

INCLUSIVE BUSINESS

KNOWLEDGE SHARING TEMPLATE

The aim of this template is to collect experiences, projects, policies or initiatives at local, country and regional level related to the promotion of Inclusive Business.

1. General Information
1.1. G20 Country
Brazil
1.2. Project / Initiative / Policy name/title:
“InovAtiva de Impacto”
1.3. General objective
“InovAtiva de Impacto” aims to build capacity, provide mentorship and connect impact enterprises with potential investors.
1.4. Expected results <i>(output-level: number of BoP engaged, jobs created, services delivered, etc.)</i>
Thirty enterprises trained per year.
1.5. Intended impact <i>(outcome-level: income generated or increased, health/education/housing improved, etc.)</i>
<p>Entrepreneurs interested in participating can access all training material and submit projects. The best projects are then selected for the online and face-to-face phases of the program, and mentorship and individual service with consultants and executives are provided to the company to prepare for business model structuring, pitching to investors and tapping public resources for promotion.</p> <p>The intensive use of technology allows the training content to be freely replicated for anyone with internet access. Technology also allows the program to put high-level mentors (successful entrepreneurs, big companies’ executives, investors and consultants) at the disposal of entrepreneurs, either through Skype, Google Hangout or any other contact channel.</p> <p>Entrepreneurs are expected to developed businesses in the following areas:</p> <ul style="list-style-type: none"> - Education; health and well-being; environment and climate change; fight against inequality and hunger; job creation, income and economic growth; Housing; clean water and sanitation; peace, justice and institution-building; promotion of gender and racial equality; citizenship, culture, leisure and accessibility; access to clean energy; industry, innovation and infrastructure; cities and sustainable communities; sustainable production and consumption; rehabilitation of former drug addicts and

convicts; access to financial services; partnerships, intermediary institutions and means of implementation; logistical services.

2. Legal framework

2.1. Does the Project / Initiative / Policy have an associated regulatory or legal framework?

“InovAtiva de Impacto” is included in the ‘Investment and Impact Enterprises National Strategy’, created by Decree n. 9,244, from December 7, 2017.

3. Implementation

3.1. Implementation level

- Domestic
 Support of developing and low-income countries (international cooperation)

3.2. Implementing agency (including link)

The program is conducted jointly by the Ministry of Industry, Foreign Trade and Services (MDIC) and Brazil’s Micro and Small Business Support Service (SEBRAE) and is executed by Certi Foundation.

<http://www.mdic.gov.br/>

<https://www.certi.org.br/>

<http://www.sebrae.com.br/sites/PortalSebrae>

3.3. **Direct target group** (MNCs, medium or large international or domestic company, SMEs, women, youth, rural/urban communities etc.)

Entrepreneurs who own or intend to own impact enterprises, as well as those that wish to become familiar with or broaden their knowledge about ‘impact enterprises’ and ‘social finances’. Applications for the program are open twice a year, in the beginning of every semester, according to the timetable and the rules of the program’s public notice.

3.4. **Indirect target group** (SMEs, women, youth, rural/urban communities, etc.)

One of the program’s strengths is the mentor’s network. 700 mentors take part in “InovAtiva Brasil” and 20 in “InovAtiva de Impacto”. They are renowned professional and experts, with distinct performances. Even though the mentorship is unpaid; the possibility of networking with startups with high economic potential has attracted a network of distinguished mentors. There is a rigorous matching process between mentor and startup, as we seek to meet the demands of the enterprise, the mentor’s specialty and the startup’s business area.

3.5. **Nº of countries involved** (if project is Regional/Global)

3.5.1. City, Country, Region 1:

3.5.2. City, Country, Region 2:

3.5.3. City, Country, Region 3:

3.5.4. City, Country, Region 4:

3.5.5. City, Country, Region 5:

3.6. Project status		3.7. Duration (mm/yyyy – mm/yyyy)	
<input type="checkbox"/> Under design <input checked="" type="checkbox"/> In progress <input type="checkbox"/> Completed		Ongoing, with undetermined finish date. At least one annual call for projects is expected. Five capacity-building cycles have been conducted since 2016.	
3.8. Brief description of the link with the BoP <i>How does the project / initiative / policy include the BoP? How does it benefit the BoP? How does it define the BoP and its role?</i>		3.9. Role of the BoP	
<p>In our point of view, Impact Investment is a means of achieving inclusive business. It has the potential to leverage investments that seek a social, environmental and a financial return, contributing to the achievement of the major objectives of inclusive business. In spite of minor conceptual differences, both Impact Investment and Inclusive Business represent a multitude of opportunities for generating positive synergies that enhance the standard of living for individuals living or producing at the base of the pyramid.</p>		<input checked="" type="checkbox"/> BoP as customer <input checked="" type="checkbox"/> BoP as distributor <input checked="" type="checkbox"/> BoP as retailer <input checked="" type="checkbox"/> BoP as supplier	
3.10. Sector (more than one answer possible)			
<input checked="" type="checkbox"/> Agriculture or Food <input checked="" type="checkbox"/> Energy <input checked="" type="checkbox"/> Health <input checked="" type="checkbox"/> Education <input checked="" type="checkbox"/> Water, Sanitation <input checked="" type="checkbox"/> Waste Management <input checked="" type="checkbox"/> Housing or Construction		<input checked="" type="checkbox"/> Retail, Manufacturing or Consumer Goods <input checked="" type="checkbox"/> Information Communications Technology (ICT) <input checked="" type="checkbox"/> Financial Services <input checked="" type="checkbox"/> Tourism <input type="checkbox"/> Cross-sectoral <input type="checkbox"/> Other: _____	
3.11. Topic (more than one answer possible) (* See Annex for definitions)			
<input checked="" type="checkbox"/> Inclusive business models and strategy <input checked="" type="checkbox"/> Scale <input checked="" type="checkbox"/> Policy and government <input checked="" type="checkbox"/> Finance for inclusive business <input checked="" type="checkbox"/> Corporates in inclusive business <input checked="" type="checkbox"/> Partnerships <input checked="" type="checkbox"/> Environmental impact <input checked="" type="checkbox"/> Gender		<input checked="" type="checkbox"/> Results measurement and impact <input type="checkbox"/> "What is IB?" <input checked="" type="checkbox"/> Innovation <input checked="" type="checkbox"/> Digitalization <input checked="" type="checkbox"/> Capacity building <input checked="" type="checkbox"/> Data <input checked="" type="checkbox"/> Impact investing <input type="checkbox"/> Other: _____	

