



**SEED**  
promoting entrepreneurship  
for sustainable development

2



# Impact Insights: The Power of Eco-Inclusive Enterprises and BDS Providers

SEED 20 Year Impact Flagship Report





## Imprint

**Publisher:** SEED  
c/o adelphi research gGmbH  
Alt Moabit 91, 10559 Berlin, Germany  
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**Suggested citation:** SEED (2022) "Impact Insights: SEED 20 Year Flagship Impact Report." Berlin, Germany.

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Photo Credits: SEED, ListenField (cover)

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### 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).

### Acknowledgements

We express our gratitude to all the people who were instrumental in completing this publication. Thanks go to enterprises and BDS Providers who participated in the survey and shared valuable insights. Many thanks also to all SEED colleagues for their review and proofreading support and to Chandkachorn John Chandratat for his design and layout support.

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# EXECUTIVE SUMMARY

Small and Medium-Sized Enterprises (SMEs) make up the fabric of most societies and account for 90% of registered firms worldwide.<sup>1</sup> They provide 50% of the jobs and contribute over 35% of the GDP of emerging economies (World Bank Group, 2017). At SEED, we focus on a specific sub-segment of SMEs: enterprises that 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. Fortunately, after 20 years of hard work advocating for eco-inclusive enterprises, their immense contribution to society is increasingly recognised. Therefore, more ecosystem actors, such as financiers, policy makers and Business Development (BDS) Providers, work with SMEs to further empower them.

This report provides a better understanding of the impact of these enterprises and BDS Providers, which SEED has supported for 20 years. Our survey includes responses from 234 enterprises and 107 BDS Providers that work in Africa, Asia and Latin America; it offers interesting insights into the working environment of eco-inclusive enterprises and the BDS ecosystem.

## Who are SEED-supported Enterprises?



Enterprises run by local, often young and female entrepreneurs.



Contributing to 13 SDGs across 6 sectors in over 25 surveyed countries.



Proving resilience with an 83% survival rate despite adverse circumstances in finance, market access, regulatory barriers or the COVID pandemic.



Enterprises with a positive environmental impact, preventing an average of 48,250 tonnes of CO<sub>2</sub> equivalent per enterprises, reducing 2,438 tonnes of waste and saving 47,909 m<sup>3</sup> of water.



Enterprises with a positive social impact, improving gender equality (46% of employees are female) and economic opportunities (34% of newly created jobs target people at the bottom of the pyramid).

## Who are SEED-supported BDS Providers?



Leading business consultants that support enterprises on their journey to scale.



Working with a team of 10 people, supporting on average 100 enterprises.



Supporting primarily micro-enterprises (64%) in their development stage (57%) working in the primary sector (49%).



Improving network building, business strategy development and increasingly advising on sustainability and impact.



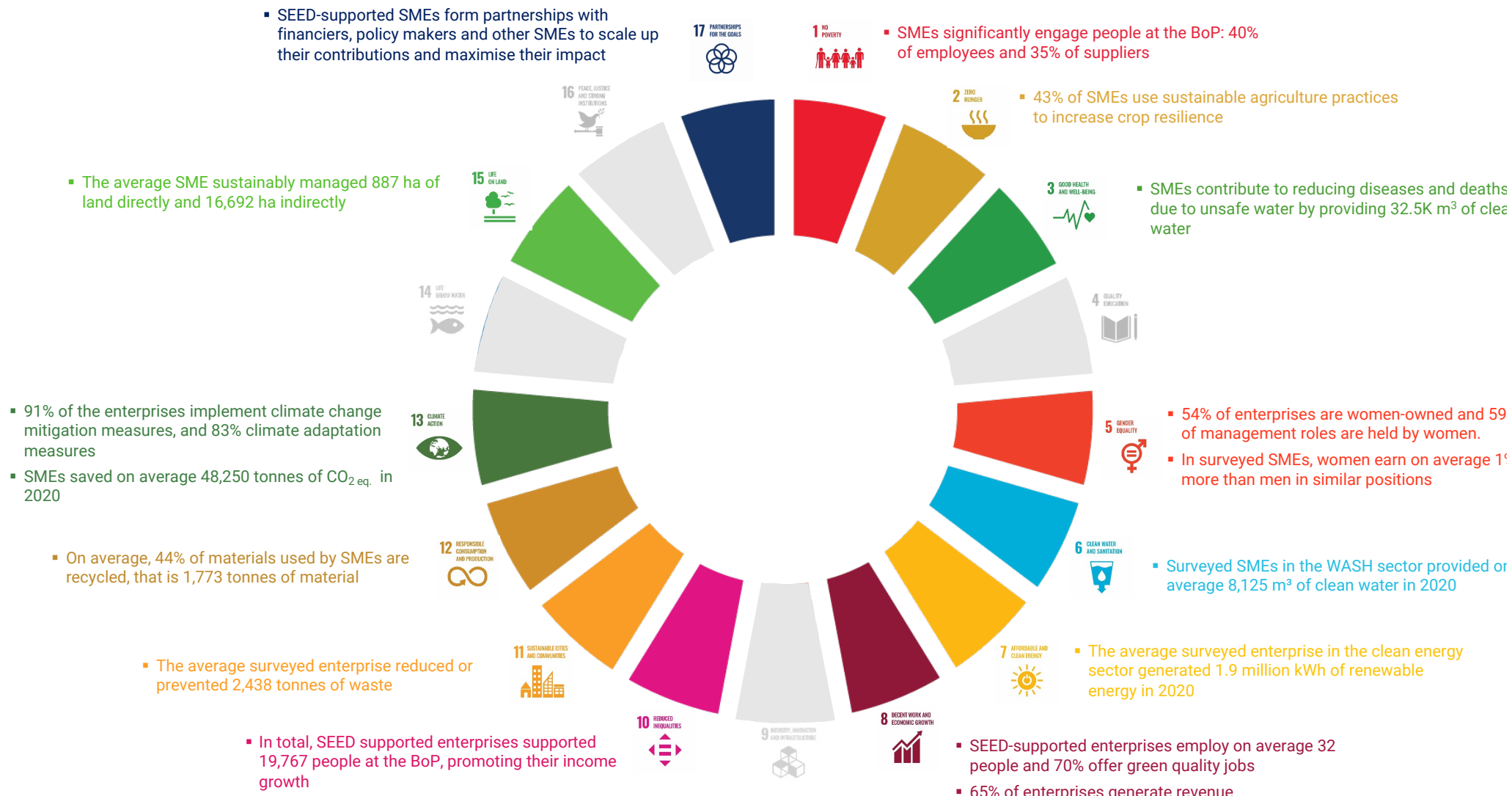
Increasingly work with eco-inclusive enterprises (75% before and 86% after SEED’s Training of Trainers).

These enterprises, in part supported by the new BDS ecosystem, enormously contribute to realising the SDGs. They have an immensely positive impact on the environment by saving resources and encouraging responsible consumption and production practices. But the impact of these enterprises goes beyond environmental and climate action. In the social sphere, eco-inclusive enterprises are drivers of decent employment and gender equality. They provide green quality jobs, which comprise a living wage, basic benefits, career-building opportunities, wealth building, and a fair and engaging workplace. Finally, they foster partnerships that help scale and maximise their impact system-wide.

<sup>1</sup> This report will use the more commonly used abbreviation “SMEs” (Small and Medium-Sized Enterprises) to refer to businesses and enterprises in the micro, small and medium categories.



# SEED-supported Enterprises' Contribution to the SDGs



While much has been achieved over the past 20 years, a lot remains to be done. Building on 20 years of experience, SEED sees the next two decades as an important period where there is an opportunity to consolidate not only the successes and insights from the past but also a chance to use these assets and lessons to take eco-inclusive enterprises to scale for a more impactful transformative change. SEED sees the future agenda primarily focused on three key levers: Scale, Impact and Finance. SEED considers these levers as critical success factors to scale the work of eco-inclusive enterprises and the BDS ecosystem.

This snapshot aims to reveal the versatility and resilience of the impact of eco-inclusive enterprises, and it clarifies the potential for further SDG contributions. Enjoy the read!



ONergy Solar, India



# Eco-Inclusive Enterprise Impact Summary






Kibebe, Malawi

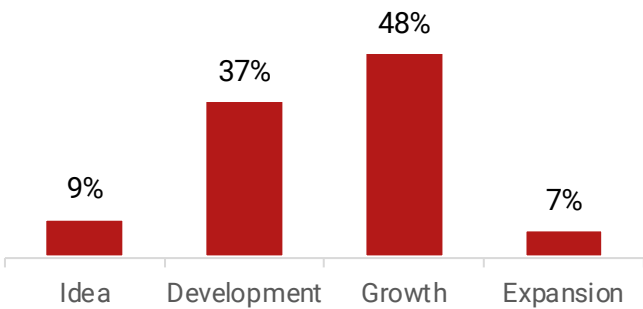


**83%** of surveyed enterprises continue in operation

## Despite most common challenges...

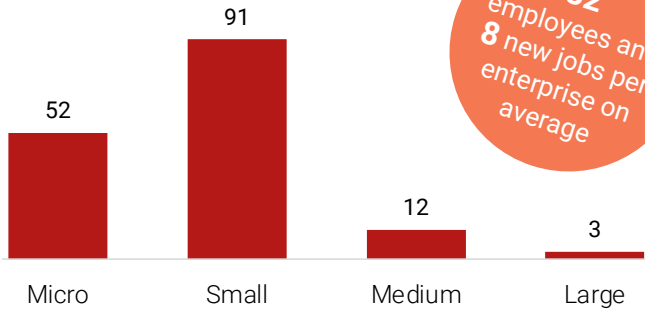
-  Lack of research and development
-  Insufficient funding
-  Difficulties in accessing markets

## They continue growing...



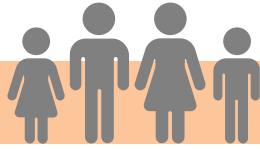
Stage of Development

## And creating jobs



Enterprise Size

32 employees and 8 new jobs per enterprise on average



**SOCIAL IMPACT**



**SUPPLY**  
More than **20,000 suppliers** engaged in 2020

**OPERATIONS**  
More than **5,000 employees** employed in 2020

**DISTRIBUTION**  
More than **4,300 individual distributors** engaged in 2020

- More than **18,000 women** engaged along the value chain
- More than **10,000 youth** suppliers, distributors and employees

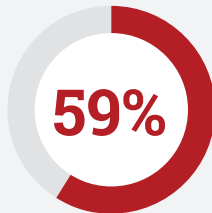
- More than **19,000 people** at the BoP
- More than **22,000 rural** suppliers, distributors and employees

**Youth and women's entrepreneurship**

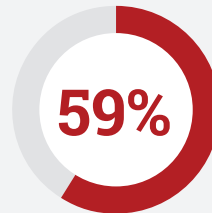
**Gender equality**



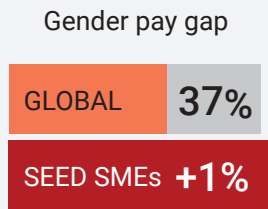
of enterprises are **women-owned**



of enterprises are **youth-founded**



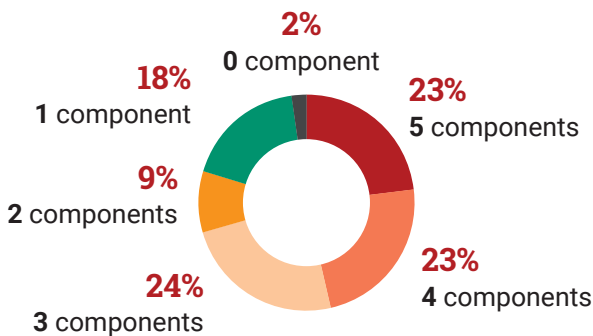
of **management roles** are held by women



Women earn **1% more** on average

**Quality jobs - 70% of surveyed enterprises offer green quality jobs**

Share of enterprises embodying quality jobs principles



Share of enterprises who embody each quality job component



**Increased access to basic services**



**Clean Energy Provided**

Surveyed enterprises provided **27.1 million kWh** of clean energy, equivalent to the energy used by **180,623 people** in Kenya in **1 year**



**Clean Water Provided**

Surveyed enterprises provided **32.5K m³** of clean water, equivalent to the water consumed by **1,894 people** in Africa in **1 year**





## ENVIRONMENTAL IMPACT

### Climate change mitigation and adaptation



**48,250 tonnes CO<sub>2</sub> equivalent saved or reduced** per enterprise during 2020, equivalent to the emissions of around **689K people in Malawi in one year**

Adding up to **2.8 million tonnes saved** or reduced in 2020

**83%** of SMEs are implementing at least one **climate change adaptation** practice or technology



**43% Implement sustainable agriculture practices to increase crop resilience**

And others such as: silviculture and mixed farming solutions; water related efficiency measures; water storage solutions and food storage systems

**91%** of SMEs are implementing at least one **climate change mitigation** practice or technology



**44% Implement afforestation / reforestation practices**

And others such as: improved cookstoves; solar technologies; non- motorised transport practices and recycling of E-waste and glass

### Resources saved and protected



#### Energy Saved

Surveyed enterprises saved **2.7 million kWh** of energy, equivalent to the energy used by **18,000 people** in Kenya in **1 year**



#### Water Saved

Surveyed enterprises saved **8 million m<sup>3</sup>** of water, equivalent to the water used by **470,835 people** in Africa in **1 year**



#### Land Stewardship

Surveyed enterprises sustainably managed **354 K ha** of land, roughly **2.6 times the area of Jakarta, Indonesia**



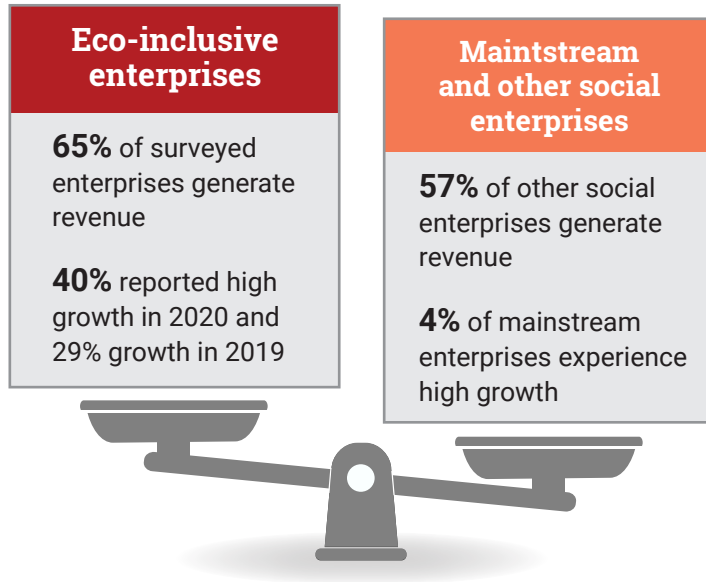
#### Waste Reduced / Recycled

Surveyed enterprises reduced or recycled **117 K tonnes** of waste, equivalent to the waste disposed over **20 days in the landfills in Delhi, India**

**ECONOMIC IMPACT**



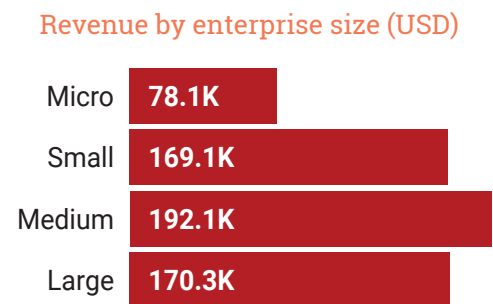
**Eco-inclusive SMEs fare better**



**Sales growth**



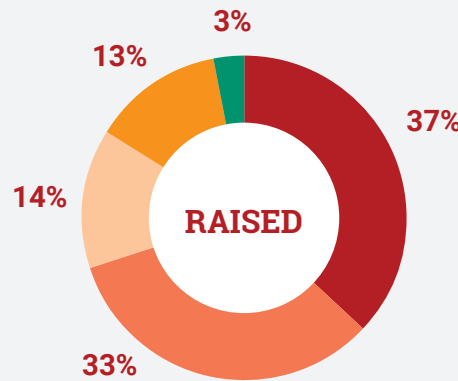
**Sales revenue**



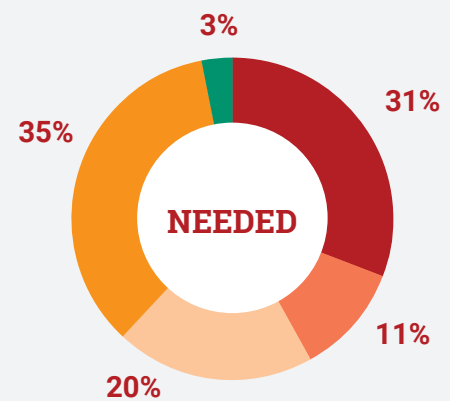
**Financing raised vs. needed**

Sources of financing

- Grants
- Personal Funding
- Debt
- Equity
- Other



Median value  
**US\$ 16.769**



Median value  
**US\$ 76.084**

On average, enterprises need **12 times more financing** than they were able to raise to scale up their operations

# The BDS Ecosystem



## Business Development Service Providers



Leading business consultants that support enterprises on their journey to scale.



Working with a team of 10 people, supporting on average 100 enterprises.



Increasingly work with eco-inclusive enterprises (75% before and 86% after SEED's Training of Trainers).



Supporting primarily micro-enterprises (64%) in their development stage (57%) working in the primary sector (49%).



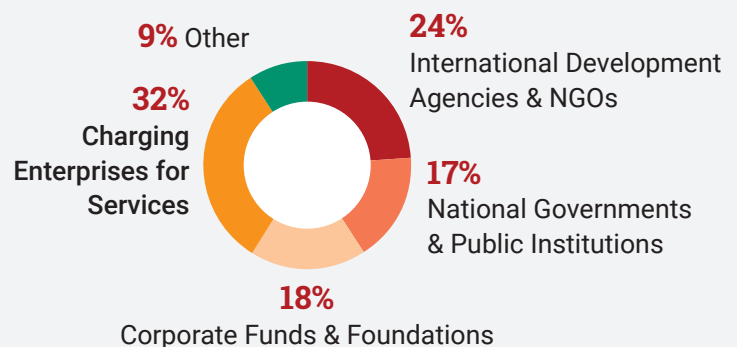
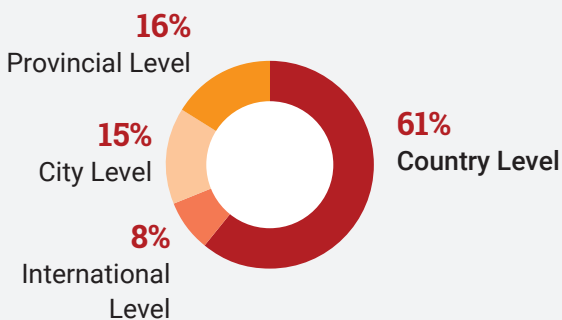
Improving network building, business strategy development and more and more advising on sustainability and impact.

**61%** of BDS Providers works at country-level

**32%** relies on charging the enterprises as their main source of funding

Where do BDS Providers work?

