

**CORPORATE LEADERS PROGRAM FOR DEVELOPMENT OF BASE OF THE PYRAMID
BUSINESS MODELS IN LATIN AMERICA AND THE CARIBBEAN**

RG-T2481

CERTIFICATION

I hereby certify that this operation was approved for financing under the Korea Poverty Reduction Fund (KPR) through a communication dated June 12, 2014 and signed by Mr. Suyeong Yu, Director of the International Bureau, Ministry of Strategy and Finance of the Republic of Korea. Also, I certify that resources from said fund are available for up to US\$300,000 in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of four (4) calendar months counted from the date of eligibility from the funding source. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this operation. Amounts greater than the certified amount, may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

Sonia M. Rivera
Chief
Grants and Co-financing Management Unit
ORP/GCM

Date

APPROVAL

Approved:

Ros Luiz
Sector Manager
Opportunities for the Majority Sector
OMJ

Date

TC Document

Corporate Leaders Program for Development of Base of the Pyramid Business Models in Latin America and the Caribbean

I. Basic Information for TC

▪ Country/Region:	Regional
▪ TC Name:	Corporate Leaders Program for Development of Base of the Pyramid Business Models in Latin America and the Caribbean
▪ TC Number:	RG-T2481
▪ Team Leader/Members:	Maria Lourdes Gallardo (OMJ/OMJ), Team Leader; Eunjin Kim (OMJ/OMJ); Monica Fernandez (OMJ/OMJ); Ana Silva (OMJ/OMJ)
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination	Research & Dissemination ✓
▪ Date of TC Abstract authorization:	June 12, 2014
▪ Beneficiary:	Companies interested in implementing Base of the Pyramid (BoP) Business Models in LAC
▪ Executing Agency and contact name	Inter-American Development Bank, OMJ (IDB)
▪ Donors providing funding:	IDB – Korean Poverty Reduction Fund
▪ IDB Funding Requested:	US\$ 300,000 (Korean Poverty Reduction Fund) ✓
▪ Local counterpart funding, if any:	US\$ 60,000 (Private Firms) ✓
▪ Disbursement period:	18 months
▪ Required start date:	September 2014
▪ Types of consultants (firm or individual consultants):	Firm and individual consultants
▪ Prepared by Unit:	OMJ
▪ Unit of Disbursement Responsibility:	OMJ
▪ TC Included in Country Strategy (y/n):	N/A
▪ TC included in CPD (y/n):	N/A
▪ GCI-9 Sector Priority:	Mentioned under 2.1.(h) Competitive Regional & Global International Integration

II. Objectives and Justification of the TC

- 2.1 The majority of the population in Latin America and the Caribbean (LAC), living on low incomes and disconnected from mainstream markets, lack access to basic goods and services, and more importantly to economic opportunities that will help them meet the challenges of poverty. In recent years, the private sector in the region has demonstrated that they can meet the needs of the Base of the Pyramid (BoP) population and generate new economic opportunities for them by rapidly responding to incentives of the untapped markets and adopting innovative business models exclusively targeting the BoP population. Recently, a number of Korean companies, recognized for their drive for innovation and interest in social responsibility, have also expressed their willingness to go down market in the LAC region by developing base of the pyramid (BoP) business models. Engaging low-income markets in productive activities, however, poses extraordinary challenges for companies. The objective of the project is to address such challenges and provide support for these companies in the development of market-based business models in areas of high development

impact for low-income communities through the Corporate Leaders Program ("CLP" or the "Program").

- 2.2 BoP Business models are those that target specifically the base of the pyramid¹ as an end user or as part of their value chain. The BoP is a segment that has been history been underserved, and that requires solutions to meet their needs which will help them to not only improve their living standards but also their capacity to develop. At the same time this segment of the population represents a huge opportunity for companies to access, which has been estimated to be of approximately USD 5 trillion worldwide.
- 2.3 Today, companies around the world are designing economically sustainable and innovative business models that target the BoP, and that are in a wide range of sectors. Some of these include: housing, education, health, financial services, agriculture, energy, infrastructure, among others. These business models often have some similarities in them in the sense that they products and services must be affordable to the BoP. They often do this through innovation, using existing channels of distribution, and more recently with the use of technology such as mobile communication or broadband.
- 2.4 This technical cooperation will support the preparation and implementation of the Corporate Leaders Program. The program will strengthen the efforts of the Opportunities for the Majority initiative in promoting and disseminating private sector business models that develop and deliver quality products and services and enable low-income producers and consumers to participate in the market economy. The program complies with Section 2.23 of GN-2470-2 since the proposed activities are consistent with the Bank's regional program and strategy. It is also in line with GCI-9 Sector Priorities (2.1.(h) Competitive Regional & Global International Integration).
- 2.5 This technical cooperation is consistent with the Korea Poverty Reduction Fund areas²:
 - a. Identification, design, implementation and evaluation of projects for the improvement of income, living conditions and access to social services by those under extreme poverty conditions and other poor populations; and,
 - g. Regional projects and activities that promote the dissemination of best practices and lessons learned in the thematic areas covered by the Fund, hence allowing the exchange of experiences between countries.

