project capital		✓	
Partner capital			✓
<i>NGOs</i>			✓
<i>Local businesses</i>		✓	
<i>Governments</i>			✓
<i>Customers</i>	✓		

UK Department for International Development (DFID)

The Department for International Development (DFID) is the UK Government department responsible for promoting sustainable development and reducing poverty. DFID focuses its efforts in the poorest countries of sub-Saharan Africa and Asia and is also active in middle-income countries, including those in Latin America and Eastern Europe.

DFID works in partnership with governments committed to the Millennium Development Goals. It teams up with the private sector, academic institutions, the research community, and multilateral institutions (including the World Bank, United Nations agencies, and the European Commission). DFID also provides funding through organizational schemes such as Challenge Funds.

How can companies tap into DFID resources?

DFID and other bilateral development agencies are increasingly seeking opportunities to work with the private sector to achieve these agencies' goal of reducing poverty in the developing world. However, despite some innovative funds that target for-profits, most of their grants and loans still go to governments and NGOs.



The Business Linkages Challenge Fund (BLCF) encourages and supports tie-ups between individual companies in developing countries and/or with international partners. These partnerships must boost competitiveness and generate clear benefits for the poor. The Business Linkages Fund allocates grants of between of £50,000 to £1 million. For example, the fund awarded £150,000 to a consortium of the Botswana Mining Company, the Zimbabwe African Centre for Fertilizer Development and US-based consultants to evaluate the feasibility of converting mining tailings into commercially marketable micronutrient fertilizer and building bricks.

Further information

DFID general information: www.dfid.gov.uk

Details about specific DFID sponsored funds can be found on their above homepage under the 'Funding Schemes and Scholarship' link.

Challenge Funds: www.challengefunds.org

Emerging Africa Infrastructure Fund: www.emergingafricafund.com/first.htm

Similar organizations

Canadian International Development Agency (CIDA): www.acdi-cida.gc.ca

Danish International Development Agency (DANIDA): www.um.dk

French Development Agency (AFD): www.afd.fr

German Technical Cooperation (GTZ): www.gtz.de

Japan International Cooperation Agency (JICA): www.jica.go.jp

Netherlands Development Cooperation : www.minbuza.nl

Norwegian Investment Fund for Developing Countries: www.norfund.org

Swedish International Development Cooperation Agency (SIDA): www.sida.se

Swiss Agency for Development and Cooperation (DEZA): www.deza.admin.ch

US Agency for International Development (USAID): www.usaid.gov

Listing of bilateral development agencies by country:

www.smommuseum.ch/files/humanitarian/bilateral.html



Private foundations are institutions with a social benefit or philanthropic purpose that are funded by individuals or private sector organizations. Traditionally, foundations committed to assisting developing nations have targeted their funding towards NGOs. More recently however, some foundations are utilizing new financing instruments in the form of loans, loan guarantees, and equity and allocating a portion of these to for-profits operating in low-income communities. While opportunities exist for foundations to work with companies on sustainable livelihoods businesses, this is an area that is just beginning to be explored and few concrete examples exist at this time.

Some corporate foundations, while not allowed to support their for-profit 'parent' directly, are interested in exploring how to use for-profit mechanisms to leverage the value of their funds and this can be in a sector where their parent company has expertise. These forward-looking foundations offer opportunities for testing new SL business models.

In total, US-based foundations control assets of around \$470 billion and they have a regulatory obligation to give away at least 5% of this amount each year. Total assets for European foundations are estimated to be between \$200-400 billion.

How foundations relate to business			
	Unlikely	Possible	Likely
Project capital	✓		
Partner capital			✓
<i>NGOs</i>			✓
<i>Local businesses</i>		✓	
<i>Governments</i>	✓		
<i>Customers</i>		✓	

Rockefeller Foundation

The Rockefeller Foundation is a global foundation focused on five program themes: creativity and culture, food security, health equity, working communities and global inclusion. The foundation holds around \$2.6 billion in assets and funded projects totaling \$184 million in 2002. Rockefeller funds organizations that further its social goals and this means it primarily supports NGOs. However, on occasion it does provide financial support, either indirectly or directly, to for-profits whose goals mesh with its program objectives.



For example, Rockefeller operates the Program Venture Experiment (ProVenEx). ProVenEx makes investments in early stage and growing businesses that support its program areas. This is one of the more direct attempts by a foundation to engage with the for-profit sector.



How can a company tap into Rockefeller Foundation resources?

Rather than provide external capital for the company, foundations are most likely to be able to provide funding for operational partners. Some have large amounts of capital available and, if approached correctly can play an important role in the financing of an SL business. Rockefeller's role with respect to multinationals tends to be indirect, however it can have an important impact on the overall project. Rockefeller funding proved a crucial link in a large project (described below) that involved multiple public and private partners, including multinationals.

