



Federal Ministry
for Economic Cooperation
and Development



Inclusive Business Toolbox

Promoting Inclusive Business Models
in Development Cooperation Programmes

Published by

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

Inclusive Business Toolbox

**Promoting Inclusive Business Models
in Development Cooperation Programmes**

Table of Contents

Introduction	6
Mapping the Inclusive Business Ecosystem	12
Inclusive Business Mini Case Studies	15
Entrepreneurs' Guide to Impact Investing	20
Sector-Specific Peer-to-Peer Learning Workshops	24
Competition for Inclusive Business	27
Inclusive Value Chain Conference	32
Informal Sustainable Business Network Events	35
Flexible and Temporary Retail Space	38
Inclusive Business Start-Up Training for Entrepreneurs	42
Supporting Inclusive Business Service Providers and Incubators	45
Virtual Incubation Platform	49
Strategic Study on Setting the Framework for Inclusive Business	54
References	57

List of Abbreviations and Acronyms

BMZ	German Federal Ministry for Economic Cooperation and Development
BHU	Banaras Hindu University
BoP	People living at the economic base of the pyramid
B2B	Business-to-business
CIIE	Centre for Innovation, Incubation and Entrepreneurship at the Indian Institute of Management, Ahmedabad, India
CII	Confederation of Indian Industry
CII-ICT	Confederation of Indian Industry, Center of Excellence for Sustainable Development
CSR	Corporate social responsibility
DFID	UK Department for International Development
DST	Department of Science and Technology, India
ECA	Egyptian Chefs Association
GCNE	Global Compact Network Egypt
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IB	Inclusive Business
ICE	Incubator for innovation collaboration
ICT	Information and communication technologies
iDPP	integrated Development Partnership with the Private Sector
IFC	International Finance Corporation
IGEN	Indo-German Energy Programme
IIMA	Indian Institute of Management, Ahmedabad
KCT	Kumaraguru College of Technology
MENA	Middle East and North Africa
MSMEs	Micro, small and medium-sized enterprises
NBIC	Namibia Business Innovation Centre
NBII	Namibian Business Innovation Institute
NGO	Non-governmental organization
PSD	Private Sector Development
RIBH	Responsible and Inclusive Business Hub
UNGC	UN Global Compact
XLRI	Xavier School of Management, Jamshedpur

Introduction

The international community is focusing ever-greater attention on inclusive business (IB) models. But, while their relevance for solving social and environmental solutions is increasingly accepted, the question of how to support IB models in development cooperation programmes is less clear. This 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), the Inclusive Business Toolbox aims to provide planning officers, project leaders and staff involved in Private Sector Development (PSD) and other development cooperation projects with a set of tried-and-tested tools that can be used to integrate an IB perspective and IB models into existing or future German development cooperation programmes.

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 IB models try to tap into this underserved global consumer market that is estimated at USD 5 trillion globally.¹ 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 monopolies;²
- **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 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.

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.



1 IFC and WRI, 2007.

2 IFC and WRI, 2007.

3 GIZ, 2013.

4 IFC and WRI, 2007.

Examples of IB models

IB 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 IB models in different sectors and regions.

- **M-Pesa** is a mobile-phone-based money transfer service that allows users to deposit, withdraw and transfer money with a mobile device. With development cooperation support from the UK's Department for International Development (DFID), the mobile phone company Vodafone opened up its mobile money service to the poor. It is one successful example of an inclusive business model integrating the poor on the demand side. In 2007, the mobile network operators Safaricom and Vodacom launched the M-Pesa service in Kenya and Tanzania. In Kenya, M-Pesa has over 19 million registered customers and more than 81,000 agents.⁵
- **Jita** is a Bangladeshi enterprise that empowers women micro-entrepreneurs by incorporating them in a network of distribution hubs that form a 'last-mile' marketing and sales channel. This connects rural BoP customers to companies like, for example, Unilever, Bata and Grameen Danone. The women are provided with training, then purchase stock from the hubs and sell it door-to-door to BoP customers. Jita is an example of an inclusive business model integrating the BoP on the supply side. Jita is a joint venture between CARE International, a humanitarian organisation fighting poverty, and Danone Communities. To date, over 4,000 Bangladeshi women have gained a sustainable source of income from working with Jita.⁶

Challenges to the development of IB

IB models face specific challenges, which have been widely discussed in numerous events and different studies.⁷

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 the product development, distribution and pricing strategies of businesses.
- **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 cookstoves). Sometimes new distribution channels need to be created to reach these markets.
- **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
- 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.

⁵ Safaricom, 2014.

⁶ <http://www.jitabangladesh.com>

⁷ 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.

Introduction

Partners, networks and markets

- **New and unconventional partnerships must be created** – for instance, with NGOs or international organisations – to address contextual challenges such as a lack of infrastructure (roads, energy, water) 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 IB models in order to address sector-specific challenges.
- **Access to markets and potential customers is lacking.** Some businesses are not yet present in BoP markets and therefore need support in how to enter new markets, identify customer needs and demands.

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.
- **Skills gaps** exist among entrepreneurs that prevent them from successfully turning their idea into reality or scaling up their business. 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 IB models⁸ can mean organisations with inclusive business models sometimes face problems of formalisation. Many start off as non-profit organisations, but later need to be converted to commercial operations.
- **Policymakers may be unaware** of inclusive business models and their associated challenges (such as policy-related barriers) or of examples of successful IB 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 IB Toolbox

This IB Toolbox was created to assist planning officers, project leaders and staff involved in Private Sector Development (PSD) and other development cooperation projects to promote IB 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 IB models (herein referred to as the ‘**Start**’ phase);
- encourage existing SMEs and large companies to adopt IB 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 IB models so they achieve greater outreach and development impacts (herein referred to as the ‘**Scale**’ phase).⁹

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 IB models. This toolbox provides a selection of approaches that are relevant to all the three stages of IB enterprise development. Moreover, the tools provided can be used by programmes to promote IB models in more than one of these three stages.

The tools presented below have been deployed in Egypt, India, Morocco and Namibia as well as at the 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 IB tools.

⁸ GIZ, 2014.

⁹ GIZ, 2013.

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

The IB 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 and 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.
- **‘Phase of development’** categorises how appropriate each tool is for application in the three different phases (Start, Adopt and Scale) of the inclusive business development continuum.



Table: Summary of IB tools

Tool	Tool Type	Complexity	Expertise	Costs	Time-frames	Phase of Development
Mapping the Inclusive Business Ecosystem	Information	Low	Low	€	4 months	Start/ Scale
Inclusive Business Mini Case Studies	Information	Low	Low	€	1 month	Start/ Scale
Entrepreneurs' Guide to Improve Access to Finance for Green and Inclusive Businesses	Finance	Low	High	€	3 months	Scale
Sector-Specific Peer-to-Peer Learning Workshops	Partners, networks and markets	Low	Low	€	4 months	Adopt/ Scale
Competition for Inclusive Business	Partners, networks and markets	Medium	Medium	€€	6 months	Adopt/ Scale
Inclusive Value Chain Conference	Partners, networks and markets	Medium	Low	€	7 months	Start/ Adopt / Scale
Informal Sustainable Business Network Events	Partners, networks and markets	Low	Low	€	1 month per event	Adopt /Start
Flexible and Temporary Retail Space	Partners, networks and markets	Medium	Low	€	2 months	Scale
Inclusive Business Start-Up Training for Entrepreneurs	Capacity development	Low	Low	€	4 months	Start
Supporting Inclusive Business Service Providers and Incubators	Capacity development	Medium	Medium	€€€	11 months	Start/ Scale
Virtual Incubation Platform	Capacity development	High	High	€€€	36 months	Start
Strategic Study on Setting the Framework for Inclusive Business	Policy	Medium	Medium	€€	6 months	Start

Information





Mapping the Inclusive Business Ecosystem

Increasingly in recent years, entrepreneurs have developed 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 IB models and make them commercially viable and scalable, they need to understand the challenges present in the IB ecosystem. Besides companies adopting IB 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 IB, it is crucial to understand the local context of the country or region in question, including its socio-economic conditions and local actors. With the results of this kind of detailed mapping exercise in hand, development partners and policymakers can then define and adapt programmes so that they support the scaling up and replication of IB models in which poor populations are integrated into the business model on the demand or the supply side.

Example: Enablers for Change — A Market Landscape of the Indian Inclusive Business Ecosystem

Overview

Type	Information
Complexity	Low
Expertise	Low
Cost	€
Time frame	4 months
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 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*.¹⁰ 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.

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.

¹⁰ 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*.

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 May 2012 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 businesses 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 services.

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

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 'Incubate the IB Incubators' in order to tackle the challenges identified (see Chapter 10 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: www.intellectcap.com/sites/default/files/publications/IIIR_Final%20report_May6_low_res.pdf

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



Inclusive Business Mini Case Studies

Start-ups and micro, small and medium-sized enterprises (MSMEs) have been developing IB models in a range of sectors. While large companies implementing IB models are usually highly visible, this is not necessarily the case for smaller companies and entrepreneurs. Visibility is important, however, because it helps companies to attract and secure support from IB ecosystem enablers, including incubators, investors and development agencies. The Inclusive Business Mini Case Studies help to showcase these businesses to IB ecosystem enablers who may be in a position to provide them with support.

Example: Mini Case Studies in the MENA Region

Overview

Type	Information
Complexity	Low
Expertise	Low
Cost	€
Time frame	1 month
Phases:	Start Scale

TOOL IN BRIEF

In order to showcase and promote IB approaches in the region, Egypt's Responsible and Inclusive Business Hub (RIBH) initiated the publication of a series of mini case studies on MSMEs that incorporate IB models and operate in the Middle East and North Africa (MENA) region. The mini case studies focused on four sectors: agriculture, crafts, eco-tourism and energy. With their accessible format, the mini case studies aim to inform and raise the awareness of potential ecosystem enablers, such as development agencies and local intermediaries, and to encourage them to provide IB support services.