III. Description of activities/components and budget

- 3.1 This technical cooperation will support the preparation and implementation of the Korean Corporate Leaders Program, a competitive mentoring program to promote and facilitate the development of scalable BoP business models by participating Korean companies to be implemented in LAC. Additionally, the program will contribute to position the IDB as the partner of choice for financing the downstream implementation of these new ventures.
- 3.2 ***Component 1. BoP Business and Immersion Workshop, Selection of CLP participants:*** The objective of this component is to help Korean companies that are ready or interested in entering the LAC market better understand BoP in LAC. It will also provide companies with more customized knowledge of the BoP.
 - 3.2.1 Activity 1: A workshop on BoP Business will be held in Seoul in partnership with the Federation of Korean Industries (FKI)/ the World Business Council for Sustainable

¹ The Base of the Pyramid (BoP) is defined as those with a daily per capita income that is up to US\$10 in 2005 PPP (Purchasing Power Parity).

² "Agreement between the Government of the Republic of Korea and the Inter-American Development Bank regarding the establishment of the Korea Poverty Reduction Fund." July 27, 2005.

Development (WBCSD) Korea Chapter, through which companies will learn about BoP in LAC, current BoP market trends, and possible business opportunities for them.

3.2.2 Activity 2: Request for Proposal (RFP) will be announced at the BoP Business Workshop. Companies will be encouraged to submit short (2-3 pages) proposals to be considered as candidates for the CLP.

3.2.3 Activity 3: Based on the proposals submitted, up to three companies will be selected to participate in CLP.

3.2.4 Activity 4: Through an immersion workshop, companies will learn more about BoP population and market including sector demand, and will be introduced to state-of-the-art BoP business models.

3.3 **Component 2. Individualized Technical Assistance & Mentoring**: The objective of this component is to support companies participating in the CLP to develop full business plans to increase the access to goods and services or income enhancement opportunities for the BoP population in LAC. The result of this component will be a number of projects, targeting the BoP, which are financially and technically viable, and could potentially qualify for financing from IDB. It is expected that the sponsors of these projects would be Korean companies participating in the CLP.

3.3.1 Activity 1: Companies will gain access to technical advice and mentoring from the IDB and a consulting firm. This activity will take place over a period of six months.

3.4 **Component 3. Public Recognition and Dissemination Events**: In order to maximize the dissemination to the public of accomplishments of the CLP and to raise awareness of BoP business models, IDB will host dissemination workshops at the 2015 IDB Annual Meeting in Korean during the LAC-Korean Business Forum and at the 3rd Base Forum, which will be held in Mexico City in June 2015.

3.4.1 Activity 1: At the dissemination workshop, companies will have an opportunity to present their BoP strategies and receive feedback from peers from the region.

3.4.2 Activity 2: Korean contribution to the program and BoP in LAC through partnership with OMJ will be highlighted, which is expected to inspire more companies outside of the LAC region to go down market to serve the BoP population in LAC.

3.5 **Component 4. Project Management**: This component will consist of the following: (i) Preparation of Request for Proposal (RFP) and application package, (ii) Evaluation of proposals and selection of companies, (iii) Design and development of workshops, (iv) Preparation of Terms of Reference (ToR) for consultants and monitoring performance of consultants, (v) Design of the dissemination event, (vi) Communication with Korean counterparts and consultants, and (vii) Evaluation.

3.6 **Expected Results**: The program will further raise awareness of BoP business models among many companies inside and outside of the LAC region. It will assist selected companies to generate and refine specific BoP business concepts suitable to their needs and those of their stakeholders in BoP markets. The program will also help participating companies forge close partnerships with IDB and improve their access to the Bank's OMJ expertise and financing.

Indicative Results Matrix

Component	Outcome	Measurement Unit	Baseline	Target	Output	Means of Verification
Component 1: BoP Business and Immersion Workshop, Selection of CLP participants	The objective of this component is to help Korean companies that are ready or interested in entering the LAC market better understand BoP in LAC. It will also provide companies with more customized knowledge of the BoP.	# of workshops	0	2	An introductory workshop in Seoul will be conducted with companies from Korea to promote BoP business models. An immersion workshops will follow for companies selected through the RFP.	Consultant's report for outputs of Component 1.
		# of companies selected for CLP	0	3		
Component 2: Individualized Technical Assistance & Mentoring	The objective of this component is to support companies participating in the CLP to develop full business plans for their BoP business ideas. The result of this component will be a number of BoP business ideas that are financially and technically viable, and possibly eligible for financing from IDB.	# of new business models developed through CLP	0	3	Three documented business models.	Consultant's final report on services rendered.
Component 3: Public Recognition and Dissemination Events	In order to maximize the dissemination to the public of accomplishments of the CLP and to raise awareness of BoP business models, IDB will host dissemination workshops at the 2015 IDB Annual Meeting in Korea and at the 3rd Base Forum, which will be held in Mexico City in June 2015.	# of Workshops at 2015 IDB Annual Meeting- LAC Korea Business Forum	0	1	Two dissemination workshops specified.	Consultant's report for outputs of TC.
		# of Workshops at III Base Forum	0	1		

3.7 The cost of the proposed TC that would be financed by a Trust Fund amounts to US\$300,000. The total cost of the TC is US\$360,000, including a US\$60,000 local counterpart contribution from participating companies. The table below presents a detailed summary of the budget.

