

20 May 2010

**PROMOTING INCLUSIVE GROWTH THROUGH
BUSINESS DEVELOPMENT AT THE BASE OF THE PYRAMID**
(Project Note for the revised ADB TA No.6518-REG)¹

A. Background Information

1. **The near poor:** Over the past two decades, the Asia and the Pacific has sharply reduced the share of its population living under the extreme poverty line of \$1.25 in daily income. Many countries in the region have broadened their approach toward development, promoting inclusive growth that benefits not only those in extreme poverty, but also others with daily incomes of up to the international vulnerability line of \$2 per day or more.² In 2005, when the most recent purchasing power parity estimates were carried out, about 82% of Asia's population lived on less than \$4 a day, 54% on less than \$2 per day, and 27% on less than \$1.25 per day.³ While growth has continued to lower the incidence of poverty in Asia and the Pacific, the food price crisis and global economic slowdown put a brake on poverty reduction gains. ADB estimates that the number of extreme poor in 2010 totaled 666 million people (19% of the region's population), and the number of vulnerable poor (\$2) at 1,539 million (44% of the region's population).⁴ The Bottom of the Pyramid (BoP) also known as the base of the pyramid, refers to new models of conducting business that deliberately target poorer segments of society. The threshold applied in this paper is the international vulnerability line of \$2 in income per day.⁵

Table 1: Number of People at the Bottom of the Pyramid (\$2/day poverty line), 2005

Poverty Estimates for Asia and Pacific (ADB's Developing Member Countries) with and without the Global Economic Crisis						
		actual	projections			
		2005	without crisis		with crisis	
			2009	2010	2009	2010
very poor (\$1.25)	million people	903.4	666.2	586.5	719.4	666.2
	percent of population	27.1%	19.2%	16.7%	20.7%	18.9%
moderate poor (\$1.25-\$2)	million people	899.2	860.9	844.9	879.0	872.8
	percent of population	26.9%	24.7%	24.0%	25.3%	24.9%
vulnerable poor (below \$2 poverty line)	million people	1802.6	1527.1	1431.4	1598.4	1539.0
	percent of population	54.0%	43.9%	40.7%	46.0%	43.8%

Source: ADB staff estimates (cited in: ADB (Dec 2009): ADB Response to the Global Economic Crisis. An Update. <http://www.adb.org/Documents/Policies/Global-Economic-Crisis/in430-09.pdf>)

2. **Inclusive growth.** ADB's approach to inclusive growth, one of the three strategic agendas under Strategy 2020, goes beyond in the income dimensions of poverty. Inclusive

¹ This project note reflects the revisions made under the TA 6518, which were approved by ADB on 17 May 2010.

² ADB. 2008. The World Bank's new Poverty Line and Implications for ADB. Manila (Nov). (see <http://www.adb.org/Documents/Presentations/New-Poverty-Estimates/Poverty-Data-Implications.pdf>) Throughout this paper \$ refers to US dollar.

³ ADB also made projections on the poverty incidence for 2009 and 2015 (see <http://www.adb.org/Documents/Presentations/New-Poverty-Estimates/Poverty-Data-Implications.pdf>), and another analysis of the impact of the 2008/2009 economic slowdown on poverty.

⁴ See ADB (Dec 2009): The Impact of the Global Economic Crisis on Asia. An Update on Economic and Social Implications (see <http://www.adb.org/Documents/Policies/Global-Economic-Crisis/in430-09.pdf>).

⁵ This threshold is higher in middle and emerging high income countries, such as Malaysia, Singapore, and Kazakhstan. Globally, the BoP market is liberally estimated at \$4-5 billion with thresholds much higher (\$4-\$5 daily income) than applied in the Asian context.

growth is a process that is non-discriminatory and which reduces disadvantages. It aims to broaden economic and social opportunities for lower income groups, as well as for those excluded in some way from the economy's growth. Private sector operations that support the BoP concept would provide livelihood opportunities for the vulnerable poor in modern enterprises outside of the unprotected informal sector, develop specific products and services bought by low income groups, and engage members of these groups in production and marketing processes.

3. The near poor are a market for modern enterprises. While many products and services produced in the informal sector are sold to lower income groups, the more productive multinational companies (MNCs) and small-to-medium sized enterprises (SMEs) have not fully explored opportunities in this part of the market. In recent years, however, a new discussion has emerged on the role of the BoP in promoting inclusive growth.⁶ It is posited that businesses, governments, and donor agencies should stop thinking of poor people as victims, and instead start seeing them as resilient and creative entrepreneurs - as well as value-demanding consumers. A private sector dimension of inclusive growth would seek to contribute towards poverty reduction and vulnerability by including the BoP, not only as consumers, but also as suppliers, distributors or employees within the value chain of a company in a profitable and sustainable relationship. When multinational enterprises and small and medium sized enterprises create new local business models involving those at the lower ends of the economic ladder, they contribute to both growth and poverty reduction gains. The project will establish criteria to promote inclusive business at both sides of the investment chain. At the higher end, it will work with the World Business Council on Sustainable Development (WBCSD)⁷ and others to promote inclusive business with MNCs, mainly through technical assistance and developing business opportunities. On the other side, it will closely cooperate with small and medium sized local enterprises on BoP business opportunities and investment needs.

4. The potential BoP market is very large.⁸ The BoP approach focuses on productive modern enterprises to expand the range of their goods and services to cater the demand of the poor and those who are "near poor". One example includes the challenge issued to the computer industry by Microsoft's chief executive officer, Steve Ballmer, to produce personal computers for just \$100. Another example is provided by Grameen Danone Foods Ltd., which produces a special yogurt (Shakti Doi) to fulfill the nutritional requirements of children of Bangladesh. The yogurt, which is also suitable for adults, is marketed by low-income women and sells for a very low price that even poor slum dwellers can afford. The World Bank estimates BoP markets globally at \$20 billion for water-related projects, \$51 billion for information and communication technologies projects, \$158 billion for health and social protection programs, \$179 billion for transportation, \$332 billion for housing, \$433 billion for the poor's energy needs, and \$2,895 billion for addressing low-income household food needs.⁹ According to Bill Gates, the BoP approach "offers an intriguing blueprint for how to fight poverty with profitability." In addition to providing a huge consumer market, those living at the BoP can also work as business partners and innovators.¹⁰

⁶ See, among others: C.K. Prahalad (2006): *The Fortune at the Bottom of the Pyramid*. University of Michigan, and the work of the World Resources Institute on eradicating poverty through profit. However there are also some critiques saying that there is no fortune at the base of the Pyramid (see Aneel Karmani),

⁷ For more information on the role MNCs can play to promote inclusive business, see the WBCSD website: www.wbcsd.org

⁸ See work of John Mitchell (2009), and of Malcom Harper (2009) on *Inclusive Value Chains in India*. See also <http://rru.worldbank.org/thenext4billion>.

⁹ See World Bank / IFC and WRI (2007): *The Next 4 Billion*. <http://rru.worldbank.org/thenext4billion>.

¹⁰ See Hart and Erik Simanis at Cornell University.