TOOL OBJECTIVE

The objectives of the mini case studies were to:

- identify and showcase good examples of commercially viable and innovative enterprises producing local crafts, providing eco-tourism services, offering energy solutions and promoting inclusive agriculture while integrating the BoP on the demand and/or supply side;
- raise awareness about the potential of IB models in the MENA region;
- provide marketing support for start-ups and local producers with a focus on supporting the sales of those based in remote areas;
- encourage other businesses to adopt IB models.

TARGET GROUP

The primary target groups for the case studies were entrepreneurs and investors interested in setting up, funding and/or cooperating with enterprises incorporating IB models in the MENA region. The secondary target group was potential ecosystem enablers who could increase awareness of these IB models.

TOOL DESCRIPTION

RIBH in the MENA region is a focal point for responsible and inclusive business and is based at icecairo in Egypt, an innovation hub and co-working space in downtown Cairo. RIBH, implemented by GIZ on behalf of BMZ, provides information and raises awareness on both corporate social responsibility (CSR) and IB, and it supports the private sector by providing skills, business model development support, and networking opportunities related to these two topics. In this context, the mini case studies were developed (a) to directly support the profiled businesses by showcasing their IB models to potential supporters and (b) to promote wider awareness of IB in the region.

Each mini-case study is a one-page description of a successful IB model from the MENA region. The rationale for choosing to develop mini case studies rather than detailed profiles was that they could be more easily disseminated and would be quicker to read. To date, the case studies have focused on businesses sectors in which GIZ has previously conducted other activities and which provide potential market opportunities for the region.

The case studies were produced in house and drafted by RIBH team members. To do this, the team used its knowledge and networks to identify a selection of businesses from the target sectors for inclusion in the case studies. Next, relevant contacts in these businesses were contacted and interviewed. In the event that an in-person meeting was not possible, the case studies were based on a telephone call with the contact in question, materials provided by the business and publicly available information.

To facilitate interaction between the business and those interested in finding out more, the case-study content included each business's goal, model, key ingredients, partners, size and reach, background, solution, impact, and contact details. The ultimate aim of these easily digestible

descriptions of successful IB models was to inspire other entrepreneurs.

The case studies were distributed via the RIBH Facebook page and an online platform that facilitates document sharing. However, they were also prepared in a print-ready format and hard copies were printed for distribution at RIBH events.

PROJECT SET-UP

RIBH MENA developed the case studies in house with no involvement from consultants or third parties. This was possible because the hub has in-house content, design and text layout expertise, so it was unnecessary to hire consultants to provide these services.

TASKS AND TIMELINE

The core tasks involved in the production of the mini case studies are set out below. Each case study took four to five person-days to produce, with a time frame for delivery of one month.

Box 1: Responsible and Inclusive Business Hubs (RIBH)

German Development Cooperation supports and partners with the private sector in the areas of sustainable development and inclusive business. On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), GIZ established a worldwide network of Responsible and Inclusive Business Hubs (RIBHs), with branches currently operating in Cairo, Jakarta and Pretoria.

The concept underpinning the RIBHs is a win-win approach that integrates low-income BoP populations into core business activities using innovative approaches. These approaches ensure the delivery of products and services, promote opportunities for income generation, enable access to future markets and foster the potential for further innovation. Furthermore, the RIBHs contribute to the global discussion on CSR by building networks of CSR centres of excellence in order to promote the results-based methodological skills of German development cooperation.

Source: author's own

Work plan tasks (in weeks)	W1	W2	W3	W4
Identification of relevant MSMEs				
Selection and development of the case study				
Design and layout				
Publishing online and offline				

COSTS

The mini case studies were developed in house. As such, the costs included the staff time of one RIBH employee to develop the content and one in-house designer to design and layout the case studies. The only other costs involved were for printing. RIBH was fortunate to have its own full-time in-house designer; however, in cases where these services are not available in-house, the design costs must be factored in. For this project, the case studies were only offered in English. If, however, it is decided to offer the case studies in additional languages, translation costs need to be considered.

Items
Staff time: 5 person-days per case study
Design, layout and printing of publication
Translation of the publication

RESULTS AND LEGACY

The following results have been achieved from the publication of the case studies:

- Each online case study has received approximately 450 'hits' or 'impressions' in one year.
- The mini case studies profiled 10 businesses and, in so doing, provided them with marketing exposure and materials that they would not otherwise have had the means to generate.
- RIBH has used this tool to showcase successful inclusive business models from the region during its wider work in the region.
- A longer-term impact of the mini case studies is that they document some of the other technical support provided by RIBH to IB models within its broader programme of activity.



SUCCESS FACTORS AND LESSONS LEARNED

There were a number of key factors that contributed to the success of the mini case studies, including:

- The existing producer and service-provider network and the contact database of companies operating in the eco-tourism, agriculture and handicraft sectors (these had been previously developed by GIZ as part of its technical assistance work, delivered in cooperation with several NGOs that support local manufacturers in Egypt);
- RIBH's strong presence in the start-up scene that helped build the trust required for businesses to share their information.

The lessons learned from the project have been to:

- leverage existing connections with local businesses in order to identify relevant case studies;
- invest in developing relationships with the businesses to be profiled in the case studies, in order to establish the necessary trust;
- develop a website to support the dissemination of the case studies;
- invite profiled businesses to participate in other project activities and networks in order to access additional technical support.

**Box 2: Overview of mini case studies**

Sector	Profiled businesses	Country	Details
Eco-tourism	Habiba Organic Farm	Egypt	Conducting innovative desert agriculture and running an eco-lodge.
	Kom El Dikka Agri-lodge	Egypt	Providing an eco-lodge that enables tourists to experience the culture and environment of Fayoum.
	Ghaliyet Spa and Eco-lodge, Siwa	Egypt	Providing an eco-lodge and spa that is integrated with desert-life activities.
Inclusive craft businesses	Turath	Egypt	Protecting Egyptian heritage through quality improvements in the handicrafts sector.
	Fan Sina	Egypt	Providing income to Bedouin women and preserving handicraft skills and traditions.
	Take Caire	Egypt	Creating opportunities for communities in Old Cairo to reach international markets by training them to develop a contemporary edge to traditional designs.
Energy	Oasis Renewables	Egypt	Increasing agricultural productivity, industrial added value and community development through micro-sized renewable energy technologies.
	Onera Systems	Egypt	Promoting sustainable power generation among Bedouin settlements in South Sinai.
Inclusive agriculture	Schaduf	Egypt	Generating income for low-income urban communities through sustainable rooftop farming.
	Souk El Tayeb	Lebanon	Promoting local products and cuisine by bringing people of different regions and traditions together to celebrate food and culinary traditions.

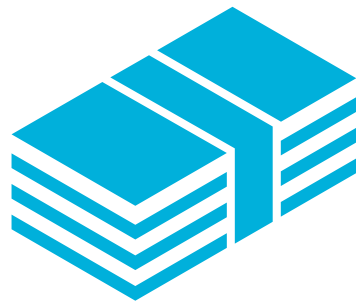
FURTHER INFORMATION AND GIZ CONTACT

The case studies and an online summary of the projects undertaken by RIBH are available at: issuu.com/ice_ribh

Visit the RIBH Facebook page at:
<https://www.facebook.com/ribhmena>

For further information, contact the Responsible and Inclusive Business Hub MENA.

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.

Example: An Entrepreneurs' Guide to Impact Investing for Social Enterprises in India

Overview

Type	Finance
Complexity	Low
Expertise	High
Cost	€
Time frame	3 months
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 involvement. 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.

- **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.



PROJECT SET-UP

TASKS AND TIMELINE

The consultant and two researchers took three months for this project. The time was divided into six weeks of desk research and interviews and six weeks for data analysis and drafting the report.

[illegible]

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: www.giz.de/en/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.intellecap.com/sites/default/files/publications/IIIR_Final%20report_May6_low_res.pdf
<http://intellecap.com/publications/invest-catalyze-mainstream-india-impact-investing-story>

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



Partners, networks and markets





Sector-Specific Peer-to-Peer Learning Workshops

Business model challenges and opportunities differ from sector to sector. Yet, within a sector, there are sufficient commonalities to merit cooperation and learning between business representatives for the purposes of enhancing their enterprise development.

GIZ's sector project 'Private Sector Cooperation / Responsible Business for Development' working with two consultancies, carried out the first pilot of the BoP Sector Dialogue workshop format in Germany. Using an innovative approach, the Dialogue seeks to engage with entrepreneurs and businesses that are focusing on the low-income market segment in emerging and developing countries and integrate the BoP into their value chains on the production side. Workshop formats ready for replication have been developed for the following sectors: agriculture, energy, housing, information and communication technologies (ICT), and pharmaceuticals. GIZ encourages local partners and GIZ country teams to replicate these BoP Sector Dialogues and, to date, they have been conducted in Egypt, India and South Africa.

Example: BoP Sector Dialogue Workshop for the Energy Sector, India

Overview

Type	Partners, networks and markets
Complexity	Low
Expertise	Low
Cost	€
Time frame	4 months

Phases: Adopt Scale

TOOL OBJECTIVE

The objectives of the BoP Sector Dialogue Workshop for the Energy Sector were to:

- enable entrepreneurs and business representatives from start-ups to (further) develop, reflect on and enhance their own IB model;
- facilitate connections and partnerships between companies, investors and incubators for the successful implementation and scaling of IB models;
- explore new partnerships between development cooperation and local companies and entrepreneurs, as well as with other IB ecosystem actors like investors, incubators and intermediaries.