Indicative Budget						
Component	Description	Activities	Cost (US\$)	IDB/Fund Funding (US\$)	Counterpart Funding (US\$)	Total Funding (US\$)
1	BoP Business and Immersion Workshop, Selection of CLP participants	i. Workshop in Seoul: 1. Consultants: a. Preparation: US\$ 20,000 b. Workshop: US\$ 50,000 2. Travel Expenses: US\$ 20,000	90,000	90,000	-	90,000
		ii. Selection of CLP Participants: OMJ	-			
2	Individualized Technical Assistance & Mentoring	i. Technical Assistance: US\$ 15,000 for each company (3 companies)	45,000	60,000	60,000	120,000
		ii. Mentoring	75,000			
3	Public Recognition and Dissemination Events	i. Workshop 2015 IDB Annual Meeting Korea	40,000	80,000	-	80,000
		ii. Workshop BASE III Forum Mexico	40,000			
4	Project Management	i. Administrative Costs	50,000	70,000	-	70,000
		ii. Traveling expenses	20,000			
			360,000	300,000 ✓	60,000	360,000
TOTAL						

IV. Executing agency and execution structure

- 4.1 The executing agency will be the Inter-American Development, through Opportunities for the Majority Division (OMJ/OMJ). The Opportunities for the Majority Initiative is the only operational window within a multilateral development bank with an exclusive focus on the BoP. Since its creation at the IDB in 2007, it is widely recognized for its convening authority as well as its knowledge in this area. Given the different nature of the components of the TC and hence the different consulting requirements, OMJ will be the Executing Agency. The Bank will carry out the selection and hiring of the consulting services necessary for this TC, specifically in component 2. Furthermore, since the expectation is that the TC would generate projects that could be potentially financed by OMJ, having the latter as the Executing Agency would ensure alignment of the TC participants with OMJ eligibility criteria.
- 4.2 OMJ/OMJ will have the responsibility for the implementation and monitoring of the project. Maria Lourdes Gallardo (Email: mgallardo@iadb.org, Phone: 202-623-1821), Opportunities for the Majority Specialist, will be the contact person for this project.
- 4.3 **Monitoring and Evaluation:** OMJ will be responsible for the monitoring and supervision of the project, which will include a procurement plan (see Annex 1), and a results matrix outlining targeted results. OMJ will monitor the achievement of the results and indicators. The sector specialist responsible for the execution of the TC will be Lourdes Gallardo (OMJ), team leader of the TC.

V. Procurement Policy

- 5.1 For the selection and contracting of consulting firms and individuals Bank's policies and procedures set forth in Memorandum DEV/PRM- 058/06 will be applied.

VI. Major issues

- 6.1 Possible risks associated with undertaking the proposed TC have been identified as follows, with the corresponding mitigations.
- 6.2 *Coordination Risk.* The project requires coordination and follow-up of a number of activities, which need to be done in coordination with the IDB. The risk will be minimized by the detailed design of roles and responsibilities throughout the different stages of the Program.
- 6.3 *Participation Risk.* The success of the Program will depend on getting a minimum number of proposals for selection, as well as the right profile of companies. This risk will be mitigated by actively communicating with Korean counterparts such as Federation of Korean Industries (FKI) and/or World Business Council for Sustainable Development (WBCSD) Korea Chapter.
- 6.4 *Quality Risk.* Even if participation level is high, there is no guarantee that the quality of the proposal submitted will address the necessary points for a market-based business models targeting the BoP. To minimize the risk, the project team will work to develop a comprehensive manual to guide companies through the proposal-design process and make relevant information about the requirements of the Program readily available.

VII. Exceptions to Bank policy

- 7.1 There are no expected exceptions to Bank policy and all Bank procurement policies and guidelines will be followed.

VIII. Environmental and Social Strategy

- 8.1 The environmental category for this project is "C," and the disaster risk category is "LOW."
- 8.2 Companies selected for the Program will be required to have sound Corporate Governance, Environmental and Social Responsibility practices. The environmental and social impacts will vary depending on each proposal and business model. As part of the mentoring and project development phase, the IDB will work with companies to minimize social and environmental impacts and address any possible issues according to IDB policies.

Annex 1. Procurement Plan

Component/Activity	Concept	Procurement	Modality	IDB Contributions	Local Contributions	Estimated Total Grant
Component 2: Consulting services	Individualized Technical Assistance & Mentoring	OMJ	Competitive bidding	60,000	60,000	120,000

Annex 2. Terms of Reference – Individualized Technical Assistance & Mentoring

INTER-AMERICAN DEVELOPMENT BANK Corporate Leaders Program for Development of Base of the Pyramid Business Models in Latin America and the Caribbean

Terms of Reference – Individualized Technical Assistance & Mentoring

1. Background

The majority of the population in Latin America and the Caribbean (LAC), living on low incomes and disconnected from mainstream markets, lack access to basic goods and services, and more importantly to economic opportunities that will help them meet the challenges of poverty. In recent years, the private sector in the region has demonstrated that they can meet the needs of the Base of the Pyramid (BoP) population and generate new economic opportunities for them by rapidly responding to incentives of the untapped markets and adopting innovative business models exclusively targeting the BoP population. Recently, a number of Korean companies, recognized for their drive for innovation and interest in social responsibility, have also expressed their willingness to go down market in the LAC region by developing base of the pyramid (BoP) business models. Engaging low-income markets in productive activities, however, poses extraordinary challenges for companies. The objective of the project is to address such challenges and provide support for these companies in the development of market-based business models in areas of high development impact for low-income communities through the Corporate Leaders Program ("CLP" or the "Program").

