



SEED Initiative

supporting entrepreneurs for sustainable development

Founding Partners



Communities using rechargeable portable LED lights from Nuru Energy, 2013 SEED Low Carbon Award Winner

SEED Symposium 2013: Summary Report

Green Entrepreneurship: Local Solutions that Make a Difference

Topline messages for policy makers

Small, micro and medium sized enterprises (SMMEs) that set out to provide social, environmental and economic benefits are key to unlocking and accelerating the transition to green and inclusive economies. To do so they urgently require:

- flexible financial instruments and products that recognise social and environmental impacts and accommodate hybrid not-for-profit/for-profit enterprises;
- support services focused on soft skills (community engagement, participatory decision-making, partnership management), and hard skills (business planning, legal support);
- internationally recognised certification schemes and reporting formats that include social and environmental targets in order to raise public awareness and drive investment.

Introduction

On 31st October 2013, 170 representatives from business, academia, international organisations and civil society convened at the UN Environment Programme (UNEP) headquarters in Nairobi for the SEED Symposium and International Awards Ceremony. Organised under the framework of the Global South-South Development Expo, the SEED Symposium focused on green and social entrepreneurship solutions to accelerate the transition to a green economy and sustainable development.

The SEED Awards recognise promising innovative social and environmental start-up enterprises working at the grassroots. Winners were celebrated at the International Awards Ceremony, sponsored by the SEED Corporate Partner Hisense, receiving their certificates from **Achim Steiner, UN Under-Secretary-General and UNEP Executive Director**. The prize consists of a package of individually tailored support for their businesses, access to other supporting institutions and technical assistance, and a financial contribution of US\$ 5,000.

This report provides a summary of the key messages to have emerged from the Symposium and a dedicated 2-day workshop for the SEED Winners held immediately afterwards.

1 Driving the transition to green economies

The SEED Awards for Entrepreneurship in Sustainable Development is an annual awards scheme designed to find the most promising, innovative and locally led start-up social and environmental enterprises in countries with developing and emerging economies. Achim Steiner underlined how the SEED Awards provide a key opportunity to recognise the power of the grassroots entrepreneurial spirit and innovation the world over; 'reinventing our economies with sustainable development as a truly new paradigm is what the SEED Winners are doing. The Winners have walked a long journey and should be shining examples for many others to have the courage to do the same'. For more information: <http://www.seedinit.org/awards/about.html>



2013 SEED Winners

1. SMMEs: Drivers of a transition to green and inclusive economies?

Since the 2012 UN Conference on Sustainable Development – Rio+20 –, governments, financial institutions and UN agencies have committed to ‘inclusive green economies’. Yet within the international development community, there is a startling lack of evidence of what inclusive green economies look like, and who or what is included.

For **Achim Steiner**, a substantial part of the answer lies with SMMEs. He described how the assumption underpinning our economic model for the last forty years has been ‘bigger equals better’. This notion has not only concentrated resources into the hands of a small collection of multinational corporations but it has contributed to environmental degradation as centres and modes of production have become remote from communities and rural areas. Now, the opportunity of a green economy is to support more resource-efficient economic growth while aiming to ensure that it will be distributed more equitably by empowering smaller enterprises and innovators.

2 EcoPost: From trash to cash

Four years ago, Lorna Rutto left her job in a bank to become a social and environmental entrepreneur and tackle some of Kenya’s most pressing challenges including youth unemployment and mass deforestation. Lorna established EcoPost which recycles unwanted plastic waste discarded on the streets of the city into new products including fencing posts and building planks. The products are 100 % recycled and for every 25 fencing posts sold, a fully matured Red Cedar Tree is saved. EcoPost generates new jobs, mainly for youth and women, who collect, sort, and clean plastic waste for reselling. Since winning a SEED Award in 2010 EcoPost has continued to flourish. Lorna stressed that capacity building and technical support, like that received from SEED, was critical for improving the operational organisation of the enterprise, helping to price their products to be more competitive, and advising on potential supporting institutions. For more information: www.seedinit.org/awards/all/ecopost-fencing-posts-from-recycled-postconsumer-waste-plastic.html



Achim Steiner, UN Under-Secretary-General and UNEP Executive Director.

