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Green and Inclusive Business Toolbox

Promoting Green and Inclusive Business Models
in Development Cooperation Programmes

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Table of Contents

INTRODUCTION	5
INFORMATION:	
Mapping the Green and Inclusive Business Ecosystem	13
Global Entrepreneurship Monitor	17
Digital Crowd-solving Platform	22
PARTNERS & NETWORKS:	
Inclusive Business Sector Dialogue: Peer-to-peer Networking for Stakeholders of one Sector	27
Competition for Inclusive Business	31
Development Partnerships with the Private Sector for Green and Inclusive Business	36
MARKETS:	
Digital Marketing Platform for Inclusive Business	41
Linking MSMEs to Supply Chains	45
Opening New Markets with Low-carbon Products	49
CAPACITY DEVELOPMENT:	
Green Entrepreneurship Academy	54
Cross-Border Start-up Programme	58
Incubator Manager Training	63
Scaling programme for Green and Inclusive Businesses	66
Business Skills Training For BoP-Entrepreneurs	70
Remote Strategic Advisory Services	74
Navigator for Green Incubators	78
Small and Medium-sized Enterprise Adaptation to Climate Change	82
FINANCE:	
Entrepreneurs' Guide to Impact Investing	89
Establishing Angel Investor Groups and Networks	92
Crowdfunding Academy	97
POLICY:	
Local Approach to Supporting Green Businesses	103
Strategic Study on Setting the Framework for Inclusive Business	107
Inclusive Business Policy Development Programme	110
Value Chain Selection – Integrating Economic, Environmental, Social and Institutional Criteria	116
Promotion of Disability-inclusive Workplaces	121
REFERENCES	126

List of Abbreviations and Acronyms

AHK	Außenhandelskammer
AHN	Affordable Housing Network
APS	Adult Population Survey
BGMEA	Bangladesh Garment Manufacturer and Exporters' Association
BMZ	German Federal Ministry for Economic Cooperation and Development
BoP	Base of the Pyramid
CAD	Centre of Partnerships for Development
CDD	Centre for Disability in Development
CIIE	Centre for Innovation, Incubation and Entrepreneurship
COPLAN	Cooperation Platform Latin America North
CRP	Centre for the Rehabilitation of the Paralysed
CSB	Caucasus School of Business
DPO	Disabled Peoples' Organisation
DPP	Development Partnerships with the Private Sector
EUREF	Europäisches Energieforum
FMCG	Fast Moving Consumer Goods
GEM	Global Entrepreneurship Monitor
GHG	Greenhouse Gas
GIB	Green and Inclusive Business Models
IB	Inclusive Business
IBAN	Inclusive Business Action Network
ICT	Information and Communication Technology
IFC	International Finance Corporation
IIMA	Indian Institute of Management, Ahmedabad
IJC	Inclusive Job Center
ILO	International Labour Organisation
ITC	International Trade Centre
MADS	Ministerio de Ambiente y Desarrollo Sostenible
MENA	Middle East and North Africa
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium-sized Enterprises
NAMA	Nationally Appropriate Mitigation Action
NES	National Expert Survey
NGO	Non-governmental Organisation
NSP	NAMA Support Project
PRODES	Promoción del Desarrollo Económico Sostenible
ProECON	Programme for Sustainable Economic Development in Mozambique
ProGED	Philippine–German Promotion of Green Economic Development
PSACC	Private Sector to Adapt to Climate Change
PSD	Private Sector Development
PSES	Promotion of Social and Environmental Standards in the Industry
RGBP	Regional Green Business Programme
RIBH	Responsible and Inclusive Business Hubs
RMG	Ready-made Garment
SADC	Southern African Development Community
SMEs	Small and Medium-sized Enterprises
SREGIP	Sustainable Regional Economic Growth and Investment Programme
USIL	University San Ignacio de Loyola

Introduction

The international community is focusing ever-greater attention on green and inclusive business (GIB) models. But, while their relevance for solving social and environmental solutions is increasingly accepted, the question of how to support GIB models in development cooperation programmes is less clear. This Green and Inclusive Business Toolbox attempts to provide some options to tackle this issue.

Developed by two sector projects, Innovative Approaches for Private Sector Development and Private Sector Cooperation/Responsible Business for Development, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), and updated in collaboration with the Responsible and Inclusive Business Hubs (RIBHs), the Green and Inclusive Business Toolbox aims to provide planning officers, project leaders and staff involved in private sector development and other sector projects with a set of tried-and-tested tools that can be used to integrate a GIB perspective and GIB models into existing or future German development cooperation programmes.

What are green and inclusive business models?

What are inclusive business models?

Starting from the premise that there are four billion poor people living at the economic base of the pyramid (BoP), companies operating inclusive business (IB) models try to tap into this underserved global consumer market that is estimated to be worth USD 5 trillion globally¹. To do this, companies seek innovative ways to **integrate the poor** on:

- **the demand side as customers** by providing the BoP with access to essential goods and services (e.g. health care, energy or finance), fulfilling unmet needs, and seeking to address existing market failures and inefficiencies resulting from the so-called 'poverty penalty' where the poor, who mainly rely on informal markets, often end up paying higher prices for lower quality goods and services than the rich due to the presence of, for example, local monopolies²;

- **the supply side as distributors, suppliers of goods and services, or employees** by creating new livelihood and income-generation opportunities for the poor, who typically rely on subsistence or informal livelihoods, and by opening up access to markets in sectors like energy, health and agriculture. This is carried out through targeted measures designed to integrate the BoP into the company's operations – for example, through the provision of training or access to finance. In turn, this can boost household incomes and prosperity, as well as provide companies with a commercial advantage over the long term.^{3,4}

IB models are not expected to substitute basic goods and services provided by the state. Instead, they complement public provisions. As market-based solutions, IB models aim to be financially self-sustaining. However, in addition to private limited companies, organisations applying these models may also be legally registered as non-governmental organisations (NGOs). Moreover, it is not just small and growing businesses that are exploring this market opportunity. In the face of economic slowdown in the traditional markets, many established companies have started to explore the potential of the BoP market in emerging markets as a growth strategy.



1 IFC and WRI, 2007.

2 IFC and WRI, 2007.

3 GIZ, 2013.

4 IFC and WRI, 2007.

Introduction

What are green business models?

Inclusive businesses should promote sustainable development in all its dimensions – economic, social and environmental. Green business (GB) models explicitly focus their efforts on solving environmental⁵ challenges by reducing negative environmental impacts, increasing resilience against environmental impacts, or by providing a more efficient and responsible use of natural resources. Through their products and services, they contribute to the protection of the environment, the climate, biodiversity and natural ecosystems.

For GB models, a distinction is made between models that develop and offer green products and services (such as waste management, renewable energy) and those that make their products or services in an environmentally friendly way (e.g. ecotourism, resource-efficient products). In the first case the green aspect is found in the output, in the other in the process. Well-known examples of green business models include ‘car sharing’, durable consumer products, creating value from waste or renting models.

What are green and inclusive business (GIB) models?

There are also companies that operate a green and at the same time inclusive business model (‘triple bottom line’). These companies are able to produce both positive social and ecological effects, based on a financially viable business model. A good example is the use of off-grid renewable energy solutions in rural areas: a new market is created and access to energy is provided for the poor, while at the same time negative environmental effects are reduced compared with the use of traditional products (such as diesel-powered generators). IB models are relevant from a development perspective for different reasons. First, IB models solve social or environmental issues that may not have been solved otherwise and their profit-oriented nature sustains them beyond any traditional donor intervention. Second, from a private sector development perspective, IB models can be seen as an effective way to promote financially sustainable businesses for inclusive growth. These models also represent innovative approaches to business that can be disseminated and replicated.

Examples of GIB models

GIB models can be found in diverse sectors and may be initiated by both large and small companies from developing, emerging and developed economies. The following companies are examples of successful GIB models in different sectors and regions.

- **Jain Irrigation Systems** is the leading provider of micro irrigation systems in India. The company works with smallholders at both ends of the food supply chain: it provides farmers with irrigation systems that improve their yields by USD 100–1,000 per acre and purchases their produce (contract-farming). It is one successful example of an IB model that integrates the poor on the demand as well as the supply side. Furthermore, the company trains people to become distributors and engineers, providing additional income opportunities to the local population. In addition to the employment and income effects, dripping irrigation is much more water- and energy-efficient than the traditional methods of irrigation (flood irrigation).⁶
- The **SOLARKIOSK** company was established in 2011 in Germany and provides off-grid communities with sustainable energy and energy-related products and services through its solar-powered business hubs. Using the franchise model, the company had managed to establish subsidiaries in six countries by the end of 2014. SOLARKIOSK enables BoP communities to use their potential for entrepreneurial activity by providing energy services, such as charging mobile phones, internet connectivity, cooling of products and medicine and other services and sustainable alternatives to the use of unsustainable fuels (firewood, charcoal, kerosene and diesel). Training and support is provided, mainly to female entrepreneurs.⁷

⁵ G20, 2015.

⁶ IFC, 2012.

⁷ <http://solarkiosk.eu/>

New Digital Platform for Scaling Up Inclusive Business Worldwide

A new digital platform, inclusivebusiness.net, provides innovative tools to connect, inform and inspire those working to deliver sustainable business models for the world's poor. Launched in September 2018 at a side-event to United Nations General Assembly, the platform has been produced by the Inclusive Business Action Network's (iBAN) in collaboration with an expert committee of thought leaders and online knowledge partners, such as the Practical Impact Alliance (PIA) of the Massachusetts Institute of Technology (MIT). iBAN is a global initiative supporting the scaling and replication of inclusive business models. It is funded by BMZ and the EU, and implemented by GIZ. To get access to all tools, users can sign up to [the MyiBAN](#).

Challenges to the development of GIB

GIB models face specific challenges, which have been widely discussed at numerous events and in various studies.⁸ The most important challenges can be clustered into the following areas.

Information

- There is a **lack of market research** on current behaviour, willingness to pay and price points, as well as on sales channels and purchasing preferences among the low-income market segment, which could be used to inform product development, distribution and pricing strategies.
- **A new market must be developed and behavioural change is needed** in the target customer group. This is because many BoP products are so-called 'push products', meaning there is currently a lack of perceived need for the product, which makes it difficult to sell (e.g. menstrual health products or clean cooking stoves). Sometimes new distribution channels need to be created to reach these markets.
- There is **little access to information on new production methods and the use of new materials or chemicals** for more environmentally friendly products.

- **Low levels of education and training among the BoP population** can affect the standardisation of products by BoP producers, which means investment from the IB model may be required.

Finance

- **Access to credit is limited** for BoP producers/suppliers and distributors and cash flow can be unpredictable. This can, for example, affect the BoP's ability to process advance orders, access warehousing for storage and invest in market development.
- Some GIB models, such as models in the area of renewable energy, are proven business cases and well-known by bankers and other financiers. Other **models are unfamiliar to bankers, provoking a more conservative approach** when it comes to financing decisions.
- **The purchasing power of target customers is limited**, but there is scope for high-volume sales. While the size of BoP markets in aggregate is significant, at the individual level spending potential is restricted and differs according to circumstances, e.g. between men and women, and between rural and urban low-income segments.
- **The level of financial inclusion among target customers is low.** This means IB models must leverage new and innovative mobile payment systems, such as mobile money.

Partners and networks

- **New and unconventional partnerships must be created** – for instance, with NGOs, academia or international organisations – to address contextual challenges such as a lack of infrastructure (roads, energy, water), adapt new environmentally friendly technological solutions and to reinvent business processes so they can circumvent barriers to accessing rural BoP customer markets in particular, but also those living in urban slums.
- **Networking opportunities are required** to engage potential partners in the delivery of the core business model or the provision of capacity-building support, and to link up with other businesses operating GIB models in order to address sector-specific challenges.

⁸ See, for instance: GIZ (2013), Inclusive Business Models – Options for Support through PSD Programmes; or Endeava (2013), Inclusive Business Policies – How governments can engage businesses in meeting development goals.

Markets

- **Access to markets and potential customers is lacking.** Some businesses are not yet present in green or BoP markets and therefore need support on how to enter new markets and identify customer needs and demands.
- **Green and inclusive public procurement** would open up new markets for green and inclusive business, but so far only very few governments take sustainability criteria into account in their public tenders.
- For many customers **the price of a product or service is still the main purchasing** incentive and awareness of the sustainability aspects is still low.

Capacity development

- **The capacity-building partners** required to provide online and in-person capacity-building support to businesses, including to service providers and incubators, are lacking or weak. Few service providers offer services designed for the needs of GIB models.
- **Skills gaps** exist among entrepreneurs that prevent them from successfully turning their ideas into reality or scaling up their businesses. Skills gaps are also a challenge for BoP producers and business partners, for instance in terms of ensuring product quality or access to markets.

Policy

- **The regulatory environment** may prevent private initiatives providing 'public goods' (e.g. access to clean water or electricity), despite a lack of adequate state provision.
- **Missing or incomplete legal frameworks** add to the complexity of the business environment.
- **A lack of a legal form** for companies operating GIB models⁹ can mean such organisations sometimes face problems of formalisation. Many start off as non-profit organisations, but later need to be converted to commercial operations.
- **Policy-makers may be unaware** of GIB models and their associated challenges (such as policy-related barriers) or of examples of successful GIB models from a variety of sectors.

It is in the context of these challenges and opportunities that targeted technical cooperation measures can play a vital role in supporting IB models to scale their impact and, in so doing, generate positive commercial and development returns.



Structure of the GIB Toolbox

This GIB Toolbox was created to assist planning officers, project leaders and staff involved in private sector development and other sector projects to promote GIB models within existing or future development cooperation programmes. Within the scope of such programmes, the tools presented in this document can:

- stimulate local business start-ups that intend to apply GIB models (herein referred to as the **'Start' phase**);
- encourage existing small and medium-sized enterprises and large companies to adopt GIB models by expanding their target groups and adapting their products, services and processes to these new target groups, or by integrating small-scale producers into their value chains (herein referred to as the **'Adopt' phase**);
- support the scaling up of existing GIB models so they achieve greater outreach and development impact (herein referred to as the **'Scale' phase**).¹⁰

9 GIZ, 2014

10 GIZ, 2013

It should be noted that the approaches and tools presented are not necessarily new to development cooperation; rather, they have been applied and adapted to support the development of GIB models. This toolbox provides a selection of approaches that are relevant to all the three stages of GIB enterprise development. Moreover, the tools provided can be used by programmes to promote GIB models in more than one of these three stages. The tools presented below have been deployed in Colombia, Costa Rica, Egypt, Georgia, India, Indonesia, Morocco, Mozambique, Namibia, Peru and Tunisia as well as at regional and global levels. They can also be applied in other geographical contexts. However, it should be noted that context matters and the tools need to be tailored to the location in which they are being deployed. The tools may also serve as inspiration for the development of new GIB tools.

Finally, GIB models do not exist in isolation and need to be supported by an enabling environment. Therefore, the approaches described for promoting GIB models not only involve promoting GIB models directly by providing financial and technical support, but also indirectly by building the GIB ecosystem, which acts as an enabling environment. As such, incorporating both direct and indirect approaches into a given programme is to be encouraged.



The GIB Toolbox presents a series of generic 'tools', illustrating each one with a specific example of its application either in an international context or in a specific country programme. The tools are ordered according to the challenge they address. For each tool, a quick reference guide is provided summarising the following key characteristics of the tool in question:

- **'Type of tool'** categorises the tool according to the type of challenge it addresses. The categories are:
 - Information
 - Finance
 - Partners & networks
 - Markets
 - Capacity development
 - Policy.
- **'Complexity'** describes how easy it is to apply the tool, ranking each low, medium or high.
- **'Expertise'** indicates the degree of expertise in inclusive business (low, medium or high) required to apply the tool.
- **'Cost'** refers to how expensive it is to replicate the tool:
 - € = less than €10,000
 - €€ = €10,001 – €50,000
 - €€€ = €50,001 +
- **'Time frame'** gives an insight into how long it takes to implement the tool.
- **'Sustainability dimension'** indicates whether the tool can be applied for green and/or inclusive business models.
- **'Phase of development'** categorises how appropriate each tool is for application in the three different phases (Start, Adopt and Scale) of the green and inclusive business development continuum.



Table: Summary of IB tools

Tool	Tool Type	Complexity	Expertise	Costs	Time Frame	Sustainability Dimension	Phase of Development
Mapping the Inclusive Business Ecosystem	Information	Low	Low	€	4 months	Green and inclusive	Start/Scale
Global Entrepreneurship Monitor	Information	Medium	Low	€€€	9 months	Green and inclusive	Start
Digital Crowd-solving Platform	Information	Low	Medium	€	12 months (needs assesment and implementation)	Green and inclusive	Start/Scale
Inclusive Business Sector Dialogue: Peer-to-peer Networking for Stakeholders of one Sector	Partners and networks	Low	High	€€	7 months	Green and inclusive	Adopt/Scale
Competition for Inclusive Business	Partners and networks	Medium	Medium	€€	6 months	Green and inclusive	Adopt/ Scale
Development Partnerships with the Private Sector for Green and Inclusive Business	Partners and networks	Medium	Medium	€€	12 months	Green and inclusive	Start/Adopt/ Scale
Digital Marketing Platform for Inclusive Business	Markets	Medium	Medium	€	8 months	Green	Start/Adopt
Linking MSMEs to Supply Chains	Markets	Medium	Medium	€€	7 months	Green and inclusive	Adopt/Scale
Opening New Markets with Low-carbon Products	Markets	Medium	High	€€	7 months	Green	Adopt/Scale





Tool	Tool Type	Complexity	Expertise	Costs	Time Frame	Sustainability Dimension	Phase of Development
Cross-Border Start-up Programme	Capacity development	Low	Medium	€	5 months	Green and inclusive	Start
Incubator Manager Training	Capacity development	Medium	Medium	€€€	11 months	Inclusive	Start/Scale
Scaling Programme for Green and Inclusive Business	Capacity development	Low	Medium	€€	12 months	Green and inclusive	Start/Scale
Business Skills Training For BoP-Entrepreneurs	Capacity development	Low	Medium	€€	5 months	Inclusive	Start/Scale
Remote Strategic Advisory Services	Capacity development	Medium	High	€€	6 months	Inclusive	Adopt/Scale
Navigator for Green Incubators	Capacity development	Medium	Medium	€€€	15 months	Green	Start
Small and Medium-sized Enterprise Adaptation to Climate Change	Capacity development	Low	High	€€€	24 months	Green	Start/Scale
Entrepreneurs' Guide to Impact Investing	Finance	Low	High	€	3 months	Green and inclusive	Scale
Local Approach to Supporting Green Businesses	Policy	Medium	Medium	€	8 months	Green	Adopt/Scale
Strategic Study on Setting the Framework for Inclusive Business	Policy	Medium	Medium	€€	6 months	Inclusive	Start
Value Chain Selection – Integrating Economic, Environmental, Social and Institutional Criteria	Policy	Low	Medium	€€	5 months	Green and inclusive	Start
Promotion of Disability-inclusive Workplaces	Policy	High	Medium	€€€	24 months	Inclusive	Start



Information





Mapping the Green and Inclusive Business Ecosystem

Increasingly in recent years, entrepreneurs have developed green and inclusive business models in very different sectors and countries. However, to date, relatively few of these ventures have managed to attain a significant scale. For development partners and policymakers to be able to support Green and Inclusive Business (GIB) models and make them commercially viable and scalable, they need to understand the challenges present in the GIB ecosystem. Besides companies adopting GIB models, important actors in this ecosystem include, among others, banks and investors as well as incubators and accelerators. While research has exposed the typical obstacles that can hinder the development of GIB, it is crucial to understand the local context of the country, region or city in question, including its socio-economic conditions and local actors. With the results of this kind of detailed mapping exercise at hand, development partners and policymakers can then define and adapt programmes so that they support the scaling up and replication of GIB models.

ENABLERS FOR CHANGE – A MARKET LANDSCAPE OF THE INDIAN INCLUSIVE BUSINESS ECOSYSTEM

Overview		
Type	Information	
Complexity	Low	
Expertise	Low	
Cost	€	
Time frame	4 months	
Sustainability dimension	Green and inclusive	
Phases	Start	Scale

Tool in brief

In 2012, the GIZ private sector development team in India commissioned a market landscape study on the country's inclusive business ecosystem to gather information on, for example, relevant stakeholders and the opportunities and challenges for Inclusive Business (IB). The work was conducted by a local consultancy firm, which subsequently published *Enablers for Change – A Market Landscape of the Indian Social Enterprise Ecosystem*.¹¹ The research sought to provide a better understanding of the current status of the sector and of any gaps needing to be addressed for the development of a stable IB ecosystem. The study recommended the production of a proposed Indo-German bilateral programme strategy on responsible enterprise finance, which has since been approved and is now being implemented.

Tool objective

The main objectives of the study were as follows:

- To gain a better understanding of the challenges and opportunities present in the Indian IB ecosystem, with a particular focus on the actors that support companies incorporating IB models to increase the outreach of their IB models ('scale up') or adapt and implement an existing model in a different market ('replicate'). The study aimed at understanding the services that incubators and accelerators provide in India and their underlying business models and, in so doing, sought to identify sectorial, geographic and service-related gaps.
- To identify further barriers and the actions required to promote IB models.



¹¹ Note that the term 'social enterprise' in this context means 'inclusive business'. For further information on the terminology related to IB models, see: GIZ and BMZ (2011), Promoting inclusive business models for sustainable development – Experiences of German development cooperation.



Target group

The study's primary target group was the GIZ project team in India that would use its insights to inform their development of strategies to support start-ups with IB models.

Tool description

The market landscape study of the Indian IB ecosystem was based on desk research, individual face-to-face stakeholder consultations with incubator representatives and impact investors in India, an online survey, and a multi-stakeholder consultation workshop involving relevant stakeholders.

The **desk research** provided an overview of IB-focused incubators and impact investors operating in India (which did not necessarily need to be headquartered in the country), including names, background information and the types of products and services offered. This overview was illustrated with examples of international and Indian investors that offer these products and services.

Two surveys – one focused on impact investors and one on incubators – then helped to triangulate the demographic information identified in the desk research, clarify any information gaps, and gather perceptions regarding the challenges and solutions. The surveys asked, among other things, about geographic and sector foci, products offered and companies supported. The survey was conducted using an online survey tool. To ensure a high response rate, the survey link was circulated to respondents in an email, which was then followed up by a telephone call requesting their participation. In the end, a total of 16 incubators and 33 impact investors contributed to the survey.

Face-to-face interviews were held with 12 stakeholders, who were representatives from either incubators or impact investors, to clarify their respective roles in the

ecosystem, the services they provide and their perceptions regarding the challenges arising in the ecosystem.

To generate inputs for the study, a **half-day consultation workshop** entitled 'Identifying an Agenda for Action – Overcoming Indian IB Ecosystem Challenges' was held in New Delhi. The workshop brought together senior-level representatives from impact investors, IB incubators, banks, government, bilateral agencies and business associations to establish consensus on the prioritised challenges for action. The workshop helped to identify areas of synergy and to coordinate an action plan for (a) overcoming constraints and (b) helping to expand IB's throughout the country. The workshop included interactive sessions and discussions designed to generate inputs from the participants. The first interactive session involved participants prioritising the challenges the IB industry faces in the Indian context. Subsequently, the group broke up into four smaller groups and, with reference to the challenges identified, discussed the following questions:

- What are the causes and consequences of these challenges?
- Who is affected by these challenges?
- What solutions exist to address each challenge?
- What other solutions could be developed?
- What action can each stakeholder group take to address this challenge/implement these identified solutions?

The results of the survey and workshop discussions then informed the write up of the market landscape study (see the link listed in the Further Information section).

Project set-up

A technical advisor from GIZ India's Private Sector Development (PSD) project oversaw the project, which was implemented by a local consultancy firm with expertise in private sector development.

Tasks and timeline

The project ran for four months and consisted of the following four phases:

Work plan tasks (in months)	M1	M2	M3	M4
Research and survey preparation	■	■	■	■
Survey application	■	■	■	■
Workshop delivery	■	■	■	■
Report drafting	■	■	■	■

Costs

The study and consultation workshop formed part of a larger contract with the local consultancy firm. The component of the contract relating to the study amounted to 26 days. Note that local GIZ staff time was involved in reviewing the study, supporting its preparation in areas like invitation management, and implementing the consultation workshop. As the workshop was held at the GIZ office, no venue costs were incurred and only the provision of lunch and refreshments for the 20 participants and organisers was required. The publication’s design, layout and printing costs will depend on its extent and print run, and need to be considered in addition to the consultancy service.

Items
Consultancy service: 26 person-days
Venue
Catering
Design, layout and printing of publication

Guide for Mapping the Entrepreneurial Ecosystem

There are numerous ways to map the entrepreneurial ecosystem and it can be rather challenging to decide which are the most important aspects influencing the conduciveness of an ecosystem and what to look for when analysing it.

The Sector Programme Sustainable Economic Policy and Private Sector Development has developed the ‘*Guide for mapping the entrepreneurial ecosystem*’, which guides the user through the process. The guide defines the steps to be taken and includes a number of additional tools which are needed along the way. First, the guide defines the entrepreneurial ecosystem as the product of a surrounding environment; more precisely

1. the business and investment climate;
2. its interacting actors; and
3. the culture and attitude towards entrepreneurship in society.

Furthermore, the guide provides details on how to collect and analyse data on each of those three elements. With regards to the business and investment climate the guide includes a selection of indices and benchmark reports (e.g. ‘*World Bank Doing Business Report*’; ‘*World Economic Forum Competitiveness Report*’), which can be used as sources for relevant data, as well as a list of indicators that have proven particularly relevant to assess the legal and regulatory environment. With regards to the ‘actors’ dimension, the guide provides a means to display the different actors in the entrepreneurial ecosystem, e.g. geographically or according to their current development stage (e.g. start, scale, grow). To collect information on the element ‘culture’ the guide suggests conducting semi-structured interviews or the use of focus groups with various stakeholders.

All in all, the guide serves as methodological guidance for assessing the current state of an entrepreneurial ecosystem and aims to produce hands-on results and information which can inform future activities.

For further information please contact the Sector Programme Sustainable Economic Policy and Private Sector Development. The contact person is Alexandra Oppermann (alexandra.oppermann@giz.de).

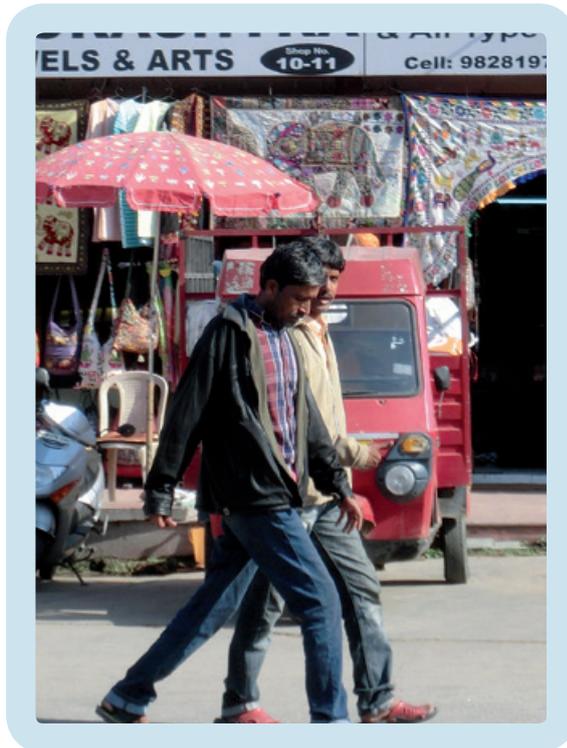
RESULTS AND LEGACY

The initial market study provided information on – and continues to serve as a reference guide to – potential areas where GIZ can get involved and facilitate the building of a strong IB ecosystem in India. In terms of its legacy, since the study's findings were published, GIZ PSD India has set up a project to train incubator managers in order to tackle the challenges identified (see Chapter 13 for details of this tool). Moreover, providing capacity development support to both incubators and impact investors has become one of the three focal areas of the new GIZ Responsible Enterprise Finance Programme.

Success factors and lessons learned

The success factors of this project were:

- to ensure that the initial desk research provided thorough and structured information on the organisational structures of investors and incubators and on the products and services they offer, so that the survey content and results were meaningful;
- to follow up with potential respondents and ensure they completed the surveys in order to boost the response rate.



A key lesson learned from this project was the value of conducting a baseline and market landscape study when first engaging with a topic in order to better understand who the key players are and their respective roles within the wider system.

As a result of this study, GIZ – which, in India, is a new player in this sector – got to know more about the system than those already operating in this field.

Further information and GIZ contact

The study *Enablers for Change – A Market Landscape of the Indian Social Enterprise Ecosystem* is available online at: www.giz.de/en/downloads/giz2012-enablers-for-change-india-en.pdf

The precursor study *Responsible Finance. A Catalyst for Responsible Business – International and Indian Trends and Changes in Responsible Finance* is available at: www.giz.de/en/downloads/giz-2012-responsible-finance-en.pdf

INVEST. CATALYZE. MAINSTREAM. The Indian Impact Investing Story is a detailed study on the development of the impact investment industry in India and was commissioned by GIZ in 2014. It is available at: <https://www.intellecap.com/publications/invest-catalyze-mainstream-the-indian-impact-investing-story/>

For more information on this work, contact the bilateral programme Private Sector Development, India.



Global Entrepreneurship Monitor

Many governments and development organisations set themselves the goal of improving the framework conditions for entrepreneurs in a given country. Numerous factors influence how conducive a country is to entrepreneurial activity and how high the chances are for entrepreneurs to succeed with their business activities. Often, policy-makers and other decision-makers lack information and reliable data on entrepreneurial activity and the population's attitude towards entrepreneurship in their country. They therefore find it difficult to identify the right measures needed to improve the framework conditions so that entrepreneurs can flourish.

The Global Entrepreneurship Monitor (GEM) aims to tackle the problem of poor and scarce information by providing a methodology to analyse the entrepreneurship scene in a given context and to compile it in a report. More precisely, GEM advises how to collect, analyse and interpret data on the entrepreneurial capacities of individuals, including entrepreneurial activities, aspirations and attitudes. By joining GEM and forming a national research team, local policy-makers can gain valuable information on gaps and constraints but also strengths and efficient support schemes in the entrepreneurial ecosystem. In Georgia, GIZ, on behalf of BMZ, supported the set-up and the work of the Georgian national team in preparing the first GEM report, in 2014.

WOMEN ENTREPRENEURSHIP AND NATIONAL GEM REPORT FOR GEORGIA

Overview	
Type	Information
Complexity	Medium
Expertise	Low
Cost	€€€
Time frame	9 months
Sustainability dimension	Green and inclusive
Phase	Start

Tool in brief

Within the last decade, entrepreneurship in Georgia has developed rapidly. In 2014, the GIZ Private Sector Development (PSD) Programme South Caucasus in cooperation with the Caucasus University published the first GEM report on Georgia. Following the instructions and advice of the GEM consortium, they investigated entrepreneurship at a national level. The underlying rationale was to capture the policies and framework conditions for entrepreneurship as perceived by private sector actors and the general public. In addition to the national report, GIZ supported the national team in using the data to prepare a special report on women's entrepreneurship in Georgia.

The resulting reports were used to raise awareness of entrepreneurship in Georgia, to identify opportunities and to point to constraints that hinder entrepreneurship from flourishing. The information serves as basis for informed decision-making by policy-makers, to enable them to develop policies and regulations that foster and support entrepreneurship.





Tool objective

The overall objectives of forming a GEM national team and preparing the reports were:

- to provide information on the state of entrepreneurship for the government, the private sector and society;
- to raise both the government's and the public's awareness of entrepreneurship in Georgia in general and the role of women in particular;
- to provide a database on entrepreneurship and benchmark the country's ecosystem for entrepreneurship against that of other countries;
- to identify achievements and remaining challenges for economic policy reforms and interventions to support private sector development;
- to connect the players in the entrepreneurial ecosystem.

Target group

The GEM report addresses two main groups. First, government entities, policy-makers, chambers of commerce, private associations and other organisations that are working in the field of entrepreneurship and private sector development can use the report as tool for informed decision-making and monitoring. Second, Georgia's private sector actors, which comprise entrepreneurs, micro, small and medium-sized enterprises (MSMEs) and established companies, get an overview of the local ecosystem.

Tool description

In 2014, the Georgian PSD programme put forward the idea to their local partners of supporting the formation of a national team and preparing a GEM report on Georgia. The idea was partly inspired by other GIZ programmes, which had supported their respective countries in taking part in GEM.

