

# Social Impact

## PORTFOLIO OF SMEs FINANCED

2016 - 2024

**backbone** 

Financing SMEs. Serving Mankind





## A story of dedication

Two bankers, Xavier Heude and Michel Vandevor, who had met at a major Luxembourg bank, decided that they wanted to add their ethical convictions to their professional duties. In other words, they wanted to replace the traditional banker's mantra of risk and return with the triad of risk, return and impact. Driven by the desire to contribute to the protection of human dignity and human fulfillment, they decided to realize their mission by financing SMEs in developing and emerging countries to improve local living conditions.

And so, in 2016, they founded BACKBONE. To their logo, they added a graphic symbol describing the four colors of the human environment to be protected: ochre for earth, yellow for sun, green for nature and red for fruit. Having realized that SMEs are the backbone of a country's economy, they paid attention to lend to businesses that supply the products and services that are essential to preserve human dignity. These include access to food, medical care, education and essential services such as energy and housing.

After six years of existence, they have seen the impact of their actions while reinvesting over 40 million euros in 6 countries (Ivory Coast, Cameroon, Philippines, Peru, Ecuador and Mexico) and granting more than 1,200 loans to more than 600 SMEs with the help of local partners. With the support of like-minded investors, they continue to support SMEs in Africa and Latin America wishing to develop according to their "Social Investment Charter" (see the last page).

Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life.

Nelson Mandela



# BACKBONE investments since 2016

- BACKBONE provides access to essential services for population in need by:
- Focusing on 4 sectors that are considered essential to the preservation of human dignity
  - Building partnerships with reliable local institutions with an in-depth knowledge of the market
  - Contributing to the financing of SMEs with a proven business model, to limit the financial risk

Figures as of 31 December 2023	Amount in EUR	Number of loans	Number of loan recipients
<b>Total amount invested since 2016</b> Excluding the amount co-financed by local partners (partners contribute for 20% to 50% of the amount of loans granted)	39.9 million	1221	69 SMEs + 549 clinics
<b>Total Assets under Management</b> Allocation to Africa Allocation to Latin America	18.9 million 33% 67%		
<b>On-going investment strategies :</b>			
<ul style="list-style-type: none"> <li>« Multi-business » strategy diversified across Africa and Latin America</li> </ul>	10.2 million	563	49 SMEs + 111 clinics
<ul style="list-style-type: none"> <li>« Healthcare » in Mexico (including AXA participation)</li> </ul>	8.7 million	501	438 clinics

## The virtuous cycle of community investing



The IMP methodology applied to BACKBONE enables us to assess the compliance of our investments **with the mission of helping to protect human dignity**. The expectations of vulnerable population are to be understood as **the quest to satisfy their basic needs** (the basis for the protection of human dignity). Each company generates different impacts (positive or negative). BACKBONE's analysis focuses on the major positive impact generated by the company's activity, and on the major negative impacts directly linked to the course of the activity.

- **Level 1 (A): "ACT TO AVOID HARM"** - Act without harming its stakeholders (by offering, for example, decent wages to employees)
- **Level 1 + 2 (B): "BENEFIT STACKHOLDERS"** - Create added value for its stakeholders (e.g. through an offer of goods or services favorable to the health or education of stakeholders)
- **Level 1 + 2 + 3 (C): "CONTRIBUTE TO SOLUTIONS"** - The organization uses its capabilities to provide solutions to one or more social, societal or environmental problems (e.g. by integration of unemployed people or by offering inclusive financial services)

The maximum performance sought is when the company achieves  
level « C » on all impact dimensions.

**FOOD – HEALTH – EDUCATION – COMMUNITY SERVICES**

<https://impactmanagementproject.com/>

From 2016 to 2018, the Impact Management Project (IMP) brought together a community of practice of more than 3,000 companies and investors to establish new standardized standards on how to measure, improve and communicate the positive and negative impacts generated by human activities. The resulting consensus provides a common logic to help companies and investors understand their impacts on people and the planet. See also:

<https://www.avise.org/actualites/impact-management-project-un-outil-standardise-et-consensuel-de-la-mesure-dimpact>

## Social performance assessment

# IMPACT MANAGEMENT PROJECT

backbone 

Financing SMEs. Serving Mankind

# Breakdown of the portfolio according to the 4 sectors covered



Financing SMEs. Serving Mankind

SECTORS	SOCIAL PERFORMANCE		
	A	B	C
Food (page 6)	3	7	9
	16%	37%	47%
Health (page 16)	1	2	3
	17%	33%	50%
Education (page 21)	0	2	2
		50%	50%
Community services and social inclusion (page 24)	2	16	9
	7%	59%	33%
Total	6	28	22
	11%	50%	39%



# FOOD

## Breakdown of the 19 SMEs by activity

### SOCIAL PERFORMANCE

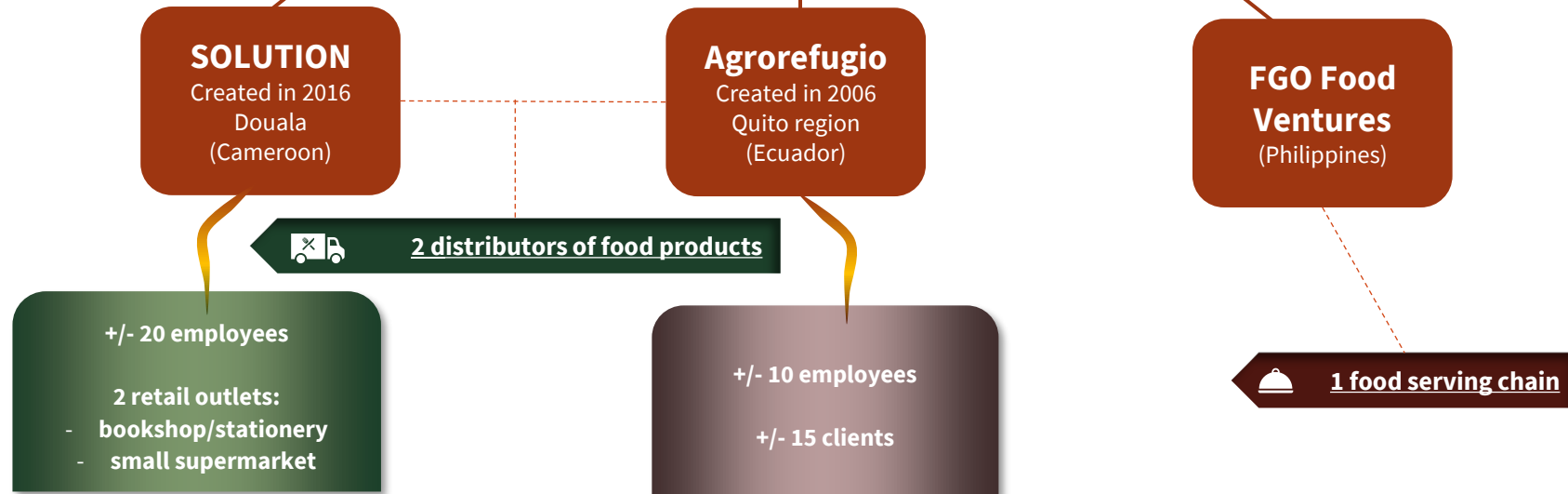
		A	B	C
5	Producers		2	3
4	Processors		1	3
7	Distributors	2	2	3
2	Catering	1	1	
1	Other activities		1	
		3 (16%)	7 (37%)	9 (47%)

84% of SMEs financed in the FOOD category have a level “B” or “C” social performance, i.e. demonstrating a positive impact on vulnerable populations.