Helen Marquard, Executive Director of the SEED Initiative, emphasised that SMMEs are not only a major source of jobs and livelihoods but that triple bottom line SMMEs are sensitive to environmental and social challenges because they have their roots in communities. As such, they are much better equipped than their larger counterparts to solve local problems appropriately and adapt quickly to new challenges.

For the keynote speaker, **Martha Isabel Ruiz Corzo**, a Community Based Conservation Advocate and a UNEP Champion of the Earth, inclusive green economies are not an abstract vision. Her pioneering work with communities in the Sierra Gorda Biosphere Reserve in Mexico has proven the power of local entrepreneurship as a means of protecting the environment and improving lives. For Martha Corzo, successful economies are not those that generate excessive profit, but are those that help to keep water resources clean, skies unpolluted, forests flourishing and communities healthy.

2. The finance gap

The challenge?

Participants at the 2013 Symposium agreed that access to finance is one of the most critical challenges facing social and environmental enterprises. **Evans Wadongo, Chairman and Executive Director of Sustainable Development For All-Kenya (S.D.F.A-Kenya) – Use Solar** and 2011 SEED Winner, recalled that despite millions of dollars dedicated to official development cooperation very little money trickles down to the village level. **Ashley Olson, Innovation Portfolio Manager for Africa, Root Capital** emphasised that many such SMMEs find themselves in a finance gap, whereby they are too large or advanced for microfinance sources and yet not sufficiently established, or lack the collateral or track records, for larger bank loans. A major issue is that investors and financial institutions do not know how to quantify or reward social and environmental impacts of an enterprise and, as a result, financial return remains the sole measure of success.

Participants observed that the financial challenge is not restricted to the availability of financing. For example, **Aliya Anjarwalla, Senior SME Advisor from Global Village Energy Partnership (GVEP)** described how many small and young businesses struggle to absorb investment because their management systems, knowledge and accounting standards are still rudimentary.



Solution Forum: "Financing green and social entrepreneurship" with Aliya Anjarwalla, Ashley Olson, Rainer Agster, Laure Bitetera Kananura and Emma Caddy

The solution?

A growing number of funding institutions provide more flexible loans and investment packages to help to bridge the finance gap for SMMEs. **Laure Bitetera Kananura, National Coordinator**, described how the **GEF Small Grants Programme in Rwanda** is supporting a strong cooperative movement by convening credit and savings groups and promoting access to microfinance opportunities. Institutions such as GVEP, UNDP's African Facility for Inclusive Markets (AFIM) (Box 3) and some national venture capitalists also tend to be flexible and receptive to social and environmental SMME objectives. However, these relatively isolated programmes are not sufficient, and financial institutions should be encouraged to diversify their portfolios, develop ways of accommodating hybrid not-for-profit/for-profit enterprises, and provide funding from the start-up to the established stages of enterprise development.

When looking for financial support or investment, social and environmental enterprises themselves need to consider the profile of different investors to understand at what scale they operate, whether they share a similar agenda, and what they require in return. **Aliya Anjarwalla** advised entrepreneurs to tailor their pitches to institutions and to seek out those that share the same objectives. She also advised start-ups not to apply too early because they would be unlikely to be able to absorb the grant or the loan, which in turn can create a negative track record for future bids. **Emma Caddy**, from the **Environmental Resources Management (ERM) Foundation Low Carbon Enterprise Fund**, noted that entrepreneurs must be careful not to overpromise, be clear about what is being delivered, and to contact investors with their questions as well as their propositions.

Key messages for policy and decision makers

The transition to a green economy will be accelerated if:

1. Financial institutions, investors and donors:
 - introduce more flexible financial instruments and products that recognise social and environmental impacts and accommodate hybrid not-for-profit/for-profit enterprises
 - provide early stage funding to social and environmental enterprises that have proof of concept and are looking to scale up to become established small and medium sized businesses.
2. Central, regional and multilateral banks introduce mechanisms to guarantee loans to SMMEs to help reduce the risk level. For example, AfDB and the government of Rwanda have mechanisms for guaranteeing loans to women and young people.
3. Governments and other institutions disseminate widely clear information about the types of financial support they offer to SMMEs, including social and environmental enterprises, encourage entrepreneurs to approach them at an early stage, and work with them to develop their funding applications.