Sources of funding



# Business Development Services

## Main BDS Service Provided (%)

The Majority of BDS Providers advice on 3 Services

1. Business Structures & Strategies
2. Market Research
3. Sales & Marketing

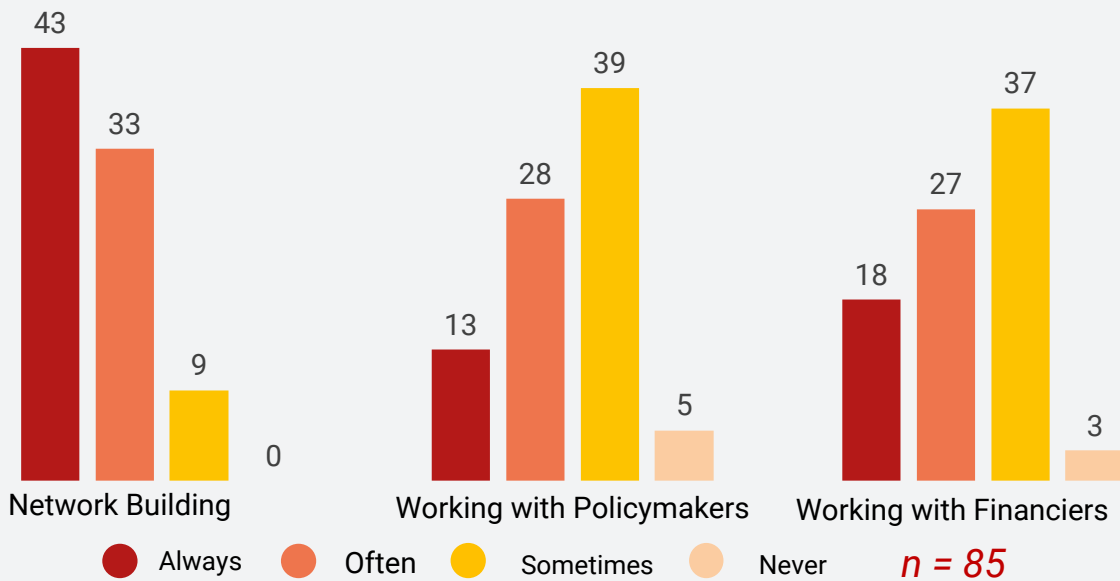
But the importance of **Sustainability & Impact Advisory** is growing



**90%** of BDS Providers offer network building **always** or **often**

Only **50%** of BDS Providers offer to work with policymakers and financiers **always** or **often**

## How BDS Providers work with the ecosystem



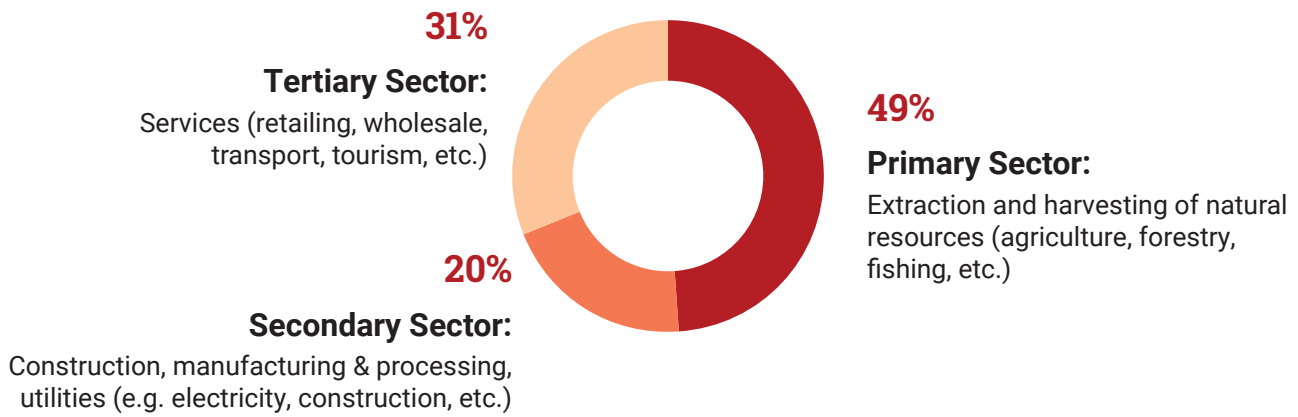
## A Typical BDS Support Programme....

- lasts between **3 – 6 months**
- has workshops of more than 3 days
- offers groups between **20 – 30 people**
- is part taught and part facilitated
- focuses both on **management skills** and **topical expertise**

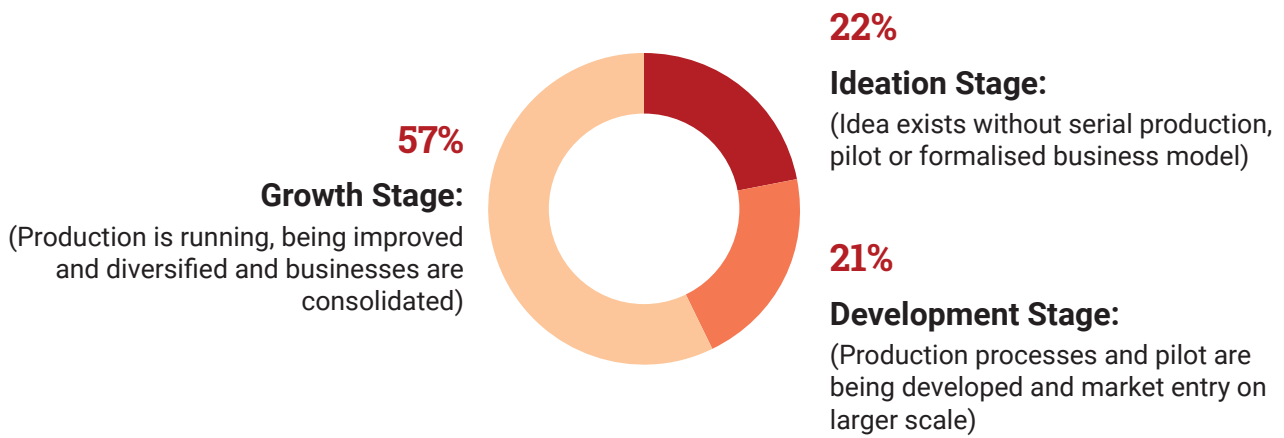


# The Supported Enterprises

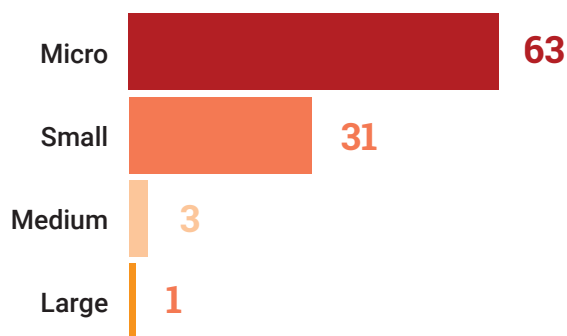
## Sectors



## Stages



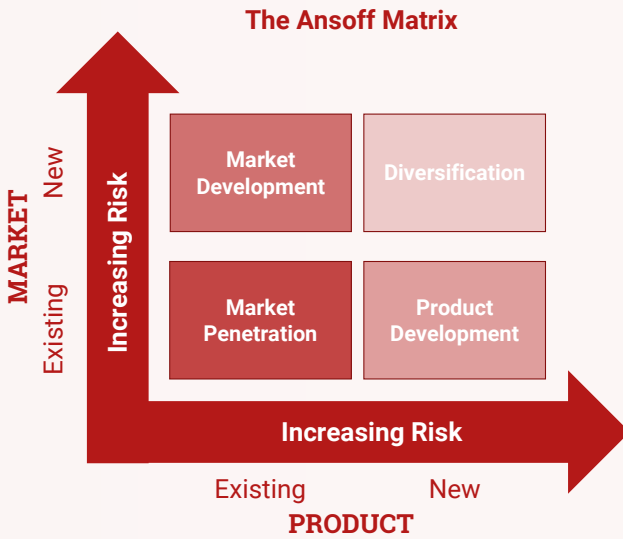
## Sizes



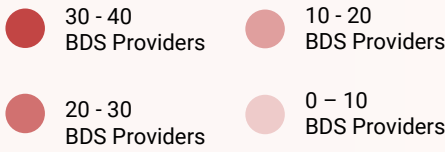
**Definition:**

- Micro:** 1 – 9 people
- Small:** 10 – 49 people
- Medium:** 50 – 249 people
- Large:** more than 250 people

SEED's Impact

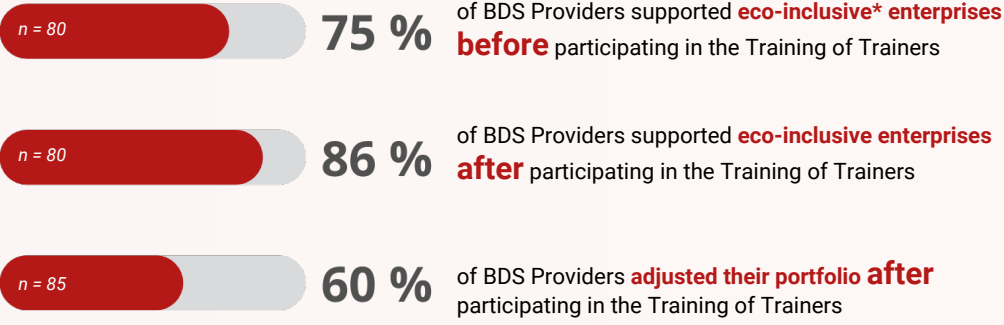


BDS Providers **focus more on eco-inclusive enterprises** and offer **better-tailored support** through improved capacity and the SEED Toolkits

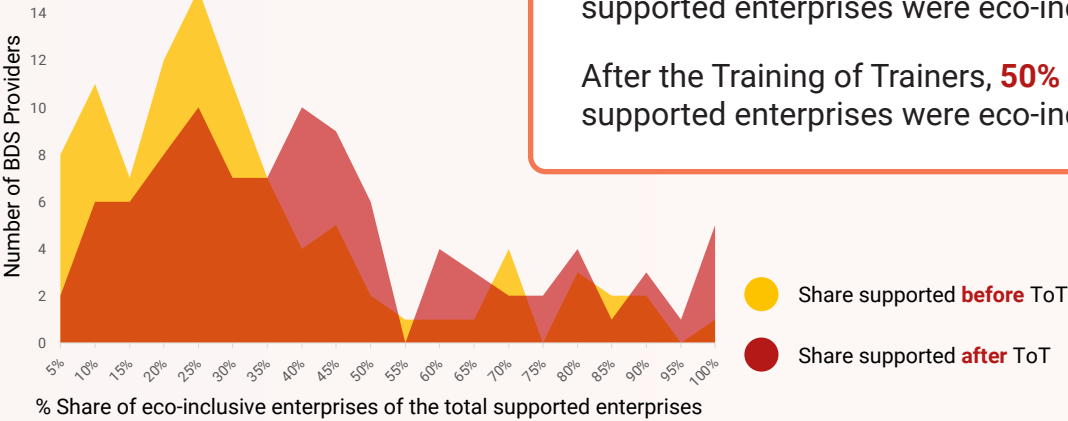


The share of BDS Providers that work with eco-inclusive enterprises increased from **75% to 86%**. Most BDS Providers adjusted their portfolios to

- be more sustainable
- be more inclusive
- offer better-tailored solutions



Share of eco-inclusive SMEs in total supported SMEs



Before the Training of Trainers, **36%** of supported enterprises were eco-inclusive. After the Training of Trainers, **50%** of supported enterprises were eco-inclusive

## SETTING THE SCENE

For over 20 years, SEED has been promoting entrepreneurship for sustainable development. Through its work and, together with its partners, SEED has actively increased awareness and advocated for the recognition of the critical role played by SMEs—a key pillar for development, social cohesion and environmental protection. By focusing on eco-inclusive enterprises, SEED ensures to work towards the triple bottom line, benefiting economic growth, social inclusion and environmental protection.

Eco-inclusive SMEs have demonstrated through their success stories that they positively contribute to the environment and the society, thus pointing towards the need to consider, support, and enable them. And although their individual success stories may be deemed just marginal, the added contribution of SEED-supported SMEs shines a light on their relevance in achieving global sustainability goals. Considering their enormous impact potential, this report contributes to a better quantitative understanding of the contributions of eco-inclusive enterprises, which SEED has been supporting for 20 years. Additionally, SEED brings important ecosystem actors on board, such as BDS Providers, that can help small and growing enterprises. SEED engages BDS Providers to prepare them for the unique situation of eco-inclusive enterprises and allows them to better assist start-ups and growing eco-inclusive enterprises.

In late 2020, we surveyed all enterprises and BDS Providers that SEED had supported to get a sense of who they are, their impact on their communities and beyond, and their perception of SEED's impact and benefits on their businesses. This report details the findings from a sample of enterprises across the globe that have participated in the SEED Awards (Catalyser and Accelerator), Starter, and Replicator programmes. In addition, BDS Providers who took part in SEED's intermediary support through the Training of Trainers participated in the survey.



Proplanet, Colombia

## SEED Direct Enterprise Support



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 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** is an annual 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, and later the Accelerator programme. As of 2019, SEED Award Winners join the SEED Accelerator programme while Award Finalists join the Catalyser Programme.

## SEED Ecosystem Building Support



The **SEED Business Development Service+ (BDS+)** programme enhances the capacities of Business Development Service providers with the skills and tools required to improve their support services offered to eco-inclusive enterprises in their regions. These BDS+ Providers are leading business consultants and members of institutions supporting small and growing enterprises, such as incubators and accelerators.

As all the data reported by enterprises were for the year 2020, they are not historical but rather annual data.





**Part 1:**

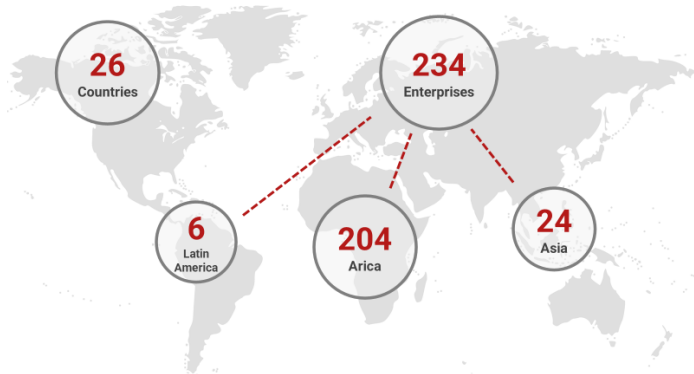
Impact Insights on  
Eco-Inclusive Enterprises

# 1. MAPPING OF SEED-SUPPORTED ENTERPRISES

Although SEED-supported enterprises are diverse, and not all participated in the survey, certain common characteristics can still be identified. SEED-supported SMEs operate across several regions and sectors. Enterprises are located in Africa, Latin America, and South & Southeast Asia, with more than half operating in Uganda, Malawi, South Africa and Ghana. The top sectors, where more than half of SEED-supported enterprises operate, are sustainable agriculture (37%) and clean energy (22%), closely followed by waste management (20%). Furthermore, almost 60% of enterprises (135 out of 229) contribute additional work to a secondary sector, which in most cases is green technology.

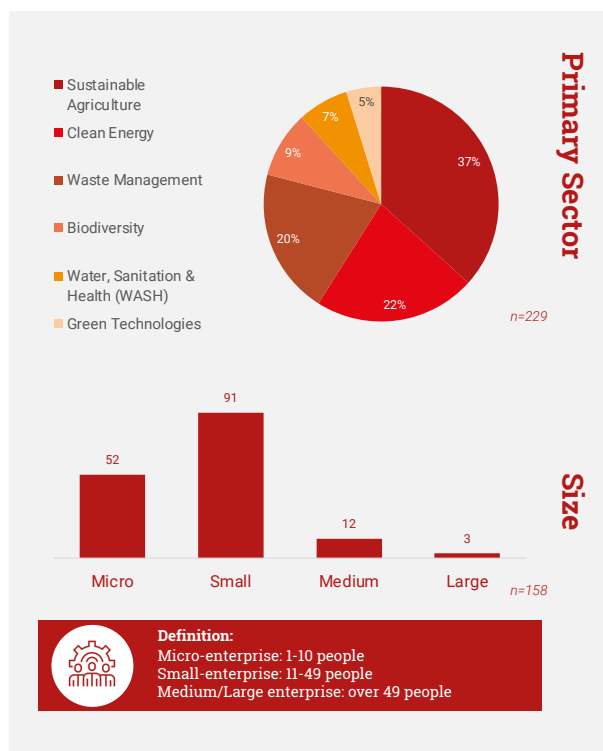
Regarding their size, based on the number of employees, most enterprises (58%) can be classified as small enterprises, with the number of employees ranging from 5 to 10. In comparison, only 9% are medium and large enterprises.<sup>2</sup>

## Enterprises Overview



## Countries

- |              |            |              |
|--------------|------------|--------------|
| Bangladesh   | Kenya      | South Africa |
| Bolivia      | Malawi     | Tanzania     |
| Burkina Faso | Mauritius  | Thailand     |
| Colombia     | Mozambique | The Gambia   |
| Egypt        | Namibia    | Uganda       |
| Ethiopia     | Nepal      | Vietnam      |
| Ghana        | Nicaragua  | Zambia       |
| India        | Niger      | Zimbabwe     |
| Indonesia    | Rwanda     |              |



## 1.1 Development stage

SEED has been around for 20 years and has supported enterprises along their journey since the beginning. These 20 years have allowed quite some time for enterprises to grow and develop. Almost half (48%) of the surveyed enterprises are currently in the growth stage, and 7% are already expanding.

<sup>2</sup> For further information about number of employees visit the Social Impact section in this report

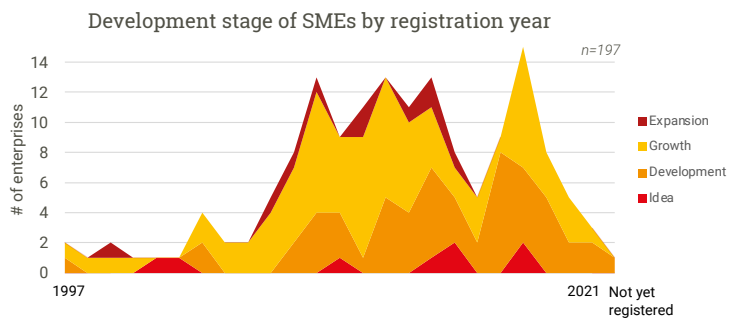
## SME Development Stage

48% of enterprises are in the **growth stage**

37% are in the **development stage**

9% are in the **idea stage**

7% are in the **expansion stage**



**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

As expected, a larger share of younger enterprises find themselves in the development and idea stages, while older enterprises tend to find themselves for the most part in the growth stage.

A large proportion of enterprises, namely 46%, find themselves in early development stages. This figure is in line with studies done in the African continent, where early-stage entrepreneurship is prevalent (Bosma & Kelley, 2019).

## 1.2 Survival rates and challenges

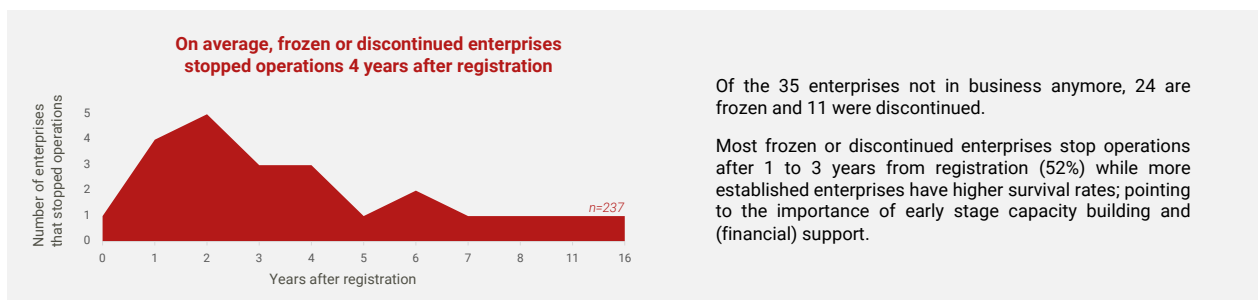
Setbacks and challenges are common for SMEs, especially for enterprises in developing markets. For the eco-inclusive enterprises that SEED works with, this is no different. Access to finance and markets, regulatory barriers, and inadequate infrastructure and management skills contribute to the various obstacles that these enterprises face. In light of these challenges, the survival rates of surveyed eco-inclusive enterprises are impressive: 83% of them continue in business. By comparison, failure rates of mainstream SMEs 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 five years since inception in India (Kumar, 2018).<sup>3</sup>

### 83% of surveyed enterprises continue to operate

76% of Replicator enterprises

77% of Starter enterprises

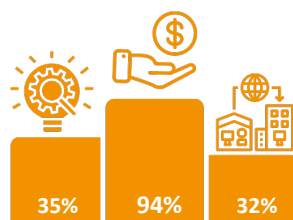
89% of Winner and Runner-up enterprises



Of the 35 enterprises not in business anymore, 24 are frozen and 11 were discontinued.