In the Caucasus School of Business (CSB), the PSD programme quickly identified a capable and eager partner that could take the lead of the GEM national team in Georgia. The CSB is part of the Caucasus University and the institute is focusing its research on entrepreneurship. Therefore, it had the necessary capacities and expertise to lead the work of the GEM national team. Driven by the notion of generating new information on entrepreneurship, it was compelling for them to take the lead in compiling the report.

The application process for a country to join GEM is easy and consists of filling out the application form and sending it, together with CVs of the national team members, to the GEM consortium. The GEM consortium, which oversees the national teams, has set up certain standards as regards the capacities of the national team members. They ask for an academic research background, project



management skills, knowledge of SPSS statistical software and report writing experience. In addition, the members of the national team do need to be fluent in English.

The GEM consortium provides a standardised methodology for the data collection and analysis. Local researchers – the respective GEM national teams – are responsible for adapting the standardised methodology to the local context and use it on the ground to collect country-specific data. Also, the GEM national team can decide to add specific questions to the standardised questionnaire to zoom in on a specific topic relevant for the country's entrepreneurial ecosystem. In the case of Georgia, the national team decided to add questions on women's entrepreneurship.

As the methodology suggests, the data were collected through two surveys. (1) The Adult Population Survey (APS) collects data from a random representative sample of 2,000 people aged between 18 and 64. In Georgia, this survey was conducted by a local market research company, which was hired as a consultant by GIZ. (2) The National Expert Survey (NES), for which 36 national experts in the field of private sector development and entrepreneurship were interviewed, was carried out by CSB itself. In total, the data collection phase took around four to five months. In a second step, all data from the APS and the NES were submitted to the GEM consortium and CSB. CSB was responsible for analysing the data in detail and developing the country report. The final draft of the report

was then delivered to the GEM consortium for validation and to be included in the Global GEM Report. The whole report creation process took one year to be completed.

Once the Georgia country report was finalised, it was up to the PSD programme and CSB to circulate and promote the findings. To this end, the PSD programme and CSB held round-table meetings and workshops all over the country to present the findings and discuss them with stakeholders. The Georgia report can also be found on the official GEM website and Georgia was added to the overall list of countries benchmarked in the GEM Global Report. This way, Georgian stakeholders can also compare their national climate for entrepreneurs with other countries, such as neighbouring countries or other peers.

Project set-up

The GEM report in Georgia was a joint project of the PSD programme and CSB. It was supported by the Department for Entrepreneurship of the Georgian Ministry of Economy and Sustainable Development, the Chamber of Commerce and Industry and a number of local associations. The GEM consortium provides a standardised process for the report creation; thus, the suggested tasks only had to be divided between the different participants of the Georgia national team. For the APS a Georgian local market research company was hired, the NES was conducted by CSB and the final data analysis as well as the report writing was executed by CSB. The PSD programme oversaw the process and played a key role in disseminating the final publication through various events.



Tasks and timeline

Work plan tasks (in months)	M1	M2	M3	M4	M5	M6	M7	M8	M9+
Familiarise with GEM methodology and agree on local research design	■								
Data collection through surveys	■	■	■	■	■	■	■	■	■
Data analysis and draft report				■	■	■	■	■	■
Report review by consortium							■	■	■
Finalise report								■	■
Publication and dissemination									■

Costs

GEM indicates that the overall annual costs average around USD 123,250, but recognises that the costs vary widely around the world. The highest costs are calculated for the APS (GEM estimates USD 53,000). The GEM coordination fee is USD 9,250 per year. In total, the cost for conducting the Georgian GEM report (National, Women, Transnational Diaspora Reports) were well below half of what the GEM consortium suggested.

Items
Staff time: 5 person-days
Conducting NES: 15 person-days
Consultant for conducting APS
Report writing: 20 person-days
Layout and print
GEM membership fee
Promotional campaigns

Results and legacy

After the GEM report was published in mid-2015 the government undertook a number of reforms to improve the economic framework conditions to improve the entrepreneurial ecosystem in Georgia. It also worked to enhance communication of the existing and forthcoming government programmes and tools to support the business sector. While publicly available documentation of government efforts does not provide explicit reference to the GEM reports, there is a correlation between the governmental efforts and what was included in the report and voiced at stakeholder meetings as major gaps in the entrepreneurial ecosystem. Such cases include the introduction of incentives and support to entrepreneurs targeted at youth and young adult populations. Georgia ranked very low in entrepreneurship among youth and young adults.

In addition, the GEM methodology itself received positive attention from the local entrepreneurship development agency, which then initiated an enquiry to conduct research into how well communicated and perceived its tools and projects were among potential beneficiaries (especially in rural areas).

Furthermore, the GEM promotion campaigns provided a physical platform for different stakeholders involved in entrepreneurship to get together and exchange ideas and interests. This is the case for both the national GEM report on Georgia and the report on women. For instance, with regards to the women's report the meetings which took place in the course of the promotion campaign reaffirmed that one of the obstacles female entrepreneurs are facing is a lack of sufficient support mechanisms after starting a family. That is a significant finding because in general, among both men and women, there is a dominating consensus that both genders are equally exposed to good opportunities to start a business.

The GEM consortium explicitly suggests collecting the data on an annual basis. This way the reports can be used to see how entrepreneurship in a given context has developed over time. The Georgian GEM team (CSB and PSD) followed that advice, collected data for 2016 and compiled another GEM report, which will be published in 2017.

Success factors and lessons learned

The following factors contributed to GEM Georgia's success:

- As other GIZ programmes had worked with the GEM methodology before, the Georgian PSD programme could draw upon the experience of, and lessons from, their colleagues.
- With the CSB, the PSD programme had a very strong and motivated partner, who drove the report compiling process forward.

The lessons learned were:

- The standardised GEM methodology is rather strict and does not allow for much variation in the process. That can impede the compilation of the report if one is not familiar with the individual steps the consortium suggests.
- The second GEM report (forthcoming 2017) was compiled by the same actors as the first version. Hence, the whole report creation proceeds more smoothly and faster than the first one.

Further information and GIZ contact

The GEM reports are available at:

<http://gemconsortium.org/country-profile/63>

For more information on the PSD programme South Caucasus visit the programme's website:

<https://www.giz.de/en/worldwide/20324.html>

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Digital Crowd-solving Platform

Currently, most innovation support programmes only support the top drivers in a market. Thus, fostering innovative practices along the ‘base of the technology pyramid’ and moving them up the value chain will transform the market into a higher level of technology and innovation usage. One very promising approach is crowd-solving. Like crowdfunding, crowd-solving profits from the power of the community by appealing to a large number of people. Crowd solving uses the innovation potential, the openness for ideas and the flexibility of the crowd to make a sustainable impact. Development partners can support the setting up and replication of crowd-solving platforms so that more people in a given society and context can participate in finding new ideas and use technology in a way that benefits society and the environment.

INTRODUCING THE EGYPTIAN CROWD-SOLVING PLATFORM

Overview		
Type	Information	
Complexity	Low	
Expertise	Medium	
Cost	€	
Time frame	12 months (needs assessment and implementation)	
Sustainability dimension	Green and inclusive	
Phases	Start	Scale

Tool in brief

In 2016 the GIZ Responsible and Inclusive Business Hub (RIBH) Middle East and North Africa (MENA) has supported the replication of the Cairo-based crowd-solving platform Yomken.com in Tunisia. Yomken.com was established by Istebdaa’ LLC, a social enterprise. Using its own ‘Open Innovation’ model, it is the only platform in the Arab region that specialises in crowdsourcing ideas and solutions for the industrial and societal challenges faced by corporate, governmental and social organisations. Additionally, it provides a gateway for financial platforms (venture capital, crowdfunding platforms and others) to support and invest in innovative projects.

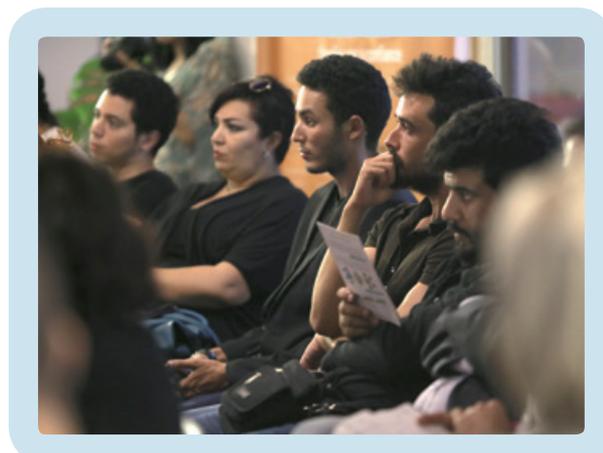
Tool objective

The main aim of the project was to expand the problem-solving capacities of the ecosystem for start-ups, entrepreneurs and small businesses by introducing a new problem-solving approach. Through crowd-solving,

Tunisian entrepreneurs and businesspeople have a new and affordable tool at their disposal to find appropriate and tailor-made solutions for their specific technical or organisational challenges. The indirect intention is that:

1. more successful companies can easily grow and employ more people;
2. young entrepreneurs with innovative ideas are connected with economic opportunities and bring technological development to Tunisia;
3. different segregated actors of the innovation ecosystem become connected in an inclusive manner.

On a higher aggregated level, the following benefits might result: recognition of innovation as an engine for economic growth, higher incomes, lower unemployment rates, lower consumption of resources, interlinkage between innovative crowd-solvers and businesses and other organisations, etc.



Target group

The crowd-solving model generally matches problem-solvers with solution-seekers. The target group is therefore two-sided: On the one hand, there are solution-seekers, who could be anyone with a problem (challenge) that might be solved by the community (problem-solvers), e.g. entrepreneurs, businesses, the local government or donors. On the other hand, there are problem-solvers. This could be anyone who is able to contribute to the challenges posted, e.g. students, consultants, entrepreneurs, businesses. The cooperation with Yomken.com targeted the Tunisian social and inclusive business community as solution-seekers. Problem-solvers could be Tunisians from the local community or the diaspora, but also unemployed youth and entrepreneurs. These are given the opportunity to apply their innovative solutions in return for money or employment opportunities. As an add-on, bigger companies and international (donor) organisations can sponsor the solving of societal challenges.

For instance, 'Acacias for all', a Tunisian social enterprise that focuses on training smallholders (e.g. restoration techniques, the cultivation of the plants based on climatic conditions of designated regions) has set the objective to plant one million trees before the end of 2018 through its campaign #1MillionTreesTunisia. In doing so, it aims to integrate digitalisation in its process, thus it is considering a mobile application that enables its users to follow the campaign and also locate places for planting. Therefore, they posted a challenge on the crowd-solving platform looking for a mobile application that provides, for example, geolocation for planted trees, calendar tracking and notifications, as well as the ability to download a tree's profile (e.g. plant type, soil type, best seeds, etc.). Users of the platform could propose their solutions, one of which was chosen and developed by the solution-finder for prize money.

Tool description

GIZ cooperated with Yomken.com and a consultant to implement the project. As a first step, in the first half of 2016 a consultant conducted a baseline analysis on the readiness of the Tunisian ecosystem and the market potential for the crowd-solving model. The baseline study looked into the potential for crowd-solving solutions in Tunisia, and mapped potential stakeholders and key players that

could be engaged in the new model. It identified possible sectors that have potential for short- and medium-term employment creation through crowd-solving approaches. Based on those findings, Yomken.com then adapted the Egyptian model and launched the Tunisian platform in October 2016.

- **Step 1 – Baseline study and needs assessment.** Baseline analysis on the readiness of the Tunisian ecosystem and the market potential, as well as a needs assessment by an external consultant.
- **Step 2 – Adjustment and set-up of the local crowd-solving website.** Based on the results of the analysis (step 1) the RIBH team decided that there is enough potential in Tunisia to replicate the existing crowd-solving model. The goal was to use existing experience and to adjust the Egyptian model to the Tunisian context and accordingly to transfer the experience to the expected Tunisian partners/stakeholders. For the implementation phase, RIBH MENA chose to cooperate with Yomken.com because they are the most appropriate partner in the region (social enterprise, regional experience, not donor-driven, etc.). In a final step the consultant and Yomken.com set up the online platform and the Tunisian crowd-solving focal point was trained.
- **Step 3 – Challenge identification workshops.** To identify challenges for crowd-solving, the consultant conducted and facilitated two workshops with Tunisian companies, SMEs and other potentially interested local partners.
- **Step 4 – Awareness-raising events and follow up.** The initial report identified the establishment of an online and offline community as a crucial factor for success. To respond to this need the consultant conducted online awareness-raising activities through social media platforms and face-to-face formats in Tunisia.
- **Step 5 – Winning solutions for the first cycle of challenges.** In order to successfully launch the platform and further test crowd-solving as a way to address social and development challenges, RIBH MENA sponsored a small number of challenges to showcase the potential. Furthermore, the project seeks to work on identifying challenges and sponsorship from companies, local and international organisations and to engage solutions provided from the public.



Costs

Items
Needs assessment (by GIZ)
Set-up of an online platform (by Yomken.com in cooperation with GIZ)
Set-up of a focal person in Tunisia (training and capacity building of new focal person)
Financing of a challenge (flexible amount for GIZ depending on type of challenge and needs identified for solution implementation)
Workshops for challenge identification (location, catering, printing materials, consultants) optional online or offline
Awareness-raising events (location, catering, printing materials, consultants)

Results and legacy

The main results are as follows:

- The community network in Tunisia is well in place and there is high demand from Jordan, Morocco and Palestine to utilise the features of the platform.
- A Tunisian focal person has been put in place. The person is running the Yomken-Tunisia branch (this includes identifying and announcing challenges and moderating the implementation of solutions).
- Capacity building and knowledge transfer to Yomken.com.
- Almost 40 challenges are currently online and numbers are increasing.
- Several challenges have been financed (e.g. by RIBH MENA and the African Leadership Academy). The challenge financed by RIBH MENA aims to develop a mobile application that provides, for example, geolocation for planted trees, calendar tracking and notifications for users about the planted trees and it should be based on gamification principles.
- To find out more please visit the crowd-solving platform in Tunisia: www.yomken.com

Success factors and lessons learned

A few months after the launch, the concept of crowd-solving has proven to be of interest to, and received buy-in from, all types of stakeholders; namely, inclusive businesses, governmental entities, and development stakeholders. The replicability of the Yomken.com model was an interesting exercise for the RIBH MENA team in Egypt to transfer its knowledge and work on the platform to make its features adaptable to any other country for future replication. Given the results from the short timeframe and the relatively reasonable implementation budget, the success factors and lessons learned are that:

- the project is replicable and might expand in the future by increasing the reach to other countries;
- large corporates can conduct the challenge identification workshops in certain value chains to come up with their specific needs and these workshops can call young innovators to find solutions that they can transform into start-ups afterwards;
- there is potential to collaborate with other GIZ programmes either in Tunisia (e.g. agriculture and innovation), or in other MENA countries to adopt the concept of crowd-solving and to engage the community in their various developmental projects;
- crowd-solving is filling a niche in the broad range of problem-solving options for entrepreneurs;
- it is opening a new channel for donor organisations to spend money (by sponsoring challenges for NGO/business problems);
- strengthening a social enterprise with the respective business attitude instead of an NGO facilitated business-like management of the project, including clear elaboration of the business case.

Further information and GIZ contact

Further information on Yomken is available at: <https://www.yomken.com/>

For more information on this work, contact Maren Breuer (maren.breuer@giz.de)

Partners and networks





Inclusive Business Sector Dialogue: Peer-to-peer Networking for Stakeholders of one Sector

The key challenge for inclusive business (IB) is developing commercially viable and socially impactful business models. While business model challenges differ between sectors and regions, within a specific sector and region, commonalities outweigh the differences. The Inclusive Business Sector Dialogue builds on these commonalities: it is a proven peer-learning format for businesses with IB models, enabling exchange and fostering learning. Each IB Sector Dialogue is designed individually, based on the sectoral and geographical context. This allows participating business representatives to analyse and discuss context-specific challenges and opportunities with their peers, as well as to enhance their business models with the support of experts. To date, the tool has been individually tailored to a wide range of sectors (including housing, fast-moving consumer goods, health and energy) and countries (such as Argentina, Nigeria, Egypt, Tunisia and Ghana).

IB SECTOR DIALOGUE ON AFFORDABLE HOUSING IN GHANA

Overview		
Type	Partners and Networks	
Complexity	Low	
Expertise	High	
Cost	€€	
Time frame	7 months	
Sustainability dimension	Green and inclusive	
Phases	Adopt	Scale

Tool in brief

A Sector Dialogue is based on three pillars: a practitioner guide, a one-day peer-learning workshop, and a one-day networking event. The example of the IB Sector Dialogues on affordable housing in Ghana is described here in detail to further illustrate the tool and its functional logic.

In Ghana, the supply of housing does not meet increasing demand from the growing population. According to the Oxford Business Group, there is an estimated housing deficit of 1.7 million units. As a response, the Inclusive Business Action Network (iBAN) hosted IB Sector Dialogues on affordable housing in Ghana in June 2016 and May 2017.

As a basis for the IB Sector Dialogue in 2016, iBAN commissioned a market brief about affordable housing. The peer-learning workshop of this IB Sector Dialogue identified best practices and business opportunities for the affordable housing market in Ghana. As an outcome of the event, three participants of the IB Sector Dialogue founded the Affordable Housing Network (AHN) for West Africa in order to advance affordable housing solutions in the region. Building on the success of the first Sector Dialogue (2016), the objectives of the second housing dialogue (2017) were to consolidate the results from the previous year and to explore new and creative thinking in the housing industry. For example, a key topic of the IB Sector Dialogue 2017 was the role of membership-based organisations in providing financial solutions for affordable housing. Leading up to the second Sector Dialogue, iBAN commissioned an in-depth study on this particular challenge.



Tool objective

The objective of IB Sector Dialogues is to enable businesses to develop, enhance and reflect on sector-specific IB models through peer learning and expert advice. Additionally, the format facilitates new connections and partnerships to foster the implementation and scaling up of IB models. The IB Sector Dialogue on affordable housing in Ghana specifically sought to:

- inspire participants through case studies of existing high-potential projects, both international and local;
- encourage businesses to form partnerships with housing organisations;
- spark creative thinking about housing solutions;
- provide a platform for businesses to promote their business models.

Target group

IB Sector Dialogues target business representatives from a specific sector who already do, or intend to, work with low-income communities, as well as stakeholders that facilitate IB, like incubators, development institutions or investors. The IB Sector Dialogue on affordable housing in Ghana included developers, bankers, architects, planners, building materials researchers, academia, and representatives from construction companies, cooperatives and unions.

Tool description

IB Sector Dialogues pursue three goals: information, peer learning, and networking. They consist of the three following pillars:

1. Practitioner guide

The basis for each workshop is a practitioners' guide. The guide provides an overview of the market and summarises current research within the sector. It presents case studies of successful business models and documents their experience. Alternative research material or relevant studies can also be used instead of a practitioners' guide.

2. Networking event

The awareness-raising and networking event is aimed at business representatives, policymakers, academics and civil society representatives. The purpose of the event is to start discussions on opportunities, challenges and success factors for inclusive business in a specific sector and region.

3. Interactive practitioner workshop

The peer-learning workshop targets business representatives and builds on the research findings of the practitioner guide. Experts report on the business potential and market access strategies. Jointly, business representatives discuss their experiences and work on their own ideas and strategies. These core elements can be complemented by an optional site visit to a best-practice project.

The IB Sector Dialogue on affordable housing in Ghana in 2017 took place over two days: a networking event and a practitioner workshop. Both days concluded with networking activities. In the run-up to the events, a sector study was conducted and an international project case as well as local design case study were identified.

Day 1 – networking event

Participants were recruited through the contacts of the AHN. More than 70 people attended the networking event, among them were stakeholders from different parts of the housing value chain: developers, bankers, architects, planners, cooperatives, unions and building materials researchers. The first session of the day focused on the affordable housing model 'PROBAT', a model developed and presented by LafargeHolcim (a leading international company in the building materials industry) and its local Ghanaian partner company Hanisa. The second session focused on the presentation of the outcome of a local design competition on affordable housing in Ghana.

Day 2 – practitioner workshop

Out of the participants from the networking event the previous day, over 30 selected practitioners attended the workshop on the second day. Based on the two sector studies commissioned by iBAN prior to the IB Sector Dialogues in 2016 and 2017, participants discussed the housing situation in Ghana. Then during a peer-learning session, participants discussed model solutions for affordable housing in Ghana, taking into account the role of membershipbased organisations.

Following the moderated sessions, both days provided ample time for informal networking.

Project set-up

iBAN initiated and hosted the IB Sector Dialogue on affordable housing in collaboration with AHN. The event was organised in cooperation with a Ghanaian consultancy that specialises in planning and urban development. Local consultants from AHN conducted the sector study as well as the background study that provided insights on current practices and prospects for voluntary membership-based organisations to deliver affordable housing.

Tasks and timeline

Work plan tasks (in months)	M1	M2	M3	M4	M5	M6	M7
Framework development	█	█	█	█	█	█	█
Identification of facilitators	█	█	█	█	█	█	█
Research and writing of study	█	█	█	█	█	█	█
Marketing and invitation of participants	█	█	█	█	█	█	█
Workshop and networking event	█	█	█	█	█	█	█
Evaluation	█	█	█	█	█	█	█
Follow-up steps and monitoring of results	█	█	█	█	█	█	█

Costs

The costs for one IB Sector Dialogue include the following items:

Items
Local consultant (preparation, implementation and documentation of the events) (10 person-days)
GIZ staff overseeing the process (10 person-days), including travel costs
Preparation of study (26 person-days)
Venue and catering for a 70-person networking event and a 30-person workshop

Results and legacy

The following results were achieved in the IB Sector Dialogues on affordable housing:

- The IB Sector Dialogue on affordable housing 2016 led to the launch of the AHN. The network advocates and facilitates the provision of affordable housing at all levels. At the 2016 United Nations Conference on Housing and Sustainable Urban Development (Habitat III), the AHN hosted a panel discussion on Africa’s housing issues.
- As a result of the Sector Dialogue in 2017, LafargeHolcim entered in a partnership agreement with the Biogas Association of Ghana and other participants from the private sector committed to work closely together with stakeholders from the finance sector and academia.
- Following up on both sector dialogues, a public-private policy roundtable on affordable housing was conducted in November 2017. The aim of the roundtable was to include the at the time newly selected government into the discussion. The Working group was preparing a road map of how to provide 10000 housing units in 2018 to all regional capitals.
- The event’s media partner, Citi 97.3fm, became a key stakeholder and has embarked on a sensitisation campaign aiming at creating awareness on affordable housing issues among the public at large and fostering a sense of private and public sector responsibility. Citi 97.3fm held a forum that was broadcast live on radio, extending the discussions on the issue of affordable housing. These post-Dialogue initiatives were converging well towards the policy roundtable that brought the private partners to strategise with the government on delivering affordable housing.

Success factors and lessons learned

Several success factors have been identified in the implementation of IB Sector Dialogues in recent years:

- In the preparation phase, special emphasis should be put on the selection of corporate participants and other stakeholders for the workshop. For that purpose, it is beneficial to have a consultant on the ground with good knowledge of the local actors, who can approach targeted companies and relevant partners directly and in person.
- Effective follow-up activities are key for sustainable workshop results to have a long-lasting impact. Like the preparation phase, the follow-up process should be supervised and organised by local experts. To avoid losing the momentum created at the workshop, results and clear objectives, including long-term goals and next steps, should be recorded at the end of the workshop and form the basis of the follow-up process. The follow-up can easily stretch over a period of six months in order to accompany participants until they have established a presence in the IB ecosystem.

Specific lessons learned from the IB Sector Dialogue on affordable housing in Ghana:

- It is important not to overload the agenda. Both housing Dialogues left time for networking between participants during the event, resulting in meaningful new networks and partnerships.
- Participants indicated a preference for case studies and project examples that relate to the local context. Participants in Ghana considered an international case study from Chile as being too unrelated, while an international case study from Ivory Coast was well received, because the business environment in Ivory Coast is comparable to that in Ghana and a local Ghanaian contractor was involved.
- While the IB Sector Dialogues target inclusive businesses, it has proven valuable to include selected stakeholders, for example from the finance and business development sectors, in order to gather diverse and complementary skills and perspectives. In Ghana, practitioners had a lively debate with delegates from the financial sector on the topic of financing affordable housing solutions.



- In the lead-up to the event, the organisers inquired about participants' expectations through the online invitation. This helped them to identify key issues and needs of the participants to plan the event accordingly.

Further information and GIZ contact

The practitioner guides from the Inclusive Business Sector Dialogues on affordable housing in 2016 and 2017 are available at: https://www.inclusivebusiness.net/sites/default/files/2018-09/iBAN_Affordable-Housing_Ghana.pdf and

https://www.inclusivebusiness.net/sites/default/files/2018-09/iBAN_Membership-based-organizations.pdf

The video series on iBAN's IB Sector Dialogues in Nigeria, Ghana and Egypt is available at: <https://www.youtube.com/playlist?list=PL4514Jhdlv-GSBAzm-MapAnfFvuswFdLLR>

For more information on this work, contact iBAN: Anne Schmidt, Coordinator of Capacity Development and Monitoring anne.schmidt@giz.de



Competition for Inclusive Business

An increasing number of companies, large and small, from developing and emerging economies, have started to develop IB models in a variety of sectors and countries. In so doing, they have demonstrated the positive social and commercial value of targeting low-income consumers on the demand side and producers, employees and distributors on the supply side. While there are successful examples of commercially viable, scalable IB models generating social impacts, many struggle when it comes to scaling up. Furthermore, there is a recognised need to expand efforts to encourage the adoption of IB models from the current focus on small start-ups with high growth potential to include more established domestic companies in developing countries. As such, there is a clear value in sharing examples from these kinds of enterprises and the lessons they have learned, including workable solutions and replicable models to overcome challenges in specific sectors. Holding an inclusive business competition provides an opportunity to identify successful examples in more established inclusive businesses and to engage in knowledge sharing for replication.

G20 CHALLENGE ON INCLUSIVE BUSINESS INNOVATION

Overview	
Type	Partners and Networks
Complexity	Medium
Expertise	Medium
Cost	€€
Time frame	6 months
Sustainability dimension	Green and inclusive
Phases	Adopt Scale

Tool in brief

The G20 Challenge on Inclusive Business Innovation was run in 2011–12 by the G20 and International Finance Corporation (IFC), with funding from the German Federal Ministry for Economic Cooperation (BMZ) and implementation support from GIZ. The online competition and subsequent workshop series aimed to recognise businesses from developing and emerging economies that have already succeeded in developing innovative, scalable and financially sustainable inclusive business (IB) models. By providing this global platform, it aimed to encourage all businesses to learn from the leading lights in the growing IB sector and also to motivate these IB sector leaders to link up with other inclusive business actors. Moreover, the competition aimed to showcase the development and commercial impact potential of IB models. An expert panel selected the winners based on their financial

sustainability, development results, innovation, potential for growth, and social and environmental sustainability. The 15 winners were announced in June 2012 at the G20 Summit in Los Cabos, Mexico, after which they received support in the form of a series of regional peer-learning workshops and showcase events.

Tool objectives

The objectives of the G20 Inclusive Business Innovation Challenge were to:

- accelerate the spread of commercially viable IB models that expand opportunity and access for people living at the base of the pyramid in developing countries;
- raise public sector awareness about the potential of IB models as way to contribute to inclusive economic growth;
- identify and showcase good examples of commercially viable and replicable IB models and to encourage their further uptake and dissemination;
- inspire entrepreneurs and companies to develop or adopt IB models and replicate them in their home markets;
- foster peer-to-peer exchange among practitioners.

Target group

The primary target groups for the competition were entrepreneurs and companies with established IB models that had already achieved demonstrable results within BoP markets. The secondary target groups were members of the public and intermediaries interested in learning more about IB.

Tool description

The G20 Challenge on Inclusive Business Innovation was a global competition set up to recognise businesses with innovative, scalable, replicable and commercially viable ways of reaching low-income people in developing countries. The competition was launched in November 2011 during the G20 Summit in Cannes, France, and was marketed to potential entrants through a range of media channels. Businesses and subsidiaries that met the criteria set out in Box 3 were eligible to apply.

Applicants were requested to submit a pre-application and complete an online survey at www.g20challenge.com, a portal developed expressly for the competition. Following a review of the pre-applications, those businesses meeting the Challenge's eligibility criteria were then provided with access to the full application form, which they were able to complete and submit online. Applications were accepted over a three-month period from 1 December 2011 to 29 February 2012. In the full application form, applicants were asked to respond to 17 questions or information requests, which included:

- briefly describing their firm's IB model and how this model is a unique way to engage with individuals at the BoP;
- clarifying how the innovative aspects of their IB model create a competitive advantage for their firm;
- estimating the extent to which their firm 'reaches' the BoP – i.e. how many low-income people in their value chain benefit from their inclusive business model.

A total of 291 companies from 72 countries applied, of which 167 fulfilled the specified eligibility requirements. The IFC and Deutsche Investitions- und Entwicklungsgesellschaft (DEG) selected a shortlist of 30 finalists and then a high-level panel of 12 judges selected the 15 winners. The judges represented a range of institutions and sectors, including the public and private sectors and the development finance institutions. The winners were selected based on their financial sustainability, development results, innovation, potential for growth, and social and environmental sustainability. An awards ceremony was held for the 15 winning companies at the 2012 G20 Summit in Mexico. The results from the initial survey completed by competition entrants have subsequently been used to inform a number of publications.

G20 Challenge eligibility criteria

The G20 Challenge on Inclusive Business Innovation was open to businesses and subsidiaries that met the following eligibility criteria:

- Headquartered or have a substantial part of their operations in a low- or middle-income country;
- For-profit entity;
- Demonstrate financial sustainability: already commercially viable or have evidence of commercial financing (equity or debt) and of being up to date with all commercial debt repayments;
- Use an innovative business model that includes individuals at the BoP as suppliers, distributors, retailers, or customers or includes value chain financing to the BoP;
- Are not a microfinance institution, private equity fund, or a deposit taking institution;
- Were founded before June 30, 2009, for a minimum of 3 years of operation by the announcement of the winners in June 2012;
- Operate outside the extractives industry (oil, gas, mining);
- Are not involved in the production or trade of alcohol, tobacco, gambling, or weapons.

Source: www.g20challenge.com/about-the-challenge

Following the Summit and the announcement of the competition winners, Germany and Saudi Arabia, in their role as co-facilitators of the G20 Development Plan's Private Investment and Job Creation pillar, launched the G20 Inclusive Business Workshop series. The objective of the workshops was to promote the dissemination of IB models across regions by showcasing successful examples, developing solutions to IB growth challenges and encouraging new partnerships. The first workshop took place in Berlin in September 2012 and the following year three regional workshops were delivered in Asia, Latin America and Africa respectively. The G20 competition winners were invited to attend each workshop.

The Berlin workshop, held in September 2012, brought together around 100 participants from the public and private sectors as well as citizen stakeholders. The first day served as a business-to-business (B2B) day, which particularly focused on promoting B2B exchange between the Challenge competition winners and other inclusive and interna-



tional businesses. A networking reception and gala dinner concluded the first day. The second day started with two plenary discussions: one on how to create a business environment conducive to IB and the other on ways to support IB models in scaling and replicating their models. In the afternoon, winners discussed their individual challenges with other participants, gaining insights from and exploring collaboration opportunities with other participants.

The first regional G20 IB Workshop was held in April 2013 in Mumbai, India, and coincided with the Sankalp Unconvention Summit, a leading platform for social enterprise in the region. Focusing on the topic of Scaling Impact Through Innovation, the workshop brought together approximately 70 participants to explore successful strategies for fostering innovation within inclusive business models.

The Latin American regional workshop was held in June 2013 in Medellín, Colombia, as a side event to the BASE forum hosted by the Inter-American Development Bank. Approximately 80 participants came together to discuss the theme of Scaling Up Finance for the Base of the Pyramid, exploring successful financing solutions that enable low-income people to be included in the value chain and thus support the development of IB models.

The final workshop in the series was held in Nairobi in October 2013 and focused on Africa. It took place in the same week as Siemens Stiftung’s Empowering People Awards Ceremony, which ensured synergies between the two events could be developed. The workshop brought together approximately 150 multi-stakeholder participants and focused on the topic of Scale, Replicate, Accelerate: Growing Inclusive Business in Africa. Its objective was to foster the spread of IB in Africa by showcasing successful examples, developing solutions to their growth challenges and encouraging new business relationships.

Project set-up

The G20 Inclusive Business Innovation Challenge was an initiative of the G20, a forum for international economic development that promotes open and constructive discussion between industrial and emerging market countries

on key issues related to global economic stability. Since the German Federal Ministry for Economic Cooperation and Development (BMZ) was at that time responsible for co-facilitating the G20 Development Plan’s pillar on Private Investment and Job Creation, BMZ took a coordinating role in developing the Challenge. It was supported by GIZ’s sector project ‘Sustainable Economic Policy and Private Sector Development’ which played a key role in organising the workshops.

