

develoPPP.report



Innovations for sustainable development

What is develoPPP.de?

In the develoPPP.de programme the initials PPP stand for public-private partnerships. These are development partnerships between enterprises and development agencies which are jointly planned, financed and implemented.

DEG, GIZ and sequa work on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ).

What does develoPPP.de offer the private sector?

- We contribute finance and personnel to projects that benefit partner country development.
- We guide and support you in project planning and implementation.
- We provide contacts to governments, business associations and enterprises.
- We offer our country- and sector-specific expertise and our understanding of the legal frameworks.

If you are planning projects in developing countries, talk to us first.

www.develoPPP.de



Dear Readers,

Innovation and sustainability – two key words that are invariably mentioned together in the debate on globalisation, poverty, resource scarcity and climate change. And rightly so. After all, sustainable development, particularly in developing and transitional countries, is often only possible when there is innovation, when established patterns are renounced and when there is a willingness to tread new paths.

The challenges facing us in our partner countries require innovative approaches and must be addressed together with the private sector. By investing in the manufacture of innovative products, services or processes, the private sector can tap into hitherto unknown markets and contribute to combating poverty.

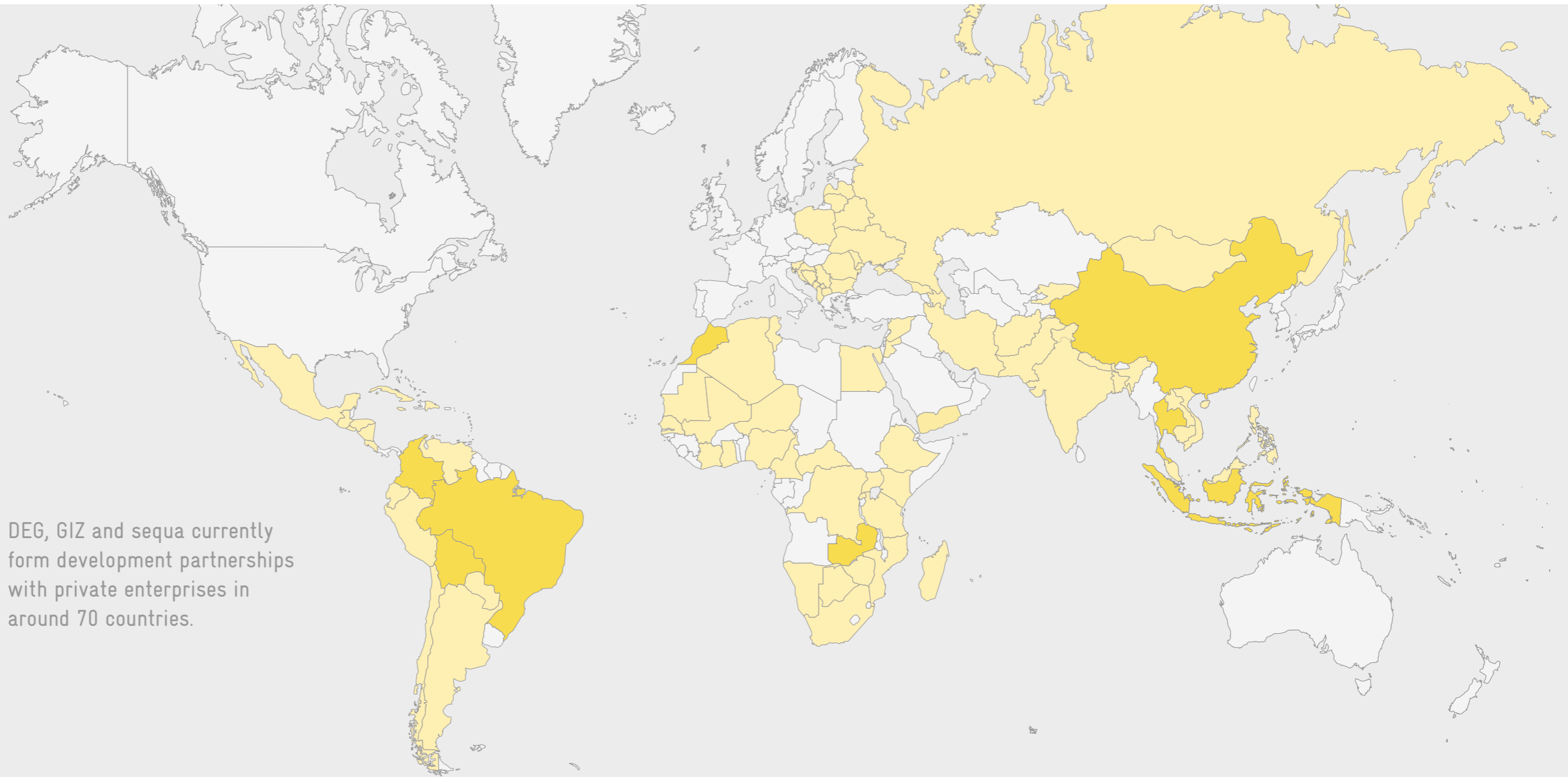
This develoPPP.report describes development partnerships that have implemented innovative ideas and fostered sustainable development in our partner countries. Mobile financial services in Zambia, e-learning in Bolivia or urban development in various Asian countries are only some of the approaches described in this issue. The final section of our publication looks at the concept of inclusive business models at the lower end of the income pyramid, also known as the base of the pyramid or BoP. Investing in innovation for the benefit of hitherto neglected clients or producers at the bottom of the global income pyramid can prove worthwhile not just for the poor, but also for the private sector.

