



BEYOND IMPACT: ECO-INCLUSIVE ENTERPRISES ADVANCING THE SDGs

SEED Impact Snapshot



About SEED

SEED was founded in 2002 at the World Summit on Sustainable Development in Johannesburg by UNEP, UNDP, and IUCN. It is a global partnership for action on sustainable development and the green economy. Today, we seek to unlock the full potential of social and environmentally focused ('eco-inclusive') market-based enterprises. We help tackle climate change effects and solve the world's social problems, as captured in the Sustainable Development Goals (SDGs).

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EXECUTIVE SUMMARY

Micro, Small, and Medium Enterprises (MSMEs) make up the fabric of most societies and account for 90% of registered firms worldwide. They provide 50% of the jobs, and contribute well over 35% of the GDP of emerging economies (WBG, 2017). At SEED, we focus on a specific sub-segment of MSMEs: enterprises which apply and promote green business models while including employees, suppliers, distributors, or consumers from low-income backgrounds in their value chain. These 'eco-inclusive enterprises' contribute significantly to the social, environmental and economic empowerment of 5.2 billion people worldwide at the bottom of the pyramid.

In this report, we contribute to a better quantitative understanding of the contributions of these enterprises. What emerges clearly from our survey is a picture of locally embedded enterprises - the majority driven by local, often young, and female entrepreneurs - who are working towards the goals enshrined in the Sustainable Development Goals (SDGs), and their country's Intended Nationally Determined Contributions (INDCs). These eco-inclusive enterprises are more stable and more profitable than mainstream small and medium enterprises (SMEs). They have a significant impact on curbing carbon emissions, promoting green technologies, and preserving energy, water and other resources. Beyond that, they create decent and stable employment for women, youth, and the poor. By ensuring valuable resources are not discarded but live on in products and services and by adopting innovative and closed-loop business models, these enterprises lead on and contribute to more sustainable consumption and production.

Analysis of our enterprise impact data shows a significant and quantifiable contribution of surveyed enterprises to 11 SDGs. Surveyed enterprises, which have been in operation from less than a year to over ten years, report a high rate of survival, with 88% of them still in business, despite facing challenges related to access to finance, lack of government support, and the need for business

management skill development. Growth and revenue generation is strong among surveyed enterprises, with 73% generating revenue and 87% experiencing positive yearly sales growth, outperforming mainstream and other social enterprises.

Operating across different sectors and addressing varying climate challenges, eco-inclusive enterprises contribute significantly to climate action. Ninety-two percent of surveyed enterprises implement climate mitigation and/or adaptation practices and low-carbon technologies, thus reducing an average of 7,300 tonnes of CO₂ equivalent per enterprise and generating more than 9,300 kWh of renewable energy, mainly by offering solar solutions.

Impacts created go beyond direct climate change mitigation and adaptation efforts, from fighting hunger, saving water and forest cover, to encouraging responsible consumption and production practices. Fifty-one percent of surveyed enterprises focus on increasing and providing food security. Surveyed enterprises managed 1,697 hectares of land sustainably through their direct activities and those of their beneficiaries. In 2018, the average surveyed enterprise recycled 1,854 tonnes of material, equivalent to 71,000 gallons of oil; and saved 7,129 m³ of water.

In the social impact sphere, eco-inclusive enterprises are drivers of decent employment and inclusive growth. They work towards achieving gender equality and equality for marginalised populations. It is encouraging to see 53% of surveyed enterprises are women-led and that 42% of the enterprises' employees are female. In 2018, surveyed enterprises offered 28.4 jobs per enterprise, out of which 30% were offered to people at the bottom of the pyramid.

This snapshot helps to reveal the versatility of the impact of eco-inclusive enterprises. It also helps to clarify the potential for further SDG contributions. Enjoy the read!



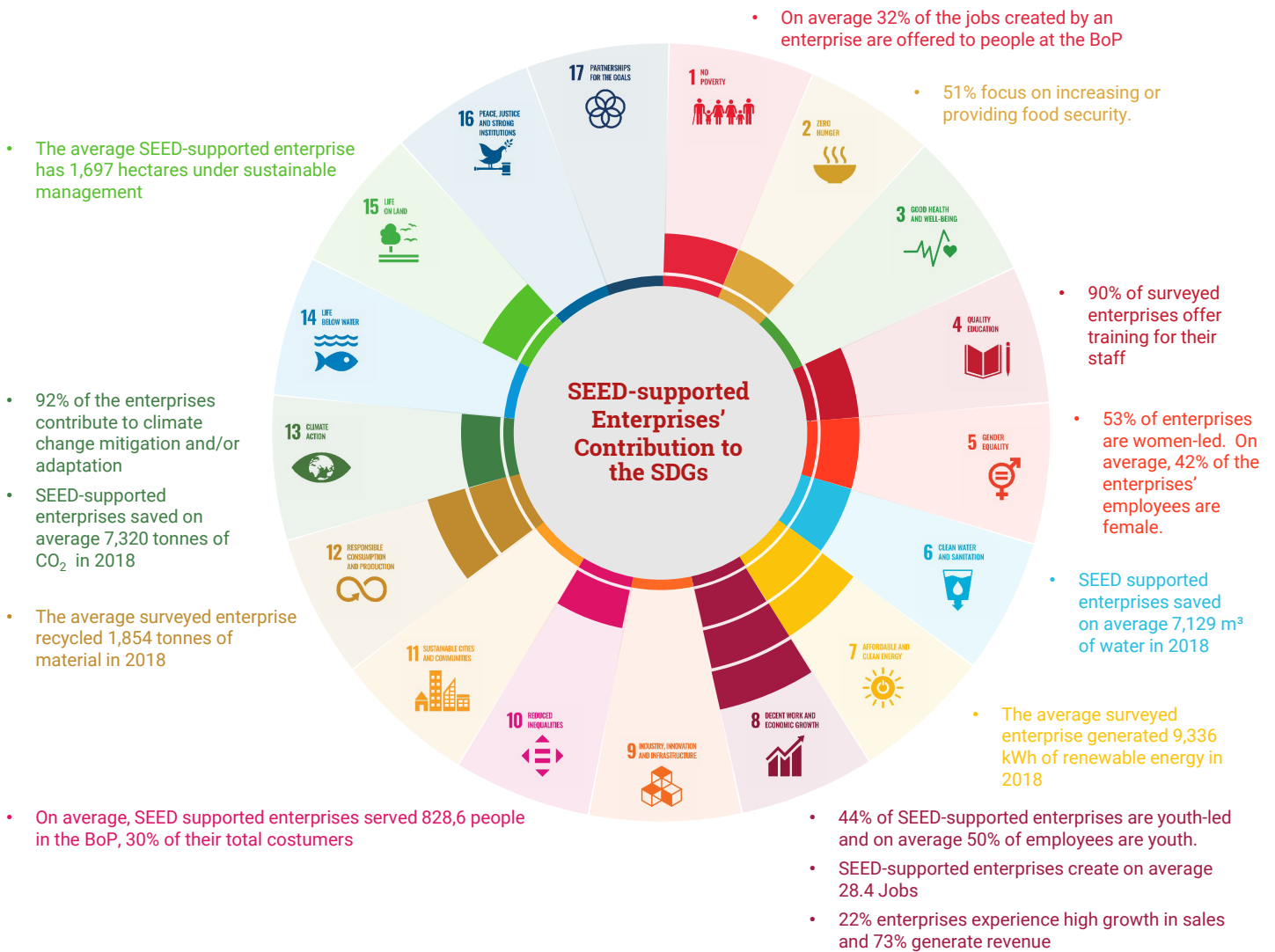


Figure 1. Highlights of SEED supported enterprises

Methodology

For this report, we surveyed 1,745 SEED programme participants whose enterprises were SEED Award Winners that went through our SEED Catalyser, Starter and Replicator programmes from 2005 to 2018 (see below for an introduction of these programmes). This translates to 258 SEED award Winners/ Catalysers, 321 SEED Starter participants and 1,166 SEED Replicator participants. We obtained an overall response rate of 17% or 289 responses. The response rate was 31% for Catalyser participants, 19% for Starter participants and 13% for Replicator participants. The number of responses obtained for participants of each programme was 81 Catalyser participants, 61 Starter participants, and 147 Replicator participants.

The responses obtained came from enterprises at different development stages - from the early stages of business ideation and concept-building, to business development and replication of proven business models. The surveyed eco-inclusive enterprises are from over 22 countries, with the majority from Uganda, Kenya, Malawi, South Africa, Ghana, Zimbabwe, Zambia, Burkina Faso, and Mauritius¹. Respondents were classified according to years in business from their official registration year; those active for less than two years; those in operation for 2-3 years; those that have been in business between 4-9 years, and those that have operated for more than 10 years since registration². Respondents operate across 6 sectors, with almost half working in the field of sustainable agriculture (Figure 6). Information on their environmental, social and economic impacts was reported for the year 2018, so all data reported is annual rather than historical.

¹ The number of responses per country: Uganda (56), Kenya (40), Malawi (40), South Africa (31), Ghana (30), Zimbabwe (21), Zambia (19), Burkina Faso (13), Mauritius (12), India (7), Mozambique (4), Colombia (4), Tanzania (3), Brasil (1), Cameroon (1), Egypt (1), Ethiopia (1), France (1), Morocco (1), Niger (1), Senegal (1), Vietnam (1) constituting 289 respondents in total

² Taking the age of business groups used by the Office of National Statistics of the Government of UK as a basis, we disaggregated data based on age of enterprise. This age categorisation allows this report to measure enterprises' survival rate per stage. This shows us that younger enterprises of less than 2-3 years have, in the majority of cases, a lower survival rate because they were recently established and thus their business models have not yet been tested over time.

Responses in most of the survey questions were not mandatory and were not answered by every respondent. The total number of responses for the information shown and referred to is stated in the corresponding figure or visual.

For further explanation on SEED's methodology for analysing SEED-supported eco-inclusive enterprise impacts and contributions, please refer to Annex 1.

Efforts were undertaken to assess bias within the sample responses. Researchers confirmed the current state of enterprise respondents to obtain information on the survival rate. This was undertaken for the total number of SEED Catalysers or Award winners (258) to determine the error within the sample of 81 enterprises. We found 154 out of 258 enterprises (60%) continue in business, while 103 did not respond. For non-responses, it was presumed that these enterprises have paused or stopped operations. Enterprises that continue in business are more likely to share information on their enterprise, leading to a success rate bias in the results shown in this report. The survival rate was calculated as quarantine restrictions took place in different countries, which may affect the results due to difficulties contacting the enterprises, and negative effects of the circumstances on the continuation of enterprise operations.



1. SETTING THE SCENE

In late 2019 and early 2020, we surveyed all enterprises that SEED had supported over the last 17 years to get a sense of the impact they make in their communities and beyond. This report details the findings from 289 responses across 22 countries. Respondents operated across 6 sectors, with some overlap in sectors (see Figure 2). Almost half of the enterprises that responded work in the field of sustainable agriculture. Respondents were drawn from our SEED Awards (Catalyser recipients), Starter and Replicator programmes.

The **SEED Starter** programme guides participants from the early stages of ideation to the generation of a viable business plan and launch of an enterprise. Participants work in teams during Starter workshops to develop an enterprise blueprint and refine their business plans, supported by peer-learning and expert guidance.

The **SEED Catalyser** guides participants to refine their business model to optimise their environmental, social and economic impacts and improve investment readiness as they scale-up. Participants receive expert support in small group workshops to develop a comprehensive business growth plan that enables enterprises to set and reach their growth targets.

The **SEED Replicator** pairs (aspiring) entrepreneurs with established enterprises that have successfully implemented eco-inclusive business models in another location. Experts guide candidate Replicators through a series of workshops to start their enterprise, inspired by the secrets of other successful enterprises.

The **SEED Awards for Entrepreneurship in Sustainable Development** is an annual awards scheme designed to identify the most innovative and promising locally led eco-inclusive enterprises in developing and emerging economies. Historically, all SEED Award Winners join the SEED Catalyser programme, with later Award Winners joining the Accelerator programme. As of 2019, SEED Award Winners join the SEED Accelerator programme while Awards Finalists join the Catalyser Programme.

Information on the environmental, social and economic impact generated by these enterprises was reported for the year 2018³, so all data reported is annual rather than historical.

Respondents were classified according to their registration year, further referred to as age of the enterprise, to analyse differences among enterprise age groups. We classed together those active less than two years, those in operation for 2-3 years, those enterprises that have been in business between 4-9 years and those registered for over 10 years⁴.

³ This survey took place in mid-2019. For the sake of comparison, enterprises were asked to report on the previous calendar year (2018). This means that some SEED programmes were ongoing in 2019 and that results reported would have included both enterprises that had completed a SEED support programme or were still in them.

⁴ For more information about the methodology of the survey see the Methodology Section at the beginning of this report.