The G20 Inclusive Business Innovation Challenge was financed by IFC and BMZ, and was implemented on behalf of IFC by a strategic advisory firm. The sector project ‘Innovative Approaches for Private Sector Development’ developed, on behalf of BMZ, the IB Innovation Challenge concept and advised BMZ during its implementation. The regional workshops were organised with additional financial support from the United Arab Emirates and Siemens Stiftung (Foundation) and were implemented by the sector project ‘Innovative Approaches for Private Sector Development’.

Tasks and timeline

The tasks and timelines for implementing the G20 Inclusive Business Innovation Challenge online competition was approximately as follows:

Work plan tasks (in months)	M1	M2	M3	M4	M5	M6
Scoping and planning	█	█	█	█	█	█
Marketing of the campaign	█	█	█	█	█	█
Application screening and selection of winners	█	█	█	█	█	█
Final event – announcement of winners	█	█	█	█	█	█

Costs

While the G20 Challenge proved costly due to its international scope, the tool is actually quite cheap to deliver when it is replicated at the national or regional level. The table below sets out the different items to consider when estimating costs. Note that items marked with an asterisk are optional and depend on how the competition is designed. Adding workshops or a coaching session for the competition winners increases the costs accordingly.

Items
Consultancy services for the competition: 30 person-days
Venue for the awards ceremony
Catering for the awards ceremony
*Prize money
*IT costs for an online platform
*Consultancy services for a follow-up workshop or coaching period
*Venue for a follow-up workshop
*Catering for a follow-up workshop

The winners of the G20 Inclusive Business Innovation Challenge

Agrofinanzas (Mexico)
 Apollo Hospitals Group (India)
 Bakhresa Grain Milling (Malawi)
 Brilla, a programme launched by Promigas (Colombia)
 Corporación Universitaria Minuto de Dios (Colombia)
 Ecofiltro (Guatemala)
 Engro Foods Ltd (Pakistan)
 Jain Irrigation Systems Ltd (India)
 Manila Water Company (the Philippines)
 Millicom (Luxembourg)
 Reybanpac Unidad de Lácteos (Ecuador)
 Sustainable Harvest Coffee Importers (United States)
 Tenda Atacado Ltda (Brazil)
 VINTE Viviendas Integrales (Mexico)
 Waterlife India Pvt Ltd (India)

Source: <http://www.g20challenge.com/winners/>

Results and legacy

The following results of the IB Innovation Challenge have been identified:

- Participants stated that the recognition they have received since winning the G20 Challenge has boosted their access to finance, talented staff, partners and networks, both abroad and in their home country.
- Challenge winners also stated that, given IB is a new and rapidly evolving business approach, the direct peer-to-peer learning was of particular value. In workshops facilitated by a professional, participants learned directly from one another and from selected experts, including business consultants and keynote speakers.
- Insights and learning from the competition fed into the development of the Inclusive Business Action Network (IBAN), which was set up in 2014 and initially funded by BMZ and implemented by GIZ. The Network aims to leverage partnerships with other facilitators (such as development partners, capacity-development providers and foundations) to foster knowledge sharing and learning among companies with IB models, and also networking and partnership-building opportunities.

Success factors and lessons learned

Several key success factors and lessons learned from the project should be highlighted:

- Having the IFC as implementation partner for the competition was invaluable, as it ensured proper due diligence for the project partners.
- The effective marketing of the IB Innovation Challenge through international media channels was critical to ensure the quality of the applicants, which determined the success of the competition.
- The competition prize does not have to be monetary – companies equally value the rewards of recognition and the possibility to meet and exchange with peers.
- Asking competition applicants to complete a survey at the same time as their application was useful for generating data and insights on IB that could then be used for other purposes.
- The competition was useful for raising awareness about the potential of IB models among both businesses and the general public.



GreenOvation – Hackathon for Green Mobile Apps

There are different types of ideas competitions that can be run for businesses; they can vary with regards to the overarching topic, the geographical scope, the target group and the means of implementation. An example for a competition focusing on one specific topic and using an innovative format, known as a hackathon, is GreenOvation. Launched by the The Philippine–German Promotion of Green Economic Development (ProGED), GreenOvation was an innovative green learning event and competition activity which sought to promote innovative mobile apps that contribute to environmental friendliness. GreenOvation took place in the second half of 2015 in Manila. It comprised three steps: (1) an ICT-based campaign to mobilise sponsors, mentors and participants; (2) three competition and learning rounds; and (3) a follow-up package for the winner. GreenOvation solicited local sponsors from government and nongovernmental organisations and the private sector. On the participant side, it mainly targeted college students, professionals, entrepreneurs, overseas Filipino workers and government employees. After a one-month campaign, eight sponsors were mobilised and a total of 33 teams submitted their ideas. Three judges selected 23 entries to join the competition based on their functioning, creativity and technical feasibility, as well as impact and market potential. Each of the following elimination rounds had a specific theme, agenda, learning aim and pitching mode. Eventually, the app OneWatt won the competition. OneWatt picks out the most efficient energy source in terms of cost and stability 24/7. With its learning algorithm, OneWatt promises a monthly electricity bill reduced by up to 40%. The hackathon was a great learning experience for all actors involved. The participating teams received valuable feedback on how to improve their apps; furthermore, they learned how to pitch to compete for technical assistance and funding. The MSMEs were introduced to green applications and the sponsors found interesting new start-up clients.

For more information please visit: <http://go.greenecology.ph/>

When replicating this format, whether on a local, regional or global level, the following issues should be taken into account:

- In order to attract high-level participants from both the political and economic spheres and to save on travel and venue costs, it can be useful to piggyback the awards ceremony or workshop on an existing event in which lots of actors involved in inclusive business are already participating.
- It is important to include high-level individuals who are strongly committed to inclusive business in the selection panel, as these judges can also be employed as workshop speakers and their status will reinforce the image of the competition as a whole.

Further information and GIZ contact

The website for the G20 Inclusive Business Innovation Challenge is available at: www.g20challenge.com

The brochure for the IB Innovation Challenge can be downloaded at: www.g20challenge.com/wp-content/uploads/2012/02/G20-Challenge-on-Inclusive-Business-Innovation.pdf

Workshop reports and programmes can be downloaded at: www.g20challenge.com/about-the-workshops

The IFC issued a Policy Note on the Business Environment for Inclusive Business Models that analyses survey responses from the G20 Challenge applicants on the regulatory obstacles they face in their businesses. The policy note then summarises how public policy can support IB models and offers recommendations on how governments, development finance institutions and donors can support companies with inclusive business models.¹² The policy note is available at: www.g20challenge.com/wp-content/uploads/2012/06/G20_Challenge_on_Inclusive_Business_Innovation_policy_note.pdf

For further information on this tool, contact the sector project 'Sustainable Economic Policy and Private Sector Development'.



Development Partnerships with the Private Sector for Green and Inclusive Business

Weak local economic cycles are among the most common problems faced by developing and emerging economies. In many of them, micro, small and medium-sized enterprises (MSMEs) account for a large share of the economic performance. However, the vast majority suffer from a lack of know-how and limited access to information, services and markets which prevents them from growing and becoming commercially successful. GIZ engages in Development Partnerships with the Private Sector (DPP), which are collaboration projects between GIZ programmes and local enterprises. The partnering enterprises are at an advanced growth stage, already having a set of basic capacities, which allows them to serve as ‘lead firms’. GIZ provides capacity development measures and supports access to services by leveraging linkages between stakeholders in the supply chains. Hence, the DPPs with lead firms allow GIZ to multiply the learning effect and reach a large number of MSMEs.

DEVELOPMENT PARTNERSHIP SUPPORTING LOCAL SMALLHOLDERS IN MOZAMBIQUE

Overview			
Type	Partners and Networks		
Complexity	Medium		
Expertise	Medium		
Cost	€€		
Time frame	12 months		
Sustainability dimension	Green and inclusive		
Phases	Start	Adopt	Scale

Tool in brief

In January 2017, the Programme for Sustainable Economic Development in Mozambique (ProEcon) set up a DPP with the medium-sized enterprise Companhia de Vanduzi, a local fruit and vegetable production and trade firm. To expand their business Companhia de Vanduzi sources fine beans, baby corn and chillies from local smallholders, processes and packages them and exports them to retailers in Great Britain.

GIZ supported Companhia de Vanduzi’s inclusive business model in the area of capacity development. GIZ conducted training on basic business management for smallholders and organisational development for their associations, also increasing the capacities of Companhia de Vanduzi’s technicians to improve the embedded services they provide to the local farmers. Thus Companhia de Vanduzi serves as lead firm when building knowledge and skills among smallholders in rural Mozambique.

Tool objective

The objectives of DPPs in Mozambique are twofold:

- To develop business skills and improve the livelihood of smallholders and small producers through technical and organisational training.
- To support the integration of Companhia de Vanduzi’s supply chain, improving the competitiveness (e.g. revenue increase, higher production, reduction of unit cost, extension of the product line and access to new markets) of the lead firm.

Target group

The target group is MSMEs in rural areas that have the potential and the interest to develop or enhance Inclusive Business Models. In Mozambique, the target group can be divided into lead firms as direct DPP partners and micro-enterprises, such as small commercial farmers, associations, cooperatives, etc. that benefit from a sustainable inclusion into the supply chain.

Tool description

The programme’s DPP with Companhia de Vanduzi started in January 2017. As a medium-sized enterprise, it was already fairly well connected to international partners in Europe. The company’s main goal is to maintain and increase its export activities to Europe, which requires it to meet comparatively high quality standards for a larger number of products. Therefore, it was necessary to train additional smallholders to enable them to increase product quality and quantity.



Companhia de Vanduzi has an extension team to advise smallholders on basic agricultural practices. As part of the DPP, GIZ provided training on business and organisational skills for smallholders. In addition, new topics such as information and communication technology (e.g. for more efficient extension services) or renewable energies (e.g. for local storage facilities) are being introduced to support the upscaling of Companhia de Vanduzi's contract farming scheme providing local smallholders with valuable technical assistance and skills.

Technical training was needed because, commonly, techniques applied by farmers in rural areas are outdated and inefficient. In the technical training they are being introduced to the best agricultural practices, which will enable them to improve their productivity and the product quality. Additionally, training helps to raise the farmers' awareness of basic market mechanisms and the benefits of high product quality. The organisational training drew upon the Farmer Business School approach, which aims at developing the farmers' economic skills and their self-perception as business owners. With this knowledge at hand, farmers should be able to manage their resources more efficiently and create added value for their harvest.

Yet another challenge Companhia de Vanduzi encountered in its relationships with farmers was poor communication and a lack of trust among farmers towards Companhia de Vanduzi's trainers. GIZ training sessions responded to this problem by introducing appropriate, professional, and respectful means of communication which paved the way for a more fluent flow of information and built mutual trust between trainers and farmers.

As many of the supplying farmers are women, Companhia de Vanduzi explicitly requested training on the topic of gender and the inclusion of women in economic activities. Henceforth, this topic was also included in GIZ training sessions for the company's staff.

Project set-up

First, ProEcon and Companhia de Vanduzi came together in an informal meeting in which they exchanged their interests and ideas for a possible collaboration. Afterwards, ProEcon carried out a standardised screening process to assess whether the company respects GIZ key values such as human rights, labour standards, environmental protection, anti-corruption, etc. To ensure successful cooperation, the screening process also considers business-related aspects like professionalism and growth ambitions. Once the company passed the screening process, ProEcon drafted a cooperation proposal, setting out the basic framework of the partnership. Once both parties agreed on the proposal, a more detailed operational plan, including the division of tasks, was prepared and a cost-sharing budget assigned. Finally, the planned activities are being implemented according to the operational plan. Throughout the collaboration, ProEcon monitors and assesses the results to make sure that all activities are on the right track and adjusts if necessary.

Tasks and timeline

Work plan tasks (in months)	M 1-2	M 3-4	M 5-6	M 7-8	M 9-10	M 11-12
Task 1 Dialogue with potential DPP partner	Active	Active	Light	Light	Light	Light
Task 2 Planning of the DPP project	Light	Active	Active	Light	Light	Light
Task 3 DPP project implementation	Light	Light	Active	Active	Active	Light
Task 4 Monitoring results with DPP partners	Light	Light	Light	Active	Active	Active
Task 5 Results assessment and upscaling of the DPP	Light	Light	Light	Light	Active	Active

Costs

In DPPs, GIZ programmes and partnering businesses share costs. Depending on the scope, costs can differ significantly. They are also highly dependent on the partners' budgetary availability, as well as on demands and expected results.

Items
GIZ personnel for DPP management: coordination and advisory, 30–100 person-days
DPP activities (cost-sharing with private partner); consultancies, trainings, information material, cross-cutting issues, etc.
DPP monitoring: meetings and communication for implementation analysis and exchange for adjustments in implementation
Additional costs: logistics (e.g. car and driver), related office costs, etc.





Results and legacy

The following results were achieved by the DPP:

- Some 85 local smallholders, of whom 30 are female, were trained and improved their agricultural practices.
- Companhia de Vanduzi more than doubled its local production volume and thus fostered its growth as planned.
- In the course of the growth phase Companhia de Vanduzi created additional 15 jobs in production and processing.

Success factors and lessons learned

The following aspects contributed to the success of the partnership:

- GIZ was active in the region before the partnership emerged. ProEcon benefited from the existing connection and reputation of improving farmers' livelihoods in the region.
- The aspect of economic inclusion of women was not part of the agreement as initially planned; instead it was added after Companhia de Vanduzi explicitly requested it. Being able to adapt in this way to local circumstances stimulated additional development objectives and is therefore recommended.

- The cooperation between Companhia de Vanduzi and GIZ drew GIZ's attention to other challenges such as the need for (1) ICT tools to enable more efficient communication between the lead firm and the supplying smallholders and (2) technical advice on cooling systems which were to be installed in new supply areas.
- Building mutual trust between GIZ trainers and the partnering company is essential and can take time; hence it should not be underestimated.

Further information and GIZ contact

Further information on DPPs is available at:

<https://www.giz.de/en/worldwide/18718.html>

Further information on ProEcon is available at:

<https://api.deutsche-digitale-bibliothek.de/binaries/3314dffe-73a1-414a-95ae-6a77a855ba19.pdf>

Further information on DPPs in Mozambique can be found in the AHK/GIZ study available at:

<https://www.giz.de/en/downloads/giz2016-pt-PME-in-mocambique-situacao-e-desafios.pdf>

For further information contact: Doris Becker, Head of Programme (doris.becker@giz.de) or Thomas Jaeschke (thomas.jaeschke@giz.de)

DPP in Malawi

GIZ Malawi is supporting an inclusive business pilot in the tourism value chain that assists lodge owners to practice responsible tourism through business linkages with the local communities, while also working directly with the host communities to ensure that both supply and demand for specific, high-quality goods and services can be met. In partnership with Nkhotakota Pottery Lodge and Nkhandwe Village, GIZ Malawi identified the opportunity to source and market niche products through the networks of the lodges. The lodges wish to engage local communities in the steady production and supply of high-quality products that can be marketed to tourists. This provides income and employment opportunities in the vicinity of the lodge. The lodge, in turn, provides a sure and stable market for local communities and therefore creates an incentive for more smallholders to supply local products to these markets. The focus thus far, based on market opportunities identified and skills available, has been on horticulture, jam-making and bee-keeping, but will come to include activities such as home stays, hiking and water sports. The example of jam production, most notably baobab jam, has showcased the benefits of partnership to the lodge owners and to the community. Various batches of jam have already been produced and marketed, and the jam-making group has already made a profit!

For more information please contact Florian Bernhardt (florian.bernhardt@giz.de)

Markets





Digital Marketing Platform for Inclusive Business

Marketing presents a major challenge for small locally run businesses and this is especially true for entrepreneurs among people living at the economic base of the pyramid (BoP). When BoP entrepreneurs want to reach customers that do not live in the same area, marketing is even more difficult. Tourism is a sector where this challenge becomes very apparent. On the one hand, rural areas are rich in tourism potential and can meet the needs of travellers, who increasingly look for local, nature-based, authentic experiences. On the other hand, it is difficult for local tour guides to make their offer known to these travellers. A digital marketing platform that gathers the offers from small locally run businesses and makes them known to national and international tourists can be a solution to this problem. Consequently, the Responsible and Inclusive Business Hub (RIBH) in the Southern African Development Cooperation (SADC) supported the development of Open Africa's online marketing tool.

OPEN AFRICA'S ONLINE MARKETING TOOL

Overview		
Type	Markets	
Complexity	Medium	
Expertise	Medium	
Cost	€	
Time frame	8 months	
Sustainability dimension	Green	
Phases	Start	Adopt

Tool in brief

In 2015, Open Africa, a local social enterprise, and the RIBH SADC hosted a networking session with tour operators to explore the challenges faced when trying to include community-based tourism enterprises in their itineraries. This resulted in the development of an online tool, which evaluates the community-owned tourism businesses against certain criteria. Furthermore, tour operators and the local businesses can use the platform to communicate with each other. It also contains tips on how businesses can improve their services. Tour operators can then promote those businesses and provide more customers in even more remote areas.

Tool objective

The platform aims to promote and support rurally based micro, small and medium-sized enterprises (MSMEs) (enterprises participating in Open Africa's tourism routes) and youth, increasing their income and creating jobs by boosting rural tourism. It assists tour operators in the



process of sourcing new, emerging and community-based tourism businesses and experiences for their tours and itineraries and allows them to give constructive feedback on an ongoing basis.

To be able to incorporate smaller businesses into their schedules, the businesses need to assure the tour operators on the quality of their product and provide more information on the setting of the business. Therefore, information such as insurance coverage, standard tour rates, accommodation establishment or access to internet, etc., needed to be formalised.

Target group

The project targets 16 existing self-drive travel companies in South Africa in the Open Africa network (in total there are 58 routes in six countries). The online tool reaches out to 516 MSMEs, in which about 5,000 people are employed. Open Africa sets rurally based routes and serves eight different provinces.



Tool description

With one focus area being tourism, RIBH SADC collaborated with Open Africa to create opportunities and benefits for communities to get involved in the tourism sector. Open Africa is a local social enterprise with 50% donor funding and 50% self-produced capital. It has established a network of tourism routes mapping community owned businesses in rural areas in Southern Africa. One of Open Africa's aims is to support rural economic development and help MSMEs grow.

Together with RIBH SADC, Open Africa developed the idea of an online tool that allows tour operators to log in to a system that only shows businesses assessed by Open Africa. The online tool was then developed by a consultant and launched in Durban in April 2016. Five Open Africa route mentors assisted with the development of the tools and gave tips to enhance the services. The mentors bring vast and specific experience on fair trade tourism, guiding services and marketing in the project.

The idea of the tool is that route mentors assess the businesses, score them against certain criteria using the online tool and create an opportunity to discuss any business improvements. The service providers are able to give feedback in a closed system within the online tool, where they can share assessment information that is not open to the public. Businesses can see their scorecards, respond, and access tools created to help them improve against those criteria. In addition, Open Africa could develop additional tools to assist small businesses to improve in the assessed areas. There is a learning toolkit built into the tool sharing tips.

The assessment of those businesses reduces potential risks and gives assurance to the tour operators. Businesses can

see their scorecards – each category has a rating system and asks for the justification of that scoring. Furthermore, businesses have access to cost-efficient tools, which help them to improve the services they provide. All comments made within the tool are visible to other tour operators and the product owners have the opportunity to respond and, if applicable, address the challenges. The tool thus also enables easier and more efficient communication between the tour operators and the business owners. The information is not open to the public. Only registered tour operators and assessed businesses can access the information, so it provides a safe space to exchange experience. Furthermore, development is ongoing on the learning toolkit for the enhancement of services.

By using the data, Open Africa started to promote and steer the businesses into markets they would not otherwise have had access to. With 58 routes established in six countries in Southern Africa and 2,500 businesses within the network, other new micro-enterprise market potential is beginning to develop. Through all the marketing and networking exercises, it was realised that there is a need and an opportunity to increase the links between the small businesses and many of the tour operators. The market started as a self-drive market, for people who wanted to travel at their own pace in their own transport to explore a particular area, using Open Africa's routes.

Project set-up

Open Africa and RIBH hosted a networking session with tour operators to explore the challenges faced when including community-based tourism enterprises in their itineraries and to see how these challenges could be overcome. A consultant (paid by GIZ) developed the online tool which is now used in the cooperation with Open Africa.



Costs

Items
Tool development consultant (68 person-days)
Venue and catering for two workshops
Venue and catering for launch event

Results and legacy

The tool initiated and facilitated by RIBH SADC has been well received and has caught the attention of corporate travel management companies, etc.:

- Communities have reported that they are happy with the scoring system and criteria used as rural tourism businesses usually struggle with 'traditional' tourism rating systems that for example also rate the provision of TVs in the guest rooms.
- Open Africa has entered into partnership with the Travel Foundation, a British foundation that has been working with UK tour operators for the past 12 years and has developed a set of Green Business Tools that relate to a number of topics included in the Open Africa toolkit. Travel Foundation has agreed to allow Open Africa to utilise the relevant tools, and adapt UK-specific elements to Southern African conditions. This partnership will allow Open Africa to develop a much wider range of tools and include more sustainable tourism tools for green MSMEs in Southern Africa.
- Open Africa is in the process of signing a commercial partnership agreement with Tour 2.0, a South African company focusing on marketing cultural-experience packages in rural communities. This partnership provides a direct market link for businesses listed on the platform.

- Open Africa also created another partnership with the online accommodation portal, Airbnb. They set up a pilot with 20 businesses to determine the feasibility of hosting Open Africa's listed accommodation establishments on the Airbnb platform. The aim is to market most of the businesses in the network. This is similar to the Tour 2.0 partnership, which will add an additional marketing and sales platform for businesses that participate. The scoring and assessment tool is a good tool to determine whether a business qualifies for Airbnb.
- Open Africa continued to see growth in website traffic.
- More than 72 tour operators have already shown interest in actively using it and signed up for it.

Success factors and lessons learned

- The online toolkit makes reliable information on tourism businesses accessible to all registered tour operators, no matter their physical location.
- It helps to extend the product range of tour operators with remote, community owned businesses in a cost- and time-effective way.
- It is easily replicable to other regions and countries.
- The goal is to assess all of the businesses so that they all benefit from the use of the platform.
- The management and maintenance of the tool stays with Open Africa and within its business.
- Targeted AdWords campaigns helped to drive traffic to specific pages while partnerships with media such as Getaway helped drive referrals to the website, increasing our reach.

Further information and GIZ contact

Further information on Open Africa is available at: <http://www.openafrica.org/>

For more information on this work, contact Maren Breuer (maren.breuer@giz.de)



Linking MSMEs to Supply Chains

In many countries smallholders sell their products through intermediaries, such as local collectors or traders who buy the crops directly at the farm gate. In many cases, these informal purchases are inefficient in that they contribute to low prices for the farmers and good quality is usually not recognised. Farmers often accuse intermediaries of exploitation and opaque pricing methods. At the same time, however, industrial buyers on the demand side are increasingly asking for high value and high quality crops, which are hard to attain because the intermediaries poorly translate the buyers' needs to the farmers; consequently, the farmers keep producing low-quality crops. That creates a gap in the value chain: on one side are smallholders who lack proper information on buyers' expected product quality and quantity; on the other, most industrial buyers lack the knowledge and skills on how to work with and assist farmers to meet their demands. The Sustainable Regional Economic Growth and Investment Programme (SREGIP) in Indonesia aims to fill that gap by bringing both the supply and demand sides together. It builds capacities of farmers and small producers through workshops and training and creates partnerships with companies.

DEVELOPING A PRIVATE ENGAGEMENT MODEL TO SUPPORT LINKS BETWEEN FARMERS AND INDUSTRIAL BUYERS

Overview		
Type	Markets	
Complexity	Medium	
Expertise	Medium	
Cost	€€	
Time frame	7 months	
Sustainability dimension	Green and inclusive	
Phases	Adopt	Scale

Tool in brief

With the aim of fostering the tourism industry on Lombok, the idea emerged to create partnerships between smallholders and tourism companies. The initiative started in 2016 with market research which revealed potential actors for possible partnerships. After needs and capacities were identified, SREGIP organised training sessions and workshops for smallholders in which they were trained in how to improve the quality and the quantity of their products. It also encouraged farmers to build cooperatives, which allow them to sell their aggregated harvest and thus to offer larger volumes. At the same time, the project initiated dialogues with tourism companies such as hotel chains, restaurants and souvenir shops to determine their needs and requirements so that the farmers' products could be targeted to the companies' needs. Once

developed, the programme matched the farmers with the companies and helped to set up partnership agreements to pave the way for an improved and shorter value chain. This creates a win-win situation for both sides: thanks to the training and partnerships, farmers receive fair prices for their high-quality products, which enables them to improve their families' livelihoods, and the companies can offer the products tourists are demanding, which supports Lombok's image as tourist-friendly holiday destination.

Tool objective

The main objectives are:

- improving value addition and inclusion of smallholders in the tourism value chain through the partnerships and thereby to improve the farmers' livelihoods and create perspectives for their future;
- encouraging other businesses to adopt the partnership model in the tourism sector and its supporting industries to build a sustainable and inclusive tourism supply chain.



Target group

The primary target groups of the endeavour are individual smallholders, farmer cooperatives and farmer groups, intermediary actors, such as collectors, and buyers from the local tourism industry, i.e. hotels, restaurants, food processing companies, etc.

Tool description

In 2016, the tourism industry on Lombok started to grow. However, infrastructure, quality of human resources and – most critically – availability of high-quality local products that met the hospitality industry’s standard remained limited. Therefore, SREGIP initiated the support to improve and develop links between smallholders and local tourism companies.

As a first step, desk research and observation were conducted to gain information on the farmer profiles, their commodities and capacities. In a subsequent step, farmers and key stakeholders from the local tourism industry, including tourism companies, and universities were brought together in a focus group discussion to identify the most critical constraints and needs of farmers on Lombok. This was also a chance for them to learn about each other’s perspective and to start a personal exchange.

The programme then identified and assessed potential private partners and farmer representative institutions that were eligible for cooperation. The informal assessments were conducted in a series of meetings to observe the companies’ capacities and their motivation in order to ensure that the companies were suitable – not only with regards to resources but also in terms of business ethics and attitude. Based on the assessment, selected private actors were invited to a joint site visit to the farms to gain insights into the farmers’ lives and their work; and to understand in what way they and their families would benefit from a partnership. These visits established the partnerships on a personal level, which was needed to build mutual trust and to increase the parties’ commitment.

Cooperation agreements were created between the private partners and farmer representatives, facilitated by SREGIP. All stakeholders jointly developed a comprehensive plan to regulate the roles, responsibilities and contribution of each party, and set up a monitoring system. This was also an opportunity for the farmers and the companies to emphasise once more what interests they had at heart and what capacities they were able and willing to invest into a partnership. Finally, the planned activities were





executed. This stage especially focused on the capacity building of farmers to improve their knowledge and skills on post-harvest practices and joint selling through the local cooperative. The companies introduced the standards and quality specifications and assisted the farmers to comply with the requirements. This was also helpful for the farmers to learn about basic market mechanisms and dynamics.

PROJECT SET-UP

The programme oversaw the project and provided input, particularly with regards to capacity-building measures for the local cooperative. A market development consultant was assigned to run the private sector engagement process.

Tasks and timeline

Work plan tasks (in months)	M1	M2	M3	M4	M5	M6	M7
Data collection of the key actors (farmers, cooperatives, suppliers, etc.)							
Identification of potential company/ industrial buyer							
Development of engagement model (business model)							
Site visit and key actors' gathering (meeting company/buyer with farmer representative/supplier)							
Drafting and signing of the cooperation agreement							
Facilitation and monitoring the implementation of engagement plan							

Costs

By cooperating with the private sector, the costs of the development process and implementation of the business model can be reduced through a co-sharing mechanism. The market development consultant was assigned to facilitate the process in close coordination with SREGIP in moderating meetings, focus group discussions and gatherings, including the preparation of the cooperation agreements and monitoring implementation.

Items
Consultancy services: 36 person-days
Staff time: 1 full-time staff
Venue for meetings and training sessions
Catering for meetings and training sessions
Travel expenses for meetings and training sessions
Marketing and communication

Results and legacy

The results of the partnerships are:

- increased awareness and understanding of farmers and tourism companies for inclusive business models;
- development of a partnership model which links farmers and companies based on trust and mutual benefits;
- a replicable partnership model that can serve as a guide for other private companies in implementing inclusive business models;
- a stronger local cooperative as the intermediary service provider through capacity development and facilitation;
- added value created through support measures on both the supply and demand side;
- promotion of local products and sustainable tourism on Lombok, serving as a role model for other Indonesian tourist destinations.

Success factors and lessons learned

The following factors contributed to the success of the farmer linkage model:

- clear incentives that encouraged the private sector to engage in the development of the partnership;
- flexibility of the project to face the dynamic changes within the private sector.



Due to the fact that the business model was developed as a joint effort involving the private company and farmer representatives, it leads to an effective implementation in the field with recognisable benefits on both sides, which – in turn – encourage actors to invest in future collaboration. Some other lessons learned were:

- collaboration with a growing company, which intends to expand its supply source, has a good understanding of the inclusive business initiative and is willing and able to drive the process forward, contributed to an overall smooth process of engagement and implementation of the business model;
- assigning a field facilitator to support the capacity building with the farmer representatives (local cooperative) and monitor the implementation of the business model is advisable;
- the proper identification of the requirements and the ‘business scale’ of both the market side (the volumes required from the industrial buyers) and the supply side (the volumes the farmers/producers can supply) is essential for a successful partnership.

Further information and GIZ contact

More information on the Sustainable Regional Economic Growth and Investment Programme is available at: <https://www.giz.de/en/worldwide/42588.html>

For more detailed inquiries please contact:
Lisa Peterskovsky (lisa.peterskovsky@giz.de)



Opening New Markets with Low-carbon Products

Small and medium-sized businesses can use their climate change mitigation strategy as a marketing tool, as there is a growing market of customers willing to pay a higher price for sustainable products. For small and medium-sized enterprises in developing and emerging countries, producing climate neutral products can help to access global markets that may otherwise be hard to reach due to tough price competition. The agricultural sector is heavily impacted by the negative effects of climate change and needs to develop strategies to become more resilient to these adverse effects. However, it has a large potential to produce climate-friendly products.

SUPPORTING LOW-CARBON COFFEE PRODUCTION IN COSTA RICA

Overview		
Type	Markets	
Complexity	Medium	
Expertise	High	
Cost	€€	
Time frame	7 months	
Sustainability dimension	Green	
Phases	Adopt	Scale

Tool in brief

Coffee producers in Costa Rica have identified this challenge of climate change and are developing strategies to produce low-carbon coffee as a means to combine climate change mitigation with business development. The GIZ-led Nationally Appropriate Mitigation Action (NAMA) Support Project (NSP) Low-Carbon Coffee Costa Rica supports coffee mills in developing innovative low-carbon coffee products. To do this, the project has supported coffee mills with trainings on performing greenhouse gas (GHG), water and toxic inventories in their mills, in order to calculate their respective footprints and, subsequently, implement sustainable practices and technologies.

The training was developed in the scope of the NSP Low-Carbon Coffee Costa Rica by the National Coffee Institute (ICAFFE) and GIZ on behalf of the NAMA Facility (established by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety, and the Department for Business, Energy and

Industrial Strategy of the United Kingdom) in 2016 and will be implemented by 2018. The NSP supports the implementation of the first agricultural NAMA in the world, which is currently carried out in Costa Rica by the Ministries for Environment and Agriculture and the ICAFFE.

The training includes three individual modules on calculating GHG, water and toxic release footprints, respectively. Each module consists of 3 or 4 workshops per coffee region on the basic concepts of each footprint, the international regulatory framework and the necessary tools for performing the GHG, water and toxic release inventories. The training aims to achieve sustainable, low-carbon coffee production and processing, resulting in an innovative low-carbon coffee that gives Costa Rican coffee producers access to new markets.

Tool objective

The objectives of the training are to:

- support the development of the innovative product of a low-carbon coffee in order to create new business perspectives for coffee mills and producers by granting access to differentiated international markets;
- train coffee mills and producers on environmentally friendly practices and technologies for farms and mills and encourage coffee mills and producers to substitute long-standing and traditional but environmentally unfriendly practices and technologies in order to survive market pressures and climate risk;
- raise awareness about the impact of climate change on coffee production as well as how coffee production itself affects the climate.



Target group

The primary target group for the training was the 50 coffee mills participating in the NAMA Café.

Secondary target groups consist of coffee farmers and other actors along the value chain who obtain higher wages when the final product can be sold at a higher price. The project is leading separate activities targeted explicitly at coffee farmers.