I urge you to approach us with your ideas. Under this programme you are welcome to submit your project proposals, which we will then fine-tune and put into practice together with you.

I hope you find this issue interesting and stimulating.

Dirk Niebel

Federal German Minister for Economic Cooperation and Development



DEG, GIZ and sequa currently form development partnerships with private enterprises in around 70 countries.



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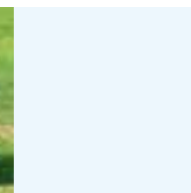
Water from the container

Mobile water treatment for a decentralised water supply system in rural Brazil

A mobile emergency water treatment plant, developed in cooperation with Brazil's second-largest water supply company, provides a sustainable solution for decentralised water supply in rural areas.



Jörgen Hössler



There is tremendous disparity in the supply of water to urban and rural areas in Brazil. While the high-tech water supply system in the cities satisfies even European standards, only 20% of rural households are connected to a public water supply system. Given the vast distances in Brazil, it is often impossible for central treatment plants to cover all areas, and several communities have no access to clean water other than through small local systems. However, strategies have yet to be designed for setting up a decentralised supply of drinking water for the long term.

A new plant manufactured by Grünbeck Wasseraufbereitung GmbH should help resolve the problem. The treatment systems are installed in containers and convert poor source water into premium drinking water. They are sturdy and easy to maintain.

The German company has teamed up with Brazil's second-largest water company, Companhia de Saneamento de Minas Gerais (COPASA), to adapt the plant to Brazilian conditions within the framework of a DEG-supported project. After an initial development phase in Germany, the bright green containers are now undergoing a two-year trial run at different locations in Brazil. In addition, the local partners are training technical staff to assist COPASA in operating and maintaining the plant. The "waterworks in a container" also come equipped with a remote monitoring system, which helps cut down on maintenance and personnel costs. The containers can be set up in the direct vicinity of the water consumers. The project thus helps provide the rural population with a greatly improved system for the supply of drinking water.

INTERVIEW

"Brazil is the most exciting market"

Jörgen Hössler, a biologist and head of distribution and sales of water supply systems at Grünbeck Wasseraufbereitung GmbH, sees tremendous potential for decentralised water treatment in Brazil.

Mr Hössler, how do the "mobile water-works" developed by Grünbeck actually work?

The system uses the latest filtration technology, is easy to maintain, and has a daily capacity for treating about 20,000 litres of river or surface water and converting it into drinking water. This meets the needs of 500 people. We first built and tested the plant at our head office in Höchstädt. At the end of 2009, we delivered it to Brazil where it has been installed at COPASA in Belo Horizonte, the capital of the Brazilian state of Minas Gerais, and is undergoing continuous test runs. We will soon be installing and optimising the pilot plant in a further

location. If it stands the test – and we are convinced it will – additional plants will follow in different parts of Minas Gerais.

How do you guarantee that the quality of the water remains consistently high?

The water treatment containers work automatically wherever they have been set up. Although they are virtually stand-alone containers, they are equipped with a remote steering and monitoring system to ensure that the water quality always complies with the drinking water regulations in Brazil, which in no way lag behind European standards. The functioning plant is continuously monitored, experts pay regular visits – of course they also come if anything goes wrong – draw water samples on the spot for checking, provide any additional equipment that may be required, and conduct maintenance work on a rotational basis once or twice a year.

Do you see further potential for your plants in other countries?

There is definitely an interest and we have already established contacts in other countries. But we are not confining ourselves to the treatment of drinking water. We also see an opportunity, for instance, in the need for pure water in industry. However, Brazil is currently the most exciting market for us. There are

people in many regions who are still waiting for a secure supply of drinking water. Old supply systems that have outlived their service lives must now be replaced.