Number of Enterprises Surveyed & Sectors

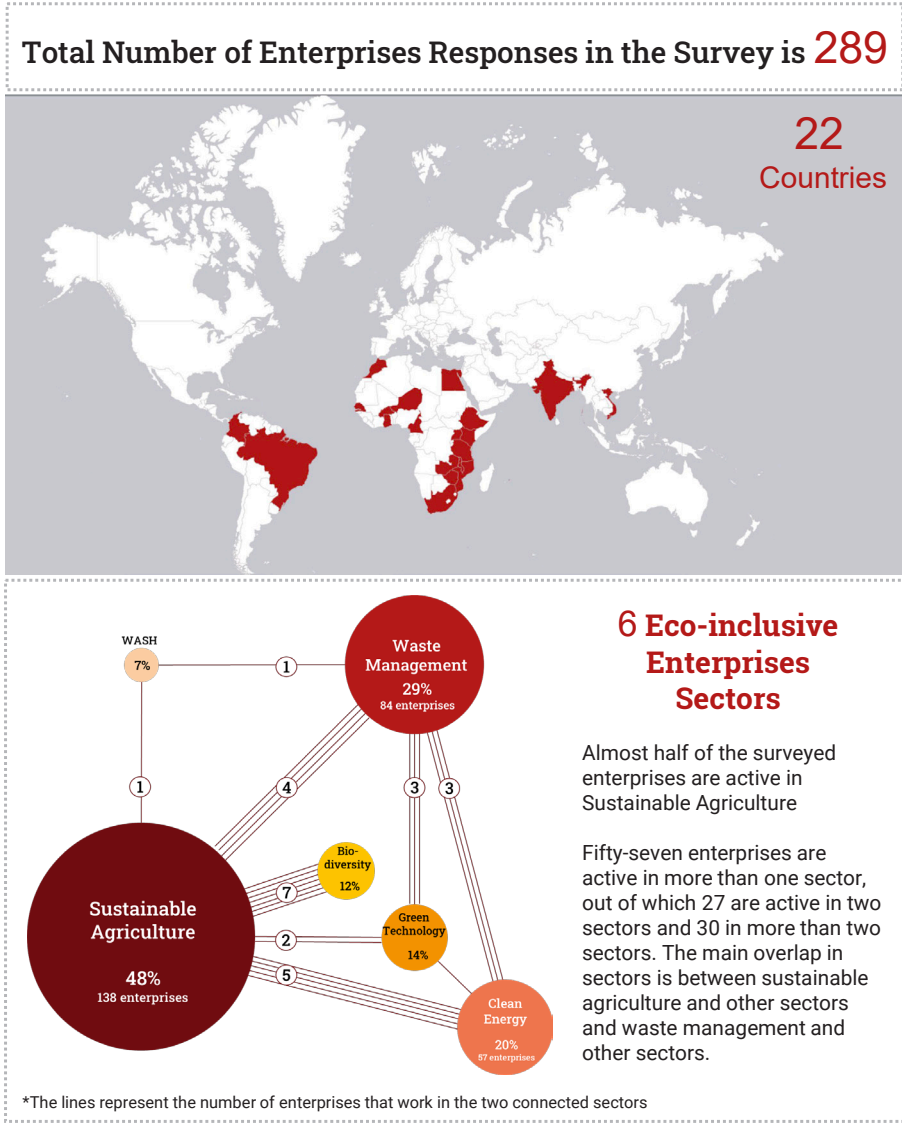


Figure 2. Number of enterprises surveyed

SEED definition of eco-inclusive enterprises:

- are micro, small and medium-sized enterprises (MSMEs) that employ up to 200 people (OECD, 2005);
- use market-based mechanisms to drive global change towards green and inclusive growth;
- operate at a community level, often including marginalised peoples in the value chain - thereby strengthening local economies with innovative solutions.



A view of the 'average' eco-inclusive enterprise

Although not all SEED-supported enterprises are the same and not all can be categorised as an 'average' enterprise, certain common characteristics can be identified nonetheless.

The average SEED-supported enterprise is a small business that employs 28.4 people, of which 32% belong to the bottom of the pyramid (BoP), 42% are women and half are youth. SEED-supported enterprises often struggle with accessing funds, seeking funds to scale their operations that range from 175,744 USD on average for enterprises in the idea stage, to 248,193 USD for the development stage, 391,818 USD for the growth stage and 215,449 USD for the expansion stage; and having raised an average amount of 17% of their total financing needs in 2018.

A typical SEED-supported enterprise strives to mitigate and/or adapt to climate change related challenges. As a result of their innovative business models and practices, a typical enterprise saves 7,320 tonnes of CO₂ annually, equivalent to 1,554 passenger vehicles driven in one year and recycles 1,854 tonnes of material, equivalent to 71K gallons of oil. The average SEED-supported enterprise also reports 1,697 hectares under sustainable management as a result of their direct activities and its beneficiaries. Furthermore, an average enterprise saved 7,129 cubic

meters of water and 4,765 kWh of energy, and generated 9,336 kWh of energy from renewable resources in 2018.

A SEED-supported enterprise extends this positive impact to their communities and creates inclusive growth by serving 2,742.6 people on average, out of which 30% are beneficiaries that belong to the BoP; and further engaging with 85.7 distributors and 130.7 suppliers along their value chain.

Early versus later stage enterprises

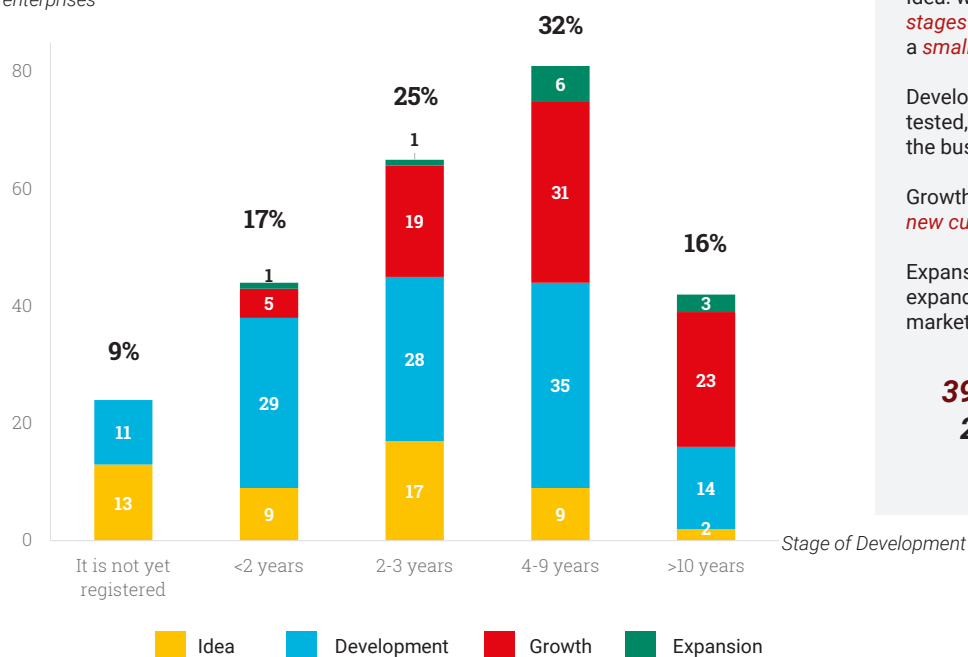
Twenty-seven percent of the surveyed enterprises are young or 'start-up' enterprises who have been registered between 0 and 2 years. Enterprises between two and three years represent 25% of the surveyed enterprises. Thirty-two percent are enterprises between the age of 4 and 9 years, and a small group, 16%, are well established enterprises over 10 years old.

The surveyed eco-inclusive enterprises can be classified into four stages: idea stage, development stage, growth stage and expansion stage. Most of the younger enterprises (between 0 and 2 years and from 2 to 3 years) are in earlier stages (idea and development stage) while more established ones are growing. Forty percent of the older enterprises (more than three years since registration) are still developing their idea, and have not been able to move forward to the development stage (Figure 3.)



Life cycle stages of eco-inclusive enterprises

Number of enterprises



Idea: where the enterprise is still in the *early stages* and its products are being tested on a *small scale*

Development: where the idea has been tested, *the customer base is expanding* and the business model is being consolidated

Growth: where the enterprise is expanding to *new customer bases*

Expansion: where the enterprise model is expanding or *being replicated* in other markets

39% of enterprises older than 2 years are in growth stage



N=256

Figure 3. Life cycle stages of eco-inclusive enterprises

The majority of surveyed enterprises find themselves in the idea and development stage - something that is in line with the rest of Africa, where early-stage entrepreneurship⁵ is prevalent (Bosma & Kelley, 2019).

Size of Operations and Staff

When it comes to size of operations and staff, the majority of surveyed enterprises can be classed as micro-businesses⁶. Sixty-one percent of the enterprises are micro-enterprises, 31% percent can be classed as

small enterprises, and only eight percent are medium to large enterprises. Overall, surveyed enterprises employ an average of 28.4 people⁷. The micro and small-sized enterprises employ an average of 5 staff and 22 staff respectively, adding up to 10.7 employees on average for micro and small enterprises, who constitute the large majority of surveyed enterprises (92%). The surveyed medium and large eco-inclusive enterprises employ an impressive average of 227 employees, showing the employment potential of activities that support enterprises to scale (Figure 4).

⁵ The Global Entrepreneurship Monitor defines entrepreneurship as „any attempt at new business or new venture creation, such as self-employment, a new business organization, or the expansion of an existing business, by an individual, a team of individuals, or an established business“ and defines early-stage entrepreneurship as “entrepreneurial activity that is centered on the period preceding and immediately after the actual start of a firm” (Bosma & Kelley, 2019)

⁶ The OECD defines small firms as those with fewer than 50 employees, micro-enterprises those with at most 10, or in some cases 5 workers, and medium enterprises those that have less than 250 employees. For this report, micro-enterprises are defined as those with up to 10 employees (OECD, 2005)

⁷ Out of 256 responses

Enterprises and their employment size

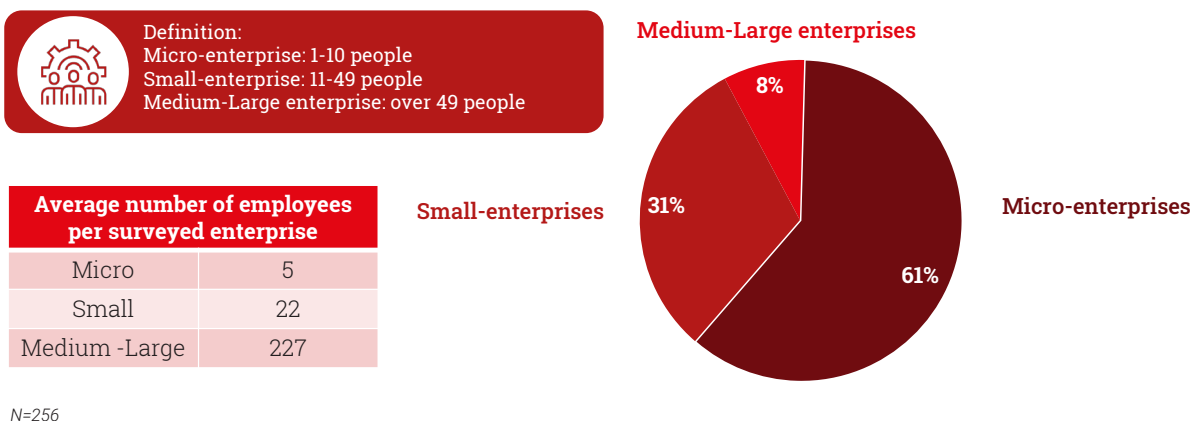


Figure 4. Enterprises and their employment size

Enterprise Spotlight: Bakhonya Challenged Self-Help Group

Bungoma, Kenya
SEED Starter Team

Bakhonya Challenged Self-Help Group focuses on the creation of organic food banks and improving value chains within the Kenyan food systems, with the goal of improving food security in the region.

Bakhonya Challenged Self-Help Group aims to expand agricultural infrastructure and capitalise on emerging opportunities for strengthening food systems. This includes identifying promising indigenous crops with potential for value-addition. The enterprise also identifies and adopts promising technologies in order to retain more profits within the local economy, improve public health, and enhance economic and professional opportunities for farmers.



Climate Impact

- Promoting environmental conservation and sustainable agriculture



Social Impact

- Improving public health and local living standards



Economic Impact

- Generating employment especially among smallholder farms

2. CHALLENGES AND SURVIVAL RATES

Highlights:

- **88% of enterprises supported from 2005 to 2018 are still in operation**
- **The majority of enterprises (73%) seek between USD 20,000 and USD 240,000 of funding**

Set-backs and challenges are common for MSMEs, but especially common for enterprises in developing markets. For the eco-inclusive enterprises SEED works with, this is no different. Access to finance and skilled talent, issues with burdensome administrative requirements, and inadequate infrastructure, contribute to the manifold obstacles these enterprises face. In light of these challenges, the survival rates of surveyed eco-inclusive enterprises are impressive: 88% of enterprises continue in business. Only 12% of enterprises have been frozen or discontinued over the survey period (2005-2018), with older enterprises experiencing the highest survival rates. Every surveyed enterprise from 10 years and over continues in operation. Enterprises between 4 and 9 years also have high survival rates, with only 8% frozen and none discontinued. Younger enterprises struggle more: 12% of enterprises between the age of 0 to 3 years are frozen or discontinued. This finding points to the importance of early stage capacity building and (financial) support for younger actors (Figure 5).

By comparison, failure rates of mainstream MSMEs during the first year are about 70% in Africa (Muriithi, 2017), range from 70% and 80% in Latin America (Moya, 2019), and are as high as 90% in the first 5 years since inception in India (Kumar, 2018)⁸.

If we zoom in, some interesting findings emerge: a disproportionate number of enterprises that are discontinued were not formalised, suggesting that a key focus for enterprise support can and should be in formalisation so enterprises are able to better access funding and government support.