Most frozen or discontinued enterprises stop operations after 1 to 3 years from registration (52%) while more established enterprises have higher survival rates; pointing to the importance of early stage capacity building and (financial) support.

### Top challenges and drivers for discontinuing business operations



The most common drivers for stopping business operations are **insufficient funding (94%)**, **lack of research and development opportunities (35%)** and **difficulties accessing markets (32%)**.

Other common challenges include lack of business development services, regulatory barriers and inadequate business management skills.

<sup>3</sup> There may be different methodological approaches and varying definitions of (M)SMEs for the shown failure rates, these approaches are not explained in the cited references.

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 help them to survive and thrive, thus making significant contributions to the SDGs.

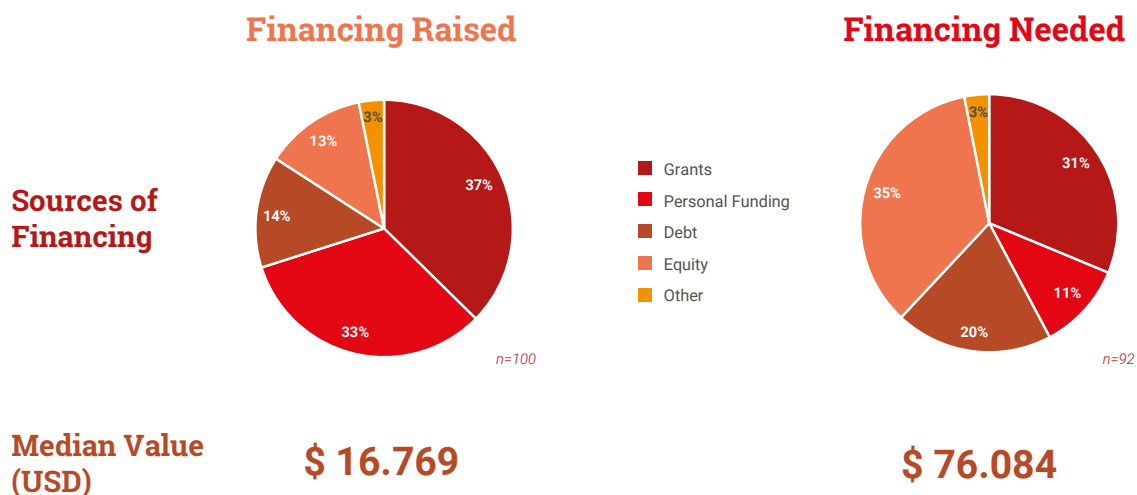
### Unpacking the finance challenge

While enterprises worldwide 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 traditional financing structures. Despite challenges, SEED-supported enterprises were able to raise financing during 2020, unsurprisingly not as much as they needed to grow their business.

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 being common funding sources in the later stages of development.

## Finance: Access Challenge and Fundraising

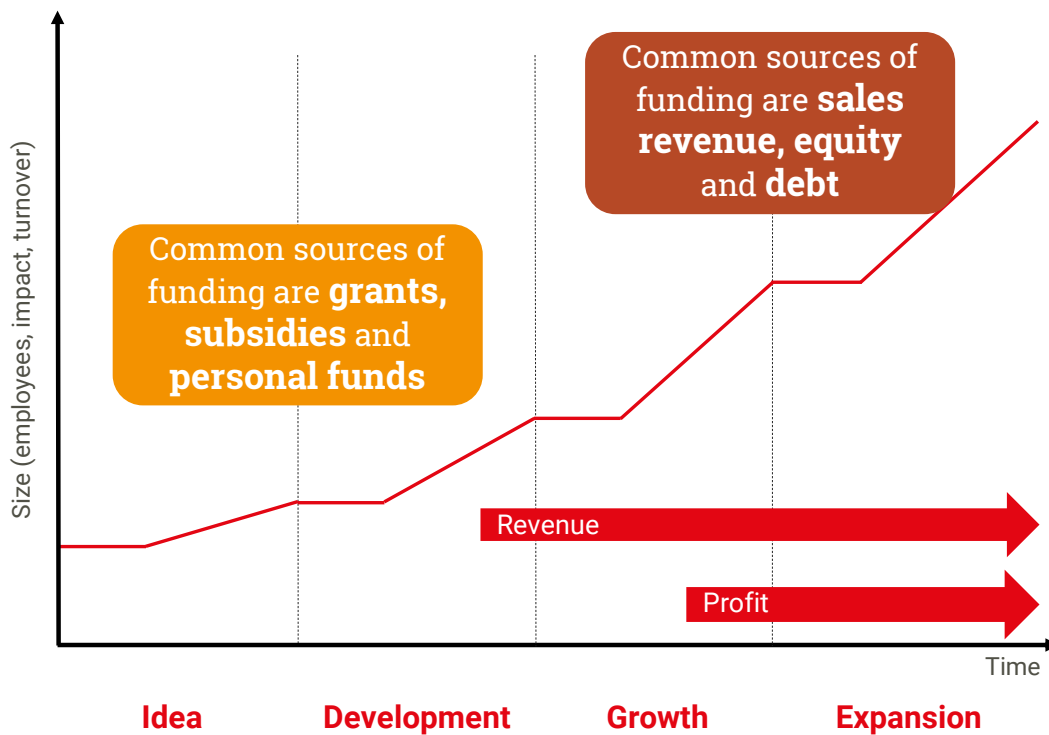
On average, enterprises **need 12 times more financing than they were able to raise** to scale up their operations



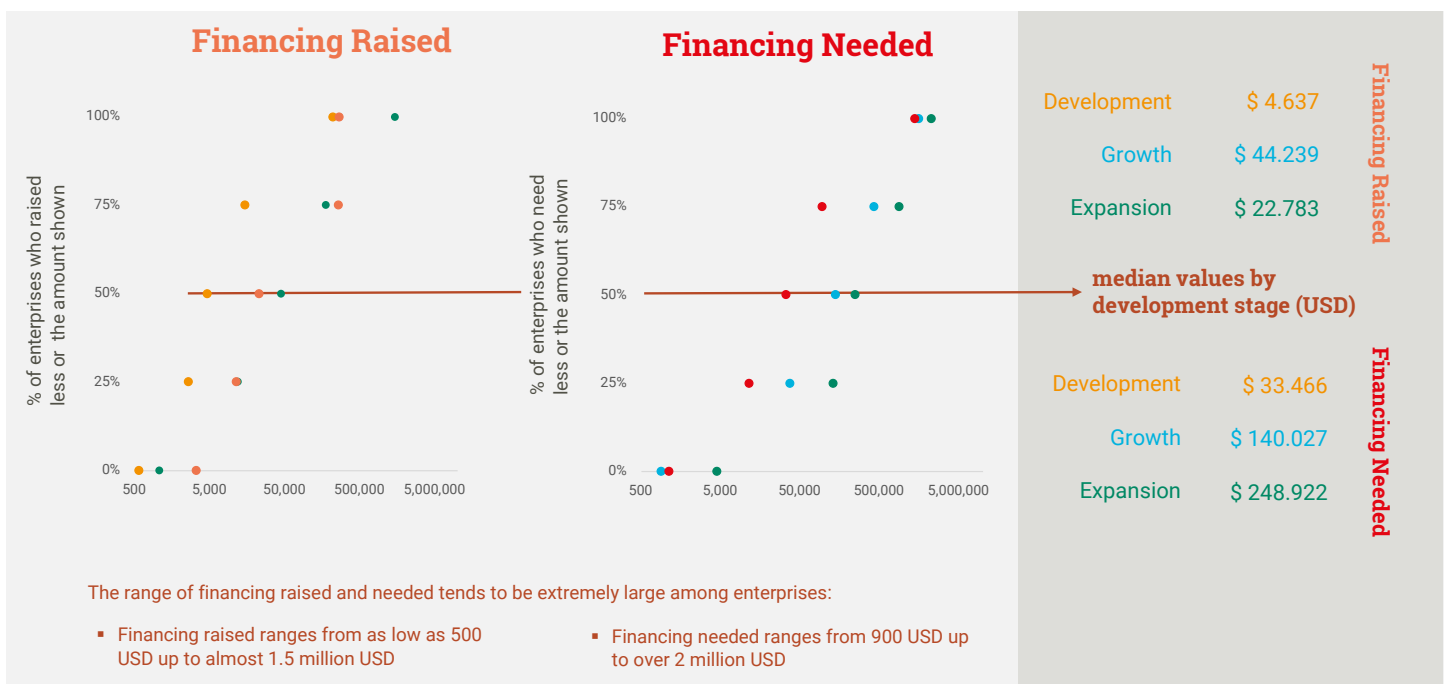
▪ The largest sources of **funding raised** (grants and personal funding) speak loudly to enterprises' challenges when accessing debt.

▪ When looking at **financing needed**, the picture is quite different: enterprises seek to secure financing **mainly from equity, debt (still relying on grants), and steering away from personal funding.**





Only **12 out of 82** enterprises could raise the same amount of funding or more than what they needed for the following year



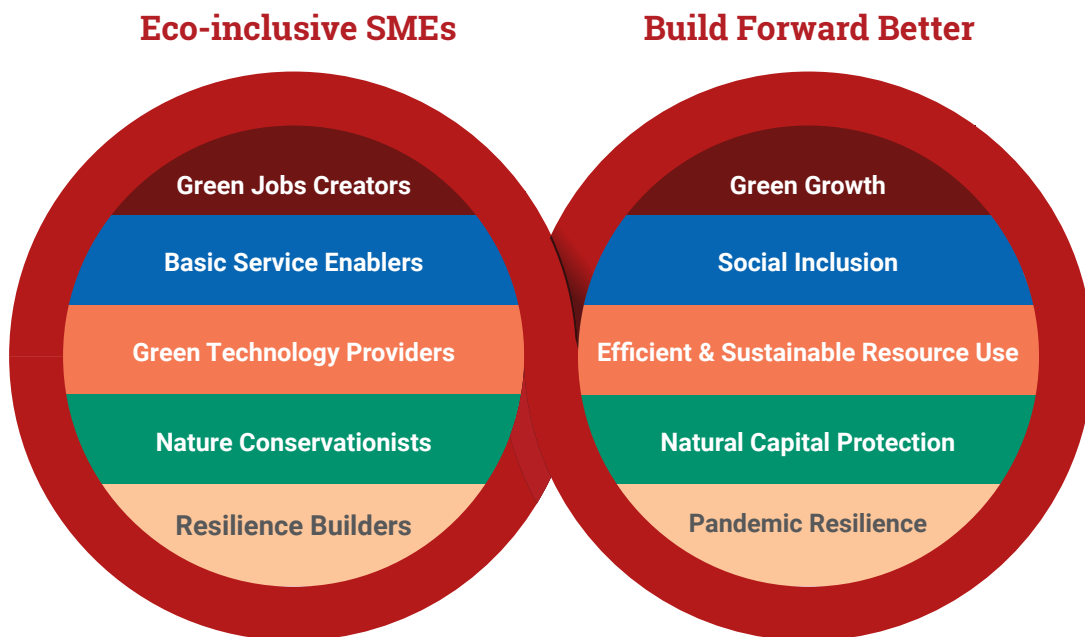
## 2. IMPACT AT SCALE

Eco-inclusive enterprises, which apply and promote green business models while including employees, suppliers, distributors, or consumers from low-income backgrounds in their value chain, have immense potential to create a positive impact in their communities and on the environment. 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.

Since its beginning 20 years ago, SEED has supported more than 2,400 enterprises and entrepreneurs, each creating an average impact described in this section. What would it mean if more and more eco-inclusive enterprises were supported to scale their impact in their communities and on the environment? Although the size of their operations is usually small, and thus their standalone impact may not seem very significant when compared to global numbers, eco-inclusive enterprises can achieve impact at scale if we focus on their collective impact and strive to support their growth and resilience.

### What’s the impact that SEED-supported enterprises create?

What emerges clearly from our survey is a picture of locally embedded enterprises - the majority driven by local, young, and female entrepreneurs - working towards a sustainable future. These eco-inclusive enterprises are more stable and profitable than mainstream small and medium-sized enterprises (SMEs). They significantly curb carbon emissions, promote green technologies, and preserve 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 and contribute to more sustainable consumption and production. When they scale and replicate through different pathways, their contribution to the SDGs is maximised, moving from small individual impact to building a better future for all.<sup>4</sup>



<sup>4</sup> If you want to know more about why the scale-up and replication of eco-inclusive enterprises is a promising pathway to achieving the SDGs, the success factors for scale-up and replication as well the pathways, visit our Case Study Snapshot: Green SMEs and their Success Factors for Scale-up and Replication on <https://seed.uno/articles/reports/green-smes-and-their-success-factors-for-scale-up-and-replication>

## 2.1 Social Inclusion and Decent Employment

SEED-supported enterprises create social impact in their communities by offering quality employment opportunities and integrating vulnerable groups – mainly women, youth and the poor - into their value chains. The social inclusion the enterprises strive for, comprises the quality of jobs and gender equality, going beyond merely creating jobs. Furthermore, SEED-supported enterprises drive global change by performing better than traditional enterprises. They have a larger than average share of women employees and women in management positions and a narrower gender pay gap, which speaks to the vital role that eco-inclusive enterprises play in achieving gender equality. Eco-inclusive SMEs further strive to offer living wages above national minimum wages and a fair and engaging workplace even in the harsh socio-economic context where they operate, where the quality of jobs tends to be low.

### Employment opportunities along the value chain

SEED-supported enterprises are, for the most part, small businesses, employing on average 32 people, although the large majority employ less than 20 people. They are excellent examples of inclusion of underprivileged groups among their employees as they provide employment opportunities for women, youth, BoP, rural people, and to a lesser extent, other minority groups. The surveyed enterprises are also growing, hiring new staff each year. They strive for social inclusion within their enterprise and work along the value chain with a significant share of women (compared to the world average (Catalyst, 2021)), youth and BoP people as distributors and suppliers.

### Employment opportunities along the value chain

The average enterprise **employs 32 people** and the majority of enterprises employ less than 20 employees

**83% of enterprises hired** at least one employee in 2021 who was still working at the end of the year:

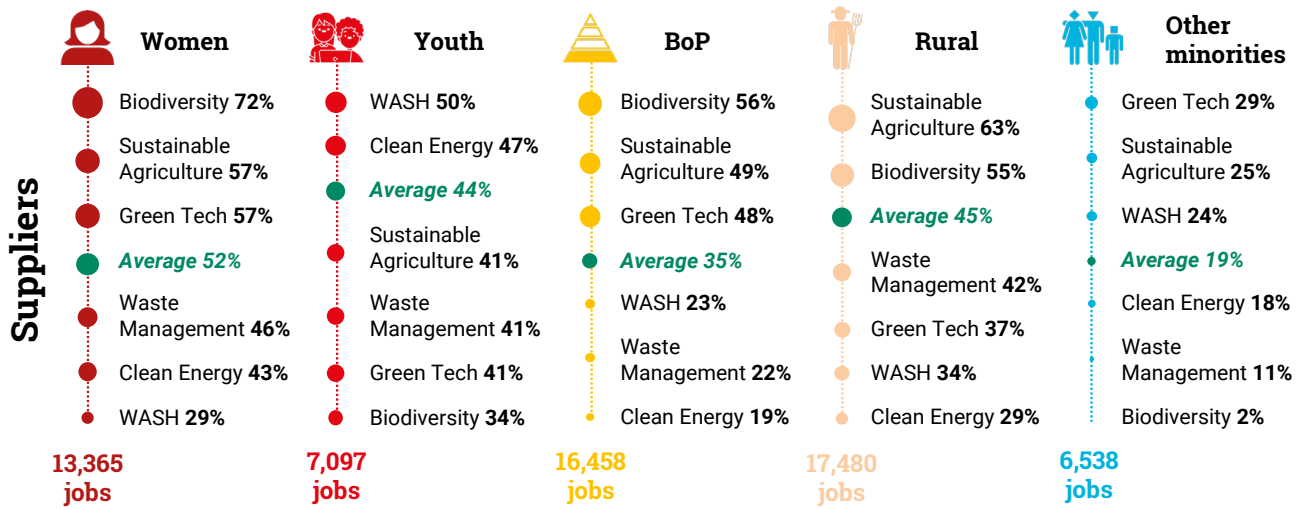
- **8 new employees** on average per enterprise
- **Medium enterprises** created the most new jobs, with an outstanding average of **36 new hires**.