How do you assess the role played by DEG? Which other partners were involved in the project?

Without the support of DEG and of the other partners, we would not have been able to realise a project of this magnitude. The consulting firm Dr. Krätzig Ingenieuresellschaft, for instance, advised us and helped establish several valuable contacts. The Bundeswehr University Munich is providing us with technical support within the framework of a dissertation. And Phoenix Contact provided the remote transmission and monitoring technology for our plants. I would also like to mention the German Water Partnership network. Without the network, we would not have had the idea for this project, nor would there have been any contact between the parties involved.

DID YOU KNOW, that Rio de Janeiro has the world's largest water treatment plant? It produces 43 m³ of drinking water per second. Brazil's know-how in the water sector is generally held in high esteem, despite persistent bottlenecks in the supply to rural areas.



Combating desertification with a fungus

Innovative cultivation methods are helping Morocco combat desertification

Special soil amendments help make plants more resistant, giving them the ability to grow in extreme conditions. In a development partnership in Morocco, the partners are promoting appropriate methods that are suited to local conditions.



Dr Kerstin Hartsch



The desert is spreading in the Kingdom of Morocco. Overuse of soils, unsuitable irrigation systems in some places and inappropriate cultivation methods are primarily responsible for a deterioration in soil quality. The soil degrades and loses its fertility until virtually nothing can grow in it. The climate in Morocco is also becoming increasingly arid, thanks to global warming. Land that can no longer be cultivated ceases to be a source of income for Moroccan farmers. As the desert spreads, so does poverty.

I PRO DRESDEN Planungs- und Ingenieuraktiengesellschaft, Amykor GmbH, and GIZ are seeking to counter this development by promoting the targeted use of soil amendments, including mycorrhizae, in an effort to make degraded soil

cultivable again. A mycorrhiza is a symbiotic association between fungi and plant roots. It helps growing plants absorb nutrition and raises their stress tolerance levels, particularly in extreme conditions of drought, unfavourable pH values, or high salinity.

With the help of Compagnie Marocaine d'Environnement de Recyclage (C.M.E.R.), the partners plant mycorrhizal seedlings in pilot areas across climatically different locations. C.M.E.R. has been observing the planting for over two years and is adapting the procedure to Moroccan conditions. GIZ has designed a special training programme for experts in selected institutes who will then pass on knowledge of local mycorrhization techniques and help wrest some land from the encroaching desert.

INTERVIEW

"The results reach far beyond our pilot areas"

Dr Kerstin Hartsch, head of the Department of Ecology and Environment at I PRO DRESDEN Planungs- und Ingenieuraktiengesellschaft, is pleased that the project has been very well received by the Moroccan people and the government.

What is innovative about your project in Morocco?

Our research into soil amendments has led to the emergence of new methods of cultivation that are urgently needed in the area and that were hitherto unknown. We base everything on the use of indigenous raw materials, on what is available in Morocco. The project is thus clearly geared to local conditions.

What success have you had to date?

We have been very pleased with the initial results in the pilot areas. For example, in one year the olive cuttings were almost 30% higher than seedlings

grown in soil that was not amended with mycorrhizae. It is, however, significant that the results of our research are relevant far beyond our pilot areas. At the end of May 2010, we had agreed on long-term cooperation with the two line ministries concerned in Morocco — the High Commission for Waters, Forests and Combating Desertification (HCEFLCD) and the National Institute for Agricultural Research (INRA) — an arrangement that would extend beyond the duration of the project. This is a clear reflection of the relevance of the project for the country's political strategies in this sector within the framework of the national "Plan Maroc Vert" (Green Morocco Plan).

How do you ensure that the local farmers can actually use the method?

Firstly, the soil amendments are based on local materials, meaning that Morocco will not have to rely on future imports. Secondly, our local partners are involved in all forms of practical fieldwork. A Moroccan farmer's knowledge of traditional cultivation methods is extremely important if we are to have a realistic chance of developing methods of soil regeneration. The farmers living and farming in the vicinity of our test fields are extremely interested in our work. By training experts, the partnership also makes sure that mycorrhiza-related know-how is passed on. Bearing this in mind, we work with local training institutions.

What special challenges did you, and do you face in the project?

It is of course always challenging to strike what is often a difficult balance between our requirement for the work to be result-oriented and time-bound and the frequently unpredictable conditions on the ground. The first is the weather, which has a tremendous impact on our pilot areas. The second concerned the import regulations governing our soil amendments, which we needed for the initial seedlings. There are many things that require considerable patience and flexibility before we can finally achieve our goal — which we do, sometimes by taking a detour, but always with considerable personal commitment.