TOOL IN BRIEF

A BoP Sector Dialogue Workshop for the energy sector was held in New Delhi, India, in April 2012. The workshop inspired and enabled representatives from the low-income energy sector to develop, reflect on and enhance their inclusive business (IB) model in a peer-learning environment and with the support of experienced mentors from the industry. The event lasted one and a half days, was attended by entrepreneurs from start-ups and early-stage ventures, and was supported by mentors. A hands-on practitioner guide that outlined opportunities, challenges and solutions in the sector was provided as a supporting tool. At the end of the workshop, participants were connected up with investors and representatives from other ecosystem enablers, such as incubators and investors, through a 'speed dating' and networking session.



TARGET GROUP

The primary targets for the workshop were start-up and early-venture representatives from the energy sector. Selecting the target groups (i.e. whether to focus on early-stage or more mature companies) may differ from sector to sector. The secondary target groups were investors seeking to engage in low-income markets and also incubators promoting IB models.

TOOL DESCRIPTION

The BoP Sector Dialogue Workshop for the Energy Sector lasted one and a half days and was attended by 16 company representatives as well as by mentors, investors and other enabling organisations. On the first day, participants were introduced to a theoretical business model framework and energy value chain, which served to support discussions on their business model challenges and on the approaches required to overcome them. Subsequently, participants were divided up into small groups, each representing one of three different sub-sectors: solar lighting, rural electrification and cookstoves. Expert mentors from successful companies in the market accompanied the participants. Using the framework provided, each group discussed different elements of their IB models and the challenges and solutions related to each of these elements.

In plenary on the second day, each participant was given two minutes to pitch their business to potential investors and incubators using a standard PowerPoint slide. After the pitches, investors and incubators delivered presentations on their work, then the floor was opened up for speed dating. During the speed dating session, entrepreneurs met investors and incubators in pre-booked 10-minute slots in order to get to know each other and to look for opportunities for potential future collaboration.

PROJECT SET-UP

Private Sector Development India and the Responsible Enterprise Finance for Indian Small and Medium Enterprises Programme organised the BoP Sector Dialogue Workshop for the Energy Sector in concert with GIZ's Indo-German Energy Programme (IGEN). The Confederation of Indian Industry Centre of Excellence for Sustainable Development (CII-ITC)¹¹ was a local strategic

partner for the event. The local teams were supported by GIZ's sector project 'Private Sector Cooperation / Responsible Business for Development', which helped with the coordination, preparation and delivery of the workshop. This group of GIZ partners also worked closely with an international consultancy on developing the workshop framework and the practitioner guide it is based on. The international consultant led the workshop and one person from each of the three GIZ programmes involved served as facilitators for breakout sessions with the participants.

TASKS AND TIMELINE

The tasks and timelines involved in implementing the BoP Sector Dialogue Workshop for the Energy Sector are approximately as follows:

Work plan tasks (in months)	M1	M2	M3	M4
Framework development				
Identification of facilitators				
Marketing the workshop and selection of participants				
Workshop delivery				
Evaluation and follow-up				

COSTS

Items
Consultancy services: 10 person-days Travel costs for consultants and the GIZ sector project expert from Germany
Venue
Catering

¹¹ See: <http://www.sustainabledevelopment.in/>

RESULTS AND LEGACY

Five BoP Sector Dialogue Workshops — focusing not just on energy, but also on other sectors — have been held in India so far. To ascertain the outcomes of the workshops and understand their impacts on businesses, participants completed evaluation surveys, the results of which follow:

- Respondents placed most value on the fact that they were connected up with incubators or service providers.
- 65% of participants identified a positive change in their organisation as a direct result of participating in the workshop. For example, one survey respondent noted their increased understanding of the various legal structures of different social enterprises as a positive change resulting from the workshop.
- 100% of respondents stated that they would recommend the workshop they attended to a colleague or friend.

At an organisational level for GIZ, the workshop led to new external partnerships and informed the broader GIZ PSD strategy in India:

- The PSD programme first met with the Centre for Innovation, Incubation and Entrepreneurship (CIIE) when they participated in the BoP Sector Dialogue Workshop for the Energy Sector. GIZ has since partnered with CIIE on a number of events, including further workshops on ICT, health care delivery, water and education, and also a programme to ‘incubate incubators’ (see Chapter 11 on Supporting Inclusive Business Service Providers and Incubators).
- In addition, the workshop prepared the way for direct cooperation between the IGEN programme and participants as well as with the GIZ PSD programmes. For instance, the Indian company SELCO partnered with IGEN to finance, with the support of additional donors, the establishment of an incubation centre for energy enterprises.



SUCCESS FACTORS AND LESSONS LEARNED

The local team identified the following factors as critical for delivering a successful workshop:

- Leveraging GIZ expertise, both in working with the private sector and within the relevant sector projects, ensured adequate adaptation to the local context, linkages to local networks and expertise, and follow-up contacts for the companies.
- Instigating an application and selection process for participation helped demonstrate the value of the workshop to participants and ensured good attendance.
- Carefully selecting workshop mentors and relevant intermediaries ensured participants had the opportunity to reflect on their IB model during the workshop and to network with relevant stakeholders for collaboration.

FURTHER INFORMATION AND GIZ CONTACT

The practitioner guides for the agriculture, energy, housing, information and communication technology, and pharmaceutical sectors are available for download at: www.giz.de/inclusive-business

More information on the SELCO Incubation Centre is available at: www.selcoincubation.org

For further information on this tool, contact:

- the Indo-German Energy Programme;
- Private Sector Development, India (bilateral programme);
- the sector project ‘Private Sector Cooperation / Responsible Business for Development’.



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.

Example: G20 Challenge on Inclusive Business Innovation

Overview

Type	Partners, networks and markets	
Complexity	Medium	
Expertise	Medium	
Cost	€€	
Time frame	6 months	
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.

Box 3: 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

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.

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 international 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 'Innovative Approaches for 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						
winners						

Box 4: 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/>

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

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 IB Action Network, 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.

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 'Innovative Approaches for Private Sector Development'.

¹² IFC, 2012.



Inclusive Value Chain Conference

When supporting the development of IB, analysing the challenges along a particular value chain can be a strategic entry point for development partners. While some actors may not know about IB models, an additional challenge arises when actors along the value chain are not well connected to one another. Organising an Inclusive Value Chain Conference can be a way to foster exchange between actors along a value chain, increase awareness about IB models and allow peer-to-peer learning to take place. Against the backdrop of a growing market for organic food products, the Responsible and Inclusive Business Hub (RIBH) MENA organised an Inclusive Value Chain Conference to promote sustainable food production in Egypt.

Example: Farm to Fork Conference — Inclusive Value Chain Creation

Overview

Type	Partners, networks and markets		
Complexity	Medium		
Expertise	Low		
Cost	€		
Time frame	7 months		
Phases:	Start	Adopt	Scale

TOOL IN BRIEF

In May 2014, RIBH MENA hosted an innovatively formatted conference called Farm to Fork in Cairo, Egypt, to discuss issues affecting the entire food industry — from producer to consumer. The aim was to promote inclusive value chains in the food industry and build the capacities of the Egyptian food value chain. Using diverse approaches to session delivery, the conference encouraged participants to share their experiences about supplying safe, healthy and sustainable food in Egypt and about including smallholders in their value chains. The event was part of a wider RIBH MENA initiative to promote a culture of sustainability within the food sector. Other activities delivered as part of this initiative have included the creation of an Egypt-specific food and vegetable seasonality chart and the co-sponsoring of a female chef of the year competition.

TOOL OBJECTIVE

The conference's key objectives were to:

- raise awareness about the potential of IB models — especially in the food, hospitality and agricultural sectors — among those operating in the sector and also among potential enablers;
- identify and showcase best practice examples of commercially viable IB models and services in the field of food, hospitality and agriculture, and encourage businesses to cooperate;
- provide marketing support and peer-to-peer exchange for IB start-ups or local organic producers in the food, hospitality and agricultural sectors.

TARGET GROUP

The main target groups for the conference were enterprises with IB models working along the food value chain in Egypt — e.g. smallholder farmers, chefs, restaurants, hotels or other food-, agriculture- or tourism-related businesses. The additional target audiences for the event were interested parties and intermediaries seeking to know more about IB models that focus on healthy, organic and sustainable food, and on its production and processing.

TOOL DESCRIPTION

The Farm to Fork Conference was open to start-ups, NGOs, local businesses with IB models and interested parties working in the field of sustainable food, hospitality or agriculture. The three main themes of the conference were sustainable sourcing, sustainable farming and sustainable consumption.

The conference was designed using a diverse range of delivery approaches: The agenda for the conference consisted of an **opening panel discussion**, which included a representative from the Egyptian Ministry of Environment on the discussion panel. The keynote address was followed



by a session in which participants were divided into four parallel breakout groups to discuss in-depth and with the support of expert facilitators the topics of sustainable sourcing and sustainable consumption. The breakout session involved an initial presentation followed by group discussions structured using guiding questions.

Following the breakout groups, the participants reconvened for a **roundtable debate** to discuss sustainable farming in Egypt, which comprised a panel discussion followed by Q&A. The speakers were drawn from a range of sectors and included a representative of the South African retailer Woolworths, who presented their experience in building a sustainable food sector in South Africa as an example of international good practice.

Conference refreshments were served in a food hall and were prepared in line with the requirements of sustainable food practice. RIBH MENA worked with the host venue, the Semiramis InterContinental Hotel, to develop this sustainable catering. In addition, producers were provided with an open market space, enabling them to sell their produce directly to participants during networking breaks. This marketplace supported local producers by providing them with a physical outlet and direct market access, and it also served to acquaint participants with a wide range of local producers.

All the event's strategic partners supported its marketing by sending out promotional material to their respective networks. For example, the Egyptian Chefs Association featured the conference in its magazine that it distributes to its members.