3 African Facility for Inclusive Markets

The African Facility for Inclusive Markets (AFIM) is UNDP's regional Private Sector and Inclusive Market Development Programme in Africa. AFIM provides catalytic funding to value chain development initiatives in the agribusiness/agro-industries sectors. The funds are used to stimulate cross-border and regional value-chain projects to incentivise investment and collaboration between public and private sector actors; strengthen existing value chain projects; support the capacity of regional institutions to strengthen regional agri-food value chains; and unlock agribusiness investment opportunities. For more information: www.undp.org



Solution Forum: "Capacity building for social and environmental entrepreneurs" with Edward Mungai, John Logan, Dr Wilber Lwande, Helen Marquard, Mpoko Bokanga and Zainab Bachoo



Helen Marquard, Executive Director SEED Initiative and Lorna Rutto, CEO – EcoPost (SEED Winner 2010)



Plenary panel discussion with: Moustapha Kamal Gueye, Martha Isabel Ruiz Corzo, Helen Marquard, Tacko Ndiaye and Thomas Yatich

3. The skills shortage

The challenge?

Participants at the SEED Symposium stressed that launching and sustaining a small business requires new knowledge, capacity and skills. Different skills and partnerships are needed as a social and environmental enterprise grows.

John Logan, Country Director Technoserve in Kenya, underlined the importance of a social bottom line for an enterprise to tackle poverty. Microenterprises were a platform for growth. But major efforts were needed to build their capacity. Certification was key in positioning products and services offered by triple bottom line enterprises.

Other entrepreneurs struggle because of a limited understanding of how different products or services can be taken to market. **Mpoko Bokanga, UNIDO Representative to Kenya, Eritrea and South Sudan**, commented that many entrepreneurs do not know how to conduct detailed market research. **Wilber Lwande, Senior Scientist and Programme Leader, ICIPE Kenya (International Centre for Insect Physiology and Ecology)**, stressed that commercialising new products requires extensive Research and Development (R&D) that is usually beyond the scope of small entrepreneurs. Partnerships between research institutions and community groups were important, but often difficult to establish, to manage, and to consolidate.

From his experience, **Edward Mungai, Chief Executive Officer of the Climate Innovation Centre (CIC) in Kenya**, innovators are often not entrepreneurs. More than finance, they need help with business planning and developing a bankable model.

Zainab Bachoo, Senior Associate with the law firm Anjawalla & Khanna observed that 4 out of 5 start-ups fail in large part because entrepreneurs lack the legal expertise to manage governance issues, compliance, and contracts.

The solution?

In order for new enterprises to thrive they need actively to seek technical, legal and professional support from the outset. There are many initiatives and organisations that already try to fill the skills gap for entrepreneurs and new businesses. For example, as part of a joint partnership dating back to Rio 1992, UNIDO and UNEP have established a network of National Cleaner Production Centres (NCPCs) which are now active in 47 countries (also see Box 5). However, it is important that international capacity building organisations are complemented by local institutions that can support community and grassroots innovation. Kenya's CIC does this specifically through working with Community Based Organisations (CBOs) to develop their skills and build trust with new commercial partners.



Keynote speaker: Martha Isabel Ruiz Corzo, Community-Based Conservation Advocate Mexico – 2013 Champions of the Earth laureates

Key messages for policy and decision makers

The transition to a green economy will be accelerated if:

1. Institutions providing capacity building to social and environmental enterprises include a focus on organisational development, governance, communication skills, and financial literacy to accompany the financing of such SMMEs.
2. Investors provide technical assistance as well as funds to social and environmental SMMEs. For example, GVEP is helping entrepreneurs connect to research institutions to help them obtain proof of concept.
3. Governments and other capacity building institutions help to address the issue of legal advice, which is very important for the sustainability of an SMME, but hard to access and acquire. Legal support is needed from the very outset of an enterprise.
4. Governments and other institutions provide assistance with regulatory compliance, develop and promote standards and help enterprises to meet them, help to link small producers to large companies, and develop and promote the use of reporting frameworks tailored to social and environmental enterprises.

4 SustainTech: 2013 SEED Winner

Founded in 2009 in Tamil Nadu, India, SustainTech is a social enterprise which sells fuel efficient wood-burning stoves tailored to the needs and cooking habits of small-scale commercial cooks. The stoves require 40 % less firewood than conventional models whilst also helping to protect the health of their users. Sustain Tech works with financial institutions to provide flexible loans to make the stoves affordable for low income families. The social enterprise has sold 1,700 stoves in two and half years of operation and plans to expand to train more staff in manufacturing and sales.

