



Replicating Eco-Inclusive Business Models

A Contribution to Sustainable Low-Carbon Economies



SEED

promoting entrepreneurship
for sustainable development

10
YEARS OF
SEED AWARDS
2005-2015

endeava



Executive Summary



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In the face of climate change, we urgently need to find pathways to a low-carbon economy. Only then can we improve the well-being of nine billion people by 2030 and achieve the Sustainable Development Goals (SDGs). Developing countries have to leap-frog to a low-carbon economy while continuing to improve well-being. Innovative eco-inclusive enterprises are already implementing low-carbon solutions while also providing social and economic benefits to those who need them most. While political and financial support for the transition to a low-carbon economy is growing, as demonstrated by the Paris Agreement and countries' Nationally Determined Contributions (NDCs), implementation focuses on large projects that bring little direct benefits to low-income communities. This study shows how the replication of eco-inclusive entrepreneurial solutions tackles the double challenge of mitigating climate change and improving well-being, therefore arguing that they should be strategically incorporated in global and national plans for achieving a low-carbon economy.

Over the last 10 years, SEED has awarded more than 200 enterprises in over 40 countries for developing business models which contribute to sustainable development by solving social and environmental problems on a local level. Many of these business models directly contribute to the reduction of greenhouse gas emissions through sustainable production or focus on climate change adaptation measures. Each of the 222 SEED Award Winners provides a real-life, inspiring example that change is possible. Winners have developed a wealth of innovations to reduce carbon emissions, ranging from waste recycling to renewable energy solutions and climate-friendly agricultural practices. SEED Winners operate in developing countries, and include low-income people in their businesses. Thus, they help countries

leapfrog to new economic models, while at the same time improving well-being for a growing population.

SEED represents a vast repository of solutions that can and should be replicated. By copying and adapting a proven model, entrepreneurs can avoid failure and accelerate the switch to a low-carbon economy. But replication is often hindered by a lack of information, appropriate funding, and technical support. This paper provides recommendations to donors, funders, governments, and other support institutions on how to enable replication of proven models as a strategy for the transition to a low-carbon economy and to achieve objectives set in the NDCs.

On the following pages, you will find answers to five guiding questions:

- **Why is replication of eco-inclusive enterprises a promising pathway to achieve a low-carbon economy?** p. 4
- **Which ways to replicate low-carbon business models exist and how do SEED Winners engage in replication?** p. 8
- **Which barriers do those low-carbon eco-inclusive enterprises face when seeking to replicate?** p. 10
- **How can different actors support replication of these types of eco-inclusive enterprises for a low-carbon economy?** p. 14
- **What should be the main priorities when supporting replication for a low-carbon economy?** p. 16

Replication of Eco-Inclusive Business Models Needs to be Part of the Strategy for Achieving a Low-Carbon Economy

Sustainable development, well-being, economic growth and climate responsibility are inextricably interwoven.¹ To date, per capita incomes, as a proxy for well-being, correlate highly with carbon emissions. At the same time, those most severely affected by negative impacts of climate change and carbon emissions are the poor and vulnerable in developing countries. We have to find ways to ensure access to water, food, energy and income for 9 billion people globally, while reducing carbon emissions, and we need to implement these solutions now.