Both participants and stallholders paid a fee to attend. Participants paid an attendance fee of €10, large company stallholders paid €90 and SME stallholders €34. The fees were collected in person on the day of the event. The revenues generated were used to pay for the marketing of the event, stationery, equipment and the production of an event video to be used for promotional purposes. Printing costs were limited to the event programmes and basic information sheets. To save on the cost of printing banners, the venue's projectors were used to display the event branding at the venue.

PROJECT SET-UP

RIBH MENA organised the Farm to Fork Conference in partnership with the Semiramis InterContinental Hotel, the Egyptian Chefs Association and the Egyptian Chamber of Food Industries. The hotel provided the conference venue free of charge and organised the catering in line with sustainable farming practices. The Egyptian Chamber of Food Industries and the Egyptian Chefs Association (ECA) supported the marketing and outreach for the event by inviting local producers, farmers and chefs to present their work and expertise at the conference and by advertising the event in their newsletters. RIBH MENA was also responsible for the overall event management.

TASKS AND TIMELINE

Preparing the conference took six months and involved monthly meetings with each of the strategic partners (the frequency of these meetings increased in the immediate lead up to the event). Conference follow-up activities continued for approximately one month.

Work plan tasks (in months)	M1	M2	M3	M4	M5	M6	M7
Identification of stakeholders							
Invitation of stakeholders and							
Preparation of panels and							
Pre-event marketing							
Conference delivery							
Post-event marketing							

COSTS

RIBH MENA only had to cover the catering costs for the conference as the venue was provided in kind. The costs of marketing (a paid advert in the Egyptian Chefs Association magazine), a video about the conference and stationery were covered by the fees charged to event participants.

Items
Venue
Catering
Marketing
Video of the conference
Stationery, printing
Revenues generated (stallholder fees)

RESULTS AND LEGACY

The results of the conference were:

- increased awareness among the event's 120 participants of the topic of sustainable food;
- coverage of the participants and their products/services in the local press and monthly Egyptian Chefs Association magazine, and on icecairo's and RIBH's respective websites and Facebook pages, and also media coverage including:
 - <http://ameinfo.com/blog/retail/farm-fork-conference-promotes-sustainability-food-restaurant-scene-first-egypt/>
 - <http://communitytimes.me/farm-to-fork-food-for-the-future/>
 - <http://www.madamasr.com/content/farm-fork-conference-takes-first-step-building-sustainable-food-practices>

Based on the success of the first Farm to Fork Conference, it is anticipated that the event will be repeated in early 2015 in cooperation with the Semiramis InterContinental Hotel Cairo. Moreover, based on the improved networks developed at the event, a number of subsequent activities have been successfully delivered, including:

- a Nakheel Festival (date palm festival), held at the end of September 2014, which RIBH MENA co-organised and which involved the active participation or attendance of many of the Farm to Fork Conference participants;
- the Women Entrepreneurship Kitchen project, which seeks to build on the sustainable and nutritious food activities of women from rural areas outside of Cairo, and was implemented by Baladini (a food industry start-up) using contacts obtained at the Farm to Fork Conference;

- the creation of a 'virtual market space' mobile app that links producers of sustainable food with interested clients (this project is subject to ongoing discussion with potential partners and is anticipated to start in early 2015).

SUCCESS FACTORS AND LESSONS LEARNED

The Farm to Fork Conference was successful because it:

- involved a diverse range of strategic partners that provided speakers and also marketed the event to promote participation;
- drew on learning and networks gained from previous events – particularly the Sustainable Business Circle, which was piloted a few months prior to the run up to the conference and which provided new contacts and insights into the sustainable food industry that were helpful when organising the conference;
- benefited from the participation of the Ministry of Environment, which demonstrated the government's commitment to the subject.

Lessons learned from the event include the benefit of communicating through diverse media channels (e.g. print and online) to give the topic momentum and to secure media coverage. Encouraging local producers to give away free samples in the marketplace was also useful, as this helped to demonstrate the availability and quality of organic food, and also showed small businesses that adopting sustainable food practices is feasible.

FURTHER INFORMATION AND GIZ CONTACT

More information about the conference is available on RIBH MENA's online library of publications: http://issuu.com/ice_ribh

The event is specifically featured in the summary of the RIBH activities brochure, available at: issuu.com/ice_ribh/docs/ribh_mena_projects_summary_1615cea7ac24e2

A short video summarising the event is available at: www.youtube.com/watch?v=SdVFs4JDH0c

For more information, contact the Responsible and Inclusive Business Hub MENA.



Informal Sustainable Business Network Events

Firms may face a variety of challenges when implementing inclusive business models or general corporate sustainability measures. Sometimes firms are interested in developing innovative approaches but do not know where to start or how to find solutions to the problems they encounter. In other cases, firms may have already overcome barriers and would like to share their experiences. Fostering an informal network between businesses around the topic of corporate sustainability in general and inclusive business specifically can address these issues. GIZ projects gain from coordinating platforms for exchange between companies as they enable projects to stay in touch with business practitioners, to understand the challenges they face when implementing sustainability measures and to inform the debate and identify potential partners for cooperation. An informal business breakfast format was piloted in Egypt, which participants deemed useful in terms of fostering exchange between firms on specific topics in a relaxed atmosphere.

Example: Sustainable Business Circle, Egypt

Overview		
Type	Partners, networks and markets	
Complexity	Low	
Expertise	Low	
Cost	€	
Time frame	1 month per event	
Phases:	Adopt	Scale

- embed sustainable practices in Egyptian businesses as well as in organisations supporting Egyptian businesses to develop their sustainable mission, vision and business case;
- provide businesses with access to a network of NGOs and experts in the field of sustainable and inclusive business with whom they can initiate joint projects.

TARGET GROUP

The primary target group for the Sustainable Business Circle is Egyptian businesses, large and small and from all sectors, that are aiming to become more sustainable and inclusive. Other targets are NGOs aiming to initiate partnerships with local enterprises, entrepreneurs aiming to start their own inclusive business, and sustainability practitioners.

TOOL IN BRIEF

In 2013, the Responsible and Inclusive Business Hub (RIBH) MENA and the Global Compact Network Egypt (GCNE) established an Egyptian Sustainable Business Circle. This comprises an ongoing series of monthly breakfast meetings that brings together CSR, sustainability and inclusive business (IB) practitioners from companies of all sizes and sectors operating in the country to discuss with their peers the challenges they face in implementing CSR/ sustainability and IB.

TOOL OBJECTIVE

The objectives of establishing the Sustainable Business Circle were to:

- create a regular, interactive forum to introduce new business ideas and trends and, in so doing, bring about tangible sustainable development outcomes in Egypt;
- develop a peer-learning platform to generate insights and ideas for innovative business models;





TOOL DESCRIPTION

The Sustainable Business Circle breakfast meetings started in 2013 and continue to be held once a month, each on a different theme related to sustainable and inclusive business. The first series of meetings covered the four themes – human rights, the environment, labour and anti-corruption – related to the 10 UN Global Compact (UNGC) Principles. One session was devoted to the UNGC Principles in general and then four subsequent sessions focused on each of these themes respectively. Thereafter, a series of meetings was run in partnership with a local consultancy on the theme of sustainability reporting. The first of these meetings was held in April 2013 in tandem with the launch of a GIZ-supported MENA study on sustainability reporting in the region.

All businesses are invited to each meeting, but some of the events are geared to specific sectors. Approximately 30 participants attend the monthly events. Each meeting lasts two hours and consists of a presentation by one business representative or consultant followed by an open discussion lasting one and a half hours. The remaining 30 minutes are given over to participant networking and breakfast. This informal and interactive setting further encourages matchmaking and peer-to-peer exchange among businesses in Egypt.

Outside of the in-person meetings, the group also stays connected using a LinkedIn Group called the ‘Cairo Sustainable Business Circle’. Joining the network and attending the events is free for all participants.

PROJECT SET-UP

RIBH MENA set up the Sustainable Business Circle in partnership with GCNE and with support from a local consultancy. The partners organised the first six sessions of the Business Circle in kind and the Semiramis InterContinental Hotel has, to date, provided the venue for the meetings free of charge. The hotel has also helped to link the Circle up with its extensive network of large companies in Egypt and the MENA region. RIBH MENA sets the topics of the workshops in partnership with the GCNE team, who are then responsible for implementing the individual sessions.

TASKS AND TIMELINES

The staff time required to organise each event is three person-days, consisting of one day for preparation, one day for the meeting itself and one day for any follow-up activities.

Work plan tasks (in months)	M1	M2
Identification of participants/ invitees		
Production of a six-month plan		
Preevent marketing		
Event delivery		
Post-event marketing		

COSTS

To date, the only costs for the Sustainable Business Circle monthly breakfast meetings have been the breakfast catering costs for the 30 or so participants. However, if consultancy support, speakers and venue costs are not provided in kind, the costs of replicating a series of six monthly meetings will be higher.

Items
Staff time: 3 person-days per event
Venue
Catering
Cost for speakers

RESULTS AND LEGACY

Since its inception, the Sustainable Business Circle has:

- held 16 meetings – six on IB models in 2013, and then five on the UNGC principles and another five on sustainability reporting in 2014;
- created an informal online network via LinkedIn of companies with inclusive and responsible business models, which is used to disseminate knowledge and results related to sustainable business;
- supported the creation of an online database of CSR/IB practitioners in Egypt.

SUCCESS FACTORS AND LESSONS LEARNED

A number of factors contributed to the success of this activity, for example:

- having the Semiramis InterContinental Hotel as the venue attracted participation from established businesses, given the hotel's strong brand and reputation;
- partnering with the UNGC network in Egypt opened up access to a wide range of interested companies;
- RIBH MENA's strong social media presence helped with marketing the events;
- the informal format proved valuable in breaking down the barriers between small and large businesses and promoted peer exchange – e.g. close links with the sustainability community in Egypt were established through this (and other) formats.



A key lesson learned through this process has been that it is useful to have multiple partners collaborating on running the circle to attract participants and to support the dissemination of information through each partner's diverse networks.