How does I PRO DRESDEN benefit from the development partnership?

The project helps us tremendously in making a realistic assessment not only of the constraints and existing development, but also of potential partners in the Moroccan market. We can then work towards establishing soil amendments as a commercial product.

DID YOU KNOW, that Morocco is the world's largest exporter of phosphate? Phosphate is used as a fertiliser. Trade in agricultural products is particularly important for Germany. In 2009, Morocco sold Germany tomatoes worth over EUR 40 million.



Entering the knowledge era with Java

From e-learning to software development – new IT recruits for Bolivian business

Knowledge is a crucial production factor in the 21st century. An independent information and communications industry reduces dependence on industrialised countries, boosts competitiveness, and fosters economic and social development.



Uwe Bauch



Modern information and communication technologies (ICT) are playing an increasingly important role in the economic and social development of a country. Yet several developing countries lack these technologies. It is of the utmost importance that this digital divide be bridged, if the gap between poor and rich countries is not to widen further. The Bolivian Government has acknowledged the challenge and adopted guidelines to improve the country's IT infrastructure back in 2002. However, the lack of IT experts in Bolivia makes it difficult for the country to develop its own software and many Bolivian companies are unable to afford expensive foreign software firms.

The German software development company, community4you, seeks to establish a foothold in the Bolivian market and to disseminate modern ICT solutions throughout Latin

America with the help of innovative products. The company therefore requires trained experts on the ground. In a two-year development partnership with sequa, and in cooperation with various Bolivian companies and universities, community4you is now training Bolivian IT specialists, students and lecturers in the programming language Java. The training measure is imparted in the form of blended learning, which alternates between face-to-face instruction and individual online training. Eight e-learning modules have been developed for this purpose, and are available to the participants free of charge to use and refine even after the end of the project. Successful graduates are familiar with the latest techniques and standards in software development. They can thus provide support services for Bolivian and international companies and develop their own IT applications that will help Bolivia join the modern knowledge society.

INTERVIEW

"Bridging the digital divide"

Uwe Bauch, managing director of community4you GmbH, sees Bolivia as a future market for his company.

Mr Bauch, can you briefly describe your company's core area of business?
community4you GmbH is an innovative IT company. We develop not only standard products, but also special solutions based on our own software framework, open-EIS. The company's core areas of expertise include software development, the implementation of IT applications, and enterprise portals.

What opportunities does the Latin American market offer your company?
The benefit for community4you lies primarily in the fact that after training

local experts we can assign them to our own projects in Latin America once this project is completed. With this training measure we would also like to make a name for ourselves in the Latin American market and draw the attention of potential clients to our open-EIS integration platform.

Who is your target group? Is there much interest among them in the training measure?

The primary target group consists of IT experts from Bolivian companies and students and lecturers from Bolivian universities in La Paz. The first information sessions attracted a sizeable number of potential participants. A pre-assessment was conducted and 46 participants were selected for the project.

The trainees have almost completed the training course. Did all of them see it through or did any drop out?
All those attending the course stayed until the end. However, attendance at the face-to-face sessions was irregular as many of them could not always stay away from work. These sessions averaged 25 participants a day. Nevertheless, what had been missed could be made up through online coaching. Active use was also made of an e-learning portal with a forum, which was set up especially, and of e-mail contacts.