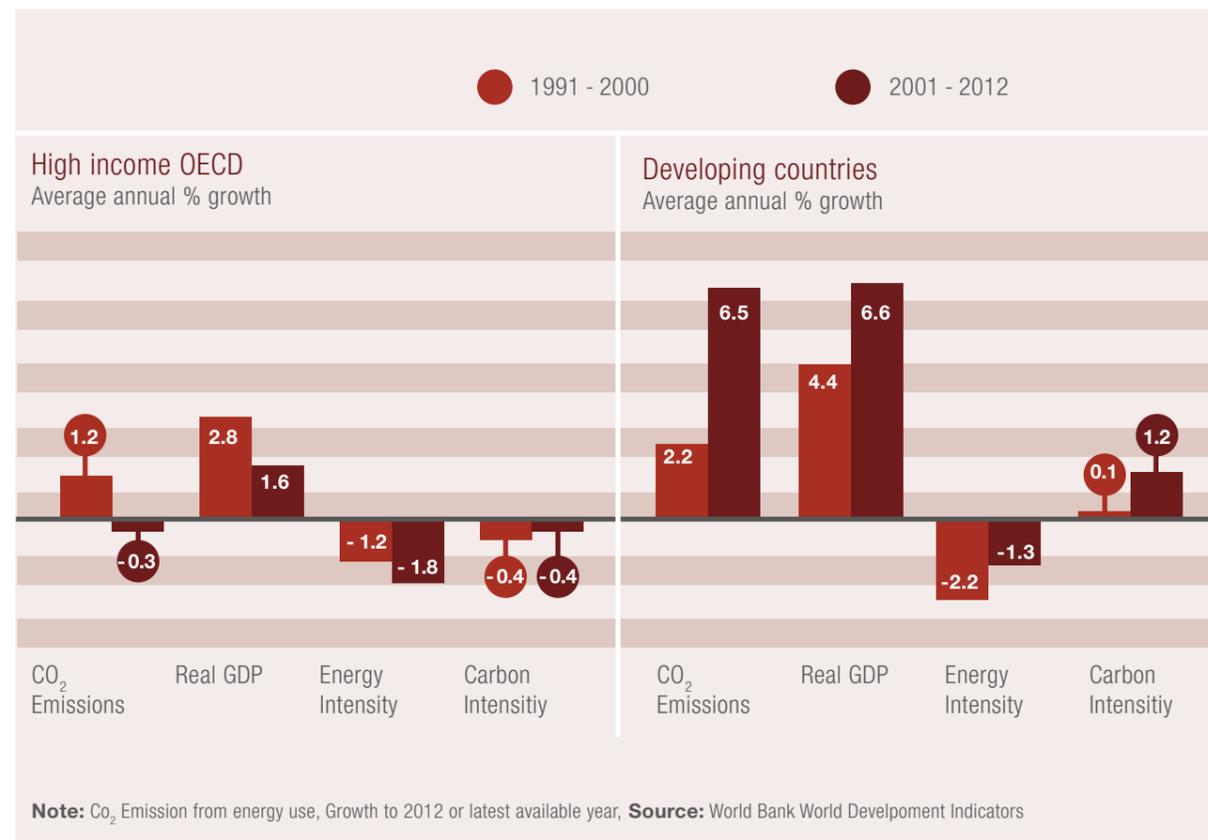


Figure 1: Comparison of key drivers for CO₂ emissions in high-income and developing countries. Source: http://2014.newclimateeconomy.report/wp-content/uploads/2014/08/NCE-Global-Report_web.pdf²