FURTHER INFORMATION AND GIZ CONTACT

For a summary of the Sustainable Business Circle as well as information on the GIZ-supported MENA study on sustainability reporting in the region, see the RIBH summary leaflet at: issuu.com/ice_ribh

The Cairo Sustainable Business Circle LinkedIn Group is accessible at:

www.linkedin.com/groups/Cairo-Sustainable-Business-Circle-5041462/about

For further information, contact the Responsible and Inclusive Business Hub MENA.



Flexible and Temporary Retail Space

For smaller-scale IB models, market access can be a big challenge. High prices for retail space, a lack of marketing skills and a disconnect between rural and urban areas can add to this challenge. Furthermore, in some markets customers do not (yet) show appreciation for locally manufactured goods and services, where poorer populations have been included in the production process and where the purchase can create a positive social impact.

Flexible and temporary retail spaces can be a useful tool to address these kinds of challenges, as they allow companies to exhibit and sell their products and services free of charge or at below-market rates while reaching new customers and markets. In 2013, the Responsible and Inclusive Business Hub (RIBH) MENA successfully developed and launched a retail space project, the Dokkan Dilwa2ty Pop-Up Shops, along these lines.

Example: Dokkan Dilwa2ty Pop-Up Shops

Overview

Type	Partners, networks and markets
Complexity	Medium
Expertise	Low
Cost	€
Time frame	2 months
Phase:	Scale

TOOL IN BRIEF

In 2013, RIBH MENA launched the Dokkan Dilwa2ty (Arabic: shop now) Pop-Up Shop concept: a series of destination-themed events designed to support enterprises working with low-income populations, to open up access to markets and to promote sustainable and inclusive business (IB) models in the handicraft and tourism sectors in Egypt. Under the Dokkan Dilwa2ty Pop-Up Shops brand, several organisations with different IB models from one geographical area of Egypt were invited once every two months to set up a shop for a one-day event at icecairo in the country's capital. During the pop-up shop event, a small promotional session is held to present participants' products and services and to drive sales.

TOOL OBJECTIVE

The objectives of the Dokkan Dilwa2ty Pop-Up Shop project were to:

- raise awareness about the potential of IB models, especially in the handicrafts sector, as a way of contributing to inclusive economic growth;
- identify and showcase good examples of commercially viable and innovative local handicrafts and ecotourism services;
- provide marketing support for start-ups and local producers, especially those from remote areas, to support increased sales and customer contact;
- develop the local manufacturing market by establishing local business networks and the peer-to-peer exchange of information among practitioners.

TARGET GROUP

The primary target groups for the Dokkan Dilwa2ty Pop-Up Shop project were local start-ups, producers and NGOs applying IB models in the handicraft, tourism and corporate gifts sectors. The secondary audiences for the pop-up shop format were interested members of the public and intermediaries, including investors, wishing to know more about innovative local products and services.

TOOL DESCRIPTION

The Dokkan Dilwa2ty Pop-Up Shops were one-day events held at the icecairo workspace in Cairo that involved RIBH hosting a range of organisations with IB models that operate out of the location featured at the event. The events were held once every two months from September 2013 until mid 2014 and focused on organisations exhibiting IB models related to the handicraft, tourism or corporate gifts sectors. Basically, the one-day event provided businesses with the opportunity to informally present, under



the Dokkan Dilwa2ty Pop-up Shop brand, their project and story to potential customers.

Organisations with IB models from target sectors and from destinations outside Cairo were identified and invited through existing networks to apply to participate in one of the pop-up shop events. In addition, the team went on exploratory tours of different regions around the country, enabling them to talk directly to rural producers and encourage their participation as a way to access urban markets in Cairo.

Organisations booked spaces in the pop-up shop event on a first-come-first-served basis. The only conditions for participation were that their products had to be hand-made in the location featured in the event and that the company had to operate an inclusive business model (this was defined as 'a business producing locally in the remote area'). There was no participation fee for the retail space.

RIBH marketed the one-day event through its Facebook page, Twitter, partner/producer networks and by word of mouth. For example, in Egypt, icecairo's online network has more than 20,000 followers, which proved useful for disseminating information about the event to a large number of interested parties working in the IB field. On the day of the event, the shop opened for six hours (from 2 to 8 pm) and typically attracted between 100 and 200 customers and visitors.

The format of the pop-up shops enabled businesses to engage with potential customers and provided entrepreneurs with the chance to explain their products and services. In so doing, it not only provided marketing opportunities for the organisations exhibiting their IB models, but also increased attendees' awareness of IB approaches.

PROJECT SET-UP

The Dokkan Dilwa2ty Pop-up Shop events were organised by RIBH MENA in partnership with the GIZ Private Sector Development programme and icecairo. GIZ promoted the scheme to the network of tourism and handicraft sector businesses it had previously worked with on other programmes or projects. icecairo provided their own event space for the pop-up shop free of charge and helped to promote the scheme using their online platform. For each event, consultants also collaborated on identifying relevant local producers who could participate in the pop-up shops.

TASKS AND TIMELINE

The key headline activities involved in organising the Dokkan Dilwa2ty Pop-Up Shop events are: identifying organisations willing to promote their IB models, marketing the event, hosting the one-day event and, finally, performing any required follow-up activities. An estimated six person-days were required to organise each event.

Work plan tasks (in months)	M1	M2
Identifying MSMEs and planning		
Marketing of the event		
Event implementation		
Post-event marketing		

COSTS

The provision of space to host the pop-up shops, the catering and the travel of entrepreneurs from outside Cairo to the venue were all provided or met in kind by different partners (e.g. the venue was provided by icecairo and the entrepreneurs covered their own travel costs to demonstrate their commitment). Therefore, the only costs involved were staff time for project managing the series of events, which were covered by the core funding. The table below provides some indication of the different items to consider when calculating costs.

Items
Staff time: 6 person-days per event
Venue
Catering
Travel costs of entrepreneurs

RESULTS AND LEGACY

The Dokkan Dilwa2ty Pop-Up Shops:

- were held three times in 2013 and 2014 respectively and profiled the handicrafts and eco-tourism sectors of six national locations;
- attracted from 100 to 200 visitors to each event;
- enabled participants to generate profits through direct sales on the day and to experience, according to anecdotal reports, increased sales and interest in their IB model after the pop-up shops, which they attribute to the exposure and marketing gained through participating;
- resulted in the Arab African International Bank initiating a meeting to explore potential collaboration with the Association for the Protection of the Environment, which featured in the first pop-up shop in September 2013 and produces corporate gifts through working with informal waste collectors in Cairo;
- led to Take Caire, an enterprise producing household objects with an Egyptian identity, being featured in a leading local interior design magazine as a result of its participation in the November 2013 pop-up shop;
- enabled RIBH to collect the contact details of local producers, who have since been integrated into GIZ's Local Crafts and Design as Corporate Gifts initiative.



In addition to the above results, those participating in the pop-up shops get added to the RIBH database. As such, they are invited to monthly eco-tourism meet-ups that serve as matchmaking events enabling participants to find possible distribution channels.

SUCCESS FACTORS AND LESSONS LEARNED

A number of factors have contributed to the success of the Dokkan Dilwa2ty Pop-Up Shop project, including:

- leveraging the producer network resulting from other technical cooperation projects, and cooperating closely with NGOs and MSMEs working in the field in question to identify organisations to feature in the pop-up shops;
- collaborating with icecairo as a strategic partner, which opened up access to a network of over 20,000 target participants and thus supported the successful promotion and marketing of the pop-up shops events.

A key lesson learned from the project has been that pop-up shops are cheap to implement, as they can be held in the smallest of venues and are ideal fora for testing new products and markets.

FURTHER INFORMATION AND GIZ CONTACT

To find out more about the Dokkan Dilwa2ty Pop-Up Shop initiative, see the RIBH MENA project summary report at: issuu.com/ice_ribh

For further information, contact the Responsible and Inclusive Business Hub MENA.

Capacity Development





Inclusive Business Start-Up Training for Entrepreneurs

In certain contexts, setting up a business is not a popular career option. There are many possible reasons for this, including a lack of awareness about the opportunities entrepreneurship provides. The few entrepreneurs who do go on to establish their own business may then face numerous challenges and a complex regulatory environment, including a lack of structured guidance on how to incorporate a business. Furthermore, the ecosystem to enable and support these new businesses may be limited and unable to provide prospective entrepreneurs with the valuable training and guidance required to refine, pilot and scale their business models. GIZ delivered Inclusive Business Start-Up Training for Entrepreneurs in Namibia to promote entrepreneurship and provide entrepreneurs with capacity-building support to promote the growth of their enterprises.

Example: Inclusive Business Boot Camp, Namibia

Overview

Type	Capacity building
Complexity	Low
Expertise	Low
Cost	€
Time frame	4 months
Phase:	Start

TOOL IN BRIEF

GIZ held an Inclusive Business (IB) Boot Camp in Namibia in 2012 in cooperation with the Namibia Business Innovation Centre (NBIC), now known as the Namibian Business Innovation Institute (NBII). Entrepreneurs were invited from a pool of applicants to undergo intensive training to develop a business plan for their new venture. Ideation and market research training sessions were held prior to the camp, and mentoring, networking and subsidised start-up services were provided after it to provide the participants implementing their IB idea with ongoing support.

TOOL OBJECTIVES

The objectives of the IB Boot Camp Namibia were to:

- actively promote entrepreneurship and the development of new and promising ideas for IB models, including encouraging a broader range of people to consider IB activities as a viable career option;
- empower prospective entrepreneurs to set up their own venture and make it successful by providing a practical and structured approach to building the business;

- improve the links between individual entrepreneurs and entrepreneurship intermediaries to foster the growth of a strong IB ecosystem in the country.

