

**Social Enterprise Innovations**  
Supporting Innovative Solutions that Scale

***Leveraging Inclusive Innovations for Sustainable Results at the BoP***

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 WORLD BANK GROUP

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**Overview**

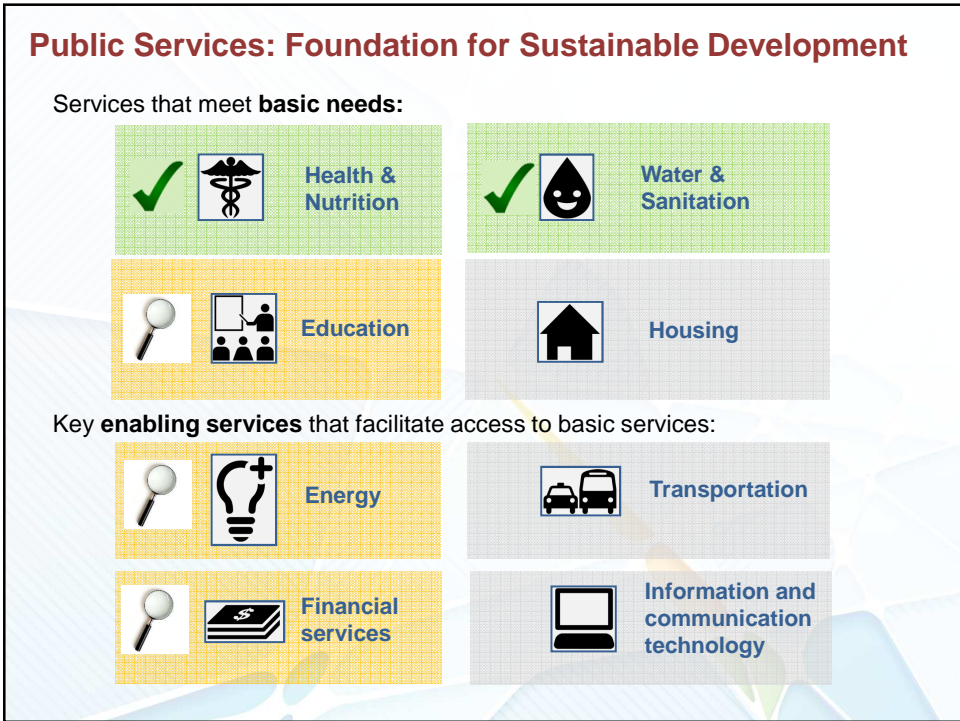
1. Challenges in public service provision at BoP
2. Channels of service Provision
3. Challenges for Scaling Social Enterprise Innovations
4. Pathways for Scaling up

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# CHALLENGES IN PUBLIC SERVICE PROVISION AT BOP

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## Service Delivery Gap

### Unmet Needs at the Base of the Pyramid (bottom 20% of population)

- Persistent gaps in the delivery of basic services that governments and markets have not addressed
- Common BoP constraints: access, affordability, awareness, acceptability



✓ 1B people can't obtain the health services needed



✓ 2.5B people without access to quality sanitation  
✓ 748M people lack access to safe drinking water



