

# MEET ROCÍO PÉREZ OCHOA

## BIDHAA SASA

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*Rocío Pérez Ochoa, Co-Founder and Director of Bidhaa Sasa*

Rocío, Bidhaa Sasa builds on your personal experiences but also on elements from other business models. What exactly inspired you and why?

Even before co-founding Bidhaa Sasa, I believed that typical Western-based approaches wouldn't work for last-mile distribution in developing countries. You need to go to your clients, village to village, house to house. The direct marketing approach from Tupperware was inspiring as our future customers would learn about new products by word-of-mouth and not rely on shiny pictures on the internet. I also realized that if we want to do consumer finance, the microfinance model would be a big source of inspiration. Like Tupperware, it builds on social capital and leverages trusted personal networks. Today, we always work with groups of people and a leader, with whom we recruit clients, do quality control and credit checks.

In the meantime, you position yourselves as a last-mile distribution provider for climate adaptation and mitigation products. What drove this change?

We haven't really changed our product focus: Bidhaa Sasa started with solar and cooking products and later added offerings in the water and food space. What has profoundly changed, however, is our narrative and sources of revenue. About a year and a half ago, we decided to monetize the carbon emission reductions we generate through our work in the clean cooking space, specifically via the distribution of electric cooking appliances. This move was essential to keep our noses above water in a market with low margins. Right now, we are in the process of negotiating a large RBF contract that will help us to develop our carbon business that is in pre-validation stage. I am confident that we can start selling carbon credits soon.

Which major implications do you expect once you start selling?

I expect a very positive effect on pricing for our clients. Affordability is the whole point in our space. In the past, we had several results-based financings (RBFs) and passed on their benefits to our customers. If the carbon credits come on top, the price reduction will be quite radical, I think.

If you look at the WASH space in the two countries you are active in, Kenya and Uganda, which major challenges do you observe? Is it only affordability or also access to products?

In the WASH space, it's even worse than "just" affordability and access: Awareness is the biggest issue. For example, we tried to offer products in sanitation, irrigation, and water for consumption. The only thing that really worked was rainwater collection through water tanks. I often get reactions like: *"Why should I spend 70 dollars on this gadget that looks like a bucket when the government tells me that boiling water for drinking is enough?"* Most people simply don't know the benefits and thus have no interest in buying these solutions.

You received several RBFs and have a very diverse mix of funders and investors. How do you manage potential tensions?

I think that our financing journey is quite typical for an impact startup: we all blend finance as we go. In the beginning, it's typically friends and family and then you may get money from a foundation or a VC. Loans only come when you have more visibility on future cash flows and there's always a grant or RBF in the background. What I'm proud of is that we were very consistent. We never changed our business model only because there was a funding offer that would push us towards XYZ, while we wanted to focus on ABC. I've seen fellow entrepreneurs change too quickly because of such opportunities and this is when the tensions arise. Another risk is that your funding sources are too rigid and inflexible. *As an entrepreneur, you need to be able to go with the flow, adapt to a volatile context, and pivot to stay afloat. Ideally, your capital structure should allow you to do so.*

Is this one reason why you found the ILF for WASH programme appealing?

Yes. But what drew us especially to ILF for WASH was a combination of two aspects: First, we already knew Impact-Linked Finance (ILF) and the concept of incentives for impact metrics from an earlier transaction with EnDev. Impact-Linked Finance is a natural fit for us. Second, *Aqua for All was the first-ever funder who showed interest in our water tanks. No other capital provider had ever cared about our WASH solution.* Typically, investors look only at large utility models such as ATMs or piped water infrastructure, but these don't work in our last-mile context.

During the transaction process with the ILF for WASH team, did you learn something new about your impact model?

Absolutely. For example, we had no idea about the importance of maintaining and cleaning the water tanks to achieve even better water quality. This is something that Aqua for All introduced us to. It came as a positive surprise, and we immediately translated it into one of the metrics of the ILF transaction together.

You said that what you love about ILF is that you, the entrepreneur, can co-design the impact metrics.

Yes, I always say this when someone complains about donors and their reporting requirements. I strongly believe that you have to co-create and negotiate metrics. Funders typically come with their own ideas, but they don't know how the enterprise can measure and manage these metrics. If you try to understand what impact the funders really want and negotiate the best metrics together, you can identify something that is practical and works for both sides.



What would you say is the biggest benefit of Impact-Linked Finance?

**What I like about Impact-Linked Finance most is the flexibility.** We have received an Impact-Linked Loan, and I appreciate that the interest rate and the incentives are linked and aligned. Usually, it's the exact opposite: Investors want the full triple bottom line performance but are not ready to sacrifice any returns. Their motto is "no trade-offs, please". With ILF, however, both sides win, the entrepreneur and the investor.

If you had all the money in the world, what would you do with Bidhaa Sasa?

I would hire many more people and go to many more countries. People keep on asking me why we are not in Zambia or Rwanda. There's a massive need for last-mile distribution, no matter whether for solar, cooking, or water products. And with all that money, I would maybe work a little less.



*Interview by Christina Moehrle, Roots of Impact / Pictures by Bidhaa Sasa*