	Micro	Small	Medium	Large
Average number of employees in 2020	5	20	95	632
New jobs created in 2020	3	8	36	2

n=139 (Micro: 52, Small: 91, Medium: 12, Large: 3)

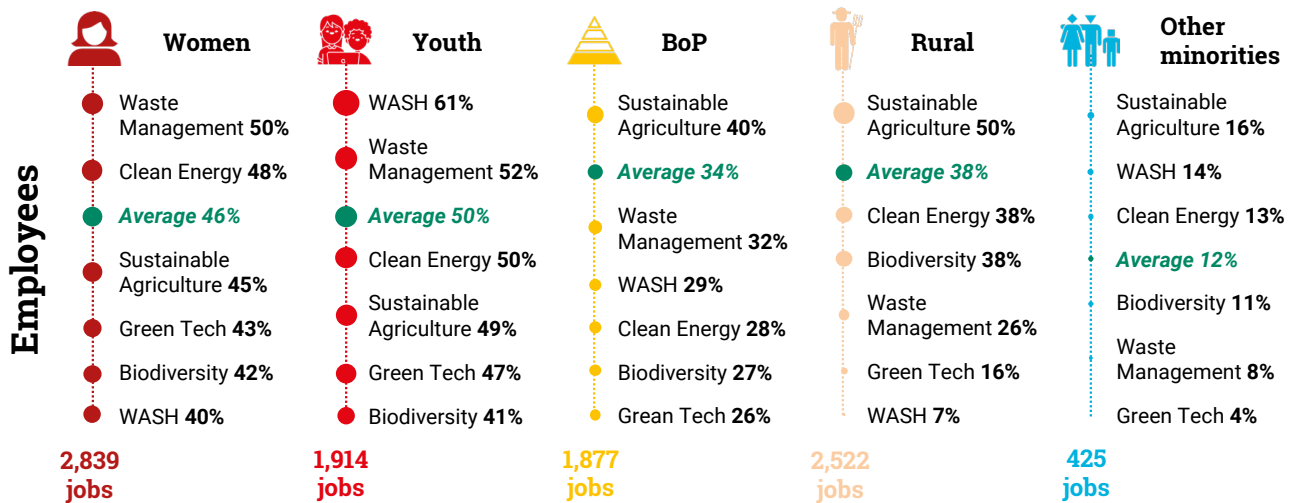


## Share of social groups engaged along the value chain by sector



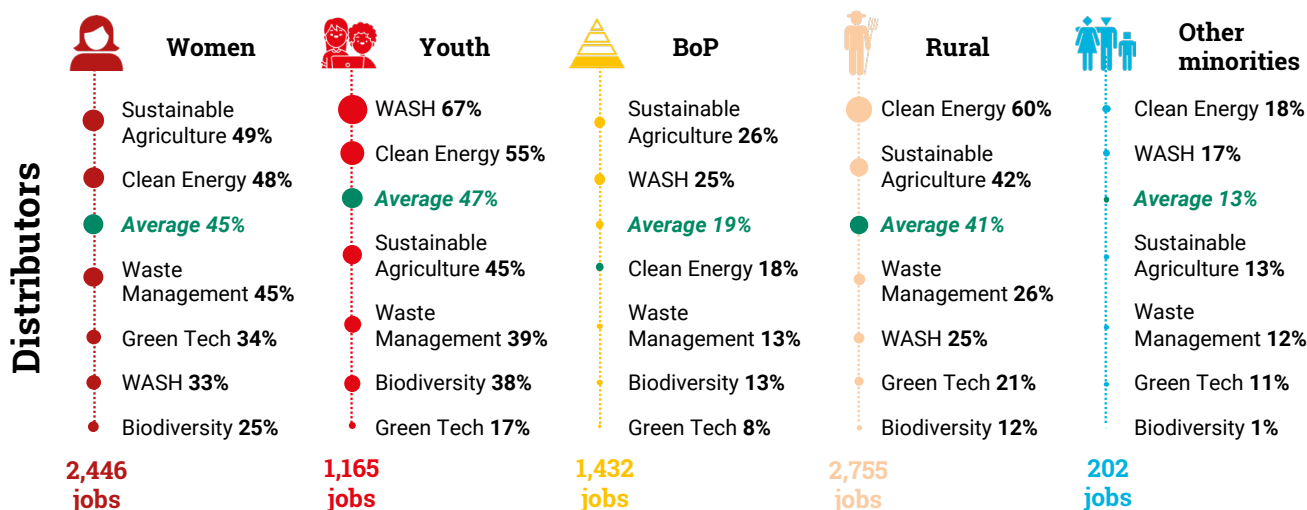
The Sustainable Agriculture sector drives **BoP and rural** engagement, since they mainly work with smallholder farmers as suppliers. **63% of the suppliers** of this sector's enterprises are **rural** and **nearly half are in the BoP**

### Total direct jobs: 5,085



On average, **women make up 46% of employees** in SEED-supported enterprises, thus they drive gender equality further, as **globally women represented 38.8%** of all participants in the labour force in 2020 (Catalyst, 2021).

**Total indirect (distributor) jobs supported: 4,300**



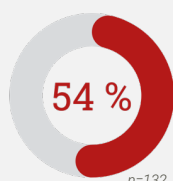
SEED-supported enterprises engage a large share of **youth as distributors, representing on average 47%** of their total distributors.

The **WASH and clean energy** sectors excel as engaging with youth, as **67% and 55% respectively of their total distributors are young people.**

**Gender Equality**

Empowering women in the economy by closing gender gaps in the professional sphere is key to achieving the 2030 Agenda for Sustainable Development. When more women work, there is higher economic growth. Women’s economic empowerment boosts productivity and increases economic diversification and income equality (UN Women, 2018). Leading the way towards closing the gender gap, SEED-supported enterprises are largely women-owned, offer equal salaries, include a large share of women in management positions and provide equal opportunities for upskill training and promotion. On the latter, out of the employees of SEED-supported enterprises who received upskill training and promotion, 47% were women. Considering that 46% of the workforce of the surveyed SMEs are women, this finding indicates that SEED-supported SMEs do, in fact, offer equal upskill training and promotion to women.

**Gender Equality**



of enterprises are **women-owned\***

SEED-supported SMEs lead the way in women entrepreneurship. **Globally, only 1 in 3 businesses are owned by women (33%),** with rates being worse in South Asia (18%) and Sub-Saharan Africa (29%)

In the biodiversity, green tech and waste management sectors women-led enterprises are well above the average:

- **Biodiversity: 64% of SMEs are women owned**
- **Green tech: 63% of SMEs are women owned**
- **Waste management: 60% of SMEs are women owned**



of **management roles in SEED-supported enterprises are held by women**

- SEED-supported enterprises excel when compared to the **world average of 37% women in decision-making roles** (Catalyst, 2022)
- Women in management roles represent a larger share than female employees (46%)

\* In this study, enterprise is women owned if it was founded by a woman (or women), who is still involved in executive decisions. That is, at least 50% of the founders are women, and at least one is still active in decision-making in the enterprise.

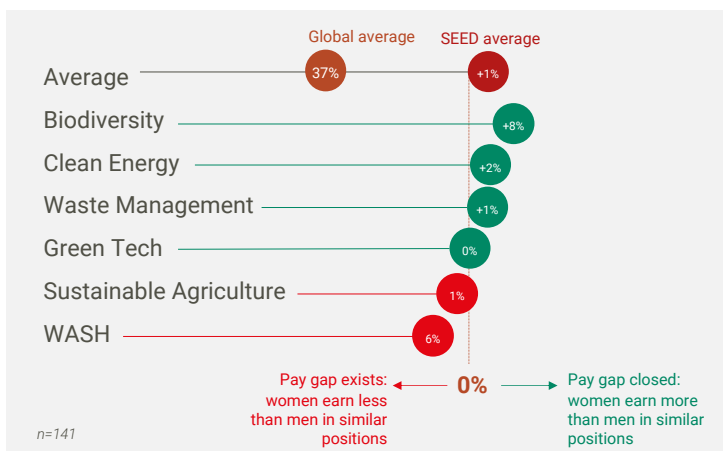
\*\* Mintzberg’s Management Roles



## Gender pay gap: equal pay for equal work

Globally, women earn around 37% less than men in similar roles across enterprises of all sizes (World Economic Forum, 2022). Although global efforts toward gender equality have been undertaken, the global pandemic caused by COVID-19 worsened an otherwise improving gender pay gap (World Economic Forum, 2022). Despite the challenges brought upon by the COVID-19 pandemic and the demanding context where they operate, SEED-supported SMEs still managed to further gender equality by not only closing the gender gap but going beyond by offering higher wages to women in some cases. Women working in SEED-supported enterprises earn on average 1% more than men in similar positions, and within the biodiversity sector, this percentage increases to 8%.

Of the respondent enterprises, 18 (equivalent to 13%) are still working towards equal pay for equal work, mainly in sustainable agriculture, waste management and clean energy.



### Gender Pay Gap: Equal Pay for Equal Work

The gender pay gap determines how much less a woman is paid compared to a man in similar positions.

**SEED-supported enterprises perform better than enterprises from all sizes globally, where women earn 37% less than men in similar positions.**

- On average, SEED-supported enterprises have no gender pay gap, and even pay slightly more to women (1% more).
- Even for sectors and enterprises that are still working towards achieving equal wages, the gender pay gap is significantly smaller than the global average.

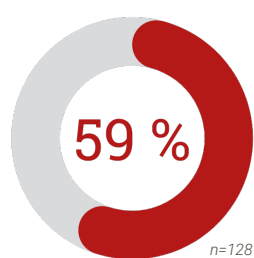


AET AFRICA, South Africa

## Youth Representation

With a growing young population in developing countries, the contribution of eco-inclusive enterprises is crucial to empowering new generations. Beyond the aforementioned opportunities mentioned above for youth along the value chain, young people are also successful entrepreneurs. Fifty-nine percent of eco-inclusive enterprises are youth-founded<sup>5</sup>, and even though after 20 years, many of them may not be classified as young anymore, they still steer their enterprise and grow along. Youth-founded enterprises tend to prevail more in Eastern Africa, Latin America and Western Africa, where youth-founded enterprises make up 64%, 60%, and 59% out of surveyed enterprises, respectively.

## Youth entrepreneurship



### of enterprises are youth-founded

#### Youth-founded enterprises across regions:

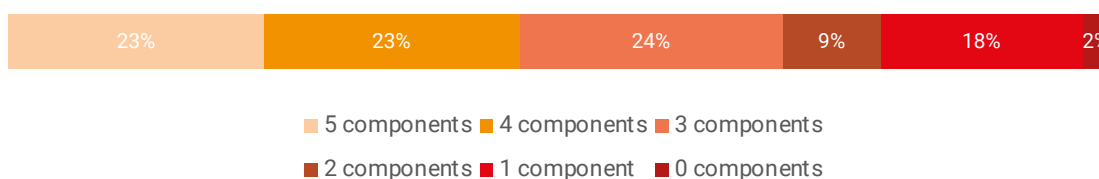
- Eastern Africa: 64%
- Latin America: 60%
- Western Africa: 59%
- South- and South-east Asia: 56%
- Southern Africa: 33%

## Green Quality Jobs

A quality job provides five components: a living wage, basic benefits, career-building opportunities, wealth-building opportunities, and a fair and engaging workplace (PCV Insight, 2016). In this study, we define an enterprise as offering quality jobs if the jobs offered embody at least 3 of the components.

## 70% of surveyed enterprises offer green quality jobs

### Share of enterprises embodying quality jobs principles



There is very little empirical evidence on the quality of jobs offered by SMEs in developing countries (Kok, Deijl, & Essen, Is Small Still Beautiful? Literature Review of Recent Empirical Evidence on the Contribution of SMEs to Employment Creation, 2013). The few available studies confirm that small enterprises in developing countries tend to pay lower wages than large ones and that job stability and security are lower among SMEs. One more study conducted in developed countries concludes that in many aspects, the employment quality is lower in SMEs than in large enterprises (Kok, et al., 2011). Hence, it would be safe to conclude that employment quality tends to be even lower in developing countries, where SMEs face more challenges.

<sup>5</sup> An enterprise is considered youth-founded when at least 50% of the founders were younger than 30 years old when the enterprise was founded, and at least one of the young founders still holds a decision-making role.

# Components of a Quality Job



1

A **living-wage** should be offered so that employees can afford a decent standard of living, or at least offer a pay that is equal to the minimum national wage.

**Basic benefits** increase economic security, improve health, and promote work-life balance; therefore are particularly important for low-wage workers. These include:



paid leave for vacation, maternity & paternity and sick leave



health insurance as stipulated by law

retirement saving plans that comply at a minimum with the country's legal requirements



2



3



**Career-building opportunities** refer to training and mentorship, and opportunities for advancement within the company. These help employees develop the skills, networks, and experiences that are needed to start a career or advance along a career path.

**Wealth-building opportunities** further resilience building among employees as they help them build the assets needed to cope with emergencies and ensure financial security for the future. These can include sharing profits of the business with employees and offering financial wellness programmes.

4



5



A **fair and engaging workplace** reflects the balance between the needs and well-being of the employee and those of the business. The elements that contribute towards this balance are flexible and predictable schedules, and the respectful and dignified treatment of employees.

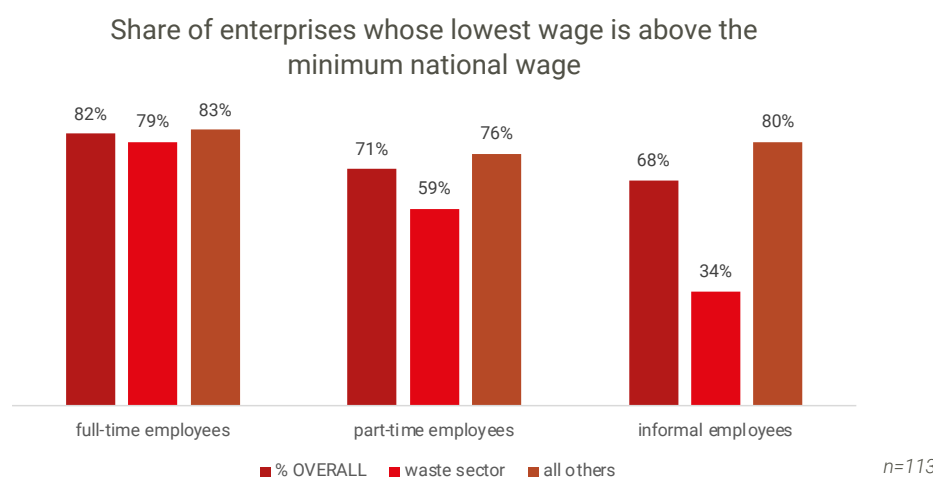
Even in these more demanding circumstances, our study reveals that eco-inclusive enterprises fair very well compared to those around the globe. Out of 125 enterprises, 70% offer quality jobs that embody at least three components, with a living wage and a fair and engaging workplace being the top components represented.

### A living wage:

The wage offered by enterprises should at least be equal to the national minimum wage to guarantee a sustainable income for employees and comply with national regulations. Although this is not the only aspect that makes a job good or bad, it is the most critical component of a quality job, as it represents immediate-realizable value to employees. In our survey, we asked enterprises if their lowest wage is above the minimum wage<sup>6</sup> to determine if they provide a living wage to part-time, full-time and informal employees. Since the minimum wage is paid proportionally for part-time employees, the wage earned is not above the national minimum in many cases. However, we cannot determine if these employees have other part-time jobs that allow them to reach the minimum wage or above. The findings show that SEED-supported enterprises offer higher wages when compared to global trends (ILO, 2020).



In 74% of enterprises, the lowest wage paid to employees is above the national minimum wage. This share tends to be lower for the waste sector (60%) and for informal employees (68%)



- SEED-supported SMEs offer good wage conditions and **fare pretty well compared to global trends**. In the Americas, Africa and Asia and the Pacific, 22%, 24% and 19% of wage earners, respectively, earn less than the national minimum wage (ILO, 2020).
- Following global trends, among **informal employees** the minimum wages tend to be **lower than the national minimum wage**.
- Not surprisingly, in the **waste management sector**, a larger proportion of enterprises tend to **pay a minimum wage lower than the national minimum**.

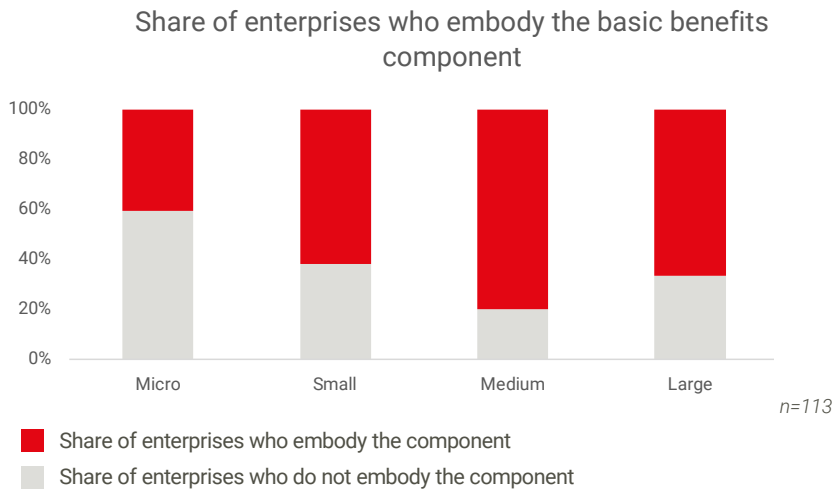
<sup>6</sup> This was estimated quantitatively for enterprises in the waste management sector (either as a primary or secondary sector); there tend to be more jobs with a lower wage (i.e., for waste pickers). We asked enterprises to introduce the lowest compensation paid and then compared it with national minimum wages to determine if it was above or below the country's minimum wage. We estimated this qualitatively for enterprises in other sectors by asking the enterprises if the lowest compensation paid is above the national minimum salary.

**Basic benefits:**

Basic benefits are essential to increase economic security, improve health, and promote work-life balance. These are particularly important for low-wage workers, who are more vulnerable to experiencing significant adverse effects that arise from illness or unexpected life events (PCV Insight, 2016). For this study, we evaluated the positive embodiment of this component if the enterprise offers paid leave (either sick leave or paid vacation) and health insurance according to the national law or retirement savings plan to more than 70% of their full-time and part-time employees. Enterprises can go beyond and offer additional benefits such as paid parental leave, which, despite being mandatory in many countries around the world, is not 100% paid in most cases.<sup>7</sup>

 **55 % of enterprises embody the basic benefits component**

**Medium and large enterprises tend to embody this component to a larger extent by offering the basic benefits evaluated to a larger share of employees**



- Beyond basic benefits, **65% of SEED-supported enterprises offer paid parental leave**
- Although SEED-supported enterprises commit to creating positive impact, challenging contexts make the provision of basic benefits difficult.
- This speaks loudly to the need of support and stakeholder involvement to generate a conducive environment in which enterprises can not only grow but also be an example in quality job provision

<sup>7</sup> ILO, 1998. [https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_008009/lang-en/index.htm](https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_008009/lang-en/index.htm)



## Career-building opportunities:

The basic training assessed in this study includes health and safety training, life skills training and basic skills training. For this study, an enterprise is considered to embody this principle if they offer health and safety and life skills or basic skills training to a minimum of 50% of their employees.

Training staff members increases the value of an employee's contribution to the business (Accounts and Legal, 2017), the enterprise's performance, overall job satisfaction of employees and decreases employee rotation (Business, 2022). Therefore, it is encouraging to find that the majority of enterprises (60%) strive to offer career-building opportunities, ranking significantly above regular SMEs in developing countries, where only 39% of MSMEs offer training to their employees (Almeida & Aterido, 2015); and fairly equal to SMEs in developed countries, where 60% to 70% offer career-building opportunities (UKCES, 2010; Accounts and Legal, 2017; Abdul & Arifi, 2017).