✓ 781M adults lack basic reading and writing skills



✓ 1.2B people don't have access to electricity



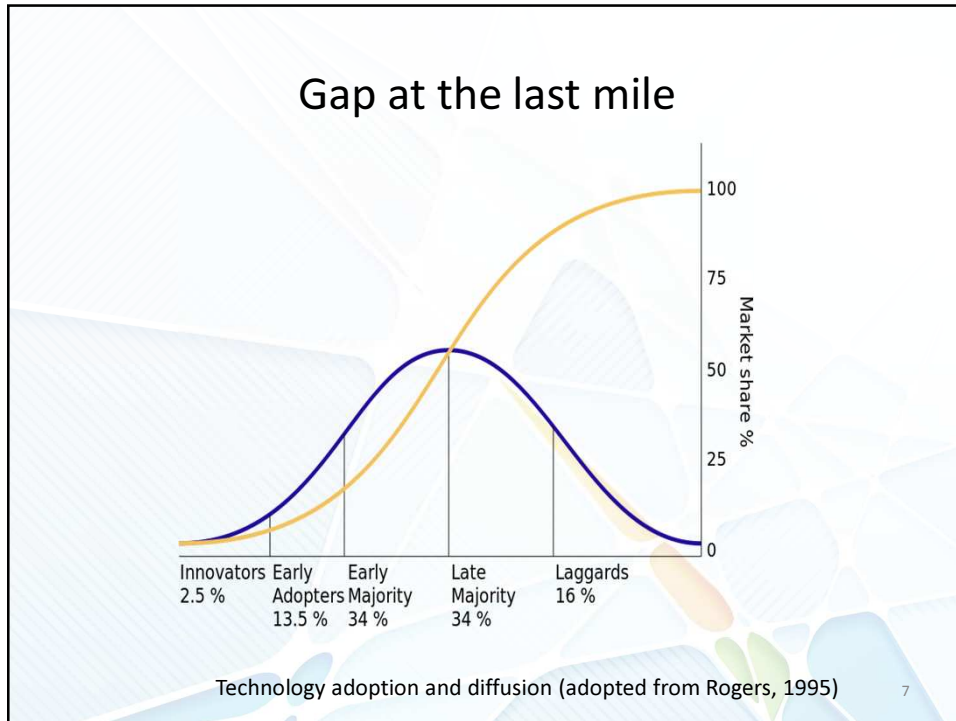
✓ 2.5B adults worldwide are 'unbanked'

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## Government: Barriers to Meeting BoP Needs

- **Scope:** poor disproportionately affected by gaps in service delivery
- **Awareness:** BoP attitudes/perceptions affect willingness to access services
- **Cost:** high direct, indirect and opportunity costs
- **Governance:** Lack of accountability and incentives; rent-seeking/corruption
- **Capacity:** Lack of understanding of BoP needs
- **Evidence:** weak M&E, limited data
- **Path-dependency:** lack of experimentation/innovation, difficulties adapting new models