5. The development motive: BoP markets shall make growth more inclusive and reduce poverty: BoP promotes the inclusion of the poor as market segment (consumers), distributors of goods and services produced by the private sector, and in the production chain. There is a major literature on inclusive business suggesting the need to involve the poor primarily as producers and less as consumers. It is argued that generating employment and income is the main source of poverty reduction and BoP and inclusive business approaches need to emphasize this. The project while scanning the market and developing a pipeline for financing through the fund – will establish criteria for inclusive business impacting directly on poverty reduction. These criteria will include BoP demand for public goods such as social and economic infrastructure (especially to address the transport, water, and energy, as well as health, education and social protection needs of the poor).

6. Impact assessment for inclusive businesses: The final goal of BoP is poverty reduction, and not developing additional markets for private sector enterprises. To this end, a BoP project needs to set up clear criteria for identifying companies and promoting them. It also needs to establish impact monitoring on poverty reduction and inclusive growth. A BoP Impact Assessment Framework provides a robust tool for BoP ventures to assess and enhance their poverty alleviation impacts. Such framework has been developed by think tank institutions¹¹ and was then further applied by SNV and others¹². This framework would also link BoP approach with environmentally friendly actions as part of corporate social responsibility initiatives. Private companies, non-profit organizations, and development agencies in Latin America, Asia, and Africa have applied this framework.

7. The profit motive. It is recognized that for BoP approach to evolve into a powerful engine for inclusive growth across Asia and the Pacific, it must be seen by the private sector as having a compelling enough return on investment so as to compete successfully with other applications of capital and other resources. Financing inclusive business does not involve abandoning traditional modeling of estimating capital needs, expected future cash flows, and gauging risk. However, it does entail adjustments to factor in indirect and less tangible benefits to the company. The considerable social benefits these projects bring mean that many non-traditional sources of capital may be interested in helping such a business succeed. These sources of 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. Successful private sector financing and investment modalities in BoP enterprises can provide significant demonstration and catalytic effects, to attract more private sector capital to BoP-relevant opportunities.

¹¹ See Ted London from the William Davidson Institute at the University of Michigan.

¹² DFID just launched its "Business Innovation Facility" covering 3 African and 2 Asian countries (Bangladesh and India). The Facility will (a) share costs with company-led initiatives for developing feasibility studies for implementing inclusive business models; (b) assist companies to broker partnerships with NGOs, development agencies, other non-business partners, and local businesses or entrepreneurs; and (c) share knowledge and learning on how best to execute and evaluate such projects. For more information, see <http://businessinnovationfacility.ning.com/>.

8. **ADB support to date for BoP.**¹³ Several major organizations are promoting BoP in different parts of the world, including the International Finance Corporation, the private sector arm of the World Bank Group,¹⁴ and the Inter American Development Bank (IADB)¹⁵. In 2007, ADB carried out some preliminary work on the BoP concept, especially regarding its financial aspects¹⁶, but has neither systematically explored nor promoted its development. The regional technical assistance project on "Promoting Inclusive Growth through Business Development at the Base of the Pyramid" provides an opportunity for ADB to do both. The project was approved on 18 December 2008 with a grant funding of US\$650,000.¹⁷ The project will be implemented in 2010 and 2011 through detailed work in up to six Asian countries,¹⁸ and through regional exchanges involving other Asian countries.

B. The revised regional technical assistance project

9. **Goal, purpose, and objectives:** The objective of the revised project is to help develop viable BoP enterprises in selected Asian countries. The expected impact of the project is creating a whole new class of private equity funds looking at BoP enterprises to play a stronger role in promoting inclusive growth in the region. To this end, the project will (a) analyze the BoP market in the 6 selected Asian countries (mapping exercise); (b) analyze how such potential cooperation could promote inclusive growth, and develop ex-ante impact assessment; (c) facilitate partnerships with private sector and development finance institutions to better serve the BoP market (feasibility studies); and (d) facilitate ADB's private sector operations and public-private partnership modalities to increasingly support BoP enterprises (promoting investment opportunities in a BoP fund). Appendix 1 shows the project structure, and Appendix 2 comprises the design and monitoring framework of the project.

10. **Activities:** The project will facilitate the following main outputs and activities:

- Component 1: Supporting the development of local BoP enterprises and studying the binding constraints, investment opportunities, financial internal rate of return (above 15%) as well as development effectiveness for inclusive growth.
 - ✓ Country studies analyzing the BoP market (demand) and enterprises (supply chains) in up to six ADB Developing Member Countries (DMCs). This BoP mapping of up to 100

¹³ ADB and DFID are supporting "Making Markets Work for the Poor" (M4P; see: <http://www.markets4poor.org/?language=english>) approaches especially in Viet Nam. M4P has two major activities, (a) a research agenda analyzing constraints faced by the private sector in public private partnerships for infrastructure services, value chains, and private sector employment and (b) a \$3 million challenge fund for facilitating innovative new business models in the private sector that engage and benefit the poor, with specific emphasis on agro-processing linkages. While the M4P is focusing on research and pilot projects in the agricultural sector, the BoP work may address more medium-sized enterprises in all sectors for possibly accessing finance from the private sector fund with ADB to be perhaps set up at the end of the BoP RETA. There are very good synergies between the BoP and the M4P projects and pilot activities.

¹⁴ See IFC and WRI (2007): The Next 4 Billion. <http://rru.worldbank.org/thenext4billion>.

¹⁵ In 2007 the Inter-American Development Bank (FOMIN Program) financed the Development of Inclusive Business in 5 Latin American Countries (US\$ 10 million project). In 2008, IADB introduced the "Opportunity for the Majority" program. Through a \$250 million special funding facility the IADB provides medium and long-term loans and partial credit guarantees to private sector companies interested in supporting sustainable business models and market based solutions that BoP populations in Latin America and the Caribbean in areas such as financial services, housing, education, nutrition and health.

¹⁶ See 2007 Conference on Banking at the Bottom of the Pyramid: <http://www.adb.org/Documents/Events/2007/Banking-Bottom-Pyramid/default.asp>.

¹⁷ ADB (Dec 2008): Promoting Inclusive Growth through Business Development at the Base of the Pyramid. Technical Assistance project. <http://www.adb.org/Documents/TARs/REG/41258-REG-TAR.pdf>.

¹⁸ Government concurrence was obtained from all participating countries.

ventures per country will also include a discussion of critical success factors and constraints for BoP enterprise development and the impact on poverty reduction and inclusive growth;

