



General Description of Pajebal

Pajebal, Inc. is a North Carolina-registered 501(c)3 nonprofit corporation with the mission of significantly improving the level of economic development and standard of living of the poorer, rural regions of western Guatemala, through an emphasis on **sound business management** and **intelligent use of capital**. Since 2008 Pajebal has been working towards its mission through: **1)** The daily training & guidance provided by our educated Guatemalan staff and our U.S./European volunteers, working with less formally educated managers of village savings & loan (S&L) institutions and their small business borrowers; **2)** The provision of low-interest, fair financing channeled to the most potential-infused small business borrowers of our partner S&L institutions, with capital originating from individual & corporate U.S. lenders.

Summary of our Newly Proposed Business Model

Current online microfinance platforms often use many individual lenders to finance each one of their featured developing-world micro/small businesses. Although these platforms can and do create great benefits, there are certain lenders who would like to be more connected to their loan recipient. Similarly, certain small business borrowers would benefit from a closer connection to their supporters. Pajebal will directly connect the social lender to the developing-world borrower. We will provide an alternative platform that creates impact through strengthened lender-to-borrower relationships and capacity building, connecting developing-world small businesses to ideas and insights of the global business world.

With Pajebal's new platform, each featured small business in the developing world will **receive all of their loan funds directly from a single company in the United States**, through the U.S. company's Corporate Social Responsibility (CSR) portfolio. Additionally, the U.S. company will **serve as an advisor & mentor**. For example, a U.S. organic foods company, *Quality Organic Farming*, would lend to and mentor *Finca Don Francisco*, a small organic coffee farm in Guatemala. Each U.S. company will select between 3 to 10 Guatemalan small businesses, to achieve a degree of scale. This effectively leverages the U.S. company's: 1) industry expertise; 2) employees, already accustomed to working together, excited about engaging in a fulfilling social impact project. U.S. companies will determine investment viability by reviewing business pitch videos and financial information generated by the small businesses/entrepreneurs, with post-investment correspondence & collaboration occurring through video updates, Skype, and other online communication tools. The U.S. company will communicate with the small business on a *monthly* basis; Pajebal's Guatemalan staff will work with the small businesses *daily*, interpreting insights coming from the U.S., making the best and most feasible ideas locally adaptable. Pajebal will connect people from different socioeconomic and cultural backgrounds, allowing the collaborative exchange to foster knowledge transfer, increased economic productivity, and intercultural respect & understanding. We seek to initiate this platform with 5 to 8 U.S. companies supporting a total of 25 Guatemalan small businesses.

By creating mutually beneficial connections through online evaluation, financing, and mentorship, Pajebal provides an alternative solution for those social lenders, and small business borrowers, whose specific needs are not fully being met by the platforms that currently exist in the marketplace.