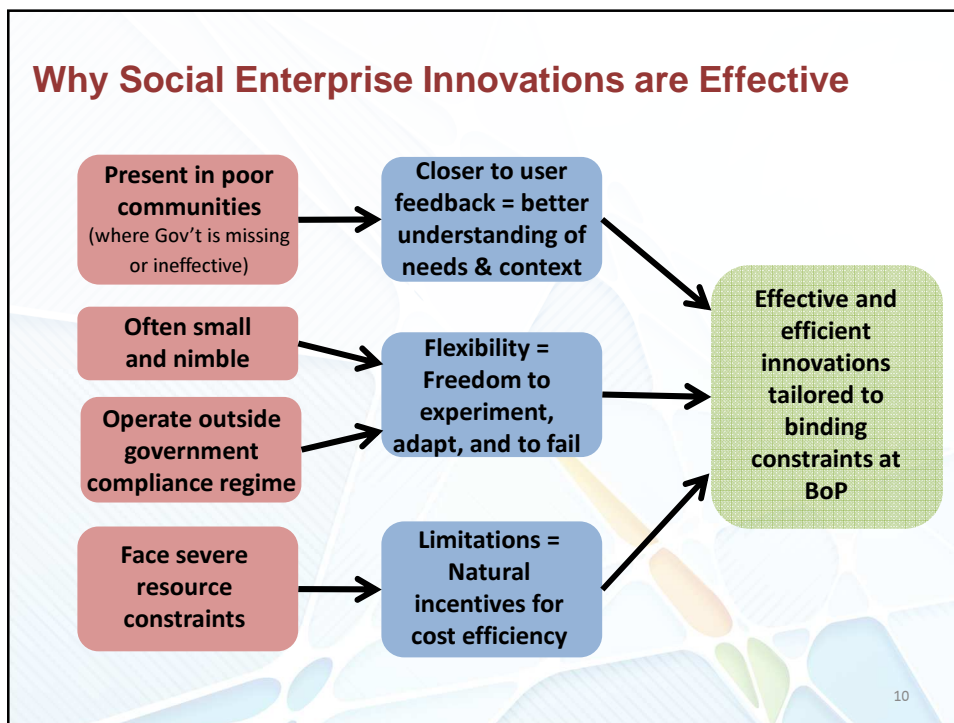
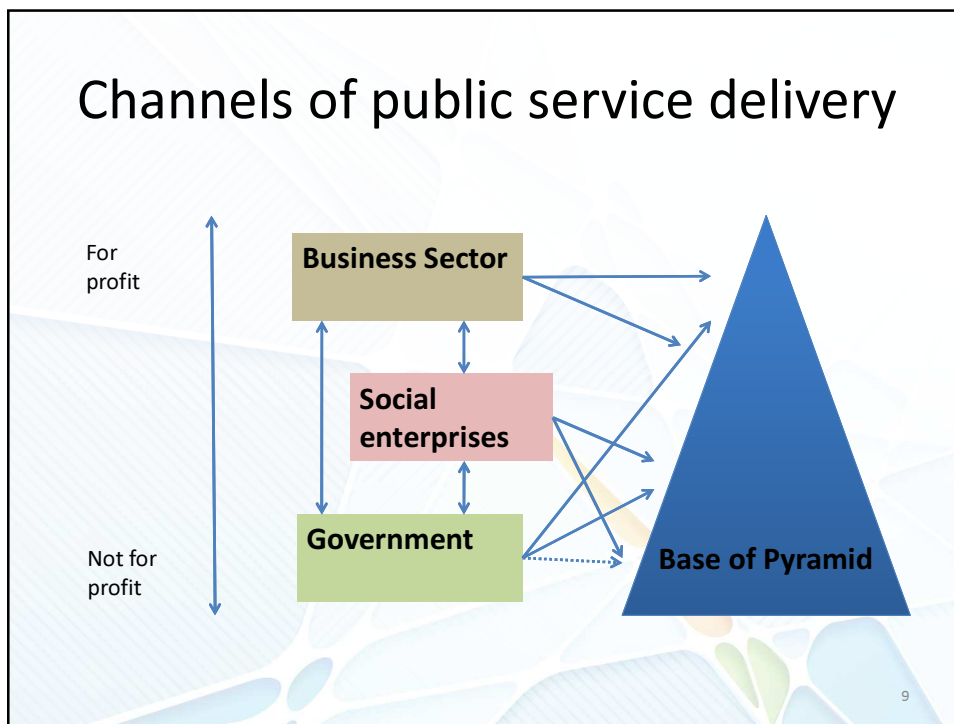
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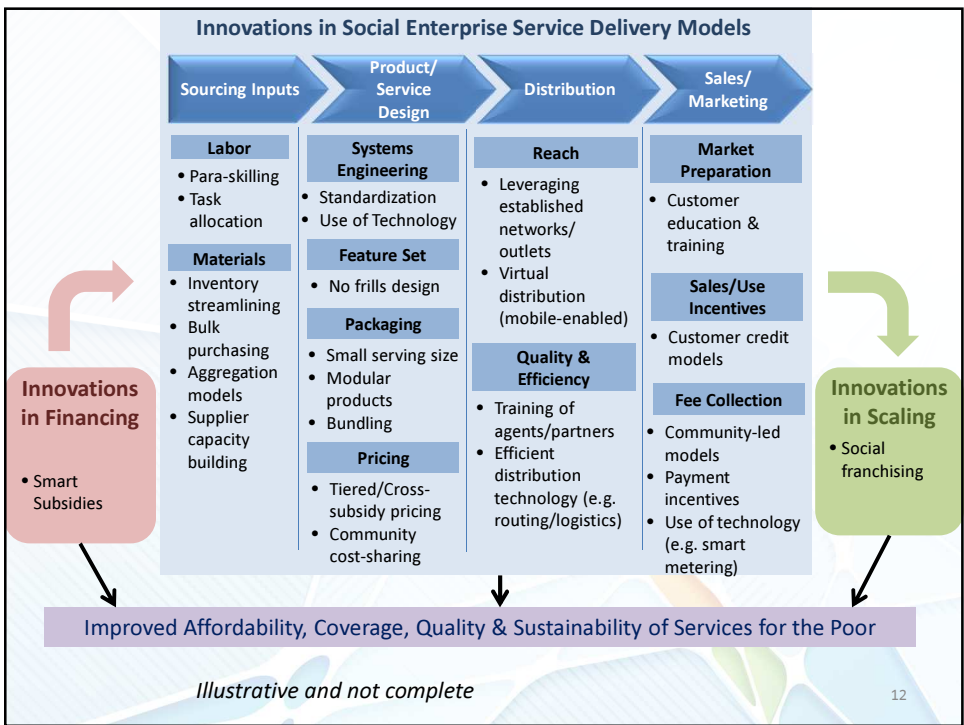