- ✓ Exploring BoP business opportunities for public goods in the infrastructure and social sectors
 - ✓ Detailed feasibility studies [perhaps 10 case studies per country]. Some feasibility studies can also be prepared for providing an investment pipeline. However some care has to be taken, because the final decision for financing such projects would lay with the fund manager of the fund to be established later, and not with the consultant for this TA.
 - ✓ National workshops and 1 major investment forum per country to link local BoP enterprises and development financial institutions. The investment forum will also invite possible fund managers and other financial institutions including microfinance institutions.
- Component 2: Strengthening partnerships between BoP enterprises and the private sector (promoting investment opportunities in a BoP fund)
 - ✓ A regional investors forum that will link BoP enterprises in Asia with international financial institutions and MNCs for potential funding support and knowledge exchange;
 - ✓ Exploring the setting up of multi-country investment funds for BoP
 - ✓ Facilitation of business cooperation through participation of domestic and international financial institutions and MNCs in the national investment fora; and
 - ✓ Study existing investment funds in the market that may target low income groups for their possible inclusion under this project.
 - ✓ Assess the viability and benefits of ADB incubating and launching a BoP private equity fund, managed by a fund manager selected through a Request for Proposal (RfP) process, and invested in by ADB and other institutional investors, to support private sector investment and public-private partnerships.¹⁹ Different investment opportunities are possible (debt, equity, mezzanine, guarantee). The project would also do a fund validation. In addition, the project would assess the viability and benefits of ADB striking partnerships with selected international financial institutions to establish and operate domestic and/or regional financing programs for BoP enterprises. To ensure an efficient size, the investment fund would probably be regional or multi-country by nature. However, individual countries like Viet Nam could go ahead piloting such fund at a national level, provided a sizable portfolio for such fund is demonstrated.²⁰ Furthermore the project would broadly, support to ADB's private sector group for conducting these and other BoP-relevant projects and transactions.
 - Component 3: Advocacy and knowledge development for promoting BoP
 - ✓ Cooperation with other institutions, especially WBCSD, SNV, and DFID on promoting inclusive business.
 - ✓ Developing an ex-ante impact analysis tool, and applying it to proposed BoP ventures to assess their potential impact on poverty and inclusive growth;
 - ✓ A BoP page on ADB's website with links to the work of other partner organizations²¹
 - ✓ Paper on the Role of BoP for Inclusive Growth (BoP InfoKit)
 - ✓ Country policy notes
 - ✓ Recommendation paper and seminar for ADB to promote BoP approach for more inclusive growth

¹⁹ ADB's equity investment may comprise up to 25% of the investment funds. It is intended to establish perhaps 4-5 such BoP investment funds.

²⁰ It will be decided during implementation, whether the SNV proposal to pilot such fund for Vietnam is feasible. The SNV fund with reference to potential investors in Viet Nam proposal is in Appendix 7.

²¹ BoP publications, tools, cases and events, can be found for example at the WBCSD-SNV webpage: www.inclusivebusiness.org.

✓ Impact analysis and monitoring mechanisms

11. **Partnerships:** Various development organizations, business associations, and research institutions have piloted BoP approaches globally. In the countries covered under this technical assistance, the project will cooperate with such institutions. For example,

- the Netherlands development organization, SNV, has developed over 85 inclusive business ventures in 12 countries of Latin America and Asia (Viet Nam and Nepal) since 2006.²² SNV has also broad experience conducting high level worldwide events for chief executive officers. To promote the inclusive business approach and for high level meetings with private sector actors, SNV partners with the World Business Council for Sustainable Development (WBCSD)²³, as well as public and development actors. In 2009, it held more than 20 inclusive business promotional events in countries worldwide. ADB and SNV will partner to (a) support and carry out the country work in Viet Nam and Pakistan under this RETA, and (b) provide further inputs to regional activities.
- The World Business Council for Sustainable Development (WBCSD)²⁴ is a global association of some 200 companies led by their Chief Executive Officers and dealing exclusively with business and sustainable development. The Council provides a platform for companies to explore sustainable development, share knowledge, experiences and best practices, and to advocate business positions on these issues in a variety of forums, working with governments, non-governmental and intergovernmental organizations. Members are drawn from more than 30 countries and 20 major industrial sectors. The Council also benefits from a global network of some 60 national and regional business councils (BCSDs) and regional partners. WBCSD is actively engaged in Asia through members of its network of national and regional business councils and regional partners. These organizations, composed of national and international companies, are present in India, Indonesia, Pakistan, and the Philippines. WBCSD also recently launched "The Inclusive Business Challenge"²⁵, an easy-to-use presentation and simulation tool aimed at raising awareness of the role of business in development. Furthermore, WBCSD has also developed a Measuring Impact Framework.²⁶ WBCSD will share any of its materials (cases, publications, tools, videos, blog materials, etc.) on inclusive business.
- The project will also cooperate – where appropriate - with other development organizations. For example, DFID just launched its "Business Innovation Facility" covering also Bangladesh and India²⁷, and in Viet Nam the project will closely cooperate with the Making Markets Work for the Poor (M4P)²⁸ joint DFID-ADB initiative.

12. **Implementation Arrangements:** The project will be coordinated and implemented as follows:

- ADB will be the Executing Agency for the project, with the Poverty Reduction, Gender and Social Development Division (RSGS) of Regional and Sustainable Development Department

²² Appendix 3 shows SNV's conceptual approach on "Inclusive Business".

²³ WBCSD is currently expanding its activities to Asia and is in the process of establishing national counterparts in India, Indonesia, Pakistan, Philippines, and Viet Nam. WBCSD and ADB may cooperate closer especially in the area of knowledge development and advocacy for inclusive business.

²⁴ See: www.wbcd.org.

²⁵ See: <http://www.wbcd.org/web/ibchallenge.htm>.

²⁶ The impact assessment framework is available at <http://www.wbcd.org/web/measuringimpact.htm>.

²⁷ See <http://businessinnovationfacility.ning.com/>.

²⁸ See: <http://www.markets4poor.org/?language=english>.

acting as the TA supervising unit in close collaboration with PSCM. An interdepartmental steering committee will be established to guide the TA implementation.²⁹ In addition,

- ✓ For the actual implementation of the project in Bangladesh, Indonesia, India, and the Philippines, regional activities, and the viability study of the multi-country private equity and bank financing modalities, ADB will engage an international consulting firm through a competitive process in accordance with its *Guidelines on the Use of Consultants* (2007, as amended from time to time).
 - ✓ For the country studies in Viet Nam and Pakistan, ADB will hire individual consultants to work with SNV, and coordinate with the ADB-financed consulting firm.
 - ✓ ADB will separately engage consultants on an individual basis for the editing work and for the website design. In addition, some miscellaneous administrative costs will be provided to finance ADB participation in the national and regional investment fora.
- SNV will implement – through its own funding – the country studies in Viet Nam and Pakistan, and will provide content input to the regional knowledge component and the regional investors' forum.
 - The TA will be implemented over a period of 2 years starting in August 2010.

13. **Inputs, and expertise:** For the ADB-financed activities, a total of 13 person-months of international and 43 person-months of national consultancy will be required. Of this 2 person-months of national consultancy for work in Viet Nam and Pakistan, and 6 person months for document editing and will be outsourced by ADB through individual consultants, and the remaining through a consulting firm. Expertise is needed in the areas of (a) BoP enterprise identification, market studies, enterprise development and business financing; (b) banking and private equity financing and fund management; (c) BoP project coordination; (c) website development and document editing. In addition, SNV will provide 3 person-months of international and 16 person-months of national consultancy; SNV will also provide in-kind support through local SNV staff.

14. **Consulting selection:** Similar to the consultant selection method proposed in the initial TA concept³⁰, under the revised scope the firm implementing the project (i.e., 78% of total financing) will also be selected based on ADB's consultants' qualification selection (CQS) method. This implies that the first ranked firm – evaluated on the basis of the quality of an amplified and detailed "expression of interests" submitted in ADB's standard template, will be invited to submit its technical and financial proposal. There will be no cost-quality ratio determining the final selection.