3.12. Main area of intervention / Type of support provided <i>(What is the project's/initiative's/policy's focus regarding the main challenges faced by inclusive businesses -more than one answer is possible-)</i>	
<input type="checkbox"/> Financial resources <input type="checkbox"/> Rules and regulations <input checked="" type="checkbox"/> Information <input checked="" type="checkbox"/> Capacity	
4. Funding	
4.1. Origin <i>(more than one answer possible)</i>	
<input checked="" type="checkbox"/> Government / State-owned enterprise <input type="checkbox"/> Multilateral Development Banks (MDBs) or Development Financial Institutions (DFI) <input type="checkbox"/> International Organisations (IOs) <input type="checkbox"/> NGO / Foundation <input type="checkbox"/> Private sector <i>(impact investment fund, private equity fund, venture capital fund, commercial bank, corporation, etc.)</i> <input type="checkbox"/> Other: _____	
4.2. Brief description of funding / contributions <i>(e.g. name of funding institution, type of financing instrument, etc.)</i>	
The program's budget is included in the budget of the Ministry of Industry, Foreign Trade and Services (MDIC).	
4.3. Available funds <i>(optional)</i>	
4.4. Value of project	
R\$ 160,000.00 per year	
4.5. Description of financing/procurement process	
The program is conducted jointly by MDIC and Sebrae and executed by Certi Foundation. There is no financing or loans for the startups selected. "Inovativa de Impacto" is a capacity-building program which prepares startups for different tasks, including for pitching investors interested in impact enterprises. This is one of the program's major goals. From this point onwards, it is for entrepreneurs and investors to decide if and how the investment will be made.	

5. Monitoring and Evaluation

5.1.1. Does the project / initiative / policy involve a monitoring process?	5.2.1. Does the project / initiative / policy involve an evaluation process?
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5.1.2. Brief description	5.2.2. Brief description <i>(specify type of evaluation - process, outcome, impact – and methodology)</i>
<p>Monitoring is conducted by MDIC and involves tracking contacts between mentor and entrepreneurs. Moreover, deliverables are closely followed during distance-learning courses.</p>	<p>Biannual surveys are carried out by an independent company hired by Sebrae.</p> <p>Quantitative methods are used, employing telephone (recorded interviews) and online surveys with “InovAtiva” participant companies.</p> <p>The margin of error is around 5%, for a confidence interval of 95% - general results.</p>
5.1.3. Lessons learned and results <i>(if applicable)</i>	5.2.3. Lessons learned and results <i>(if applicable)</i>
<p>The mentors’ network and the online platform for tracking entrepreneurs are fundamental for the program’s success.</p>	<p>Even though participant enterprises operate in a considerable number of business segments, 54% of them are in ICT and software, which shows digital businesses’ prominence among startups. Considering the dynamism and uncertainty prevalent for startups, it is noticeable that enterprises accelerated by “Inovativa” display a mere 15% rate of failure.</p>
6. Contact Information	
6.1. Contact Information <i>(if there is a website of the project/policy/initiative, please include it)</i>	
<p>Lucas Ramalho Maciel – lucas.maciell@mdic.gov.br</p>	
7. Supporting material	
<i>Please provide links to or upload any further supporting materials, including: newspaper articles, case studies, toolkits, photographs, and any other relevant materials to help illustrate the project</i>	
<p>https://www.inovativabrasil.com.br/</p>	

ANNEX

BoP as customer: business models that reach low-income consumers (products, services that target low-income consumers).

BoP as distributor: business models that reach low-income distributors (distribution, awareness, market building).

BoP as supplier: business models that engage source products from low-income workers and suppliers

BoP as retailer: business models that sell goods to the consumer, e.g. at the BoP

Capacity building: Lessons learned from capacity building programmes.

Corporates in inclusive business: corporate business models that engage the BoP.

Digitalisation: impact of digitalisation on business and society.

Data: Data and inclusive business. Data and the BoP.

Environmental impact: inclusive business models that mitigate or adapt to climate change.

Finance for inclusive business: finance for inclusive business, e.g. impact investing, accessing funding.

Gender: economic empowerment of women, gender issues.

Impact investing: publications from impact investors and about impact investing in general.

Inclusive business: Inclusive businesses provide goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people living at the base of the economic pyramid (BOP) making them part of the value chain of companies' core business as suppliers, distributors, retailers, or customers. In addition to these commercially inclusive activities, businesses may also pursue broader socially inclusive goals. Inclusive business should promote sustainable development in all its dimensions – economic, social and environmental.

Inclusive business models and strategy: business-planning tools, assessment of models.

Innovation: Innovative business models, importance of innovation and how to be innovative.

Partnerships: business-to-business, business to government, or business to NGO partnerships within inclusive business models.

Policy and government: policy issues and ecosystem for IB; resources from or for donors and policymakers; policy recommendations.

Results measurement and impact: approaches to measurement of results, findings on results of inclusive businesses.

Scale: strategies for scale.

“What is IB?” : introductory literature on IB, discourse papers that define IB.