TARGET GROUP

The main target groups for the Boot Camp were existing and prospective entrepreneurs who were developing ideas for an IB start-up. Entrepreneurship intermediaries, such as incubators or investors, were invited to participate in the Boot Camp as speakers or mentors. Interested members of the public were also invited in order to raise awareness more generally of IB models.

TOOL DESCRIPTION

Budding entrepreneurs interested in developing IB models were invited to apply to attend the IB Boot Camp through a two-month-long nationwide call for participation, issued three months prior to the event itself. The Boot Camp branding and marketing was linked to the country's overall strategic plan for development, called Vision 2030, and therefore emphasised the focus on IB models rather than standard business approaches. Its name was also reworked as 'Bootcamp>>2030' to reflect this linkage and focus. The call requested applicants, individuals or teams, to submit their application using a downloadable online application template with a motivational letter, a CV and the prospective business idea. People participating in NBIC's regular programme of idea creation workshops were also encouraged to apply.

The selection criteria used to screen applications were the:

- innovativeness, feasibility and viability of the IB idea;
- involvement of communities as suppliers;
- way in which products would be ploughed back into the community and/or enrich communities;
- ability of the team to take the idea and make it a business.



The focus when selecting the cohort of entrepreneurs for this particular Boot Camp was on start-ups incorporating IB models, as opposed to the generic business intake usually sought for a standard boot camp event. A selection panel – including representatives from NBIC, GIZ, a university and the private sector – screened the applications.

During the first sift, only those with incomplete applications or failing to meet the criteria – about 20% of the total – were rejected. The remaining applicants were invited to an assessment day, held at the NBIC premises. The assessment day included an introduction to the mentors, team-building activities and pitches by the applicants. During the assessment day, the above criteria were again used to select the final 10 start-ups, making a final cohort of approximately 15 to 20 Boot Camp participants.

The IB Boot Camp programme had the same content as the general business boot camp offered by the NBIC, but was branded and marketed towards those interested specifically in IB models. The main elements were:

- a **one-day workshop on market research techniques**, conducted by NBIC staff and held in Windhoek, to brief participants about market research tools and to identify their market research needs;
- a **five-day business planning camp** held at a farm outside of Windhoek, where participants received training on each segment of a typical business plan, as well as on financial planning. As part of the camp, participants produced a business plan for their specific business idea, participated in a workshop to facilitate official business registration, took part in a finance day to inform participants about financing channels and opportunities for their venture, and participated in a business simulation game where they gained risk-free hands-on experience about how their decisions affect the business's bottom line;
- **ongoing mentoring** conducted by NBIC at their premises in Windhoek or by phone, as well as access to a network of external mentors for specialist once-a-month support over the three-month period following the business planning workshop;
- **networking events** with other IB enterprises and generic business service providers, and the offer of subsidised working space at NBIC in the country's capital.

The project partners held a **business plan competition** a few weeks after the Boot Camp. Although the competition was open to all businesses, it provided additional incentives to those who had participated to continue developing their projects.

PROJECT SET-UP

The IB Boot Camp was supported by the German-Namibian Partnership for Economic Growth programme and was implemented by NBIC. The latter was set up by the Polytechnic of Namibia and received support from GIZ in the form of personnel.

TASKS AND TIMELINE

The approximate tasks and timelines for the implementation of the IB Boot Camp were as follows:

Work plan tasks (in months)	M1	M2	M3	M4	M5	M6
Marketing of the event						
Call for applications and selection of participants						
Workshop delivery						
Mentoring sessions						
Business plan competition						

COSTS

Items
GIZ staff: 30 person-days
Accommodation
Staff meals and catering
Travel
Equipment



RESULTS AND LEGACY

The 2012 Namibian IB Boot Camp achieved the following results:

- In total, 20 participants representing 10 start-ups attended the 2012 Boot Camp.
- About a third of the participants went on to formally start their planned business, two of which were still successfully operating in 2014. One of these businesses is a traditional cuisine café and operates as part of the incubation programme housed at NBIC. The second is Brain-Child Technologies, which focuses on traditional food processing and sources its supplies from rural women.
- Participating entrepreneurs acquired knowledge about setting up a business, which has facilitated their entry into further business competitions and attracted seed capital.
- As a result of their participation, attendees and their business ventures received media attention, free marketing and recognition, which engendered invitations to other conferences and events.
- The alumni have formed an informal community of like-minded entrepreneurs who keep in touch through the NBIC Facebook page and other NBIC events.
- Two of the three winners of the 2012 NBIC Business Plan Competition were IB Boot Camp participants.

SUCCESS FACTORS AND LESSONS LEARNED

When reviewing the IB Boot Camp, the implementing team identified the following success factors:

- The isolated residential venue for the Boot Camp, located outside the city, meant participants had no distractions, which improved concentration and helped build team spirit and promote exchange.
- NBIC was a strong partner to collaborate with, as it is an established and experienced local innovation and entrepreneurship centre. This meant its team were able to deliver high-quality training and develop a thorough programme that met the demands of the target participants.
- External trainers, mentors and guest speakers were invited to the IB Boot Camp to deliver on specific topics, which reduced costs and preparation time for the project partners and contributed to the quality of the camp.
- Holding the NBIC Business Plan Competition a few weeks after the Boot Camp served as additional motivation for participants to continue working on their projects.

Lessons learned from the IB Boot Camp that can be applied when replicating this event in future are as follows:

- To ensure participant commitment and dedication, it is useful to charge a nominal participation fee – in Namibia, this worked out at around €35. Although the fee could be made larger, it is instead recommended to get GIZ to subsidise participation rather than increase the fee to a market price.
- The costs of the Boot Camp per participant can be reduced if GIZ's and/or the partner's personnel and resources are used.
- If external mentoring is offered, it is useful to take a lead on bringing the mentors and mentees together for their first meeting, as mentees may be reluctant to receive mentoring from someone they are unfamiliar with.
- Securing media coverage is a great way to boost the reach of the tool.
- Creating a community of IB Boot Camp alumni helps foster continued dialogue and participation in further events. It is therefore advised to hold an event on start-up-related subjects once a month in order to provide the basis for enduring and viable exchange.

FURTHER INFORMATION AND GIZ CONTACT

The NBIC Entrepreneurship & Incubation Handbook is a comprehensive practitioner's handbook that describes the start-up support programmes offered by the NBIC in collaboration with GIZ. It is available at:

issuu.com/nbicnamibia/docs/entrepreneurship

The NBIC publication Uncommon Business on developing innovation in regular Namibian businesses is available at:

issuu.com/nbicnamibia/docs/nbicnamibia

GIZ's publication CSR for Entrepreneurs – A handbook for innovative start-ups, committed SMEs and driven intrapreneurs is available at:

issuu.com/nbicnamibia/docs/csr_for_entrepreneurs

Background on GIZ's Partnership for Economic Growth programme is available at:

www.giz.de/en/worldwide/20587.html

To find out more about this tool, contact:

- the German-Namibian Partnership for Economic Growth programme;
- the Namibian Business Innovation Institute (NBII).



Supporting Inclusive Business Service Providers and Incubators

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.

Example: Creating a Network of Inclusive Business Service Providers

Overview

Type	Capacity development
Complexity	Medium
Expertise	Medium
Cost	€€€
Time frame	11 months
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 (IB) 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 is being run 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 (KCT) in Coimbatore; August 2013 at the Xavier School of Management (XLRI) in Jamshedpur; and November 2013 at Banaras Hindu University (BHU) in Varanasi. The workshop in Varanasi deliberately coincided with Global Entrepreneurship Week.

The workshop series was co-branded with Aarohan Ventures, which was primarily responsible for planning and implementing the events. Aarohan Ventures also drew up an invitation list of potential host institutions, incubators and enterprises to target in each region. The GIZ team then vetted the list prior to the invitations being dispatched. Organisations registered their interest in participating in the workshops by submitting an online form where they provided information about their organisation and also a link to their LinkedIn profile.

Each event consisted of **two workshops**: one for the support organisations (the incubators) and the other for the enterprises. These comprised one day's training plus a half-day **networking event** that brought the two groups together. The training workshops were run consecutively over the course of three days so that the same team of facilitators and convening organisations could deliver the training to both groups. As such, the support organisations had their training day prior to the half-day with networking session, while the enterprises had their training following on from the networking session.

The **workshop for the IB support organisations** consisted of educating participants about the IB ecosystem in India and enabling them to identify and mobilise their resources to support various social enterprises, including identifying how these activities can be made self-sustaining. Case studies were a key methodology used during the training session, with participants being tasked to develop ideas on the types of support they would provide the featured enterprise.



The **networking session** on the second day provided the IB support organisations with the time and space for matchmaking, mingling and having brief one-to-one conversations to understand what everyone is doing and what kinds of support they can offer each other.

While enterprises with IB models were not the primary target group for the workshop series, they were brought into the event to expose support organisations to the kinds of outfits involved in IB. However, as these outfits' also need support and as a quid pro quo, they were also provided with relevant training.

The **workshop for enterprises with IB models** focused on understanding the challenges faced by IB start-ups and helped to identify ways of overcoming these challenges. At each workshop, different experts were brought in to provide enterprises with specialist training on topics including financial modelling or impact measurement. The experts were identified through Aarohan Ventures' network, which it has developed through its other work streams and links to the university.

PROJECT SET-UP

The GIZ PSD team formed a strategic partnership with Aarohan Ventures to deliver the first workshop series and both parties are continuing to work together on implementing the second. Additional local consultants were also brought in to provide specialist technical support for specific workshop sessions.

TASKS AND TIMELINE

The first workshop series took place over a period of approximately eight months, while its planning phase lasted three months, meaning the initiative took a total of 11 months to organise and deliver.

Work plan tasks (in onths)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11
Project inception											
Planning											
Marketing											
Workshop delivery											
Follow-up											

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. Given the second series is still underway at the time of writing, its results and impacts have yet to be captured.