SEED programme & survival rates

Survival rates for SEED Catalyser participants are good; 98% of them continue in operation¹. For enterprises that participated in the SEED Starter programmes, 13% are frozen or discontinued. For Replicator participants, 16% are frozen or discontinued.

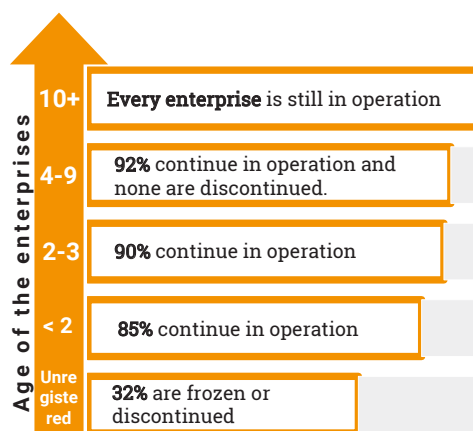
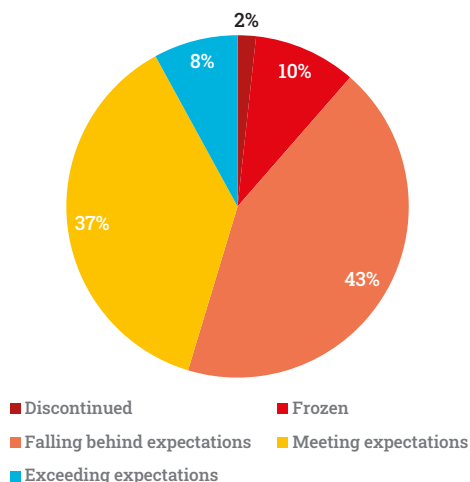
¹ See methodology section

⁸ There may exist different methodological approaches and varying definitions of (M)SMEs for the shown failure rates. These approaches are not explained in the cited references.

Current status of surveyed enterprises



88% of surveyed enterprises continue in operation



N=289

Figure 5. Current status of surveyed enterprises

Business expectations and development stages

In this survey, we asked enterprises to self-report on how they are meeting their business objectives. A mixed picture emerges⁹. Out of the 289 surveyed enterprises, 37% percent are meeting their growth and business expectations and 8% are exceeding them. This means just under half are falling behind their growth and business expectations. This picture is somewhat balanced out by the sales growth reported; with 87% experiencing sales growth. They may be behind their own expectations, but they aren't behind in sales and revenue (see section Witnessing Impressive and Inclusive Growth for more on sales growth and business expectations).

The survey clearly indicates that younger enterprises struggle more: 58% of the enterprises that are frozen or discontinued are unregistered enterprises or have been registered for less than two years (see next section for the reasons they are discontinued). Overall, older enterprises tend to meet expectations or exceed them, whereas younger ones do not. This may also reveal that younger enterprises are over ambitious (Figure 6. Growth and Business Expectations), and indicates a strong need for support for proper business planning.



Zooming in on Growth and Business Expectations

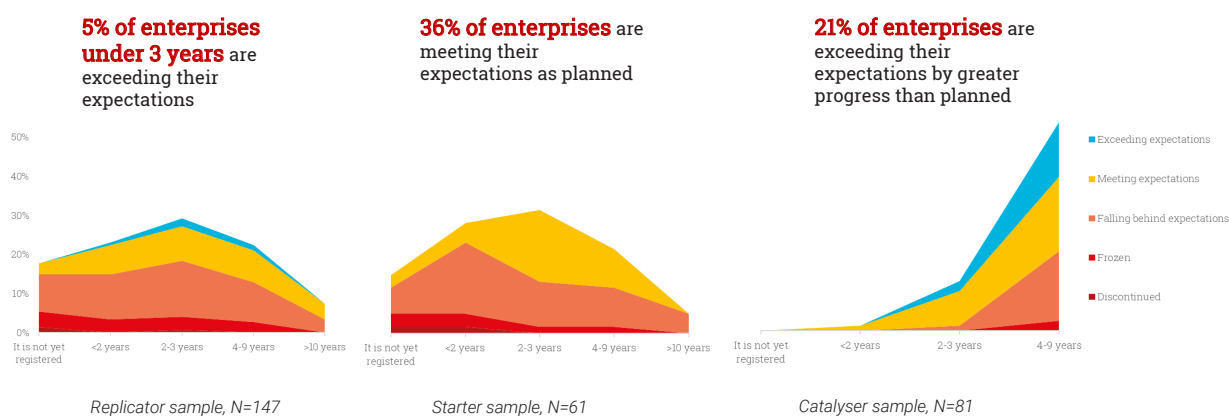


Figure 6. Growth and Business Expectations

When focusing only on SEED Catalyser and Starter enterprises, the relation between the current status and the age of the enterprise is clearer. For the Starter group, of which the majority of enterprises are up to 3 years old (74%), 36% are meeting their expectations as planned. For the Catalyser respondents, considering the majority of them (86%) have been registered for between 4 and 9 years, it is not surprising that 21% are exceeding their own expectations.

⁹ Respondents were asked to report their current status compared to their planned progress. They could choose one of the following options: Discontinued: the enterprise is no longer in operation, Frozen: the enterprise is currently on hold, Falling behind expectations: the enterprise is making progress, but slower than planned or not delivering all the social, environmental and economic benefits targeted, Meeting expectations: the enterprise is making progress as planned and Exceeding expectations: the enterprise is making greater progress than planned.



Examining Failure

In the difficult environment that eco-inclusive enterprises operate in, it is not surprising to find some enterprises that have been discontinued. Between 2005-2018, 33 enterprises - 12% of the total - report they are no longer operating or are frozen, the latter meaning that these enterprises have ceased their operations, but may take them up again. Only five enterprises (2%) of the surveyed enterprises have discontinued their operations.

The enterprises that are no longer operating cite multiple reasons. These range from a lack of access to finance, a need for business management skills, a lack of skilled talent to misaligned government support and lack of access to market information. Unsurprisingly, the main reason these enterprises are discontinued is access to funding, meaning a lack of access to grants or loans, or possibly access under prohibitive conditions (Figure 7. Examining Failure)

Examining failure

The enterprises that are no longer operating cite multiple factors:

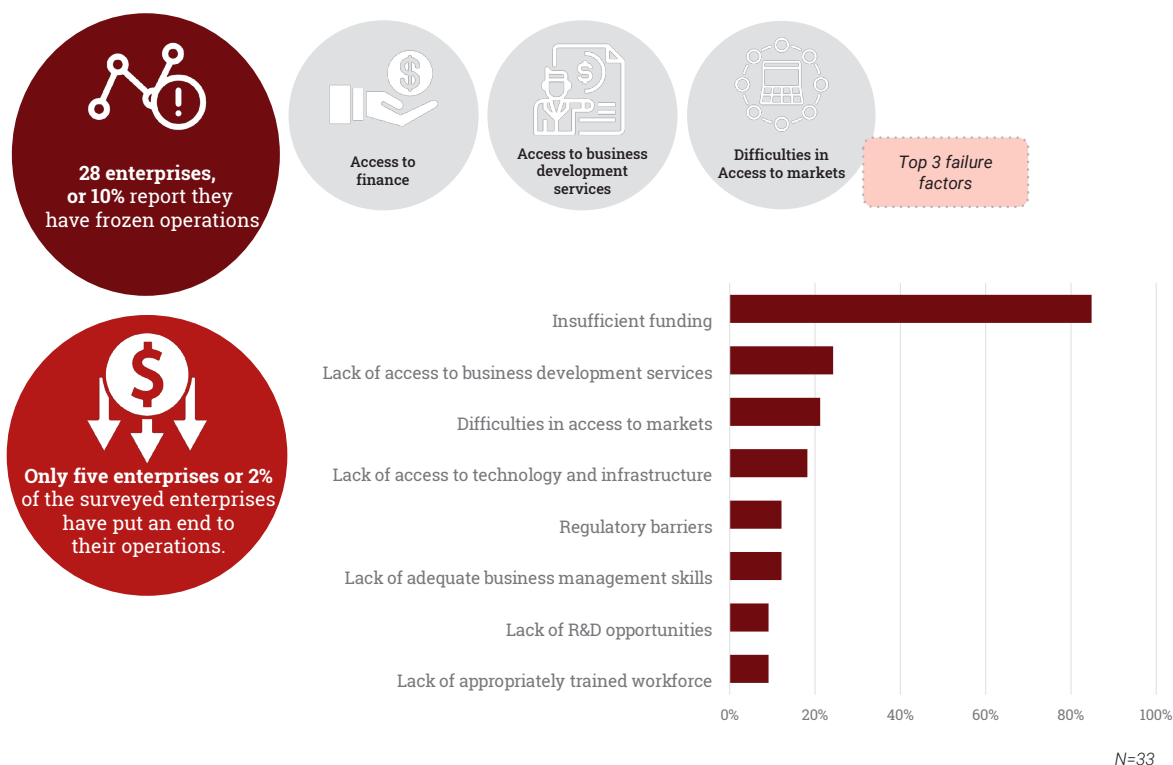


Figure 7. Examining Failure

While failure is uncommon among the surveyed eco-inclusive enterprises, it does speak to the difficult context in which they operate. It also speaks to the need for more supportive finance and capacity building for these enterprises to support them to survive and thrive, in turn making significant contributions to the SDGs.

What Challenges do Eco-inclusive Enterprises face?

The eco-inclusive enterprises we surveyed indicated access to finance as their major challenge and also the main reason to have discontinued or paused their operations. This is followed by a lack of business management skills, and lack of government support.

Years of experience with finance aspects of entrepreneurship has taught that enterprises face a multitude of different challenges when it comes to access to finance. These range from an inability to access start or growth capital, to prohibitively high interest rates or stringent payback conditions (see also section below). While enterprises across the world struggle with access to finance, this trend tends to be exacerbated for eco-inclusive enterprises due to risk perceptions and business models that diverge from more traditional financing structures.

A lack of access to skills and talent encompasses a lack of availability in skills training and access to qualified staff. This is a common challenge and one that is sometimes solved by enterprises providing their own training to staff (see also the employment section).

Government support is a commonly cited challenge that has different aspects, which might include a lack of enterprise voices in policy planning processes, but also a lack of dedicated government funding or programmes for eco-inclusive enterprises. Programmes in emerging economies often lack criteria that fit triple bottom line business models or the hybrid for- and non-profit nature of eco-inclusive enterprises (Figure 8).

Other interesting challenges relate to a nascent market, with a lack of demand or buy-in from the community for green products and services, pointing to the need to build the market for such products and services in these countries.

Top Challenges

The SEED enterprises we surveyed indicated these top challenges: access to finance, access to skills and talent and government support



N=246

Figure 8. Top Challenges

In general, the top challenges shown in Figure 8 are similar for all enterprises, with no large differences found between enterprises of different business age or stage of development. This indicates that increased support from intermediaries and government stands to benefit enterprises of different sizes and stages.

Unpacking the Access to Finance Challenge: Financing Needs and Fundraising

Eco-inclusive enterprises often rely on mixed or multiple sources of funding. Grants, subsidies, and personal funds are common in their early stages, with sales revenue, equity and debt common funding sources in the later stages of development.

Multiple sources of finance meshes well with the interdisciplinary nature of eco-inclusive enterprises. However, the risk perceptions of traditional finance providers, and lack of access to common funding sources, means eco-inclusive enterprises are mostly underfunded, underserved and unable to actualise their full potential as significant SDGs contributors.

This survey shows that enterprises in the idea stage have smaller financing needs than enterprises in the development and growth stage. Enterprises in the growth stage seek the highest amount, suggesting that this is a critical phase in which funding is needed, where funding possibly unlocks capital to the expansion stage, at which point less funding is needed (Figure 9).

In this survey, 214 enterprises reported financing needs. The amount needed per enterprise varies from a few thousand dollars to over 3 million US dollars, of which the majority is intended to be raised as grants, followed by equity, then personal funding, debt, and other sources (Figure 6). The majority of enterprises (56%) seek up to USD 80,000, 23% seek from USD 80,000 to 320,000 and the final 21% of enterprises vary widely from USD 320,000 to up to three million US dollars. The median value of the amount sought lies at USD 55,000, indicating that the majority of enterprises tend to require small amounts of funding and just a few require a very large amount.

The survey results suggest that eco-inclusive enterprises were able to raise funds from multiple sources, both from more and less commercial funders, demonstrating that social and environmental objectives can go hand in hand with economic development, even in developing markets.