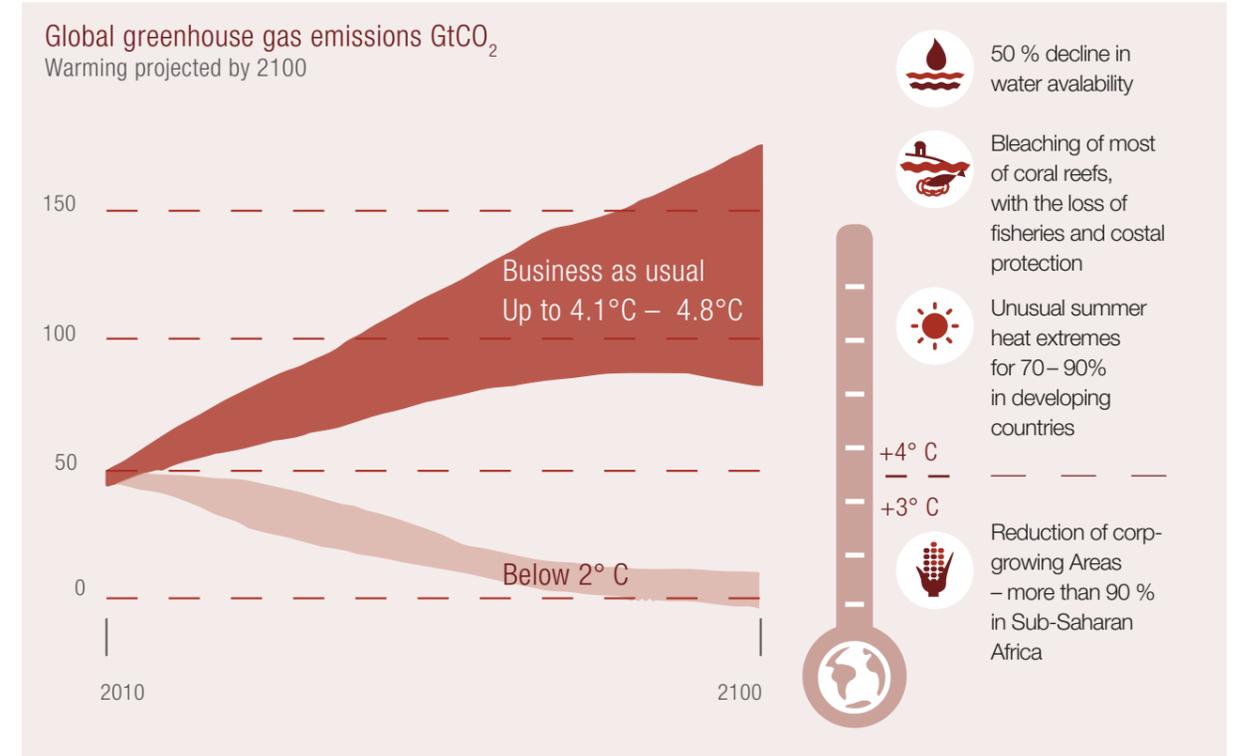


Figure 2: How shifting to a low-carbon economy is essential for improved well-being^{3,4}

Developing countries have to leap-frog to a low-carbon economy while continuing to improve well-being.

We cannot achieve the 2030 Sustainable Development Goals (SDGs) with current economic models – so much is clear.⁵ We need to not only leverage new technologies, but also innovative business models, to leap-frog carbon-intensive development pathways and move straight towards a low-carbon economy. These business models need to also include low-income people, providing them with social and economic benefits to increase their well-being.

Innovative eco-inclusive enterprises are already implementing low-carbon solutions while also providing social and economic benefits to those who need them most.

Eco-inclusive enterprises, like SEED Winners, have already developed and implemented sustainable forms of production and consumption. Taken together, the 222 SEED Winners have impacted more than 12.3 million beneficiaries, having paid particular attention to marginalised groups within communities. These enterprises improve food security, and create access to clean energy and safe water and sanitation, as well as creating income opportunities, including for youth and women. At the same time, they have reduced almost 3.4 million metric tonnes of carbon emissions, saved 13 million kWh of energy and recycled 61 thousand metric tonnes of waste materials.⁶



	Energy 	Agriculture 	Waste 
Business-as-usual	<p>Globally 1.2 billion^{7,8} people have no access to electricity. 250–500 million of these rely on kerosene for their basic energy needs, including lighting. Kerosene lamps are hazardous and provide low quality light. Moreover, kerosene is expensive and polluting. One kerosene lamp emits an estimated 1 tonne of CO₂ over 5 years.</p>	<p>Agriculture accounts for about 13 per cent of global GHG emissions.⁹ About 10 per cent of these emissions are caused by the release of methane from flooded rice paddy fields.^{10,11} New research shows that methane release per kilogram of rice increases with rising global temperatures and CO₂ emissions, thereby, accelerating climate change.¹² Rice is the staple food for over 60% of the world's population. 80% of rice is grown by small farmers in low-income and developing countries. The total harvested area in the early 1980s was 144 million hectares, about 90% of which is wetland.</p>	<p>The GHG emissions from the waste management sector are around 3-5 per cent of global emissions.¹³ Produced from mineral oils, every 10,000 standard-size disposable polystyrene foam plates result in more than 500 kg emissions of CO₂ equivalent greenhouse gases, and produce over 100 kg in non-biodegradable waste that is often not accepted in plastic recycling. However, the prevention and recovery of wastes can be ways to avoid emissions in all other sectors.¹⁴</p>
SEED Winner solution	<p>Sunny Money Countries: Rwanda, Tanzania, Kenya, Uganda, Zambia & Malawi</p> <p>Sunny Money's low cost "pico solar lights" provide solar-powered quality lighting at a low cost. The company has sold almost 1.7 million solar lights, providing 10 million people with better access to clean, safe light. Almost 880,000 tonnes of CO₂ has been averted till date:</p>	<p>A Global Marketing Partnership for SRI Indigenous Rice Countries: Cambodia, Madagascar, Indonesia, India</p> <p>The System of Rice Intensification (SRI) combines a range of agricultural practices that increase yields significantly while saving on water, seed, fertilizer and chemical crop protection. Rice is grown in irrigated conditions, which avoids excessive methane production. The methodology is already being utilised by more than 10 million smallholder farmers in over 55 countries.</p>	<p>Tambul Leaf Plates Countries: India</p> <p>Tambul Leaf Plates enables rural youth and women in Northeast India to establish their own production unit of arecanut leaf plates, creating livelihoods in their communities.</p> <p>The production of this biodegradable disposable dinnerware has generated employment or additional income for 3,000 rural community members and avoids more than 10 tonnes of waste plastic and 60 tonnes of CO₂ equivalent emissions every year.</p>

Box 1: SEED Winners examples

While political and financial support for the transition to a low-carbon economy is growing, implementation focuses on large projects that bring little direct benefits to low-income communities.