For more information: <http://www.seedinit.org/awards/all/sustaintech.html>



Alex Zhu, President, Hisense Middle East Holdings Co. Ltd and Mounkaila Goumandakoye, Regional Director – UNEP Regional Office for Africa at the SEED International Award Ceremony



South-south exchange on triple bottom line solutions with Evans Wadongo, Séliatou Kayodé-Anglade, Helen Marquard, Lorna Rutto and Tomas Sales



2013 SEED Winners demonstrate their products and services in a "market-place"

4. Missing linkages

The challenge?

Participants at the SEED Symposium 2013 stressed that many social and environmental start-ups are isolated during the early stages of their development. There is a bewildering array of financial products and capacity building institutions and many young entrepreneurs find it difficult to identify relevant technical, legal or financial support. It is often not clear which support packages might be best for a particular enterprise, and the lack of join-up between institutions means there is no obvious road map for an entrepreneur needing new skills to build the business.

Edward Mungai emphasised that for a variety of reasons, including the protection of intellectual property, entrepreneurs can be reluctant to share their ideas at the early stages and CBOs can be suspicious of connecting with new research institutions.

5 TechnoServe: Connecting people with markets

TechnoServe is a non-profit organisation that helps small producers and business owners to build their capacity, gain access new markets and scale up their production. Established in the 1960s, today their work reaches 2.9 million people and they have helped farmers generate more income, ensured businesses make high returns, improved wages and generated new jobs. For more information: www.technoserve.org

The solution?

In the case of social and environmental enterprises, particularly those working in partnerships, the 'multiplier effect' is powerful. Enterprises and CBOs learn quickly from each other so opportunities to share working space, pool investment opportunities and exchange information are important. For example, in Kenya, a recently established micro and small enterprise authority has helped to connect private and public sector initiatives and provide a centralised space for information exchange. **John Logan** stressed that joint investment clubs, whereby entrepreneurs contribute a membership fee each month and then the club makes an investment, have proved a useful model for multiplying limited funding sources. Another valuable multiplier effect is achieved through the training of trainers.

Key messages for policy and decision makers

The transition to a green economy will be accelerated if:

1. Governments and other institutions play a more active role in convening, match-making and building networks, recognising that social and environmental enterprises have different support and financing needs according to their stage of development.
2. Specifically, governments and other institutions link social and environmental enterprises, including those in the start-up phase, to research and technical institutions, which can support product development.

Conclusions

An essential part of the vision of a green economy is for an economy that is driven by smaller enterprises and community organisations, which can respond quickly to local needs and challenges, and whose diversity is the source of resilience and adaptability. At the grassroots, the transition to a green economy is underway and starting to gather pace. Action by governments, financial and support institutions and donors along the lines highlighted at the SEED Symposium will promote the growth of triple bottom line SMMEs and enable them fully to deliver social, environmental and economic benefits and at the same time stimulate the emergence of more enterprises that will drive the green economy.

6 Green Organic Watch Project: 2013 SEED Winner

The Green Organic Watch Cooperative Society Ltd involves 5,500 smallholder farmers. As part a project focused on cocoa production, the cooperative is helping to mobilise smallholders to form themselves into savings and lending groups, so that enterprises can gain better access to credit and markets and share technical support for good agricultural practices to improve the productivity and quality of their products. More than 800 farmers have been trained in good agricultural practices while at the same time they are generating better revenues and able to access the international markets for certified products. For more information: www.seedinit.org/awards/all/cocoa-project.html