Tool description

The training was developed in the scope of the Costa Rican NAMA Café de Costa Rica and its NSP Low-Carbon Coffee Costa Rica which offers financial and technical support. By 2019, the NAMA Café aims to reach 50 coffee mills that apply at least two low-emission, sustainable practices on their farms and mills.

The training's objective was to provide coffee mills with the necessary knowledge, tools and practices to reduce GHG emissions, water consumption and toxic release during coffee processing. It consisted of three modules, each covering one of the three topics (carbon, water and toxic footprint). The modules comprised several workshops and follow-up visits on the individual topics and consisted of the following steps:

- **Training module development.** The content for each module was developed, trainers were contracted and coffee mills invited to participate.
- **Training module delivery.** In each of the three modules (GHG emissions, water consumption, toxic release), participants were introduced to the international rules such as INTE 12-01-06:2016 and INTE/ISO 14046:2015 which regulate the measurement of carbon and water footprints, learned the basic concepts of performing the inventories and received follow-up during the individual measurement processes. Each of the modules consisted of several day-long workshops held in six of Costa Rica's eight coffee regions over the course of 3 to 4 months. The duration of the entire process including performing all three footprints is estimated to be 3 to 4 years.
- **Follow-up and support during individual measurements.** In between and after the workshops, the mills received follow-up visits on behalf of the local consultancy firm that was carrying out the activities. They were offered support and advice on performing the measurements.
- **Delivery of final footprints and subsequent implementation of low-carbon, sustainable measures.** Each module was concluded by delivering a final report on the estimated footprints on behalf of the mills. Later on, the mills were offered advisory services on possible reduction measures such as installing energy-efficient equipment, improving waste-water treatment and reducing biomass consumption.

Project set-up

The training was conceptualised by GIZ Costa Rica and ICAFE and delivered by a local consultancy firm. GIZ and ICAFE assisted during the entire process. All 50 coffee mills are currently performing GHG inventories; 34 advanced mills are additionally tackling their water footprint. The toxic footprint is expected to be initiated by all 50 mills in 2018. Training sessions were held at several of the participating mills' own facilities, reducing venue costs significantly.

Tasks and timeline

Work plan tasks (in months)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Workshop framework development	█	█	█	█	█	█	█	█	█	█	█	█
Identification of facilitators	█	█	█	█	█	█	█	█	█	█	█	█
Marketing of workshops and selection of participants	█	█	█	█	█	█	█	█	█	█	█	█
Delivery of workshops	█	█	█	█	█	█	█	█	█	█	█	█
Follow-up during individual performance of GHG emission/ water consumption/toxic release inventories	█	█	█	█	█	█	█	█	█	█	█	█
Delivery of final GHG emission/ water consumption/toxic release footprints	█	█	█	█	█	█	█	█	█	█	█	█
Advisory services on the implementation of GHG emission/ water/ toxic release reduction measures	█	█	█	█	█	█	█	█	█	█	█	█

From the development of the training, choosing consultants to carry out the workshops and follow-up visits, to implementing said activities and providing further advisory services after finishing the carbon/water/toxic footprint measurements, approximately 1 year per module is needed, making for a total of 3–4 years for the entire training.

Costs

The table below sets out the different items to consider when estimating costs.

Items
Staff time: approx. 20 person-days plus follow-up as needed
Consulting services: approx. 40 hours per participating mill per module including workshops and follow-up visits
Catering for workshops
Travel expenses for follow-up visits on behalf of GIZ



Results and legacy

As of July 2017, 50 mills are participating in the NAMA Café. Of those, 34 have already measured their carbon footprint and are performing water inventories, all of which will be concluded in August 2017. Sixteen new mills joined the initiative as a second group in January 2017 and will also present their carbon footprints in August 2017. The entire process of measuring all three footprints is expected to be completed in 2018 (for the 34 advanced mills) and 2019 (for the 16 new mills).

To date, a total of 19 workshops for carbon footprint and eight workshops for water footprint measuring have been held. The participating mills have received four follow-up visits concerning their carbon footprint measurement and three regarding their water footprint.

As of July 2017, the following direct results from the carbon footprint workshops can be recorded. Several mills have modified their ovens, reducing biomass consumption. Some have improved their electric installations and substituted outdated and energy-inefficient equipment. Additionally, new equipment has been acquired by a few mills in order to improve the compost process of the organic coffee residues from coffee processing. Lastly, several mills have updated their waste-water treatment from using traditional oxidation lagoons to star grass sprinkling systems, which lower greenhouse gas emissions significantly.

Success factors and lessons learned

GIZ Costa Rica has identified the following success factors and lessons learned so far:

- Having a local partner (in this case the ICAFE) support the implementation was invaluable, as it gave better access to the target group and demonstrated the high commitment to the subject on behalf of the project partners.
- Follow-up visits by the consultants and GIZ not only served to answer possible questions and doubts from the mills, but also helped to actively encourage mills to continue with footprint measurements, and showed ownership and commitment.
- Kick-off and closing events including the participating coffee mills proved to be highly important to demonstrate commitment from the project partners and guide mills through each year's steps to take.
- Delivering the training in the mills' facilities not only reduced venue costs significantly, but also enabled the demonstration of where exactly in the coffee processing sustainable practices would be successful.

GIZ Costa Rica identified the continuous personnel changes in several mills as problematic, as they complicated the necessary follow-up visits and hindered the development of ownership of the topic of carbon and water footprints in the mills themselves.



Further information and GIZ contact

The presentations held during the trainings can be downloaded from: www.namacafe.org

For a video about this project please see: <http://www.dw.com/en/climate-friendly-coffee-farming-in-costa-rica/av-39859449>

To find out more about this tool, please contact: namacafe@giz.de

More information on the NAMA Café de Costa Rica and its NAMA Support Project is available at:

www.namacafe.org

Capacity Development





Green Entrepreneurship Academy

Countries with a rather poor economic and political situation often face high (youth) unemployment, corruption and relative instability. Especially a lack of prospects for young people causes frustration and leads many to leave their country. It is therefore of the utmost importance to show young people how to build a sustainable future for themselves, and becoming an entrepreneur is one option in this regard. Starting a business can be a win-win situation for young people and the overall economy. New enterprises create (self-) employment and can contribute green innovations and measures, which are urgently needed, to make the economy more sustainable, reduce the burden on the environment and to improve education and social relationships. The Green Entrepreneurship Academy implemented by the GIZ “Youth, Employment and Skills” (YES) project in Kosovo enables young people, not only to start their own business, but to do so in a sustainable and innovative way.

GREEN ENTREPRENEURSHIP ACADEMY:

Overview	
Type	Finance
Complexity	Medium
Expertise	Medium
Cost	€€
Sustainability dimension	Green
Phase	Scale

Tool in brief

The GIZ YES project held the Green Entrepreneurship Academy in Kosovo after a preparation phase in November 2017, in cooperation with the Borderstep Institute for Innovation and Sustainability. From across Kosovo, 29 young jobseekers with a business idea were selected for the Green Entrepreneurship Academy. The participants developed, together with international and selected local trainers, sustainable business ideas that create positive perspectives for entrepreneurs and, hence, allow for further steps to be taken towards implementing the business ideas and promoting sustainable economic development and environmental protection in Kosovo.

Tool objectives

The main objective of this tool is to foster young people's self-employment skills through strengthening their capabilities in the area of entrepreneurship and at the same time focusing on contributing to a societal change in the area of environmental sustainability.

Further objectives of the Green Entrepreneurship Academy were to:

- stimulate and inspire participants to set up their own enterprise and understand the purpose and structure of business model generation tools,
- lead participants to recognise the high potential of sustainability markets in Kosovo, export markets in Germany and Europe and inform them about the National Development Plan,
- support participants in recognising long-term sustainable development targets and business opportunities in Kosovo,
- help participants to elaborate on the vision and mission of their business model and the corresponding value proposition.

Target group

The main target groups for the Green Entrepreneurship Academy were registered jobseekers, mainly university graduates or currently enrolled students who were eager to develop a plan and start a business and to learn about means and models for sustainable entrepreneurship in the green economy.

Tool description

Phase 1 (3 weeks): preparation

The commissioned Borderstep Institute consultants familiarised themselves with the specific context of the Kosovar economy and the country's entrepreneurial eco-system based on desk research and a review of academic journals, international organisation reports as well as news reporting on Kosovo. It was particularly important to analyse any political barriers with regards to environmental innovations and sustainable project ideas.



Phase 2 (1 week): needs assessment, selection of trainers and organisational meetings

In the second phase the objective was to develop a training concept based on previously identified needs in the area of green entrepreneurship in Kosovo. Green start-up promotion is a new approach that had not been previously applied neither by the government nor by any donor. One of the underlying objectives of the Academy was to fill this gap. Furthermore, qualified local trainers were selected who assisted in adapting the existing training material to the local context.

Clear and transparent criteria for the selection and contracting of two local trainers were jointly developed by the Borderstep Institute and the GIZ YES project. Additionally, two Borderstep Institute team members were assigned as trainers. They developed a training concept based on the business model generation method “Sustainable Business Model Canvas”, and included theoretical knowledge and interactive exercises.

During this phase several meetings with agencies, businesses and business incubators took place to explore possible partnerships for the event. Simultaneously, there were further organisational meetings with the GIZ YES project staff and other stakeholders in order to set up the framework of the Academy (i.e. the time, location and partners etc.).

Phase 3 (5 – 6 weeks): application phase and selection of participants

Young people interested in starting or developing their own business in a sustainable and innovative way could apply by means of an online application form, within a 19-day period, on the GIZ YES project website about six weeks prior to the training academy. The Academy and the application process were announced using the appropriate channels across Kosovo (e.g. on Facebook, through the governmental employment agency).

The main eligibility criteria were:

- young people aged between 18 and 35 years, as well as returning migrants and minorities of all ages,
- those registered as jobseekers with the governmental employment agency at the time of application,
- an ability to communicate in English since the training was held in English,
- a willingness to commit to participating in the training,
- a willingness to invest at least 10% of the total budget of the business plan.

By the end of the application phase on 27 October 2017, 64 people had applied for the Green Entrepreneurship Academy. After carrying out an initial check that the formal criteria were fulfilled and following the pre-selection, the shortlisted applicants were invited to an online interview to check the clarity of the business idea and its sustainability impact.

Finally, 29 aspiring entrepreneurs, aged between 18 and 35, from across Kosovo were invited to attend the event, of which 26 of them participated. The participants were made up of 6 teams of 2 and 14 individual participants.

Phase 4 (1 week): delivering the Green Entrepreneurship Academy

Before conducting the Green Entrepreneurship Academy in the premises of a private business college, a one-day training workshop with the relevant local trainers was carried out.

The participants of the Green Entrepreneurship Academy developed sustainable business ideas that create positive prospects for entrepreneurs and promote sustainable economic development and environmental protection in Kosovo. Based on the Sustainable Business Model Canvas, every participant or team developed its own canvas and subsequently wrote a business plan.

The Academy covered the following areas:

- the basics of entrepreneurship (using established approaches and tools such as the Lean Start-Up Approach and the Sustainable Business Model Canvas),
- the basics of the green economy and sustainable economic development (using material and publications from international organisations),
- lessons learned and good practice: innovative green start-up ideas and their stories of success and failure,
- practical and interactive development of the aspiring entrepreneurs’ own business ideas using the Sustainable Business Model Canvas,
- individual coaching sessions with the candidates in order to assess their ideas and particular needs and challenges as well as develop appropriate solutions and strategies.

Phase 5 (1 day): pitching event

After the Green Entrepreneurship Academy, the young aspiring entrepreneurs prepared for a pitching event in which they presented their business ideas and their business plans. The pitching event was to offer the participants networking opportunities to get in touch with green businesses and supporting organisations. Every presentation was limited to 5 minutes, followed by 5 minutes of questions from a jury. The jury consisted of a representative from the Employment Agency of the Republic of Kosovo (EARK), a GIZ YES project representative, a staff member from the Innovation Centre Kosovo and a lecturer from the private business college IBCM where the Academy took place.

Based on the scores awarded by the jury, the GIZ YES project in cooperation with the Ministry of Labour and Social Welfare (MLSW) issued four grants, each of up to €4,000, to the start-ups. Criteria for receiving a grant included that the start-up registered with the Kosovo Business Registration Agency and was willing to contribute 10% of the total business budget. The declared winners signed a 24-month contract to receive the grant.

Project set-up

The Green Entrepreneurship Academy was supported by the GIZ YES project and implemented by the Borderstep Institute for Innovation and Sustainability. They drew on their existing experience with entrepreneurship academies within the framework of the YES project. The political partner for the implementation of the Academy was the MLSW and the subordinated agency EARK.

Tasks and timeline

The tasks and approximate timelines for the implementation of the Green Entrepreneurship Academy were as follows:

Work plan tasks (in months)	M1	M2	M3	M4
Preparation	■	■	■	■
Needs assessment and selection of trainers	■	■	■	■
Application phase and selection of participants	■	■	■	■
Workshop delivery	■	■	■	■
Pitching event	■	■	■	■

Costs

The Academy as such, the international experts and local trainers were funded by the GIZ YES project. The four grants were jointly funded by the MLSW and the GIZ YES project as part of their financial cooperation agreement.

The local trainers worked a total of 15 days for the Green Entrepreneurship Academy, while the international experts from the Borderstep Institute accompanied the Academy from the very beginning through to the end.



Items
International experts: 2
Local trainers: 2
Training
Staff meals and catering
Travel and accommodation
Equipment

Results and legacy

The Green Entrepreneurship Academy achieved the following results.

- 24 participants completed the Green Entrepreneurship Academy and were very satisfied with the overall event. All of them stated that they know how to apply the gained knowledge and learnings.
- The GIZ YES project, in cooperation with MLSW, approved four grants for sustainable business plans based on the pitching event scores.
- The participants became more aware of the green economy and green market development in Europe and beyond.
- The participants learned how to develop and improve green business opportunities in Kosovo.
- The awareness of sustainable development was strengthened, not only among the participants, but also among the involved partners.

Success factors and lessons learned

When reviewing the Green Entrepreneurship Academy, the implementing team identified the following success factors:

- sourcing local and preparing them for the event,
- the profound selection process for local trainers and participants,
- adapting business models to the local context and developing tailored business plans for the green economy,
- providing templates for several elements of the business models, e.g. for the cash flow statement.

The lessons learned from the Green Entrepreneurship Academy that can be applied when replicating this event in the future are as follows.

- Sufficient time needs to be allowed for the preparation of the event.
- The criterion “being registered as unemployed” was criticised for bearing the risk of preventing people with very good business ideas from applying for the Academy. However, this depends on the context and objective of a project and its activities.
- The Sustainable Business Model Canvas proved to be innovative and easily adaptable to new cultural contexts.
- More time/days should be provided to allow the participants to work independently on market research, talk to potential customers, better prepare the financial plan and strengthen their time management skills.
- Templates with formal criteria for applying for grants should be standardised and provided by GIZ / EARK.
- It is helpful to summarise each session on the next day by voluntary participants.
- Most of the participants sought follow-up support from professionals or mentors to receive regular feedback and advice on their business progress and on funding opportunities. In this regard, it is recommended that a platform for alumni be set up.

Further information and GIZ contact

The implementing partner mainly relied on the “Sustainable Business Model Canvas” which is a comprehensive tool for business model generation. A manual for conducting workshops was prepared as part of the StartUp4Climate initiative by the Borderstep Institute. It is available [online](#):

To find out more about this tool, please contact: the GIZ “[Youth, Employment and Skills](#)” project Kosovo

the [Borderstep Institute for Innovation and Sustainability](#)



Cross-Border Start-up Programme

With the emergence of competitive start-ups and social enterprises, alternative markets become more and more interesting. Thus an increasing number of green and inclusive businesses (GIB) have also started looking abroad in the search for new markets, ideas, partners and support. This has led to a number of incubators and accelerators conducting cross-border programmes to bring together start-ups with GIB models from various countries. However, to date, there have been no targeted programmes bringing together GIBs from India and Germany to explore cooperation. To this end, GIZ India has designed a 10-day cross-border start-up programme (bootcamp) targeted at impact-driven social enterprises from India and Germany to elaborate and refine their business models and explore possibilities for cooperation and future joint programmes.

INDO-GERMAN START-UP BOOTCAMP

Overview	
Type	Capacity development
Complexity	Low
Expertise	Medium
Cost	€
Time frame	5 months
Sustainability dimension	Green and inclusive
Phase	Start

Tool in brief

A cross-border start-up programme (bootcamp) is a tool to foster exchange between start-ups from different countries. It was organised as part of the Strategic Alliance – an initiative implemented by GIZ in cooperation with Bosch and Intellectap under the developPPP.de framework of the German Federal Ministry for Economic Cooperation and Development (BMZ). The objective of the Alliance is to foster corporate engagement in the start-up ecosystem and set up partnerships between corporates and incubators as well as corporates and start-ups, namely social enterprises¹³. The collaborative programme was first tested by GIZ in partnership with Bosch, SAP, Intellectap and Social Impact Lab, an incubator fostering social innovation in Berlin, Germany in July 2016. The bootcamp provided start-ups with the opportunity to interact with corporates, mentors, technology experts and other key stakeholders to further develop their products and services, validate business plans, exchange ideas, develop synergies and understand the respective markets.

Tool objectives

The objectives of the cross-border start-up programme (bootcamp) were to provide start-ups with:

- access to tools that can help build a sustainable IB, e.g. design thinking, business modelling, etc.;
- exposure to start-up mentors, domain experts, corporate experts, etc. to get feedback on their business model;
- the possibility to discuss potential collaboration and develop cross-continental connections and partnerships with other start-ups who were part of the bootcamp or with other organisations and companies the start-ups were exposed to;
- the opportunity to develop partnerships with corporates for further support in the areas of mentorship, infrastructure and technology in building their IBs;
- the possibility to better understand respective markets and chances for expansion.

Target group

The main target group for the cross-border start-up programme was start-ups and social enterprises with innovative and creative product or service IB ideas with an existing prototype or proof-of-concept. The first bootcamp targeted solutions in the energy sector – be they digital, social or innovations in technology, clean and sustainable energy, or energy efficiency. It is suggested that a sector-focused bootcamp should be run, ensuring targeted exchange and the development of synergies.

¹³ For the purposes of the tool, start-ups with inclusive business models will be referred to as start-ups.



Tool description

The cross-border start-up programme (bootcamp) was designed under the Strategic Alliance, a public-private partnership set up between GIZ, Bosch and Intellectap which seeks to foster corporate engagement in start-up incubation. The idea of developing the bootcamp was conceived in February 2016 in discussion with Social Impact Lab and GIZ along with the interest of Bosch and SAP. It was developed in line with the objective of the Strategic Alliance to foster partnerships between corporates and incubators as well as corporates and start-ups. The first bootcamp targeted start-ups from the energy sector. GIZ, in close cooperation with Social Impact Lab, developed a month-long call for participation, issued three months in advance of the event. The call for applications was a nationwide call published through multiple digital media platforms in both India and Germany. The sector focus for the bootcamp was aligned with the sector focus of the corporate partners since most of the companies and countries worldwide are attempting to consciously reduce reliance on a carbon-driven economy. The call requested entrepreneurs to submit their application online providing details on the start-up and their motivation to join the bootcamp.

Two selection panels were formed – one for Indian applicants and the other for German applicants. The Indian selection panel included representatives from Bosch, Intellectap, and other private sector participants including corporates, venture capital firms and foundations prevalent in the energy sector. The German selection panel constituted experts from Social Impact Lab, research institutes focused on the energy sector, incubators and energy sector experts. All of the experts evaluated the proposals on a pro bono basis.

A common evaluation tool was developed by Social Impact Lab and GIZ which was provided to each of the panellists in India and Germany. The selection criteria in the evaluation tool included:

- **Relevance:** What relevance has the start-up regarding the energy sector/challenge?
- **Innovation:** How innovative and creative is the proposed IB solution?
- **Potential:** Does the business growth model demonstrate potential for delivering scalable social or environmental impact?
- **Sustainability:** Is there clear evidence of market demand for the product or service demonstrated by performance data from at least a pilot or proof of concept?
- **Motivation:** How much would the entrepreneur benefit from the programme?

During the first sift, all the evaluators had to rate each of the allotted applications using the evaluation tool and indicate the two best applicants from the pool. This assessment resulted in a pool of the top 22 applicants in India and in Germany. Each of these 22 applications was again assessed by every evaluator who then rated and voted for the 10 most suitable applicants, forming the final cohort for the programme.





The bootcamp offered start-ups a platform to interact with fellow entrepreneurs and experts from the industry, and provided them with multifaceted exposure encompassing training, individual coaching and an opportunity to pitch their ideas to corporates at the end of the bootcamp. The main programme elements included:

- A one-day ice breaking session including team building activities and presentation of IB ideas by the individual start-ups.
- A two-day design-thinking workshop to get insights into the human-centred design approach. The workshop was held by professional design-thinking coaches trained at the HPI School of Design Thinking and currently working with Social Impact Lab.
- A two-day business model generation workshop conducted by business model innovation coaches from SAP. The participants learned to define the value proposition associated with their IBs and further refined their IB models. Due to the different development stages of the participating start-ups, the coaches prepared different tools and templates such as the Business Model Canvas to adjust to the individual needs of the start-ups.
- A two-day guided tour of the technical museum and EUREF campus (Europäisches Energieforum), a symbol of energy revolution, in Berlin. The participants were accompanied by GIZ staff and experts from Bosch.
- One day of pitch training delivered by a professional pitch trainer from Silicon Valley. The participants were guided on presenting their pitch in five minutes. The main focus of the training was to enable participants to communicate the right message to stakeholders such as investors and corporates, structuring the slides for better presentation and using body language. Every participant got the chance to pitch and received detailed individual feedback.

- Ongoing mentoring by Bosch, SAP and design thinking experts to provide an opportunity to the participants to exchange with the mentors and understand business models better and evaluate their IB ideas accordingly.
- A one-day demo day event as the culmination of the bootcamp, which enabled start-ups to pitch and showcase their innovative IB products and solutions to global companies including Bosch, SAP, RWE, Vattenfall, Solenia, Weltenergieerat, InnoZ, VNG, Bundesverband Solarwirtschaft and AtomLeap, to name a few. The event also witnessed a reverse pitch from the corporates to present their offerings to the start-ups.

Project set-up

The bootcamp was conceptualised, seeded and launched by GIZ and Social Impact Lab with support of Bosch, SAP and Intellectap under the Strategic Alliance, a public-private partnership developed under BMZ’s developPPP.de framework.

Tasks and timeline

The approximate tasks and timelines for the implementation of the cross-border exchange programme were as follows:

Work plan tasks (in months)	M1	M2	M3	M4	M5
Project inception and planning	Active	Active	Active	Active	Active
Marketing and outreach	Active	Active	Active	Active	Active
Evaluation and selection of participants	Active	Active	Active	Active	Active
Final preparation for the programme	Active	Active	Active	Active	Active
Programme delivery	Active	Active	Active	Active	Active

Costs

The bootcamp was financed by GIZ, Social Impact Lab, Bosch and SAP. The experts on design thinking and business modelling were provided by Social Impact Lab and SAP with GIZ providing support for accommodation and travel for the experts. Travel costs and accommodation for the start-ups were covered by GIZ. While Social Impact Lab provided project management support on a pro bono basis for the organisation of the bootcamp as well as the venue, GIZ took care of the travel and event management for the demo day. Bosch provided three mentoring and subject matter experts that accompanied the whole bootcamp. In future, as the bootcamp will be replicated, GIZ will provide travel support to the Social Impact Lab experts as well as 10 days of project management and expert cost support. The table below provides some indication of the different items to consider when calculating costs:

Items
GIZ staff: 30 person-days
Expert engagement: 10 person-days spread across different types of training
Marketing and communication
Venue for the training
Travel expenses for participants and experts
Accommodation and meals



Results and legacy

The bootcamp has been successful in achieving its primary objective of setting up a partnership between corporates and an incubator as well as encouraging corporates to work with start-ups/social enterprises. The key achievements can be summarised as follows:

- All stakeholders judged the format to be innovative and will repeat the bootcamp in India in March 2017. An additional incubator (IIM Calcutta Innovationpark) has been identified that will offer a venue as well as expert support for the next bootcamp.
- The best Indian start-up, the best German start-up, the best pitch, and the most disruptive idea were honoured at the end of the bootcamp. A German start-up participant traveled to India in February 2017, worked out of Bosch India's co-working space and received support from Bosch to set up their India pilot.
- Participants stated that the bootcamp had boosted their access to partners and networks, both abroad and in their home country.
- Multiple partnership opportunities between start-ups and corporates emerged out of the programmes:
 - One of the Indian start-ups is now piloting their Internet of Things product together with a German company in its wind parks.
 - Two of the Indian start-ups are in closer discussion with Bosch to define their partnership.
- Ten Indian start-ups (the bootcamp participants and another five from among the broader list of applications) were also provided with an opportunity to pitch to a room full of corporates, venture capital firms and accelerators in December 2016 in Bangalore.
- As a result of the participation in the cross-border exchange programme, entrepreneurs and their business ventures received media attention and increased visibility.
- The programme also provided start-ups with a platform to interact with fellow entrepreneurs and learn from the industry experts.

Regional GIZ Programme Cooperation Platform Latin America North

Another example for a cross-border activity which aims to enhance entrepreneurs' capacities and expand their international network is a collaboration between public and private sector actors from Mexico, Costa Rica and the federal state of Bavaria. In a joint effort, the Regional GIZ Programme Cooperation Platform Latin America North (COPLAN), the Mexican Business Coordinating Council (*Consejo Coordinador Empresarial*), the Mexican National Entrepreneur Institute (*Instituto Nacional del Emprendedor*), the National Council for Research and Technology Costa Rica (*Consejo Nacional para Investigaciones Científicas y Tecnológicas*), the Representative Office of the State of Bavaria in Mexico, the local Chambers of Industry and Commerce (AHK) and the GIZ Bavarian Country Office organised an integrated workshop to support Mexican and Costa Rican start-ups working in the field of industry and economy 4.0.

As a first step, there was a two-week call for applications. Despite the rather strict participation requirements a large number of start-ups submitted their applications, of which 15 Mexican and five Costa Rican participants were selected. After a two-day workshop developed by the Mexican and Costa Rican AHKs and hosted by experts in cultural communications, participants from both nations

were prepared for the actual event. The actual co-creation workshop entitled 'Business Design-Innovative Business Models 4.0' took place in Munich and Feldafing in May 2017. During the two workshop weeks Latin American entrepreneurs had the opportunity to further develop and internationalise their business models. In addition, there were experts from the Entrepreneurship Centre from Ludwig-Maximilians University in Munich and representatives of established Bavarian companies on site to both provide practical advice and to detect potential start-ups for business cooperation. The workshop also included joint visits to Bavarian cluster and start-up centres which allowed the participating entrepreneurs to gain a better understanding of the Bavarian support system for innovative entrepreneurs.

In a debriefing workshop in August the entrepreneurs had the opportunity to present further development ambitions and receive consultancy services on practical implementation and internationalisation. After entrepreneurs had put the advice into practice, new international partnerships emerged. So far, the workshop has already proven to be successful in that a number of cooperation activities have developed. In addition, public and private actors from Mexico, Costa Rica and Bavaria have already affirmed their interest in repeating the activity in 2018.

For more information please consult COPLAN.

Success factors and lessons learned

A number of factors contributed to the success of the programme:

- The collaboration with Social Impact Lab proved to be one of the key success factors for the programme, thanks to its excellent on-the-ground presence in Germany in the start-up incubation space, prior experience of working on social exchange programmes of similar formats in Germany and Eastern Europe and their intrinsic motivation to work with Indian entrepreneurs.
- In order to reach as many entrepreneurs as possible and ensure quality applications, marketing and publicity through digital media turned out to be another key success factor.

- Careful selection of mentors and experts and a diverse range of strategic partners ensured that the participants had multifaceted exposure to reflect on their start-ups and contributed to the quality of the programme.

Further information and GIZ contact

To find out more information on this work, contact the Private Sector Development Programme India or the Strategic Alliance 'Corporate Engagement in Start-up Incubation India'



Incubator Manager Training

A start-up developing an IB model requires start-up training just like any other business. However, training alone might not suffice. Additional assistance will be needed when developing the IB model – for example, in conducting market research. Inclusive business service providers and incubators can help new firms overcome these challenges by providing tailor-made training and services, while also enabling mutual learning processes and the creation of linkages. Promoting the creation of support organisations that specifically target potential inclusive businesses helps to build the infrastructure required to foster the development of IB that include the BoP on the supply side or the demand side. The GIZ Private Sector Development team in India has tested this approach by creating a network of IB service providers.

CREATING A NETWORK OF INCLUSIVE BUSINESS SERVICE PROVIDERS IN INDIA

Overview		
Type	Capacity development	
Complexity	Medium	
Expertise	Medium	
Cost	€€€	
Time frame	11 months	
Sustainability dimension	Inclusive	
Phases	Start	Scale

Tool in brief

In 2013, the GIZ Private Sector Development team in India implemented a workshop series in partnership with Aarohan Ventures to support the capacity development of inclusive business incubators and enterprises. The first series of four workshops, delivered in different regions of India, proved a success, so a second series of three workshops coupled with tailor-made assistance and hand-holding for the participating organizations has taken place in 2015.

Tool objective

The activities' key objectives were to:

- strengthen the support infrastructure for IB in locations where this is lacking;
- connect enterprises with IB models and incubators to promote ongoing collaboration;
- educate enterprises and incubators on how they can contribute to effectively solving social issues and the inclusive growth agenda.

Target group

The primary target group for the workshops consisted of IB support organisations in the broad sense of the term. These included foundations and CSR departments, IB incubators, non-profit organisations, industrial bodies, regional economic development bodies, and organisations providing access to rural markets. The secondary target group was enterprises incorporating IB models, which were targeted as a way of highlighting the types of enterprises that the support organisations should be supporting.

Tool description

In a strategic partnership, GIZ and Aarohan Ventures launched a series of co-branded Network Expansion Workshops, with the aim of bringing together support organisations and enterprises with IB models to enhance the ecosystem and build capacity for inclusive business in India. Aarohan Ventures is an early-stage venture fund and incubator focused on building scalable education, health care and technology solutions for development and is hosted by the Indian Institute of Management, Ahmedabad (IIMA). The series of four workshops held in 2013 covered different regions of the country. The first workshop was held in April 2013 at the Indian Institute of Management, Ahmedabad, in Gujarat, and the subsequent workshops were held in: July 2013 at Kumaraguru College of Technology in Coimbatore; August 2013 at the Xavier School of Management in Jamshedpur; and November 2013 at Banaras Hindu University in Varanasi. The workshop in Varanasi deliberately coincided with Global Entrepreneurship Week.

Costs

The items to consider for one workshop series are as follows:

Items
Staff time: 25 person-days
Consultancy services: 4 full-time staff
Service providers for the incubator training and enterprise workshop
Venue for the incubator training and enterprise workshop
Travel expenses for the incubator training and enterprise workshop

Results and legacy

The following results are associated with the first series of workshops

- A total of 72 participants attended the four workshops: IB support organisations represented the largest percentage of attendees at 31%, followed by 21% from CSR foundations and 18% from existing incubators.
- A total of 61 individuals representing 55 enterprises with IB models attended one of the workshops focused on enterprises. Sectors represented included, among others, education, energy, fair-trade products, hand-crafts, ICT for development, microfinance, organic farming and waste management.
- The documented benefits for IB support organisations included gaining an understanding of the different models for supporting enterprises with IB models, as well as understanding the complex requirements of these enterprises and the existing facilities available to them.
- The documented benefits for participating enterprises included the access they gained to support organisations – including companies working in the region or NGOs and community organisations with a similar interest – and the opportunity to identify and reflect on challenges and evaluate priorities for action.



In terms of legacy, a key impact of the first workshop series has been that one of the participating organisations, Kumaraguru College of Technology, has since established itself as an incubator and received national accreditation from the Department of Science and Technology. Moreover, building on the success of the first workshop series, a second series started in October 2014 with a workshop in Jaipur that focused on India's northwest and a second workshop in Hyderabad in February 2015 that focused on the south of the country. This workshop series is targeting a smaller group of incubators and includes intensive additional support delivered at the Centre for Innovation, Incubation and Entrepreneurship (CIIE) at IIMA.

Success factors and lessons learned

A number of factors have contributed to the success of these workshops, including:

- having a strong partner organisation that not only is recognised as a leading incubator with relevant technical expertise, but also maintains a network of enterprises and support organisations that can be invited to attend or speak (i.e. the partner has strong convening power);
- CIIE's and Aarohan Ventures' interest in using the workshop series to develop a pipeline of sourcing partners for its own work was of value as their interests extended beyond the scope of their contractual agreement.