Experience shows that BACKBONE has more easily identified companies with a strong impact on the lives of local populations, upstream of the food value chain (production and processing), than downstream. In distribution and catering activities, it seems more difficult to find companies targeting, among other things, low-income populations.

# FOOD

Only three companies do not exceed the "A" level ( 'Act to avoid harm ' / Acting without harming its stakeholders ):



## Food/non-food retail .

The small supermarket is located in a new commercial and residential area of Douala, distributing common and essential food and non-food products.

However, the location is far from the homes of low-income populations.

The bookstore and stationery business does not meet the basic needs of the low-income population.



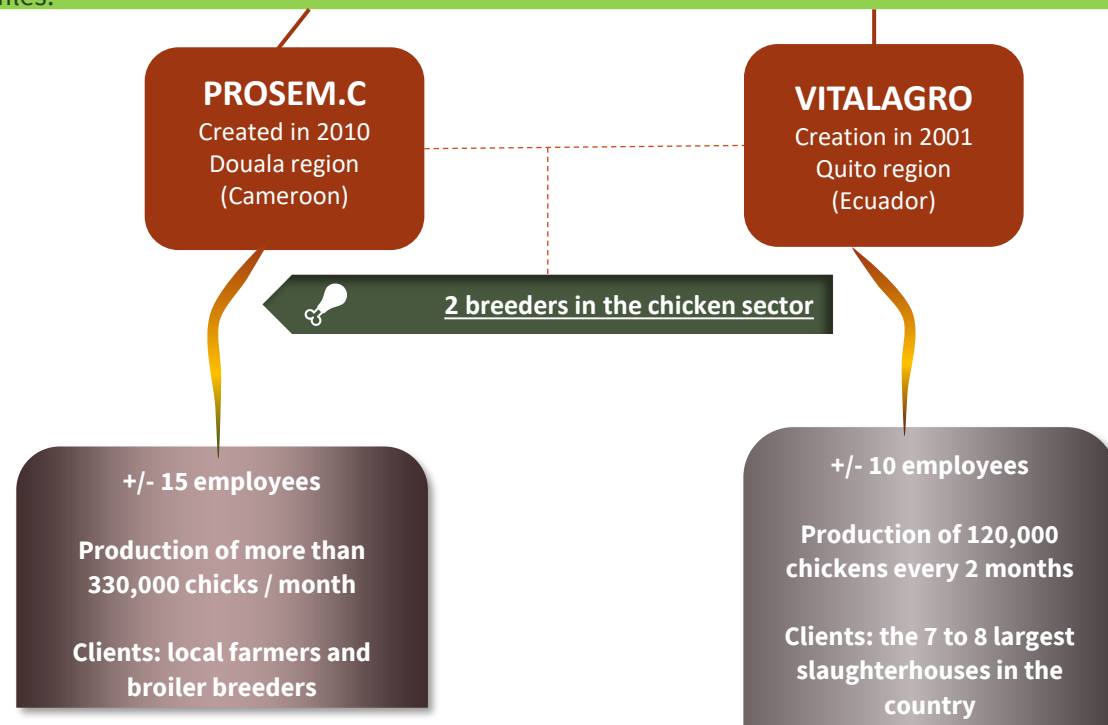
**Agrorefugio** is a distributor of potatoes in supermarkets (potatoes are a staple food in South America. Supermarket distribution is not very accessible to low-income populations, because prices are higher there than in small neighborhood stalls or itinerant vendors).



Small local fast food chain in Cebu, 2nd largest city in the country. FGO Food offers traditional cuisine at an affordable price for the general public. However, low-income customers are not the usual consumer profile.



Companies with a 'B' level performance ( ' **Benefit stakeholders** ' / **Creating added value for its stakeholders** ) bring together a variety of profiles:



These 2 companies do not have a strategy specifically geared towards low-income populations. They do not sell directly to final consumers (no follow-up on the downstream chain leading up to the sale to the consumer).

The contribution of the 2 companies in the total production of chickens in their respective countries is not significant. There are many other actors.

The risk of not meeting the direct or indirect expectations and benefits for the low-income population is mainly depending on chick/chicken mortality.



**PROSEM.C** supplies day-old chicks to chicken farmers.



**VITALAGRO** is a chicken breeder (with plans to expand upstream into chick production). Chickens are delivered alive to slaughterhouses which sell them whole or in pieces to supermarket chains or resellers.

The poultry sector is a key food industry in all developing countries, because chicken is often the cheapest meat, allowing poor populations to access a source of animal protein.

It is not possible to identify what percentage of PROSEM.C and VITALAGRO production will be purchased by low-income families.



Other companies with a 'B' level performance:

## COTRLOG

Created in 2018  
Douala region  
(Cameroon)



Other activities

+/- 90 employees

capacity of 40,000 tons of  
coffee/cocoa.

Suppliers: agricultural  
cooperatives

## NEZAFI

Artisanal activity since 1958,  
industrially reorganized in 2003  
Yaounde  
(Cameroon)



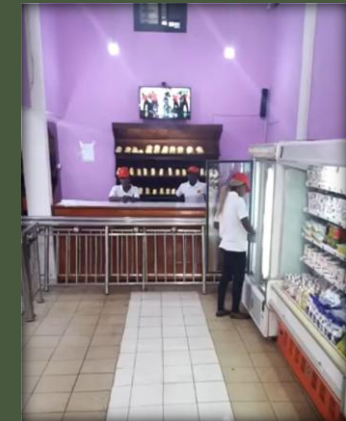
Distributor of food products

+/- 120 employees in the  
biscuit factory (250 in total in  
the group)

Sale to wholesalers and  
supermarkets throughout the  
country and the Central  
African sub-region



**Coffee/cocoa trader** . The company facilitates exporting for cooperatives that do not have direct access to buyers abroad. The cultivation of coffee and cocoa in Africa is mainly the work of small individual farmers with low incomes. They are grouped together in poorly organized coopératives to manage commercial relationship with buyers abroad.



### Industrial bakery and pastry, biscuit factory

NEZAFI is one of the catering suppliers for employees on the construction site of the Nachtigal hydroelectric dam in Cameroon.