**SEED-supported eco-inclusive enterprises rank above regular SMEs in developing countries, where only 39% of SMEs offer training to their employees**



**68% of employees participated in health and safety, life skills, or basic skills training**

18 enterprises shared that one employee receives the following per year:

- ✓ 51 hours of health & safety training
- ✓ 67 hours of skills-based training
- ✓ 41 hours of life-skills training



**42% of total positions available in 2020 were filled by internal candidates**

60% of 47 management positions  
36% of 95 non-management positions

- Beyond basic career-building opportunities, **10 out of 27 enterprises offer education subsidies** to their employees
- **60 to 70% of SMEs in developed countries offer career-building opportunities**, pointing to the fact that SEED-supported enterprises fare equally despite more challenging circumstances
- **Only 19% of SMEs across the globe have talent development plans**, since it may become too expensive for the enterprise (KIN, 2020). The opposite is true for SEED-supported enterprises, where it is evidenced by the number of positions filled by internal candidates, that they have more comprehensive development plans

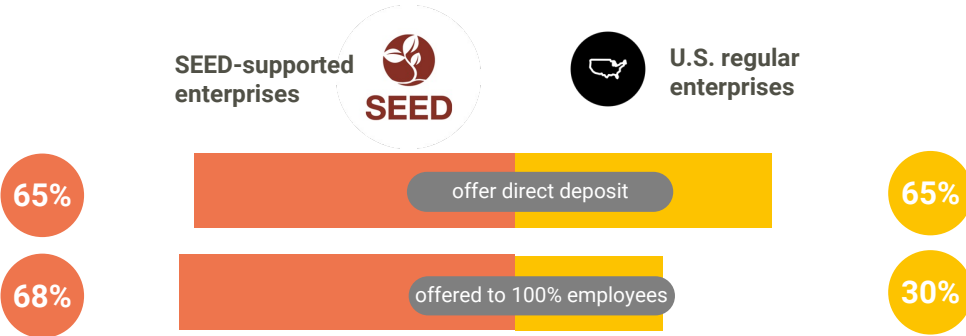


**Wealth-building opportunities:**

Wealth-building opportunities can include annual bonus plans based on the company’s and/or individual’s performance, employee stock ownership plans, financial wellness programs funded by the enterprise (typically offered by third-party providers, they include assessments of individuals’ finances; budgeting tools to set, track, and achieve financial goals; financial workshops; and one-on-one financial coaching) and direct deposit to part-time and full-time employees. For this study, enterprises offer wealth-building opportunities if they at least offer direct deposit to 60% of their employees. SEED-supported enterprises fare very well compared to SMEs in developing countries, which are often faced with heightened financial exclusion challenges. And they also fare well compared to enterprises in the United States (SHRM, 2011)



Compared to enterprises in the U.S., where only 52% use **direct deposit<sup>1</sup>** for payroll, **SEED-supported enterprises** fare very well, with **65% offering direct deposit to an average of 81% of employees**



A few SEED-supported enterprises go further beyond by offering **wealth-building opportunities which are not so common**. Of a small sample of 31 enterprises:

- 6 enterprises offer annual bonus plan based on the enterprise’s and/or the individual’s performance
- 4 enterprises offer an employee stock ownership plan
- 3 enterprises offer financial wellness programmes funded by the enterprise

1. SHRM, 2011

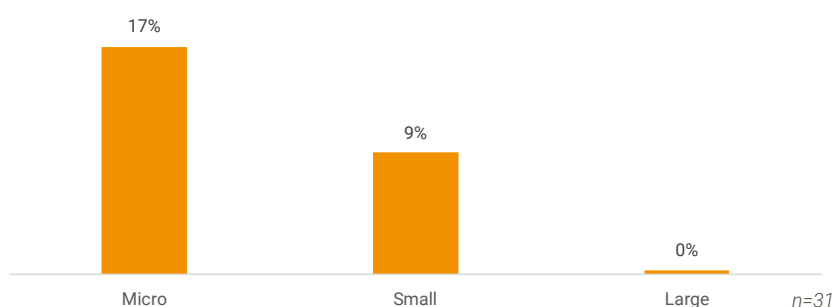
## A fair and engaging workplace:

This component reflects the balance offered to guarantee the well-being of employees and the fulfilment of the enterprise's needs. It can include offering flexible and predictable schedules to accommodate personal priorities, conducting performance reviews for employees, and sharing business performance indicators with them. All these can ultimately be reflected in a low employee turnover rate. In this study, an enterprise embodies this component if they provide at least flexible work schedules or performance reviews to a majority of their employees.



Offering flexible work schedules and/or performance reviews is reflected in a **low turnover rate, which averages to 11% compared to 20% in SMEs around the world\***

Average employee turnover rate



- Smaller enterprises tend to have higher turnover rates, since they are most commonly understaffed and there tend to be fewer career-development opportunities, all of these factors affect the turnover rate\*\*
- SEED-supported enterprises go beyond offering flexible work schedules and performance reviews: **13 enterprises regularly share business KPIs** with employees, increasing their sense of belonging.

\* OECD, n.d.

\*\* Work Life, 2019

## 2.2 Climate Action and Sustainable Resources Use and Provision<sup>8</sup>

Eco-inclusive enterprises offer affordable, scalable solutions that can lead to cleaner, greener, and more resilient local economies. SEED-supported SMEs are excellent examples of resource-saving businesses, land stewardship and providing access to clean and sustainable resources such as clean energy and drinking water. They are at the forefront of climate action by locally engaging in climate change mitigation and adaptation activities. 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. Although surveyed enterprises are not highly aware of their country’s commitments towards climate action, they still maximise their climate action impact by adopting mitigation and adaptation technologies and practices.

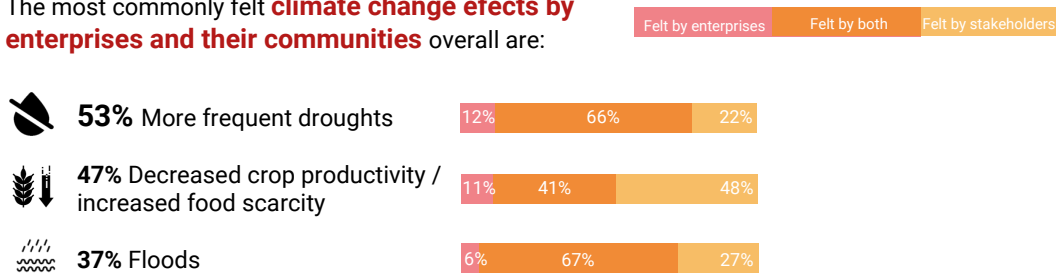
### Climate change frontline

Our data reveals that eco-inclusive enterprises are at the forefront of experiencing and tackling climate change. Climate change challenges are increasing and being experienced by many more communities and people worldwide. SEED-supported enterprises and their communities are no strangers to this feeling. They work hard to become resilient themselves and increase the resilience of their communities, as well as to decrease GHG emissions and contribute towards climate change mitigation.

Thus, it is encouraging to see that 92% of enterprises are engaged in adaptation and mitigation activities through innovative and somewhat more “traditional” practices and technologies. Regarding adaptation, enterprises focus highly on implementing practices and technologies such as increasing crop resilience and productivity, agro-forestry, silviculture and mixed farming solutions and water-related measures. To tackle the increase in GHG emissions, enterprises engage mainly in afforestation and reforestation practices, providing improved cookstoves and offering solar technologies.

## Climate change effects reported

The most commonly felt **climate change effects by enterprises and their communities** overall are:



Furthermore, SMEs themselves face **increased business risks** related to climate change, which may disrupt their operations and/or affect their staff




- 74% Increased price of raw materials needed for the operations
- 46% Decreased or unreliable access to core inputs such as energy
- 32% Damages to infrastructure due to more frequent and/or severe extreme weather events
- 16% Increased unsafe working conditions for staff or accidents due to extreme heat

n=95




<sup>8</sup> The findings around environmental impacts arise only from the self-reported data of winner and runner-up enterprises (Catalyser and Accelerator)

# Climate change challenges per region




## Western Africa

-  47% More frequent/severe heatwaves
-  40% Desertification
-  40% Decreased crop productivity/increased food scarcity



## Eastern Africa

-  71% More frequent droughts
-  63% Decreased crop productivity/increased food scarcity
-  46% Increased floods



## Latin America

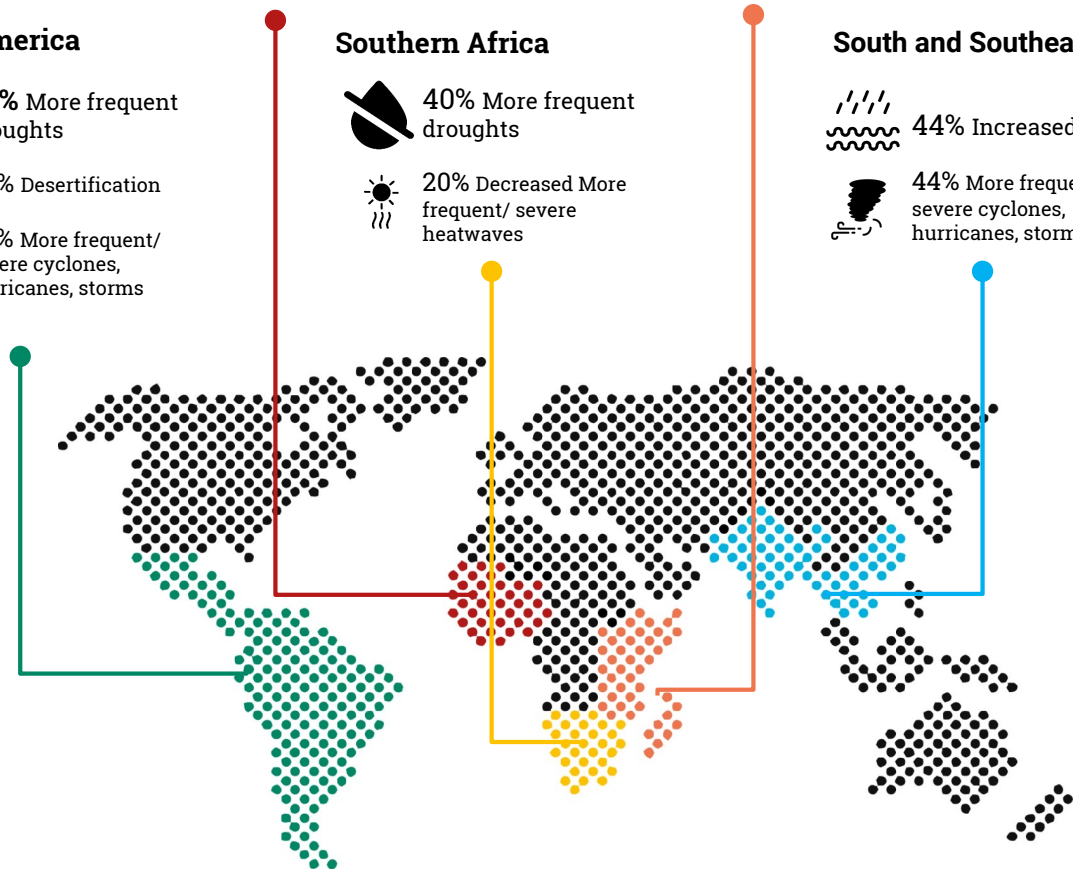
-  40% More frequent droughts
-  40% Desertification
-  20% More frequent/severe cyclones, hurricanes, storms

## Southern Africa

-  40% More frequent droughts
-  20% Decreased More frequent/severe heatwaves

## South and Southeast Asia

-  44% Increased floods
-  44% More frequent/severe cyclones, hurricanes, storms



\* Climate changed effects reported per region. Respondent enterprises per region are as follows: Latin America, 5; Western Africa, 15; Southern Africa, 10; Eastern Africa, 56; South and Southeast Asia, 9

The SMEs across different sectors which implement climate change mitigation and adaptation technologies and practices do so through their operations or stakeholders, which increases their resilience and that of their stakeholders and communities. For the adaptation technologies and practices implemented, enterprises can be solution users, providers, or both simultaneously. Surveyed SMEs tend to implement livestock management practices and water storage technologies rather than providing them to their customers

Adaptation and mitigation practices go beyond climate change. SMEs who implement such practices and technologies impact their communities more positively. With over 840 million people in developing countries lacking access to constant electricity (WHO, 2019), mitigation technologies such as solar technologies are vital to increasing access to essential services. Furthermore, providing better cookstoves and encouraging clean transportation improves air quality and can decrease respiratory diseases, resulting in better health for the communities and beneficiaries of SEED-supported SMEs.

## Climate change **adaptation** technologies and practices

83% of surveyed enterprises are implementing or adopting at least one adaptation practice or technology, of which: n=95

### 43% Sustainable agriculture practices to increase crop resilience

e.g. sustainable fertilisers, precision agriculture, crop rotation, hydroponics, crop diversification and new varieties



### 33% Agro-forestry: silviculture and mixed farming solutions



### 33% Water related efficiency measures

e.g. leakage management, irrigation efficiency, rainwater harvesting, solar powered irrigation, watershed conservation, etc.



### 33% Water-storage solutions

e.g. ponds, tanks, natural wetlands, indigenous water storage structures and techniques to conserve soil moisture



### 24% Seed, grain and food storage systems



## Climate change **mitigation** technologies and practices

91% of surveyed enterprises are implementing or adopting at least one mitigation practice or technology, of which: n=95



### 44% Afforestation/ reforestation practices

On average, each enterprise planted 153 ha, roughly the size of 239 soccer fields\*



### 33% Improved cook stoves



### 29% Solar technologies

Which include cooking water purification technologies, solar water pumps, heating, and lamps, and photovoltaics



### 27% Transport practices

Such as the use and promotion of non-motorised transport among employees



### 25% Recycling

Of Electronic waste and electrical equipment and/or glass

\* Based on a small sample of 9 enterprises who shared additional information

As a result of their climate action activities, enterprises were able to save over 48,000 tonnes of CO<sub>2</sub> equivalent on average during 2020, adding up to almost 3 million tonnes. As expected, enterprises in the clean energy, green tech and waste management sectors significantly reduce CO<sub>2</sub> emissions due to the nature of their business model. However, that is not to say that many other enterprises in different sectors also contribute to GHG mitigation by implementing activities within their business. Many just face difficulties in estimating their contribution.

## Greenhouse gas emissions saved or reduced

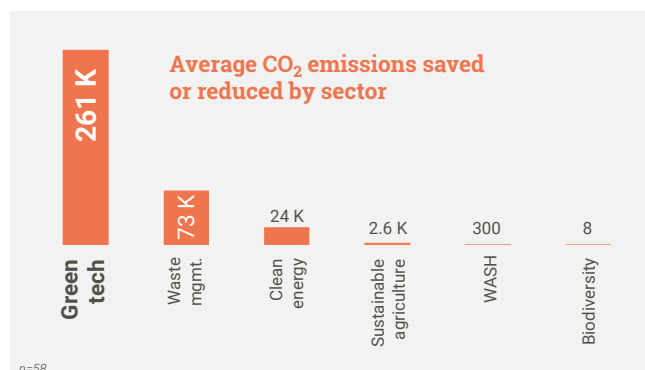


**48,250 tonnes CO<sub>2</sub> equivalent saved or reduced per enterprise during 2020,**

equivalent to the emissions of around **689K people in Malawi in one year\***

Adding up to 2.8 million tonnes saved or reduced in 2020

\* Data Commons (2020). Malawi



## Resources saved and protected

Enterprises save resources within their processes by implementing best practices, and system-wide through their products and services



### Energy Saved

Energy reductions stem from efforts within the enterprise and through products sold, which generate energy savings for their customers

Total impact for all surveyed enterprises: **2.7 million kWh** of energy saved, equivalent to the energy used by **18,000 people** in Kenya in **1 year\*** n=41

- The average enterprise saved **2,075 kWh** of energy across all sectors
- Enterprises in the sectors of clean energy, green tech and agriculture, achieved an average energy reduction of **239,837 kWh through products and services sold**



### Water Saved

Water saved comes from efforts within the enterprise itself and through their sold products that contribute to customers saving water in their daily life

Total impact for all surveyed enterprises: **8 million m<sup>3</sup>** of water saved, equivalent to the water used by **470,835 people** in Africa in **1 year\*\*** n=39

- The average enterprise saved **47,909 m<sup>3</sup>** of water across all sectors.
- Enterprises in the **agriculture** sector saved **120K m<sup>3</sup>** on average, achieved by adopting sustainable practices and technologies, such as drip irrigation
- Enterprises operating in the WASH sector saved on average **824K m<sup>3</sup> through products and services sold**



### Waste Reduced / Materials Recycled

Enterprises reduce waste by recycling it into their products (e.g. plastic recycled into bags), improving waste-generating operations, and by avoiding or reducing the waste generated by their customers through their products and services (e.g. solutions to compost waste, biogas or briquette production from biowaste, waste collection services, etc).

Total impact for all surveyed enterprises: **117K tonnes** of waste reduced or recycled, equivalent to the waste disposed over **20 days in the landfills in Delhi, India\*** n=42

- The average enterprise recycled **1,773 tonnes** of waste into their products, which represents **44% of their total materials** used
- In their operations, enterprises reduced on average **32 tonnes**
- Through their products and services, enterprises contributed to **preventing 2,438 tonnes of waste** on average from being disposed



### Land Stewardship

SEED-supported enterprises are champions in advocating for sustainable land practices. Either through land directly or indirectly controlled, they strive to conserve the ecology and habitats.

Total impact for all surveyed enterprises: **354K ha** of land sustainably managed, roughly **2.6 times the area of Jakarta, Indonesia\*\*** n=43

- On average, an enterprise in the sustainable agriculture sector sustainably manages **887 ha directly** and **16,692 ha indirectly**.
- Through their close work with the communities in which they are embedded, enterprises can protect and sustainably manage a significant area, without necessarily directly controlling it. This speaks to the importance of engaging with different stakeholders to set in motion sustainable practices that benefit all.

\* Enerdata (2020)  
\*\* Statista (2021)  
+ FAO (2020)  
++ CityMayors (2021)

Beyond saving resources, SEED-supported enterprises increase access to basic services by offering sustainable clean energy and clean water, improving the livelihood of their communities. Renewable energy sources include biowaste, biodigesters, solar power and hydropower installations. Considering only 47.7% of the population of Sub-Saharan Africa has access to electricity, the relevance of eco-inclusive SMEs striving to offer access to clean and affordable energy has never been more significant.

Further beyond increasing access to clean energy and clean water and saving environmental resources in their operations and through their products and services, surveyed SMEs also set an example in environmental practices by offering environmental training to their staff.



## Clean energy and water provided

Enterprises do not only contribute to saving resources through their products and services, but also strive to continuously improve their operations and save resources within their enterprises.



### Clean Energy Provided

Clean energy sources include biowaste, biodigesters, solar energy and hydropower installations.

Total impact for clean energy enterprises: **27.1 million kWh** of clean energy provided, equivalent to the energy used by **180,623 people** in Kenya in **1 year** n=14

- The average enterprise operating in the clean energy sector provided **1.9 million kWh** of energy



### Clean Water Provided

Clean water is vital to people's health. Contaminated drinking water can transmit diseases and is estimated to cause 485,000 diarrhoeal deaths each year globally\*

Total impact for WASH enterprises: **32.5K m<sup>3</sup>** of clean water provided, equivalent to the water consumed by **1,894 people** in Africa in **1 year** n=4

- The average enterprise operating in the WASH sector provided **8,125 m<sup>3</sup>** of clean water

Considering only **47.7% of the population of Sub-Saharan Africa has access to electricity** and only **24% have access to safe drinking water\*\***, the relevance of eco-inclusive SMEs striving to offer access to clean and affordable energy has never been higher.

\* WHO (2022)  
\*\* UN Water (2019)

## Exemplary environmental practices

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



n=113

**67%** of surveyed enterprises offer **environmental and social performance training** to their employees

Surveyed enterprises train on average **69% of their staff**

Average training hours per employee: **48 training hours\***

### Further benefits of environmental training\*\*:

- Employees increase their **understanding on the environment and social issues** that their enterprise seeks to tackle
- Employees contribute and generate **ideas to meet the business' targets**
- Increases the sense of belonging and **improves job satisfaction**

\* Based on a small sample of 14 enterprises who shared additional information  
\*\* RRC International (2019)

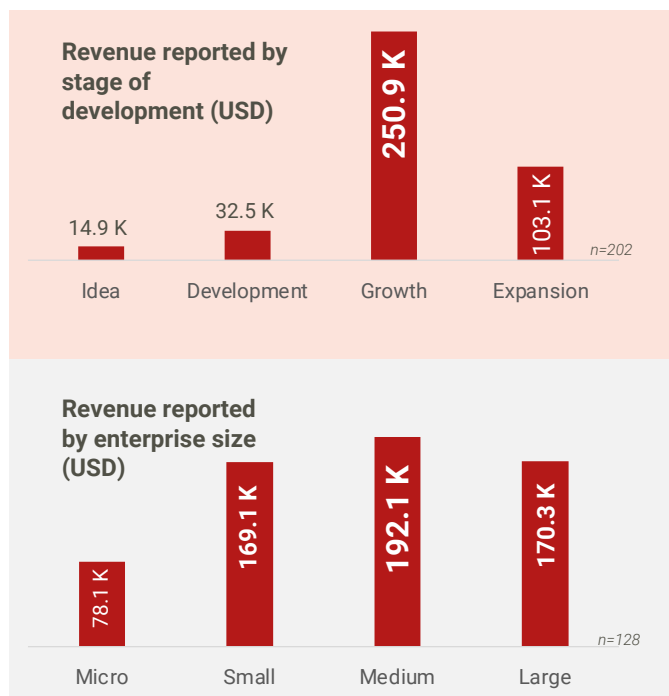
## 2.3 Economic viability of eco-inclusive SMEs

Our survey proves that eco-inclusive enterprises are economically viable actors that generate revenue and experience decent profit margins and growth rates. As explored before, the majority of surveyed eco-inclusive enterprises are surviving and thriving, a testimony to their innovative approach, local embeddedness and tenacity. Their survival rate is also a testament to the growing market of green products and services worldwide. Surveyed enterprises also fare better when compared to other enterprises (Vandor & Leitner, 2018; Morris, 2011), and even though they were highly affected by the COVID-19 pandemic during the last couple of years, these SMEs proved to be resilient in the face of challenges and continued creating revenue<sup>9</sup> and, in some cases, even increased their sales against all odds.