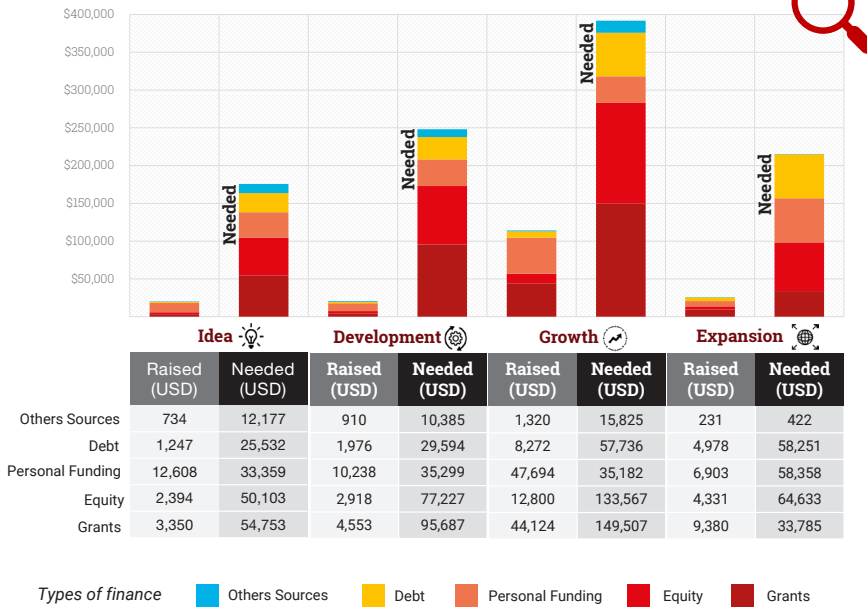
Over the survey period, 68% of enterprises reported having raised funds in that year. Together, they raised a total of 8,993,231 USD from equity, debt, grants and personal funding, translating to 17% of their reported finance needs on average. See below for the breakdown per enterprise group (Figure 9).

In line with the start-up nature of the eco-inclusive enterprises surveyed, it is not surprising that the highest amount of funding raised is from personal funding and grants. The small amount of funding raised in equity, compared to the large amount expected to be raised, illustrates the difficulties that these enterprises face to identify and access equity from local or international investors. The limited funding raised in debt, compared

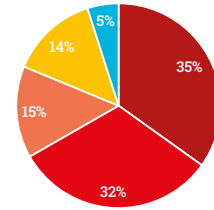


Finance: Access Challenge and Fundraising

Amount of finance needed and raised per stage of development

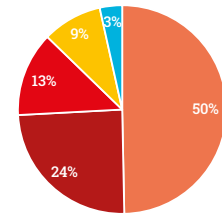


Surveyed enterprises **seek** funding across different types of funding:



214 enterprises reported **financing needs** over the next year

On average, the surveyed enterprises raised **17%** of their financial needs in 2018:



197 enterprises reported **funds raised** in 2018

Figure 9. Finance: Access Challenge and Fundraising

to the large amount expected to be raised, illustrates the difficulties that these enterprises face when trying to access commercial debt-based finance for their operations.

All in all, this gives a clear indication to finance actors and ecosystem actors designing finance instruments of what amount of funding is most needed and how much of it is needed. It also points to the need for holistic enterprise support to navigate more complex sources of funding and to build internal capacity for fundraising and handling finance. Finally, it also points to a more fundamental need to illustrate, educate and convince finance providers of the financial and non-financial contribution and value that enterprises make to their communities.

Enterprise Spotlight: Ecozen Solutions

Pune, India

2019 SEED Low Carbon Award Finalist



Ecozen offers two products: the Ecofrost cold room, which is solar powered and features innovative in-built thermal energy storage panels to offer battery-less back up power; and the Ecotron controller which controls the flow of power between solar panels and solar pumps and can be controlled through an app.

The Ecotron is sold B2B and through government tenders. The Ecofrost is available directly to farmers who can purchase it, lease it, or install it at a community location. Ecozen's solar-powered portable cold chains reduce food waste, ensuring that farmers are able to increase their income from additional sales, and ensuring customers get fresh produce.



Climate Impact

- Reducing diesel consumption by 100,000 litres per day



Social Impact

- Development of skills and education of farmers in post-harvest management training and technology



Economic Impact

- Increasing farmer income by 40% on average

3. ENVIRONMENTAL AND CLIMATE ACTION

Relevant SDGs



Eco-inclusive enterprises offer affordable, scalable solutions that can lead to cleaner, greener, more resilient local economies - in line with the future world envisaged in the SDGs.

Eco-inclusive enterprises offer affordable, scalable solutions that can lead to cleaner, greener, and more resilient local economies - in line with the future world envisaged in the SDGs. By engaging in climate change mitigation and adaptation activities locally, eco-inclusive enterprises are at the forefront of climate action. Eco-inclusive enterprises operating in developing economies are more sensitive to the effects of climate change, but they are also champions in directly tackling these effects. Surveyed enterprises are highly aware of their country's commitments towards climate action. Out of 277 enterprises, 39% are aware of the (I)NDCs and of those, almost all of them (72%) have knowledge of their own country's (I)NDC. 52% are aware of the potential role that the (I)NDC plays for their enterprise or sector. Awareness of the (I)NDCs enables them to maximise their positive climate action impact by aligning their operations to contribute to their specific country conditions, goals, and plans.

Through their innovative and environmentally sustainable business models, eco-inclusive enterprises provide sustainably produced consumer goods and services, thus contributing towards a greener and cleaner economy.

Through their activities and products, eco-inclusive enterprises contribute to climate action, reducing over 7,000 tonnes of CO₂ equivalent per enterprise on average. Through the provision of affordable and clean energy, mainly by offering solar solutions, they generated more than 9,000 kWh per enterprise in 2018. Moreover, efficient water-use, especially in the sustainable agriculture sector, leads to significant water reductions. Finally, recycling or

upcycling waste materials into products and processes meant these enterprises made contributions to the national recycling rates of their respective countries. Although the impacts of eco-inclusive enterprises towards reaching national goals may not seem paramount, the aggregate impact of the many eco-inclusive enterprises is key to reaching the SDGs.

The Climate Frontline

Highlights:

- **88% of surveyed enterprises reported experiencing the impact of climate change, with increased droughts, decreased crop productivity, and increased food scarcity the top three challenges cited.**
- **All surveyed enterprises engage in climate-relevant activities. 92% of surveyed enterprises implement at least one adaptation and/or mitigation practice.**
- **39% of enterprises have knowledge about the Nationally Determined Contributions (INDCs)**

What emerges clearly from our data is that eco-inclusive enterprises are at the forefront of experiencing and tackling climate change. Eighty-eight percent of the 280 enterprises who responded experience the impact of climate change, with drought (60%), crop productivity

“ [...] Our enterprise contributes to the NDCs by engaging women and youth in its activities resulting in rural poverty reduction and creation of job opportunities, reduced GHG emissions due to reduced fertilizer use and less turning of soil; and biodiversity preservation due to reduced tillage.”

- Musechi Enterprises Limited, Zambia

(60%) and food scarcity (51%) the most commonly felt climate-related effects (Figure 10). Beyond the stress of such effects on often vulnerable communities, these figures also point towards the destabilisation of crucial systems that support human basic needs such as our food system and water sources.

Encouragingly, eco-inclusive enterprises are directly engaged in tackling climate change in their communities, with 92% engaged in mitigation and/or adaptation activities. Twenty-one percent of enterprises are working in climate change mitigation only, and 5% in adaptation only (Figure 10).



Climate change challenges and solutions

Climate impacts experienced by enterprises and/or their stakeholders

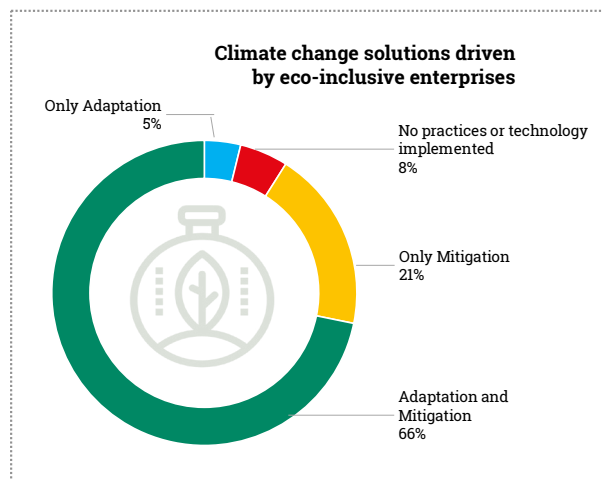
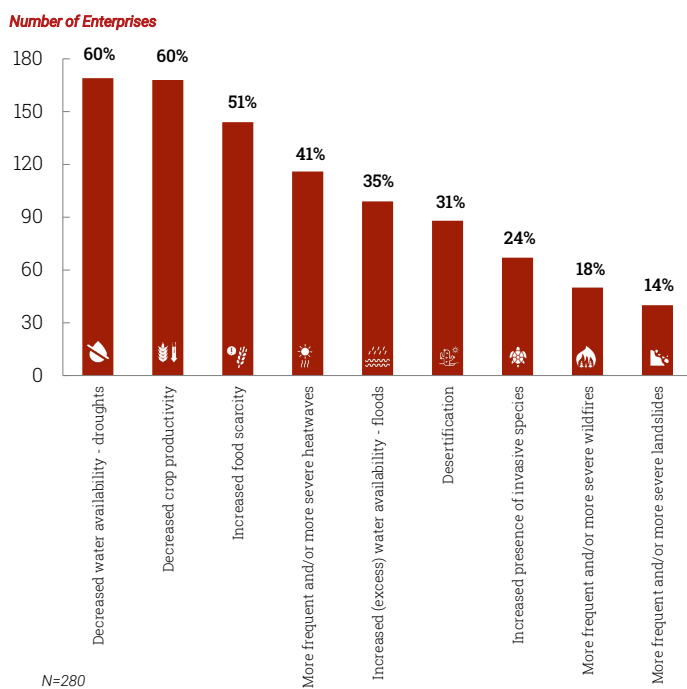


Figure 10. Climate change challenges and solutions



The top three climate challenges faced by enterprises tend to vary across regions. Enterprises located in Latin America perceive more frequent and severe wildfires, increased presence of invasive species, and increased floods. In Africa, the challenges perceived tend to revolve around droughts and its impact in agriculture. In Southern and Eastern Africa, the top three perceived impacts are more frequent droughts, decreased crop productivity and increased food scarcity. In Western Africa, among the three impact categories, 40% of enterprises emphasized the impacts of desertification. In Southeast Asia and India enterprises report on increased floods (75%), followed by more frequent and severe heat waves, and decreased crop productivity (Figure 11.).

Climate change effects reported by enterprises per region

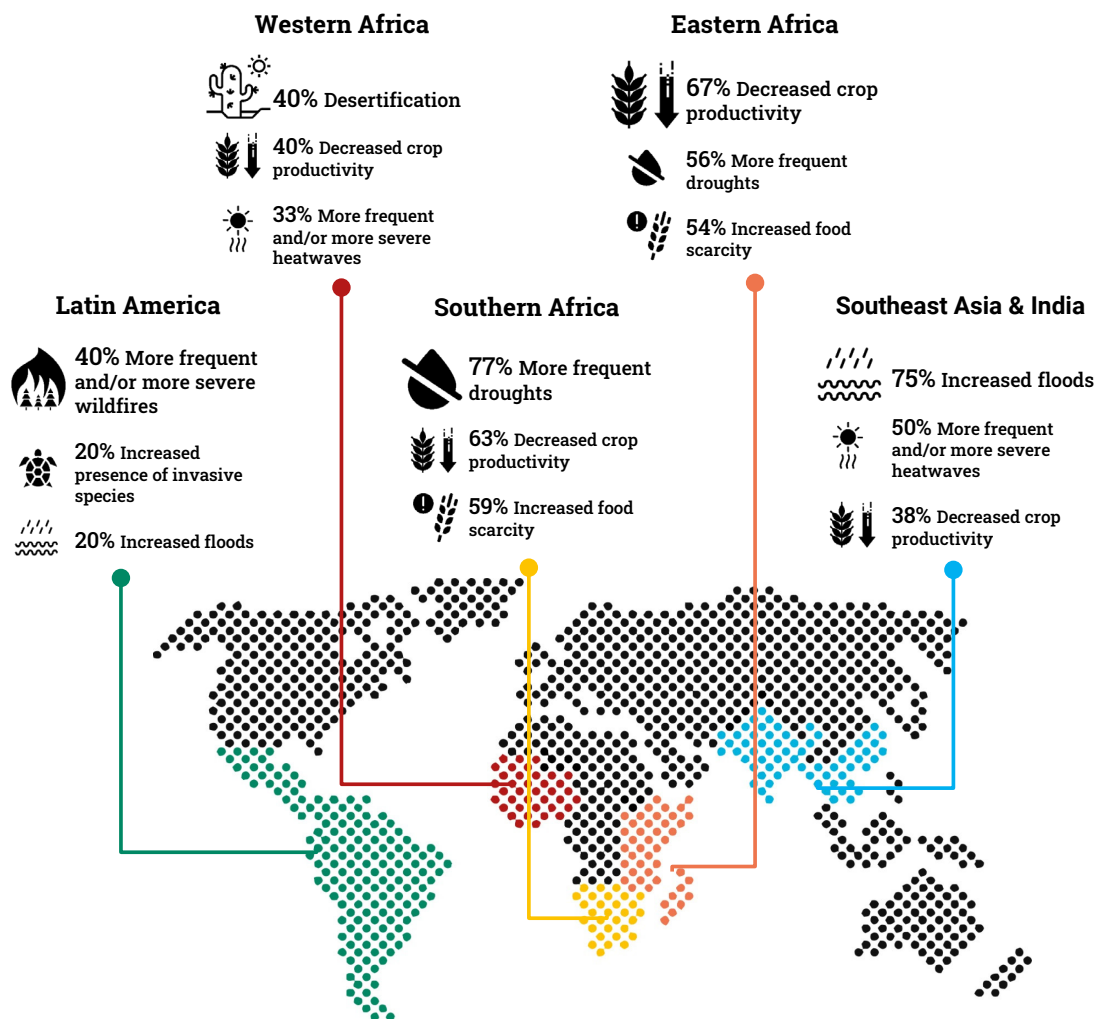


Figure 11. Top 3 climate change challenges in each region



Furthering Climate Adaptation in Communities

Highlights:

- **71% of surveyed enterprises implement at least one practice or technology to adapt to climate change**
- **46% of enterprises that report being involved in adaptation are engaged in sustainable agriculture practices**

With climate change becoming more of an inevitability, eco-inclusive enterprises are increasingly looking at adaptation activities. Seventy-one percent of surveyed enterprises have supported their beneficiaries or other stakeholders in adapting to climate change by implementing at least one related technology or practice. These include directly engaging in or teaching others about efficient and sustainable agricultural management, agroforestry practices, and water conservation practices.