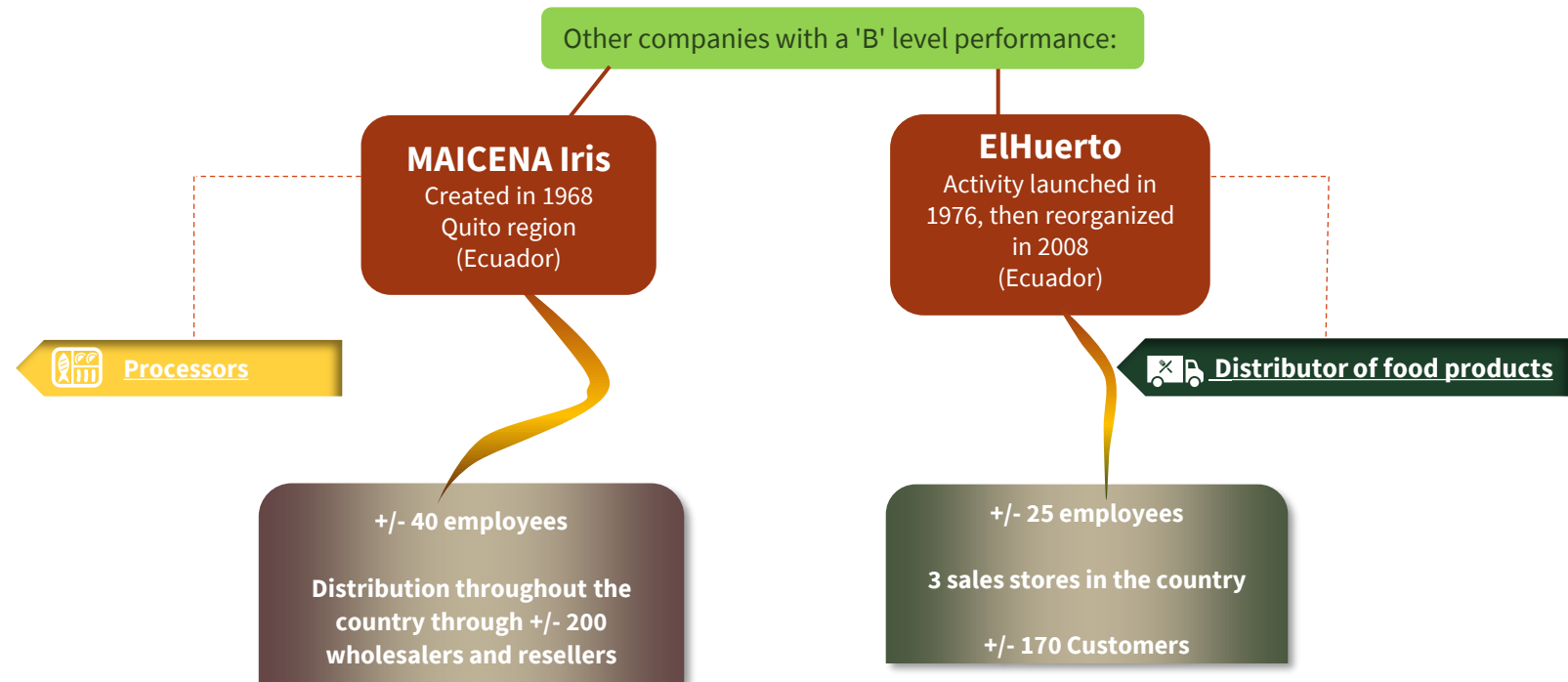
Apart from construction workers who generally come from low-income families, NEZAFI's offer is not very accessible to vulnerable populations.

The biscuit activity offers a local alternative to imported biscuits. Due to a fairly low price (with manufacturing quality that is however better than that of imported biscuits), NEZAFI products are potentially accessible to part of the low-income population.



### Food preparations based on corn and rice starch .

Corn and rice are staple foods consumed by the entire population. The products manufactured by the company are available in small neighborhood grocery stores. Some of them are easily accessible to the low-income population. The range of products is not exclusively developed for the needs of underprivileged populations.



**Distributor of agricultural equipment and products .** El Huerto is the exemplary case of a distributor in the agricultural sector supporting small farmers. It has built customer loyalty by listening carefully to their needs and giving advice on a case-by-case basis. El Huerto also helps the cause of small farmers with public authorities.

Other company with a 'B' level performance:

## EIREC

Created in 1996  
Abidjan region  
(Ivory Coast)

+/- 200 employees

3700 meals served on  
average/day

Clients: Hospital and  
universities



1 food serving chain

### Collective catering for public hospitals and universities.

EIREC's services make it possible to partially reach the low-income population. Indeed, since 2019 the entire population has been benefiting a health insurance scheme, which makes it possible to partially cover the hospitalization costs charged to the patient. Although, university fees are charged, some students from disadvantaged families can access higher education. EIREC's services are possibly accessible to all students, as the company strives to provide meals at the lowest possible cost.



## Conclusion about the 'B' level performance in the food sector

The best scoring is obtained with MAICENA Iris, which enjoys a recognized position in its market and good product quality appreciated by the population as a whole.

To a lesser extent, NEZAFI partially meets the needs of poor populations.

As an intermediary with an upstream position in the agricultural value chain, El Huerto offers a service that indirectly – and at least in part – responds to and benefits low-income populations.

COTRALOG receives the lowest scoring, because its participation in improving the living conditions of low-income populations is less noticeable. It is indeed more difficult to assess the real gain for small coffee/cocoa producers because of the various intermediaries in the marketing chain (of which COTRALOG is a part).

None of these companies has a decisive contribution to the achievement of the benefits they generate for low-income populations, because there are many players in the market offering more or less similar products and services.

The risk of not meeting of the expectations of the population depends on important factors such as the world price of agricultural raw materials such as coffee/cocoa affecting farmers' incomes (case of COTRALOG), the increase in the price of agricultural inputs linked to the cost of energy (case of El Huerto) ... and more generally the possible lack of societal commitment in one or other of these SMEs.



The best scores ("C" level – 'Contribute to solutions' / Putting one's capacities at the service of solutions to one or more social, societal or environmental problems ) are obtained by the companies that enable securing better incomes for poor families

## Nutrivital

Activity launched in 1993,  
then reorganized in 2009

Quito region  
(Ecuador)

+/- 90 employees

Distribution to public  
schools, grocery stores and  
supermarkets across the  
country and export.

## Complexe Chimique d'Afrique Centrale (CCAC)

Created in 2007  
Douala region  
(Cameroon)

+/- 10 employees

Sale in the Central Africa sub-  
region through +/- 60  
wholesalers



Processors



From red palm oil, **CCAC** manufactures cholesterol-free refined palm olein enriched with vitamin A, as an edible oil. This process also makes it possible to manufacture household and toilet soap for personal use. The company manufactures basic necessities for the entire population.

Palm oil has been exploited across Africa for centuries. It is a very inexpensive basic raw material that meets the needs of everyone's daily life and is adapted to the standard of living on the continent. The company sources its supplies from sustainably managed palm groves (ie integrating other crops between the palm trees). Supply is indeed a potential source of negative ecological impact.



**Nutrivital** was created with the intention of improving the health of the population through the manufacture of good quality food products at an affordable price for all. In particular, the company has entered into an agreement with the Ministry of Education for the daily supply of cereal bars to students in public schools. The specialization is in grain-based foods, such as soy drinks and muesli. The products are sold through different distribution networks also allowing potential access to low-income populations.

Other company with a 'C' level performance:

### Villa Andina

Created in 2007  
Cajamarca (Peru)

+/- 200 employees

The company gets one's  
supplies from approximately  
1,500 producers



Processors



**VILLA ANDINA** (B-Corp labeled company) mainly produces dehydrated fruit (mango, pineapple, bananas, etc.) sold for export in packages for individual consumption, "snack" style. The company was founded in 2007 with the intention of improving the living conditions of small local fruit producers by purchasing their production at a price slightly above the local market price. Small growers (mostly grouped into cooperatives or production associations) also benefit from technical assistance to improve their yields.



## Conclusion about the 'C' level performance in the processing industry.

The 3 companies each provide their own solution to help meet the basic needs of low-income populations. CCAC has developed an offer that specifically meets the needs of this category of the population. Moreover, its contribution is important as a key player in the Cameroonian market. **VILLA ANDINA** plays a major role in improving the living conditions of its suppliers through a sustainable partnership offer.

For a specific product in its range (the distribution of organic cereal bars to children), **Nutrivital** has developed a national partnership contributing to better nutrition for students attending public schools. Children from low-income families are among the direct beneficiaries. **Villa Andina** and **NUTRIVITAL** make a decisive contribution: the first by supporting the small peasantry; the second by targeting children.