- 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 (KCT), has since established itself as an incubator and received national accreditation from the Department of Science and Technology (DST). 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

For up-to-date information on the workshop series, visit the implementing partner's website at:

aaroханventures.com/giz-aarohan/

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





Virtual Incubation Platform

Where inclusive business is concerned, micro, small and medium-sized enterprises (MSMEs) often lack access to risk and venture capital. New types of venture funds — the so-called impact funds — aim to close this gap and provide equity to MSMEs that work in high-impact sectors. However, getting enterprises investment-ready presents an ongoing challenge, which, in turn, makes it difficult to actually deploy this capital. Additionally, although a number of IB incubators do exist, they are still insufficient in terms of quantity and quality to cater to the growing demands of the IB sector, especially in rural areas and in the early-development stages of the business cycle. The creation of an online incubation platform can address this need.

Example: StartupWave in India

Overview	
Type	Capacity development
Complexity	High
Expertise	High
Cost	€€€
Time frame	36 months
Phase:	Start

TOOL IN BRIEF

StartupWave is a virtual incubation platform that has been created as a market infrastructure for the Indian start-up incubation ecosystem. The platform is co-funded by GIZ, the UK Department for International Development (DFID) and an India-based consultancy focused on IB models. The collaborative platform launched in April 2014, aims to 'democratise incubation' and is a one-stop service, providing a blend of virtual and in-person support to take start-up enterprises with inclusive business models from the idea to the investment stage. This platform has been designed in consultation with and is being used by incubators, corporates, funds and start-ups.

TOOL OBJECTIVE

StartupWave was developed to:

- provide virtual pre-incubation and incubation support to enterprises with IB models, such that they can move towards a state of investment-readiness;
- increase the efficacy and capacity of physical incubators by improving the quality of enterprises ready for incubation;
- create viable, investment-worthy enterprises;

- design and show proof of concept of an effective IB incubation model that can be replicated by others in India and around the world;
- create a vibrant entrepreneurial community with access to curated content and business linkages.

TARGET GROUP

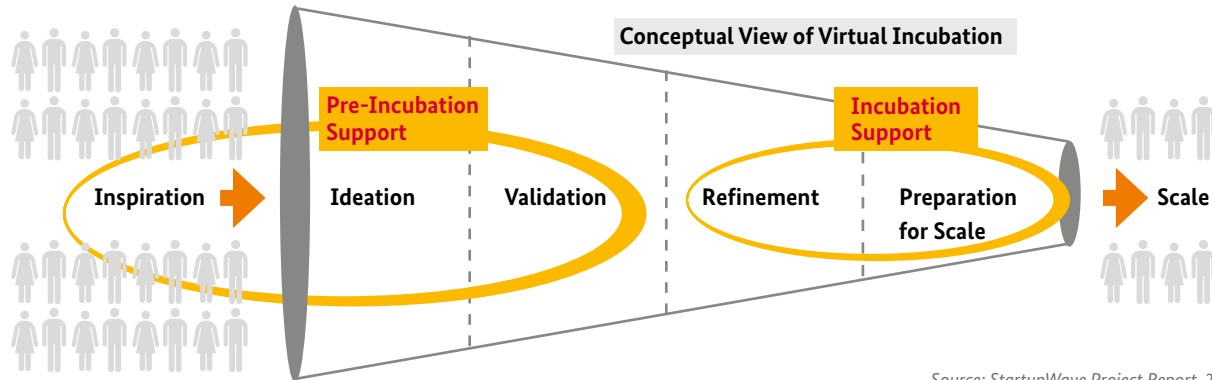
The primary target groups for the tool were start-ups and early-stage enterprises with IB models that seek expertise from growth-stage entrepreneurs, investors and subject-matter experts to validate their business model ideas.

TOOL DESCRIPTION

StartupWave was designed to provide both pre-incubation and incubation support to enterprises. The pre-incubation services are designed for idea- to pilot-stage start-ups working through the inspiration, ideation and validation processes involved in developing an IB model. Anyone with a business idea can access these services free of charge after registration. The incubation support services target enterprises at the IB model refinement stage, as well as those preparing to scale their concept (see Figure 1).

StartupWave was conceived in 2012 and, once an agreement was reached between the project partners (GIZ, DFID and an Indian consultancy), project development began in September of that year. The first phase of the project was to undertake a **feasibility study** and develop recommendations for the platform in order to validate and refine the proposition. This work was undertaken by the local consultancy with strategic inputs from GIZ and DFID as providers of grant funding to the project.

Figure 1: A conceptual view of virtual incubation services and the phasing of enterprise development



Source: StartupWave Project Report, 2014

Once this initial scoping work for the platform was complete, the second phase of the project began in October 2013. This phase involved the **development of the pre-incubation part of the platform**, testing the platform prior to launch and piloting it with enterprises and partners. The first activity in this phase was thus a brainstorming session to consult on the proposed services to be provided in the pre-incubation phase. A range of stakeholders participated, including enterprise and investor networks. Following this consultation, the website's content was finalised and comprises:

- a 'Startup Garage' containing short videos presented by experts on specific topics related to IB model creation as well as implementation resources like policies and templates that support these videos;
- an 'Opportunities' page that displays IB-related event and funding announcements, which can be filtered by sector, region and date;
- an online course based around the Business Model Canvas method for building a business model;
- business model evaluation services that can be used once the business plan has been completed using the online course;
- the Standardised Incubators' Pitch, a single application form that allows entrepreneurs to apply for incubation services from multiple incubators;
- a matchmaking facility for enterprises and different incubators.

In parallel with the identification of key services, the project team worked to identify the key users of the platform, including enterprises, mentors and incubators. Thereafter, the focus was on **building the platform**. This included identifying and testing platform-user workflows during the pre-incubation phase and mapping the services related to each step of the user's progress through the platform. At the same time, user dashboards and controls were designed and created for the different categories of user (entrepreneur, incubator and mentor), and content

was developed for the different services. The platform was built by December 2013 and then tested over a period of one month at the beginning of 2014.

The project team conducted **two roundtables**: one in January 2014 and the other in February 2014. The participants of these sessions were incubators, fund managers, donor institutions and entrepreneur groups. Both these sessions were essential for informing users about the new features that had been added and for assessing how usable the entrepreneurs, evaluation committee and incubators found the dashboard and how it helped improve their workflows. These sessions also helped in 'onboarding' (i.e. inculcating the necessary knowledge, skills and behaviours in) first-time users and getting feedback. Parallel to platform development and testing, from November 2013 to January 2014, the project delivery partner conducted two onboarding meetings with prospective stakeholders to encourage participation in the platform and, from January 2014, it began offering demos via Skype and then gathering immediate feedback with the aim of getting demo participants to buy into the concept and improve the product.

StartupWave was formally launched at the Sankalp Forum, a major global gathering of IB model and impact investment stakeholders. A video was made for **the launch** and for general marketing purposes to introduce diverse stakeholders to the platform and its content and services. StartupWave is currently piloting the platform's pre-incubation services with 250 enterprises. Any entrepreneur can sign up to become a member of StartupWave. Moreover, to ensure the sustainability of the virtual incubator, a financing structure has been developed based on membership fees for certain kinds of organisations (e.g. corporations, donors, foundations and service providers).



PROJECT SET-UP

StartupWave was conceptualised, seeded and launched as an integrated Development Partnership with the Private Sector (iDPP)¹³ by GIZ, on behalf of the German Ministry of Economic Cooperation and Development (BMZ), and a local consultancy. Additional funding came from the UK's Department for International Development (DFID) in India.

TASKS AND TIMELINE

The overall project timeline was divided into two phases spread over a three-year period. The first stage focused on the feasibility study and ran from 2012 to 2013; the second stage culminated in piloting the final product with target enterprises and ran from 2013 to 2015.

Work plan tasks (in months and years)	Y1		Y2								Y3
	M1	M2 – M12	M1	M2	M3	M4	M5	M6	M7	M8 – M12	M13
Project inception											
Validation											
Development of platform and pre-incubation services											
Identification of key services											
Workshop delivery											
Identification of key users											
Building of the platform											
Platform testing											
Roundtables											
Demos											
Launch of pilot											
Piloting											

¹³ Integrated Development Partnerships with the Private Sector (iDPPs) federate development cooperation with companies. iDPPs are implemented within the context of GIZ projects and directly contribute to its stated goals like, for example, the improvement of rural energy services. iDPPs are of particular interest to companies wishing to carry out a pilot project in a specific country or to test their business ideas in a new market.



COSTS

StartupWave was financed through an iDPP. The budget included: consultant staff time to manage the implementation of the project; IT systems development; travel, venue and catering costs for the consultation workshops and roundtables; and marketing and communications costs, including the production of the promotional video. DFID provided additional funds not included below. GIZ only supported the development until the end of the pre-incubation phase.

Items
Consulting services: 500 person days
IT systems development
Venue for consultation workshops
Catering for consultation workshops
Travel expenses for consultation workshops
Marketing and communications

RESULTS AND LEGACY

The project has been successful in achieving its primary objective of creating the country's first shared infrastructure for IB incubators and start-ups and its first virtual pre-incubation platform. The key achievements identified in late 2014 are that:

- 250 entrepreneurs are receiving pre-incubation support through the platform;
- 25 incubator partners have joined StartupWave to access the high-quality, incubation-ready pipeline;
- 23 evaluation committee members (mentors) with sector expertise in different areas are validating the business models of ideation-stage enterprises;
- 14% of the total number of enterprises involved are led by women entrepreneurs;
- more than 7,000 people engaged with StartupWave's social media activities;
- at least 100 enterprises have been supported through the virtual incubator and thus graduated from the pre-incubation stage to incubation stage;
- at least five partnerships with key institutions have been established to provide content (e.g. webinars, video sessions, etc.).

Discussions are currently underway to replicate the success of StartupWave in other locations and regions, including in East Africa. DFID continues to fund the development of the incubation phase.