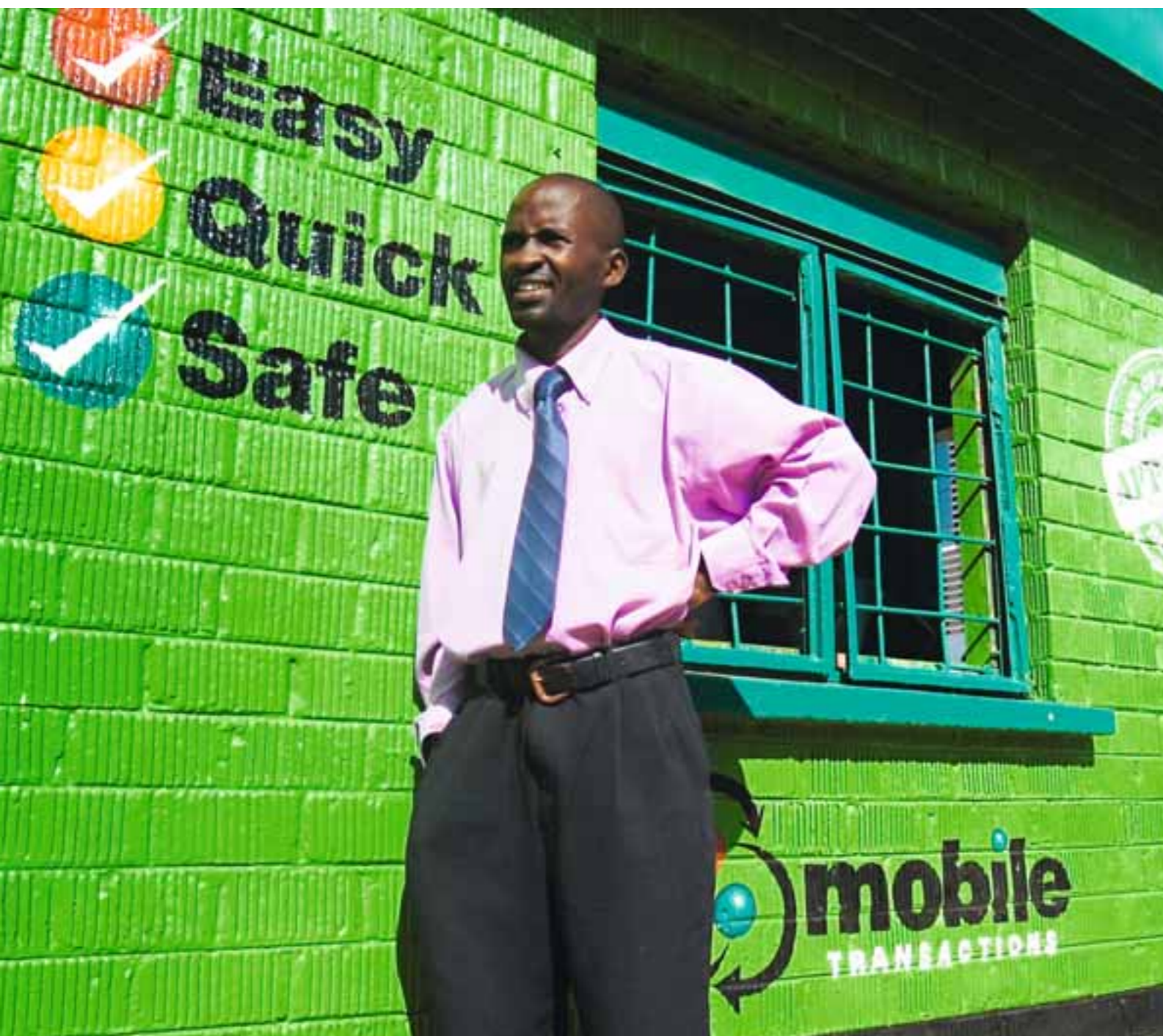
Will the training programme continue to be offered after the measure has been completed?

Talks about follow-on measures are in the pipeline. In general we can say that the training sessions were so well received that there have already been more than 30 enquiries from new participants. The project has aroused considerable interest in neighbouring Brazil as well. Thus, not only have we been able to establish interesting strategic contacts with universities and companies in Bolivia, but we have also managed to get Brazilian companies interested in the project.

How important was the development partnership with sequa?

Under the project, we train more Java experts than we require. We also involve multipliers who are capable of passing on know-how after the end of the project without external assistance. Without the development partnership with sequa, community4you would not be able to offer such wide-ranging training programmes and would only be able to train selected IT experts for specific projects pertaining to our own products.

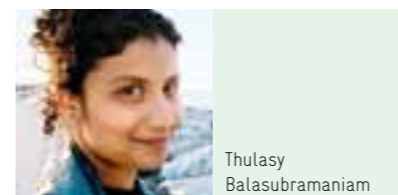
DID YOU KNOW, that Bolivia was named after its liberator, Simón Bolívar? Bolivia is the poorest country in South America and is currently the largest per capita recipient of German development cooperation. The gross domestic product has grown significantly in recent years, reaching USD 1,840 per capita in 2010, and the country should therefore soon be promoted to the middle-income group.



Mobile money for Zambia

Access to simple financial services through mobile banking

Eighty per cent of the inhabitants of Zambia do not have a bank account. Cash is the only familiar means of payment. Transactions consequently take much longer and also cost more. Mobile Transactions Zambia Ltd. (MTZL) is implementing a project with DEG with the aim of enabling everybody, including those who do not have a bank account, to make payments via a cell phone.