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## CHANNELS OF SERVICE PROVISION

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## Examples of Social Enterprise Innovations

Educate Girls

<https://www.youtube.com/watch?v=b-o1IKaSKfM&feature=youtu.be>

Real Medecine Foundation

<https://www.youtube.com/watch?v=bnsoQMz2e2Y&feature=youtu.be>

Alternative for India Development

<https://www.youtube.com/watch?v=Hq0A8H4UXXw&feature=youtu.be>

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## CHALLENGES FOR SCALING SOCIAL ENTERPRISE INNOVATIONS

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## Range of business models: tradeoffs for sustainability/scale

### CONTINUUM OF INNOVATIVE BUSINESS MODELS



- Mission rather profit-driven
- Often more cost efficient than government offerings
- Questions about steady-state funding/sustainability
- Risk of donor capture

- Potential for long-term sustainability
- Scale up driven by private investment
- Questions about viability for the poorest of the poor



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## Barriers for scale of social enterprise sector

### Internal barriers

- Convoluted **mission**
- Insufficient **human resources**
- Weak **leadership**
- Lack of **growth capital**
- Models often **not designed for scale**
- Lack of **revenue streams**
- Weak **M&E**

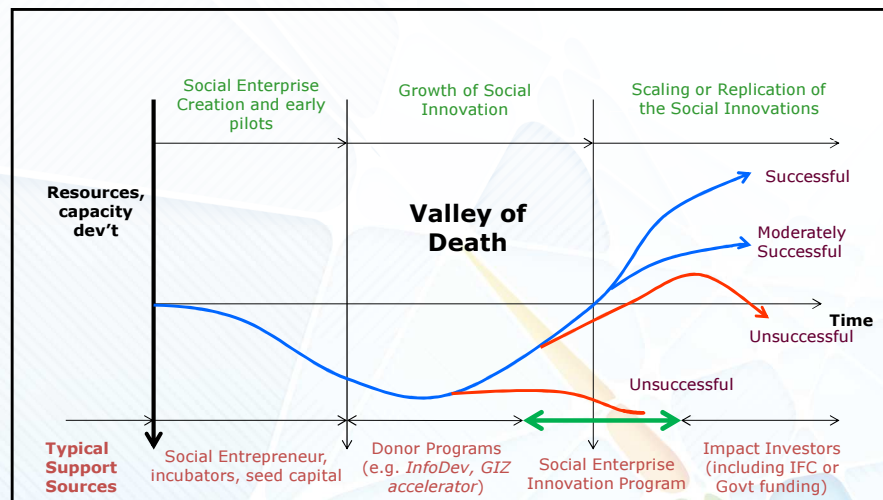
### External barriers

- Lack of **adequate regulation**
- **Regulatory** and **policy hurdles**
- Weak **delivery infrastructure**
- Limited **access to finance**
- Lack of **reliable market information** to gauge needs of the BoP
- **Information asymmetry**

**Result: “positive deviants” rather than sector**



## The Valley of Death for Scale



## Opportunity for Sustainability and Scale

### Improved Results

- New model development happening outside of the public sector offers laboratory for learning
- Up to 70% of services delivered to BoP
- Promise for improved access, cost, quality and sustainability