## Resilience in adverse times

### 65% of enterprises still in business reported sales revenue for 2020

- As expected, more experienced enterprises in the growth and expansion stages created significantly more revenue than those in the idea and development stages
- The difference in sales revenue across enterprise sizes is less marked than across development stages. Still, larger enterprises tend to have slightly larger sales revenue than smaller ones
- Micro enterprises reported the lowest sales revenues, with an average of 78 thousand U.S. dollars in 2020

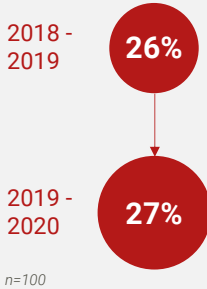


<sup>9</sup> For more information, read our SEED Green Recovery Snapshot: Eco-Inclusive Enterprises Driving Green Recovery Pathways at <https://seed.uno/articles/reports/eco-inclusive-enterprises-driving-green-recovery-pathways>

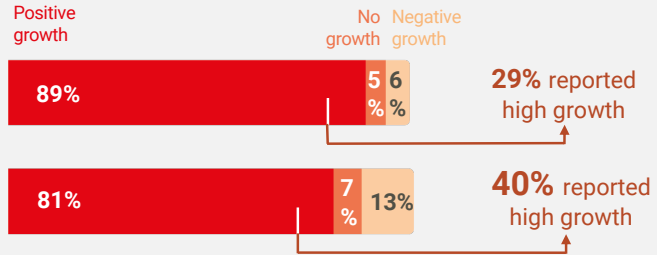
## Sales growth

Despite the COVID pandemic, the average sales growth increased from 2019 to 2020. However, more than double share of enterprises reported a decrease in sales (13% vs. 6% in the previous year), indicating that more enterprises were able to grow their sales at a high rate (increase of 25% or more) despite challenges.

### Rate of revenue growth:



### Share of enterprises who reported:



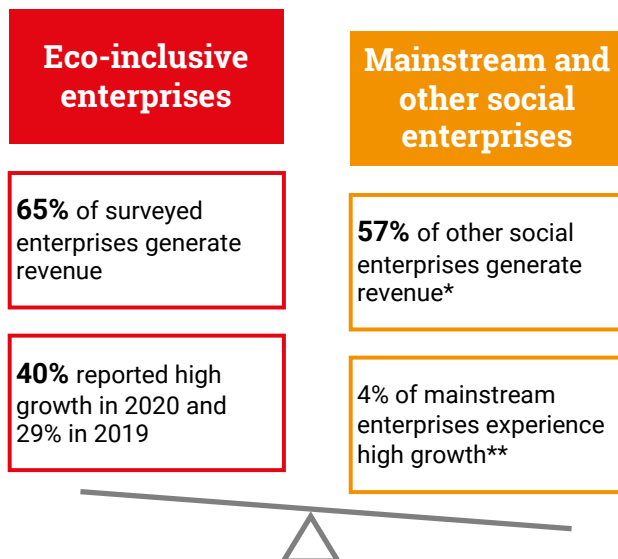
## Top 5 reasons cited for high sales growth and sales decline

- 1. Product or service innovation** (e.g. implementing plastic buy-back schemes)
- 2. High quality of service or product**, including standardisation. Reflected in sales increase through referrals after excellent service provision
- 3. Strong relationships with stakeholders**
- 4. Resilient distribution networks** and improvement measures (e.g. relying on women farmer distributors who could continue distributing the product through the pandemic)
- 5. Skilled team** and continuous training

### COVID pandemic and its consequences:

- 1. Increased price of raw materials**
- 2. High shipping rates**
- 3. Disrupted supply chains**
4. Loss of essential staff
5. Consumers' decreased ability to pay for the product/service.

## SEED-supported enterprises fare better than mainstream enterprises



When compared to other mainstream and social enterprises, SEED-supported eco-inclusive enterprises perform better when it comes to revenue generation and sale growth.

8% more eco-inclusive enterprises than other social enterprises generate revenue. And a staggering 36% more eco-inclusive enterprises reported high growth in sales, over other mainstream enterprises.

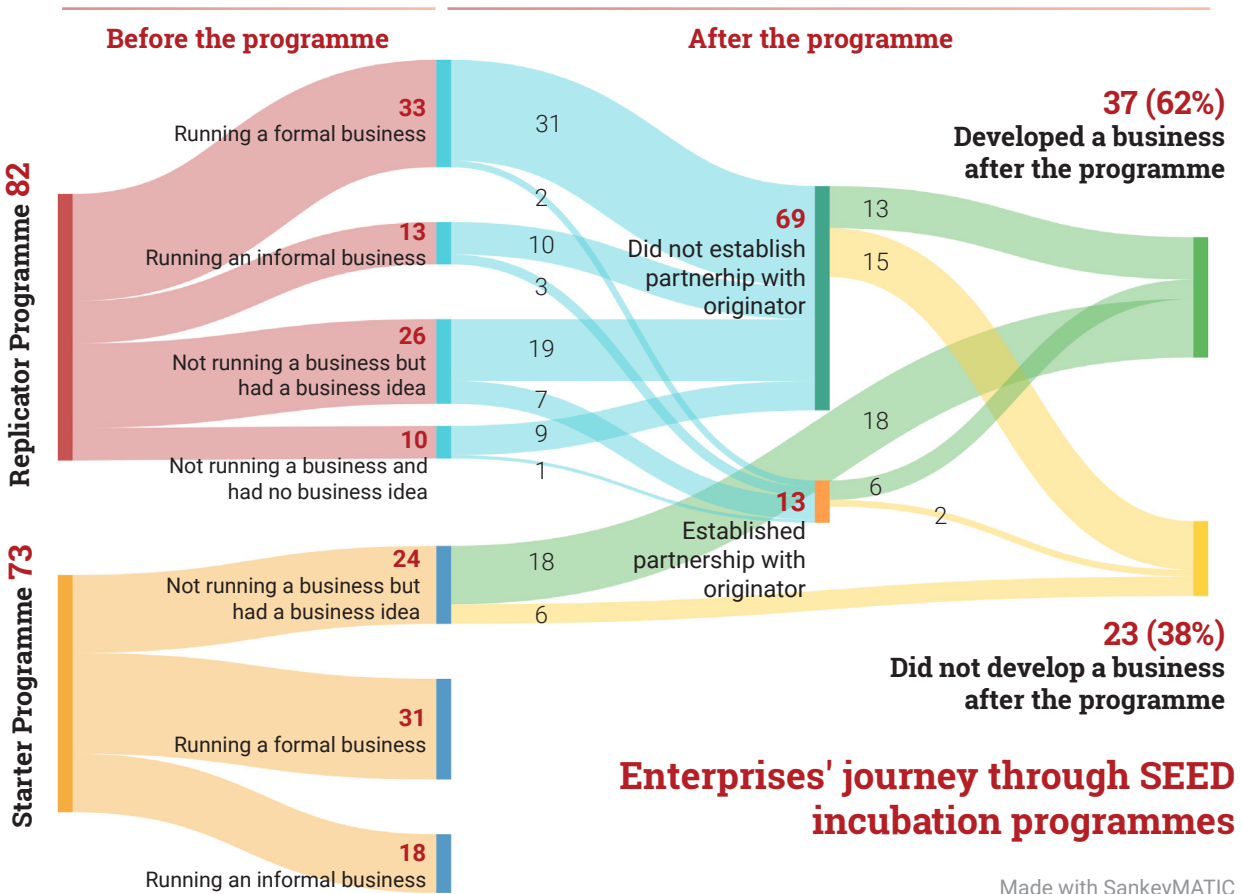
\* Impact Hub studied 16,000 social enterprises (Vandor & Leitner, 2018).  
 \*\* The GEM studied 70,000 active entrepreneurs (Morris, 2011).

### 3. SEED'S IMPACT ON SUPPORTED ECO-INCLUSIVE ENTERPRISES

For the past 20 years, SEED has been supporting eco-inclusive enterprises through different programmes and strategies. Enterprises are offered business and capacity-building support, networking, and profiling at the national and international levels. Although it is difficult to attribute the success of surveyed enterprises to SEED's support programmes, what arises from our survey is evidence of SEED's contribution to the enterprises' development and strengthening.

In the SEED Replicator programme, beyond guidance and insights, aspiring entrepreneurs are connected to experienced enterprises to build mutually beneficial partnerships, aimed at turning their idea into real enterprises. Similarly, in the SEED Starter programme, professional support is given to expanding on entrepreneurial ideas to successfully refine innovative business ideas and bring them to the market.

The survey found that incubation programmes benefit the development of new businesses. 62% of Starter and Replicator entrepreneurs developed a business after participating in the programme. Replication partnerships have a greater chance of developing a business and replicating the positive impacts along the triple bottom line. Almost half of those who partnered with an originator developed a business, whereas only 18% of those who did not establish a partnership were able to do so. Although partnerships aid in bringing ideas to the market, easing the model hand-over (World Bank, 2017) and unburdening the new venture's innovation routines (Schmidt, Braun, & Sydow, 2019; Winter & Szulanski, 2015), the main reasons that impede the development of the idea into a business are mainly high costs and lack of access to finance. What is also encouraging to see is that out of those Starter participants who had a business idea before the programme, 75% were able to develop it into a new business.



## 62% of entrepreneurs developed a business after participating in the programme\*

53% of Replicator participants and 75% of Starter participants

- 16% of Replicator participants established a partnership with an originator, with the largest share of partnerships created among those entrepreneurs who were **not running a business but had an idea: 27%**. On average, 46% of those who developed a partnership brought their idea to market after 14 months on average.
- Only 25% of Starter participants who had a business idea **did not develop a business** after the training

\*Out of 36 Replicator participants and 24 Starter participants who responded to the question

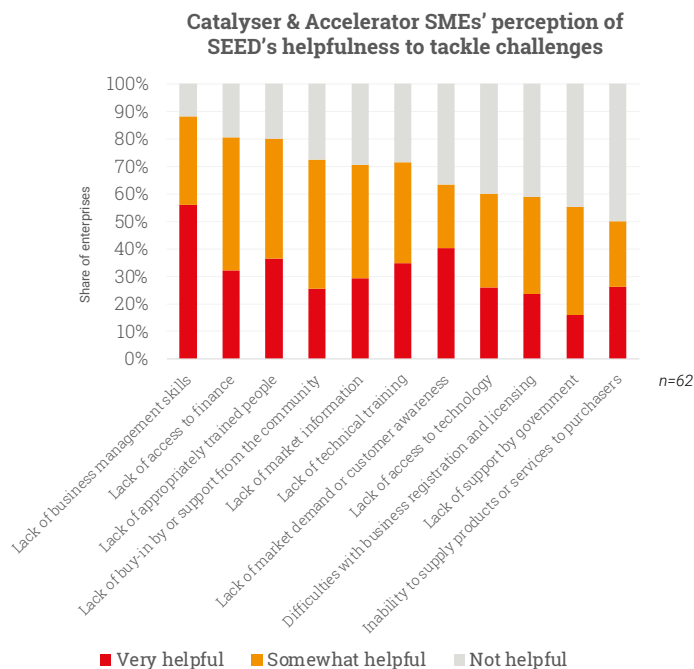
## Top barriers to developing a business after the training for Replicator and Starter participants

- 1 High startup costs and difficulties in accessing finance
- 2 Other employment opportunities which prevented developing the idea further / time constraints
- 3 Lack of adequate business and technical knowledge / lack of skilled labour

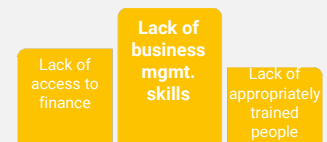
These results point to the importance of increasing entrepreneurs' business and technical capacities to develop successful business models and offering networking opportunities to further their chances of success. However, large gaps remain in the entrepreneurial ecosystem, where access to funding still presents a significant challenge. Other employment opportunities are preferred to the uncertainties of starting their own businesses.

Building on the evidence of SEED's value in developing enterprises, SEED-supported enterprises shared their perception of how helpful SEED was in overcoming the most common challenges eco-inclusive SMEs face.<sup>10</sup> SMEs' perception of SEED's support proves how vital it is to assist enterprises at multiple levels of business development – from the early stages to scaling up or replicating established, successful eco-inclusive business models in other geographical locations – to strengthen local economies and communities. For Catalyser and Accelerator SMEs, SEED has been especially helpful in improving business management skills, providing or enabling access to finance and improving the technical skills and training of people and staff. Whereas for early-stage enterprises who have been part of the Starter and Replicator programmes, access to finance has not been notably improved by SEED's support, rather business management skills, technical training and market information.

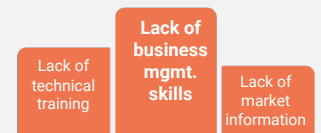
## How helpful has SEED's support been in tackling challenges?



For **Catalyser & Accelerator SMEs**, SEED's support has been helpful to overcome



For **Starter & Replicator SMEs**, SEED's support has been helpful to overcome





## 4. SYNTHESISING ECO-INCLUSIVE ENTERPRISES' IMPACT

The previous impact data shed light on eco-inclusive enterprises' characteristics, challenges, growth potential and their impact promise for all three triple bottom line dimensions: 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 quantifiable impact on their communities by socially including different marginalised groups along their value chain. They further gender equality by including women in management positions (above global average figures) and closing the gender pay gap. Furthermore, they strive to offer quality jobs despite the challenging context in which they operate; they increase access to basic services for their beneficiaries by providing clean water and clean energy.

On the environmental side, they significantly curb carbon emissions and promote climate change adaptation, thus furthering resilience for themselves and their communities. They also strive to preserve resources and sustainably manage land to conserve the ecology and habitats, promoting biodiversity protection.

Although surveyed SMEs face many challenges, mainly around access to finance, they still prove to be successful, as 83% of surveyed enterprises continue to operate and grow. This demonstrates that eco-inclusive business models can successfully generate a positive economic impact that allows for their survival. Surveyed SMEs even fare better than mainstream enterprises, with a larger share creating revenue and growing their sales at a high rate, despite challenges brought upon by the COVID-19 pandemic.

SEED has supported over 2,400 enterprises for 20 years, meaning that many have grown and improved their impact contribution. So, although the individual impact of eco-inclusive SMEs is marginal, the aggregated impact of all supported enterprises is significant and vital to achieving global goals.

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



## **Part 2:**

# **Impact Insights on BDS Providers**

# 1. WHO ARE SEED-SUPPORTED BDS SERVICE PROVIDERS?

Business Development Service (BDS) Providers are leading intermediaries, accelerators, business advisors, tech hubs and support agencies that help enterprises improve and scale their businesses. Through consultation, incubator and accelerator programmes, BDS Providers help enterprises develop their business plans, improve investment readiness, scale their operations and increase the reach of their networks. SEED BDS+ Programme works directly with BDS Providers by providing dedicated Training of Trainers (ToT) formats and toolkits to enhance the quality of their services. Moreover, SEED's BDS+ Programme helps optimise the BDS Providers' capabilities to meet the unique development needs of enterprises with a strong environmental and social focus.

The survey was addressed to BDS Providers that had previously participated in SEED's BDS+ Programme. Out of those surveyed, 107 BDS Providers responded, offering interesting insights into the BDS ecosystem.

The surveyed BDS Providers come from 15 different countries. Most of them are based in countries across sub-Saharan Africa (84), with half coming from Uganda (18), South Africa (17) and Ghana (13), thus, offering insights across different parts of sub-Saharan Africa. Additionally, many BDS Providers from Asia took part in the survey (24), mostly based in India (9) and Indonesia (9).

## Who are BDS Providers?



Business Development Support (BDS) Providers are leading **business consultants that support small and growing enterprises** through business incubation and accelerator programmes.



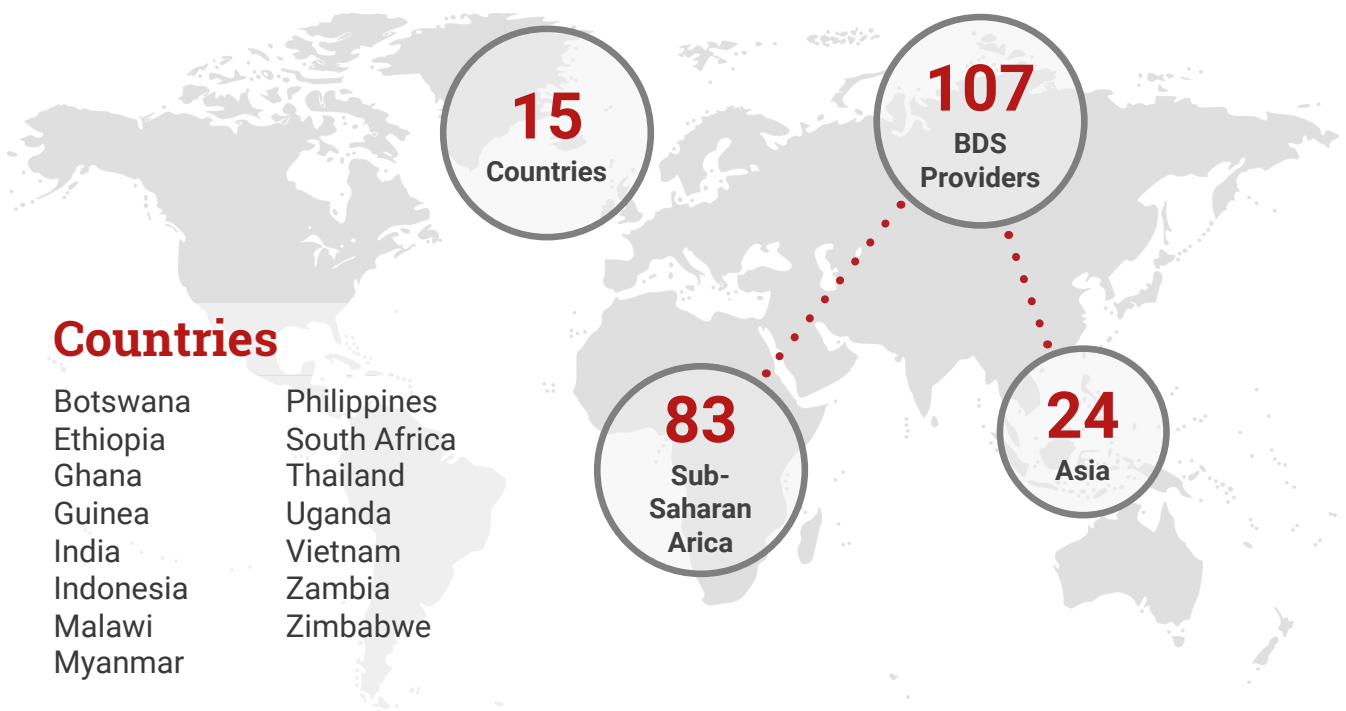
The majority of **BDS providers have been in business for 10 years**. Since 2000, the number of BDS providers has grown more and more every year.