The risk of non meeting of the expectations is relatively high with the 3 companies for various reasons, such as for example the pressure of competition and/or an increase in production costs which would no longer make it possible to buy the raw material at a fair price to the producer (case of **Villa Andina**); a lower interest of the Ministry of Education for the benefits of food intake for students (case of **NUTRIVITAL**).



Others companies with a 'C' level performance:

## 4-B

Created in 2015  
Douala  
(Cameroon)

+/- 15 employees

Retail distribution of approximately  
125,000 plastic bags of mineral water /  
year

Distribution of bottled water to +/- 80  
businesses, schools, hospitals, etc.

## ARI Froid

Created in 2008  
Abidjan region  
(Ivory Coast)

+/- 10 employees

Sale to wholesalers and  
mass retailers

## Big Moments Distribution (BMD)

Douala  
(Cameroon)

+/- 20 employees

+/- 100 customers (dealers  
and small neighborhood  
traders)



**3 distributors of food products**

## Conclusion about the 'C' level performance in the distribution of water and food

4-B (unlike BMD) and ARI Froid have a strategy specifically targeting low-income populations. The 3 companies generate a strong impact by offering an easy access to drinking water, although they are small players in the market. None of these companies has a decisive contribution to the benefits they generate for low-income populations, because there are many players in the market offering more or less similar products and services. They do not seem to be exposed to a major risk hampering their ability to serve low-income populations. With regard to 4-B and BMD, the risk of not meeting the expected benefits is not considered to be too high, due to the high demand (which it is absolutely necessary to satisfy) for well-managed water quality control and access to sustainable water sources.



**4-B** distributes drinking water in 19-litre bottles to companies, schools and hospitals and in plastic bags retail consumption. The plastic bag (disposable) is a container still authorized in Cameroon because it is recognized as the most convenient package by small traders and consumers. It is easy to keep it cool and to store it. The water bag nevertheless constitutes a significant source of pollution. Due to the lack of access to drinking water for two-thirds of the inhabitants of Douala (and mainly for the poor), BACKBONE considered it necessary not to hinder 4-B's ability to respond to a vital need for everyone.



**ARI Froid** is a wholesaler and packer of fresh and frozen fish and chicken for household consumption and in particular at an affordable price for low-income populations. The negative effect of ARI Froid's activity is the massive importation of tilapia from China, which is not only detrimental from an environmental point of view (origin of supply) but also for the survival of small Ivorian fishermen. Owing to food needs under pressure due to population growth, BACKBONE considered it essential to support supply chains accessible to needy populations.



**Exclusive distributor of mineral water and sodas bottled by the SABC (Société Anonyme des Brasseries du Cameroun)** over some areas of the city of Douala. The products are sold through a dense network of small shops, allowing easy access to the entire population, including people with low resources.

A negative effect that should not be overlooked is the high consumption of sodas in general, which contributes to the increase of overweight and obesity. BACKBONE wanted to prioritize access to drinking water, compared to the risk of health damage with the consumption of sodas.



Others companies with a 'C' level performance:

### Perene

Created in 1966  
Chanchamayo  
(Peru)

+/- 4 employees

About 140 members (small farmers  
of conventional and organic coffee,  
holding on average 1.5 ha.)

### TOCACHE

Created in 1990  
(Peru)



3 coffee and cacao producers

+/- 20 employees

About 350 members  
(small farmers of  
conventional and organic  
cacao, holding on average  
3 ha.)

### COOPASER

Created in 2014  
(Peru)

About 350 members  
(small farmers of  
conventional and organic  
cacao, holding on average  
2 ha.)



**Cooperatives** allow farmers to sell their produce on world markets (which they could not reach on their own) at a much higher price than selling to a middleman on the domestic market.

Although export prices fluctuate significantly depending on the prices of agricultural raw materials, small farmers manage to secure higher incomes for their households.





The cooperative sector contributes significantly to improving the living conditions of rural populations, who traditionally have few resources.

## Conclusion about the 'C' level performance in the producing industry.

Although their activity does not meet the basic needs of poor population as hardly 100% of their production is exported, cooperatives of this type generate strong indirect positive impact, as they help improving the revenues of their members and their families. The risk of not achieving this positive outcome (i.e. farmers' better living conditions) is quite low, because cooperatives are essential in coffee production at the global level. The demand for this type of material is constant, whatever the international situation. What remains hard to mitigate is the climate hazards that can severely hit their harvest and eventually their revenues.

## Breakdown of the 5 SMEs by activity in addition to the 549 clinics

### SOCIAL PERFORMANCE

		A	B	C
3	 Distribution of medical products/ drugs		2	1
1	 Distribution of paramedical/ body care products	1		
1	 Insurance for medical expenses			1
1	 Healthcare			1*
		1 (17%)	2 (33%)	3 (50%)

\* 549 clinics since 2016



The distribution of medical products and medicines is a key milestone in the health sector, to extend the offer of care to the entire population.

# HEALTH

Only one company does not exceed the "A" level ( ' **Act to avoid harm** ' / **Acting without harming its stakeholders** ):

## Vida Nutriscience

Created in 2004  
(Philippines)



**Distributor of paramedicine products**

+/- 55 employees

Established in the whole country

Sales breakdown: - 70% health  
products  
- 30% wellbeing and beauty products

The distribution of medical products and drugs is a key milestone in the health sector, to extend the supply of care to the entire population.

### Distribution of food supplements and body care products.

The company targets a rather young and urban clientele, paying attention to its external appearance. Products are sold through major supermarket chains. They are not accessible to low-income populations





The 2 companies with a level "B" social performance (' **Benefit stakeholders** ' / **Creating added value for its stakeholders** ) are involved in the distribution of medical products and medicines:

## Jaspharm

Created in 2012  
Quito and Guayaquil  
(Ecuador)

+/- 100 employees (including  
30 sales staff)

**Nationwide distribution**

**Jaspharm** is a distributor of generic drugs and pharmaceutical products sold mainly in pharmacy chains (including low-cost pharmacies). The products are therefore accessible to low-income patients.



**Distributors of medicines**

**Jaspharm distribute products that are partially accessible to low-income populations, generating a potential direct or indirect positive outcome for them. This company has the capacity to diversify their product range with additional suppliers, if necessary.**

## MAGAS

Created in 1992  
(Philippines)