SUCCESS FACTORS AND LESSONS LEARNED

A number of factors contributed to the smooth running of the project:

- Solid partnerships with a range of incubators are vital for building a vibrant and self-sustaining platform, especially in its early stages. With time, the dependence on partners can be reduced.
- Mentors are crucial to the platform as they enable improvements in ideation and the refinement of the Business Model Canvas. However, a time lag between document submission and mentor evaluation can act as an obstacle to scaling the process. As such, it is necessary to increase the number of mentors engaged in the project to ensure enterprises move more quickly through their incubation journey.
- Continuous marketing is needed with entrepreneurial networks and via social media channels to ensure that the three-person team at the consultancy (working part time) managing the platform is able to organically bring new enterprises on board.
- There is a need to incentivise entrepreneur progress and continuously motivate platform users to deter them from dropping out.
- Greater interaction among the enterprises is needed to foster learning.
- Sector-specific content is useful to tailor resources and support to the needs of enterprises.

FURTHER INFORMATION AND GIZ CONTACT

The StartupWave Virtual Incubation Platform is available online at: www.startupwave.co

A short online video about StartupWave can be viewed at: vimeo.com/91907045

Details of the project are available on the GIZ website at: www.giz.de/en/worldwide/25158.html

For further information on StartupWave, contact the bilateral programme Private Sector Development, India.

Policy





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

Example: International Benchmark Study on Inclusive Business in Morocco

Overview

Type	Policy
Complexity	Medium
Expertise	Medium
Cost	€€
Time frame	6 months
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 audiences for the study were 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 audiences for the study were 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** (see Box 5) – 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; and learning, challenges and opportunities.

- **Recommendations for Morocco** — The final chapter of the report provided: conclusions on different policy measure options that correspond to different stages of market development (market creation, market growth and market 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.

Box 5: 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 (ICE)
India	Education	International training programme on inclusive business

Source: Schreck, 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 Endeava's Inclusive Business Policies — How governments can engage businesses in meeting development goals (2013). Available at:

<http://www.enterprise-development.org/download.ashx?id=2297>

For more information or to request copies of the above-mentioned documents, contact:

- the sector project 'Innovative Approaches for Private Sector Development';
- the Sustainable Economic Development Programme, Morocco.

References

Publications

Endeva (2013), Inclusive Business Policies — How governments can engage businesses in meeting development goals. Available at:

<http://www.enterprise-development.org/download.ashx?id=2297>

G20 (2012), G20 Challenge on Inclusive Business Innovation. Available at:

<http://www.g20challenge.com/wp-content/uploads/2012/02/G20-Challenge-on-Inclusive-Business-Innovation.pdf>

GIZ and UNGCN Namibia (2012), CSR for Entrepreneurs — A handbook for innovative start-ups, committed SMEs and driven intrapreneurs. Available at:

http://issuu.com/nbicnamibia/docs/csr_for_entrepreneurs

GIZ (2012), Enablers for Change — A Market Landscape of the Indian Social Enterprise Ecosystem. Available at: <http://www.giz.de/en/downloads/giz2012-enablers-for-change-india-en.pdf>

GIZ (2012), Responsible Finance — A Catalyst for Responsible Business. International and Indian Trends and Changes in Responsible Finance. Available at: <http://www.giz.de/en/downloads/giz-2012-responsible-finance-en.pdf>

GIZ (2012), SELCO Incubation Centre — Energising Rural Energy Entrepreneurs. Available at: http://www.igen-re.in/files/flyer_-_selco_incubation_centre.pdf

GIZ (2013), Inclusive business models — Options for support through PSD programmes. Written on behalf of the German Federal Ministry for Economic Cooperation and Development's Division Economic Policy, Financial Sector. Available at: <http://www.enterprise-development.org/page/download?id=2211>

GIZ (2014), Incubate, Invest, Impact — Building and Investing in High-Impact Enterprises for Empowering Women and Girls: An action plan for gender lens incubation and investing. Available at: <http://www2.gtz.de/wbf/4tDx9kw63gma/Incubate%20Invest%20Impact%20Report%20Reduced%20version.pdf>

GIZ and BMZ (2011), Promoting inclusive business models for sustainable development — Experiences of German development cooperation. Available at: <http://www.giz.de/Wirtschaft/de/downloads/giz2011-en-sustainable-development-business-model.pdf>

IFC and WRI (2007), The Next 4 Billion — Market Size and Business Strategy at the Base of the Pyramid. Available at: http://www.ifc.org/wps/wcm/connect/3c2787004c-c75e6094d7b59ec86113d5/Pub_009_The%2BNext%2B4%2BBillion.pdf?MOD=AJPERES

IFC (2011), Accelerating Inclusive Business Opportunities — Business Models that Make a Difference. Available at: <http://www.ifc.org/wps/wcm/connect/12216300487cbe85bbddf-f51e3a7223f/InclusiveBusinessReport2011.pdf?MOD=AJPERES>

Intellectap (2015), De-mystifying Impact Investing — An Entrepreneurs' Guide. Available at: <http://www.giz.de/en/downloads/giz2015-en-mystifying-impact-investing-india.pdf>

Intellectap (2014), INVEST. CATALYZE. MAINSTREAM. The Indian Impact Investing Story. Available at: http://www.intellectap.com/sites/default/files/publications/IIIR_Final%20report_May6_low_res.pdf

IFC (2012), Policy Note on the Business Environment for Inclusive Business Models. Available at: http://www.g20challenge.com/wp-content/uploads/2012/06/G20_Challenge_on_Inclusive_Business_Innovation_policy_note.pdf

Namibia Business Innovation Centre (n.d.), The NBIC Entrepreneurship & Incubation Handbook — The complete practitioner's handbook to start-up support programmes offered by the Namibia Business Innovation Centre. Available at: <http://issuu.com/nbicnamibia/docs/entrepreneurship>

Namibia Business Innovation Centre (2012), Uncommon Business. Available at: <http://issuu.com/nbicnamibia/docs/nbicnamibia>

Safaricom (2014), Safaricom Limited Annual Report 2014. Available at: http://www.safaricom.co.ke/images/Downloads/Resources_Downloads/annual_report-2014.pdf

Videos

A short video outlining the inclusive business concept can be viewed at: www.giz.de/inclusive-business

A short video about StartupWave can be viewed at: <http://vimeo.com/91907045>

A short video summary of the Farm to Fork Conference in Cairo is available at: <https://www.youtube.com/watch?v=S-dVFs4JDH0c>

Weblinks

Aarohan Ventures:

<http://aarohanventures.com/giz-aarohan/>

Cairo Sustainable Business Circle LinkedIn Group:

<https://www.linkedin.com/groups/Cairo-Sustainable-Business-Circle-5041462/about>

G20 Challenge portal: <http://www.g20challenge.com/>

G20 workshop reports and programmes at:

<http://www.g20challenge.com/about-the-workshops/>

Global Impact Investing Network: www.thegiin.org

GIZ inclusive business resources:

www.giz.de/inclusive-business

Inclusive Business Action Network:

<https://www.ib-action-network.net/home.html>

JITA Bangladesh: <http://www.jitabangladesh.com/>

Promigas Brilla Programme:

http://www.promigas.com/wps/wcm/connect/web_content/NeoPromigas/English/Portafolio/Non-bank+financing+with+Brilla/

Responsible Inclusive Business Hub (RIBH) Middle East and North Africa (MENA) at: http://issuu.com/ice_ribh

Facebook page for RIBH MENA:

<https://www.facebook.com/media/set/?set=a.637414613017241.1073741844.533797463378957&type=3>

SELCO Incubation Centre, India:

<http://www.selcoincubation.org>

StartupWave — Virtual Incubation for Startups platform:

<http://www.startupwave.co/beta/>

Published by
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Registered offices
Bonn and Eschborn, Germany

Friedrich-Ebert-Allee 40	Dag-Hammarskjöld-Weg 1-5
53113 Bonn	65760 Eschborn
Tel. +49 228 44 60-0	Tel. +49 6196 79-0
Fax +49 228 4460-17 66	Fax +49 6196 79-11 15

info@giz.de
www.giz.de

Edited by
Sector Project Innovative Approaches for Private Sector Development
Sector Project Private Sector Cooperation / Responsible Business Conduct

Authors
Katherine Miles in collaboration with Andrea Donath, Diana Hollmann,
Lucie Kirstein, Alexandra Oppermann, Lisa Peterskovsky and Mariella Regh

Design and layout
Iris Christmann, Wiesbaden (cmuk)

Printed by
Druckriegel GmbH, Frankfurt
Printed on FSC-certified paper

Photo credits
GIZ/Lucie Kirstein (pp. 9, 13, 15, 17, 18, 2428, 31, 33, 36, 40, 45, 48, 51, 52, 56);
GIZ/Dirk Ostermeier (p.43); GIZ/Lisa Peterskovsky (pp.14, 21, 22);
GIZ/Mariella Regh (pp.6, 37, 44); GIZ India (p. 26); GIZ/RIBH MENA (pp.35, 39);
GIZ/ Sector Project Innovative Approaches for Private Sector Development,
G20 Inclusive Business Workshop (pp. 29, 55)

As at
August 2015

GIZ is responsible for the content of this publication.

On behalf of
Federal Ministry for Economic Cooperation and Development (BMZ)
Division Economic Policy; Financial Sector

Addresses of the BMZ offices	
BMZ Bonn	BMZ Berlin
Dahlmannstrasse 4	Stresemannstrasse 94
53113 Bonn	10963 Berlin
Germany	Germany
Tel. +49 (0) 228 99 535 – 0	Tel. +49 (0) 30 18 535 – 0
Fax +49 (0) 228 99 535 – 3500	Fax +49 (0) 30 18 535 – 2501

poststelle@bmz.bund.de
www.bmz.de