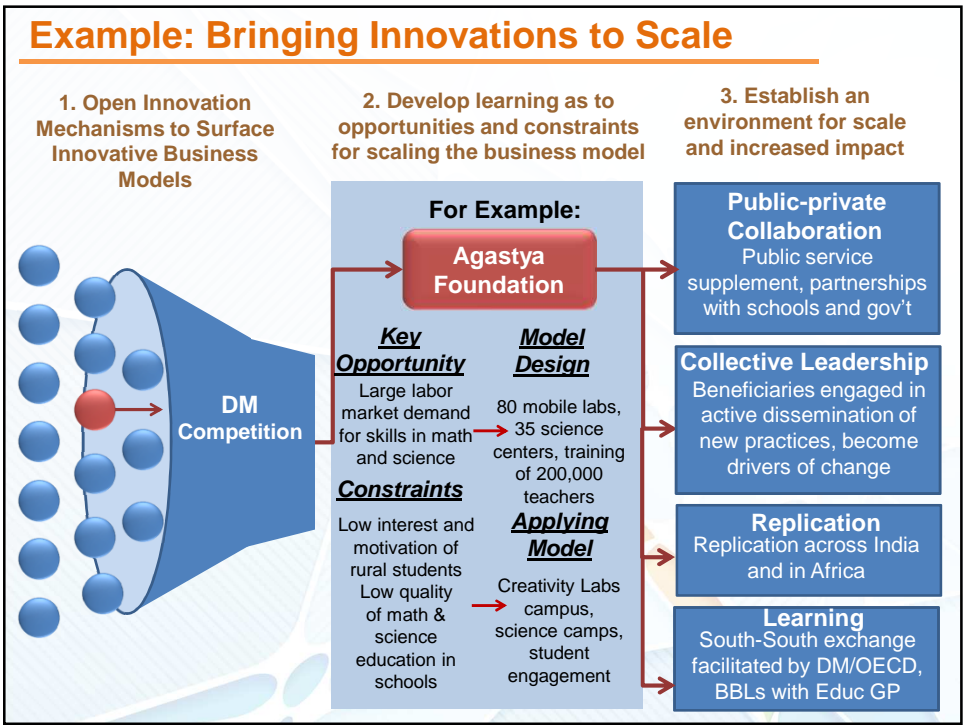
### Innovation and Learning

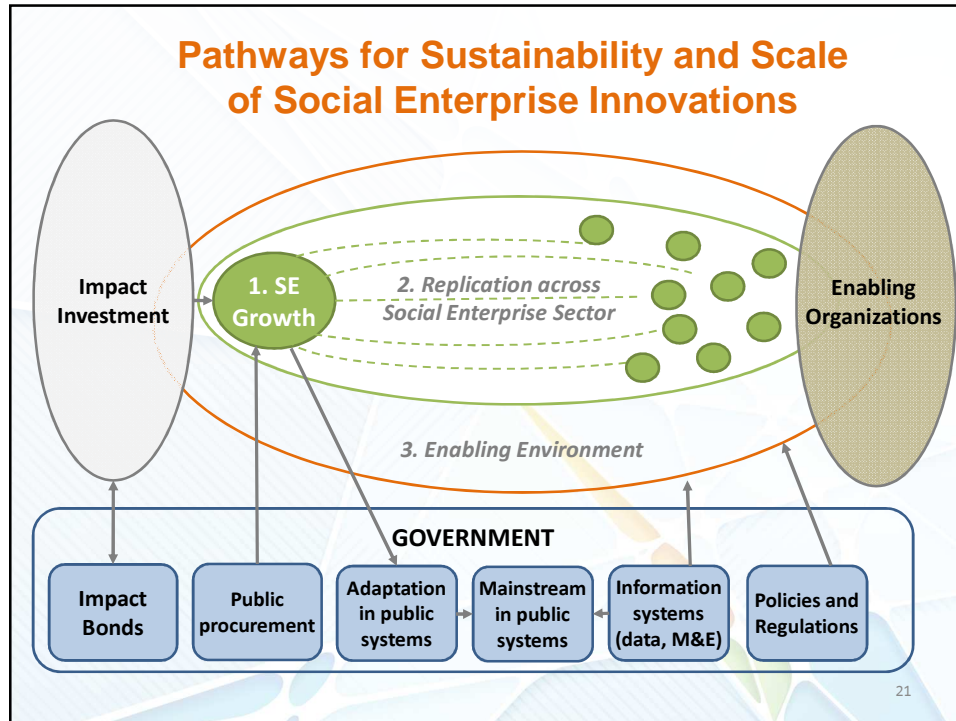
- Potential to more systematically support experimentation, harvest learning, and facilitate mainstreaming
- Reduce costs through integrated financing and delivery via public and private channels
- Activate new pathways for scale through public-private collaboration