BoP Business models are those that target specifically the base of the pyramid as an end user or as part of their value chain. The BoP is a segment that has been history been underserved, and that requires solutions to meet their needs which will help them to not only improve their living standards but also their capacity to develop. At the same time this segment of the population represents a huge opportunity for companies to access, which has been estimated to be of approximately USD 5 trillion worldwide.

Today, companies around the world are designing economically sustainable and innovative business models that target the BoP, and that are in a wide range of sectors. Some of these include: housing, education, health, financial services, agriculture, energy, infrastructure, among others. These business models often have some similarities in them in the sense that they products and services must be affordable to the BoP. They often do this through innovation, using existing channels of distribution, and more recently with the use of technology such as mobile communication or broadband.

This technical cooperation will support the preparation and implementation of the Corporate Leaders Program. The program will strengthen the efforts of the Opportunities for the Majority initiative in promoting and disseminating private sector business models that develop and deliver quality products and services and enable low-income producers and consumers to participate in the market economy. The program complies with Section 2.23 of GN-2470-2 since the proposed activities are consistent with the Bank's regional program and strategy. It is also in line with GCI-9 Sector Priorities (2.1.(h) Competitive Regional & Global International Integration).

2. Objective

The objective of this component is to support companies participating in the CLP to develop full business plans for their BoP business ideas. The result of this component will be a number of BoP business ideas that are financially and technically viable, and possibly eligible for financing from IDB.

3. Activities

Companies will gain access to technical advice and mentoring from the IDB and a consulting firm. This activity will take place over a period of six months. This technical advice will be divided into the following activities:

- i. Activity 1. Review of company's core business competencies and strengths: The consulting firm will conduct a 1-2 days visit to the company to obtain basic information about the current state of the company and their main objectives and interests in developing a BoP business line. This will include meetings with top level management as well as strategy and R&D.
- ii. Activity 2. Development of a business plan: Throughout the period of 2-3 months, the company and the consulting firm will jointly develop a business plan.
- iii. Activity 3. Implementation: for the remaining ~3months the consulting firm will accompany the company throughout the implementation of the business model.
- iv. Activity 4. Report: the consulting firm will produce a final report describing the process, achieved results, next steps and final recommendations for the firms.

4. Characteristics of the consultancy

Qualifications: The consulting firms should have a proven record of knowledge of the BoP business models that have implemented broadband-enabled technologies, experience mapping value chains and conducting cost-benefit analysis. The team must be comprised of at least two individuals with PhD in Economics or related discipline, and must have had experience with experimental or quasi-experimental methods, as well as with data collection issues.

Dates: The consultancy will take place from September 2014 to December 2015.

The selected firm will have to sign a standard Consultant Services Agreement with IDB.

5. Costs

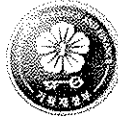
The consulting company should present a budget proposal which must be approved by IDB before the start of the project.

6. Confidentiality

All of the information provided by the Bank, or by other private sector agents is to be considered confidential and cannot be shared with third parties without prior Bank approval. The firm/consultant agrees not to divulge any confidential information related to the project without Bank prior approval.

fund

Annex 3. TC Approval by Korean Poverty Reduction Fund



MINISTRY OF STRATEGY AND FINANCE
REPUBLIC OF KOREA

DATE: June 12, 2014

TO: Ms. Sonia M. Rivera
Unit Chief
Grants and Co-financing Management Unit
Inter-American Development Bank

SUBJECT: Korean Poverty Reduction Fund

In reply to your request, I am pleased to inform you that the Ministry of Strategy & Finance has approved the proposals for the following projects to be financed by the Korean Poverty Reduction Fund.

Project Title	TC Number	Amount (US\$)
Corporate Leaders Program for Development of Base of Pyramid Business Models in Latin America and the Caribbean	RG-T2481	300,000 ✓

Sincerely yours,

A handwritten signature in black ink, appearing to read "S. Y. Yu".