15. **Costs Financing:** The total ADB grant-financed project costs over two years are estimated at \$650,000, approved under RETA No. 6518. In addition, SNV would parallel finance on a grant basis \$150,000 through for activities in Viet Nam (\$60,000), Pakistan (\$60,000), and at the regional level (\$30,000)³¹ Since a financing program with a bank and a possible private equity fund are likely to be regional or at least multi-country, and consultancy support to investigate these private sector modalities would be costly, costs for regional activities are higher. An estimated \$241,500 of the ADB financing is programmed for national activities in the

²⁹ As presently envisioned, the ADB Steering Committee will comprise at least 1 representative each from the ADB resident missions in the participating countries, PSCM, RSGS, and the three participating regional departments: CWRD, SARD, and SERD. In addition, SNV, as a partner organization, will also participate on the Steering Committee, providing 1 representative staff each from Pakistan and Vietnam, as well as an international advisor. The Steering Committee should meet at least once a year.

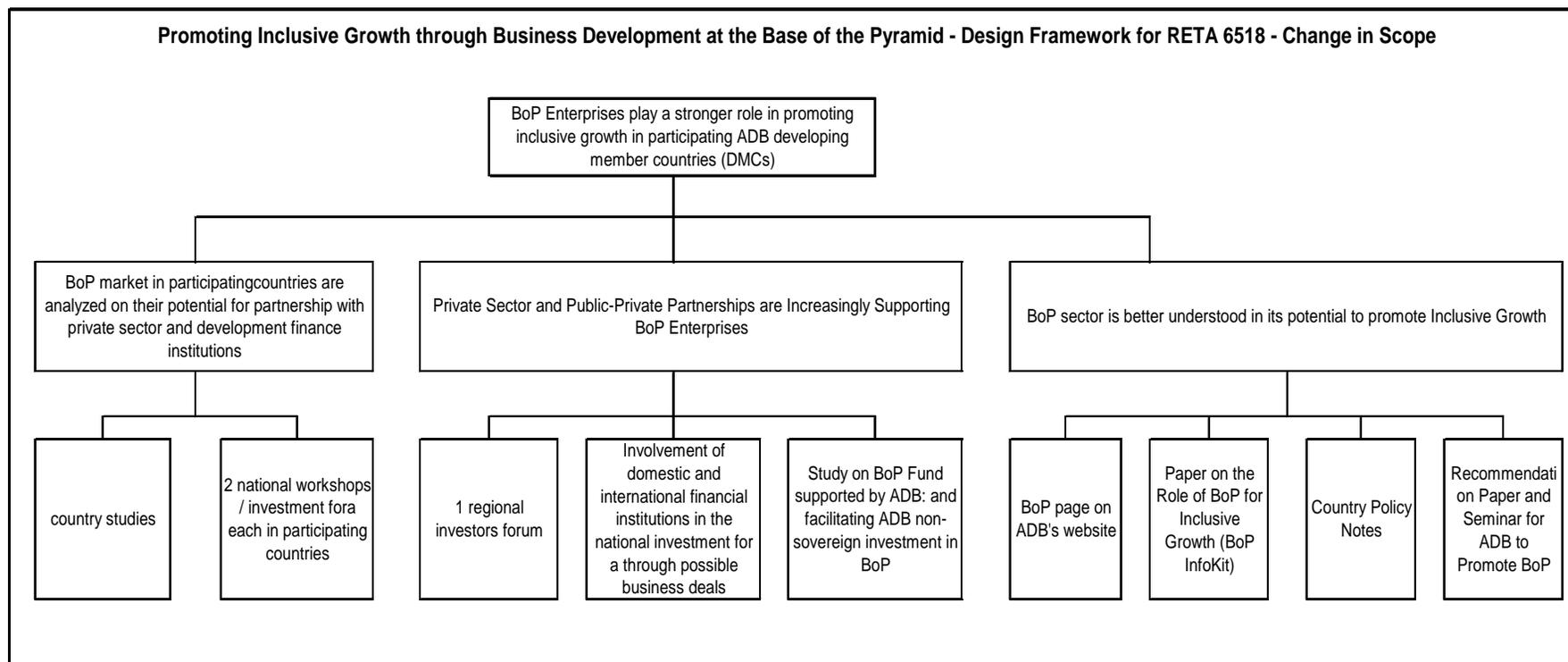
³⁰ The CQS method applies normally to small contracts of less than \$200,000. However, given the highly specialized type of capacity required for implementing the project, the narrow niche of expertise required to implement the relatively new project design, the CQS method can be used.

³¹ Conditional to clearance from the Government of Viet Nam to participate in this RETA.

six developing countries, and \$343,125 for regional activities. About 77% of the ADB financing (estimated \$502,625) will be channeled through a consulting firm, and the remaining through ADB for individual consultants (4%), publications, and other ADB support costs, as well as for contingencies (18%). From the total ADB financed costs for the consulting firm up to estimated 24% will be for the remuneration of local and 36% of international consultants, up to 16% for consultants' domestic and international travel and per diem costs, estimated 21% for four national conferences and one regional investment forum, and 3% for reporting, publications, and website development and maintenance. The detailed cost estimates appear in Appendix 4. The costs of ADB financing are detailed in Appendix 5. The difference in ADB financing between the original RETA and the revised scope is in Appendix 6. The SNV contributions are summarized in Appendix 7.

16. **Timing:** The new project will be implemented between August 2010 and July 2012. Activities in some countries such as Viet Nam can be frontloaded, as inputs are mainly coming from SNV which has established BoP structures already. The detailed time table is in Appendix 9:

SUMMARY PROJECT DESIGN FRAMEWORK



DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
<p>Impact BoP enterprises play a stronger role in promoting inclusive growth in participating DMCs</p>	<p>ADB promotes at least 2 BoP related projects in its sovereign and non-sovereign activities promoting inclusive growth</p> <p>BoP is mentioned in ADB official documents as a way to promote inclusive growth</p>	<p>Country studies and overview report of the lead consultant</p> <p>Outcome documents on national fora</p> <p>ADB's private sector operations</p> <p>ADB's strategic documents on inclusive growth</p>	<p>Assumptions Business environment in the country is conducive for the development of BOP enterprises</p> <p>Risks MNEs and SMEs decline to take risks associated with targeting the BoP market</p> <p>External and internal shocks that may further slowdown economic growth (i.e. climate change related disasters; foreign exchange fluctuations, insurgency, political instability, food crisis, etc.)</p>
<p>Outcome</p> <p>1. BoP market in six DMCs are analyzed on their potential for partnership with private sector and development finance institutions</p> <p>2. Private sector and PPP increasingly support BoP enterprises</p> <p>3. BoP sector is better understood in its potential to promote inclusive growth</p>	<p>6 mapping studies (ca, 100 enterprises each)</p> <p>6 detailed feasibility studies (case studies) with ca. 10 BoP opportunities each</p> <p>At least 20 BOP enterprises identified, profiled, and introduced to financial institutions in each DMC</p> <p>Poverty Impact analysis methodological study and 6 BoP country studies prepared</p> <p>At least five BoP business deals per country facilitated with non-ADB funding institutions through the national and regional investment fora</p>	<p>Country studies Consultant report</p> <p>ADB strategic documents on inclusive growth; private sector department's development effectiveness indicators</p>	<p>Assumptions</p> <p>Country studies are of sufficiently convincing quality for private sector investments</p> <p>Financial services is a major impediment to upscale BoP</p>