+/- 200 employees

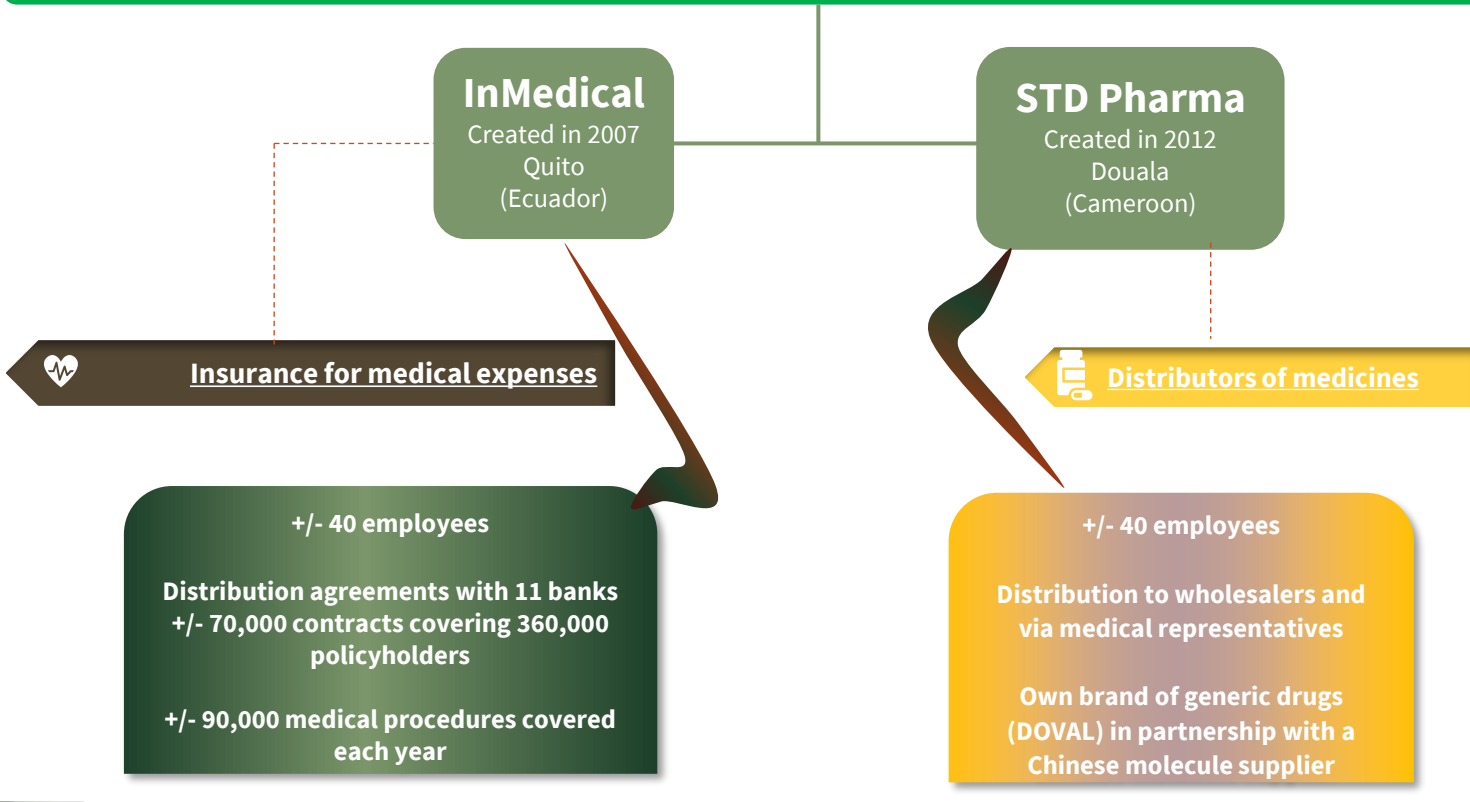
**Established in the whole country**

**13 agencies, including 4 production sites of liquid gas**

**MA INDUSTRIAL GAS & AIR PRODUCTS CENTER (MAGAS)** is a producer and distributor of medical gases (mainly acetylene and liquid oxygen). Basic products in the hospital sector. MAGAS provides hospitals that are accessible to the entire population, including potentially low-income people.



Social performance scores ("C" – **Contribute to solutions / Putting one's capacities at the service of solutions to one or more social, societal or environmental problems**) is obtained through a health insurance offer and access to essential care :



**STD Pharma** specializes in the import-export and distribution of generic drugs and especially infusion solutions for hospitals, clinics and rural dispensaries. These solutions (glucose – metronidazole, etc.) are very commonly used to treat patients suffering from malnutrition or victims of bacteria. The products marketed are at low prices, intended for patients of all income levels, but more particularly for those with low incomes in the countryside. The company also works with several wholesale customers and medical representatives to market its products to the population.

**Complementary health insurance.**  
The product is mainly distributed through banking networks, which makes it not very accessible to low-income people (the latter are often not banked). Alongside banking distribution, the company offers a micro-insurance product.

**Through a micro-insurance offer, the company reaches the low-income population and responds to the improvement of access to health care.**

**The company's contribution to meeting the needs of the population is decisive, because the players offering microinsurance services are still few in number.**

**STD Pharma's contribution to better health care is higher than that of Jaspharm because its products are distributed in rural areas, unlike Jaspharm which is more focused on urban areas.**

'C level' performance

## Private clinics

(Mexico)



Healthcare

549 clinics have been financed since 2016, spread across the country (out of which 70% are micro-structures with less than 6 employees, including doctors).

Main medical specialties funded (in order of importance) :

- gynecology
- ophthalmology
- medical imaging
- odontology
- radiology
- internal Medicine
- cardiology

**Small private clinics** set up by doctors very committed to improving access to health care for vulnerable people.

These clinics aim to fill the lack of basic health care for the vulnerable population in Mexico. People living in cities and rural areas with middle-low and low income face a dramatic lack of access to medical services, close to home. Therefore, most of them cannot be treated properly for some basic diseases, common accidents, dental care, etc ..

The challenge is to help the middle-low to low-income population to be cared for according to the best standards. To achieve this goal, clinics are looking for easier access to credit to acquire latest generation medical equipment from major global manufacturers, such as General Electric, Fujitsu, Siemens, Zeiss, Philips .... As a general rule, private hospitals and clinics are quite expensive, so the vast majority of Mexicans cannot afford them, unless they make huge economic efforts to seek treatment there. In 2020, 32% of medical units were private against 68% public infrastructure.





## Breakdown of the 4 SMEs by activity

### SOCIAL PERFORMANCE

		A	B	C
3	 Educational institutions		1	2
1	 Distribution of school supplies		1	
			2 (50%)	2 (50%)



One of the most important factors for escaping poverty is education. The financing of educational institutions is the backbone supporting a society that can continue to grow and prosper, economically and intellectually.

Companies with a 'B' level performance (' **Benefit stakeholders** ' / **Creating added value for its stakeholders** ):



*“Education is more than a profession, it is a mission, which consists in helping each person to recognize what is irreplaceable and unique in them, so that they grow and flourish.” Jean-Paul II*

**The 2 companies partially meet the needs of low-income population, with potential accessibility and direct or indirect positive outcome**



**Wholesale and retail distribution of school equipment and supplies**, in shops and supermarkets.

Elio Import's offer is not specifically intended for low-income people, but they can access it via neighborhood shops where school items are distributed.



**Primary and secondary school, private secular education .**

Reputable school, however not very accessible to children from low-income families, due to tuition fees (difficulty of balancing the level of tuition fees and the objective of delivering quality education to all social segments of the population).

The best scores ("C" level – 'Contribute to solutions' / Putting one's capacities at the service of solutions to one or more social, societal or environmental problems):

### God's Grace School

Creation in 2006  
Manille region  
(Philippines)

+/- 12 teachers

15 classrooms for 300  
students

### MACI-Canada

Created in 2008  
Yamoussoukro  
(Ivory Coast)

+/- 62 employees

932 students in 2022/2023  
Plan for expansion estimated  
to: 1720 students



Educational institutions



### Primary to post high school education.

MACI-CANADA (Mission Action Charité International) is an Ivorian-Canadian non-profit organization. It aims to strengthen human potential through four (4) main programs: Educational assistance, Health assistance, Social and spiritual assistance. It promotes values such as: charity, respect for others, education, discipline and work.

MACI-CANADA also offers students complementary services such as student transport, canteen and sports practice.

Through its various activities, MACI-CANADA also creates jobs. With 10 employees at the start, the institution had 35 employees in 2021 and 67 in 2022, including 47 women.



### Primary and secondary education.







The school is intended primarily for children from poor and modest families. Tuition fees are very low in order to guarantee access to the greatest number of families.