The most implemented adaptation practice is increasing crop resilience and productivity, with 46% of the enterprises engaged in this activity. This includes activities ranging from distributing or producing sustainable fertilisers to spreading or engaging in practices on greenhouse crop management, precision agriculture, conservation tillage and crop rotation. The second ranked practice is engaging in agro-forestry practices (39%). About a third of enterprises engage in water management practices which includes leakage management, water accounting, irrigation efficiency, rainwater harvesting, watershed conservation, source water protection and river restoration. Another third focuses on sustainable land management training for stakeholders. About one fourth of the enterprises are engaged in livestock management,

which includes manure livestock disease, pasture and grazing land management as well as climate tolerant livestock and domestic manure production (Figure 12).

Innovation in Climate Technology

Highlights:

- **87% of surveyed enterprises engage in activities to mitigate climate change**
- **The most commonly used technologies are solar, improved cook-stoves and water-related technologies**

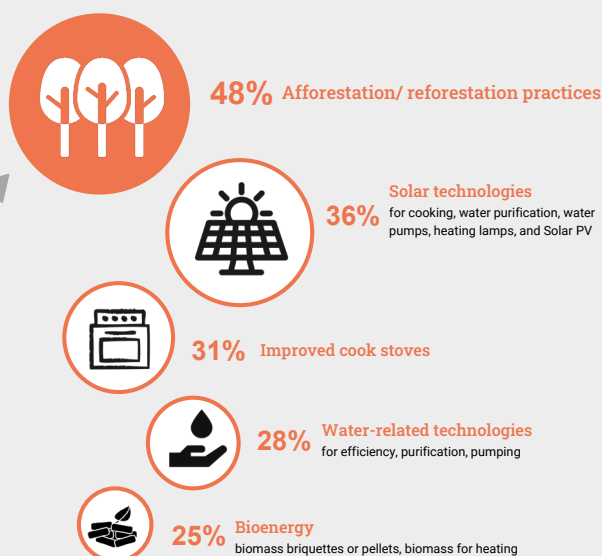
One of the key assets of eco-inclusive enterprises is their innovation potential. The survey data gives a clear picture on the widespread development and use of such innovative technologies.

With over 840 million people in developing countries lacking access to constant electricity (WHO, 2019), it is encouraging to see that 36% percent of enterprises surveyed are active in developing and/or offering solar technologies. This includes solar technology for cooking, solar powered water purification or water pumps, solar heating, lamps, and lighting. Thirty-one percent of them are focused on providing improved cookstoves. Twenty-eight percent of surveyed eco-inclusive enterprises focus on water related technologies such as water purification filters, clean technology for pumping, and water conservation technology. Twenty-five percent focus on switching from fossil fuel to cleaner fuels such as waste briquettes and other forms of biomass for heating (Figure 12),

Climate change **adaptation** technology and practices



Climate change **mitigation** technology and practices



N=280

Figure 12. Climate change adaptation and mitigation technology and practices

These activities generate multiple co-benefits, including health benefits associated with water and air pollution reduction, and extension of school or business hours due to longer lighting.

The Impact of Eco-inclusive Enterprises on the Environment

Highlights:

- **The average surveyed enterprise saved 7,320 tonnes of CO₂ (equivalent to 1,554 passenger vehicles driven in one year) and recycled 1,854 tonnes of material (equivalent to 71K gallons of oil) in 2018**
- **The average surveyed enterprise reports 1,697 hectares under sustainable management as a result of their direct activities and its beneficiaries'**

Below you will find a snapshot of the quantifiable impact of SEED-surveyed enterprises in 2018. It highlights the many ways in which eco-inclusive enterprises regenerate and sustain the environment. Additional activities which are difficult to quantify, but are nevertheless significant, include awareness raising activities, working for policy reforms in their respective countries, or contributing to saving endangered species.

In line with the mitigation activities of enterprises, the major impacts of the collective eco-inclusive enterprises lie in their avoidance of emissions. Fifty-five percent of the enterprises reported at least one measured impact in this respect. On average, in 2018, each reporting

enterprise saved 7,320 tonnes of greenhouse gas (GHG) emissions and recycled 1,854 tonnes of waste. Together, the surveyed eco-inclusive enterprises have saved the equivalent of the yearly emissions of nearly 80,000 vehicles and over 160,000 tonnes of waste, equivalent to two days worth of the world's consumption of oil.

With almost half of the enterprises in agriculture, it is unsurprising to see significant activities in sustainable management and reforestation practices. Collectively, surveyed eco-inclusive enterprises have planted over 350,000 trees, an area of 453 football fields¹⁰, which translates to 58,687 planted trees per reporting enterprise. Enterprises report on average 1,697 hectares under sustainable management as a result of their direct activities and that of its beneficiaries. Together, they have 169,728 hectares under sustainable management, roughly equivalent to the size of Bangkok, Thailand (Figure 13).

While the surveyed enterprises often create impact in different social, environmental and economic dimensions, their quantifiable impact is usually highest in the sector they are operating in. For instance, enterprises in the sustainable agriculture sector sustainably manage more land on average than enterprises in other sectors; they and/or their beneficiaries have 2,083 ha under management. What is surprising is the potential of enterprises in the green technologies sector, which sustainably manage 2,097 hectares of land on average during 2018. Finally, enterprises in the clean energy sector have a high impact as well, demonstrating the potential of more support for energy-related enterprises. They saved 19,353 tonnes of CO₂, 164% more than the average enterprise in the other surveyed sectors, while they also managed 2,620 ha of land sustainably (Figure 13).

¹⁰ Based on an approximation of 9m²/tree (Allain, 2019)

Eco-inclusive enterprises' environmental impact across all sectors



Avoided CO₂ emissions

Average impact of one enterprise:
7,320 tonnes of GHG emissions avoided, equivalent to **1,554** passenger vehicles driven in **1** year

Total impact for all surveyed enterprises:
366,020 tonnes of GHG emissions avoided, equivalent to **77,711** passenger vehicles driven in **1** year



Land under sustainable management

One enterprise manages on average:
1,697 hectares of land

Total impact for all surveyed enterprises:
169,728 hectares of land managed, roughly equivalent to the area of **Bangkok, Thailand**



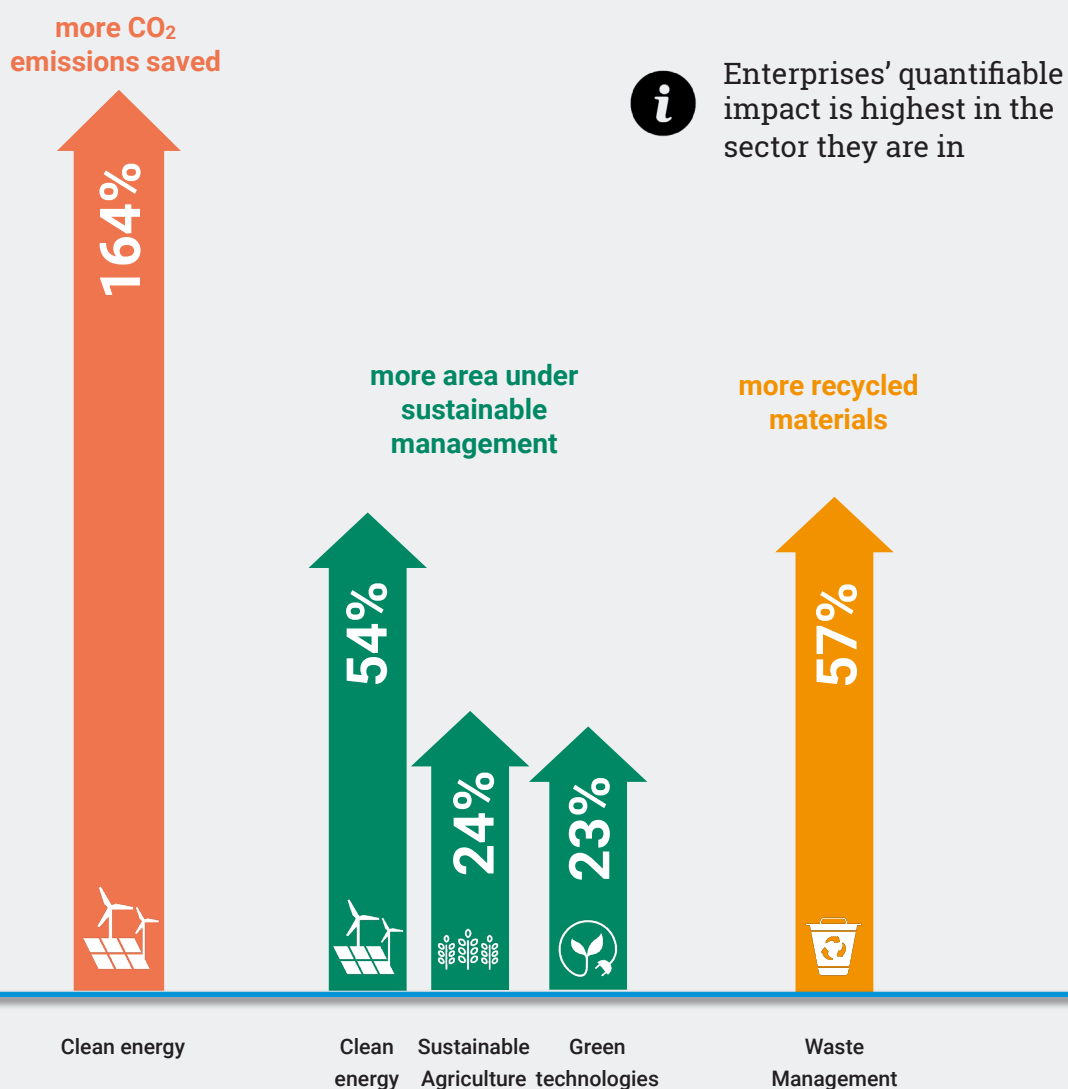
Recycled Materials

One enterprise recycles on average:
1,854 tonnes of materials, equivalent to saving **71K** gallons of oil

Total impact for all surveyed enterprises:
163,180 tonnes of materials recycled, equivalent to the world's oil consumption in **2** days

Figure 13. Eco-inclusive enterprises environmental impact

Comparison of enterprises' contribution per sector vs overall



* Values compared to the average surveyed SEED-supported enterprise

Figure 13. Eco-inclusive enterprises environmental impact (cont.)

The results paint a clear picture of the significant impact eco-inclusive enterprises can make, both individually and collectively, conserving natural resources with interrelated effects for green economic growth.

The Impact of Eco-inclusive Enterprises on Resources

Highlights:

- SEED-supported enterprises saved on average 7,129 cubic meters of water and 4,765 kWh of energy during 2018

- The average surveyed enterprise generated 9,336 kWh of energy from renewable resources in 2018

In 2018, surveyed enterprises generated on average 9,336 kWh of energy from renewable sources. These sources included biowaste, biodigesters, solar energy and hydropower installations. Among reporting enterprises, a total of 364.1 thousand kWh of energy was produced from renewable resources, which translates into the electricity consumption of 749 people in Sub-Saharan Africa for one year. Considering only 47.7% of the population of Sub-Saharan Africa has access to electricity, the relevance of eco-inclusive MSMEs striving to offer access to clean and affordable energy has never been larger.

The survey also shows strong resource efficiency within enterprises. Through their products, services and practices, the surveyed eco-inclusive enterprises saved on average 7,129 cubic meters of water, adding up to a total of 399.2 thousand cubic meters collectively, the equivalent of the yearly water consumption of 7,252 people in Uganda (African Development Bank Group, 2016). Meanwhile, 4,765 kWh of energy was saved on average per enterprise in 2018, the equivalent to saving the energy use of 99 people in Sub-Saharan Africa for one year (World Data, 2015) (Figure 14).

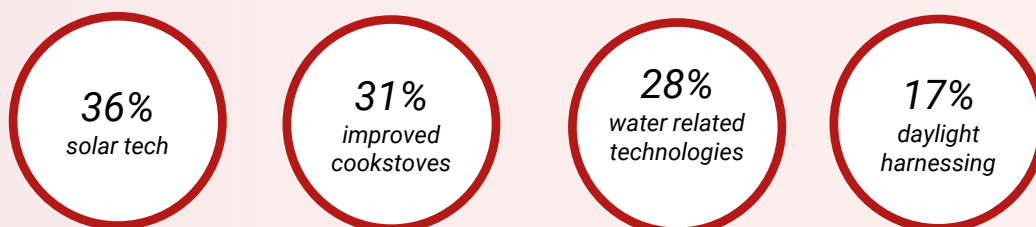
Many enterprises, for instance, use daylight in their processes and promote efficient transport among their employees. Seventeen percent designed or modified their

installations to minimise the use of artificial lighting; and another 17% promote the use of non-motorised transport within their business.

