

Latin America Social Entrepreneur of the Year Awards Presented at 2011 World Economic Forum on Latin America

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- The Schwab Foundation announces five Latin America winners for the Social Entrepreneur of the Year awards at the 2011 World Economic Forum on Latin America in Rio de Janeiro, Brazil
- Winners working in Brazil, Colombia, Chile, Mexico and Venezuela are among 25 Social Entrepreneurs from around the world taking part in the meeting, providing an on-the-ground perspective to sustainability and social innovation
- Learn more about the Schwab Foundation at www.schwabfound.org

Rio de Janeiro, Brazil – Five social entrepreneurs will be awarded the title of Social Entrepreneur of the Year during the 2011 World Economic Forum on Latin America in Rio de Janeiro, Brazil, taking place on 27-29 April. The Latin America Social Entrepreneur of the Year awards will be conferred by Klaus Schwab, Co-Founder of the Schwab Foundation for Social Entrepreneurship, and Mirjam Schoening, Head of the Schwab Foundation for Social Entrepreneurship, following the opening plenary of the meeting.

Hilde Schwab, Chairperson of the Schwab Foundation for Social Entrepreneurship, commented: “As we lay the foundation for a decade of Latin American growth, the role of social entrepreneurs in both facilitating the conditions for growth and ensuring that people are not left behind in the development process becomes even more critical. These social entrepreneurs that we are recognizing today are essential for the future of the continent, and to improving the state of the world.”

“Social entrepreneurs are the driving force behind the innovations that improve the quality of life of individuals around the world,” explained Mirjam Schoening, Head of the Schwab Foundation. While the primary focus of social entrepreneurs is to make a specific change in one area, such as access to education or affordable housing, social entrepreneurs’ approach to delivering a social impact, which utilizes innovative and effective business models and cross-sector collaborations, has inspired change among governments and in the private sector alike. In effect, social entrepreneurs are not only delivering change to their constituents, they are also transforming the way governments and companies serve their constituents.

The following five winners have been selected as 2011 Social Entrepreneurs in Latin America:

Felipe Vergara (Colombia) – Lumni (Colombia, Chile, Mexico and the United States): Felipe Vergara, a Wharton MBA and former McKinsey consultant, has been passionate about the gap in access to higher education since he was young. Recognizing that the education financing market is inefficient, Vergara realized that if someone would invest in the education of a high-potential future worker, the return on that investment in the form of future earning potential would more than compensate for the cost of the education. Hilde Schwab explained the decision to confer the award on Lumni: “Education accounts for roughly 70% of a country’s wealth, yet approximately 88% of the world’s

youth cannot pay for university. The Lumni model has the potential to change this.” Lumni is the first organization to successfully bring to market the concept of human capital contracts in developing countries. Whereas student loans require students to pay back the full principal of the loan plus interest payments and fees, human capital contracts only require graduates to pay back a percentage of their income after graduation. This creates a win-win scenario, as the post-university income differential exceeds the amount the student pays the investor. In addition, investors in Lumni’s funds have received a double bottom line return (the ROI exceeds the DJIA by 7 points, and investors have raised the education level among low income students).

Francesco Piazzesi (Mexico) – Echale a Tu Casa (Mexico): Francesco Piazzesi grew up in Mexico with a family construction business and wrote his PhD dissertation on “Sustainable Housing Microfinance Mortgage” before starting a social enterprise to focus on sustainable housing for the poor. Nearly 1.1 billion people around the world live in deficient homes. Echale a Tu Casa devised a solution for the poor to become owners of structurally sound houses in a cost-effective and sustainable way. Echale begins working in communities by first creating social housing production units, and offering training to the community in both financial literacy and basic construction skills, Echale helps the community set up a credit union to facilitate savings and loans, and works with the federal mortgage institution to facilitate home ownership to Echale community members. Echale promotes eco-friendly solutions for home building, including houses that are made from 90% earth and that have solar heaters, grey water biodigestors and rainwater harvest systems. Nearly 26,000 homes have been built through Echale. Additionally, the process of construction has generated 130,000 jobs and US\$ 65 million of income for those engaging in the micro-construction industry. Hilde Schwab explained the decision to select Echale for the award: “The Echale model tackles poverty in a multifaceted and replicable way. It generates job growth with its micro-construction industry, creates financial stability with community trust funds and ‘sweat-equity mortgages’, and builds social capital through all of this.”

Roberto Kikawa, Projeto Cies, (Brazil) Projeto Cies takes specialized, humanized and high-technology preventive medical care to communities in need through the largest mobile medical centre in the world. Projeto Cies is innovative in two aspects: it has a unique self-sustaining management model of integrating health with education and the community; and uses advanced technology through its mobile health centre to offer services in 10 medical specialties.

Tomas Recart, Enseña Chile, (Chile) By enlisting Chile’s top university graduates to teach for two years in low-income communities, Enseña Chile looks to improve educational opportunities for impoverished students. Enseña Chile selects professionals based on eight fundamental criteria, including leadership, perseverance and ability to organize and achieve goals. The training process for the selected professionals is based on the “Teaching as Leadership” model, which is divided into two phases. The first phase is an intensive training period during the summer before the start of the school year, followed by the second phase, which includes support activities during the two years of work.

Claudia Valladares, Banca Comunitaria Banesco (Venezuela) Banca Comunitaria Banesco provides access to banking services, both savings accounts and micro-credit, to low-income individuals in Venezuela. Banca Comunitaria Banesco specializes in comprehensive financial services that provide products and services in the areas of lending, savings, debit cards, credit cards and micro-insurance. It provides business financing to micro-entrepreneurs who have been in business for at least one year, and offers 24/7 services through online banking transactions as well as through its network of retail agents in small businesses located in the low income communities.

To view descriptions of all Schwab Foundation Social Entrepreneurs present at the 2011 World Economic Forum on Latin America, please visit: www.weforum.org/pdf/schwabfound/SocialEntrepreneurs

About the Schwab Foundation

The Schwab Foundation for Social Entrepreneurship was co-founded by Klaus Schwab, Founder and Executive Chairman of the World Economic Forum, and his wife, Hilde. Since its inception in 2000, the Foundation has been identifying the world's leading social entrepreneurs in over 40 countries around the globe. Social entrepreneurs implement innovative and pragmatic solutions to social problems by tackling the root causes and creating social transformation. Selected social entrepreneurs of the Schwab Foundation network participate in World Economic Forum events, thus providing unique opportunities for them to connect with business, political and media leaders.

<http://www.schwabfound.org>. Follow the Schwab Foundation on Twitter at www.twitter.com/schwabfound

Notes to Editors

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World Economic Forum, 91-93 route de la Capite, CH-1223 Cologny/Geneva
Tel. +41 (0)22 869 1212, Fax +41 (0)22 786 2744, <http://www.weforum.org>