Suyeong Yu
Director
International Financial Institutions Division
International Finance Bureau
Ministry of Strategy and Finance
Republic of Korea

Corporate Leaders Program for Development of Base of the Pyramid Business Models in Latin America and the Caribbean
TC DOCUMENT

Quality and Risk Review (QRR) – Results and Procedure Report

A. QRR PROCEDURE

The *TC Document* and its corresponding Annexes were distributed for comments to the QRR on Monday, June 15, 2014. The Document was distributed to: VPC; SPD-SDV; ESRNET; GCM Single Window <GCM-SW@iadb.org>; GCM-InfoGp <GCM-InfoGp@IADB.ORG>; Hertz, Kai <KAH@iadb.org>; Caicedo Sierra, Miguel Felipe <fcaicedo@IADB.ORG>; Mendoza Centellas, Mariana Beatriz <mmendoza@IADB.ORG>; Park, Chung-Keun <CHUNGKEUNP@iadb.org>; Yu, Kwang Hoon <kwanghoony@IADB.ORG>; Kim, Taekon <TAEKONK@iadb.org>; Opportunities for the Majority-IDB <OM-IDB@iadb.org>; Office of the Vice President for Countries <VPC-VPC@iadb.org>; Office of the Manager - CID <CID@iadb.org>; Office of the Manager CSC <CSC-CSC@iadb.org>; Office of the General Manager CAN <CAN-CAN@iadb.org>; Vice Presidency for Private Sector <VPP@IADB.ORG>; Schulz, Hans U. <HANSS@iadb.org>; Montiel, Gina <GINAM@iadb.org>; Falkner-Olmedo, Katharina B. <KATHARINAF@iadb.org>; Ros, Luiz <LUIZROS@iadb.org>; Alvarez, Carola <CAROLAA@iadb.org>; Lupo, Jose Luis <JOSELU@iadb.org>; Office of the Manager - FIN <FIN-FIN@IADB.ORG>; VPS-ESG <VPS-ESG@iadb.org>; ORP-GCM <ORP-GCM@IADB.ORG>; Jimenez Hernandez, Ernesto <ERNESTOJ@iadb.org>; Rogers, George C. <GEORGERO@iadb.org>; Muraresku, Brian Christopher <BMURARESKU@iadb.org>; Bouillon Buendia, Cesar Patricio <CESARB@iadb.org>; Maffioli, Alessandro <ALESSANDROM@iadb.org>; Operations Policy Committee <OPC@iadb.org>; IDB Research Department <research@IADB.ORG>; Nicoletti, Elizabeth Ann <ENICOLETTI@iadb.org>; Albertos, Carmen <CARMENAL@iadb.org>; Andrades, Daysi <DAYSIA@iadb.org>; Chrisney, Martin D. <MARTINC@iadb.org>; Vargas, Jaime Enrique <JAIMEV@iadb.org>; Guinand, Grace Helen <GRACEG@iadb.org>; Milano, Flavia Silvana <FLAVIAM@iadb.org>; Katzman, Julie T. <JULIEK@iadb.org>; Nereee, Dufirstson <dufirstsonn@IADB.ORG>; Giorgio, Luis Alberto <GIORGIO@iadb.org>; Nalvarte, Patricia <PATRICIAN@iadb.org>; Lopez Salazar, Alvaro <alvarolop@IADB.ORG>; Alers, Jorge E. <JALERS@iadb.org>; Lima, Rafael Cavazzoni <RLIMA@iadb.org>; VPC-FMP <vpc-fmp@IADB.ORG>; SPD-SDV <SPD-SDV@iadb.org>; ESRNET <ESRNET@iadb.org>; OMJ Department List <OMJDepartmentList@IADB.ORG>. The comments received, as well as recommended next steps, have been documented in this Results and Procedure Report. No meeting was convened to discuss either the document as a whole, or specific issues.

B. NON-RESOLVED ISSUES: N/A

C. COMMENTS:

Name/ Department	Topic	Comments	Answers
CID	CID1. GCI-9 Sector Priorities	Paragraph 2.2 mention that the program is in line with GCI-9 Sector Priorities. Please detail which	The team appreciates CID's comments. The following priority has been added to paragraph 2.2: 2.1.(h) Competitive Regional & Global International

		ones.	Integration
CID	CID2. Component 1	How is possible that the Korean companies are ready to enter the LAC market if they don't understand BoP in LAC? (these are words from the document). Is it possible that they are financially ready to invest somewhere and this sound like an interesting option?	OMJ has often found that companies have appetite to go down-market (they see the business opportunity) but that they are still lacking information on market segmentation, expenditure patterns of the BoP, etc. Some of them are lacking the necessary partnerships that would allow them to efficiently distribute to the BOP. These companies have the financial backbone but would benefit from partnering with an institution like IDB that can provide insights into the BoP market in LAC.
CID	CID3. Scope	Component 1 plan an activity that says that "...companies will learn about BoP in LAC, current BoP market trends, and possible business opportunities for them" This is too general. There are multiple options in LAC and it is not the same to work with Chile or with Haiti. It seems that the workshop is too ambitious.	The workshop will present trends and information obtained by OMJ from analyzing government-produced household and expenditure data. This information provides insights into market size, sector opportunities, potential demand, etc. Precisely because the markets are so different in the region, is that Component 2 seeks to provide in-depth consulting to the companies in order to adapt business models to the local markets.
CID	CID4. Component 3	It seems that up to 3 companies are not enough for such a big effort. Why only 3?	OMJ had the experience in 2010 of running the Corporate Leaders Program (RG-T1845), a similar effort for companies region-wide. Based on this experience and the budget available, we determined that 3 companies was the right number.
CID	CID5. Component 4	There is no way to know that "This component includes all the activities necessary to successfully implement this project".	This has been rephrased in the TC document.
CID	CID6. Indicative Results Matrix	It is not clear why the program needs a consultant to report the output of component 1. The same happens with component 3.	The reporting will be the responsibility of the consultant that will be managing the program.
CID	CID7. Indicative Budget	The indicative budget needs more detail.	The budget table has been updated.