When looking at the different sectors, enterprises in the clean energy sector generated on average 12,762 kWh of energy from renewable resources, 37% above the average of the whole sample, while they contributed to saving 6,139 kWh of energy. Similarly, enterprises in the sustainable agriculture sector, on average generated 11,416 kWh of energy from renewable resources, and saved 27% more energy, amounting to 6,053 kWh (Figure 14).

Environmental impact: Renewable energy generated, water saved & energy saved

Enterprises save resources through green technologies and practices



Eco-inclusive enterprises' environmental impact on resources across all sectors



Renewable Energy Generated

The average enterprise generated **9,336** kWh of energy from renewable resources

Total impact for all surveyed enterprises: **364.1 K** kWh of energy from renewable sources, equivalent to the electricity consumption of **749** people in Sub-Saharan Africa in **1** year



Water Saved

The average enterprise saved **7,129** cubic meters

Total impact for all surveyed enterprises: **399K** cubic meters of water saved, equivalent to the water usage of **7,252** people in Uganda in **1** year



Energy Saved

The average enterprise saved **4,765** kWh of energy

Total impact for all surveyed enterprises: **233.5K** kWh of energy saved, equivalent to the energy use of **700** family homes in India in **1** year

Figure 14. Environmental impact: energy saved, renewable energy generated & water saved

Sector contribution to resources saved

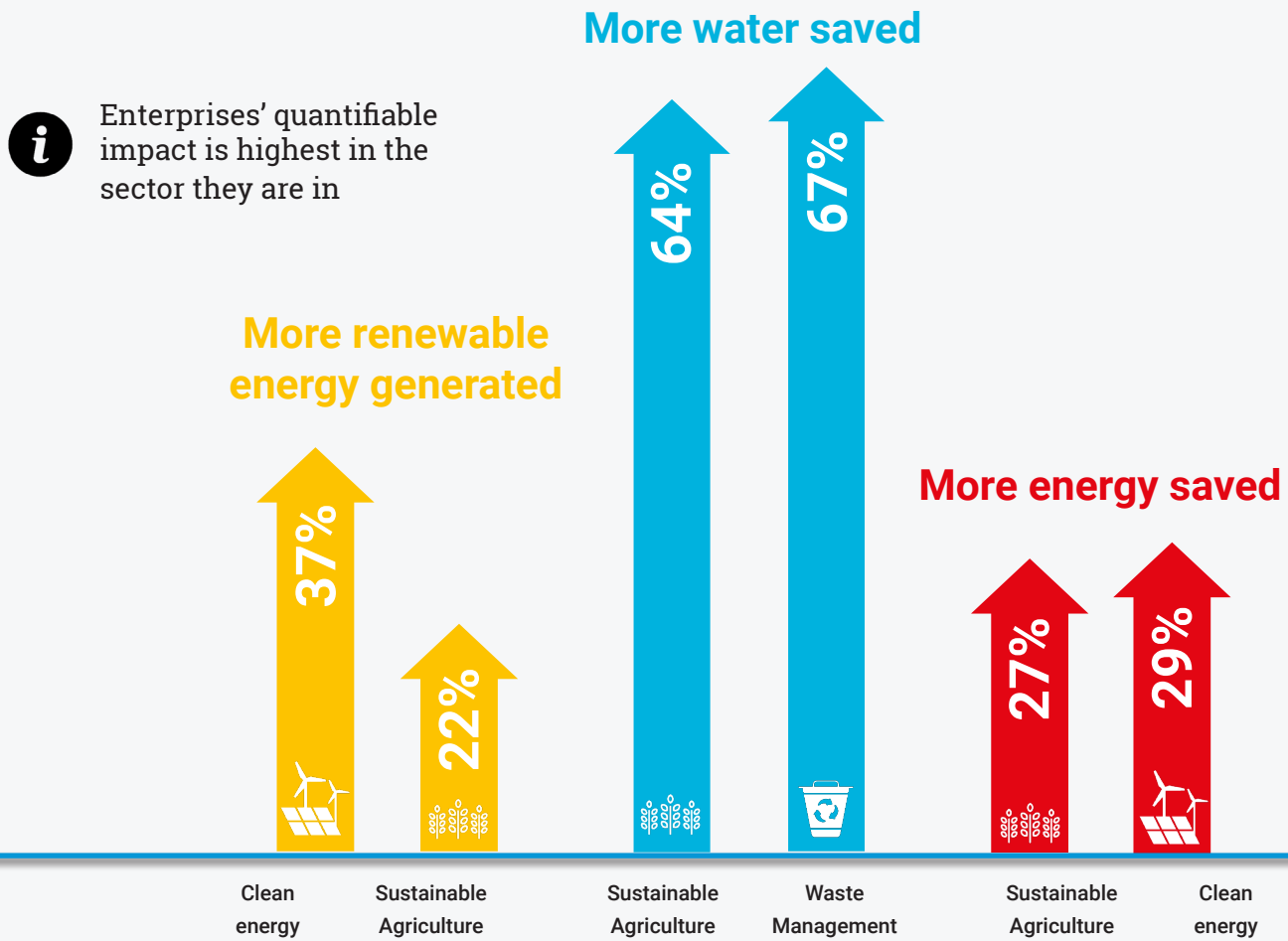
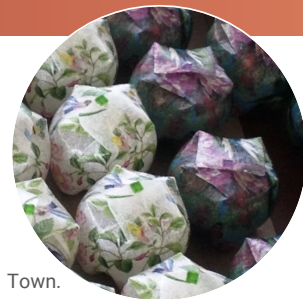


Figure 14. Environmental impact: energy saved, renewable energy generated & water saved (cont.)

Enterprise Spotlight: All Women Recycling

Cape Town, South Africa

2014 SEED South Africa Award Winner



Discarded plastic bottles are sourced from landfills, street waste collectors and collection points located in schools around Cape Town. Female employees of All Women Recycling craft the bottles into unique gift boxes, known as kliketyklikboxes, which serve a worldwide niche market. One of All Women Recycling's strengths is its strong ties to international distributors. This distribution network is used to provide markets for its products and the products of its partners.

Collection vehicle drivers, dump site sorters and street waste collectors profit from having additional sources of income. The process of recycling plastic bottles raises awareness of environmental concerns, keeps townships clean and contributes to mitigating climate change.



Climate Impact

- Reducing the amount of plastic bottles that end up in landfills, thus decreasing greenhouse gas emissions



Social Impact

- Improving the living conditions of previously unemployed young women between 22 and 35 years



Economic Impact

- Creating full-time positions for women in the production and additional jobs for drivers, sorters, and collectors

Setting an example in Environmental Practices

- **52% of enterprises train their staff on green practices, building their own capacity and setting an example to other businesses**

The surveyed eco-inclusive enterprises also promote best practices in protecting the environment. In this way, they set an example for mainstream businesses in their community or value chain on how to conduct business responsibly, and fulfill an important awareness raising function on sustainability with staff and their communities.

Eco-inclusive enterprises build their own capacity and knowledge to mitigate climate change effects and that of their staff: 52% train their staff on green practices such as sustainable resource use. 48% of surveyed enterprises have established environmental objectives and plans, and 31% are already monitoring their performance using well-established KPIs. The latter is key in being able to monitor and improve enterprise contributions to the SDGs (Figure 15).

Exemplary environmental practices



Eco-inclusive enterprises build up their own capacity and knowledge to mitigate climate change effects and that of their staff

.....
52% of them trains their staff on green practices.



48% of surveyed enterprises have established environmental objectives and plans

31% of surveyed enterprises are already monitoring their performance using well established and developed KPIs



N=289

Figure 15. Exemplary Environmental Practices



4. SOCIAL AND ECONOMIC IMPACT

Relevant SDGs



Eco-inclusive enterprises promote inclusive and sustainable economic growth, employment, and decent work for all.

Eco-inclusive enterprises promote inclusive and sustainable economic growth, employment and decent work for all. Thus, they contribute towards multiple SDGs including No Poverty, Quality Education, Decent Work and Economic Growth, Gender Equality and Reduce Inequality.

A key asset of eco-inclusive enterprises is their engagement with low-income (sometimes also called bottom of the pyramid, BoP) and marginalised populations. Eco-inclusive enterprises generate local employment within their supply chain - as partners, suppliers and service procurers, and as direct employers. These employment opportunities mean jobs and training opportunities for marginalised groups that are more vulnerable to poverty, contributing to the global fight against poverty. Women are routinely included in their businesses and value chain as suppliers, distributors and consumers.

Forty-one percent of the jobs created by our surveyed eco-inclusive enterprises are offered to people at the BoP and 42% of that employment goes to women. This paints a clear picture of what these enterprises can contribute in the way of reducing inequality and poverty and achieving gender equality. Furthermore, through staff training, a best practice conducted by 90% of surveyed enterprises, enterprises fulfill the principles of offering decent jobs while also advancing towards SDG 4. Quality Education, by promoting lifelong learning opportunities.

Generating Prospects and Income for Marginalised Populations

Highlights:

- **Women empowerment: 53% of SEED supported enterprises are women-led. On average, 42% enterprise employees are female.**

- **Youth¹¹ empowerment: 44% of eco-inclusive enterprises are youth-led, and on average 50% of employees are youth.**

Empowering women in the economy and closing gender gaps in the professional sphere are key to achieving the 2030 Agenda for Sustainable Development. When more women work, there is higher economic growth. Women's economic empowerment boosts productivity, increases economic diversification and income equality (UN Women, 2018).

Female empowerment is a major focus of SEED-supported enterprises. Out of 289 surveyed enterprises, 53% are female-led, with an average proportion of women employees of 42%. When comparing female employment across differently sized enterprises, some differences emerge. Small enterprises employ on average the highest proportion of women employees; 46% of their employees are female compared to micro and medium-large enterprises which employ an average of 40% female staff. Forty-two percent of enterprises explicitly focus on promoting gender equality, and consciously implement benefits and activities to further gender equality, including equal wages and promotions, maternity and paternity leave, and childcare as an employee benefit.

Further down the supply chain, surveyed enterprises serve on average 42% female and 58% male customers; and engage with suppliers, of whom 44% on average are female suppliers.

Eco-inclusive enterprises are also focused on youth. With a growing young population in developing countries, their contribution is crucial to empowering new generations. Eighty-three percent of eco-inclusive enterprises employ youth, with an average of 50% young employees per enterprise; while 44% of enterprises are youth-led. (Figure 16 and Figure 18). Micro and small enterprises stand out in their employment of youth, recruiting 52% and 50% of

¹¹ The SEED survey for this report defined youth as those persons under the age of 30 years old.

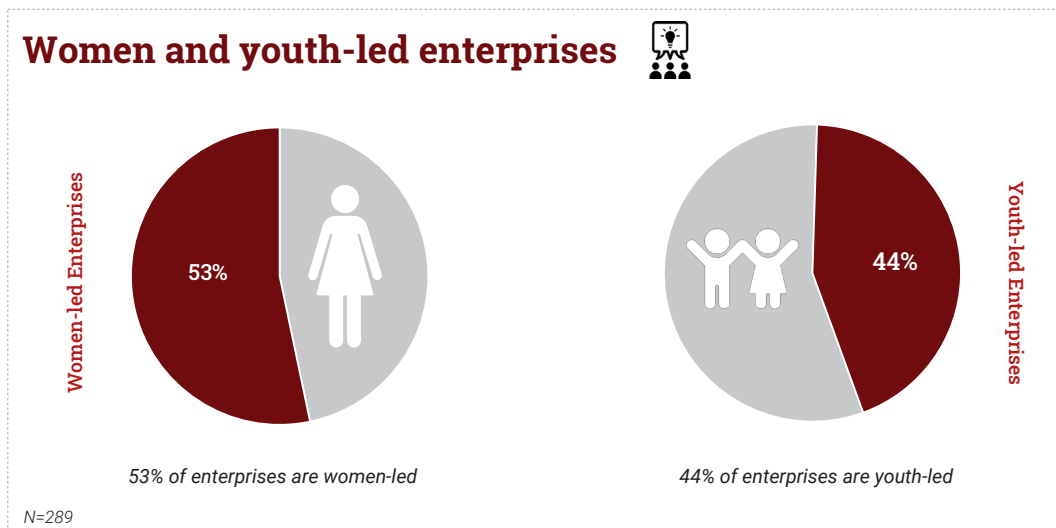


Figure 16. Gender equality and youth employment

youth on average. Medium-large enterprises employ 31% of youth in their staff (Figure 16 and Figure 18).

People living at the bottom of the pyramid (BoP) lack access to basic goods and services such as primary health care, clean water, proper sanitation and basic education. Excluded from traditional business models, the BoP sustains their livelihoods through activities in the informal and subsistence economies, and often rely on non-profit organisations and government programmes to serve their basic needs.

The majority (59%) of surveyed enterprises employ people at the BoP. On average they employ 9.2 staff from this group (32% out of the total employees per enterprise). The largest proportion of BoP employees is employed

by small and medium-large enterprises, at 42% and 40% respectively. Micro enterprises only employ 27% of BoP in their staff. This corresponds to an average of 1.4 people out of 5. Altogether, surveyed enterprises directly employed 3,002 people at the BoP in 2018, while they collectively worked with 215,577 additional people at the BoP (including customers, suppliers, and distributors) up and down the supply chain. Eco-inclusive enterprise employment of people in the BoP is a promising addition to existing philanthropic or government programmes that often meet basic needs, but fail to achieve economic empowerment of these populations (Figure 17).