Thulasy
Balasubramaniam



Zambia's economic development is hampered by the lack of a financial infrastructure. A paucity of banks and high interest rates and bank charges mean that just about 20% of the population has a bank account. For companies, this means not only loss of time but also higher costs. As almost all transactions are conducted in cash, it is virtually impossible for companies to be sure that between announcing their interest in a purchase and the vendor receiving the cash, no other interested party has been quicker and able to pay in cash on the spot. At the same time, several farmers depend on quick payments and it is therefore highly unlikely that they will obtain fair prices or be able to establish long-term business relations. The problem is now to be resolved with the help of a special form of mobile

banking. Such banking is conducted via cell phones – either one's own or one belonging to an agent – and the charges are low. Security is guaranteed by a system of identification cards and PIN numbers. A similar model has proved useful as an effective alternative to cash in Kenya. In a way, local shops take on the function of simple banks (Champion Agents). MTZL equips other agents with bicycles and cell phones in an attempt to offer people in rural areas without cell phones the option of handling monetary transactions too. The participants in the project can transfer money via these agents. Hence even companies that are located further away are able to pay farmers promptly and so safeguard the next harvest, ensure stable prices, and strengthen long-term relationships.

INTERVIEW

“Our agents are key to our success”

Thulasy Balasubramaniam is responsible for the ongoing development of the new payment system. She is convinced that MTZL will bring about long-term change to the Zambian economy.

What is the current status of the project? How many people have been reached? How much more potential do you see?

Since the start of the project we have been able to acquire more than 200 agents and have managed to develop a network that covers far more people than even the largest bank in Zambia. Over a thousand people a day use our system to conduct transactions involving a total of USD 50,000. We are registering a growth rate of 20% a month.

Does the money deposited with your agents earn any interest? Has there been any noticeable change in the way people are saving?

MTZL does not yet offer customers savings accounts, only transaction accounts. However, we are currently negotiating with other institutions about setting up a partnership that would allow us to integrate savings accounts into our future programme. It is, of course, in our interest to expand our programme, just as it is to look at loans and insurance policies, which in fact we are already considering.

Do you think that the new option of conducting a transaction has had a positive effect on the economy and on people's lives? Who benefits most from the new system?

The financial services help agents, usually shop owners, to tap additional sources of income. Some young people obtain the funds they need to start their own business only from MTZL. Companies benefit from the opportunity to make prompt and safe payments to suppliers without bank accounts, while the smooth flow of money makes it easier for aid organisations to reach people in need. Thanks to our e-vouchers (shopping vouchers), people without bank accounts are able to save what they earn and can thus plan better for the future.

What has been the public response to the new system? Is it difficult to convince people who have known nothing but cash all their lives to now switch to electronic and invisible money?

The system has generally been very well received, as most people have no other option of transferring money safely and quickly. However, despite the many obvious advantages, it is still difficult for many people to understand the potential of electronic money and how it functions. Awareness campaigns will therefore be launched to ensure that our project has the backing of the people.

How do you make sure that your agents act in the interest of the people and do not make money at the cost of those who are not technically savvy?

Our network of agents is key to our success, which is why we spend a lot of time selecting and supervising them. We have also set up a hotline for consumers who can register complaints around the clock. The system itself is easy to understand and monitor, for lay people as well, because they are notified immediately via text message of a successful transaction.

DID YOU KNOW, that in Zambia there is one bank branch for roughly every 60,000 people? This is about one-thirtieth of the corresponding figure for Germany, where there is one branch for every 2,000 people. The lack of banks combined with high bank charges makes it an unattractive proposition for many Zambians to deposit their money in a bank, which explains the low savings rate in the country.



The future of megacities

The Cities21 initiative for sustainable urban development

The city is the habitat of the future. Yet cities are becoming so large that it is difficult to provide residents with water, electricity or food. The Cities21 initiative seeks to find solutions to the problems faced by rapidly growing cities by drawing an international comparison between various urban centers.



Müslüm Yakisan



Bangkok, Ho Chi Minh City and Jakarta in Asia, and Bogotá in Latin America, are among the fastest growing cities in the world. They are urban centers of supraregional economic, political and cultural importance. The development of a megacity often determines whether the development of a particular country advances or stalls. Urban infrastructure is frequently under strain as a result of rapid and dynamic growth; examples include water supply and sanitation, provision of electricity, and traffic management.

In a development partnership, Siemens AG and GIZ launched the Cities21 initiative with the aim of contributing to the sustainable development of megacities. The municipalities and partner cities participating in the project have had little experience to date and do not possess much expertise in tackling these challenges. To provide the municipalities involved with

an overview of successful models and best practices in other cities, megacities and metropolises were selected and benchmarked in an international comparison according to pre-determined criteria. The results have been documented in video films and publications, and the partners collaborate with local universities to disseminate the knowledge acquired through consultancy, conferences and seminars. By comparing cities, the partners are able to draw conclusions about strengths and weaknesses, and about the opportunities and risks of the prevailing situation in the cities selected.