CID	CID8. Procurement Plan	The procurement plan (Annex 1) only says that there will be a competitive bidding for the consultancies in component 2. What about the consultancies included in component 1 and 3? (they are mentioned in the results matrix).	Component 3 will not require consultants. The ones for Component 1 will be BOP experts which will be selected by OMJ according to their availability.
Legal	LEG1. Availability of Funds	Please confirm that the availability of funds under the Korean Poverty Reduction Fund (KPRF) has been approved by the coordinator (i.e. the IDB's Financial Support Services Sub-department (RE2/FSS), appointed per Article 5(2) of the KPRF Trust Fund Agreement (a near-final draft of which is attached for reference) (the "Agreement"))).	The team appreciates LEG's comments and confirms that the availability has been approved by the coordinator. We are attaching the letter as an annex to the TC Document.
Legal	LEG2. Approval	Please confirm if Korea has approved this proposal pursuant to Article 2(3) of the Agreement, which requires prior approvals for TCs in excess of \$100,000. This should be a pre-requisite to the approval of the TC.	Please see note above.
Legal	LEG3. General use of Funds	Confirm that the general use of funds for this project is consistent with the use of funds required under the Agreement and the Operational Guidelines (final copy attached for reference) (the "Guidelines"). It seems this TC could correspond to the "consensus building activities" mentioned in Section 2.2 of the Guidelines, but that connection needs to be explicitly made in the proposal.	The team confirms it is consistent and this has been made explicit on the TC document, paragraph 2.5
Legal	LEG4. Alignment with Guidelines	Further clarification of each of the specific project components' alignment with Section 2.3 of the Guidelines ought to be made. In this respect, the KPRF financeable activities set forth in 2.3(a) (projects for improvement of income of those in the BoP) or 2.3(b) (microenterprise targeted projects) seem suited to this TC, but we note that Component 2 contains language that seems inconsistent with the KPRF: "The result of this component will be a number of BoP business ideas that are financially	The language under paragraph 3.3 has been modified in order to reflect that the intent is to generate projects that can potentially be financed by OMJ and that benefit the BoP population in LAC.

		and technically viable, and possibly eligible [emphasis added] for financing from IDB.” Because of the KPRF’s attention to the financing of specific projects, as well as disaster relief efforts, a clear and compelling argument needs to be made for how this TC fits the KPRF’s intent. It is difficult to understand exactly who the intended beneficiaries are (direct or indirect). The document does little to clarify even that the use of the trainings will be directed at business plans for projects in LAC, which should be an elemental requirement. We presume that these clarifications, so that the proposal meets requirements of the funding source and the Bank, will be settled before this proposal is sent for approval.	
Legal	LEG5. Description of Activities	Greater detail is needed in paragraph 3.1 regarding the “Corporate Leaders Program” and the development of the business models relating thereto which are the subject of this proposal. These should form a central part of the consulting services agreements to be executed between the Bank and the consultants (mentioned in Section 4.2), and thus need to be defined clearly here for later use in those agreements. It would be helpful in this respect to attach to the TC proposal a TOR for the expected consultants.	TORs are attached under Annex 2. Paragraph 3.1 has been strengthened to clarify this.
Legal	LEG6. Consultants	Section 4.2 mentions the consultants to be hired by OMJ. Is there a formal procurement plan for the activities under Component 2, or need for a waiver of applicable policy?	Hiring for Component 2 will be done on a competitive basis (see Annex 1).
Legal	LEG7. Indicative Budget	As mentioned in earlier comments, the budget needs to have a more specifics, and especially if there are any travel expenses to be covered, they must also be indicated in the appropriate line items. The budget would benefit from supporting rationale	A new budget table is provided on the revised TC document.

		and detail as to the number passengers travelling to be covered, number of days of the workshops, number of participants, something that gives a reasonable assessment of where these amounts will be spent.	
Legal	LEG8. Non-objection Letters	Are there any target countries envisioned, from which non-objections ought to be obtained?	Given that the participating companies have not yet been selected, we cannot anticipate which countries would be targeted. When the companies are selected, the team will consult with LEG to see if we need to obtain non-objection letters.
Legal	LEG9. Executing Agency	In Section 4.1, please provide further clarity for why OMJ has been proposed as the Executing Agency.	Paragraph 4.1 has been modified to reflect this.

MEMORANDUM

DATE: June 12, 2014

TO: Ms. Gallardo Montoya, Maria Lourdes
Opportunity for the Majority Spec, OMJ/OMJ

THROUGH: Ms. Sonia M. Rivera
Chief, ORP/GCM

FROM: Taekon Kim
Operations Sr. Spec, ORP/GCM

SUBJECT: Donor's Approval Notice
Source: Korea Poverty Reduction Fund
Program: Corporate Leaders Program for Development of Base of the Pyramid Business
Models in Latin America and the Caribbean / RG-T2481
Country: Regional
Amount: US\$300,000

It is my pleasure to inform that the above-referenced Technical Cooperation (TC) operation has been accepted to be financed by resources from the Korea Poverty Reduction Fund (KPR).