The Bottom of the Pyramid (BoP)

People living at the Bottom of the Pyramid (BoP) lack access to basic goods and services and are often excluded from traditional business models.

59% of the surveyed enterprises employ people at the BoP.

On average they employ 9.2 staff from this group (32% of the total employees per enterprise)



All together they directly employed **3,002** people at the BoP over 2018, while they collectively worked with **215,577** additional people at the BoP.



N= 256

Figure 17. The bottom of the pyramid

The average eco-inclusive enterprise:

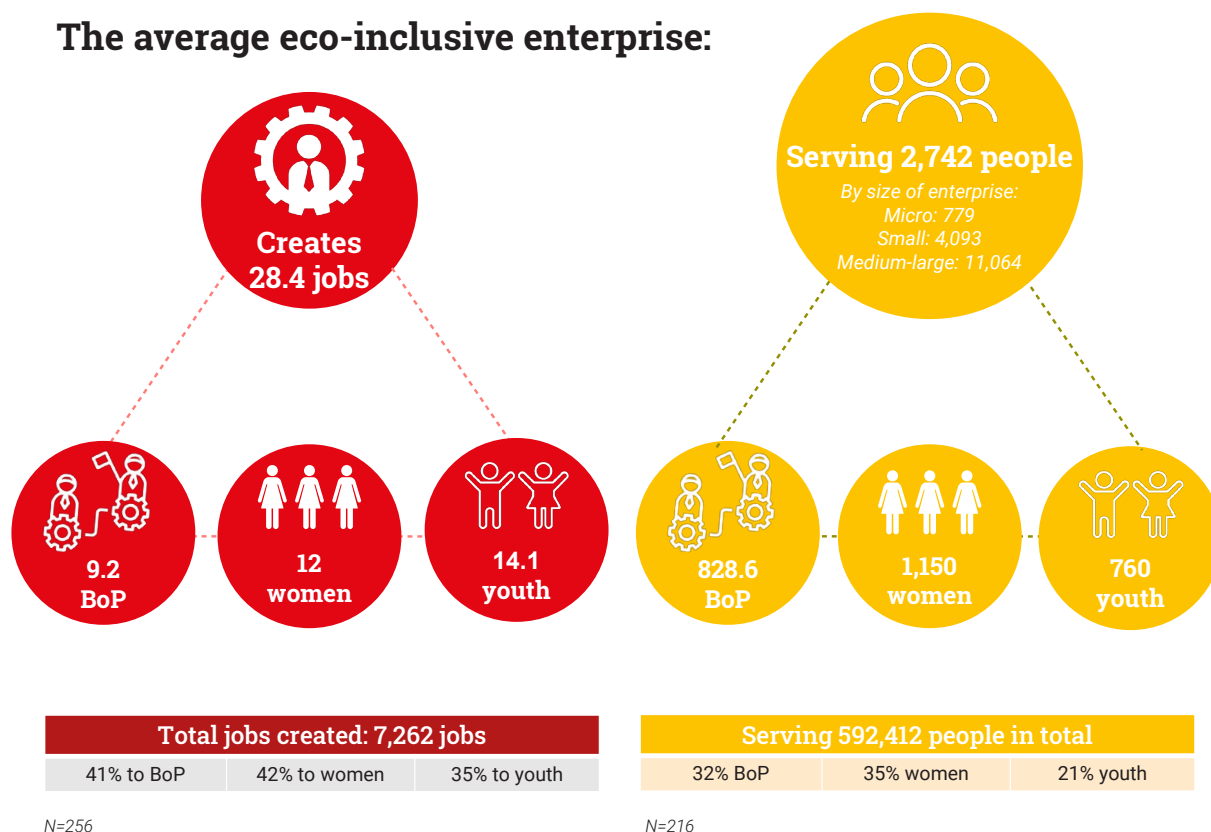


Figure 18. Breakdown of jobs created and beneficiaries supported

Decent Work for All

Highlights:

- **90% of surveyed enterprises offer at least one type of training for their staff, including skills-based, life-skills, health and safety, and environmental and social performance trainings**

In line with SDG 8 on Decent Work and Economic Growth, eco-inclusive enterprises protect labour rights and promote safe working environments for their employees. The enterprises that participated in this survey are certainly trailblazing when it comes to promoting best practices, however the figures also speak to the lack of qualified staff and available training locally.

Around half of the enterprises (44%) are focused on offering decent jobs¹². They offer training to their employees, professional (e.g. health and safety) and life skills training, and training on environmental and social performance. Hereby, they ensure productive and safe work environments, and support personal development and social integration of their employees (ILO, 2020).

Ninety percent of surveyed enterprises offer at least one type of training for their staff. Four out of five of the surveyed eco-inclusive enterprises offer skills-based training and over half (59%) offer life skills training. The latter includes decision-making and problem-solving, communication and interpersonal skills, time and financial management, and soft skills learning. Forty-seven percent offer health and safety training, and a small percentage of surveyed enterprises offer additional benefits to their employees such as education subsidies and stock ownership (16% and 14% respectively) (Figure 19).

Training staff members increases the value of an employee's contribution to the business (Accounts and Legal, 2017), the enterprise's performance, and the chances of an enterprise to stay in business (UKCES, 2010). It is therefore encouraging to find that the great majority of surveyed SEED supported enterprises engage in training activities. Here, they rank slightly above regular MSMEs in developed countries: 60% to 70% of mainstream MSMEs in developed countries offer staff training and development (UKCES, 2010; Accounts and Legal, 2017; Abduli et al, 2017), and significantly above MSMEs in developing countries, where only 39% of MSMEs offer training to their employees (Almeida et al., 2015)

¹² Decent work "is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men" (ILO, 2020)

Training of Employees

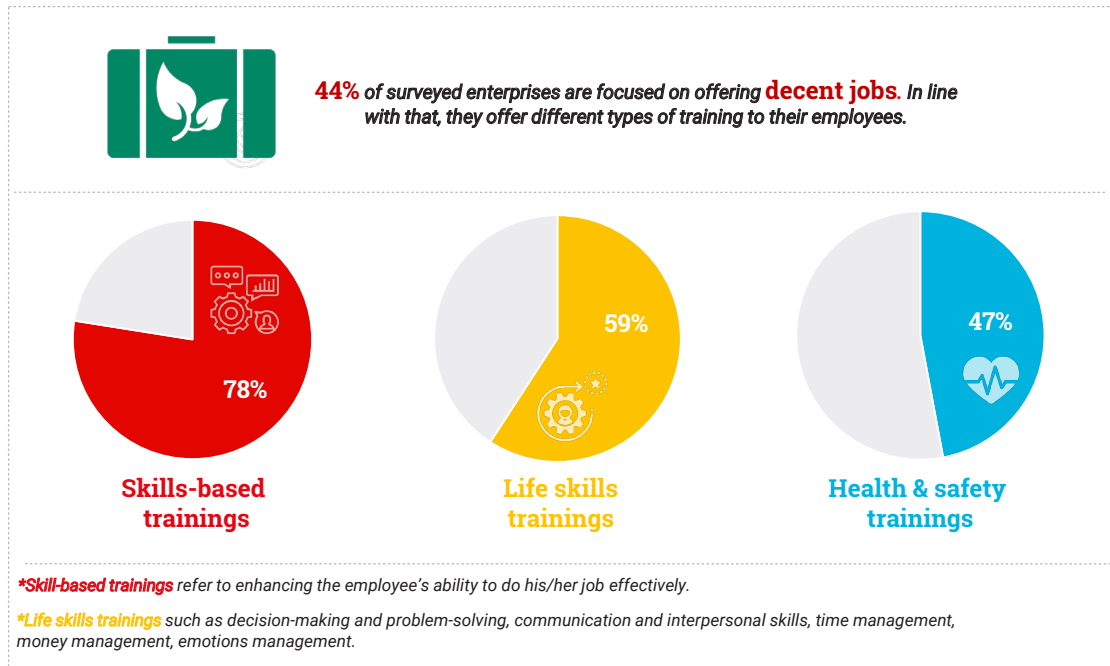


Figure 19. Training of employees

Both staff training by the enterprise and training received from external partners are important to increasing the value employees bring to the business. SEED training is ranked as helpful by a large majority of surveyed enterprises when facing or overcoming challenges related to lack of business management skills (90%), lack of technical training (76%) and lack of appropriately trained people (76%) (Figure 20)

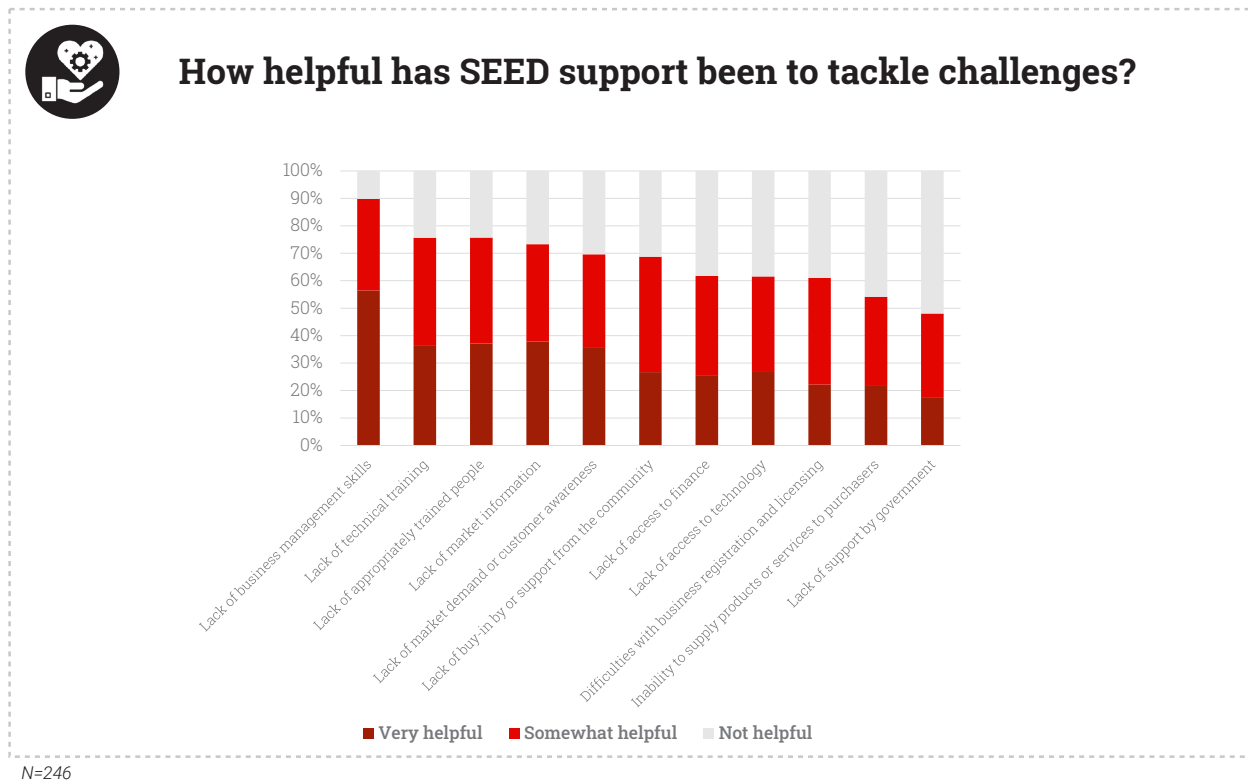


Figure 20. Ranking of SEED support by surveyed enterprises

Witnessing Impressive and Inclusive Growth

Highlights:

- **73% of surveyed eco-inclusive enterprises generate revenue from sales, compared to 57% of social enterprises.**
- **87% of surveyed enterprises have experienced positive yearly sales growth.**

Our survey proves that eco-inclusive enterprises are economically viable actors that generate revenue, experience decent profit margins and growth rates.

The majority of surveyed eco-inclusive enterprises are surviving and thriving, a testimony to their innovative approach, local embeddedness and tenacity. Their rate of survival is also a testament to the growing market of green products and services across the world.

Unpacking this stability, financially and in operations, we see some interesting factors emerge. The majority of enterprises (73%) are revenue generating, and 64% are growing their sales between 1 and 10% per year, with only 13% experiencing negative or no growth in sales.

Eco-inclusive enterprises also fare better when compared to other social enterprises. Fifty-seven percent of social enterprises¹³ generate revenue, and as the Global Entrepreneur Monitor (2011) reports, 4% of active entrepreneurs experience high growth¹⁴, proving that our eco-inclusive enterprises do markedly better, with 22% of surveyed enterprises reporting high and very high growth. It also shows that green and socially inclusive business models can be as profitable as regular MSMEs and social enterprises, and in some cases, more profitable (Figure 21). These figures clearly speak to the market opportunity of the green economy.

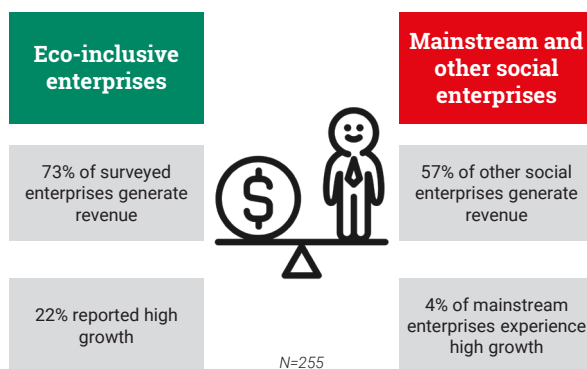


Figure 21. Eco-inclusive enterprises compared

For the 22% of surveyed enterprises that are experiencing high growth (growth of over 10% in sales revenue per year on average since their establishment), contributing success factors include product and service quality (innovative, efficient and low cost products), strong branding and marketing, good customer service and satisfaction, sound financial management, and strong partnerships developed through networking.