Decision-makers at government level, representatives from municipalities, and personnel from scientific institutions in Bangkok, Ho Chi Minh City, Jakarta and Bogotá are able to improve their planning for the future of their cities by referring to successful examples from other cities.

INTERVIEW

“Valuable thoughts for our daily business too”

Müslüm Yakisan, CEO of Transport Solutions at Siemens AG, is convinced that the development partnership has adopted the right strategic orientation.

What is so innovative about your initiative?

In today's globalised world there is a kind of competition between cities. Cities21 is innovative because the cities in question are observed from a macroeconomic perspective, are compared with large international metropolitan areas, and the conclusions subsequently drawn form the basis for recommendations on strategic and concrete action. We thus try to present the cities within a scenario that allows them to take advantage of optimised investment flows in order to play a leading role among international cities.

How exactly does benchmarking work?

The selected city is compared with three different categories of cities: Potential Best Practices (for example, New York, Paris, Berlin, Singapore, Hong Kong), Transitional Cities (Bangkok, Kuala Lumpur) and Emerging Cities (Jakarta and Ho Chi Minh City). Seventy-three quantifiable criteria have been identified for benchmarking. They cover aspects of urban development such as the quality of urban and spatial planning, connection between the city and the wider metropolitan area, adequacy of urban infrastructure, pollution control, safety, and cultural, tourism and sporting facilities. Benchmarking refers not only to the status quo, but also to newly drafted development plans that are accessible to third parties. The result, then, shows to what extent the city analysed can be compared with leading international cities, today and in the future.

How can the results be used in the long term?

We use the results both internally and externally. One example of the results being used by others and of the long-term institutionalisation of the initiative is that – thanks to a lecture series on architecture and urban planning – the students in Bangkok can also benefit from the methods and outcomes of the study.

What role does GIZ play?

As our longstanding partner, GIZ offers us valuable new insights into the different questions and problems facing cities. Thanks to its international and independent experiences, GIZ can provide valuable thoughts for our everyday business too.

What do you hope your company will gain from this initiative?

The Cities21 initiative is not a marketing programme. We are concerned primarily with providing macroeconomic strategic advice to cities. We are not interested in selling products. Nevertheless, access to the decision-makers in particular in the respective cities is also something valuable that we can perhaps use after the initiative to advise them on how Siemens, given its portfolio, could offer concrete help in addressing the various problems.

DID YOU KNOW, that there are already more than 20 megacities in the world? A megacity is a city with a population of at least 10 million. Most of the world's megacities are in Asia and Latin America. Population growth and the rural exodus are making these cities even larger. Today, more than half the world's population lives in cities. According to the UN, cities will account for 70% of the world's population by 2050.

Towards new markets

Inclusive business models for sustainable development

Around four billion people live at the lower end of the global income pyramid. This is a daunting figure when one thinks of the problems that these people have to deal with day after day. The figure is just as formidable when one considers that the aggregated purchasing power of these four billion people is estimated at USD 5 billion! The poor have hitherto been largely neglected as producers and consumers in international business.

If they were taken seriously as flexible entrepreneurs and price-conscious customers, they would be an attractive market at the bottom of the global income pyramid. These markets bring with them employment opportunities and sources of income that enable disadvantaged social groups to be part of inclusive growth. However, taking a step towards the base of the pyramid (BoP) is not without risk for companies. Business in the markets for the poor is characterised by uncertainty and informal structures, and often no reliable information is available about consumer behaviour and needs.

Innovation is key to entering and being successful in these dynamic and hitherto virtually untapped markets. Addressing the needs of the poor requires companies to adapt their products and to offer them at particularly low prices. The resultant innovations are not only in demand in markets for the poor, but not infrequently also find customers in markets for people with higher purchasing power. An analysis of poverty from the business perspective leads to innovative and inclusive business models that prove worthwhile. But, above all, it also provides valuable impetus for sustainable development.

What do these innovative models look like in practice? A few brief examples will help us to highlight the diversity of business at the bottom of the pyramid.



Renewable energy with chip cards

Thanks to the micro-energy business, the residents of the village of Sine Moussa Abdou in Senegal receive up to 70% of their energy from the wind and the sun, with a modern diesel generator providing back-up during peak hours. A rechargeable chip card is used to buy energy. The firm Insensus, which is implementing this project in a development partnership with GIZ, is generating electricity for a minimum period of 15 years. The innovative operator model allows for electricity to be generated according to customer demand. By expanding the use of electricity for productive purposes, for example in agriculture, metalworking or tailoring, not only is economic development in the village promoted but also more electricity is sold.

¹ The Next Four Billion, Market Size and Business Strategy at the Base of the Pyramid, Executive Summary, IFC and World Resources Institute, Washington, 2007, p.3, <http://www.wri.org/publication/the-next-4-billion>.