On average, BDS Providers work with **a team of 10 people supporting almost 100 enterprises**. There are very few exceptions with teams of 150 – 200 people that have supported up to 5,000 enterprises.

*n = 107*

The survey responses point to some characteristics most BDS Providers have in common. The typical BDS Provider has been in business for ten years. At the same time, the BDS ecosystem is growing, with more and more BDS Providers being established every year since the early 2000s. Few BDS Providers (9) were established before 2000; thus, 92% of the surveyed BDS Providers have worked for 20 years or less. The growth of the BDS ecosystem happened in parallel to the expansion of SEED's activities, having just celebrated its 20th anniversary.



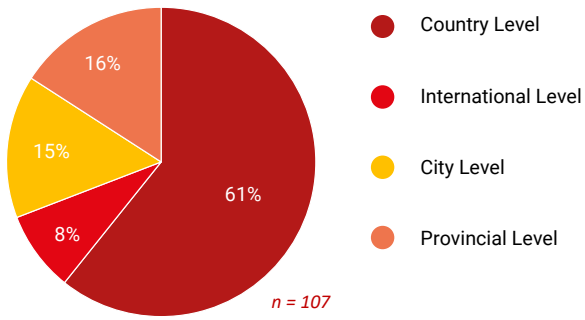
On average, a BDS Provider works with a team of 10 people. However, there are some exceptions at the very high and the very low end. For instance, some BDS Providers (3%) work as individual consultants without additional staff. On the contrary, a few BDS Providers (2%) work with a team as big as 150 – 200 people. The typical BDS Provider has supported around 100 enterprises, although some exceptionally large organisations have helped as many as 5,000 enterprises. Generally, the longer a BDS Provider has been in operation, the more enterprises they have supported.

Most BDS Providers work at country level (61%) and support enterprises across different cities and regions, with the flexibility to respond to the needs of enterprises from different regions. Few focus on a specific province (16%) and even less on one particular city (15%). Only 8% of BDS Providers work internationally. Among them, we can distinguish two different types: First, we have BDS Providers based in Europe but focus their services on the regions of sub-Saharan Africa, Asia, and, to a lesser extent, Latin America (2%). Secondly, BDS Providers based in sub-Saharan Africa or Asia who offer their services regionally, primarily focused on neighbouring countries (7%).

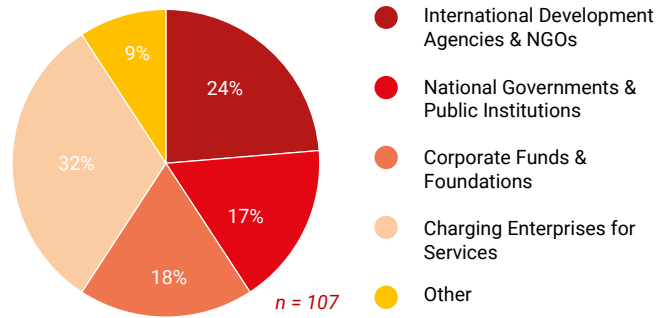
BDS Providers receive their funding from a variety of sources. International Development Agencies, NGOs, National Governments and other Public Institutions provide the primary funding source for 41% of BDS Providers, indicating the strong public sector interest in a healthy private sector. Considering the strong focus on micro- and small enterprises of the surveyed BDS Providers (see below), this support from national and international partners speaks to the increasing recognition of SMEs and their role in the national economy. However, the largest group of BDS Providers relies on revenue from charging enterprises as their primary funding source (32%). This illustrates that BDS Providers can operate on a market-based approach. Additionally, it speaks to the demand from the enterprises. Many enterprises are willing and economically able to pay for this service, indicating their conviction that the positive effect of BDS Providers on enterprise development will outweigh its cost in the future. However, as two-Thirds of BDS Providers still rely on external assistance for their primary funding source, BDS Providers need to improve their economic profitability to become more financially independent.



### Where do BDS Providers work?



### Sources of funding



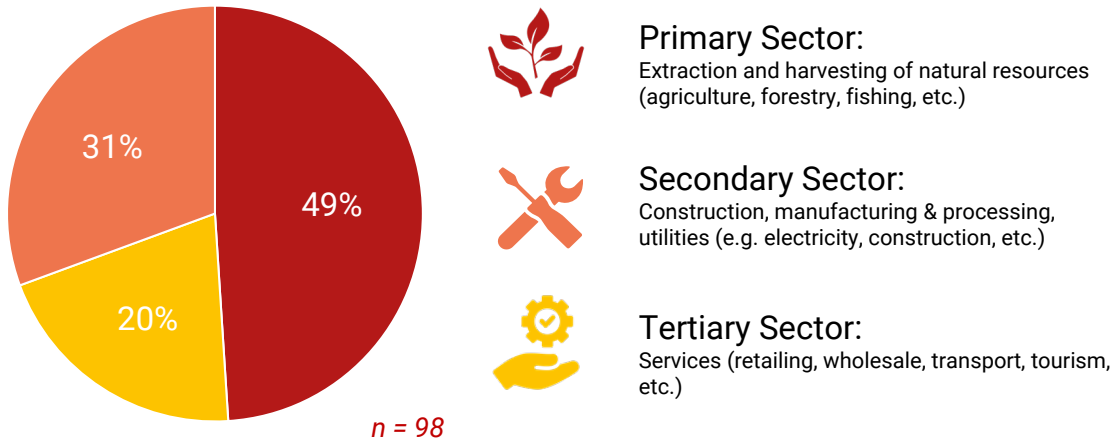
Green Bio Energy, Uganda



## 2. WHAT ENTERPRISES DO BDS PROVIDERS SUPPORT?

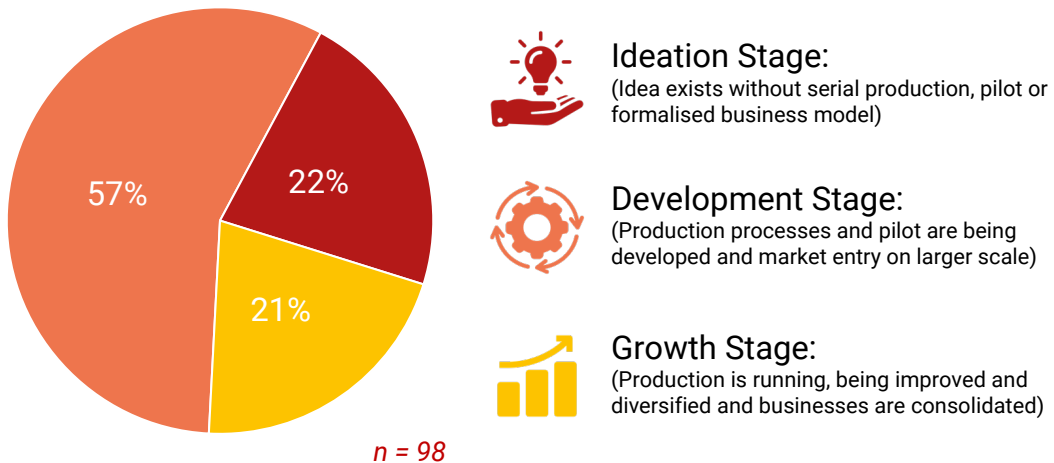
The surveyed BDS Providers also responded to questions regarding the enterprises they support. These answers offer interesting insights into the type of enterprises that use BDS. Three important findings regard the enterprises' sectors, stage and size.

### Sectors of Supported Enterprises



The supported enterprises operate in three sectors of the economy. The most common sector of operation is the primary sector (49%) for extracting and harvesting natural resources. This includes agriculture, forestry, fishing enterprises, etc. Next is the secondary sector (31%), which includes construction, manufacturing & processing and utilities. Finally, one-fifth of the supported enterprises work in the tertiary sector (20%) in the provision of services. This entails enterprises working in retailing, wholesale, transport and tourism.

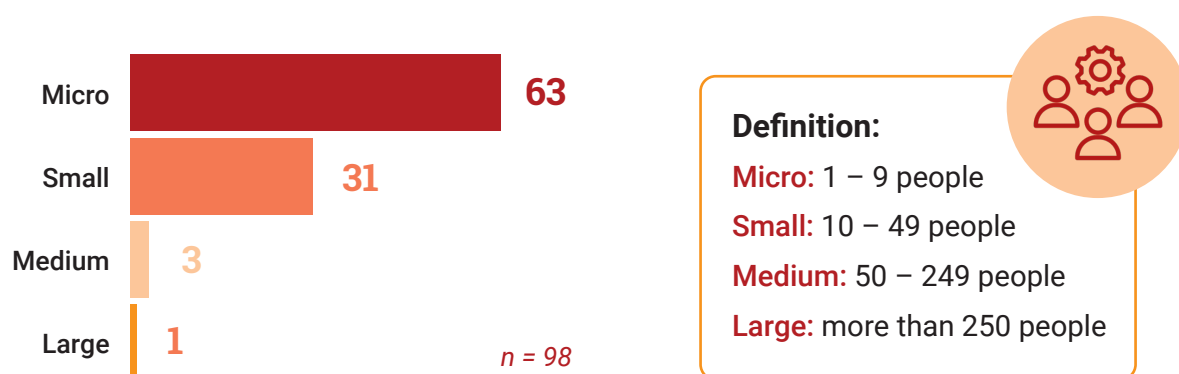
### Stage of Supported Enterprises



We identify three stages of enterprise development. First, enterprises begin with an idea (ideation stage), but no production or formal business model exists. Secondly, enterprises enter the development stage, in which they develop production processes and pilot projects. In this stage, they prepare to enter the market. Finally, enterprises arrive in the growth stage, where production processes are running. At this point, enterprises improve their businesses and begin to diversify production. According to the survey, most supported enterprises are in the development stage (57%). Here BDS Providers can support how production processes are organised and pilot projects managed. Fewer supported enterprises are in the ideation or growth stage, approximately one-fifth in each.

The vast majority of supported enterprises (95%) are micro- and small enterprises, with 1 to 9 and 10 to 49 employees, respectively. Within this group, micro-enterprises make up the biggest share (64%). Only 5% of the supported enterprises are medium- and large enterprises.

### Size of Supported Enterprises



Finally, the survey asked where the supported enterprises work, particularly to what extent the BDS Provider works with enterprises from rural areas. Half of all supported enterprises are rural enterprises. However, it is possible to distinguish two groups of BDS Providers based on the composition of their portfolios. Some BDS Providers focus on rural enterprises, which account for 80% to 100% of their entire portfolio. The second group consists of BDS Providers for whom rural enterprises make up only a small share of the portfolio, between 10% and 20%.

**50%** of the supported enterprises works in rural areas.

For some BDS Providers, they account for 80 – 90% of the portfolio.

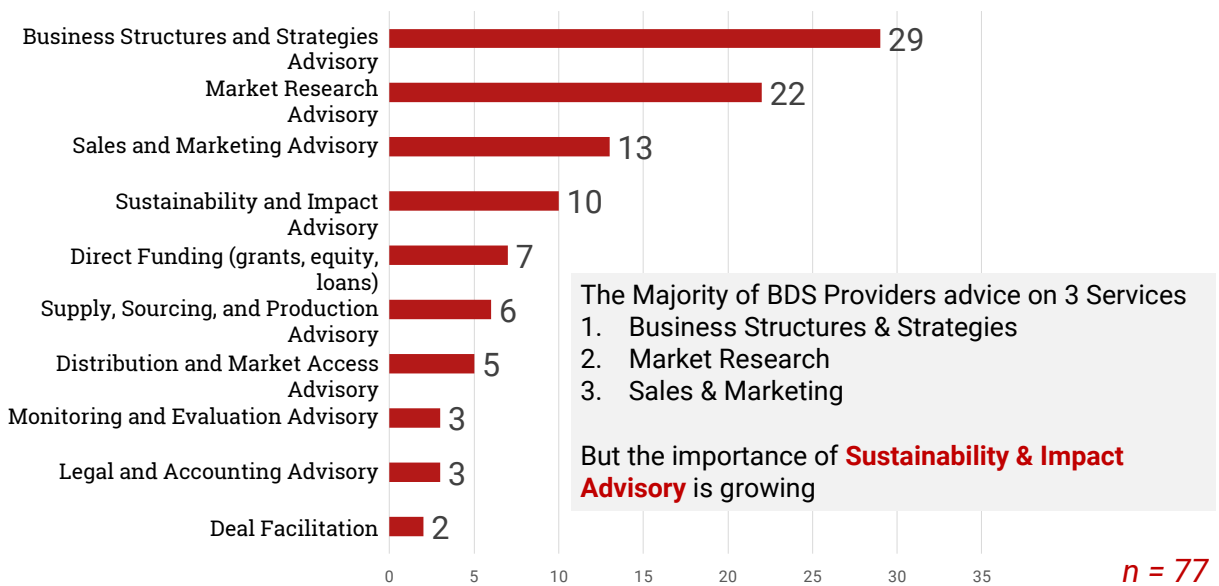
For other BDS Providers they make up only 10 – 20% of the portfolio

### 3. HOW DO BDS PROVIDERS SUPPORT ENTERPRISES?

BDS Providers offer a variety of services to their supported enterprises. These generally fall within one of two categories. First, BDS Providers offer services directed inwards, focusing on the supported enterprise. They consult and advise enterprises on a variety of business development topics. Secondly, BDS Providers offer outward-facing services, helping enterprises engage with the ecosystem around them. They assist enterprises in dealing with stakeholders, partners and competitors.

Focusing on the supported enterprises, we asked BDS Providers about the three main services they offer to SMEs. Of all responses, the most offered BDS Product was Advisory on Business Structures and Strategies (29%). The second most common BDS Product is Advisory on Market Research (22%), followed by Advisory on Sales and Marketing (13%). These products correspond to those needed by enterprises in the development stage, which was the case for most of the supported enterprises. Advisory on Sustainability and Impact (10%) ranked lower on the first choice of offered products but subsequently higher for the second and third choices. Consequently, it is the fourth most offered service in total, indicating that Sustainability and Impact Advisory is a growing concern for enterprises. After their primary concerns – developing a good business model, entering the market, expanding sales – are saturated, there is a growing interest to become more sustainable and have a positive impact. The remaining services are direct funding through grants, equity and loans (7%), followed by advisory on supply, sourcing and production (6%), distribution and market access (5%), monitoring and evaluation (3%), legal and accounting (3%) and deal facilitation (2%). These services are more attractive to enterprises in the ideation stage, who rely more on direct funding, or the growth stage, who would be interested in managing supply, distribution and market entrance.

Main BDS Services Provided (in %)



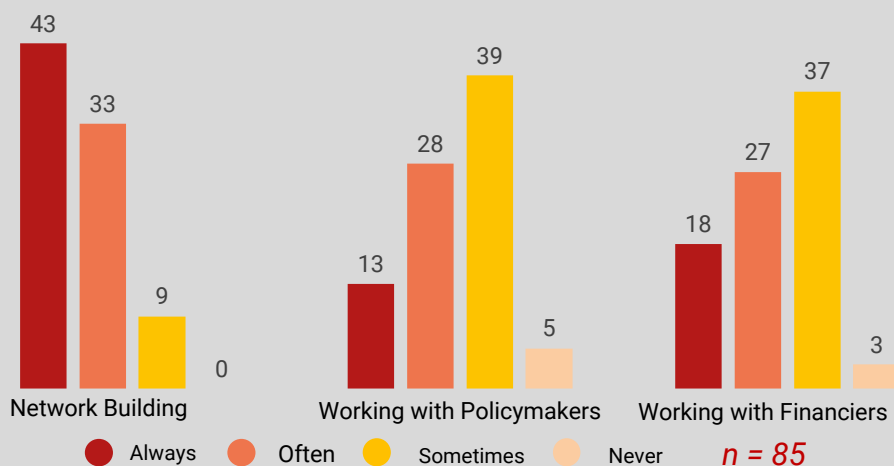
\* For the calculation of the main services, each BDS Provider listed their top 3 services. The responses were then accumulated weighing the first response at 50%, the second at 30% and the third at 20%.

Network Building is the main activity through which BDS Providers help enterprises engage with their ecosystem. All BDS Providers are involved in network building to some extent, though the vast majority offer it always (50%) or often (38%). Regarding the engagement of important stakeholders, such as policymakers and financiers, BDS Providers offer this less frequently. The majority provides it sometimes for both policymakers (45%) and financiers (44%), while only a few BDS Providers offer it always (15% for policymakers and 21% for financiers). Some BDS Providers never engage with policymakers (6%) or financiers (4%).

### How BDS Providers work with the ecosystem

90% of BDS Providers offer network building **always** or **often**

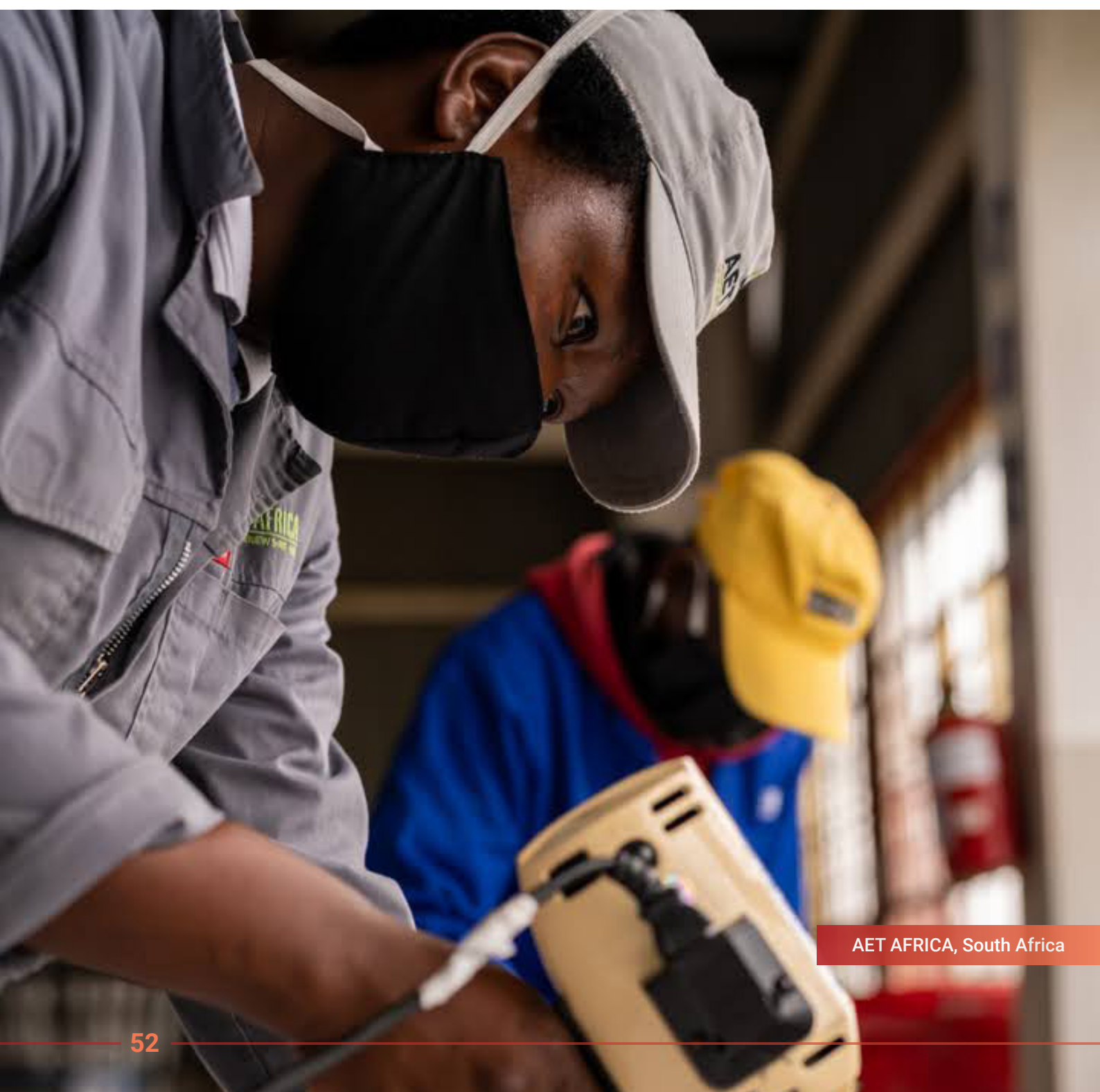
Less than 50% of BDS Providers offer to work with policymakers and financiers **always** or **often**



### Support Programme Design and Implementation



The inward- and outward-looking BDS is delivered to the supported enterprises through support programmes. We asked BDS Providers about these support programmes to find their most common characteristics. Most support programmes last for three to six months with multiple workshops. Each workshop usually takes three or more days. Short workshops of one or half a day are uncommon, with very few BDS Providers offering them. Typically, the BDS Providers organise workshops in group sizes of 20 – 30 people, and few workshops count more than 30 or less than ten. The workshops tend to be interactive rather than taught, although many BDS Providers offer a balanced, half facilitated and half taught, approach. Finally, the topical focus during the support programmes is for most BDS Providers split equally between finance and business management and topical expertise. Few BDS Providers offer support programmes that focus uniquely on one of the two, which shows how enterprises struggle to overcome a combination of challenges.