Further information and GIZ contact

The publication Enablers for Change – A Market Landscape of the Indian Social Enterprise Ecosystem is available at: <http://www.giz.de/en/downloads/giz2012-enablers-for-change-india-en.pdf>

For further information and to request the case studies used during the incubation workshops, contact the bilateral programme Private Sector Development, India



Scaling programme for Green and Inclusive Businesses

In most settings with support structures for green and inclusive businesses, the support offered targets early-stage businesses only. The most common programmes include business plan competitions, incubation programmes that last a few days only or co-working spaces. There are much fewer support programmes available for more mature businesses. However, many green and inclusive businesses struggle after a successful start-up phase with impediments to financing and difficulties to settle in the market. Therefore, more and more actors, including development cooperation, are thinking about how to support the development and scaling of rather mature green and inclusive businesses. One example of a scaling programme implemented by GIZ, is the Nawart programme developed by the RIBH MENA. The Nawart programme aims to help innovators and entrepreneurs to improve and scale their start-ups by providing intensive technical and business trainings and consultations as well as investor and partner matching events.

THE NAWART PROGRAMME FOR RENEWABLE ENERGY BUSINESSES IN EGYPT

Overview		
Type	Capacity development	
Complexity	Low	
Expertise	Medium	
Cost	€€	
Time frame	12 months	
Sustainability dimension	Green and inclusive	
Phases	Start	Scale

Tool in brief

The Responsible and Inclusive Business Hub (RIBH) in the MENA region established the Nawart programme in Egypt in 2015. Nawart means 'You brought light' in Arabic and the programme has been piloted with a focus on the renewable energy sector. In early 2016, the consulting firm PricewaterhouseCoopers (PwC) integrated Nawart into their existing start-up programme. The RIBH and PwC jointly implemented the programme in cooperation with the social enterprise Cleantech Arabia and the Egyptian Ministry of Trade and Industry. In the course of the programme participating entrepreneurs obtain sector-specific training, one-on-one consultancy to consolidate their business model and support in obtaining financing for scaling their business.

Tool objective

The objective of the programme is to help clean tech businesses achieve scale. Nawart aims to reach its goal by leveraging research and experience in the field of clean technology entrepreneurship and consultancy experience in the Egyptian market. Nawart's ultimate goal is to create small businesses in the field of renewable energy and to contribute to the socioeconomic development of the country.

Target group

The target group consists of innovators, entrepreneurs and renewable energy start-ups that are planning to design their business models sustainably, with a focus on social impact and to better serve the market through scaling and growing.

Tool description

As a first step, a consultant conducted a business opportunity mapping to analyse the business potential of the clean tech sector in Egypt and the added value of inclusive business models specifically. The result of the mapping was a tailor-made approach for the Egyptian renewable energy sector. Based on this mapping, the programme has been developed.

Step by step the implementation of the programme started:

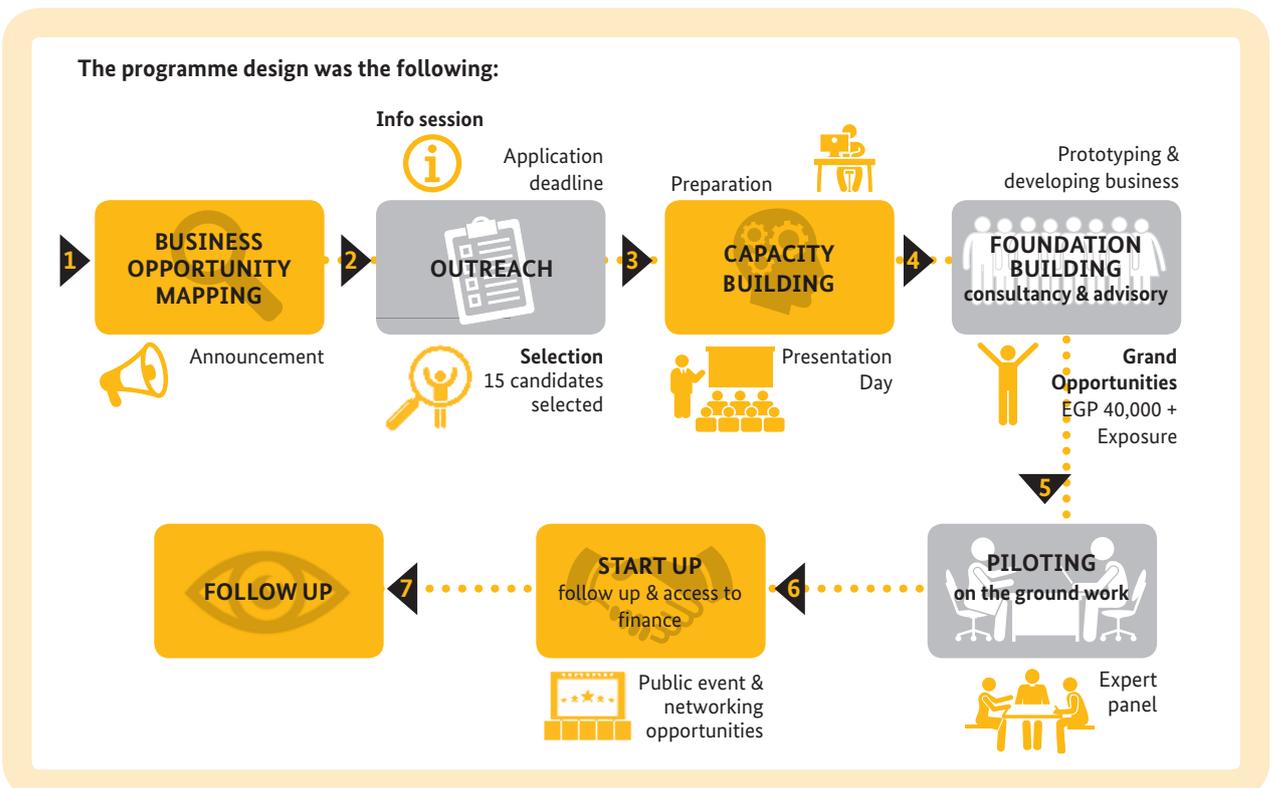
- 1. Business opportunity mapping:** A consultant (paid by PwC) conducted a mapping to analyse the business potential in the renewable energy sector in Egypt.
- 2. Outreach to businesses, application and selection:** After several information sessions and extensive outreach activities to potential green and inclusive businesses fifteen candidates were selected.
- 3. Capacity building of participating businesses:** The participating start-ups received intensive capacity building on renewable energy technology assessment, on how to design a business case, on market surveillance and on marketing (conducted by a consultant).
- 4. One-on-one consultancy, advisory and prototyping:** The participants received one-on-one consultancy to further improve their business model and advisory services.
- 5. Piloting on the ground:** In a fifth step, the start-ups received the opportunity to pilot their business model on the ground to further adjust it to a real life context.

6. Public events, networking opportunities and access to finance: Within the different stages of the programme, participating businesses received expert feedback and financial support to their prototyping in addition to investment matching at the end of the programme.

- 7. Follow up:** In order to evaluate the sustainable approach and the impact of the Nawart-programme the RIBH-MENA team is still in contact with the different start-ups.

The Nawart programme reached the following figures:

- 110 applications, 15 start-ups selected, 13 finished the programme.
- The start-ups cover 7 business opportunities in the renewable energy sector, 4 of them serve the base of the pyramid (BoP) directly.
- 6 have female founders or co-founders.
- 4 employees as average per business
- The number of participating start-ups per geographical region: 2 Delta Region – 4 Upper Egypt – 9 Cairo





Project set-up

RIBH MENA cooperated with PricewaterhouseCoopers and Cleantech Arabia, an Egyptian social enterprise working in the renewable energy sector. The business opportunity mapping, the outreach, the capacity building sessions and the technical consultation (hardware related) was conducted by a consultant in close cooperation with the RIBH MENA (paid by PwC).

Tasks and timeline

Work plan tasks (in months)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Business opportunity mapping	■											
Outreach to businesses, application and selection		■										
Capacity building of participating businesses			■	■	■	■						
One-on-one consultancy, advisory and prototyping						■	■					
Piloting on the ground								■	■	■		
Public events, networking opportunities and access to finance											■	
Follow up												■

Costs

Items
Needs assessment, including the sector analysis (PwC)
Venue and catering for workshop (RIBH MENA)
Public events and matchmaking sessions (RIBH MENA)
Costs for trainers and development of manual (PwC)
Consultant to conceptualise the entire programme (PwC)

Results and legacy

Even if the RIBH MENA had a relatively small budget, the Nawart programme was constantly growing and reaches as of today the following results:

- **Eight** start-ups developed market-ready products.
- **Five** start-ups achieved revenue generating / growth stage.
- **Start-ups raised 400,000 EGP** (around 20.000 EUR) of grants from partners/ Nawart stakeholder network (incubators, companies/SMEs, prototyping grants).
- **Start-ups raised 950,000 EGP** (around 45.000 EUR) in funds/investments (investors/angel investors/VCS).



The Nawart programme will now be replicated to others sectors: The GIZ Programme for Small and Medium Enterprises (PSME) in Egypt uses the Nawart model for entrepreneurs in the agricultural. The Egyptian Ministry of Trade and Industry is replicating the model in three areas, e.g. in waste management, funded by the African Development Bank.

Success factors and lessons learned

The main success factors were:

- The close cooperation with the private sector (including the sponsorship of the programme), as PwC could bring in their expertise in terms of verifying the business case of the start-ups and whether they would be considered bankable.
- That the programme accompanies start-ups over a period of ten months. In contrast to shorter programmes Nawart offered the opportunity to adequately test/prototype the learnings, re-assess the success and if needed continue adjusting the product. Furthermore, the programme allowed the participants to learn not only basic business skills (like in many shorter courses) but to go into sector-specific detail. This way participants were able to really understand the market and business situation.
- Equally, one-on-one sessions and feedback rounds allowed deep case-by-case discussions.
- Creating a learning atmosphere that was on the one hand competitive but allowed long term learning on the other hand. The criteria were strict, e.g. in case a company did not adequately fulfil the homework tasks they were not allowed to pitch.

The key lessons learned were:

- That the business model is the main driver for start-ups. Only if the business case is valid, it can be sustainable.
- It is of great importance to have a realistic view on start-up needs, which are not always equivalent to a donors' point of view.
- To ensure a proper reality check it was useful to expose the start-ups to investment opportunities and experts and to allow competition for scarce support (e.g. limited amounts of one-on-one trainings, opportunities to pitch ideas) between participants for better results.

- Finally, the sector specific approach helped the programme to gain long-term commitments (capacity building, consultation, networking and investments events), which are key to achieve impact.

Handbook Grow – Scale – Impact

With the handbook 'Grow –Scale – Impact' GIZ in collaboration with the Global Social Entrepreneurship Network (GSEN) provides advice on the acceleration – meaning the support in scaling up – of inclusive business models specifically, although most parts are equally relevant for green businesses. In essence, the handbook aims at helping private sector development programs and providers of business development services to support the scaling up and replication of inclusive businesses in a systematically integrated and cost-effective manner. At the core of the handbook lies a seven stage framework, guiding readers through the cycles of preparation, implementation and follow up of an acceleration program. Each chapter is dedicated to one stage and provides a step by step description of the measures to undertake. For each stage the handbook provides support in answering the essential questions. These include: What is the objective of the stage? What are the steps to follow to reach the stage objective? What are the capacities, resources needed and financing requirements? Each chapter contains online resources such as case studies, checklists, potential partner databases, platforms or questionnaires that enable the user to prepare, implement and evaluate an inclusive business scaling program. The handbook represents a flexible and iterative process that is adaptable to country- or sector-specific conditions.

The handbook is available online free of charge at <http://star-www.giz.de/pub?r=42624>

If you have any questions, please contact the Sector Project Sustainable Economic Policy and Private Sector Development.

Further information and GIZ contact

For more information on this work, contact Maren Breuer (maren.breuer@giz.de)



Business Skills Training For BoP-Entrepreneurs

BoP (people living at the economic base of the pyramid) entrepreneurs often lack business skills, which are a necessity to successfully start and run their business. Classical business development services are usually not adapted to this target group, as they cater to more skilled and educated people. Consequently, a tailored training model for BoP entrepreneurs is needed to adequately support them to gain access to knowledge and market services. The Responsible and Inclusive Business Hub (RIBH) in Egypt identified the need for a specific training programme for women entrepreneurs in the food sector. They therefore launched the Baladini kitchen incubator which offered, in addition to training, a shared production space that acts as both a work place and a platform for exchange of experience.

BALADINI – AN INCUBATOR FOR FEMALE FOOD ENTREPRENEURS IN EGYPT

Overview

Type	Capacity development	
Complexity	Low	
Expertise	Medium	
Cost	€€	
Time frame	5 months	
Sustainability dimension	Inclusive	
Phases	Start	Scale



TOOL IN BRIEF

The Baladini women's entrepreneurship kitchen incubator was a collaboration project between the RIBH Middle East and North Africa (MENA) in Cairo and the Egyptian social enterprise Nawaya. From November 2014

to February 2015, the RIBH MENA assisted Nawaya in the launch of a shared kitchen incubator (Baladini) to provide a training space and incubator for female food entrepreneurs in Egypt. The concept offers a central space for the production of food and supports women in learning how to run their own restaurant or catering business with the goal of improved quality of life for the local community. The RIBH MENA supported Baladini with access to a range of experts and knowledge in order to implement a series of initial training sessions, and helped the project to jump from a basic level to a competitive position in the market. By reducing food waste through increased shelf life and by finding creative ways to utilise often-discarded agricultural products Baladini's aim is to deliver higher income gains to producers; for example, through mixed revenue models with diverse levels of profitability and market penetration.

Tool objective

The main goal is to improve the business model of female entrepreneurs. The training covered different modules such as accounting, market analysis, marketing, etc. with the objective of fostering the women's capacities to run their own businesses. Led by women, in partnership with local farmers, the project seeks to place the entire food production chain – growing, producing, processing, and food selling – in the hands of farming communities. By doing so, Baladini aims to increase local family income and valorise rural areas for their contribution to society.

Baladini targets the food sector in Egypt and also aims to guarantee a better quality of life for the local community by fostering healthy nutritional food practices for women and their families.

Target group

The main target group of the Baladini kitchen incubator was low-income women from the Abu Sir/Sakkara region in Egypt. Aged between 18 and 45, these women were selected based on their representation in their communities, relying on well-defined criteria and guidelines based on Nawayya's farmer selection process for selecting the female leaders, and were recruited through relationships developed with local associations in the area.

Tool description

Building on the women's excitement around food-based economic opportunities, as well as dialogues around traditions and female challenges, Baladini envisions the development of a platform that can support women in the development, testing, and launch of inclusive food-based ventures. The business model is mainly modelled after the 'kitchen incubator' business model. A kitchen incubator allows entrepreneurs to prepare food in a shared equipped kitchen. This provides the women with an opportunity to prepare food in a commercially equipped and hygienic kitchen and sell it to the public. Baladini also has a training aspect to it, covering nutrition, food safety and, later on, business management skills.

The RIBH MENA assisted Nawayya in the launch of a shared kitchen that can act as a training space and incubator for Egyptian women from rural areas working as entrepreneurs in the food sector. For the duration of the programme, they set up a kitchen space, selected a new cohort of women, launched a pilot series of training and workshops, and established the foundation for the production and sale of local, artisanal food. Therefore, the concept not only offers a central space for the production of food, but it also supports women in learning how to run their own restaurant or catering business with the goal of improved quality of life for the local community.

1. Preparation and selection of participants (supported by Nawayya)

- The project has selected a cohort of 21 women and established a central food hub/kitchen incubator space; thus, the target group can use it on a long-term basis for training and practice.

2. Implementation and training phase I (conducted by a consultant)

- In the beginning of the implementation phase the project piloted a series of training sessions and workshops in order to provide the women with healthy and sustainable practices regarding nutrition, hygiene, food production and business development.
- Simultaneously, awareness-raising activities focused on food-related associations were conducted in the surrounding communities to inform them about the possibility of fair and innovative food products. To foster exchange, to promote food gatherings and to discuss cross-cultural food topics, the project established a series of innovation circles.

3. Implementation and training phase II (conducted by a consultant)

- In a second step, five 'high-impact women entrepreneurs' received further training on catering and event management. They learned about basic business techniques, including customer analysis, pricing, revenues, profit, sales and marketing. Furthermore, they were familiarised with management systems, including daily inventory, sales and revenue counting, sign in and out, and cleanliness monitoring.

4. Wrap-up phase and 'reality check'

The female entrepreneurs started to explore the market by offering their products and preparing food for catering events.

5. Reporting and evaluation (conducted by a consultant)

In a last step Baladini has been evaluated and the impact measured, e.g. on increased salaries, new business opportunities and number of customers.

The RIBH MENA supported Baladini with access to a range of experts and knowledge in order to implement a series of initial training sessions and helped the project to jump from a basic level to a competitive position in the market. In order to work sustainably and to use the entire network, the main precondition was to cooperate with a local (social) business that has access to the target group.

Project set-up

The RIBH MENA that is located in Cairo cooperated with the Egyptian social enterprise Nawayya. With the support of a consultant, they jointly launched the kitchen incubator Baladini.



Results and legacy

The Baladini kitchen incubator has identified the following results:

- In total, Baladini has empowered 21 low-income women from the rural community of Abu Sir with the skills, knowledge, and resources to produce high value-added clean and healthy food products.
- The Baladini kitchen incubator employed all 21 women, who received training in areas of nutrition, health and food hygiene practices. The women also received training in basic business techniques, management systems, management a catering event and additional language training.
- Given that they rarely had prior professional work experience (first work opportunity), the employment granted additional income sources for their families ranging between EGP 500 (around EUR 24) and EGP 1,300 (around EUR 60). In addition, as the women had the opportunity to work part-time, they were able to maintain the balance between work and family.
- Through its operation, Baladini sourced products from approximately 10 local small-scale farmers and agri-processors such as millers. Therefore, Baladini indirectly created further jobs. Also, it worked through the principles of fair trade which is one of the most important pillars of its work.
- Baladini generated considerable economic growth. It has reached more than 2,800 customers and sold around 5,300 products either through physical shops or via other channels (e.g. direct-to-customer and online).
- Some of the most notable clients of Baladini are the Italian Cultural Institute, the Embassy of Denmark, the Swiss Embassy, the British Cultural Institute and GIZ.
- The project fostered the creation of a wider shared community interest in the subject of healthy, clean and fair food, and the promotion of greater access to such food for low-income populations.

Success factors and lessons learned

The project identified the following success factors:

- In a rural Egyptian context, one of the most important success factors is the fact that the kitchen is located within the community. Close cooperation with the local community helped to create ownership for the project.
- Partnering with a local social enterprise (in this case Nawaya) was important to gain access to their network.
- The long-term commitment from all stakeholders was crucial.
- The training was tailor-made to strengthen the business model of the female entrepreneurs.

After several months of operation the Baladini kitchen incubator identified the following lessons learned:

- Working on the ground and on a day-to-day basis is crucial for the success of the project (gaining trust, exchanging knowledge, sharing experience, etc.).
- Awareness raising among consumers is very important to close the social gap between isolated women in rural areas and urban communities and to increase their sales.
- Working on psychological issues, not only on the technical ones, to enable the women to be motivated, self-driven and have a feeling of ownership is crucial for the sustainability of the project and a proper impact achievement.
- Especially in the cooperation with low-income households as a target group, cultural, religious and social circumstances play a significant role (e.g. no communication between foreign men and local women possible).

Further information and GIZ contact

For more information on this work, contact Maren Breuer (maren.breuer@giz.de)



Remote Strategic Advisory Services

In countries where no private sector development programmes with inclusive business (IB) activities exist or a fragile context impedes international IB experts from working in the field, it is often challenging to identify and establish a relationship with companies that include people living at the base of the economic pyramid (BoP) in their value chain. Even in countries where access to the private sector is easier, the attraction of national or local companies with IB potential may be difficult without adequate incentives that encourage companies to engage with development cooperation. The Remote Advisory Service for IB is a tool that allows a cooperation programme outside the country to analyse the IB potential of a national company at a low cost, preparing the ground for further in-depth cooperation in the event that the business model appears promising. The service consists of a set of tools that aim to identify key challenges along the value chain of the company and offer potential solutions.

ADVISING COMPANIES IN THE SECTOR OF FAST MOVING CONSUMER GOODS IN EGYPT

Overview		
Type	Capacity development	
Complexity	Medium	
Expertise	High	
Cost	€€	
Time frame	9–12 months	
Sustainability dimension	Inclusive	
Phases	Adopt	Scale

Tool in brief

The service was designed by the Centre of Partnerships for Development (CAD) and implemented for the first time between January and June 2017 in ten companies in the sector of fast moving consumer goods (FMCG) in Egypt in cooperation with the Inclusive Business Action Network (iBAN). Due to the high demand a second round was conducted between August 2017 and March 2018. The service concluded with a joint peer-learning workshop with all participating companies to exchange lessons learned and challenges they faced.

In 2015, iBAN launched a baseline assessment of the FMCG sector in Egypt targeting the BoP. Based on the identified opportunities for IB models, iBAN decided to develop capacity building and networking events for companies and other stakeholders in the IB ecosystem and launched a Global Practitioner Guide on IB in the FMCG sector with case studies worldwide.

After an IB Sector Dialogue (had been implemented in cooperation with the Chamber of Food Industry in November 2016, the organisers felt that more companies could benefit from the activities and thought of incentives for the private sector to get involved.

The Remote Advisory Service identifies and supports national companies of any size and sector with growth potential regarding their IB model, assesses the company's organisational fitness, analyses the company's value chain, identifies key challenges, offers potential solutions to overcome the challenges and supports the development of a partnership strategy for the company.

Companies are invited to apply for the free or low-cost Remote Advisory Service on Inclusive Business with a call for proposals based on preestablished selection criteria.

Tool objective

The service aims to develop and improve IB practices and BoP strategies for national companies in developing countries in order to take full advantage of the market potential of low-income communities and deliver long-term results. Partial objectives are:

- identifying and engaging companies with interest in developing IB models;
- obtaining information about their organisational fitness in order to be able to maximise their impact working with and improving the lives of BoP communities, while improving the efficiency of the business model;
- identifying challenges with regard to the implementation of BoP strategies in the companies and helping companies successfully address such challenges;
- designing and implementing a partnership strategy.

Target group

The main target group is national companies in developing countries regardless of their size and the sector they belong to and with a genuine interest in engaging low-income communities through their value chain. Nevertheless, it has been useful to apply the service to a group of companies from the same sector in order to be able to offer peer learning formats and share experiences about how to address similar challenges.

The one-to-one advisory service is an attractive first step for companies as it addresses their concrete challenges without initially requiring much time or personnel resource.

Tool description

A call for proposal is launched in which companies that include low-income groups as providers, retailers, distributors or consumers are invited to apply for the Remote Advisory Service on IB. Criteria for the selection of the companies are: quality of the IB model, scope and potential for scale, quality of the information provided, understanding of the IB concept and motivation for the application.

The programme does not require any economic investment from the company. However, to provide the most tailored advice, the selected company is asked to confirm its participation in the programme by signing a memorandum of understanding (MoU). In the MoU, the company commits to providing the necessary information and staff resources, jointly developing an action plan with CAD and iBAN and implementing it. Once the MoU is signed, the programme can be implemented, as outlined below.

After being selected, the participating company completes an online survey, the so-called “BoP fitness assessment and value chain analysis survey”. The survey is an in-depth diagnosis with a series of strategic questions, e.g. about the company’s vision, business strategy and financial structure. It is 1.5 hours. Following up on the survey, a one-to-one call is scheduled in order to gather a more in-depth understanding of the company, its challenges and current or potential IB opportunities. The time investment, including preparation is 2 hours. Based on the main findings

gathered through the survey and the one-to-one-call, a summary report with an action plan for the next three to six months, including well-defined key performance indicators, is set up. The company is asked to thoroughly review the report as well as the action plan and provide feedback. In the following implementation phase of the action plan, the report enables the company to stay on track and is vital to bring the company to the next level of IB.

The implementation phase is accompanied by a local consultant who regularly checks with the companies on an individual basis and supports them in case of problems. The local consultant could also support the direct matching with potential investors or other partners like NGOs.

In a final workshop six months after the companies started implementing their action plans, the progress of the engagement is discussed and the summary report is updated to include the process and implementation status. The workshop leaves space for peer exchange about lessons learned and challenges the companies faced during implementation. In consultation with the local consultant, key topics for the workshop can be determined beforehand and guest speakers invited accordingly, if necessary.

The next steps may include further activities provided by the same or other actors such as IB Sector Dialogues or working groups targeting challenges that participating companies still might face. Thanks to the information obtained during the process, these activities can be tailored much better to the specific needs of each company.





Project set-up

The overall coordination was done by iBAN. The project was operated by iBAN through a local consultant with excellent contacts and communication skills in order to attract and support the national companies. The advisory service was provided by CAD, a network of experts working in the field of IB and a member of the BoP Global Network. The activities were coordinated with the Promotion of Small and Medium Enterprises programme in Egypt and the Egyptian Chamber of the Food Industry promoted the advisory service among its members.

Tasks and timeline

Work plan tasks (in months)	M1	M2	M3	M4	M5	M6 ...	M 12
Call for proposals	■	■	■	■	■	■	■
Selection of companies and signing of MoUs	■	■	■	■	■	■	■
Implementation of advisory services (2 months)	■	■	■	■	■	■	■
Formulation of recommendations and action	■	■	■	■	■	■	■
Implementation of action plan (at least 3)	■	■	■	■	■	■	■
Final lessons learned workshop	■	■	■	■	■	■	■

Costs

Items
International consultancy: 4 person-days per company
Local consultancy: 4–5 person-days per company
Overall coordination by GiZ staff: 5-7 person days for preparation and final report
Workshop preparation and implementation: 7 days (GIZ staff) + 2 days (international consultancy) + 3 days (local consultancy)

Results and legacy

- Almost 30 companies applied for the Remote Advisory Service
- Fifteen companies were accepted and signed the MoU
- In the described case of the Egyptian FMCG sector, the following most common needs were identified:
 - Small farmers' commitment and retention (as suppliers and as consumers)
 - Access to finance for the companies and for their suppliers
 - Capacity building for workers
 - Increased efficiency in the distribution chain
 - Development of new markets
- All participating companies developed an action plan and started implementing it
- After six months, three of the participating companies closed for different reasons, but five companies have been able to implement their respective actions and improved their business models.
- Five of the companies were matched with local support structures (e.g. impact investors, local authorities, a further accelerator programme) and continued to implement their actions.
- During the final workshop, peer learning played a crucial role. The companies discussed possible partnerships and how to collaborate in the future.
- A knowledge paper summarizing the key lessons learned of the companies was written and made publicly available.



Success factors and lessons learned

The success factors and lessons learned identified are as follows:

- The individual advisory service is an attractive low-threshold offer for national companies in developing countries that often use IB models without being aware of the IB concept.
- It provides detailed information on companies, which can be useful, especially in a context where access to small and medium-sized enterprises on the ground is difficult.
- At the same time, it provides the companies with added value for providing detailed information on their business operations with low-income communities.
- It provides relevant information on companies that may be used to design customised formats like the IB Sector Dialogue, peer-to-peer events and other follow-up activities with companies.
- The virtual service is easy to understand and to handle on the company's side due to its well-structured steps that build on each other and provide recommendations for further action in a relatively short time span.
- While some companies have experience in working with the BoP, others have engaged with low-income communities only to a limited extent. For the advisory service to be useful, the action plan and recommendations have to take into account the level of knowledge and resources in the company.
- The individual implementation phase of the companies is varying due to different action plans and capabilities to change. Whereas some companies already showed results after three months, other companies were still in the middle of implementation after six months.
- The support of the local consultant is key to success as the expert provides the necessary intercultural knowledge and trust-building element in the relationship between experts and company representatives. Furthermore, the local consultant brings in the necessary sector information as well as the network for matching the companies to other support structures. Thus, a well connected local consultant is crucial.
- The Remote Advisory Service on IB requires reliable internet access and English, French or Spanish skills on the company's side in order to be able to communicate with the international experts.
- The final lessons learned workshop provided an excellent opportunity for the companies to network and exchange. It was very well received and led to the publication of a publicly accessible knowledge paper.

Further information and GIZ contact

The knowledge paper as well as a summary of the lessons learned from the Strategic Advisory Service are available here: <https://www.inclusivebusiness.net/ib-voices/innovative-solutions-scaling-inclusive-business-fast-moving-consumer-goods-sector-0>

A series of interviews that have been held with participating companies about their challenges and learnings can be assessed under the following links:

<https://www.inclusivebusiness.net/ib-voices/conquering-egyptian-fmcg-market-female-salesforce>

<https://www.inclusivebusiness.net/ib-voices/startups-fail-case-failure-not-end>

<https://www.inclusivebusiness.net/ib-voices/mobile-solar-pump-small-farmers-egypt-want-cant-yet-get>

For more information on this work, contact iBAN: Anne Schmidt, Coordinator of Capacity Development and Monitoring anne.schmidt@giz.de



Navigator for Green Incubators

Businesses can be a main driver for biodiversity conservation and sustainable use of natural resources. Yet, few entrepreneurs develop their business models based on natural resources. The ones that do so face multiple challenges from legal issues on access to genetic resources and patent rights, to permits for the sustainable management of forest resources or the inclusion of local or indigenous communities – often the providers of the raw materials – in the value chain. Other challenges relate to market access for sustainable products, or sustainable packaging. Entrepreneurs working with business models based on natural resources need targeted support that deals with the specificities and challenges mentioned above.

NAVIGATOR TO SUPPORT BIODIVERSITY-BASED START-UPS IN PERU

Overview	
Type	Capacity development
Complexity	Medium
Expertise	Medium
Cost	€€€
Time frame	15 months
Sustainability dimension	Green
Phase	Start

Tool in brief

Peru, one of the most megadiverse countries in the world, has taken the first steps toward building up a supportive ecosystem for these businesses. In 2016, the first incubation programme for biodiversity businesses was launched by the private university San Ignacio de Loyola (USIL), supported by the project PerúBioInnova. Based on this experience and a capacity development programme for Peruvian incubators, accelerators and universities, PerúBioInnova developed a navigator for green incubators describing the different steps to implement an incubation programme for biodiversity businesses, taking into account the specific needs of these entrepreneurs.

The project PerúBioInnova implemented the first incubation programme for biodiversity-based start-ups in Peru. It developed a navigator for green incubators with the objective of contributing to the emergence and scaling-up of green or biodiversity-based businesses that aim to impact positively on society and the environment. The incubation

programme was implemented with the private university USIL and other partners such as the International Trade Centre (ITC), New Ventures from Mexico, Impact Hub Berlin and Inova Unicamp from Brazil. The incubation programme started in March 2016 and ended in December 2016. The navigator was published in March 2017. The navigator comprises the experience and lessons learned from the incubation programme and a capacity development programme for green incubators, accelerators and universities. It was developed in the framework of the project PerúBioInnova and the programme ProAmbiente.

Tool objective

The main objectives of the navigator were as follows:

- To contribute to the generation of more green or biodiversity-based businesses or start-ups that have a social and environmental impact and help them reach scale.
- To assist incubators to 'green' their incubation programme or open up specific programmes for green or biodiversity-based businesses.
- To create consciousness in the public and private sector about the opportunities and limitations of green businesses and their specific needs.
- To help create a viable and robust ecosystem for businesses that use the natural resource base in a sustainable way.

Target group

The main target group of the tool was incubators, accelerators, universities and public institutions responsible for biodiversity, innovation and business support. The tool is also interesting for entrepreneurs, mentors, etc.

Tool description

In cooperation with the Peruvian University USIL, the ITC and other allies, such as New Ventures (Mexico), Impact Hub



Berlin and Inova Unicamp (Brazil), the project PerúBioInnova started the first incubation programme for biodiversity-based start-ups 'BioStartup – ¡Emprende la biodiversidad!'. The call for business ideas started in March 2016 and focused on start-ups that base their business model on Amazonian plants or fruits for the nutrition or cosmetics industries, while simultaneously having a positive environmental and social impact. The following selection criteria were used:

- Economic and environmental sustainability (maturity of the value chain and links with providers of raw materials, potential to generate added value, gender equality).
- Capacity of the entrepreneurial team (complementarity of profiles, commercial and business experience, technical capacities, access to networks, financial support, access to private capital).
- Business model (comparative advantage, differentiation of the supply, identification of market barriers, robustness of business model).
- Innovation and market potential (development of new product or improvement in processes, level of innovation, definition of market niche).