# COMMUNITY SERVICES

## Breakdown of the 28 SMEs by activity

### SOCIAL PERFORMANCE

		A	B	C
8	 Transportation (people/ goods ; equipment and maintenance)		2	6
4	 Telecom and electrical infrastructure		4	
5	 Construction and civil work	1	4	
2	 Financial services			2
3	 Social housing	1	2	
6	 Miscellaneous(social inclusion ; trade.. )		4	1
		2 (7%)	16 (59%)	9 (33%)

The 4 key activities transportation, communication infrastructure, public works and housing represent 71% of SMEs financed in the Community Services category.

The community services sector demonstrates the extent to which it plays a fundamental role in providing basic necessities to populations. This sector includes the services and small infrastructures made available to the population on a daily basis.

# COMMUNITY SERVICES



## Social housing

### REB'S

Creation in 1998  
Douala region  
(Cameroon)

Only 2 companies with a 'A' level performance:

### Ets William & Brothers

Created in 2015  
Douala  
(Cameroon)



## Construction and civil work

+/- 150 employees

Management of 6 buildings + 2  
villas totaling nearly 120  
apartments

+/- 5 employees

Recruitment of temporary  
staff (technicians, workers,  
laborers ) according to orders  
and markets

Company specializing in the promotion and management of real estate (including construction) and in carrying out electrical work.

The construction is mainly oriented towards buildings intended for rental to middle-class households.

Rental prices exceed the financial capacities of low-income households.



**Small technical design office** bidding on calls for tenders from private or public companies. Once awarded, it coordinates and manages the execution of the share of the contract which has been allocated to him.

The services provided are mainly related to infrastructure work, so it is difficult to identify the real contribution of this consulting firm to meeting the needs of vulnerable populations.





4 companies with a 'B' level performance in the construction sector:

## CSC Business

Created in 2006  
Yaoundé (Cameroon)

+/- 15 employees

Established nationwide

## KHAYROUAL GROUP

Created in 2016  
Yaoundé (Cameroon)

+/- 15 employees

Established nationwide

## ARING Constructions

Created in 1993  
Quito (Ecuador)

+/- 85 employees

## Precast Panel Blocks Manufacturing Inc.

Created in 2017

+/- 30 employees

Established nationwide



Construction and civil work

**KHAYROUAL**, **CSC Business** and **ARING** are 3 civil engineering companies active both in the construction of public infrastructure (including roads) and buildings for public or private use. Without distinction, the entire population benefits directly or indirectly from their services.

**Precast Panel Blocks** is a building material manufacturer that has developed precast blocks as an alternative to hollow concrete blocks. They do not require plastering and are therefore easy to put together. The company is a spin-off from CHMI Group, which is a Filipino social housing builder with 10,000 homes built nationwide since 1987.

Technical processes that reduce construction costs are an opportunity to make housing at an acquisition cost more affordable for low-income populations.

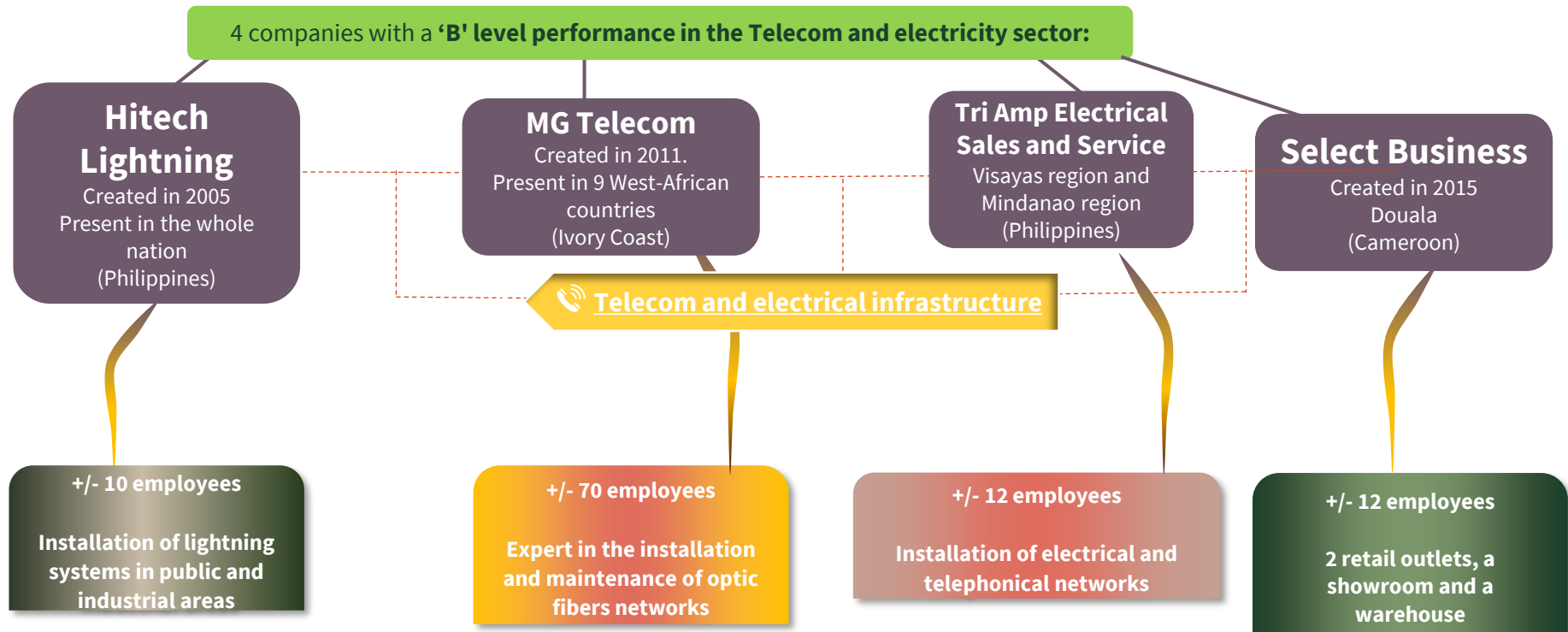


## Conclusion about the 'B' level performance in the construction industry

These 4 companies provide a partial response to the needs of low-income populations, although they deliver "B to B" services.

The population benefit directly or indirectly from the services of these 4 companies. These companies are exposed to a significant risk of not meeting the expectations of low-income populations, because they are mainly in the position of subcontractors for public contracts (ie they do not define the commercial strategy).





**HiTech Lighting** specializes in the installation of public and industrial lighting systems mainly with LED systems. Indiscriminately, the entire population directly benefits or has access to this service.

As an expert in the installation and maintenance of fiber optic networks, MG Telecom works mainly as a subcontractor for national and international telephone operators that deploy optic fiber on a large scale, including directly or indirectly popular residential areas.

**Select Business and Tri Amp Electrical Sales and Service** specialize respectively in the installation of electrical networks and in subcontracting telecommunications networks for the large national operators in their country. The work focuses on infrastructure serving the population.

2 companies with a 'B' level performance in the Transportation sector:

### Idriss construction

Created in 2015  
Douala  
(Cameroon)

### Caucho Sierra

Created in 2005  
National presence  
(Ecuador)

 **Transportation (people/ goods ; equipment and maintenance)**

+/- 20 employees

Own fleet of 6 trucks for transportation activity

+/- 85 employees

+/- 400 customers (including 100 vehicle fleets)

1,400 tires retreaded on average per month (i.e. a market share of nearly 10%)

**Idriss** is a manufacturer of truck trailers, while **Caucho Sierra** is a chain of workshops that fit and repair tires for automotive and industrial vehicles, including retreading.