Political frameworks to support the switch to a low-carbon economy are already in place. The adoption of the COP21 Paris Agreement in 2015 has established a legally binding agreement to collectively limit global warming to well below 2°C.¹⁵ Countries are currently implementing their National Determined Contributions (NDCs), their strategies for climate change mitigation. As part of the Paris Agreement, developed countries commit to supporting developing countries in making the transition to low-carbon growth.¹⁶ The Green Climate Fund has been established with the objective to provide financial support of \$100 billion yearly to aid developing countries in implementing new procedures to minimise climate change. Currently, most countries focus on large-scale projects that are simpler to implement from a funding and scale perspective than small-scale solutions. Yet, large solutions often provide little direct benefits to vulnerable communities beyond infrastructure improvements. The focus on large solutions overshadows the role of small, medium and micro enterprises (SMMEs). However, SMMEs contribute most to economic development and job creation, making them essential in the transition to a low-carbon economy.¹⁷

Replication of eco-inclusive entrepreneurial solutions should be part of the global and national plans for achieving a low-carbon economy.

Eco-inclusive enterprises working on low-carbon solutions are often SMMEs. Their small scale enables them to develop business models that respond to the local social and economic needs of low-income communities. However, they have huge impact potential, and their impact could be scaled to reach the level of global impact needed to achieve sustainable development. The conventional approach to increasing their impact is by enabling growth and scale of enterprises. Yet, one organisation alone is often not capable of managing the rapid expansion required to leave a significant footprint globally. Replicating solutions that work at a local level by adapting the model to another area can offer a faster and more effective way to increase impact. Supporting replication, e.g. through funding, knowledge sharing and capacity building, is a cost effective way to achieve emission reduction targets while improving people's livelihoods.

To make NDCs ambitious enough, they need broad political support from governmental and non-governmental stakeholders. To achieve this, climate mitigation approaches must show how they can also contribute to economic development and human well-being as envisioned by the Sustainable Development Goals (SDGs).¹⁸ Eco-inclusive enterprises contribute to the SDGs on a national level. Therefore, replicating these solutions should be integrated into NDCs and supported through the Green Climate Fund.

There are Many Ways to Replicate

REPLICATION STRATEGY

Wholly owned branches

The branch strategy involves setting up points of presence in a new market that are owned and operated by the parent company. With a branch strategy, the original business retains control of all (or almost all) business aspects in the replicated entity, including business strategy, governance, systems, processes and human resources.

Franchising

Franchising involves a contractual agreement in which one party, the franchisor, licenses either its whole business concept and operational system, or its trademark (including products, name, logos) to a second party, the franchisee. The franchising agreement grants franchisees the right to use the business name and logo of the franchisor, and to sell the franchisor's products.

Partnership

Partnerships describe a broad range of relationships between a company and other actors, in which businesses and other organisation(s) (e.g., non-governmental organisations, local businesses, and multinational corporations) agree to cooperate and pool their money, knowledge or other resources in order to advance their mutual interests. Businesses leverage partnerships to access investments and knowledge of local markets needed for replication.

Open the model

Enterprises can disseminate their model by documenting it along with best practices and lessons learned, and making this information available to others. They can also provide hands-on learning opportunities, for example, by allowing interested organisations to visit their business sites. Some companies even develop specialised training programs for those aiming to adopt the model.

Joint venture

In a joint venture (JV), a separate entity is formed by two or more parties to the agreement, with each of the original parties acting as shareholders. It is designed to share risk and/or expertise, as each of the participants is responsible for the profits, losses and costs associated with it. A joint venture is the most formalised variety of a partnership.

