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G-20 Commits More Than One-Half Billion Dollars to Challenge Winners People's Choice Winners Announced for the G-20 SME Finance Challenge

(Washington, DC – November 12, 2010) At a ceremony closing the G-20 Summit in Seoul Korea, the G-20 agreed to commit a total of US \$528 million to scale up the winning proposals to increase financing for small and medium enterprises (SMEs) from the online G-20 SME Finance Challenge. The Group of 20 and Ashoka's Changemakers, with support from the Rockefeller Foundation, selected the 14 best worldwide models of catalyzing finance for small and medium enterprises (SMEs) through an online competition.

Korea, the U.S., Canada, and the Inter-American Development Bank (IDB) have agreed to launch an SME Finance Innovation Fund and committed a total of US \$528 million to support the fund. The form of funding provided to the winning proposals will vary based on their individual requirements, and may include grants for technical assistance or capacity-building, risk sharing or first-loss capital, mezzanine capital, and investment capital.

"I am very pleased that we have been able to launch this concrete program through the G20 that is making a difference in people's lives," Obama said. "Between the Koreans, Canadians, and the U.S., we are going to contribute \$528 million to put into practice some of the extraordinary ideas that are represented by the winners, and to boost the actual work they are already doing. When it comes to creating jobs and opportunity, often times it's the small and medium sized enterprises that make all the difference in people's lives, and one of the biggest challenges for such companies is to make sure they receive the financing that they need."

Since many innovative SME finance solutions emerged through the Challenge and the winning proposals will be scaled up with support from the SME Finance Innovation Fund, it is expected that the SME Finance Challenge and the award ceremony attended by three G20 Leaders will significantly contribute to mobilizing more international support for closer cooperation between the public and private sectors to increase flow of funds to SMEs.

The final declaration released at the end of the Seoul Summit by the G-20 country leaders said: "Recognizing the vital role of SMEs in employment and income generation, we welcome the strong response to the G-20 SME Finance Challenge and the innovative models for scaling up private SME finance that have emerged from the competition and congratulate the winners. We have constructed a flexible SME Finance Framework to

mobilize grant, risk capital and private financing by using existing funding mechanisms and the new SME Finance Innovation Fund to finance the winning proposals and other successful SME financing models.”

President Lee Myung-bak hosted the award ceremony for the 14 challenge winners immediately following the G20 Leaders’ Meeting. U.S. President Barak Obama Canadian Prime Minister Stephen Harper also attended the ceremony. President Lee, in his capacity as the current G20 Chair, congratulated the 14 winners of the Challenge and presented award certificates to the three “People’s Choice” winners at the Challenge that garnered the most votes in an online competition. President Obama and Prime Minister Harper also delivered their congratulatory speeches.

The Changemakers.com online community had selected the three “people’s choice winners” from the 14 G-20 SME Finance Challenge winners. The “people’s choice winners” of the Challenge are:

1. European Fund for Southeast Europe
2. Peace Dividend Trust
3. Medical Credit Fund

“The ‘people’s choice winners’ demonstrate innovative solutions that help small and medium-sized firms grow, and create jobs,” said Diana Wells, Ashoka President. “Their approaches propose achievable, yet groundbreaking ways to get more finance to SMEs by sparking policy and regulatory changes, increased access to markets, and intensive business-development training for SMEs.”

The other challenge winners are:

- [Bank of the Philippine Islands](#)
- [Entrepreneurial Finance Lab](#)
- [Root Capital](#)
- [Barefoot Power](#)
- [responsAbility Social Investments](#)
- [Capital Tool Company](#)
- [MFX Solutions](#)
- [BiD Network](#)
- [Aavishkaar](#)
- [Equity for Africa. Ltd.](#)
- [Grassroots Business Fund](#)

Following the Summit, all of the Challenge winners, including the three “people’s choice winners,” will be connected with donors and investors at an SME conference in Cologne, Germany on November 15-16, 2010.

“There are many insights and useful examples in the work of these 14 winners,” said Ashoka’s diamond leader for Africa, Bill Carter, appearing alongside the G-20 leaders and peoples’ choice winners at the closing ceremony. “Their solutions are on track to direct billions and billions of dollars to small enterprises in low income economies around the world.”

The G-20 is collectively committed to mobilizing the public share of funding for the winners from development banks and interested bilateral donors because it recognizes that SMEs contribute to more global GDP than micro-businesses or large corporations, giving them the potential to lift billions of people out of poverty and revive flagging economies throughout the world.

"We are excited to have been a partner with Ashoka and the G-20 on the SME Finance Challenge," said Randall Kempner, Executive Director, Aspen Network of Development Entrepreneurs (ANDE). "The quality of the participants in this inaugural challenge was outstanding, and we are eager to work with the challenge winners and other partners to develop and implement solutions to help the 'missing middle'."

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About The G-20

The Group of 20 was first established in the wake of the Asian financial crisis of the late 1990s as a meeting of finance ministers and central bank governors. Its goals were to bring stability to financial markets and to promote economic cooperation. Membership consists of advanced and emerging economies from all regions of the globe.

With the onset of the global financial crisis in 2008, the G-20 was seen as the most effective forum to lead global efforts to stem the crisis and mitigate its effects. G-20 leaders gathered on three separate occasions to stabilize the financial system, coordinate national economic policies to steer the world towards recovery, ensure that the international financial institutions were provided with the right underpinnings and adequate resources, and take new steps to increase access to food, fuel and finance among the world's poorest.

Leaders agreed to meet in Canada and Korea in 2010. The G-20 Toronto Summit took place on June 26-27, and the Republic of Korea will host a G-20 Summit on November 11-12. The Canadian and Korean summits provide opportunities for the G-20 to follow through on its commitments from previous summits and take action to build a future of sustainable and balanced economic growth.

The G-20 countries include: Argentina, Australia, Brazil, Canada, China, France, Germany, India Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, Republic of Korea, Turkey, United Kingdom, the United States of America, and the European Union, who is represented by the president of the European Council, the president of European Commission and the European Central Bank.

About Ashoka's Changemakers

Ashoka's Changemakers is a community of action that connects social entrepreneurs around the globe to share ideas, inspire, and mentor each other. Through its online collaborative competitions and open-source process, Changemakers.com is one of the world's most robust spaces for launching, discussing, and funding ideas to solve the world's most pressing social problems. Changemakers builds on Ashoka's three decade history and belief that we all have the ability to be a Changemaker. www.Changemakers.com

About the Rockefeller Foundation

The Rockefeller Foundation fosters innovative solutions to many of the world's most pressing challenges, affirming its mission, since 1913, to "promote the well-being" of humanity. Today, the Foundation works to ensure that more people can tap into the benefits of globalization while strengthening resilience to its risks. Foundation initiatives include efforts to mobilize an agricultural revolution in Sub-Saharan Africa, bolster economic security for American workers, inform equitable, sustainable transportation policies in the United States, ensure access to affordable and high-quality health systems in developing countries, accelerate the impact investing industry's evolution, and develop strategies and services that help vulnerable communities cope with the impacts of climate change. For more information, please visit www.rockefellerfoundation.org.