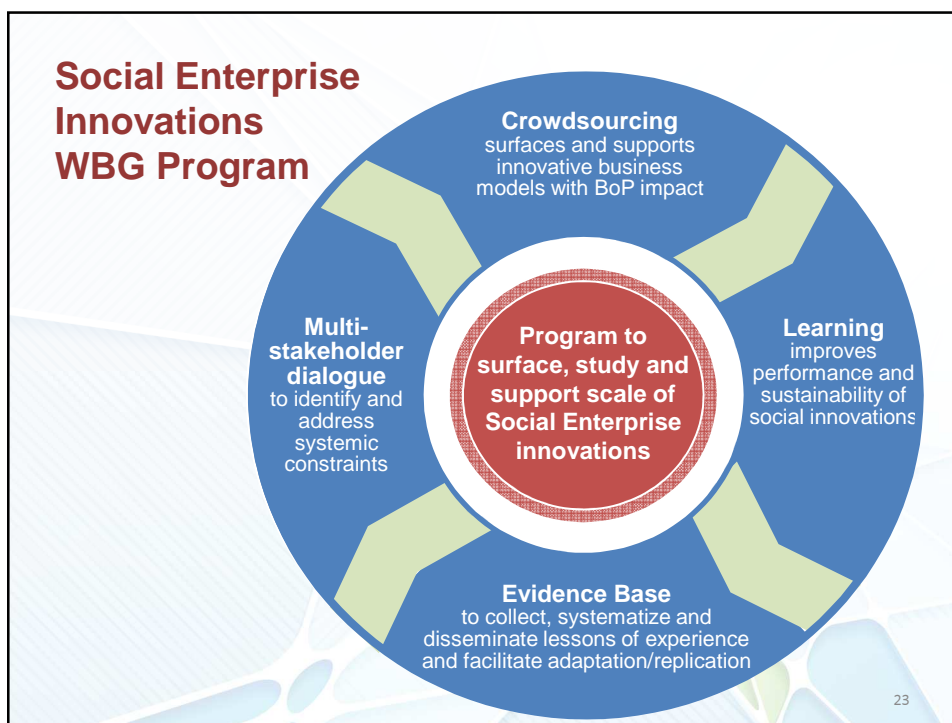
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## PATHWAYS FOR SCALING UP

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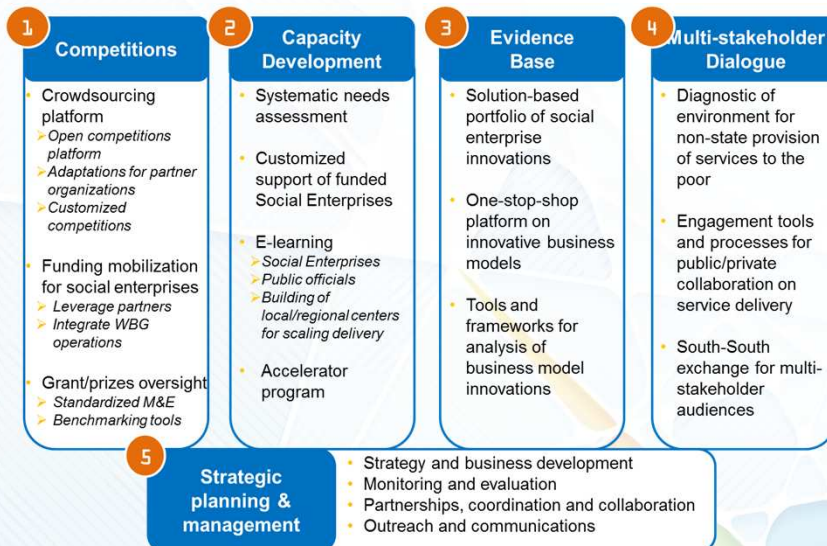




## Program Goals

- **Identify** innovative business models in service delivery to the BoP with clear evidence of social impact and
- **Support their potential** to be scaled, replicated or mainstreamed through public or private channels of service delivery

## Program Components



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