Rockefeller made a \$2.8 million grant to the Acumen Fund, an NGO that invests in social enterprises (both for-profit businesses and NGOs). One of these investments is a loan to A to Z, a Tanzanian manufacturer of bednets – a key component of effective malaria control. A to Z manufactures a highly effective, long-lasting, insecticide-treated anti-malaria bednet sold for under \$5 in East Africa. The Acumen loan helped A to Z expand to meet growing product demand.

A partnership forged between Sumitomo Chemical Co., ExxonMobil, WHO and UNICEF has assisted A to Z with both technology and distribution channels. Exxon has now seen the business potential of these bednets and its gas stations are used as distribution centers to help address the ever-present distribution challenge in fledgling markets. Exxon's gas station sales increased as a result thus making this project economically viable as well as socially beneficial.

Further information

Rockefeller general info: www.rockfound.org

Similar organizations

Avina Foundation: www.avina.net

Bellagio Forum: www.bfsd.org

Bill and Melinda Gates Foundation: www.gatesfoundation.org

David and Lucile Packard Foundation: www.packfound.org

MacArthur Foundation: www.macfound.org

Open Society Institute: www.soros.org

Pew Charitable Trusts: www.pewtrusts.com

Ted Turner/UN Foundation: www.unfoundation.org

The Ford Foundation: www.fordfound.org

The Skoll Foundation: www.skollfoundation.org

The Wellcome Trust: www.wellcome.ac.uk



There is a growing community of social loan and venture funds that invest in for-profit businesses that also have a social or environmental mission. This mix of social and financial drivers varies across funds; and, along with bringing social and/or environmental benefits, most funds expect investments to produce competitive financial returns. Many of these funds focus on companies based in developing nations or who primarily serve customers in these countries.

How social loan & venture funds relate to business			
	Unlikely	Possible	Likely
Project capital		✓	
Partner capital		✓	
<i>NGOs</i>		✓	
<i>Local businesses</i>			✓
<i>Governments</i>	✓		
<i>Customers</i>	✓		

E+Co – Social loan fund

E+Co provides business development services and modest loans or seed capital to for-profits that expand the provision of clean energy services to rural populations in Latin America, Asia, and Africa. Currently, E+Co has \$13.5 million under management and over 58 enterprise investments. E+Co's early stage investments typically reflect near market terms and conditions, but E+Co will tolerate a relatively high level of risk without seeking the equivalent venture capital returns.

How can companies tap into E+Co resources?

E+Co finances and advises small enterprises, not large businesses, it can offer:



- > Capital for joint ventures in which a large company is a shareholder
- > Financing for SMEs and other operational partners in a sustainable livelihoods value chain

For example, *NOOR* (an E+Co investment) is a rural energy development and services company in Marrakech, Morocco. It finances small energy companies to provide (renewable) power to 40,000 local villages unlikely to be hooked up to the grid within the next decade.

E+Co has financed *NOOR*'s business plan and working capital requirements. It also facilitated discussions with *Shell International Renewables* and two

prominent local Moroccan investors. As a result, NOOR secured an equity investment of \$750,000 with *Shell* taking a 39% stake. NOOR is currently working with the national utility (ONE) to install 7,000 solar home systems in Taroudant to be sold on credit over three years.

Further information

E+CO: www.energyhouse.com

Foursome Investments: www.foursome.net

Similar organizations

Acumen Fund: www.acumenfund.org

Aga Khan Fund for Economic Development: www.akdn.org

Andromeda Fund: www.andromeda-fund.com/index.html

Environmental Enterprise Assistance Fund: www.eeaf.org

Global Environment Fund: www.globalenvironmentfund.com

Small Enterprise Assistance Funds: www.seaf.com

Triodos Bank: www.triodos.com (see "Funds" section of site)

Foursome Investments – Social venture fund

Foursome Investments is a London-based investment management company with two venture capital funds: the Foursome Fund and the Fourtuna Fund. The company has \$80 million under management. Foursome looks to invest in companies that provide a tangible benefit to people's lives.



How can companies tap into Foursome resources?

Foursome invests into early stage companies with significant growth potential. It focuses on the UK but also considers investments in Western Europe or North America. Foursome is unlikely to fund projects on the ground in fledgling markets yet it can be approached around a product or technology for a sustainable livelihoods business. For example, Foursome has invested in Exosect, a UK-based producer of environmentally sensitive, species-specific pest control devices.

For sustainable livelihoods businesses, managers should consider engaging with funds like Foursome to provide project capital to a joint venture bringing technology to market with the potential for positive development impact. In addition to providing capital, Foursome has significant expertise in measuring social impacts: this can help build credibility within the wider social investment and development communities.