After a rigorous selection process, the programme started with seven start-ups, most of them interested in adjusting and improving their current business model in order to generate a higher added value for their natural product. They offered their produce either as a final product or as an ingredient for the cosmetics or nutrition industry. Some focused on the local market (e.g. intimate soap made from dragon's blood, a herbal infusion from Amazonian plants with anti-diabetic properties), export markets (e.g. ungurahui fruit oil for cosmetics) or both (e.g. copoazu butter for cosmetics).

Impact Hub Berlin developed a boot camp as a kick-off session and introduced concepts such as value chain analysis with impact, design thinking and the business model canvas. New Ventures, in coordination with USIL and ITC, developed the model for the incubation programme and was responsible for the initial economic analysis of the start-ups, as well as for the conceptual development of the demo days (selection of finalists, and selection of two winners that were to take part in the Latin American Forum for Impact Investing). ITC developed a session on sus-

tainable trade, market access for sustainable products and sustainable marketing and packaging. Other actors such as the Ministry of Environment, PromPerú (Trade Promotion Agency) and other partners developed informative technical sessions on biotrade, among other topics.

Over the eight-month incubation period, the start-ups attended technical group sessions on access to genetic resources, benefit sharing, traditional knowledge of communities, biotrade, sustainable marketing, impact innovation, design thinking, business model canvas with impact and much more.

The programme offered every start-up a personal mentor (university professor, fund manager or successful entrepreneur) as well as specific technical mentoring sessions on business development, finance and sustainable marketing and tailor-made technical support. In contrast to traditional incubation programmes, BioStartUp focused on the specific needs of biodiversity-based businesses, taking into account the specific challenges that these businesses face, such as access and benefit sharing, or specific issues of forest management legislation.

Based on this incubation programme, designed to cater to the specific needs of biodiversity businesses, PerúBioInnova developed a navigator that in a first step introduces the different phases of an incubation programme:

- Planning and design
- Launch and advertisement
- Selection
- Preparation (on three topics: impact entrepreneurship, social and environmental sustainability, innovation and technology)
- Mentoring
- Bonding (with the ecosystem)

The navigator also gives a broad overview on the specific technical issues a green incubator needs to take into account when addressing green businesses. The navigator provides access to a range of tools and instruments that were developed for BioStartUp and can be used by other incubators or accelerators. It was endorsed by the Ministry of Environment and Production and is fit for further distribution.



Project set-up

PerúBioInnova held overall responsibility for the implementation of the BioStartUp and development of the navigator and signed a financial contract with USIL, as operator of the BioStartUp. ITC, New Venture, Impact Hub Berlin and Inova Unicamp contributed as partners to the project, sharing their knowledge with USIL and adding to the navigator.

Tasks and timeline

The core tasks involved in the design and implementation of BioStartUp and the creation of the navigator were as follows:

Costs

Items
Contracts with the university
Contracts with consultancy firm (approx. 30 person-days)
Contracts with technical experts (approx. 15 person-days per start-up)
1 full-time GIZ staff for 12 months
Events (location, catering, printing material)
Development, design, layout of the navigator

Work plan tasks (in months)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	M13	M14	M15
Negotiation with possible implementing partners	Active	Active	Completed												
Planning and design of the incubation programme	Completed	Active	Active	Completed											
Launch	Completed	Completed	Completed	Active	Completed										
Selection	Completed	Completed	Completed	Completed	Active	Completed									
Preparation of start-ups	Completed	Completed	Completed	Completed	Completed	Active	Active	Completed							
Mentoring and technical sessions	Completed	Active	Active	Active	Active	Active	Active	Completed	Completed						
Linking to ecosystem	Completed	Active	Active	Completed	Completed										
Development of navigator	Completed	Active	Active												



Results and legacy

Through the navigator and the support of BioStartUp, PerúBioInnova contributed to building up an ecosystem for businesses that sustainably use biodiversity in Peru. The results of this endeavour include:

- Seven biodiversity start-ups improved their business models, developed new or improved products for the local and export market by using Peru's rich biodiversity, making social and environmental impacts.
- Incubators and universities gained knowledge of the specific needs of biodiversity businesses by implementing the first biodiversity incubator.
- New tools and instruments were developed for green businesses or existing tools improved, like the business model canvas or value chain analysis.
- USIL has started its own incubator 'USIL Ventures', financed by the Ministry of Production and plans a second round of BioStartUp with focus on Andean ecosystems and climate change for 2017.
- Two of the BioStartUp businesses won the competition for biodiversity businesses 'Reto Biodiversidad'.

Success factors and lessons learned

Some of the necessary preconditions and success factors are the following:

- A local incubator interested in a niche topic, such as biodiversity or other green topic.
- A broad group of partners with different areas of expertise: New Ventures with knowledge of developing incubation programmes, Impact Hub Berlin with knowledge on impact innovation, Inova Unicamp on innovation and technology, and ITC with knowledge of international markets.
- The local availability of mentors and technical advisers.
- A public partner interested in this kind of activity, which is also interested in supporting future activities and the further development of an ecosystem conducive to biodiversity businesses.

Furthermore, lessons learned are as follows:

- It is important to carefully design the incubation programme (selection criteria, robustness of start-ups, technical preparation, etc.) from the start and plan with sufficient time for start-ups to develop their business model, meaning fewer technical sessions and more men-

Green Business Model Navigator

In 2016, the Sector Programme Private Sector Development published the Green Business Model Navigator that served as an inspiration to the Peruvian example above. It is an English language innovative interactive knowledge-sharing platform. It introduces green business models, outlines the benefits, challenges, and scaling-up strategies of green business models, and the roles of different stakeholders in this process. The navigator includes a database with existing tools to assist in the development and implementation of green business models.

The navigator is available at: <http://star-www.giz.de/starweb/giz/pub/servlet.starweb?path=giz/pub/pfm.web&r=38603>

toring. In addition, start-ups do benefit from an exchange with other start-ups and learn from each other.

- An incubation programme needs to build up strong links with financial institutions, as access to finance is critical for business growth.
- It is necessary to define a possible 'host' organisation for the navigator to ensure the dissemination and long-term use.

Costs of the programme can and should be reduced:

- Specific technical tailor-made support to start-ups is costly and time-consuming in administration (contracts with providers) and should be taken care of by the startup itself. In the framework of the incubation the specific needs of the start-up need to be identified.
- Costs for mentors can be reduced by organising skype sessions.

Further information and GIZ contact

The navigator is available at: <http://star-www.giz.de/starweb/giz/pub/servlet.starweb?path=giz/pub/pfm.web&r=38603>

For further information, contact: Lena Katzmarski



Small and Medium-sized Enterprise Adaptation to Climate Change

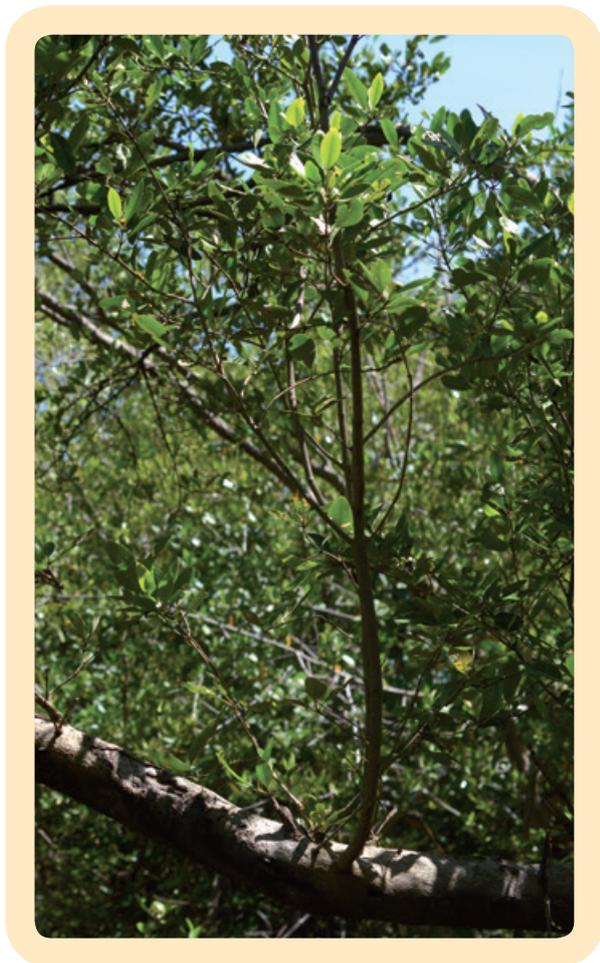
In many developing countries, the private sector mainly comprises small and medium-sized enterprises (SMEs). SMEs play a key role in providing jobs and income opportunities and supplying goods and services to the population. However, one major challenge they face in developing countries is extreme weather events and slow changes such as a rise in mean temperatures, sea-level rise or shifting seasons. For various geographical, economic and societal reasons, developing countries and emerging economies are particularly affected by the adverse effects of climate change. Impacts like water scarcity, flooding and heat waves, etc. can directly and indirectly hamper and interrupt business operations and supply chains, thus threatening business continuity, jobs, livelihoods and economic growth. Concerted efforts by the public sector, the private sector, and civil society are necessary to tackle this global threat by building the resilience of societies and economies. The Climate Expert Approach developed by the GIZ programme Strengthening the Capacities of the Private Sector to Adapt to Climate Change (PSACC) on behalf of the German Federal Ministry for Economic Cooperation and Development aims to provide approaches and tools which strengthen SMEs’ resilience. These were tested in a number of countries, including Costa Rica.

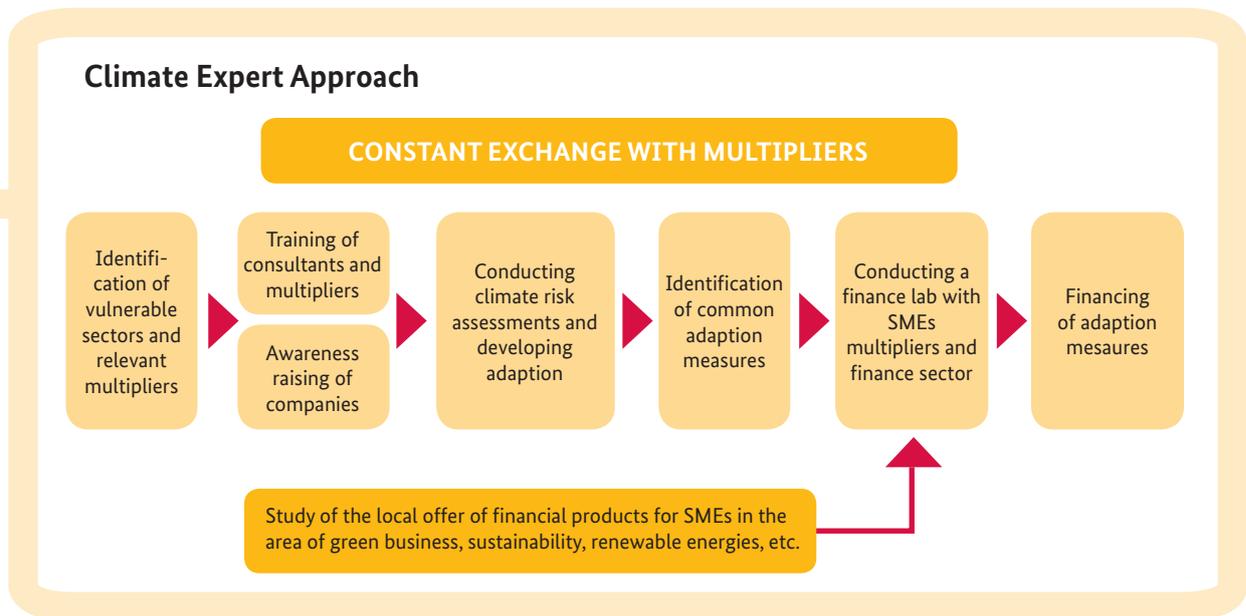
THE CLIMATE EXPERT APPROACH IN COSTA RICA

Overview		
Type	Capacity development	
Complexity	Low	
Expertise	High	
Cost	€€€	
Time frame	2 years	
Sustainability dimension	Green	
Phases	Start	Scale

Tool in brief

Projects can use the Climate Expert Approach to support SMEs in identifying adaptation needs and measures as well as implementing and financing these measures. It consists of a modular step-by-step process that is supported by five ready-to-use service packages: awareness raising of companies, training of consultants, company assessments for consultants, company assessments for companies and training in industrial zones. The process is summarised in the following chart.





Tool objective

The Climate Expert Approach aims to:

- raise awareness among private sector actors about the relevance of adaptation to climate change for business survival and growth;
- assist SMEs to assess climate change-related risks and develop a suitable adaptation strategy;
- train multipliers and consultants to assist SMEs in the development of an adaptation strategy;
- facilitate access to finance for adaptation measures for SMEs.

Target group

The main target group is SMEs in developing countries and countries in transition, across various sectors and industries. Secondary target groups are business and sector associations, chambers of commerce, consultants and other multiplier organisations in the private sector.

Tool description

In 2015, PSACC implemented the Climate Expert Approach in collaboration with the tourism sector in Costa Rica using the following steps:

1. Identification of vulnerable sectors and relevant multipliers

In a vulnerability analysis the most vulnerable areas in Costa Rica were matched with the most important tourist destinations. The results and the way forward were discussed at a **stakeholder workshop** that brought together national tourism chambers, business associations in the tourism industry, the Ministry of Tourism

as well as bilateral GIZ projects. It was decided to start in Monteverde as a vulnerable cloud forest destination, where the tourism sector is comprised of SMEs, mostly family-run businesses. During the workshop it was decided that the stakeholders on the national level would continue to accompany the project as a steering and consultative committee that would be informed regularly on progress as well as involved in decision making. At the same time, the committee would connect the project to the local tourism stakeholders in the pilot destinations.

2. Awareness raising of companies

After an in-depth vulnerability study of the tourism sector in these pilot destinations, awareness-raising workshops were held with SMEs and other local stakeholders. In a second step, the participants were invited to apply to have risk analysis and adaptation strategy assessments conducted that would serve as case studies for other companies in the sector. Four companies were selected: A coffee farm that offers coffee tours as well as educational tours on sustainable agriculture; a company that offers cabins for tourists; lastly Monteverde Institute, an educational institute that offers study tours, courses, internships and research stays was selected to have two staff members accompany the project team in the pilot assessments to then conduct a self-assessment as well as an assessment with another applicant, a farm that offers horseback-riding tours. This way all interested companies could be served while transforming the Monteverde Institute into a local multiplier.



3. Training of consultants and multipliers

In a next step, consultants and multipliers on a national level were trained to use the Climate Expert Tool to assist SMEs with analysing their climate change related risks as well as developing an adaptation strategy. The trained consultants committed to conduct a Climate Expert Assessment with a company of their choice. Based on the adaptation measures identified by those assessments and the pilot assessments, a catalogue of common adaptation measures in the tourism sector in Costa Rica was compiled.

4. Finance lab for SME climate adaptation

Many adaptation measures require financing but SMEs are not fully aware of the financing offers for SMEs from the finance sector, nor is the finance sector aware of the adaptation measures for SMEs. To tackle this issue, a study was conducted on the financing available to SMEs from private and public banks as well as other financing institutions and NGOs. It revealed that a wide variety of credit lines for SMEs is available, some of them focusing on renewable energies, sustainable tourism, and other related topics that can be accessed to finance adaptation measures. Further, a finance lab was organised that brought together representatives from the finance sectors, SMEs and the trained consultants and multiplier organisations. As a result of the event several SMEs received credit.

Project set-up

The project activities in Costa Rica were part of a global programme, which was managed from GIZ headquarters. A colleague at headquarters collaborated with a national colleague in Costa Rica and an international consultant. Within Costa Rica, the steering committee, consisting of national tourism chambers and business associations, the tourism ministry and bilateral GIZ projects, became the main driver of the project guaranteeing sustainability of the results after the pilot project ended. National consultants were hired to undertake the vulnerability studies.

How can industrial zones adapt to climate change? The case of Morocco

In Morocco, the Climate Expert Approach was used to build the resilience of the Industrial Zones Ait Melloul (IZAM), which is located, which is located near Agadir. Moroccan industrial zones are highly vulnerable to climate change. Erratic and heavy rainfalls, more frequent heat waves and severe droughts belong to the most pressing climate phenomena, which have negative effects on the businesses. This results in floodings of company premises, damages of infrastructures and transport routes, water scarcity and weak energy supply and causes interruptions of the value chain. Following a practical bottom-up approach Climate Expert aimed at helping industrial managers in dealing with adaption to climate change in Ait Melloul: After a climate-risk assessment a concrete action plan for climate change adaptation was developed. The Regional Council has integrated the adaptation plan in both the regional plan of the requalification of the IZAM and in the Territorial Program against Global Warming as well as in the Regional Development Programme. By now the implementation of adaption measures is ongoing. Concerning the water stress issue on the level of the Industrial Zones Ait Melloul a rainwater collection system will be installed and the cleaning and maintenance system of the water drainage system will be improved. On company level, investments in water recycling systems are recommended and already ongoing. Based on the experiences of Ait Melloul, a training for industrial zone managers was developed and presented to the Association of Eco-Industrial Parks in Morocco. The guide for managers of industrial zones to adapt to climate change was launched during the conference COP 22 in November in Morocco and is available here: <http://www.climate-expert.org/en/home/tools-trainings/guide-for-industrial-zones/>

For more information please contact:
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Costs

Costs vary greatly depending on the salaries of national staff, local consultants' fees, the willingness of partners to invest in the project, the extent to which only parts of, or the whole process is replicated, and other factors.

Main cost items are shown below.

Items
1 national staff (min. 70%) for two years to implement the whole approach
Consulting support (see below according to different items)
Development of studies <ul style="list-style-type: none"> • Baseline study on vulnerability of countries' economic sectors (20–50 person-days) • If appropriate, in-depth vulnerability study of a certain sector or region (30–50 days) • Study on the local finance sectors' offers to SMEs (20–30 consultant days)
Workshops <ul style="list-style-type: none"> • Awareness-raising workshop ½–1 day, (location, catering, printing materials, transport allowances for participants, 3–5 consultant days per workshop) • Finance lab ½ day (location, catering, transport allowances for participants, 3 consultant days per finance lab) • Steering Committee meetings (location, catering)
Three-day training for consultants and multipliers (5–8 consultant days, location, catering, printing of materials, in some countries transport allowances and accommodation for participants)

In Costa Rica, the Ministry of Tourism funded the training for consultants and the finance lab because it was convinced of the added value of the project for the tourism industry.

Results and legacy

The following results were achieved in Costa Rica:

- 550 people in the tourism industry were reached through awareness-raising activities.
- 16 consultants and 10 representatives of multiplier organisations in the tourism industry were trained to conduct Climate Expert Assessments with SMEs.
- 10 Climate Expert Assessments were conducted with SMEs in the tourism sector.
- To date, several companies have implemented adaptation measures or are in the process of securing funding.

The legacy of the Climate Expert Approach in Costa Rica:

- CANAECO, the ecotourism chamber, started conducting awareness-raising workshops among their members and offering Climate Expert Assessments shortly after the project ended.
- FUNDECOOPERACIÓN, a fund for sustainable development that gives credit to SMEs accompanied with technical assistance, included the Climate Expert Assessment into their credit appraisal process.
- The Ministry of Tourism acknowledges a Climate Expert Assessment as an activity to reach sustainability and positively evaluates this as part of a company's Sustainable Tourism Certification.
- The Climate Change Department of the Ministry of Environment integrated the steering committee as a representative body of the tourism sector into the National Adaptation Planning process.

Success factors and lessons learned

Success factors include:

- Political and private sector stakeholders on the national level should be involved from the beginning, including actors who are already engaged in issues such as sustainability, mitigation and green growth.
- Cooperation was most successful where the impacts of climate change were already felt. In areas that were not yet affected, it was hard to convince companies to engage in adaptation when other problems were more pressing.
- It is important to adapt language to the business community to increase understanding of the concept among the partners.

- An integration of the Climate Expert Approach as an instrument for consultancy services can work where there is an existing consultancy market. Experienced and acknowledged consultants can integrate it into their service portfolio and offer it to their clients.
- In order to achieve financing for adaptation measures, the financial sector needs to be involved. Often SMEs are not aware of the financial instruments available and the financial sector is unaware of adaptation efforts of SMEs.

Lessons learned:

- Cooperation in the pilot destinations requires good organisation of the local community.
- A lack of local climate change data and scenarios can hinder awareness-raising efforts on the ground.
- Whereas mitigation is a concept that is easily understood by everybody, the concept of adaptation is more abstract and not necessarily understood, especially when the effects of climate change are not yet felt. Therefore, awareness-raising on adaptation requires more effort than on mitigation.



Further information and GIZ contact

For more information visit: www.climate-expert.org. Case studies, training materials, the Climate Expert Tool and other information can be downloaded from the website.

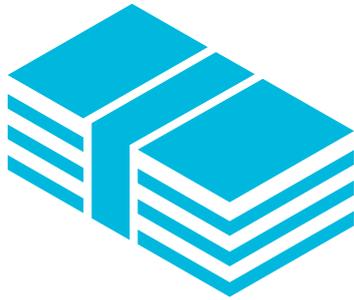
Visit www.adaptationcommunity.net for a discussion on various aspects of adaptation including private sector adaptation.

To find out more about the Climate Expert Approach and its implementation in Bangladesh, Costa Rica, Morocco, Rwanda and its replication in other countries contact:

Angelika Frei-Oldenburg, Programme Head
angelika.frei-oldenburg@giz.de



Finance





Entrepreneurs' Guide to Impact Investing

Scaling social enterprises requires financing and external investments. This often comes at a point in time, when accessing traditional forms of capital can be a challenge, for instance when enterprises still lack collateral, traditionally a precondition for obtaining credit. The emergence of a number of so-called Impact Investors has helped to address this issue. Impact Investments are commonly defined as investments that generate social and environmental impact alongside the financial return. However, Inclusive Businesses are often challenged by the decision when and which kind of capital to raise, and which investors to approach for their diverse financing needs (grants, seed funds, angel investments, impact oriented venture capital as well as debt). Entrepreneurs often do not fully grasp which preparations are needed, and which investors are most appropriate for them. This also involves understanding the implications of investor involvement and return expectations. Creating a guide to Impact Financing can support entrepreneurs overcome information asymmetries.

AN ENTREPRENEURS' GUIDE TO IMPACT INVESTING FOR SOCIAL ENTERPRISES IN INDIA

Overview	
Type	Finance
Complexity	Low
Expertise	High
Cost	€
Time frame	3 months
Sustainability dimension	Green and inclusive
Phase	Scale

Tool in brief

In the framework of the 'Responsible Enterprise Finance Programme', GIZ India collaborated with a social entrepreneur in the field of solar technology provision, a pioneer in raising investment to take his green and inclusive business model to scale.

He developed a hands-on guide to Impact Investing in India for early stage entrepreneurs and potential change-makers. More specifically, the handbook outlines investment types, as well as investor requirements and expectations. It attempts to de-mystify the language and requirements of typical impact investors that entrepreneurs will encounter while raising funds. In addition, it offers support to entrepreneurs in approaching the right investors for their particular needs, depending on their stage of development, and asking the right questions to be able to understand the implications of investor involve-

ment. It provides contacts as well as a sample term sheet used by investors. In addition to that, the guide provides a basis for incubators and other support providers to help inclusive businesses in their efforts to raise finance.

Tool objective

The entrepreneurs' guide to impact investing aims at:

- helping entrepreneurs to understand the requirements for getting investments and prepare for the process of raising funds;
- providing transparent and easy access to detailed information regarding the investors' propositions, funding strategies and records to enable better match-making across investors and investee companies;
- increasing the number of enterprises that have access to risk capital by addressing the main information asymmetries between entrepreneurs and impact investors.

Target group

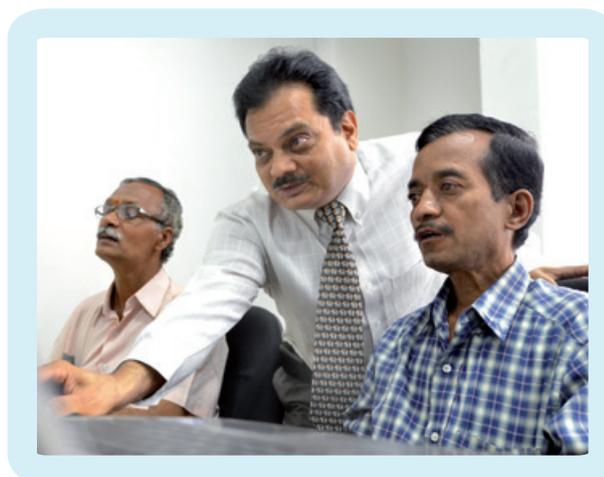
The direct target groups for the guide include Indian green and social enterprises / inclusive businesses, in particular early stage entrepreneurs, looking for financing. At the same time, the guide can be used by incubators and other support providers in the field of inclusive business for the development of their support services.

Tool description

De-mystifying Impact Investing – An Entrepreneurs' Guide was developed in cooperation with the founder of an inclusive business. The information in the handbook was collected through interviews with other inclusive businesses and investors and paired with the author's professional experience.

The resulting 141-page guide contains the following main chapters:

- **Types of Investment Instruments.** The chapter outlines the advantages and disadvantages of debt, equity and quasi-equity for enterprises based on their needs. Depending on their activities, an enterprise needs different types of investments.
- **When to Raise Investments, How Much and on What Terms?** Depending on the maturity stage of the enterprise and the business model, entrepreneurs need to carefully select the funds to which they apply. This part of the guide describes the stages, the investment process, valuation of an enterprise and term sheet conditions. Furthermore, it contains common due diligence requirements.
- **Impact Investors in India.** The Indian social enterprise environment has seen an exponential increase in impact investors. This section provides detailed information on selected investors and their characteristics, including fund size and cycle, return expectations, and focus areas.



- The Appendix contains an **Impact Investment Map**, which lists all relevant investment companies at a glance, and a **Sample Term Sheet** frequently used by investors. The guide will be released to entrepreneur networks, incubators and other relevant multipliers.

Project set-up

While the consultant delivered the study, the GIZ office India oversaw the project, supported the research and provided further contacts, comments and feedback. Two researchers assisted the consultant.

Tasks and timeline

Work plan tasks (in weeks)	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12
Desk research and survey design	Active	Active	Active	Light								
Survey and Interviews with 20–25 Investors	Light	Light	Light	Active	Active	Active	Light	Light	Light	Light	Light	Light
Data aggregation and analysis	Light	Light	Light	Light	Light	Active	Active	Light	Light	Light	Light	Light
Draft report	Light	Active	Active	Light	Light	Light						
Final report	Light	Active	Active	Active								

Costs

Consultancy services were provided by the author and two researchers. The publication's design, layout and printing costs will depend on its print run, and need to be considered in addition to the consultancy services.

Items
Consultancy services: approx. 200 man-hours, divided between the author and two researchers
Design, layout and printing of publication
Dissemination

Results and legacy

The guide consists of two parts: while chapter 2 and 3 are held largely general so that they could also be applied in other contexts; chapter 4 focuses directly on the Indian context by providing entrepreneurs with information on Indian Impact Investors. This structure enables the guide to act as a basis for similar documents in other countries.

In order to facilitate dissemination of the guide, short interactive sessions can be held in partnership with incubators. These sessions are aimed at helping entrepreneurs identify whether Impact Investing is an option for them and which investors may be best suited to help taking their idea to scale. In addition, other support and financing options for scaling inclusive businesses can be briefly introduced. Following the sessions, a structured interaction with the incubators and participants might be useful to find out what further training activities would be most useful for them.

Success factors and lessons learned

- The collaboration with an entrepreneur, who had experienced the challenges in raising finance himself, proved to be the main success factor for the development of a guide targeted at the practical challenges of entrepreneurs.
- In order to reach as many entrepreneurs as possible, cooperation with incubators as well as other support structures is key. In the next step, it is important to think about how they can best be supported in bringing the guide to as many entrepreneurs as possible.

Further information and GIZ contact

De-mystifying Impact Investing – An Entrepreneurs' Guide, written by Rustam Sengupta, is available at: <https://www.giz.de/de/downloads/giz2015-en-mystifying-impact-investing-india.pdf>

Invest. Catalyze. Mainstream. The Indian Impact Investing Story is a detailed study on the development of the impact investment industry in India and was commissioned by GIZ in 2014. It is available at: www.intellectcap.com/sites/default/files/publications/IIIR_Final%20report_May6_low_res.pdf <http://intellectcap.com/publications/invest-catalyze-mainstream-india-impact-investing-story>

For more information on this work, contact the bilateral programme Responsible Enterprise Finance Programme, India.



Establishing Angel Investor Groups and Networks

Young, high-growth entrepreneurs – or start-ups – carry the potential to innovate, grow rapidly and create large numbers of jobs. Research in developed markets has underlined their importance. Although start-ups play such an important role, financing for these high-risk investments often remains scarce. While initially entrepreneurs often receive funding from friends or family, this is rarely sufficient. It may take several years before a start-up is cashflow positive and, although bootstrapping and early customer adoption can go a long way, most businesses will not survive without outside investment. This is where angel investors come in. Angels support promising start-ups not just by providing the necessary seed capital, but also through mentoring, giving entrepreneurial advice and opening doors to relevant business networks. The approach developed by the GIZ Promotion of Access to Financial Services for Small and Medium Enterprises project in Egypt has focused on organising and supporting business angel investors in groups and networks.

SETTING UP THREE ANGEL INVESTOR GROUPS IN EGYPT

Overview	
Type	Finance
Complexity	Low
Expertise	High
Cost	€
Time frame	1.5 – 2 years
Sustainability dimension	Green and inclusive
Phases	Start Scale

Tool in brief

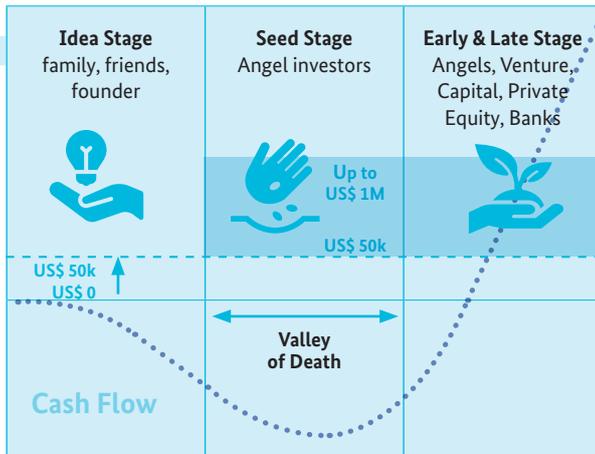
Within the framework of the GIZ's "Promotion of Access to Financial Services for Small and Medium Enterprises" (PAFSME) project, established in Egypt in 2016, established in Egypt in 2016, a one particular component of the project was designed and dedicated to facilitating start-up financing by various means.

As a way to expand both financial and non-financial support for young entrepreneurs, within as well as outside of the capital Cairo, the project set out to improve both quantitative and qualitative aspects of risk capital investments by supporting the establishment of three angel investor groups in Egypt (in Alexandria, Cairo and Upper Egypt). Following a lengthy period of intense networking and trying to gain the attention of potentially suitable in-

dividuals, mainly through untargeted (open) information sessions on business angel investing but also other topics, a group of local champions was identified. In the following month, these individuals were coached on the basics of angel investing, both by local and international angel investors with experience in the start-up scene. Simultaneously a lot of 'hand-holding' was necessary in order to connect the group to other investors and involve them in the existing entrepreneurship ecosystem. As the group gradually became more proficient and self-sustaining, GIZ support was continuously reduced and became mainly focused on connecting the network with the ecosystem and other investors.

Tool objective

- The tool aims to improve the local entrepreneurial ecosystem by introducing high-net-worth individuals to the activity of business angel investing and attempting to convince those suitable and interested of the potential of private risk-capital investments for the economy as well as for themselves.
- It improves the capabilities of both novice and experienced investors to confidently assess potential investment opportunities and reduce the inherent high risk in start-up investments.
- Simultaneously the tool helps those same high-net-worth individuals to organise themselves into effective investor groups, whose members not only provide finance but also mentor start-ups in their respective ecosystems



An illustration of the financing needs and the “Valley of Death” for start-ups:

Target group

The intervention primarily targets high-net-worth individuals – often themselves accomplished entrepreneurs or experienced business people from a corporate background – who show interest in (or can be convinced of the benefits of) not only investing their own funds but also their time and effort into growing promising start-ups.

The secondary target group (the real beneficiary) consists of entrepreneurs with early stage start-up enterprises that will, through the support of angel investors, be empowered to create employment opportunities and economic innovation.

Tool description

The process of establishing an angel investor group can be broken down into three steps:

1. Scouting

The primary step in the establishment of high-risk capital investor networks in Egypt was the identification of a suitable group of investors and the recruitment of one or more local champion(s) to lead the network.