In execution of the program, please observe the following:

1. The total amount approved is the absolute upper limit and should not be exceeded.
2. The project team **should promptly inform** the KPR Coordinator of any changes affecting the execution of the operation such as, but not limited to: a) Reallocation of funds, b) Termination and suspension of the project, c) Extensions of final disbursement date, and d) Cancellation and re-activation of disbursements.
3. The project team **should consult** with the KPR Coordinator before implementing substantial modifications to the approved TC operation such as, but not limited to: a) Fund reallocations of more than thirty percent (30%) of the total cost, b) Additions of new components, and c) Changes of executing agency.
4. The donor's approval **may be withdrawn** under the following circumstances: a) The proposed TC operation has been withdrawn by the beneficiary(ies), b) **The TC operation has not been approved by the Bank within 4 months for Client Support and Research & Dissemination Projects and within 6 months for Operational Support Projects after the donor's approval (GN-2629-1), and c) There have been no disbursements for certain periods after approval of the TC operation by the Bank (OA-421).**

5. The contribution of the KPR will be recognized prominently in all project products and activities carried out during the implementation of the TC operation.
6. The project team should **provide reports on the progress of the TC operation** at least once a year, per request GCM and/or the KPR Coordinator. These through reports are to be submitted in a timely manner, and are vital to the continued support of grant operations by donors and the Bank.
7. Surplus resources at the end of the execution period of the TC operation should be returned to the KPR.
8. The project team is responsible for preparing a **Completion Report** in English, as per KPR guidelines, a summary of expenses classified by item, a list of the consultants (individual/firms), and their nationalities that were hired with resources from the KPR, within 6 months from the date of completion of the TC Operation. An electronic copy of such report or three printed copies thereof should be forwarded to the KPR coordinator.

Fernandez, Monica

Log

From: Muraresku, Brian Christopher
Sent: Wednesday, August 27, 2014 3:34 PM
To: Gallardo Montoya, Maria Lourdes; Fernandez, Monica
Cc: Rogers, George C.
Subject: RE: Opportunities for the Majority - RG-T2481 "Corporate Leaders Program for Development of Base of the Pyramid Business Models in Latin America and the Caribbean"

Hi Lourdes:

After reviewing the updated TC document and Annexes, incorporating LEG's comments, feel free to proceed.

Thanks and talk soon,

Brian.

From: Gallardo Montoya, Maria Lourdes
Sent: Wednesday, August 27, 2014 10:28 AM
To: Muraresku, Brian Christopher; Fernandez, Monica
Subject: RE: Opportunities for the Majority - RG-T2481 "Corporate Leaders Program for Development of Base of the Pyramid Business Models in Latin America and the Caribbean"

Hi Brian,

Just checking in to see if we can go ahead with the final approval of the TC.

Thanks,
Lourdes

From: Muraresku, Brian Christopher
Sent: Thursday, August 21, 2014 2:27 PM
To: Fernandez, Monica
Cc: Gallardo Montoya, Maria Lourdes
Subject: RE: Opportunities for the Majority - RG-T2481 "Corporate Leaders Program for Development of Base of the Pyramid Business Models in Latin America and the Caribbean"

I need to check internally on this first, Monica. George sent some comments yesterday.

From: Fernandez, Monica
Sent: Thursday, August 21, 2014 12:58 PM
To: Muraresku, Brian Christopher
Cc: Gallardo Montoya, Maria Lourdes
Subject: FW: Opportunities for the Majority - RG-T2481 "Corporate Leaders Program for Development of Base of the Pyramid Business Models in Latin America and the Caribbean"

Hi Brian,

I am writing to you to request your final approval of the final document below that was redistributed today, August 21st, 2014.

Please let me know if you have any questions or need any additional information.

Thank you.

Best,

Monica Fernandez

From: Fernandez, Monica

Sent: Thursday, August 21, 2014 12:52 PM

To: SPD-SDV; ESRNET; GCM Single Window; GCM-InfoGp; Hertz, Kai; Caicedo Sierra, Miguel Felipe; Mendoza Centellas, Mariana Beatriz; Park, Chung-Keun; Yu, Kwang Hoon; Kim, Taekon; Opportunities for the Majority-IDB; Office of the Vice President for Countries; Office of the Manager - CID; Office of the Manager CSC; Office of the General Manager CAN; Vice Presidency for Private Sector; Schulz, Hans U.; Montiel, Gina; Falkner-Olmedo, Katharina B.; Ros, Luiz; Alvarez, Carola; Lupo, Jose Luis; Office of the Manager - FIN; VPS-ESG; ORP-GCM; Jimenez Hernandez, Ernesto; Rogers, George C.; Muraresku, Brian Christopher; Bouillon Buendia, Cesar Patricio; Maffioli, Alessandro; Operations Policy Committee; IDB Research Department; Nicoletti, Elizabeth Ann; Albertos, Carmen; Andrades, Daysi; Chrisney, Martin D.; Vargas, Jaime Enrique; Guinand, Grace Helen; Milano, Flavia Silvina; Katzman, Julie T.; Neree, Dufirstson; Giorgio, Luis Alberto; Nalvarte, Patricia; Lopez Salazar, Alvaro; Alers, Jorge E.; Lima, Rafael Cavazzoni; VPC-FMP; SPD-SDV; ESRNET; OMJ Department List; VPC-FMP

Subject: Opportunities for the Majority - RG-T2481 "Corporate Leaders Program for Development of Base of the Pyramid Business Models in Latin America and the Caribbean"

Dear All,

Please find attached the updated version of the TC document and the QRR Minutes of the above referenced project.