	<p>Per country at least two projects involving specific BoP components are proposed for funding by ADB</p> <p>BoP approach is integrated in ADB's strategic documents</p>		
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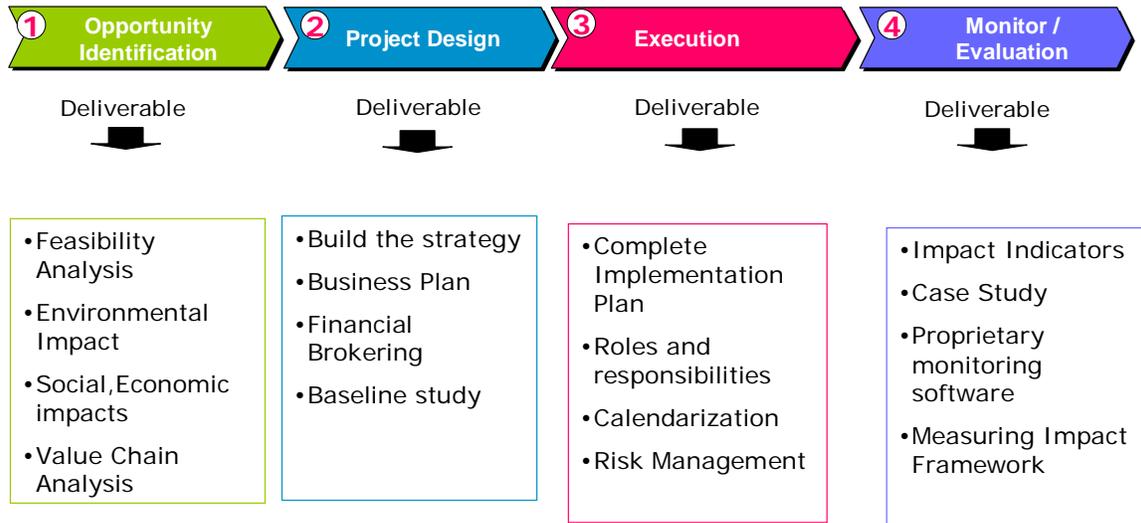
<p>Outputs</p> <p>0. BoP development effectiveness study and ex-ante poverty and inclusive growth impact analysis methodology</p> <p>1.1: 6 country studies and various feasibility studies</p> <p>1.2: 6 national investment fora (1 each in each participating DMC)</p> <p>1.3 At least 3-5 business agreements made per country</p> <p>2.1: One regional investors Forum</p> <p>2.2 Facilitation of business cooperation through participation of domestic and international financial institutions in the national investment fora</p> <p>2.3 Study on BoP Fund in ADB: and facilitating ADB non-sovereign investment in BoP</p> <p>3.1 BoP website in ADB</p> <p>3.2 Paper on the Role of BoP for Inclusive Growth (BoP InfoKit)</p>	<p>1.1.1 Initial drafts of the country studies prepared within nine months of project implementation providing baseline information on BOP enterprises and market in the DMCs.</p> <p>1.3.1 At least 15 representatives of government and financial institutions participate in the national fora.</p> <p>2.1.1 Regional investment forum is attended by at least 100 persons, including at least 30 representatives of BOP enterprises, 15 from financial institutions, 15 from relevant government agencies, and 10 from civil society organizations, and academe.</p> <p>2.2.1 At least 5 business agreements per country are made</p> <p>2.3.1 Study found relevant in ADB and made useful suggestions for implementation</p>	<p>Country studies Consultant reports Outcome documents Technical assistance performance report</p>	<p>Assumptions</p> <p>Local experts on BOP are available in each DMC and are willing to work on the country studies</p> <p>Timely recruitment of consultants</p> <p>Representatives from the government, financial institutions support the concept of BOP approach</p>
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3.3 Country Policy Notes	2.3.2 ADB prepares setting up BoP investment fund		
3.4 Recommendation Paper and Seminar for ADB to Promote BoP	3.1.1 The BOP page on ADB's website is developed within three months of project implementation and updated monthly.		

<p>Activities with Milestones (Aug 2010 – July 2012)</p> <p>1.1 BoP development effectiveness report and ex-ante Poverty Impact and Inclusive Growth Assessment methodology</p> <p>1.2 Preparation and submission of initial draft of country studies (Dec 2010 to March 2011);</p> <p>1.3 Preparation and submission of feasibility studies (March-June 2011)</p> <p>1.4 Conduct first set of national workshops/investment fora (mid 2011);</p> <p>2.1 Conduct regional investors forum (Sept 2011)</p> <p>2.2. Preparation and finalization of a study on the feasibility of a BOP fund in ADB (Sept 2011)</p> <p>3.1. Development of BOP webpage (Dec 2010); updating monthly</p> <p>3.2. Publication of the paper on the role of BOP for inclusive growth (end 2011)</p> <p>3.3 Preparation of country policy notes (mid 2011)</p> <p>3.4 Preparation of a recommendation paper on BOP (end 2011) and dissemination at a final BoP seminar in ADB (early 2012)</p>	<p>Inputs</p> <p>ADB TASF financing of \$650,000 for consultants to do studies and for the national and regional fora; ADB staff time for TA supervision and implementation.</p> <p>SNV staff support and parallel financing of \$150,000.</p>
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ADB= Asian Development Bank; BOP= Base of the Pyramid; DMC= developing member country; TA= technical assistance; TASF= technical assistance special fund

INCLUSIVE BUSINESS: Four steps and deliverables



Appendix 4a

OUPUT BASED COST ESTIMATES FOR ADB AND SNV

outputs and activities		ADB		SNV	
		person-months	costs (USD)	person-months	costs (USD)
Enterprise identification and development (country mapping and feasibility studies)			144,000		72,200
	remuneration	26.0	130,000	12.0	66,600
	travel costs for local consultants		14,000		5,600
Investment facilitation			355,625		72,800
Addressing financial constraints			186,850		45,000
study on BoP Investment Fund (private sector investment fund specialist)			79,850		0
	Remuneration		42,500		0
	Travel costs (1 regional investment forum, 1 consultation mission with ADB, 6 countries)		37,350		0
	national investment fora		32,000		20,000
	regional investment forum (in partnership with selective institutions operating in Asia)		75,000		25,000
alignment with PS orientation in Strategy 2020 (teamleader for ADB component)			168,775		0
	remuneration	8.0	136,000		0
	Travel costs		32,775		0
role of the private sector for inclusive growth in Viet Nam and Pakistan (teamleader SNV)			0		14,200
	remuneration		0	3.0	6,800
	Travel costs		0		7,400
Knowledge dissemination			31,000		5,000
	country policy notes (publication costs)	1.0	10,000		5,000
	distribute infokit on "BoP enterprises in Asia" (editing and publication costs)		15,000		0
	website content development and updating	3.0	6,000		0
Miscellaneous TA Administration Costs			70,000		0
	ADB resource persons (travel costs)		70,000		0
	regional investment forum	4.0	36,000		0
	national investment fora		34,000		0
Contingencies			49,375		0
Total			650,000		150,000