While simple in principle and limited in the range of activities that may be conducted to achieve this goal, the

scouting phase was certainly the most challenging of the three steps. The reason for this commonly lies in the lack of access to suitable high-net-worth individuals and the exclusivity of their networks. It was therefore of utmost importance to build and make use of local connections with personal ties to the relevant actors in the field. This step took from weeks (in the case of launching Alexandria Angels) to years (in the case of Nile Angels). Prior to GIZ's intervention, several attempts at creating sustainable angel investor networks in Egypt had failed, mainly due to insufficient rootedness in local structures and the resulting lack of membership and trust.

Finding the right people to start with proved to be a difficult yet extremely important process. Without the right people the newly established network would likely soon lose momentum and cease to exist. This importance of finding the right people to start the network with was inversely proportional to the overall ecosystem development and the number of existing angel investors / networks. Therefore, the more developed an entrepreneurial ecosystem in a city or region was, the easier it was to build a new angel group.

To identify potential investors the GIZ team became as much involved in the start-up ecosystem as possible. This was a good way to meet people tempted to become investors themselves but who had not yet taken the first step. The project tried to gain access to these circles and raise awareness for angel investing for example through informal dinner meetings or by piggybacking our agenda on other SME finance events. For example, when building Nile Angels, the starting point was a general information event to introduce non-bank financial services to SME owners in Upper Egypt. The opportunity was then taken to hold lectures for the present business leaders on entrepreneurship and how to invest in start-ups.





As soon as a champion or a group of interested investors was found, a strategy was devised regarding which individuals and organisations to target in order to expand the initial membership, and in which setting it would be best to do so. Through these initial contacts, word of mouth was used to invite further potential investors to several informational sessions, where the basics of angel investment was introduced to the group, and the potential gain of forming investor groups was explained in more detail.

It is recommended that the network is started in a modest way (i.e. 5–10 people) and grown at an absolute maximum of 10 new members per year. Fast growth will likely kill the momentum and result in less activity. It is also helpful to market the group as something exclusive that will not simply admit any applicant but only those it deems suitable.

2. Establishing

Having identified a small group of interested individuals it was time to build their capabilities. The Cairo and Alexandria Angel Groups were trained by an international consultant resulting in a lasting impact.

After an initial scouting mission, the next step was to decide on the organisational structure of the network in cooperation with the future members. Different options were considered, from rather loosely organised groups that informally agree to invest together, to legal entities bound by a contract and led by a paid manager. Many considerations such as cost and convenience played a role in this. Culture also seemed to heavily impact the preferences of the members and which model to choose. In Egypt, the manager led network was preferred by the angels.

The advisor to the angel network should assess the dynamics of the group and discuss the different options with the members to find the most suitable structure. More advanced tools to invest in groups, such as pooled funds¹⁴ or side-car investments can help less experienced investors¹⁵ take the first steps but require more knowledge on the side of the advisor.

3. Connecting

Furthermore, the beneficial effect of connecting individual investors to form local groups can also be applied nationally, by forging ties between different networks, or regionally, by setting up a cooperation framework and building links across regional borders. In the case of the Alexandria Angels, close cooperation with older networks (Cairo Angels) and newly founded ones (Nile Angels) was supported, as well as embedding Egypt's Angels in the Investor Networks of the MENA Region, by supporting the founding Conference of the Middle East Angel Investment Network (MAIN).

Project set-up

The project was conceptualised and implemented by the GIZ project team in cooperation with local partners. External services were procured as necessary.

¹⁴ A pooled fund allows several investors to pool their resources to jointly invest their capital.

¹⁵ A sidecar investment is an investment strategy whereby one, usually less experienced investor lets a second, usually more experienced investor decide where and how to invest the capital.

Tasks and timeline

Work plan tasks (in quarters)	Q1	Q2	Q3	Q4	Q5	Q6	Q7
Conducting an (informal) community assessment, scouting for investment champions / group leaders	█	█	█	█	█	█	█
Holding informational events for the new champion(s) and a few selected followers	█	█	█	█	█	█	█
Planning and conducting repeated angel group member training	█	█	█	█	█	█	█
Establishing ongoing support needs & coordinating framework between angel group and GIZ	█	█	█	█	█	█	█
Helping to determine and set up legal, investment, organisational and funding structure of the group	█	█	█	█	█	█	█
Setting up the operations platform	█	█	█	█	█	█	█
Encouraging the first investments	█	█	█	█	█	█	█

Costs

Not accounting for GIZ staff costs, setting up an angel investor group is a surprisingly cheap affair. The total estimated cost that went into the support of the Alexandria Angels amounts to approximately €13,000. The Cairo Angels received roughly €11,000 and the launch and support for the Nile Angels has cost another €8,000 thus far. The money was spent predominantly on events, third-party services and travel costs etc.

Accounting for GIZ staff costs is significantly more difficult as identifying angel investors and setting up a group or network can require a significant amount of very time-consuming 'hand-holding' by GIZ advisors. How much time building one angel group will need depends highly on the partners, their proficiency and of course their commitment. The estimated support provided by the project to the angel investor community over the past 2.5 years in Egypt has taken about three quarters of a year's work by one international and one national expert.

That being said, as the project becomes more and more part of the local ecosystem, there also seem to be economies of scale at work. Services that previously needed to be contracted out to third-party providers can now be taken care of by partners rather than consultants, increasing cost efficiency significantly.

Items
GIZ staff time
Events/ venue and catering
Marketing, PR, sales
Third-party services
Travel costs
Consultancy services for recruiting local champions



Results and legacy

At the time of writing, the project had been active for 2.5 years (mid 2016 - January 2019). Although presently, not enough time has passed since the establishment of the Nile Angels (since May 2018) to be able to claim a veritable legacy, a number of tangible results have been achieved through the support provided to the Cairo Angels (since September 2016) and the Alex Angels (since December 2016). During the first twelve months after its inception, the Alex Angels managed to attract around ten individual investors who regularly attend meetings and pay membership fees. Alex Angels is now on track to a membership base of twenty and has completed three investments, with another two pending completion in early 2019.

The membership base of the Cairo Angels has almost doubled since GIZ began supporting the network. Both the Alexandria and the Cairo Angels have diversified from being pure risk-capital investor networks to becoming key supporters of their respective ecosystems. Furthermore, the two angel networks in Alexandria and Cairo cooperate well and even invest together in larger deals. The investors in both networks are also very supportive of the efforts with the Nile Angels and have offered their time and money to assist GIZ in building the latest Egyptian angel group.

In the 2.5 years between mid-2016 and January 2019, approximately 1,000 jobs were created in enterprises that received investments from the angel groups and networks supported through GIZ Egypt.

Success factors and lessons learned

With the implementation ongoing, it has become increasingly clear why several prior attempts to promote risk-capital investments and organise investors into groups in Egypt had failed. The building of trusting relationships with local champions and investor circles requires prolonged efforts and partners deeply engrained in the entrepreneurial ecosystem. A long-term approach, committing to an absolute minimum of 18 months of support, thus proved decisive in creating sustainable networks.

Further lessons learned and recommendations are as follows.

- In places with a small or underdeveloped ecosystem one might need to become quite creative in order to identify potential angels. Experience has shown that a good approach can be to try and target SME business leaders.
- If possible, capability building for angel investors should be done by a more experienced angel investor from the same country or region. Relatability is a major asset. Connecting to other colleagues active in the same region to establish contact to existing angels can prove helpful. If no one can be found locally, there is an increasing number of international angel investors that will provide training on a consulting basis. The quality and prices of consultants differs greatly. European service providers tend to be cheaper than US based experts.

Further information and GIZ contact

Middle East Angel Investor Network (MAIN):
<http://www.mainmena.com/>

Cairo Angels: <http://cairoangels.com/>

Alex Angels: <http://www.alexandriaangels.com/#/>

Nile Angels: <https://www.facebook.com/Nileangels/>

For further information contact:
florian.sigmund@giz.de



Crowdfunding Academy

The past few years have seen an explosion of interest in crowdfunding and the EU has set important precedents by beginning to accept crowdfunding as an emerging alternative source of financing. Crowdfunding typically makes use of social media and crowdfunding websites to mobilise networks of people to invest small amounts of capital to finance a new venture. These investors are called 'backers'. Different types of investments are possible, including grants, loans and equity.

As ventures that have a social or environmental impact tend to have more difficulties in obtaining traditional sources of finance, crowdfunding can offer a real alternative. To attract crowdfunding actors can focus on communicating their social or environmental impact and tell potential backers 'their story'. This is especially an advantage for young and marginalised groups, who face great challenges with funding, but once they secure funding for their ventures, these in turn gain the opportunity to serve as alternative drivers of economic growth in their communities.

However, frequently entrepreneurs do not know how to make use of crowdfunding for their financing needs, how to implement their crowdfunding campaign and how to talk to their target audience. Support programmes can assist entrepreneurs in their journey to attract crowdfunding. After the initial step of introducing the concept of crowdfunding to Serbia in 2017, the German Serbian Initiative for Sustainable Growth and Employment organised three Crowdfunding Academies during 2017–2018.

CROWDFUNDING SERBIA:

Overview	
Type	Finance
Complexity	Medium
Expertise	Medium
Cost	€€
Sustainability dimension	Green and inclusive
Phases	Start

Tool in brief

The Crowdfunding Academy (CFA) in Serbia is a training and preparation tool for crowdfunding campaigns and has the overall objective of educating target groups and assisting them in the process of setting up a crowdfunding campaign through intensive training for campaign preparation and through expert advice.

The CFA can be launched at any time of the year, but ideally should be implemented in the first two quarters of the year, so as to leave enough time for entrepreneurs and other training participants to plan and prepare their campaigns, so that they can be implemented in Q3 and Q4 of the same year. This way ensuring the building of successful campaign stories to further position crowdfunding as an alternative finance tool and encourage more start-ups, SMEs, creatives and others to acquire much needed capital, users and visibility through crowdfunding.

The CFA can be implemented as a stand-alone activity but provides even better results when it is part of larger initiatives or programmes which consist of other events and activities (promotional and educational) aimed at building the ecosystem for crowdfunding as a financing tool.

Tool objective

The Objectives of the CFA are as follows.

- Promoting crowdfunding as an alternative source of finance.
- Educating interested individuals and organisations and assisting them with their ideas, projects and ventures; enabling them to launch and complete successful crowdfunding campaigns.
- Contributing to establishing a(n) (online) knowledge base.
- Ensuring the success of crowdfunding campaigns through training, personalised mentoring and expert support during campaign development and implementation.

Target group

Main target group: initiatives which have difficulty in accessing capital through traditional routes (e.g. bank loans), like start-ups, small businesses, social enterprises and non-profits, with a focus on inclusive and green businesses and ideas, which aim to provide solutions for critical social and environmental challenges and problems.

Other target groups: institutions, supporting organisations, potential investors, backers etc.

Tool description

The Crowdfunding Academy (CFA) is part of the larger initiative Crowdfunding.rs, which is dedicated to promoting and educating people about crowdfunding in Serbia. Prior to the CFA, a series of one-day informative education events took place around the country (Crowdfunding Bootcamps) to build knowledge and increase the visibility of the programme and the training on offer. Twelve educational videos and a number of promotional activities were implemented online and through different social media channels, all of which contributed to the increased visibility of crowdfunding.

Each Crowdfunding Academy was implemented in several phases, as listed below.

- The creation of a visual and promotional strategy for the entire CFA.
- A call for applications: teams were able to apply for the CFA through an open call, which had clearly defined eligibility criteria.
- Selection: a selection committee, consisting of team members from the German-Serbian Initiative for Sustainable Growth and Employment and staff from Brodoto, selected the best 15 teams to attend the CFA.
- Definition of programme: the CFA programme and speakers were defined by Brodoto and were agreed with the German-Serbian Initiative for Sustainable Growth and Employment.
- Academy delivery: the CFA consists of four days of intensive training split over two sets of two days ("2+2"). They are accompanied by homework and assignments for the teams, which is then reviewed by the expert team.
- Follow-up mentoring and campaign preparation: a decision about which teams receive the follow-up support, mentoring and campaign preparation assistance is based on the submitted homework, campaign strategy, plans and accompanying documents (developed with the assistance of the CFA's expert pool).
- The selected teams with the most advanced concepts then receive, in addition to mentoring and support, video production assistance for the crowdfunding campaign.

Project Set-Up

The Crowdfunding Academies in Serbia were financed by the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented through the German-Serbian Initiative for Sustainable Growth and Employment. The cooperation partner was the social impact agency Brodoto, which received support from GIZ in the form of consultancy services.

Brodoto was in charge of the content related tasks, agenda setting, lecturing, online promotion and follow-up mentoring. GIZ took care of all technical and organisational tasks such as selecting the location and organising catering and logistics etc. The selection of the participants was done jointly.



Tasks and timeline

The preparation of an Academy (call for applications, selection process etc.) takes around two months, the

Academy delivery a few days within one month and the follow-up and homework take up to six months.

Work plan tasks (in months)	M1	M2	M3	M4	M5	M6	M7	M8
Preparation of visual design	■	■						
Preparation of the content	■	■						
Promotion of the event / bootcamps / social media promotion	■	■	■					
Call for applications and selection of participants		■						
Organisation and coordination of the event		■						
Design and production of promotional materials		■						
Academy delivery			■					
Follow-up on all the teams' homework			■	■				
Mentoring sessions for individual teams					■	■	■	■

Costs

The following costs have to be considered for an Academy lasting up to four days with 30-45 participants.

Items
<p>HR Requirements:</p> <ol style="list-style-type: none"> 1. Preparation and development of the concept: 25 person-days (in Serbia this was split between five people – GIZ staff and consultants) 2. Lecturing during the Academy: 30 person-days split between 10 people 3. Follow-up support for the 6-8 most promising teams (up to six days each), including mentoring, video production etc.: total of 40 person-days split between 6 people
<p>Logistics</p> <ol style="list-style-type: none"> 1. Travel and accommodation costs for international speakers 2. Travel and accommodation costs for academy participants coming from rural areas/outside of Belgrade 3. Venue rent (up to 4 days) 4. Training equipment and materials 5. Meals and refreshments for participants and speakers (lunches, coffee breaks etc.)

Results and legacy

- The 2017-2018 Crowdfunding Academies generated support for 4 successful crowdfunding campaigns (November 2018), with 10 expected during the first half of 2019.
- In 2017 the Crowdfunding Academy hosted 14 teams, 2 of which received expert support and launched successful campaigns. One of them concentrated on 3D printers in Nis, the third largest city in Serbia, while the other was a social enterprise aiming at preserving traditional cooking recipes by elder ladies.
- In 2018, the Crowdfunding Academy trained 15 teams, out of which 2 campaigns were successfully completed (a card game start-up and a service bus for homeless people in Belgrade), with 6 more launches planned by spring 2019. A special Crowdfunding Academy for social enterprises hosted 10 teams, 4 of which are expected to launch their campaigns in Q2 of 2019.

- The trained teams received very concrete and practical training on crowdfunding. This included the development of a business plan, marketing knowledge, presentation and pitching, etc. – skills that are useful for general business development.
- Crowdfunding received huge media coverage, sensitising a broad audience to this alternative source of finance.

Success factors and lessons learned

Crowdfunding is a huge field which is growing by the day, therefore it is necessary to make sure you know which type of crowdfunding and which type of enterprises/start-ups/NGOs you want to support.

In Serbia, we focussed on rewards-based crowdfunding and on small enterprises, social enterprises and NGOs. Capacity building necessities proved to be much broader than purely crowdfunding-related.

The success factors identified can be summarised as follows.

- Clear selection criteria for each CFA is crucial in addressing very targeted training needs. Only this way can the desired and balanced level of competence be reached, thereby guaranteeing an optimal skill-sharing framework.
- The “two + two” day format proved to be optimal for the identification and development of existing ideas for crowdfunding campaigns. The two-week break in between the first and second session left space for intense homework and further development of the initial idea.





Lessons Learned

- Splitting CFAs based on targeted needs proved to be a better solution than running general CFAs: the specialised CFA for social enterprises was much more concrete and better targeted to the needs of the participating teams.
- Fostering connections with different stakeholders who are already providing capacity development, such as entrepreneurship training, for relevant target groups is an excellent asset, and presents an additional promotional channel, as well as pre-qualification tool.
- Comprehensive media and online coverage is a necessary medium for boosting community development and the reach of the tool.

Further information and GIZ contact

Homepage: www.crowdfunding.rs
 Facebook: facebook.com/crowdfunding.rs
 YouTube: [Crowdfunding.rs](https://www.youtube.com/crowdfunding.rs)
 Twitter: twitter.com/Crowdfunding_rs
 Instagram: instagram.com/Crowdfunding_rs

Study – Analysis of practices and recommendations for improving the legal framework of crowdfunding in Serbia:

For more information contact the German-Serbian Initiative for Sustainable Growth and Employment: initiative-serbia@giz.de



Policy





Local Approach to Supporting Green Businesses

Many green business models are not only to be found in a country's capital, but also in the regions or rural areas. For businesses located outside the main entrepreneurial hubs, it is even more difficult than usual to find adequate technical support from public or private business service providers. Furthermore, government at the regional level lacks experience in promoting green business and there is seldom a clear support structure in place with a clear contact point for businesses to reach out to. Moreover, environmental authorities lack knowledge about business models and how to transform environmental challenges into business opportunities. Business opportunities on the local level remain unused, because there is a lack of awareness and little collaboration between local stakeholders. With Ventanillas Verdes (Green Business Windows) a local structure was created in Colombia to raise awareness about green business potential and support businesses to respond to market opportunities.

VENTANILLAS VERDES (GREEN BUSINESS WINDOWS) IN COLOMBIA

Overview		
Type	Policy	
Complexity	Medium	
Expertise	Medium	
Cost	€	
Time frame	8 months	
Sustainability dimension	Green	
Phases	Adopt	Scale

Tool in brief

In 2014, the Ministry of Environment and Sustainable Development of Colombia (*Ministerio de Ambiente y Desarrollo Sostenible – MADS*) started to build up Green Business Windows in the regions – a local support structure for green businesses that contributes to making Colombia's economy more sustainable. This was part of MADS' Regional Green Business Programme (*Programa Regional de Negocios Verdes*). The GIZ programme Promotion of Sustainable Economic Development (*Promoción del Desarrollo Económico Sostenible – PRODES*) cooperated with the Ministry to strengthen and replicate the concept of regional Green Business Windows that promote green entrepreneurship on a regional level throughout the country. With the 'Guide for the implementation of regional green business programmes', a support framework was developed by MADS, that can easily be transferred, adapted and replicated together with regional stakeholders.

Tool objective

The overall objective for PRODES to support Green Business Windows was to create a regional approach to support green businesses that could be replicated in a number of different regions. In detail, PRODES' objectives were as follows:

- Coordinate and guide the different regional stakeholders in the implementation of the MADS Regional Green Business Programme (RGBP).
- Position the RGBP at the regional level, follow up on commitments, evaluate progress and make appropriate adjustments.
- Create and consolidate continuous and lasting strategic alliances with key players that contribute to promoting and positioning green businesses in the region.
- Generate statistics to measure the RGBP's contribution to the economic development of the region and the conservation of its natural resources.

Target group

The guide that explains how to build up Green Business Windows is written for regional environmental authorities or strategic partners who assume the role of leading and coordinating the promotion of green businesses in their respective regions. The secondary target groups, i.e. of Green Business Windows, are companies, entrepreneurs, and in some cases consumers as users of the services offered by Green Business Windows.

Tool description

Green Business Windows forms part of the National Green Business Plan in Colombia (*Plan Nacional de Negocios Verdes*) and Green Business Regional Programmes (*Programas Regionales de Negocios Verdes*). Depending on the regional context, Green Business Windows can either be established as technical management groups solely within the regional environmental authorities, or through an alliance with a business organisation that focuses on supporting green business.

The guide describes in detail which steps to follow when setting up a regional Green Business Window. It focuses on strategic key points of action, such as stakeholder management, setting up a communication strategy, technical assistance to entrepreneurs, marketing mechanisms and financial incentives for green businesses as well as monitoring and evaluation. The guide contains management tools, case studies, lessons learned and other relevant information that can help to set up and run a Green Business Window.

First and foremost, there needs to be a person nominated within the regional environmental authority to act as regional coordinator of the Green Business Window. This person takes responsibility for coordinating the following steps in the suggested order:

1. **Overall planning.** A multi-stakeholder workshop is organised to develop an annual action plan together with all relevant local actors. Further meetings will follow – every second month – to monitor the progress in implementing the annual action plan.
2. **Create a Green Business Window committee.** This involves identifying, convening and facilitating relationships of trust between the relevant local actors. The committee is needed to build on the various capacities and capabilities of the different actors for the implementation of the Green Business Windows work plan.
3. **Build up regional technical expertise.** To adequately support green businesses in the region, technical capacity within the environmental authority and other relevant regional organisations needs to be developed. The guide includes the following steps to train environmental authority staff as well as other stakeholders:

- a. **Develop a virtual course on green businesses for the staff of the environmental authorities.** In the Colombian case, one of the partners in the Green Business Window was the Ministry. It designed a course focused on the different strategies to promote green businesses and how to monitor the technical assistance provided. This course took 80 hours and was only for public workers who were connected with environmental institutions.
- b. **Develop a course on structuring green business models for entrepreneurs.** In Colombia the course was designed, implemented and transferred nationwide through the National Service of Learning (*Servicio Nacional de Aprendizaje*), a public institution focused on the development of programmes of professional training. This course took 60 hours and was open to anybody interested in the topic.
- c. **Establish a green business baseline for the region using a set of criteria that define green businesses.** The data collected by the environmental authorities for the baseline study include, for example, the overall number of green businesses in the region, their environmental, social and economic performance, and support offered to these businesses to position themselves as green businesses.
4. **Providing access to markets.** Depending on the budget available to the Green Business Window in a region, there are different suggestions given in the guide on how to improve the market access for regional green businesses:
 - a. **Participation in business conferences focusing on green business**
 - b. **Inclusion and promotion of green products at fairs or farmers' markets**
 - c. **Facilitate green business alliances with large companies**
 - d. **Financial incentives to promote green businesses.**
5. **Raise awareness for green business.** A business ideas competition (*Concurso de Emprendimiento Verde*) was implemented to promote business ideas with positive environmental and social impact. The entrepreneurs received technical assistance to develop their business plans. Winners received technical assistance during their business incubation processes. The competition has been an inter-institutional cooperation strategy between the environmental authority, business incubators and PRODES.



Project set-up

Green Business Windows was part of the implementation of the National Green Business Plan in Colombia and Green Business Regional Programmes of the Colombian Government. PRODES supported the operationalisation of Green Business Windows, mainly by developing a guide that describes the approach to setting up Green Business Windows in different regions and making this approach replicable. Implementation started in three regions with the respective environmental authorities (Meta, Norte Santander and Caquetá). This experience is now in the process of being transferred to the environmental authorities of the 32 other administrative regions of the country. MADS is responsible for the national monitoring processes and coordination of the technical assistance for green businesses.

Task and timeline

The above-mentioned annual action plans for Green Business Windows foresees work throughout the year in different areas. The preparation of the guide itself has taken 8 months.

Work plan tasks (in months)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Planning												
Stakeholder facilitation												
Technical support												
Access to markets												
Ideas competition												
Monitoring and evaluation												

Costs

The setting up of regional Green Business Windows ties up significant resources. Costs can be reduced by using resources that different stakeholders bring to the table as contributions in kind (e.g. venue for events). The main items of expense are the following:

Items
Development and training for the guide
Training course on green business
Contract for one professional as coordinator of Green Business Windows' activities for the first year
Business ideas competition and technical assistance to businesses
Participation in trade fairs and conferences

Results and legacy

The following results have been identified so far:

- The guide, with its tools for the promotion of green businesses, has been taken up and adopted by policy-makers (adopted by MADS as an operational instrument of the National Green Business Plan).
- A green business model database has been established for the two regions Meta and Norte de Santander. This database contains more than 100 business models.
- The green business model ideas competition has been successfully implemented and has been documented in a manner that allows quick replication.
- More than 1,000 entrepreneurs took part in the course on green business, which has been developed together with SENA and implemented in 42 national chapters.
- More than 150 officials on the national level participated in the virtual course on green business that was designed for the environmental authorities.

Success factors and lessons learned

- Green Business Windows build upon the experience and resources of local stakeholders and are implemented in a participatory manner.
- The guide includes detailed and hands-on information for the Green Business Window manager on how to deal with everyday challenges, such as communicating and raising awareness about green business models or managing a group of stakeholders.
- The approach makes use of the environmental authorities, which are firmly anchored in the region but lack knowledge and experience as regards business opportunities.
- In order to promote green business models a set of criteria was developed that can be used to define and select green businesses.
- The Green Business Window approach is easily replicable and can be transferred to other regions with little effort.

Further information and GIZ contact

For further information on Green Business Windows, the following resources are available:

Guide for the implementation of regional green business programmes: http://www.minambiente.gov.co/images/NegociosVerdesysostenible/pdf/herramientas_de_regionalizacion/LIBRO_FINAL_IMPRESION_ALTA2_Version_2_Modificado_06_01_2016.pdf.

Guide for defining and selecting green businesses: http://www.minambiente.gov.co/images/NegociosVerdesysostenible/pdf/criterios_negocios_verdes/criterios_actualizado_2016/Guia_Verificaci%C3%B3n_Criterios_NV_V12_26_01_2016.pdf.

Green business ideas competition: <https://www.youtube.com/watch?v=MOBqmF3TBSI>

For further information, contact:
Alexandra Ospina (alexandra.ospina@giz.de)





Strategic Study on Setting the Framework for Inclusive Business

Inclusive business (IB) models are increasingly the focus of government and donor attention. Policymakers are particularly interested in promoting market-based approaches that contribute to poverty alleviation and in the role these can play to stimulate the system. Beyond finance, policymakers can provide a broader set of policies to overcome barriers to IB models and make markets work for such approaches. Policymakers seeking to develop a strategy to support inclusive business in their country are advised to perform a stocktaking exercise to ascertain the status quo of IB in the country and to benchmark this against the framework conditions of other countries. Based on this analysis, policymakers can then develop a strategy to define and improve IB policies.

INTERNATIONAL BENCHMARK STUDY ON INCLUSIVE BUSINESS IN MOROCCO

Overview	
Type	Policy
Complexity	Medium
Expertise	Medium
Cost	€€
Time frame	6 months
Sustainability dimension	Inclusive
Phase	Start

Tool in brief

In 2013, on behalf of the Kingdom of Morocco's Ministry of General Affairs and Governance, GIZ commissioned a study to develop recommendations on the creation of a strategy to promote IB models in the country. The research team conducted desk research and interviews with policymakers, and their resultant study explored different international examples of IB policies. The study also provided a framework for analysing the market maturity of IB, which the research team used to define the Moroccan situation and thus to give specific policy advice in accordance with the local context.

Tool objective

The study on the policy environment for IB aimed to:

- define and clarify the concept of IB and provide a framework for its definition in Morocco;
- provide an overview of successful policies that foster the development IB ecosystems;

- generate specific policy recommendations to promote IB models in Morocco.

Target group

The target audience for the study was Morocco's Ministry of General Affairs and Governance, which was GIZ's political partner for the BMZ-funded Strategy for Social Enterprises project. It was anticipated that the Ministry would use the study as a key reference to further develop its strategy in this area and to design selected policy measures. The secondary audience for the study was local institutions and businesses interested in developing the IB ecosystem within the country.

Tool description

The study was developed with a German university in consultation with political partners who contributed to its design and content. The methodology for the study included desk research and stakeholder interviews.

The resulting 32-page report consisted of the following content:

- **Why inclusive business?** – This explored the importance and benefits of inclusive business and the necessity of government support for the development of its ecosystem.
- **A clarification of the concept** – This section explained how IB manifests in different world regions, provided a definition of IB for the Moroccan context and detailed approaches similar to IB as well as different IB approaches.



- International policy best-practice examples** – This part of the report considered typical barriers to the development of IB, and how policy interventions can help overcome challenges and facilitate its market development. It then provided five in-depth examples of policy interventions related to different key challenges and, for each, provided information on: the country context and stage of market development; the definition of IB; objectives of the policy and target group; the policy design and implementation process; results; learning, challenges and opportunities.
- Recommendations for Morocco** – The report’s final chapter provided: conclusions on different policy measure options that correspond to different stages of market development (creation, growth and maturity), recommendations in the Moroccan context, and a process framework describing the steps of strategy development. It also proposed questions that could inform discussions at a national workshop on the theme.

The study was produced in English and translated into French.

International policies highlighted in the study

Country	Key challenge addressed	Policy intervention
United Kingdom	Legal and regulatory framework	Community interest companies
Senegal	Financial resources	Impact investment working group
Colombia	Access to markets	Inclusion of the private sector in poverty reduction strategies
Egypt	Organisational capacity building	Incubator for innovation collaboration
India	Education	International training programme on inclusive business

Source: Scheck, B. and Lütjens-Schilling, L. (2013), *International Benchmark Study on Social Entrepreneurship* (unpublished).

Project set-up

The research was commissioned and supervised by a team member from GIZ’s Advisory Fund for Structural and Regulatory Policies project in Morocco. The research team from the University of Hamburg consisted of two individuals, one based in Germany and one in Morocco.

Tasks and timeline

The research was carried out over a 10-week period. The entire process, including creating the terms of reference and the bidding and contracting process, took approximately six months.

Work plan tasks (in months)	M1	M2	M3	M4	M5	M6
Terms of reference drafting	█					
Contractor selection		█	█			
Research				█	█	█

Costs

The project cost included 27 person-days of consultant time, and travel and translation costs. GIZ staff time, covered through core project funding, was required to set up the contract and supervise the study, including organising consultations with and presentations for local project partner institutions – this is not included below.

Items
Consultancy services: 27 person-days
Travel expenses
Translation



Results and legacy

The study was presented to the partners at the Ministry. However, due to political changes in the country, the project's partner ministry underwent changes, as did (for political reasons) its priorities. This meant that work on IB ended up being dispersed among a variety of other institutions. Nevertheless, the study has been used by several think tanks, and the topic may be taken up by Morocco's National Agency for the Promotion of SMEs.

Success factors and lessons learned

The team identified the following success factors of the study:

- The study addressed a topic that was relevant and timely for local partners.
- The research team consisted of two international consultants: one based in Germany and one based in Morocco. Their combination of thematic expertise, international perspectives and local understanding enriched the study content.
- Using an academic team and renowned university to carry out the research meant local political partners understood that the study findings were credible.

A number of useful lessons were learned when carrying out the study:

- At the very outset, it is useful to clearly understand how local partners define and understand the concept of IB. In Morocco, a Muslim society, charity is anchored strongly in the value system and the concept of IB can be confused with the charitable activities that are typically performed by 'the rich'. In this case, IB models need to be differentiated from religiously motivated charity. However, to mainstream understanding of this difference, it is necessary to invest time and money in clarifying and promoting a mutual understanding of the concept.
- Providing practical examples of IB policies that could be applied in Morocco was valuable as, in the political environment at that time, there were demands for the private sector to take greater responsibility in addressing the challenges of development and poverty.

Further information and GIZ contact

The study has not been publicly released; however, it can be made available upon request.

A publication on the same theme that is publicly available (and was funded by BMZ) is

Endeva's *Inclusive Business Policies – How governments can engage businesses in meeting development goals* (2013). Available at: <https://cdn.enterprise-development.org/wp-content/uploads/end-FoVo-Policy-Scen.pdf>

For more information or to request copies of the above-mentioned documents, contact the sector project 'Sustainable Economic Policy and Private Sector Development'.



Inclusive Business Policy Development Programme

“More Than Philanthropy: SDGs Present an Estimated US\$12 Trillion in Market Opportunities for Private Sector Through Inclusive Business (IB) – inclusive business practices can help achieve the Sustainable Development Goals while opening up new market opportunities for companies”¹⁶. This headline aptly summarises the tremendous business and development opportunities available to enterprises which pursue IB models. Leaders from the public sector, for example in the G20 and the Association of Southeast Asian Nations (ASEAN), are increasingly recognising the potential of IB in contributing to inclusive and sustainable national growth agendas and committing to developing enabling policy framework conditions. GIZ, through the Inclusive Business Action Network (iBAN), conducts the IB Policy Development Programme to support ASEAN policymakers in the development of policy instruments, which promote inclusive business on a national and regional level. Such policy instruments can encompass tax incentives, as the Philippines have introduced, or innovative social impact bonds such as those in Malaysia. iBAN provides capacity building on IB policy and eco-system development in blended learning formats, expert consultancy, peer learning settings and public private dialogues (PPDs) in the form of company visits, panel discussions and case studies.