Should you require additional information, please contact the project team leader, Lourdes Gallardo, at #1821 or mgallardo@iadb.org.

Kind regards,

Monica Fernandez Alvarez de Lugo
Opportunities for the Majority
Inter-American Development Bank
Tel. (202) 623.2758





SAFEGUARD POLICY FILTER REPORT ✓

PROJECT DETAILS	
IDB Sector	[Not Set]
Type of Operation	Technical Cooperation
Additional Operation Details	
Investment Checklist	Generic Checklist
Team Leader	[Not Set]
Project Title	Toolkit: Corporate Leaders Program for Development of Base of the Pyramid Business Models in Latin America and the Caribbean
Project Number	[Temporary Project]
Safeguard Screening Assessor(s)	Fernandez, Monica (monicaf@IADB.ORG)
Assessment Date	2014-04-07

SAFEGUARD POLICY FILTER RESULTS		
Type of Operation	[Not Set]	
Safeguard Policy Items Identified (Yes)	Type of operation for which disaster risk is most likely to be low .	(B.01) Disaster Risk Management Policy– OP-704
	The operation is in compliance with environmental, specific women's rights, gender, and indigenous laws and regulations of the country where the operation is being implemented (including national obligations established under ratified Multilateral Environmental Agreements).	(B.02)
	The operation (including associated facilities) is screened and classified according to their potential environmental impacts.	(B.03)
	The Bank will monitor the executing agency/borrower's compliance with all safeguard requirements stipulated in the loan agreement and project operating or credit regulations.	(B.07)
	Suitable safeguard provisions for procurement of goods and services in Bank financed projects may be incorporated into project-specific loan agreements, operating regulations and bidding documents, as appropriate, to ensure environmentally responsible procurement.	(B.17)
Potential Safeguard Policy Items(?)	No potential issues identified	

SAFEGUARD POLICY FILTER REPORT

[Temporary Project]: Toolkit: Corporate Leaders Program for Development of Base of the Pyramid Business Models in Latin America and the Caribbean



Recommended Action:	Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR.
Additional Comments:	

ASSESSOR DETAILS

Name of person who completed screening:	Fernandez, Monica (monicaf@IADB.ORG)
Title:	
Date:	2014-04-07

COMMENTS

No Comments

SAFEGUARD SCREENING FORM

[Temporary Project]: Toolkit: Corporate Leaders Program for Development of Base of the Pyramid Business Models in Latin America and the Caribbean

**SAFEGUARD SCREENING FORM** ✓

PROJECT DETAILS	
IDB Sector	[Not Set]
Type of Operation	Technical Cooperation
Additional Operation Details	
Country	
Project Status	
Investment Checklist	Generic Checklist
Team Leader	[Not Set]
Project Title	Toolkit: Corporate Leaders Program for Development of Base of the Pyramid Business Models in Latin America and the Caribbean
Project Number	[Temporary Project]
Safeguard Screening Assessor(s)	Fernandez, Monica (monicaf@IADB.ORG)
Assessment Date	2014-04-07

PROJECT CLASSIFICATION SUMMARY		
Project Category: C	Override Rating:	Override Justification: Comments:
Conditions/ Recommendations	<ul style="list-style-type: none">• No environmental assessment studies or consultations are required for Category "C" operations.• Some Category "C" operations may require specific safeguard or monitoring requirements (Policy Directive B.3). Where relevant, these operations will establish safeguard, or monitoring requirements to address environmental and other risks (social, disaster, cultural, health and safety etc.).• The Project Team must send the PP (or equivalent) containing the Environmental and Social Strategy (the requirements for an ESS are described in the Environment Policy Guideline: Directive B.3) as well as the Safeguard Policy Filter and Safeguard Screening Form Reports.	

SUMMARY OF IMPACTS/RISKS AND POTENTIAL SOLUTIONS	
Identified Impacts/Risks	Potential Solutions

DISASTER RISK SUMMARY	
Disaster Risk Category: Low	
Disaster/	<ul style="list-style-type: none">• No specific disaster risk management measures are required.

SAFEGUARD SCREENING FORM

[Temporary Project]: Toolkit: Corporate Leaders Program for Development of
Base of the Pyramid Business Models in Latin America and the Caribbean



Recommendations

ASSESSOR DETAILS

Name of person who completed screening: Fernandez, Monica (monicaf@IADB.ORG)

Title:

Date: 2014-04-07

COMMENTS

No Comments

28 AUG '14 PM 3:37