Appendix 4b

Overview of Input Costs and Financing Plan (USD)	
Item	costs
Asian Development Bank Financing ^{a)}	650,000
1. Consultants	
a. Remuneration	
i. International Consultants	188,500
ii. National Consultants	136,000
b. Travel and Per Diem	
i. International Consultants	70,125
ii. National Consultants	14,000
c. Reports ^{b)}	15,000
2. Training, Seminars, Conferences, Workshops	
a. Seminar Costs and Resource Persons	107,000
b. ADB Resource Persons	70,000
3. Contingencies	49,375
SNV Financing ^{c)}	150,000
consultants' remuneration	87,000
consultants' travel	13,000
country workshops	20,000
regional activities	30,000
Total	800,000
a) Financed by the Asian Development Bank's technical assistance funding program	
b) Includes reproduction and publication costs	
c) Parallel financed by the Dutch development organization SNV	
Source: Asian Development Bank and SNV estimates	

Appendix 5

Allocation of ADB-financed inputs

Implementation of ADB financing (USD)						
				consulting firm	individual consultants	ADB
Enterprise identification and development (country mapping and feasibility studies)				131,000	13,000	
Investment facilitation						
	study on BoP Investment Fund (private sector investment fund specialist)			79,850		
	national investment fora			32,000		
	regional investment forum (in partnership with selective institutions operating in Asia)			75,000		
	alignment with PS orientation in Strategy 2020 (teamleader for ADB component)			168,775		
	role of the private sector for inclusive growth in Viet Nam and Pakistan (teamleader SNV)					
Knowledge dissemination						
	country policy notes (publication costs)			10,000		
	distribute infokit on "BoP enterprises in Asia" (editing and publication costs)				15,000	
	website content development and updating			6,000		
Miscellaneous TA Administration Costs						70,000
Contingencies						49,375
Total				502,625	28,000	119,375
					650,000	
				77.3%	4.3%	18.4%

Appendix 6

Comparison of Cost Estimates				
	original scope (approved on 18 Dec 2008)		Major change of scope (May 2010)	
	person months	USD	person months	USD
ADB Financing	60	650,000	46	650,000
consultants				
remuneration				
international	10	215,000	13	188,500
local	50	125,000	33	136,000
travel and per diem		30,000		
international consultants				70,125
local consultants				14,000
reports		35,000		15,000
training, seminars, conference, workshops		150,000		
seminar costs and resource persons				107,000
ADB resource persons				70,000
miscellaneous, admin, support costs		25,000		0
contingencies		70,000		49,375
Parallel Co-financing (through SNV)		0		150,000
activities in Vietnam				60,000
activities in Pakistan				60,000
regional activities				30,000
Total		650,000		800,000

SNV Contribution (parallel financed)				
	persons	USD/day	days	total (USD)
Consultants				100,000
Remuneration				87,000
project manager	1	340	60	20,400
local consultant (Saigon)	1	185	180	33,300
local consultant (Pakistan)	1	185	180	33,300
Travel				13,000
project manager				7,400
local consultant (Saigon)				2,800
local consultant (Pakistan)				2,800
Workshops				20,000
national workshop Viet Nam				10,000
national workshop Pakistan				10,000
Regional knowledge development				30,000
participants costs for regional investment forum				15,000
resource persons				10,000
publication costs and websites				5,000
Total				150,000

CONCEPT NOTE
ENSURING DEVELOPMENT IMPACT OF PRIVATE-SECTOR INVESTMENTS IN VIET NAM A PILOT PROJECT
<p>Executive Summary</p> <p>There is broad agreement that private-sector growth is a powerful tool in the global fight against poverty. The private sector is the engine that powers sustainable economic development in virtually all countries, and private-sector investment in development activities dwarfs government investment levels.</p> <p>Yet it is the better-off economically who generally benefits from private-sector investments. To help guide more private-sector investments towards activities that benefit the poor, organizations such as ADB and IFC have become active in supplying capital through various on-lending schemes and private-equity funds.</p> <p>However, the effective conveyance of capital to stimulate private-sector growth that benefits the poor has been a challenging proposition for donors and development organizations. There are concerns from donors and financial institutions that their capital infusions have not achieved the desired poverty reduction impact on the ground.</p> <p>SNV's strategy is designed to ensure and enhance the impact of ADB-PSOD Group interventions that are directed at private-sector development and thereby contribute to the overarching goals of economic growth and poverty reduction.</p> <p>This proposal is based upon the premise that a marriage between the SNV Inclusive Business Model and a private-equity fund will provide efficiencies in identifying, supporting and monitoring private-sector organizations that are committed to participating in activities that include lower-income people in the value chain. This is not philanthropic activity for the companies. This inclusion is "good business" that will increase profitability and sustainability for the companies while creating economic opportunities for lower-income segments of the community. The model is equally applicable for on-lending loan offerings as it is for private equity. For the purpose of scaling up, it is important to know that the mechanism can be modified to function in both debt and equity environments.</p> <p>The Inclusive Business model is the result of a 2006 alliance between the World Business Council for Sustainable Development and SNV to develop sustainable options for poverty alleviation through private-sector involvement.</p> <p>Partnering the SNV Inclusive Business Model provides a seamless, bundled package of support services that add value by:</p> <ol style="list-style-type: none"> 1. Ensuring the focus remains centred on private-sector stimulus that is commercially viable and benefits lower income segments. 2. Improving the due diligence process through adding an additional layer of screening with a development focus that emphasizes environmental, developmental, economic and social impacts.

3. Improving monitoring and evaluation efficiencies by overlaying the proprietary SNV M&E system that measures developmental impact.
4. Providing a mechanism to incentivize, compel and support private-sector companies to form commercially viable linkages with the lower income segments.
5. Mitigating the risk of “style drift”. i.e., the risk that fund managers will move away from pre-approved donor investment concepts after receiving seed capital.

The elegance of this solution is that it ensures the development impact of private-sector investments by utilizing a pre-existing, tested, successful model for including the poor in the value chain of private companies. There is no need to “reinvent the wheel” for this initiative as the processes inherent in the SNV Inclusive Business Model are mature and align well to address existing inefficiencies in private-sector interventions.

This pilot project expects to initially provide support to 10 “anchor” companies whose Inclusive Business activities will in turn directly benefit 25,000 community members from the bottom of the pyramid. Impact includes jobs creation and participation in the corporate value chain as suppliers, distributors, consumers and marketers.

This activity fits well with the ADB Country Strategy that emphasizes “pro-poor business-led economic growth, social equity and balanced development and creating an enabling environment for private-sector development. Moreover, it has a clear alignment with the Vietnamese government’s SEDP by focusing on sustainable growth, inclusive development and good governance.

The initial contribution is \$20 million to seed the private-equity fund or on-lending organization and an additional \$1.35 million in technical assistance, project implementation and monitoring & evaluation of the Inclusive Business Model. Additionally, SNV will receive a portion of the fund management fee of 50 to 100 basis points per year.

It is important to recognize that this is a pilot project with three-five year duration. For the project to be scalable, it must be expanded to the region. This offering will look to identify ancillary donors to co-finance the expansion of this fund to the GMS region.

Background & Concept

“No country or region in the world has ever successfully reduced poverty in a non-growth environment.” -- World Bank 2008

It is easy to say that private-sector development is the engine of growth essential for poverty reduction. Facilitating and supporting the private sector to engage with the poor, however, has proven to be an elusive target. The purpose of this project is to make that target easier to hit.

The project will create a commercially viable path for facilitating effective private-sector investment in pro-poor value chains. This project will establish a mechanism to ensure that capital conveyed to local financial intermediaries is utilized in a manner that has measurable and clear development impacts.