THE ASEAN IB POLICY DEVELOPMENT PROGRAMME

Overview		
Type	Policy	
Complexity	Medium	
Expertise	High	
Cost	€€€	
Time frame	18 months	
Sustainability dimension	Inclusive	
Phases	Start	Scale

Tool in brief

iBAN began the IB Policy Development Programme in cooperation with the ASEAN Coordinating Committee for Micro Small and Medium Enterprises (ACCMSME) and the ASEAN Secretariat in June 2018. The Programme operates within the context of the ASEAN Strategic Action Plan on Small and Medium Enterprise Development (SAPSMED) which is the overarching policy framework for the Programme. The 18-month capacity development programme is attended by 20 senior level policymakers, coming from departments in government organisations that focus on SMEs and inclusive business/social enterprise agencies from the 10 ASEAN member states¹⁶. The Programme entails three 3-day workshops called the IB

Policy Forum, webinars, an online peer community, company visits, public-private policy dialogues and national consultancies to develop capacity in formulating national and regional IB strategies and policy recommendations.

Tool objective

The objectives of the IB Policy Development Programme are:

- to strengthen the capacity of senior policy makers for the development of national inclusive business policy strategies and action plans,
- to integrate enabling IB policies into existing policy frameworks, such as national medium-term development plans and the regional ASEAN Strategic Action Plan on Small and Medium Enterprise Development,
- to develop policy recommendations on how to integrate IB policies, programmes and activities into the national and regional private sector development agendas,
- to strengthen peer learning and public-private policy dialogue on private sector development and social impact through IB.

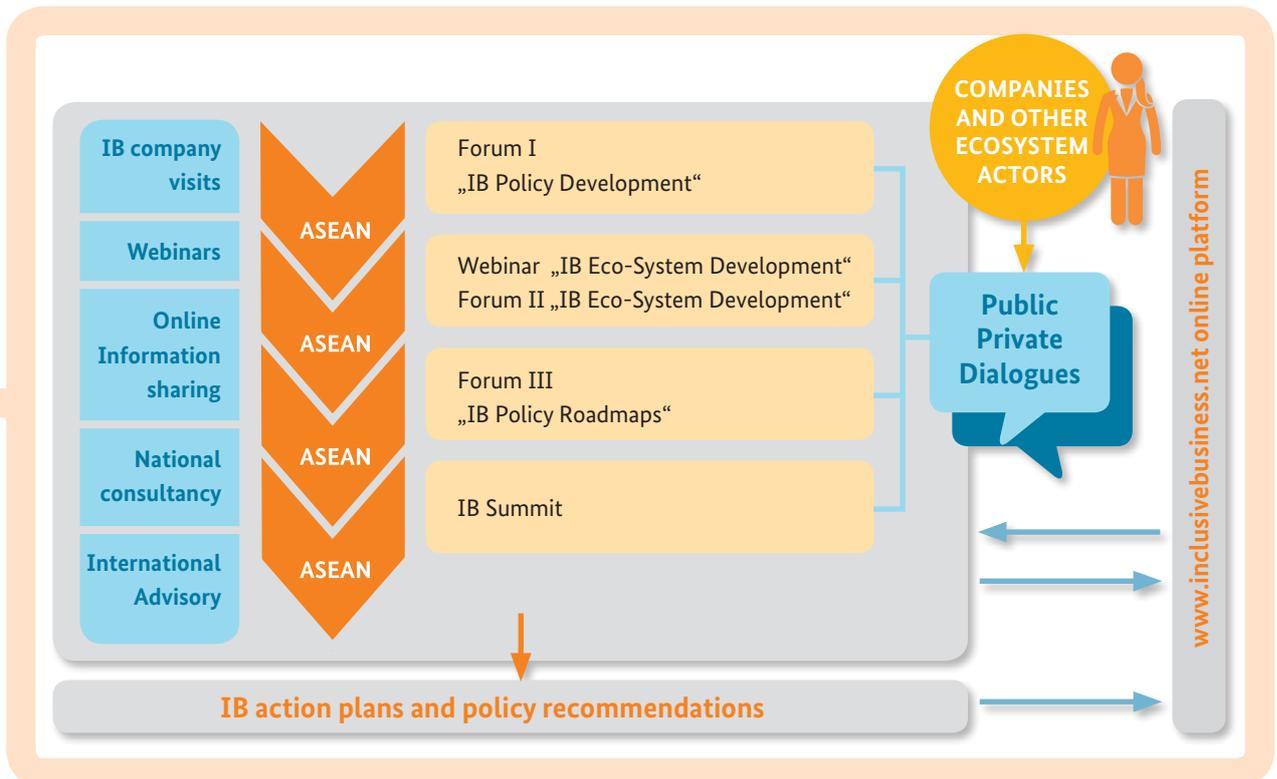
Target group

The target group for the IB Policy Development Programme are senior level policymakers from trade and industry departments, and inclusive business and social enterprise agencies. IB eco-system actors such as enterprises with IB models, impact investors, development partners, international organisations and intermediaries are systematically integrated into the Programme.

¹⁶ Business Call to Action, 2018, <https://3blmedia.com/News/More-Philanthropy-SDGs-Present-Estimated-US12-Trillion-Market-Opportunities-Private-Sector>

¹⁷ Brunei Darussalam, Cambodia, Indonesia, Laos PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam

Tool description



On 15 November 2017, ASEAN, in the Chairman’s Statement¹⁸, firmly committed the association to the IB agenda by calling “for greater emphasis on creating an enabling environment for Inclusive Businesses in ASEAN Member States through conducive rules and regulations, enhanced access to financial resources, awareness raising and education, and capacity building for both businessmen and women, and poor communities.” This statement was the result of a deliverable by the 2017 Philippines ASEAN chairmanship. The Philippines had been developing IB promotion policies since 2012 and elevated the topic to the ASEAN agenda. This process was supported by the Asian Development Bank (ADB) through its IB Initiative.

Responding to the call to action by the ASEAN leaders, iBAN supports key stakeholders in the member states, notably policymakers, enterprises and investors, through a comprehensive regional approach.

As part of its engagement with policy makers, iBAN collaborates with ACCMSME, the anchor institution for IB within ASEAN, on the development and implementation of a blended learning capacity development programme on inclusive business policy, called the ASEAN IB Policy Development Programme.

The participants are two senior policymakers from each ASEAN member state. Governments nominated one policymaker from the ACCMSME group and the second from a government agency, which already deals with IB.

18 ASEAN Chairman’s Statement of the 31st ASEAN Summit (<http://asean.org/chairmans-statement-of-the-31st-asean-summit/>), 2017, ASEAN



The Programme consists of five elements.

A. ASEAN IB Policy Forum

During three 3-day workshops, the policy makers cover important elements of IB policy development through a mix of input presentations by iBAN and external expert resources, exposure to important stakeholder groups and peer learning sessions.

1. ASEAN IB Policy Forum I: “IB Policy Development”

The workshop draws on recent research on policy and reform options for inclusive business, including, among others, the G20 IB Framework and the study “How to create an enabling environment for inclusive business in the context of private sector development” by the Donor Committee for Enterprise Development (DCED). The forum relates the insights from the studies to the development of national IB action plans. Furthermore, possible IB policies are discussed in the context of the ASEAN SAPSMED, national SME development agendas and other ASEAN initiatives.

2. ASEAN IB Policy Forum II: “IB Ecosystem Development”

The workshop draws, among others, on the training “Strengthening Inclusive Business Ecosystems” by UNDP. A live showcase of an existing IB ecosystem is part of the training. The forum enables participants to map the IB ecosystems in the national context and apply the tools of engaging with this ecosystem in view of supporting the development of the national IB action plans.

3. ASEAN IB Policy Forum III: “IB Policy Roadmaps”

During the final workshop, participants present and receive feedback on the development of national IB action plans and engage in further capacity development activities. They will also contribute to the development of policy recommendations for ASEAN stemming from their national IB action plans in response to the Chairman’s Statement on developing enabling environments for IB.

B. IB Summit

The outcomes of the Programme will be presented during a regional IB Summit in 2019. It will bring together eco-system actors from various regional IB initiatives, which iBAN and other development partners organised, to define the next steps in the promotion of IB in the region..

C. National IB company field visits

Dialogues between the public and private sector are undertaken on several levels during the Programme. One element is a visit by the policymakers to experience IB in action at a national IB enterprise, facilitated and organised by iBAN.

D. National consultancy

iBAN provides national consultancy to support the development of the national IB action plans through IB landscape studies and specific policy advisory work. The consultancies are demand driven and based on the participants’ needs

E. International advisory services

iBAN puts at the disposal of the policymakers a pool of international advisors who, based on official expressions of interest by the countries, provide expert policy advisory services.



Costs

All of the costs were covered by the PSES project.

Items	
GIZ senior staff	90 person-days
GIZ junior staff	120 person-days
International advisors	120 person-days
National consultancy	90 person-days
Accommodation	
Catering	
Travel	

Results and legacy

Nine months into the Programme, the ongoing 2018/2019 ASEAN IB Policy Development Programme has achieved the following results so far:

- in total, 20 participants representing the 10 ASEAN member states have attended the 2018/19 IB Policy Development Programme;
- the participating policymakers acquired knowledge about IB policy and eco-system development which supports them in developing national IB strategies,
- the capacity building on regional levels has instigated:
 - three national IB landscape studies and two specific policy advisory services to prepare national IB strategies and roadmaps;
 - integration of participants in national IB processes,
 - leverage of funding from international organisations;
- knowledge about and insights into IB policy and ecosystem development have been systematically processed to develop presentation decks and guiding policy development tools ready to be replicated.

Success factors and lessons learned

While it is too early to discuss the final outcomes and successes of the Programme, the initial results are as follows.

- **Development of replicable formats and tools**
In implementing this IB policy development approach in ASEAN, iBAN is developing formats, tools and methodologies which have been purposely designed as pilots in view of replicating them for systemic impact in other geographies.
- **Partnering with eco-system stakeholders**
IB is a topic increasingly on the agenda of development partners and international organisations. From them, the IB Policy Development Programme has attracted co-funding and invitations to co-host activities leveraging resources and networks.

Lessons learned so far from the IB Policy Development Programme that can be applied when replicating this Programme in the future are as follows.

- **From a regional to national level and back**
The top-level regional endorsement and institutional anchoring in existing working ASEAN groups provided the necessary backing for the policymakers from the 10 ASEAN member states to engage with IB policy development. Gaining deep insights into the potential of IB policies for national economic and social development encouraged policymakers to take the learnings onto a national level and start a process of national IB strategy development. The results of those national developments will be synthesised and presented to ASEAN, effectively responding to its 2017 call to action.
- **Anchoring IB policy development in existing institutions and strategic action plans**
To gain initial buy in and interest for the topic of IB policy development, it proved to be crucial that iBAN worked closely with ACCMSME and related IB to their existing SME strategic action plan, i.e. positioned IB as a valuable contribution to the SME development agenda, which is very important in ASEAN. Policymakers thereby understood the benefits of IB, also in terms of their own agenda, and therefore had good arguments to start the development of IB policy work.

- **Peer learning is powerful**

iBAN is using various formats during the capacity development programme including forums, webinars, expert input, panel discussions and case studies. So far, the most impactful learnings have been derived from peer to peer exchanges during the forums and subsequent bi-lateral discussions. Each country follows its journey on IB policy development based on specific national contexts, which provides ample opportunity for insightful peer exchanges.

- **Public private dialogue is key to developing IB policies**

An emphasis is placed on national and regional PPDs with enterprises and investors from, among others, the other two pillars of iBAN's programme in ASEAN. In discussions with the private and public sector so far, it has become evident that IB is a theme for a constructive and positive dialogue, as IB inherently addresses businesses' objectives of profit and growth and, at the same time, public concerns of social impact and inclusive growth.

Further information and GIZ contact

Further information on IB policy development can be found online:

Inclusive Business Policy Overview

DCED IB policy overview and report

BMZ report: Inclusive Business Policies: How Governments can Engage Companies in Meeting Development Goals

UNDP Inclusive Business Eco-System Initiative

To find out more about this tool, please contact:

The Inclusive Business Action Network (iBAN)

Markus Dietrich, markus.dietrich@giz.de





Value Chain Selection – Integrating Economic, Environmental, Social and Institutional Criteria

One approach to promoting green and inclusive businesses is by choosing a value chain approach. This means first and foremost choosing the right value chains, the ones through which a development programme might have the greatest impact on economic, environmental, social and institutional development goals. Partner countries need efficient value chains and integration into global value chains in order to be competitive and to create income and employment within the country. They can be active in international markets by providing input for certain products and thereby integrate into global value chains. Development cooperation supports partner countries in value chain development, since most of the production comes from small and medium-sized enterprises and their promotion contributes to poverty reduction.

An initial step in value chain development is to assess various potential sectors or value chains to determine in which value chains a project might have the greatest impact through interventions according to specific development goals (economic, environmental, social and institutional) and project mandates.

‘Guidelines for Value Chain Selection’ provides tools for use during the initial (design and formulation) phase of projects in order to compare and prioritise possible value chains for promotion by carefully comparing their economic, environmental and social impact. Criteria are proposed for each impact category. The selection tools provide the option to give a weighting to each selection criteria and thus help to choose those economically viable value chains with particular relevance to green or inclusive goals.

ASSESSMENT OF THE FURNITURE AND THE ORGANIC WASTE RECYCLING VALUE CHAINS IN YEMEN

Overview	
Type	Policy
Complexity	Low
Expertise	Medium
Cost	€€
Time frame	5 months
Sustainability dimension	Green and inclusive
Phase	Start

Tool in brief

There was no comprehensive or systematic methodology for combining the four dimensions (economic, environmental, social and institutional) for sustainable development in the value chain selection process. These guidelines have been developed to fill that gap. By integrating the different criteria, they offer a holistic and structured approach to value chain selection. The tool was developed by Fair and Sustainable Advisory Services GIZ on behalf of the BMZ and the International Labour Organization’s (ILO) Market Systems Development for Decent Work project ‘the Lab’. Several cooperation projects participated in the development and best practices and results were collected through staff interviews in over 20 countries. The tool should be applied in the design and formulation stage of a project or at the start of a project when deciding which value chain to promote. This should be done jointly with the partner organisations.

The guidelines are complementary to the GIZ ‘ValueLinks’ methodology¹⁴ and the ILO’s guide *Value Chain Development for Decent Work*¹⁵, but they may be also used as a stand-alone product. The tool should be adjusted according to the purpose of its application, specific country and local context and mandate of the project. The greatest value will come from user application and documentation of their experiences and outcomes.

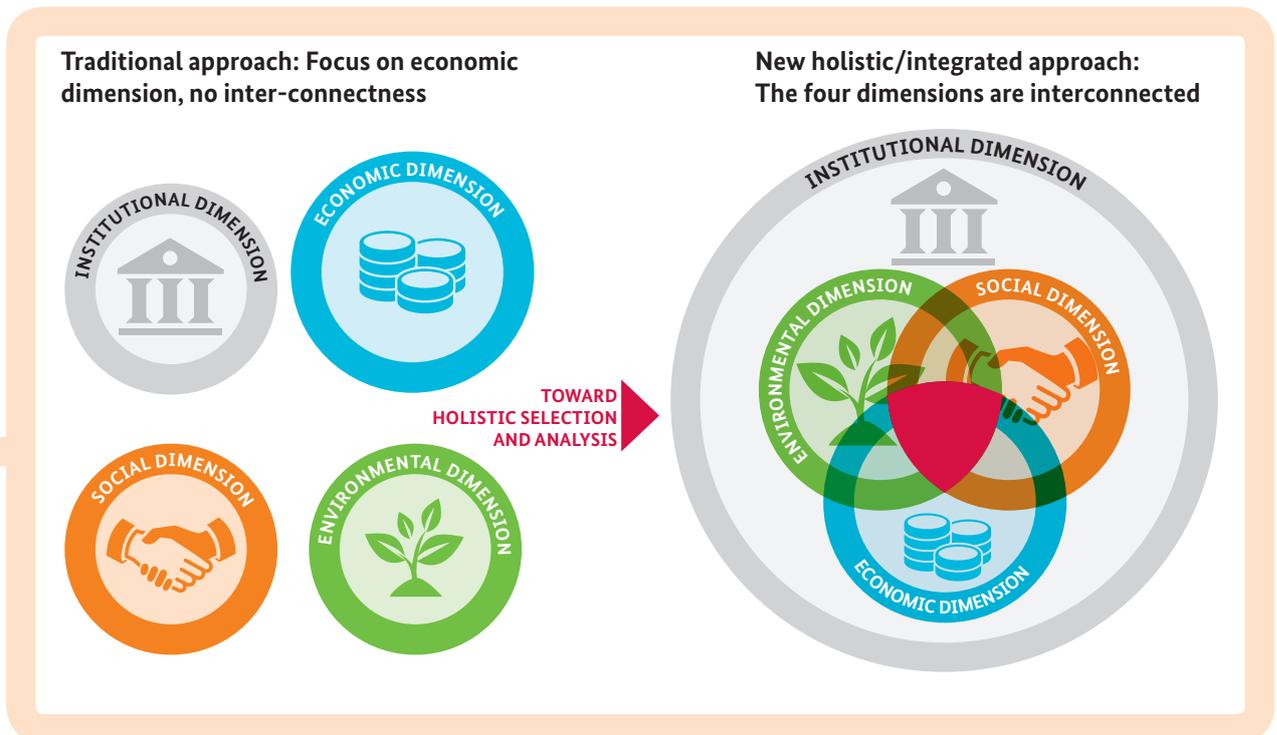
Tool objective

Guidelines for Value Chain Selection links the four dimensions: economic, environmental, social and institutional dimensions and provides clear criteria and tools to help in the selection process.

Tool description

The guidelines help compare and prioritise possible value chains for promotion by carefully comparing their economic, environmental and social impact. By giving more weight to green and inclusive criteria, it can be ensured that the finally selected value chains promote green and inclusive businesses.

The guidelines start **with a rationale for linking the four different dimensions in value chain selection** and how projects can benefit from taking a holistic approach. Looking at the four dimensions in the selection phase provides a more comprehensive picture of the different value chains under consideration, allowing the project to



Target group

Potential users are development practitioners, governments and private sector initiatives, who wish to make well-informed decisions about which sectors and value chains to intervene in for market development.

better assess the opportunities and risks at an early stage and ensure that these are not overlooked. Doing so makes it possible to **make well-informed choices** and to find innovative solutions and approaches for the value chain development programme. In later stages of analysis, **this assessment will help inform the design and implementation of interventions.**

¹⁴ ValueLinks 1.0 is currently being updated. Please find a draft outline of the ValueLinks manual 2.0 at <http://www.valuelinks.org/index.php/material/manual>.

¹⁵ Value Chain Development for Decent Work (2009), ILO.



Deciding to use a holistic approach in value chain selection right from the beginning has implications for the rest of the process, including the questions asked, the stakeholders interviewed or engaged, the data collected and the final choice made. Here an emphasis can be put on inviting representatives from specific target groups, which bring in perspectives on environmental aspects or specific social aspects. This will not only help make an informed value chain selection promoting green and inclusive businesses, but will aid the next phase of the project, the in-depth value chain analysis.

There are several issues that challenge the integration of these four dimensions in the value chain selection process, such as distinct stakeholder and donor priorities and agendas, limited time and resources, and a lack of data and expertise. These guidelines help with this process, providing arguments, key questions and tools that may be used to empower project staff and engage market players, resulting in stakeholder buy-in.

Since many value chain development projects deal with multiple stakeholders, **the guidelines provide some pros and cons of stakeholder engagement in the selection process**, including when to engage and for what reason. **The value chain selection process is divided up into eight steps** grouped into three phases (see also tasks and timeline):

- Preparatory phase (Steps 1–3)
- Data collection phase (Steps 4–6)
- Concluding phase (Steps 7–8)

These suggested steps are intended to assist in narrowing down a longlist of potential value chains to a shortlist and arrive at a final selection. This can be done through the development of a matrix with economic, environmental, social and institutional criteria, adjusted to the specific context and programme. The matrix template developed in the guidelines can be used throughout the selection process to guide data collection during desk studies and field investigations, to structure the stakeholder workshop and to serve as a checklist.

In summary, the steps function as a roadmap, starting from the collection and analysis of data during desk studies to field investigations and workshops and ending with a final selection.

The guidelines introduce tools for the value chain selection process, starting with the 'list of criteria', with key (minimum) selection criteria, in which all four dimensions come together.

The main tool presented is a table with key minimum criteria for value chain comparison and selection, including guiding questions, indicators and sources of data. The environmental and social dimensions are emphasised here, due to these areas receiving relatively less attention in past Private Sector Development projects.

Some important issues (budgeting, duration of the process and the availability of data) to be considered during the selection process are discussed in more detail in the guidelines, which provide some practical tips and considerations.

The annexes also provide practical tools, formats, examples of a completed scoring matrix and other sources that can be used during the value chain selection phase. An Excel template of the overall scoring matrix is included.

Project set-up

The value chain selection process can be undertaken by project staff or external consultants. For the detailed analysis of specific value chains and field investigation, local expertise might be required. Project partners need to be included right from the start through adequate communication and, later, workshops.



Tasks and timeline

The selection process can take from 1 to 6 months, divided into eight steps and the time allocated should be balanced

with the total length and budget of the programme. The following table gives an indication of the work-days needed for each step:

Work plan tasks (in months)	Workdays	M1	M2	M3	M4	M5
Preparatory phase						
Step 1: starting point: scope and mandate of the programme	1					
Step 2: screening and shortlisting of promising value chains	3					
Step 3: development of matrix with dimensions and criteria, optional weighting and scoring	2					
Data collection phase						
Step 4: desk study	2					
Step 5: instruction of field staff and local consultants	1					
Step 6: field investigation	5 per value chain					
Concluding phase						
Step 7: workshop for validation and recommendations	2					
Step 8: findings review, analysis and recommendations	7					



Costs

The total budget is highly dependent on the project size, know-how of staff members and the number of shortlisted value chains. It consists mainly of time resources for own staff and partners, fees and travels costs for contracted external experts or field staff for field investigations.

Items
Project staff time or external consultant fees up to 18 person-days + 5 person-days for field investigation per value chain, travel costs, accommodation
Catering and venue for 1-day workshop
Facilitator for workshop if needed

Results and legacy

The guide is a practical tool that provides a wealth of information and sample criteria for all four dimensions (economic, environmental, social and institutional) to choose from. It thus helps project staff and partners to make a well-informed choice when having to select one or two value chains among many.

In the GIZ Private Sector Development programme in Yemen, the tool was applied to assess the furniture and organic waste recycling value chains to decide which value chain to focus on.

Further testing is appreciated and will be accompanied by the sector project Sustainable Economic Policy and Private Sector Development.

Success factors and lessons learned

The guidelines identify a number of key principles for the value chain selection process, including some key recommendations and lessons learned. The tools can be adjusted according to the purpose of its application, specific country, local context and mandate of the project.

The main success factors were:

- Allocate sufficient financial resources to the selection and analysis phase.

Get a quick overview of existing data sources and consider information gaps to make the best informed decision possible. Conduct additional primary research if possible or consider dropping value chains if too little information is available or certain minimum thresholds for key criteria are not met.

- Communicate the selection process properly within the programme and to partners from the inception of the project. All parties should agree on the time and resources to be allocated to the selection process.
- Making the selection jointly with partners and documenting the process well helps with the project implementation.

Recommendations and lessons learned:

- The tools and matrices in the guidelines can easily be adjusted to fit the specific needs and context of a project. While the criteria presented in the main text are those deemed fundamental by consulted value chain developers and practitioners, the list of criteria used should adhere to the project’s objectives, and thus may be added to or subtracted from accordingly.
- Choose only a limited number of essential criteria in each category, otherwise the exercise becomes too academic.
- Although it is preferable to compare sectors and value chains based on hard data and statistics, value chain selection is not a mathematical exercise and qualitative information and judgement are necessary. Despite the fact that criteria can be weighted and scored, the guidelines and tools take a qualitative approach overall, with comparisons mostly based on qualitative information; quantitative data are in any case often lacking.

Further information and GIZ contact

The full guidelines are available at: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/instructionalmaterial/wcms_416392.pdf

For further information contact the Sector Programme ‘Sustainable Economic Policy and Private Sector Development’, Stefanie Springorum (stefanie.springorum@giz.de)



Promotion of Disability-inclusive Workplaces

Data are showing that people with disabilities in low- and middle-income countries are ‘poorer than their non-disabled peers in terms of access to education, access to health care, employment, income, social support and civic involvement’¹⁶. People with disabilities are less likely to be engaged in employment than those without disabilities. Their low presence in the labour market often results from exclusion from adequate health and education services. Those who are in employment tend to draw lower wages and have fewer opportunities for professional development. Employers are yet to adhere adequately to national legislation and international standards that promote inclusion of people with disabilities. Furthermore, employers who are interested in hiring people with disabilities lack adequate technical skills to make their facilities disability-inclusive.

The ready-made garment (RMG) sector in Bangladesh is characterised by exponential growth and thus requires a vast pool of qualified workers. The core problem, assessed by relevant experts, is that factories, particularly those in the textile and garment industries, fail to adequately adhere to national laws, or to international standards that ensure workers’ rights, that include provisions for the inclusion of people with disabilities. Consequently, there was a window of opportunity for the programme Promotion of Social and Environmental Standards in the Industry (PSES) to increase the inclusion of people with disabilities in RMG factories by contributing to the setting up of an inclusive job centre (IJC) in Bangladesh.

INCLUSIVE JOB CENTRE FOR THE GARMENT AND TEXTILE INDUSTRY

Overview	
Type	Policy
Complexity	High
Expertise	Medium
Cost	€€€
Time frame	24 months
Sustainability dimension	Inclusive
Phase	Adopt

Tool in brief

In 2015, the PSES programme supported the establishment of an IJC in Dhaka to strengthen the capacities of government, the private sector such as business associations, and civil society actors (NGOs and disabled peoples’ organisations (DPOs)) in the textile and garment industries to ensure economic and social inclusion for people with disabilities. The IJC serves as a platform for information sharing, advisory services, capacity building, job search

based on individual needs and competencies, and to provide a referral network.

The IJC aims to coordinate labour supply and demand of people with disabilities, training facilities, rehabilitation service providers and potential employers in the RMG industry. Following a tripartite approach connecting government, the private sector and civil society, the IJC is based on partnerships with five stakeholder groups: The Government of the People’s Republic of Bangladesh, the private sector, the Bangladesh Skills for Employment and Productivity Project of the ILO, people with disabilities, and civil society organisations. These stakeholder groups contribute to an inclusive workforce in different ways and on different levels. A factory assessment checklist, a training manual, a handbook, human resources guidelines and other related materials were developed to support stakeholders to advance disability-inclusion in the RMG sector. Inclusion plans were developed to include the concrete elements of designing policies that promote inclusion of people with disabilities.

¹⁶ Groce, N., Kett, M., Lang, R., and Trani, J-F. ‘Disability and Poverty: the need for a more nuanced understanding of implications for development policy and practice.’ *Third World Quarterly*, 2011, 32(8), 1493–1513.



Tool objectives

The IJC has the following objectives:

- To establish links with referral networks for people with disabilities for rehabilitation support in order to increase their participation in skills training and employment.
- To improve minimum compliance standards in regards to disability-inclusiveness in factories, including their policies.
- To promote employment for trained people with disabilities in the RMG sector.
- To provide psychosocial counselling and job retention services to people with disabilities.

Target group

Main target groups of the IJC are:

- people with disabilities who are interested in vocational training and willing to work in the RMG industry;
- RMG factories in search of skilled personnel, who also have an interest in employing people with disabilities.

Tool description

The overall aim of establishing the IJC was to facilitate demand-oriented employment in RMG factories of people with disabilities. An advisory committee to the IJC was formed, chaired by the CEO of the National Skills Development Council Secretariat and composed of representatives from business associations (Bangladesh Garment Manufacturer and Exporters' Association (BGMEA), Bangladesh Knitwear Manufacturer and Exporters Association (BKMEA)), the Ministry of Women's Affairs, civil society organisations including the Centre for Disability in Development (CDD), the Christian Blinden Mission Bangladesh Country Office and DPOs. The PSES project has supported the advisory committee with technical and secretarial supports since its formation.

The team members were introduced to one another during a five-day study tour in Germany and workshop. In addition, best practices on inclusion of people with disabilities from Germany were introduced; a particular focus was on the 'Inclusive employment advisory services' (*Integrationsfachdienste*). The draft concept and steering documents for the IJC were developed afterwards. PSES entered into a financing agreement with the Centre for the Rehabilitation of the Paralysed (CRP), a national NGO, to establish and ensure that the IJC operates properly.

In a subsequent step the IJC was set up and the personnel recruited. The following items were implemented by IJC staff:

- **Identification of people with disabilities for skills training.** People with disabilities were first identified by the community and their capacities were assessed by leaders of DPOs via video conference with the professionals placed in the IJC. The DPO partners were further responsible for educating people with disabilities and their families regarding their right to training and employment. The professionals, including a physio-therapist, an occupational therapist and a counsellor, provided demand-based support both to the training centres that conducted the training and to the trainees with disabilities to ensure their participation.
- **Linking people with disabilities with rehabilitation support services in order to increase their participation in skills training.** The IJC professionals provided information on existing support services and developed a database and job profiles for people with disabilities. IJC also developed or adapted accessible information material, including an interactive website giving access to a database on the opportunities related to education and training, health and rehabilitation, livelihoods and employment. On the service supply side IJC informed service providers such as DPOs and self-help groups on the rights of people with disabilities and on the possibilities of economic inclusion through skills development.



Costs

All of the costs were covered by the PSES project.

Items
Four full-time staff for IJC – 1 physiotherapist, 1 occupational therapist, 1 counsellor, 1 customer care officer (full-time employment during the project period from September 2015 to June 2017)
One external consultant for development of the concept – 15 working days (+ 2 travel days)
Furniture and fixtures (establishment cost for IJC office)
Travel costs (1. factory visits – multiple visits of IJC staff to 150 factories, 2. international travel costs for study tour for 15 participants)
Logistics

Results and legacy

The following results have been identified:

- Sensitisation of the factories in partnership with the business associations created employment opportunities for people with disabilities. Out of 150 factories that received advisory services, 104 factories implemented at least two measures of inclusion.
- IJC supported the PSES project and the Department of Women's Affairs to identify people with disabilities from the community. These people received counselling and retention support from the IJC professionals to reduce any drop-out from training. Out of more than 1,100 people trained on garment sewing machine operation, 10% were people with disabilities. The people with disabilities continued to receive retention support after employment in factories.
- An informal network was established by IJC between the NGOs, DPOs and factories to create employment opportunities, including linking up training institutes and employers in the textile and garment industry.

- A total of 577 people with disabilities were assessed and a database was kept for internal use. Among the people assessed, 300 were given counselling services and retention support.
- Some 153 people with disabilities were placed in 66 textile and garment factories, referred by IJC.
- A total of 244 people with disabilities were trained on their human rights and on how to promote their rights under national legislation and international standards.

Success factors and lessons learned

The following success factors can be identified:

- **Joint strategy.** The planned change processes need to be agreed by all key actors, especially business associations and the relevant government agencies. Factories involved need to be incentivised regarding their efforts on mainstreaming disability in their workforce.
- **Cooperation.** An agreed cooperation system and a sustainability guideline need to be developed, implemented and monitored jointly. Strong support from business associations and buyers will increase the motivation of potential employers.
- **Steering structure.** The advisory committee of the IJC needs to promote the proper implementation of the quota system in technical and vocational education and training, and implementation of the tax exemption provision according to the national law for employing people with disabilities.
- **Processes.** The expected changes for disability inclusion must be compatible to a certain degree with the prevailing infrastructure, policies in the training institutes and the factories.
- **Learning and innovation.** The results, challenges and lessons learned from the pilot initiative with CRP need to be shared, so that costs and benefits can be compared.

Additional lessons learned were:

- The IJC could increase the demand of recruiting people with disabilities in the RMG sector with proper job matching and ongoing retention support from professionals.
- A positive attitude from the senior managers can create ample opportunities for the employment of people with disabilities.
- Willingness to address the requirements of an accessible environment, reasonable adjustment and disability-friendly policies made it possible for factories to ensure productive participation from the employees with disabilities.

Further information and GIZ contact

Further information on the IJC is available at:

<http://www.inclusivejobcentre.com/>

Videos are available at:

- <http://www.inclusivejobcentre.com/Videos/video-1>
- <http://www.inclusivejobcentre.com/Videos/video-2>
- <http://www.inclusivejobcentre.com/Videos/video-3>

For further information, contact the 'Promotion of Social and Environmental Standards in the Industry', GIZ Bangladesh, Sarwat Ahmad (sarwat.ahmad@giz.de)



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