Microfinance institutions



Microfinance (otherwise known as microcredit or microlending) organizations provide small loans (\$50-\$6,000) to the self-employed poor. These people are not served by traditional banks for a variety of reasons: perceived high credit risk, lack of bank infrastructure in poor communities and high transaction costs relative to loan size. Over the last 25 years, microfinance has grown to over 7,000 institutions in 43 countries, serving 19 million people in developing countries. Of these, 11 million are women, with \$7 billion in outstanding loans and an average repayment rate of 96-98%.

Given the high transaction costs associated with serving poor and remote villages, loans are usually offered at rates of 20-40%. These rates may seem high by developed world standards. However, other local loan rates are often as high as 100-200%.

Microfinance customers tend to borrow and reinvest these small loans at fairly high turnover rates to help build their businesses. To date, loans are most often used to make labor-intensive businesses more productive.

How microfinance institutions relate to business			
	Unlikely	Possible	Likely
Project capital	✓		
Partner capital			
<i>NGOs</i>		✓	
<i>Local businesses</i>		✓	
<i>Governments</i>	✓		
<i>Customers</i>			✓

ACCION International

ACCION International provides micro loans to the self-employed in Latin America, Africa and the Caribbean who rely on microenterprise as their main source of income. Their borrowers are among the region's poorest people, at the time of their first loan they usually have no collateral. 65% of these borrowers are women.

How can ACCION help a sustainable livelihoods business?

Accessing capital through microfinance institutions such as ACCION gives a company a way to assist consumers with the financing of products with large up-front costs. It can also play an important role in growing small scale, low cost supply and distribution networks.



How ACCION helps local entrepreneurs is illustrated by the story of a small furniture maker in Guatemala. His workshop only had manual tools and he had to work for three days to build just one couch. With his first small loan through ACCION's partner in Guatemala, Génesis, he invested in an electric saw. Sixteen loans later, he has a full workshop of tools, including a modern table saw. Employing several neighborhood boys part-time, he can now turn out one couch a day.

Microfinance is inherently local so it is important to find the right local partner. The links we provide are either major, multi-regional microfinance providers or resources for locating local providers.

Further information

ACCION international info: www.accion.org

Similar organizations

FINCA: www.villagebanking.org

Oikocredit: www.oikocredit.org

Grameen Bank: www.grameen-info.org

Freedom From Hunger: www.freefromhunger.org

Rabobank: www.rabobank-ict.nl/ssr

Grameen Foundation USA (provides listing of funds by country): www.gfusa.org

Microfinance Gateway (directory of microfinance related organizations by country): www.microfinancegateway.org

Appendix 1

Supplementary resources on patient capital

The United Nations Environment Program Finance Initiative (UNEP FI):

- > General website: www.unepfi.net
- > Sustainable Venture Finance in 2002-2003 report
- > Financing For Sustainable Development report (in conjunction with the World Bank and the IMF) – August 2002
- > Financing Sustainable Energy Directory: www.fse-directory.net

The World Resources Institute's New Ventures project provides services that support sustainable enterprise creation: www.new-ventures.org

The Blended Value Map explores the interaction of economic and social value. It includes sections on social investing, strategic philanthropy and sustainable development: www.blendedvalue.org

The Global Village Energy Partnership Financing Facilitation module bridges the gap between financiers, entrepreneurs and consumers. It aims to increase investment in village energy projects and programs and provides a series of documents and articles focusing on very early stage capital: www.gvpep.org

The RISE project is an initiative at Columbia Business School that studies social enterprise. It features reports on double bottom line investing and a directory of investors. www.riseproject.org

About the WBCSD

The World Business Council for Sustainable Development (WBCSD) is a coalition of 170 international companies united by a shared commitment to sustainable development via the three pillars of economic growth, ecological balance and social progress. Our members are drawn from more than 35 countries and 20 major industrial sectors. We also benefit from a global network of 50 national and regional business councils and partner organizations involving some 1,000 business leaders.

Our mission

To provide business leadership as a catalyst for change toward sustainable development, and to promote the role of eco-efficiency, innovation and corporate social responsibility.

Our aims

Our objectives and strategic directions, based on this dedication, include:

- > **Business leadership:** to be the leading business advocate on issues connected with sustainable development
- > **Policy development:** to participate in policy development in order to create a framework that allows business to contribute effectively to sustainable development
- > **Best practice:** to demonstrate business progress in environmental and resource management and corporate social responsibility and to share leading-edge practices among our members
- > **Global outreach:** to contribute to a sustainable future for developing nations and nations in transition

Disclaimer

This report is released in the name of the WBCSD. Like other WBCSD reports, it is the result of a collaborative effort by members of the secretariat and executives from several member companies. Drafts were reviewed by a wide range of members, so ensuring that the document broadly represents the majority view of the WBCSD membership. It does not mean, however, that every member company agrees with every word.

Sustainable Livelihoods publications

A business guide to development actors, coming this fall 2004

Doing business with the poor: A field guide, March 2004

Investing for sustainable development: Getting the conditions right, July 2002

Ordering publications

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