Building on the concept that organizations should do what they do best, this project lets private-sector companies focus on their mandate to earn profits for investors, while SNV provides the development focus and helps companies to plan, execute and monitor their engagement with the poor.

Aspirations and Vision of ADB-PSOD

ADB strongly believes that money is not its core product, but believes it can offer something far more strategic and important than money alone. This critically important element is now known as private sector development.

Through private sector financings, ADB's Private Sector Operations Department (PSOD) selectively invests in private sector activities that help develop the countries in which they operate as well as impact the people's lives. By creating a business-friendly environment and promoting the efficient use of resources, the private sector accelerates development to reduce poverty.

A key PSOD sectorial focus is on “Financial Services and Capital Markets” to assist private financial intermediaries such as banks, nonbank financial institutions and funds to provide the necessary support for underserved segments and selected thematic purposes.

For any projects to be funded, PSOD must be satisfied that any proposed project:

- i. Is prima facie technically, economically, socially, and financially viable;
- ii. Needs ADB to play a catalytic role in developing and financing the project; and
- iii. Supports ADB's strategy in the country or region where the project is located.

As an important ADB requirement, PSOD ensures maximized development impacts in its private sector operations and a demonstration effect in its projects. More importantly, these impacts can be observed qualitatively in areas that people understand the most: (1) Job Creation; (2) Skills Training and Management Development; (3) Growth in Upstream and Downstream Businesses; (4) Transfer of Technology and Sound Business Practices; (5) Social Development Through the Provision of Social Services; (6) Environmental Protection; (7) Expanded Financing Options; (8) Sound Corporate Governance.

Introducing The SNV Inclusive Business Model

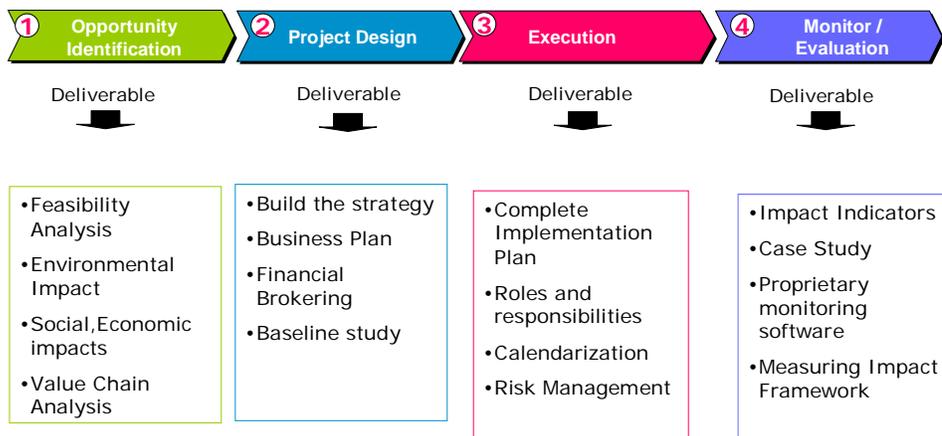
The project blends SNV's Inclusive Business Model with a financial intermediary, such as a private-equity fund or an on-lending organization. The Inclusive Business Model overlay can function in both debt and equity environments.

SNV's Inclusive Business Model is the result of a 2006 alliance between the World Business Council for Sustainable Development and SNV to develop sustainable options for poverty alleviation through private-sector involvement. The SNV Inclusive Business Model has proven that it can be financially and socially rewarding to engage the poor in value chains. The Inclusive Business Model aims for nothing less than changing the way industry views engagement with the poor. That is, shifting the mentality from "it's expensive to work the poor into the value chain" to one that sees the profit potential in including them and realizes it is even riskier not to include them.

SNV Inclusive Business Model is not a charitable or philanthropic activity. It is neither a quick fix nor a wholesale operation. It is, rather, a comprehensive set of specific activities to unlock opportunities for inclusive growth unique to the situation of each company. Each featured company requires the development of a specialized solution set that allows it to succeed in its local context according to its unique corporate objectives.

SNV's Inclusive Business Model has four steps each with specific deliverables.

INCLUSIVE BUSINESS: Four steps and deliverables



The SNV Inclusive Business Model has the capacity to ensure:

- Medium and Large Companies due diligence during the investment screening process for environmental, developmental, economic and social impacts.
- A focus on development impact and financial return with monitoring and evaluation system to measure development impact for target companies.
- Medium and Large companies engage lower income segments for corporate

profit, employment, economic benefits, and poverty reduction.

What SNV proposes, is to combine its Inclusive Business Model with a financial intermediary to strengthen three critical steps in the investment conveyance process: (1) due diligence; (2) corporate governance; and (3) monitoring and evaluation for development impact.

This is far from the first effort to amplify the development benefits of the private-sector. Past approaches often sought to have investment firms overlay a social focus on their investment decisions. This led to conflicts of interest for fund managers, and their portfolio investments tended to drift back to what they know best—"style drifting". It is a particular challenge for most investment fund managers to add hard-to-quantify variables such as social and environmental factors to their investment decision-making algorithm. In the end, a fund's investments often had a tenuous connection to development. The other side of the coin has development organizations trying to manage investments, which also has a poor record of success.

SNV's Inclusive Business Model will provide support at each stage of the investment process. During the opportunity identification stage, the Inclusive Business Model provides an additional due diligence filter to ensure that the private sector has adequate capacity and share the Inclusive Business vision. This vision recognizes that it is profitable, sustainable and makes good business sense to involve the poor in appropriate links of the value chain.

During the execution stage, post-investment technical support by SNV advisors provides target companies with a business strategy for profitably including the bottom of the pyramid in SME activities. For poor communities, this translates into increased opportunities from jobs creation, commodity supply, distribution and marketing.

Furthermore, the monitoring and evaluation stage will use SNV's Inclusive Business Model proprietary tool to evaluate activities from a developmental perspective. This will augment the traditional financial monitoring by the company and the financial intermediary.

This activity fits well with the ADB Country Strategy that emphasizes "pro-poor business-led economic growth, social equity and balanced development" and creating an enabling environment for private-sector development. Moreover, it has a clear alignment with the Vietnamese government's SEDP by focusing on sustainable growth, inclusive development and good governance.

Project Details

Problem/Issues

This project addresses the problem of private-sector capital conveyances having limited impact on the poor. This is a result of variety of factors including, weak monitoring and evaluation controls, style drift post-investment and limited emphasis on development impacts by financial intermediaries and investee companies.

Project activities aim to raise the overall effectiveness of private sector capital injections by providing a mechanism that ensures development focus of private sector activities, improves due diligence on the front end, and provides a suite of monitoring and evaluation techniques on the back end.

Goal and Objectives

The overall goal of this program is to help alleviate poverty by ensuring that private-sector investments have a development focus that benefits the poor.

Objective 1 – Due Diligence

This will improve the due diligence process of the financial intermediary by providing a mechanism that adds a layer of screening for likely environmental, developmental, economic and social impacts. This screening process includes action research, surveys of staff, and a signed pledge by the company. The additional screening ensures that the financial intermediary funnels its investments to companies whose activities have positive environmental, developmental, economic and social impacts.