UNDER USD 2 PER DAY:
APPROX. 3 BILLION PEOPLE

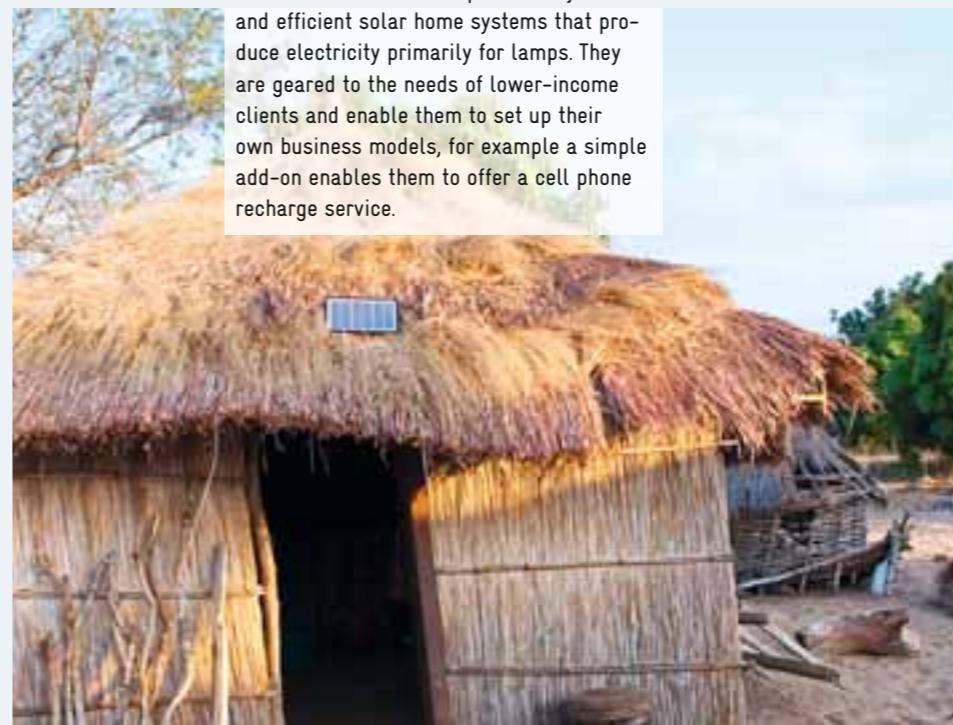
USD 2-8 PER DAY:
APPROX. 1 BILLION PEOPLE

MEDIUM TO HIGH INCOME:
APPROX. 3 BILLION PEOPLE

.....
DID YOU KNOW, that the number of cell phone users in developing countries has grown five-fold between 2000 and 2005? Sub-Saharan Africa witnessed the largest growth. In Nigeria, for instance, the number of cell phone owners has risen from 370,000 to 16.8 million. Cell phone providers were among the first to discover the BoP market for themselves. An example can be found on page 12.

PicoPV for rural Mozambique

The parts of Mozambique that are not connected to the electricity grid will get their electricity from small off-grid solar plants in future. In a development partnership with DEG, Phaesun GmbH trains solar technicians and, with 'solar shops', builds a distribution network for PicoPhotovoltaik systems in rural areas. PicoPVs are particularly small and efficient solar home systems that produce electricity primarily for lamps. They are geared to the needs of lower-income clients and enable them to set up their own business models, for example a simple add-on enables them to offer a cell phone recharge service.



Insurance against extreme weather

Insurance against typhoons? Yes! Innovation helps a microinsurance scheme for protection against the risks of extreme weather respond to the needs of a large clientele: poor segments of the population and their financial institutions that are hit hardest by natural disasters. Munich Re uses its insurance expertise to safeguard the microcredit portfolios of cooperatives. Without its own channels of distribution, the re-insurance company implements a business-to-business model in a development partnership with GIZ and a local partner, and is able to offer valuable services in markets for the poor.



Passionate cooperation with smallholders in Ethiopia

Ethiopian farmers are organising themselves into cooperatives for the cultivation of tropical fruit. They will have a share in the business and a share of the profits of the africaJUICE Company, which processes the fruit into juice in the country itself. This is an innovative organisational structure that will integrate more than a thousand small farmers at the BoP as producers in the value chain in the near future and will support their development into a cooperative society. It ensures that the farmers have greater negotiating power, strengthens their rights, and provides for a reliable source of income. Passionfruit is the focus of this development partnership between GIZ, africaJUICE, the German fruit juice manufacturer Doehler, and the Dutch NGOs ICCO and the Rabobank Foundation.



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