It is not surprising to see that enterprises in the growth stage experience higher growth rates on average than enterprises who are in earlier stages. However, it is surprising and encouraging to find several enterprises in the development stage that are already experiencing high and very high growth (21% of the enterprises in the development stage) (Figure 22. Sales Growth and Success Stories).

It thus becomes clear that steering enterprises towards stability and success needs to be undertaken along different stages of development, from product development and product marketing to connecting enterprises to support and partners. Business support that includes marketing and business management training proves key to ensure high survival and success rates.

Normally, enterprise sales growth contributes to the country's economic growth and GDP. But growth does not always mean inclusive growth¹⁵. What our results show is that fast growing enterprises create inclusive growth. High-growth businesses engage more employees, suppliers and customers in relation to slow-growth businesses. Out of the 2,533 jobs generated by high-growth businesses, 37% are offered to people at the BoP. In fact, up and down the value chain, they engage with 10,640 individual or local suppliers, of which 87% are people at the BoP; and 1412 distributors to serve 252,082 customers, of which 42% are people at the BoP (Figure 23).

¹³ Impact Hub studied 16,000 social enterprises (Vandor & Leitner, 2018).

¹⁴ The GEM studied 70,000 active entrepreneurs (Morris, 2011).

¹⁵ The OECD defines inclusive growth as economic growth that is distributed fairly across society and creates opportunities for all.

Sales growth and success stories

The majority of enterprises (64%) are growing their sales with between 1- 10% per year

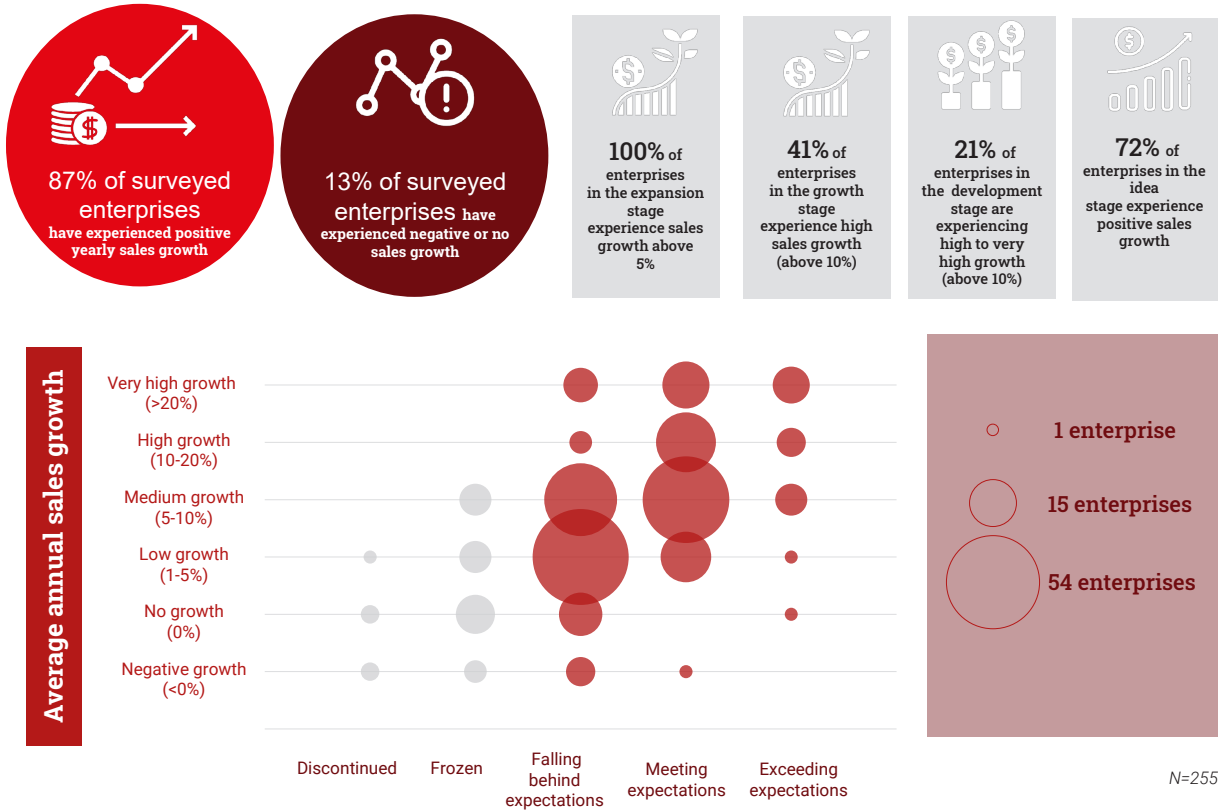


Figure 22. Sales Growth and Success Stories.

Figure 23. Inclusive opportunities and growth along the value chain

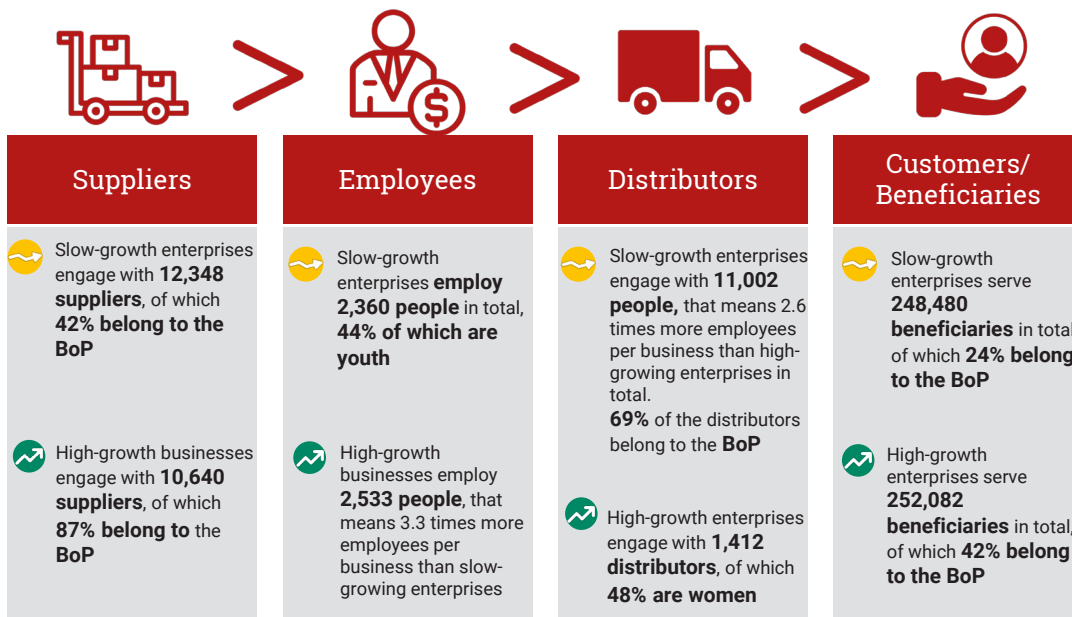


Inclusive Growth Along the Value Chain



78% of enterprises grow their sales up to 10% annually

22% report medium to high growth (over 10% yearly on average)



Refers to slow-growth enterprises, who experience growth sales between 0% and 10% annually, or even negative growth

Refers to medium and fast-growth enterprises, who experience growth above 10% annually

N= 255

5. SYNTHESISING ENTERPRISE IMPACT THROUGH THEIR SDG CONTRIBUTIONS

The previous impact data shed light on enterprise challenges, their growth potential and their impact promise for all three dimensions of the triple bottom line: environmental, social and economic. What emerges is a clear picture of micro, small and medium, locally embedded, and inclusive enterprises, with a majority driven by young and female entrepreneurs. Enterprises generate a significant and quantifiable impact on curbing carbon emissions, promoting green technologies, and preserving energy, water, and other resources.

When analysing the empirical evidence through the lens of the SDGs, it becomes clear that eco-inclusive enterprises contribute directly and significantly to 11 of the 17 Sustainable Development Goals (SDGs), even when methodological limitations to quantify the contribution exist. Their activities generate decent employment (goal 8), reduce poverty (goal 1) and (gender) inequalities (goal 5, 10) and increase green economic growth (goal 8). As the world experiences the negative effects of climate change, they mitigate and adapt to climate change and regenerate the environment (goal 13) while offering

clean and affordable energy (goal 7), and practicing responsible production (goal 12). Enterprises don't do this alone. Sharing knowledge, expertise, technology and financial resources across different stakeholders groups, particularly amongst marginalised populations, makes partnership a core strength of a SEED-supported eco-inclusive enterprise (goal 17).

While pursuing their own social objectives, eco-inclusive enterprises make additional contributions to other SDGs, such as quality education through training offered to staff (goal 4), life on land (goal 15) by managing sustainably a large area to provide agricultural products, and fighting hunger (goal 2). Thus, eco-inclusive enterprises are proving that it is possible to achieve social and environmental goals while being profitable (Figure 24).

These findings are cause for optimism, demonstrating that the future ahead has many opportunities for eco-inclusive enterprises and their partners to maximise their impacts while making significant contributions towards the SDGs.

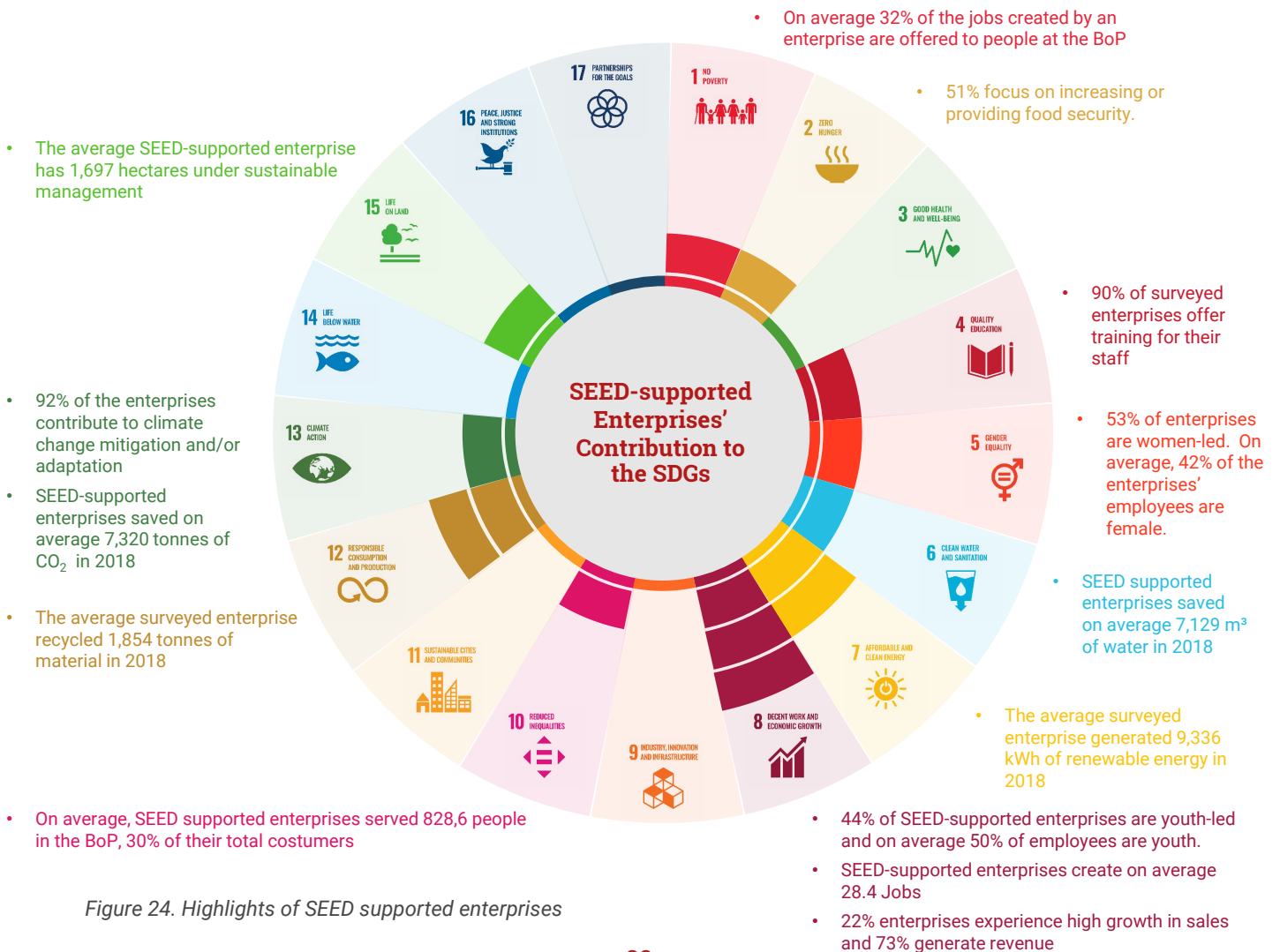


Figure 24. Highlights of SEED supported enterprises

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