Objective 2 – Post Investment Assistance or “After Care”

This will enhance the effectiveness of post-technical assistance for fund management. Post-technical assistance usually comprises advice on business strategy, accounting principles, and financial systems management/reporting. However, using the Inclusive Business Model completely refocuses post-investment support to concentrate on including the bottom of the pyramid into the corporate value chain. In the Inclusive Business Model, “after care,” ensures that companies keep their pledge to follow the inclusive business approach.

Objective 3 – Monitoring and Evaluation

This will enhance the quality and scope of the traditional monitoring and evaluation process as performed by the financial intermediary. The Inclusive Business Model utilizes a proprietary M&E system that evaluates impacts from a developmental perspective.

Within the proposed project lies simplicity and synergy. Simplicity is associated with the bundling of an existing Inclusive Business Model and a financial intermediary. Synergy comes from the four steps of the Inclusive Business that ensure the development focus and impact of the capital. Each of the stages strengthens and focuses the processes used by the financial intermediary during its due diligence, after care, and monitoring and evaluation. These stages and their corresponding relevance to the private-sector investment process are:

1. Opportunity identification. This stage of the Inclusive Business process bolsters the due diligence process by extending the research to include company specific VCA's and development of public-private partnerships. It includes:
 - Exploratory study to identify opportunities areas for value added
 - Value Chain Analysis
 - Due diligence
 - Deal making
 - Market mapping
2. Project design. This is consistent with the post-technical assistance or “after care” as provided by financial organizations. However, this approach extends the effort beyond the normal post-investment technical assistance provide by investment companies. The Inclusive Business Model will include in the scope of its work, the critical aspects of providing advice on appropriate business strategies, performing baseline surveys, and marketing plans with a clear development focus.
3. Execution. In this stage, SNV supports the company to implement their

Inclusive Business strategy. This includes the provision of a detailed workplan with timing, milestones, roles and responsibilities. Moreover, SNV helps to identify and mitigate the risks of engaging with the poor in the value chain.

4. Monitoring and evaluation. This stage aligns with M&E as performed by the financial intermediary. The Inclusive Business' proprietary software and methodology enables the company, the financial intermediary, and ADB to understand the specific impact of their activities on development and corporate profitability.

It is an intuitive and logical solution to plug the pre-existing SNV Inclusive Business Model into the private-sector capital conveyance process. The four steps of the SNV Inclusive Business process fits well with the traditional fund management process to provide an innovative new product that focuses on providing support to those companies that share the vision that the inclusion of the poor in the value chain of private companies is simply good business.

The project will first invest in companies whose activities can bring direct and indirect benefits to the poor. This is a pilot project with the goal of expansion within the region. Scaling up is both expected and necessary for such a fund to be viable in the longer term. For the purposes of scalability, this approach can be applied in either a private-equity fund or an on-lending scenario. Scaling up to a regional basis increases the outreach and impact numbers but, perhaps more importantly, it also increases the potential to identify attractive companies in which to invest.

It is anticipated that in the pilot phase, the fund portfolio will consist of approximately 10 companies. Based upon past experience, overlaying the Inclusive Business Model should allow this initiative to directly impact approximately 25,000 community members at the bottom of the pyramid.

Budget

Over the tentative 3-5 year period, the initial contribution is \$20 million to seed the private-equity fund and an additional US\$1.35 million in technical assistance, project implementation and monitoring & evaluation of the Inclusive Business Model. Additionally, SNV will receive a portion of the investment management fee of 50 basis points per year.

This offering will look to identify ancillary donors to co-finance the expansion of this fund to the GSM region. Critical mass, whereby companies spontaneously seek out the fund, is expected at around \$100 million.

This project has tentatively a three-five year duration, including the first year on an initial pilot basis with 10 companies before full project roll-out.

Partners - Organizational Capacity/Relevant Experience

Profiles of 3 Potential Financial Intermediaries

Saigon Thuong Tin Commercial Joint Stock Bank or Sacombank

www.sacombank.com.vn

Sacombank, headquartered in Ho Chi Minh City, commenced its operations in December 1991. It was the first bank to list on the Ho Chi Minh City stock exchange in 2006, where it is the largest listed firm. The bank is the fifth largest by registered capital and the sixth largest by assets, with a 5% market share by asset size in December 2007. Sacombank has three strategic foreign shareholders: ANZ, IFC, and Dragon Capital.

Retail banking is conducted through a network of 238 branches and transaction offices nationwide. The bank opened a representative office in Nanning, People's Republic of China, a branch in the Lao People's Democratic Republic and a branch in Cambodia. Sacombank employed about 5,500 professional staff at the end of 2007. Total assets reached VND63.3 trillion (\$3.9 billion) and equity amounted to VND4.4 trillion (\$275 million) in December 2007.

Sacombank offers a full range of banking services, including deposit taking in dong and foreign currencies (primarily US dollars), lending, trade finance, guarantees, treasury services, and credit card and payment services across all market segments.

Dragon Capital (<http://www.dragoncapital.com>)

Established in 1994 from an initial base of \$16 million and eight staff, Dragon Capital in August 2009 managed \$1.5 billion with a headcount in excess of 100. With offices in Ho Chi Minh City, Hanoi (registered with Vietnam's SEC), and in the United Kingdom (regulated by the FSA), Dragon Capital's foreign and Vietnamese professionals cover all significant markets and sectors (public and private equity, fixed income, resources, property, clean development, and infrastructure); and all required skill sets (client service, economics, investment modelling, origination, legal, mid-office, valuation and governance). The Company is owned 85% by management and staff, with the balance held by the World Bank's IFC, and the French Government's development finance entity, Proparco.

Saigon Asset Management (<http://www.saigonam.com>)

Established in 2007, Saigon Asset Management (SAM) is the investment manager for Vietnam Equity Holding (VEH) and Vietnam Property Holding (VPH), which are both Cayman Islands investment funds listed on the Frankfurt Stock Exchange and Xetra. Assets under SAM's management are approximately \$125m, including listed securities, private equity, and real estate assets.

VinaCapital (<http://www.vinacapital.com>)

VinaCapital Group is the leading asset management, investment banking and real estate consulting firm in Vietnam. The Group has unrivalled experience in the Vietnamese market, with a team of managing directors who bring over 50 years of combined local experience to the firm. VinaCapital Group was founded in 2003 and has grown from a single \$10 million fund into a diversified investment firm with almost US\$2 billion in assets under management.

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Proposed Time Table

Proposed Time Table for Project Implementation							
	Bangladesh	India	Indonesia	Pakistan (SNV + ADB)	Philippines	Viet Nam (SNV + ADB)	regional activities
start of implementation	Aug-10	Aug-10	Aug-10	Aug-10	Aug-10	May-10	Aug-10
impact assessment methodology							Oct-10
mapping study	Dec-10	Dec-10	Dec-10	Dec-10	Dec-10	Oct-10	
feasibility studies	Mar-11	Mar-11	Mar-11	Mar-11	Mar-11	Nov-10	
investment seminar / regional investment forum	Jul-11	Jul-11	Aug-11	Sep-11	Oct-11	Dec-10	Nov-11
investment opportunities / country funds	Jul-11	Jul-11	Jul-11	Jul-11	Jul-11	Jul-11	
website							Dec-10
initial proposal for investment fund							Dec-11
setting up the fund							Mar-12
mid term review							May-11
final report				Jun-12		Jun-12	Jul-12