The 2 companies are essential players in the transportation by road sector as a whole.

Retreading is also a recognized ecological solution due to a significant extension of tire life (a tire can potentially be retreaded several times).

Proper maintenance of industrial vehicles (trucks and buses) is vital for the efficiency and safety of transportation by road. The low-income population are depending much on it, not only for their own mobility, but also of the supply of the basic products and good they need .



These companies are typically suppliers to the transportation sector ("B to B" service).

The construction of trailers provides an indirect positive impact for low-income population, because the latter are an essential element for the supply of basic products and goods.

Tire retreading generates an environmental positive outcome for everyone. In this sense, it is relevant to also finance this activity .

The risk of not meeting of the expectations of the population is quite high due to a few major constraints to be considered, such as an existing network of roads or well-maintained fleets of trucks.



2 social builders with a 'B' level performance :

### South Pearl Properties

Created in 1998  
Luzon province  
(Philippines)

### Balajadia Builders

Manilla region  
(Philippines)



**Social housing**

+/- 17 employees

Small regional builder of  
houses and commercial  
premises

+/- 32 employees

Small regional builder of  
houses and commercial  
premises

These 2 companies provide a partial response to the housing needs of low-income populations (they do not have a strategy specifically oriented towards this category of population). Even if the price of the dwellings built are quite low, not all families can afford it. The positive outcome for the families housed is to be assessed on the long term, because it is necessary to check whether they can face the acquisition cost or the rentals without difficulty.



Some of the houses built are intended for a medium-low to low-income clientele. The stock of social housing produced by these 2 companies is a few hundred houses.





3 companies with a 'B' level performance in miscellaneous sectors:

## Water Projects

Creation in 2004  
Quito  
(Ecuador)

## Belech Fire

Created in 2009  
Quito  
(Ecuador)

## AMAPLAST

Creation in 1999  
Abidjan region  
(Ivory Coast)



Miscellaneous (social inclusion ; trade..)

+/- 20 employees

+/- 1500 customers (1000 private customers; 350 professional customers; 50 industrial customers; 20 municipalities)

+/- 16 employees

+/- 170 clients (companies, fire department of the municipalities)

+/- 300 employees

400 to 500 models of sandals made with 20 to 25 molds for adults and children

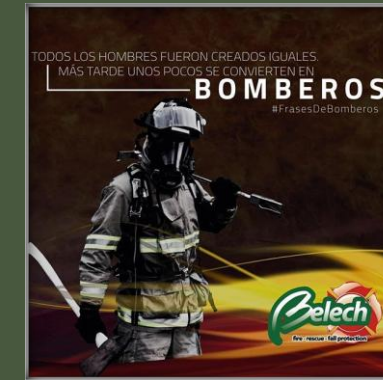
**Distributor and installer of water treatment systems and products**, for private use (consumption at home and at work) and professional use (use of water for the manufacture of some products).

The targeted clients are not the low-income population, but they are potentially reached via the municipalities equipped by Water Projects.

Water treatment is one of the primary needs of humanity as a whole, thus justifying BACKBONE's choice to finance this company.

### Distribution and maintenance of safety and fire-fighting equipment.

Security systems and devices are essential in any human organization and they indirectly benefit the entire population. The fire services are the most pregnant example of the protection everyone enjoys.



**Manufacturer of plastic sandals (thong type)**, partly from recycled plastic waste.

The social contribution of this company is important, on the one hand because it produces articles accessible to the whole population, including low-income people; on the other hand because it is an alternative to importing from other countries with low production costs.

Despite the use of plastic materials, this company was selected because it meets a basic need in many countries of the world where walking is the alternative to the lack of public transportation services.

Other company in miscellaneous sectors with a 'B' level performance:

## GEOSPACE Africa

Created in 2012  
National presence in  
Cameroon

+/- 35 employees

Bathymetry services,  
agricultural topography and  
geographic IT.



Miscellaneous (social inclusion ; trade..)



**Technical design office** bidding for calls for tenders from private or public companies. Once awarded, it coordinates and manages the execution of the part of the contract awarded to it. The company has a significant impact in terms of environmental protection, with specialized activities such as bathymetry.

## Conclusion about the 'B' level performance in the miscellaneous sectors.

**The manufacture of plastic sandals is the activity that best meets the expectations of poor populations.**

**Safety and fire-fighting equipment are naturally beneficial for low-income populations, despite no clear expectation being expressed on that.**

**Although it is a vital element, the positive outcome of water treatment systems and products provided by Water Projects is low for the disadvantaged population, because it is not the main target reached.**

**Whereas Belech and Geospace have a niche position in their respective market... the 2 other companies are exposed to the mass-market with a strong competition of similar products and services.**

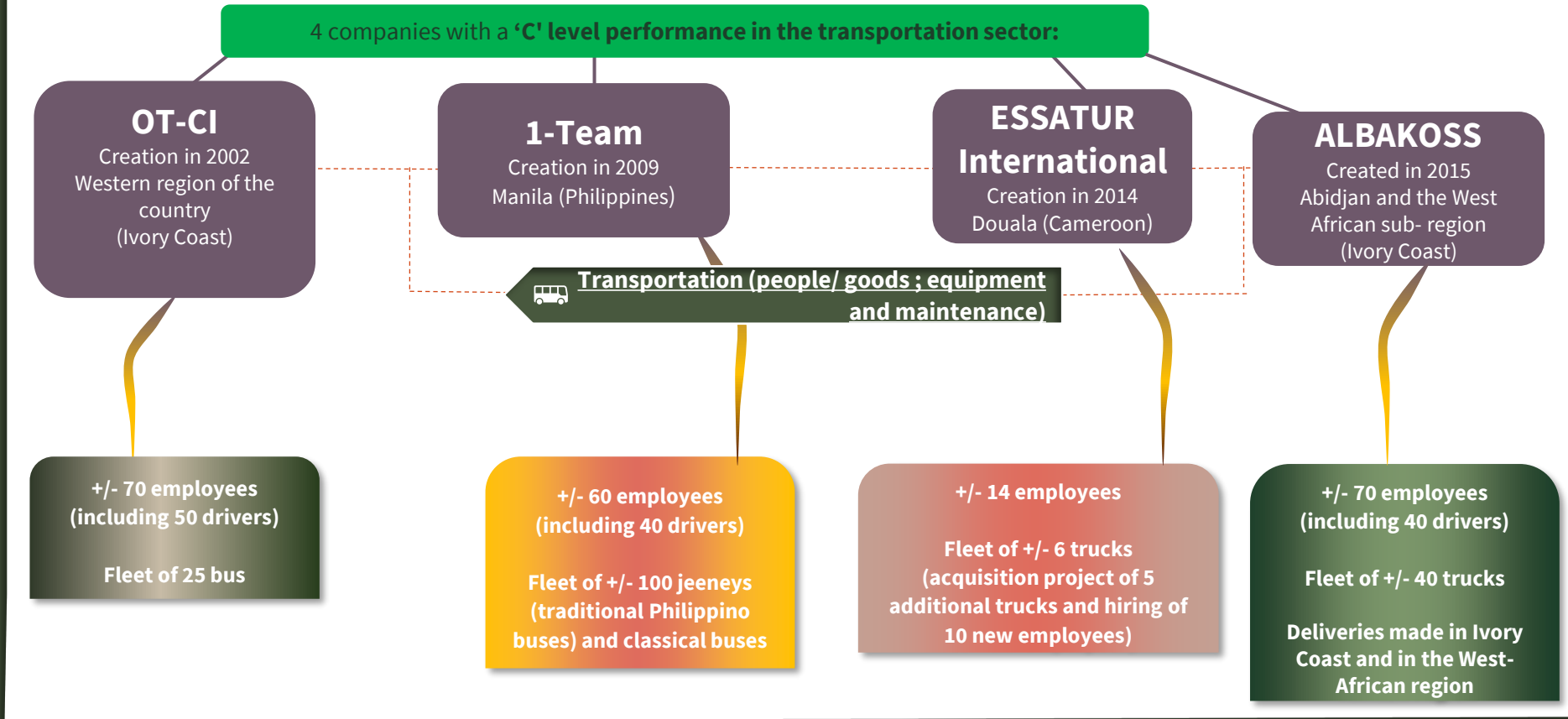
**Belech and Geospace are also less exposed to the risks of not meeting the expectations of populations, due to their specific offer.**