5. Annex: SEED Symposium 2013 Programme

Green Entrepreneurship: Local Solutions that Make a Difference

31 October 2013 – Auditorium of Upper Library, UN Office in Nairobi, Kenya

Morning sessions	
	Co-chairs: <ul style="list-style-type: none"> • Mounkaila Goumandakoye, Director, UNEP Regional Office for Africa • Helen Marquard, Executive Director, SEED Initiative
08.45–09.30	Registration and coffee
09.30–09.45	Welcome and introduction Speakers: <ul style="list-style-type: none"> • Helen Marquard, Executive Director – SEED Initiative • Achim Steiner, UN Under-Secretary-General & UNEP Executive Director
09.45–10.15	Keynote address Speaker: Martha Isabel Ruiz Corzo, Community-Based Conservation Advocate Mexico – 2013 UNEP Champion of the Earth Laureate
10.15–11.30	Plenary panel discussion Setting the scene The green economy and the promise of triple bottom line solutions Speakers: <ul style="list-style-type: none"> • Moustapha Kamal Gueye, Policy Specialist, Green Jobs, International Labour Organisation • Tacko Ndiaye, Policy Adviser on Sustainable Development, UN Women • Martha Isabel Ruiz Corzo, Community-Based Conservation Advocate Mexico – 2013 UNEP Champion of the Earth Laureate • Thomas Yatch, Programme Manager, Social and Environment Section, EU Delegation Kenya
11.30–12.00	Coffee Break & Marketplace with the SEED 2013 Winners
12.00–13.15	Plenary panel discussion South-south exchange on triple bottom line solutions: Innovative green entrepreneurship at the grassroots Speakers: <ul style="list-style-type: none"> • Séliatou Kayodé-Anglade, Senior Investment Officer, Industries and Services division, African Development Bank • Lorna Rutto, CEO – EcoPost (SEED Winner 2010) • Tomas Sales, Manager Private Sector Regional Programme – UNDP African Facility for Inclusive Market (UNDP AFIM) • Evans Wadongo, Chairman and Executive Director of Sustainable Development For All-Kenya (S.D.F.A-Kenya) - Use Solar, Save Lives (SEED Winner 2011)
13.15–14.30	Networking lunch

Afternoon sessions	
	Co-chairs: <ul style="list-style-type: none"> • Helen Marquard, Executive Director - SEED Initiative • Cecilia Njenga, Head of UNEP South Africa Liaison Office
14.30–16.00	<p>Parallel solution forums</p> <p>Accelerating the adoption of triple bottom line solutions: What should be done?</p> <p>Solution Forum 1: Capacity building for social and environmental entrepreneurs</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Zainab Bachoo, Senior Associate – Anjarwalla & Khanna • Mpoko Bokanga, UNIDO Representative to Kenya, Eritrea and South Sudan • John Logan, Country Director – TechnoServe Kenya • Wilber Lwande – Senior Scientist and Programme Leader, Applied Bioprospecting Programme, ICIPE Kenya • Edward Mungai, Chief Executive Officer – The Kenya Climate Innovation Center (CIC) <p>Solution Forum 2: Financing green and social entrepreneurship</p> <p>Speakers:</p> <ul style="list-style-type: none"> • Aliya Anjarwalla, Senior SME Advisor - GVEP (Global Village Energy Partnership) • Emma Caddy, Low Carbon Enterprise Fund – Environmental Resources Management (ERM) • Laure Bitetera Kananura, GEF SGP National Coordinator – Rwanda • Ashley Olson, Innovation Portfolio Manager for Africa – Root Capital
16.00–16.30	Coffee Break & Marketplace with the SEED 2013 Winners
16.30–17.30	Synthesis
17.30–18.30	Marketplace with the SEED 2013 Winners and welcome drinks
18.30–21.00	International Awards Ceremony 2013 and networking reception

SEED International Awards Ceremony 2013

Celebrating the winners of the SEED 2013 Awards

31 October 2013 – Auditorium of Upper Library, UN Office in Nairobi, Kenya

Evening session	
	Chair: Mounkaila Goumandakoye, Director, UNEP Regional Office for Africa
18.15–18.30	Musical opening
18.30–18.35	Welcome remarks Mounkaila Goumandakoye, Regional Director – UNEP Regional Office for Africa
18.35–18.40	SEED Award and Selection Process Helen Marquard, Executive Director - SEED Initiative
18.40–18.50	Address Achim Steiner, UN Under-Secretary-General & UNEP Executive Director
18.50–19.00	Address Alex Zhu, Hisense Middle East-Africa Sales Holdings Co., Ltd, Director and Assistant General Manager
19.00–19.30	Announcement of the 2013 SEED Award winners <ul style="list-style-type: none"> • Winners of the South Africa Awards • Winners of the Low Carbon Awards • Winners of the Gender Equality Awards • Winners of the Africa Awards
19.30–19.35	Closing remarks Helen Marquard, Executive Director – SEED Initiative
19.35–21.00	Networking Reception





2013 SEED Winners demonstrate their products and services in a "market-place"

For more information please write to info@seedinit.org or visit www.seedinit.org.



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