



For Business Associations:

- IB/IGB models deliver social and environmental value while supporting private sector development.



For Investors:

- These businesses are attractive because of their innovative solutions to business and BoP risks.
- They offer a focus on both financial returns and social/environmental impact, aligning with the impact-driven return model.



For Policy Makers:

- IB/IGB promote inclusivity in society.
- Help reduce government spending on social and environmental programs.
- Drive economic transformation through innovative business solutions.
- Expand markets and create new growth potential, generating high returns for the economy.
- Increase taxable revenue, supporting government budgets.



For Development Partners:

- IB/IGB models create measurable value in private sector-driven development, not just engagement.

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The Ghana Inclusive Business (IB) and Inclusive Green Business (IGB) Initiative



What is IB/IGB?

The IB/IGB initiative: In November 2023, the German Cooperation, through the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, commissioned a study on Inclusive Business (IB) and Inclusive Green Business (IGB). This study, conducted by CDC Consult Ltd in collaboration with an international expert, has two key objectives:

1. Identifying, assessing, profiling, and rating IB/IGB businesses in Ghana.
2. Providing strategic recommendations for future programmes to support these companies and foster their growth in Ghana.

IB/IGB definition: Inclusive Businesses (IB) and Inclusive Green Businesses (IGB) are commercially viable private sector business lines that create scaled-up, innovative, and systemic solutions for the relevant income and living standard (IB) or environmental problems (IGB). IB/IGB business lines can be found in **all sectors** and are sponsored by companies of **all (but micro) business sizes**. Micro-enterprises normally do not have sufficient scale to be systemic. Start-ups often do not have sufficient proof of commercial viability, although some can be very systemic and hence included as an IB initiative.

IB/IGB differs from green business (GB) as their impact focuses on the environment, poor, low-income people, and at the same time, there is a deliberate strategic design for systemic impact benefitting the country or the economy, and not only the company.

IGB differs from green business (GB) in their impact focus on the environment/climate footprint and poor and low-income people, and at the same time in their deliberate strategic design for systemic impact benefitting the country or the economy, and not only the company.

Social enterprises can qualify as IB initiatives provided the business is commercially viable, and for-profit, and their impact is systemically designed to scale and focused on the BoP.

Corporate social responsibility activities of companies can also qualify as IB/IGB activity provided it is for profit, commercially oriented, and designed to pilot test a new core business line of the company.

The business line is the determining factor in assessing a company as an IB or IGB. This is because companies sometimes have various business lines.

A relevant business solution at the bottom of the pyramid (BoP) goes beyond typical engagement with laborers, consumers, suppliers, and distributors. For Inclusive Business (IB) income models—such as agribusinesses—the key criterion isn't just the number of people involved, but the actual improvement in income for the company's suppliers, distributors, or laborers.

For an IB living standard model, the focus shifts to factors like affordability, accessibility, and product relevance, rather than just price.

When it comes to Inclusive Green Business (IGB), the criteria include how the company tackles issues like pollution, climate footprint, natural resource management, and overall environmental sustainability. Additionally, it's important to assess how the environmental aspects of the business solutions directly benefit people at the BoP.

In the value chain approach, most of the impact made by IB/IGB companies occurs throughout their entire value chain, not just within their factories or offices. Simply counting the jobs at a factory doesn't fully capture the relevance of Inclusive Business (IB) or Inclusive Green Business (IGB). The real impact lies in how the company affects its supply chain, distribution channels, consumers, and even its ownership structure, rather than focusing solely on employment numbers.

For example:

- In a hospital, the impact is measured by how well poor patients are treated, not by the number of doctors and nurses employed.
- In a financial services firm, the impact is best gauged by the number of clients served, rather than by the number of employees on staff.

Thus, companies can achieve significant social reach when the broader value chain is considered, rather than just focusing on direct employment figures.

Innovation: To work effectively in the markets of the poor and successfully address both business and BoP risks, IB/IGB companies must be innovative. Business innovations to drive impact are more relevant to such firms than the adoption of technological innovations as just a delivery channel.

Transformation and Triple Wins: Inclusive Business (IB) and Inclusive Green Business (IGB) achieve triple wins by delivering deliberate impact for:

- The poor – improving livelihoods and access to essential services,
- The business's bottom line – enhancing profitability through innovation, and
- Society and government – contributing to broader economic and social development.

By addressing key challenges through innovative solutions, IB/IGB businesses are transformative for the economy, creating value not only for their stakeholders but for society as a whole.

Why should companies transform into IB/IGB?

Inclusive Business (IB) and Inclusive Green Business (IGB) models offer triple wins for people, the planet, and the economy. Here is why they are appealing to different stakeholders:



For Companies:

- Access new markets and distribution channels.
- Explore innovative sourcing mechanisms.
- Enhance viability by addressing risks in the business value chain and at the bottom of the pyramid (BoP).
- Reduce costs through sustainable innovations.
- Gain recognition for “doing well while doing good” and stand out among peers.