## 4. SEED'S IMPACT ON SUPPORTED BDS PROVIDERS

All the surveyed BDS Providers participated in SEEDs BDS+ Programme. Therefore, the survey asked what effect this training had on how BDS Providers operated, who they worked with, and what they focused on. First, SEED's BDS+ Programme affected how almost all BDS Providers worked. There are, however, differences in how BDS Providers choose to apply the lessons learned. Considering the different available growth strategies, we can identify four options. BDS Providers can continue what they are doing and scale up their activities, increasing their level of market penetration. This is a low-risk option, as all the tools already exist. Thus, this was the main path chosen by BDS Providers. Following the BDS+ Programme that illustrated the economic potential of enterprises with a strong social and environmental component, the share of these eco-inclusive enterprises among the total supported enterprises increased from 36% before to 50% after participating in the ToT. In other words, BDS Providers continued within the same market but increased their focus on a specific client group whose potential had remained partly unused. Secondly, BDS Providers aimed for market development, targeting new markets in the form of new client groups or regions. This entails some risk as BDS Providers would have to engage in a new environment. Still, we saw an expansion of BDS Providers to new client groups, especially eco-inclusive enterprises. Before participating in the ToT, one-quarter of BDS Providers (25%) did not support any eco-inclusive SMEs. After the ToT, only 14% of BDS Providers did not support eco-inclusive enterprises. The remaining two paths are developing new products and completely diversifying BDS activities, thereby entering a new market with new products. Few BDS Providers follow these paths; however, by participating in SEED's BDS+ Programme, the BDS Providers gain access to the SEED toolkits, which have been developed and refined for over 15 years to improve BDS Providers for eco-inclusive enterprises. Therefore, the BDS+ Programme provided the BDS Providers with the benefit of new products, such as toolkits, without carrying the cost and risk of new product development and diversification.

**The Ansoff Matrix**



Finally, most BDS Providers (60%) reported adjusting their portfolios after participating in SEED's BDS+ Programme. Generally, the adjustment happened towards a greater emphasis on environmental impact, adaptation and the direct support of eco-inclusive enterprises, followed by an overall up-scaling of business activities due to the improved capacity of BDS Providers. Moreover, many BDS Providers reported paying more attention to vulnerable groups in their support activities, such as women and youth.

### Share of eco-inclusive SMEs in total supported SMEs



- n = 80** **75 %** of BDS Providers supported **eco-inclusive\* enterprises before** participating in the Training of Trainers
- n = 80** **86 %** of BDS Providers supported **eco-inclusive enterprises after** participating in the Training of Trainers
- n = 85** **60 %** of BDS Providers **adjusted their portfolio after** participating in the Training of Trainers

## 5. SYNTHESISING BDS PROVIDERS' IMPACT

The previous analysis of our survey data highlights some fundamental characteristics of the BDS ecosystem. BDS Providers are a crucial part of the ecosystem around eco-inclusive enterprises. They can help enterprises scale their activities and improve their environmental and social impact. The typical BDS works with a team of 10 people and supports approximately 100 enterprises. Generally, the longer a BDS Provider operates, the more enterprises they have supported. Today's BDS Providers have been operating for an average of ten years, with the vast majority (92%) of BDS Providers being established after the early 2000s. BDS Providers (61%) work mostly at the country level. There are only very few that operate internationally, and those that do work primarily within their region, often in neighbouring countries. Today, most BDS Providers (32%) rely on the revenues they earn by charging enterprises for their services to fund their operations. This illustrates the immense demand for BDS services among enterprises willing and able to pay for this service. Moreover, it shows their conviction that investing in the short term into better business skills will enable them to improve their enterprises in the long run. In addition to their revenue, many BDS Providers rely on funding from national governments, international organisations, and other public agencies. This indicates that there is still a need to improve the delivery of BDS services and make them more economical. However, it also speaks to the recognition of the role of eco-inclusive enterprises and the importance of having access to proper BDS.

BDS Providers mostly engage in one of two ways. First, they provide internal advice to the enterprises directly. This entails mostly advice on business structures and strategies, market research and sales and marketing. Additionally, BDS Providers have increasingly offered sustainability and impact advisory, indicating the need to be more sustainable among the enterprise community. Secondly, BDS Providers help enterprises engage with their ecosystem. They do this primarily through network-building activities.

The enterprises that BDS Providers support work mostly in the primary sector (49%) and are in their development stage (57%). Moreover, the majority of supported enterprises are micro-enterprises (64%). Additionally, approximately half of all supported enterprises operate in rural areas.

SEED has delivered BDS+ Programme to over 500 BDS Providers. Over 15 years, SEED has developed toolkits and improved enterprise support techniques, focusing on the unique situation of eco-inclusive enterprises. The outcome of the BDS+ Programme is an increased awareness of BDS Providers of the role eco-inclusive enterprises play in our society. While only 75% of BDS Providers did work with eco-inclusive enterprises before SEED's BDS+ Programme, 86% did so afterward. Moreover, among those BDS Providers working with eco-inclusive enterprises, the share of eco-inclusive enterprises among the total supported enterprises increased from 36% to 50%. Beyond this, BDS Providers reported paying more attention to being inclusive of vulnerable groups, specifically targeting women- and youth-led enterprises.

# OUTLOOK

This report looked at 234 enterprises and 107 BDS Providers who work in countries across Africa, Asia and Latin America. The goal was to gain valuable insights into the environment of eco-inclusive enterprises and the BDS ecosystem. The insights have demonstrated that eco-inclusive enterprises enormously impact environmental and social development. Beyond climate action, they improve gender equality and offer fair, just and green forms of employment considering the needs of marginalised groups. BDS Providers engage increasingly with eco-inclusive enterprises to assist them in scaling their operations. SEED works directly with eco-inclusive enterprises through many programmes to empower them and realise their potential. At the same time, SEED works with BDS Providers to prepare them for the unique challenges eco-inclusive enterprises face. This work has shown its effect with BDS Providers paying increased attention to eco-inclusive enterprises as a key part of their enterprise portfolio, which, in turn, improves the availability of options to eco-inclusive enterprises.

Building on 20 years of experience, SEED sees the next two decades as an important period where there is an opportunity to consolidate not only the successes and insights from the past but also a chance to use these assets and lessons to take eco-inclusive enterprises to scale for a more impactful transformative change. SEED sees the future agenda primarily focused on three key levers: Scale, Impact and Finance. SEED considers these levers as critical success factors to scale the work of eco-inclusive enterprises and the BDS ecosystem.

SCALE	IMPACT	FINANCE
<p><b>Pathways to scale</b></p> <p>Provide tailored non-financial support services that consider the different scale pathways of eco-inclusive SMEs.</p>	<p><b>Recognise SME impact for the SDGs</b></p> <p>Recognise and track the contribution of eco-inclusive SMEs towards the SDGs.</p>	<p><b>Bridge the ‘missing middle’ gap</b></p> <p>Facilitate innovative financing products tailored to the needs of eco-inclusive SMEs to support them along their scale pathways.</p>
<p><b>Ecosystems for scale</b></p> <p>Strengthen existing capacities, networks and support institutions to cater better to the different scale pathways of eco-inclusive SMEs.</p>	<p><b>Enable impact evidence creation</b></p> <p>Foster the collection and monitoring of SME impact data simplifying existing frameworks and promoting evidence-based impact evaluations.</p>	<p><b>Facilitate financing partnerships</b></p> <p>Enable collaboration among investors and funders creating risk-sharing and co-investing mechanisms to finance SME operations along their scale pathways.</p>
<p><b>Foster collective action</b></p> <p>Create a community of collective action engaging SMEs, financiers, development actors and policy-makers in order to support the pathways to scale.</p>	<p><b>Build impact capacities</b></p> <p>Enhance the ability of eco-inclusive enterprises to track their social, environmental and economic impact in light of the SDGs.</p>	<p><b>Mobilise climate finance for SMEs</b></p> <p>Recognise the significant contribution of private sector actors by tailoring existing climate finance products and frameworks to their needs.</p>

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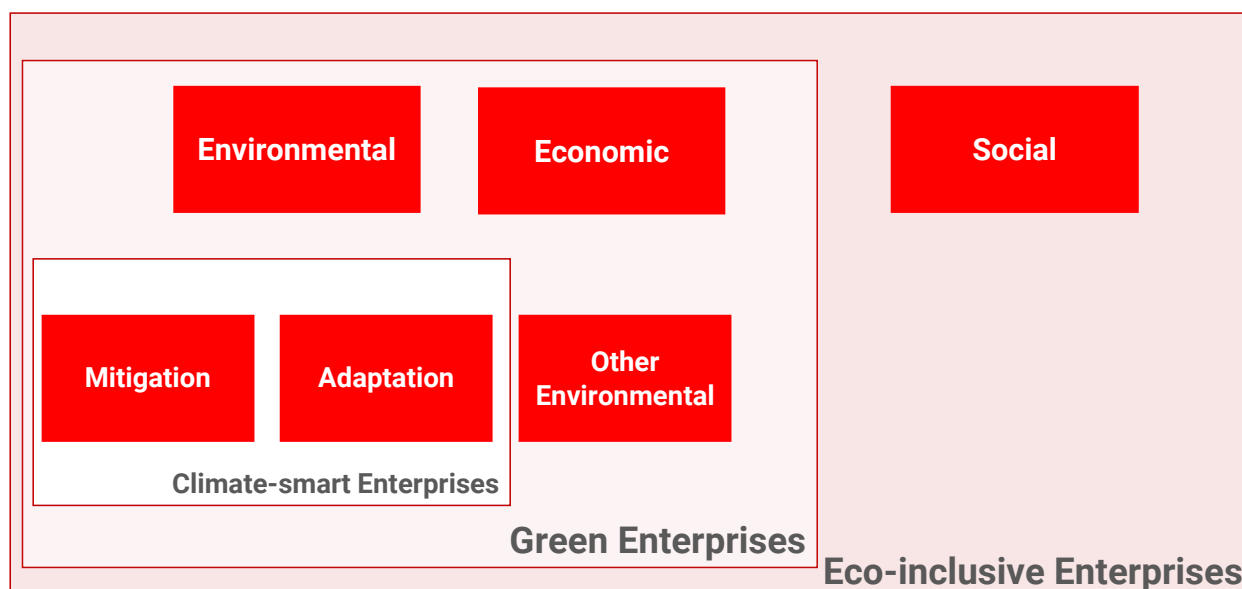


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## ANNEX - METHODOLOGY

This report uses the term eco-inclusive enterprises for small- and medium-sized enterprises with a positive impact on the triple bottom line. Eco-inclusive is an umbrella term that includes climate enterprises focusing on mitigation business models and adaptation techniques, green enterprises that take additional environmental impacts into consideration and social enterprises that create long-lasting impacts for local resilience, while paying special attention to the needs of marginalised social groups.

### Triple Bottom Line Enterprises

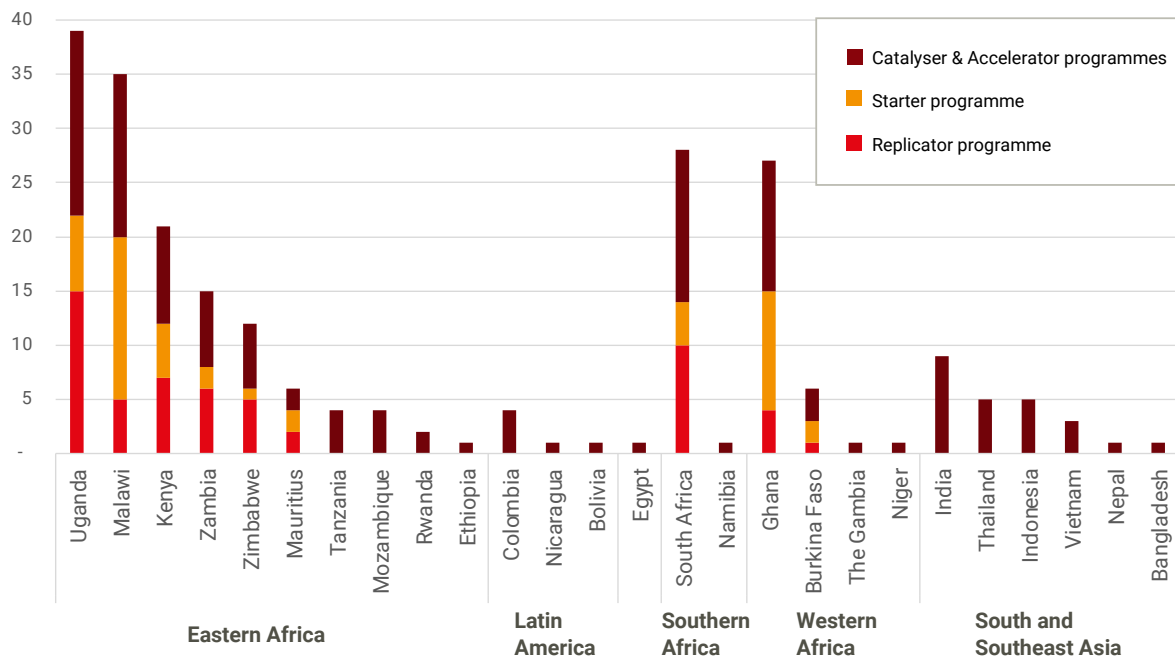


Eco-inclusive enterprises operate in and help build a green and circular economy. They create environmental impact in two ways: Firstly, they promote resource-efficient methods by employing low-carbon equipment and green manufacturing standards. These activities contribute to climate change mitigation and adaptation efforts and secure resources for the future while protecting natural ecosystems. Secondly, eco-inclusive enterprises offer products and services that help local communities adapt and build resilience to climate change by climate-proofing their livelihoods and integrating climate considerations into their daily lifestyles. As part of these activities, eco-inclusive enterprises work in sustainable agriculture, forestry and land management and contribute to more responsible and resource-efficient tourism.

This report surveyed 1,197 SEED direct enterprise support programme participants and 376 Business Development Services (BDS) providers. Direct enterprise support programme participants' enterprises were SEED Award Winners and Runners-up that went through our SEED Catalyser and Accelerator, Starter and Replicator programmes from 2005 to 2020 (see below for an introduction of these programmes). This translates to 248 SEED Award Winners and Runners-Up, 320 SEED Starter participants and 629 SEED Replicator participants.

BDS Providers who took part in the survey had previously participated in SEED’s BDS+ Programme. Overall, we obtained a response rate of 19.5% or 234 responses for enterprises and 28.5% or 107 for BDS providers. The enterprise response rate includes further data from a previous study of 36 SEED Award recipients. The response rate was 51% for Catalyser / Accelerator participants, 17.5% for Starter participants, and 12.2% for Replicator participants. The number of responses obtained for participants of each programme was 127 Catalyser/ Accelerator participants, 56 Starter participants, and 77 Replicator participants.

## Distribution of Enterprises Surveyed



## Enterprises’ self-reported information

The survey’s timeframe was from mid-October until mid-December 2021, including extended outreach via WhatsApp until mid-February 2022. Survey data/responses were collected by using an online survey (i.e., LimeSurvey) with questions on enterprise profile information, environmental, social, economic impacts, SEED programmes impact and an additional voluntary section to go deeper into the topics already covered. 30 enterprises continued to this section but not all answered all the questions presented. These survey questions were self-reported.

The responses came from enterprises at different development stages - from the early stages of business ideation and concept-building, to business development and replicating proven business models. Information on their environmental, social and economic impacts was reported for the year 2020, so all data reported is annual rather than historical.

Responses in most 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. The survey had an additional voluntary section to go deeper into the topics already covered. Thirty respondents continued to this section. The findings are included in the corresponding section within this study only as anecdotal as it is not a sufficiently large sample. Still, they help unveil the impactful practices in which SEED-supported enterprises engage.

Information on financing and wages was asked in the local currency of respondents and converted to U.S. dollars for its use in this report. The environmental impacts reported were only considered from Catalyser and Accelerator respondents, who have more advanced impact measurement and with whom the results were validated.

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 and Accelerators to determine the error within the sample of 127 enterprises. We found that 189 out of 248 enterprises (77%) continue in business. 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.

After the data collection period, thorough data validation was conducted. Data input responses were checked and verified to ensure coherent information. Outlier data, inconsistencies and data which seemed imprecise to the researcher were validated with the respective enterprise and, where not possible, it was eliminated to avoid skewing the results. The first step was to check for inconsistencies; for example, if there are more women (e.g., or youth, or BoP) employed than the total number of people employed, this will be categorised as an inconsistent error and deleted.

The second step was identifying extreme values and comparing them against other enterprise and business model characteristics to verify their plausibility. If there was still uncertainty to the plausibility, the enterprise was contacted to validate the data or, if not possible, the response was deleted.

### **BDS providers' self-reported information:**

The survey took place between mid-February and mid-March 2022. The responses were collected by using an online survey (i.e., LimeSurvey). Additional outreach took place via email. The questions regarded the set-up of the BDS Providers (i.e., the size of the team, founding date, funding information, etc.), their offered BDS support, as well as their method of delivery. Additional questions were asked about the type of enterprises that uses BDS Providers' offer. Finally, the survey asked about the impact of SEED's Training of Trainers on the BDS Providers portfolio. All these survey questions were self-reported.

The responses came from BDS Providers at different levels of operation. Most have been in business for a decade, although some have already worked in the sector for 30 years. Therefore, the surveyed BDS Providers offer a variety of team sizes, number of supported enterprises and outreach (regionally, country-level or international).

Responses to the survey questions were not mandatory, and not all questions were answered by all respondents. The final section regarding the impact of SEED's Training of Trainers was divided into two groups, depending on the funding partner with whom the Training of Trainers was organised. Each respondent only filled out the section corresponding to the training they had participated in. For this study, the responses were jointly analysed, as the questions remained the same. The total number of responses is stated in each corresponding figure or visual.

After the data collection period, thorough data validation was conducted. Data input responses were checked and verified to ensure coherent information. Outlier data, inconsistencies and data which seemed imprecise to the researcher were validated with the respective BDS Provider. If not possible, the response was eliminated to avoid skewing the results.

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