OTCI (passenger transportation) plays an absolutely essential role for low-income population to travel to Abidjan for various purposes (administrative tasks, medical care, attending university, etc.). It is a leading coach company on the routes between Abidjan and certain remote regions of the country.

1-Team provides urban transportation services in Metro-Manilla, the metropolitan area of Manilla made up of nearly 25 million inhabitants.

The mission of the 2 companies is to facilitate the mobility of people in two different contexts:  
To go every day at work(case of the inhabitants of Manila) or to go to Abidjan for various purposes.



**ALBAKOSS and ESSATUR (freight transportation) are both located** in a port cities, which are strategic gates to serve neighboring countries deprived of access to the sea.

The 2 companies play a very important role in the transport and delivery of goods of all kinds (industrial and agricultural products, other raw materials) in their respective regions.

Satisfying most basic needs cannot be achieved without ensuring access for the populations (particularly those in remote regions) to some basic products.

The road is the vital physical link between the regions which contributes to the opening up and restricts the phenomena of migration towards the cities.



The best scores ("C" level – ' **Contribute to solutions**' / **Putting one's capacities at the service of solutions to one or more social, societal or environmental problems** ) are obtained by the companies that enable securing better incomes for poor families

### Etablissement Nasir

Created in 2012

Bouaké  
(Ivory Coast)

+/- 13 employees

4 stores in the country where  
are distributed motorcycles  
and tri-wheels.

### ZAR Auto

Created in 2004, transformation in  
an official business in 2010

Abidjan  
(Ivory Coast)

+/- 70 employees

3 transformation workshops:

- body/chassis
- mechanical
- tapestry

 **Transport (people/ goods ; equipment and maintenance)**



**Fixer of passenger and transport vehicles** Importation of used cars, purchase of wrecks (cars, trucks, coaches) and reconditioning / re-design according to customer needs. The objective of ZAR AUTO+ is to put vehicles back onto the market with significantly extended lifespans. The transformation of trucks or chassis into coaches is highly appreciated by carriers which consider them competitive in terms of quality/price compared to the purchase of new vehicles. These coaches also make it possible to meet the need for transportation of students as well as companies staff. Mobility is crucial for social and commercial exchanges. People are suffering a lack of solution of mobility and poor infrastructure to access schools, doctors, etc.. Furthermore, ZAR AUTO+ contributes to the circular economy.



**Nasir** provides essential equipment for the transportation of goods, making it possible to meet the basic needs of vulnerable populations. Motorcycles are the preferred means of transport for a majority of the population in many countries around the world. The development of peri-urban areas, the distances between villages and economic exchange centers, the lack of easily passable roads or even the poor offer of public transportation services makes this type of vehicles all the more attractive. Their prices, much more accessible than those of automobiles, also explain their success. The motorcycle is used as an economic tool by a large majority of the population for various purposes: transportation of small goods, motorcycle taxis, etc.

**Theses companies provide a partial response to the needs of low-income populations, particularly in terms of mobility. Their product are not accessible to this population, but the direct or indirect benefit is strong. The respective contribution of these company to improving the living conditions of low-income population is, however, low, due to the large number of workshops of vehicle transformation throughout the country (whose level of formalization of their activities and technical skills can vary significantly) .**



Distribution of electronic and telecommunications equipment (mobile phones, tablet PCs, wifi modem, Mifi, USB dongle). In a market where the purchasing power of the vast majority of the population is weak, the company sells terminals for all budgets. In addition, by specializing in white labels, it allows its largest partners to customize their products to the needs of their customers. Guest contributes to the access of remote and isolated population to communication tools, notably through the design, production and distribution of electronic terminals through the (low cost) “MAKU” brand.



1 company with a ‘C’ level performance, contributing in a major way to improve the life of people at risk :

## Guest Cameroon

Created in 2007  
Douala  
(Cameroon)

Miscellaneous (social inclusion ; trade.. )

+/- 15 employees

Established nationwide  
with 4 sales sites

Through its offer of communication services, GUEST Cameroon partially meets the needs of disadvantaged populations with telephone solutions whose benefits are also strong. Its contribution to achieving the expectations of this category of the population is high. The risk of Guest Cameroun's offer is, among other things, linked to the limitations and quality of the national telecommunications networks.

Telecommunications and electricity infrastructure activities are even more essential than before with the digital age, both to open up the regions and limit the influx of inhabitants from the countryside to the cities, and to enable, for example, the development of education.



2 companies with a 'C' level performance in the Financial services sector:

## Sulumovecsa

Created in 2014

Quito  
(Ecuador)

## Gata Daku Multi-Purpose Cooperative

Created in 1992

Clarín  
(Philippines)



Financial services

+/- 20 employees

National coverage.  
Services used by 10% of  
the Ecuadorian  
population

+/- 50 employees

9 agencies in 4 provinces of  
the country

26,000 members (fishermen,  
peasants, microentrepreneurs)

Both SOLUMOVECA and GDMPC offer services whose expectations and positive outcome are high in the daily life of low-income population. Their contribution to meeting the expectations of this population is decisive compared to other offers on the market. SOLUMOVECSA provides an offer that is significantly different and complementary to that of cooperatives. As a result, its contribution to meeting the population's expectations could be more significant than that of GDMPC, whose offer is standard and accessible from any other cooperative. SOLUMOVECSA offers a service whose risk of not meeting of the population's expectations seems quite low. This risk depends particularly on the involvement of the shops in distribution.

GDMPC is a multi-service cooperative, including the offer of financial services. The role of cooperatives in developing countries is crucial to enable unbanked population to benefit from financial services. GDMPC, among other things, provides its members with microfinance and money transfer services; credits dedicated to agriculture; savings products. Added to this are non-financial services such as the provision of food products or even housing programs.

For its on-line offer of essential services specially dedicated to low-income population Sulumovecsa relies on networks of small shops located in working-class neighborhoods to reach vulnerable population and micro-entrepreneurs with services essential to their daily lives, such as: payment services (to pay electricity bills); microinsurance contracts; credits.

In addition, Sulumovecsa offers tel cards, prepaid cards and subscriptions to utility companies, within the framework of distribution agreements negotiated with these companies.

These services are generally difficult to access for vulnerable population, due to the lack of distribution networks specifically adapted to this type of clients (they often have to go out their neighborhood to get them).







Financing SMEs. Serving Mankind

**Contact:**

Backbone (Luxembourg) S.A.  
14, rue marché-aux-herbes  
L-1728 Luxembourg

[www.backbone.lu](http://www.backbone.lu)