CLOSED STRATEGIES

- * offer greater control but require more resources from the originator
- * mostly favoured when wanting to increase profits, protect intellectual property or brand, or maintain a high level of quality control
- * often chosen where a certain proprietary technology or brand are important for the business success

OPEN STRATEGIES

- * usually chosen by highly mission-driven entrepreneurs who want to see their solution spread as quickly as possible
- * work best for business model innovations or processes, but do not need expensive technology



SEED WINNERS



Waste Enterprisers recycles human waste into renewable fuel for industrial kilns and boilers in Kigali, Rwanda. Its target market – industrial manufacturers such as cement plants and plastics factories – need cheap fuel to produce their products. Waste Enterprisers leverages this energy demand to create an incentive for waste collection and processing, thereby tackling the urban sanitation crisis. Wastewater is also being treated for use in ponds to allow fish farming which can provide additional income generation. Waste Enterprisers plans to replicate the model through a closed strategy. It will use branching to establish similar operations in other African cities.



Tambul Leaf Plates produces and markets biodegradable disposable dinnerware through various community-owned micro-enterprises. Products are made from the fallen sheath of the areca nut palm, so the product is environmentally friendly and provides a viable alternative to highly polluting plastic and styrofoam plates. The enterprise helps rural producers across villages in North-East India to establish micro-enterprises through capacity-building and technical, financial and marketing support.



Sunny Money provides affordable, reliable and clean energy, particularly for lighting. The products include a solar kit to power household appliances and a solar lamp to replace kerosene lamps which are detrimental to health and the environment. In the longer term Sunny Money aims to supply products for other uses, such as education and communication. As a distribution model, Sunny Money uses a micro-franchising system based on local entrepreneurs. It currently has a network of over 600 micro franchisees across various countries in Africa. It has also worked in partnership with microfinance institutions and NGOs, and is developing a manual to disseminate its replication methodology.



Almodo is a sustainable solid waste management system suitable for lower income urban areas. It offers training and waste management services to municipalities and civil societies. Almodo has replicated the model in Niger, Mali, Togo, Congo, Cameroon, and Ivory Coast. While in some places, Almodo manages the operations in partnership with local city councils, in others it has also trained other entities to set up similar models.



Disecclar sources its raw materials from recyclers, collection points and factories. It processes the collected plastic with agro-industrial waste – such as coffee chaff, sugar-cane pulp and rice chaff – to produce ecological furniture, decks and pergolas. Disecclar's main customers are restaurants, recreational centres and retailers. Compared to conventional wooden furniture Disecclar offers customers long-lasting products, which can be used indoors or outdoors, withstand rain, snow, cold or heat and do not rot or splinter. Disecclar plans to form a JV in Mexico to replicate the model and set a new manufacturing unit which will use agave plant residues and plastic waste to make furniture products.



A Global Marketing Partnership for SRI Indigenous Rice encourages the use of SRI (System of Rice Intensification) methods, thereby boosting rural incomes and simultaneously conserving rice biodiversity, improving the environment and significantly reducing the cost of inputs faced by small farmers. It disseminates the rice cultivation methodology with the help of Cornell University to farmer organizations around the world. It has also been structured as a partnership between local farming cooperatives and Lotus Foods, the US-based rice company which markets traditional rice varieties grown using SRI methodology.

Barriers to Replication

Some models are more conducive to replication than others (see Box 2). Entrepreneurs seeking to replicate eco-inclusive business models face specific barriers that can impede the replication process. The barriers to replication of such eco-inclusive businesses models are similar to those of low-carbon solutions (hereafter referred to as low-carbon models). Replication can be driven by the organisation that originally developed the solution (the “originator”), or by a completely separate entity (the “adopter”). Originators and adopters mention a range of barriers to finding and collecting the right kinds of information, identifying the right people as staff and partners to replicate with, and securing sufficient financing for various stages of growth. While some barriers are the same, others are specific to the perspective of the adopters (👤) and originators (👤).

Four features that make a business model more conducive for replication

Not all models are suitable for replication. From talking with entrepreneurs, incubators, business service providers and investors, four features stood out that make a business model particularly fit for replication: Business models that are **adaptable** to other contexts, relatively **simple** to implement, require **low upfront investment** and are **financially viable**. These factors facilitate an organic rep-

lication process where others copy and adapt the model without much extra support. In practice, business models seldom have all of these features. Therefore, it is important to provide support to enterprises to overcome barriers in accessing the right information, people and partners and financing.

→ Adaptable

Replicating business models into another local context is more likely to succeed when the model is easily adaptable. Models are more adaptable when they require only minor changes to fit the new target market and function in the new environment and/or when the model remains effective despite parts of it being changed.

→ Low upfront investment

Business models that require relatively low start-up costs are more likely to replicate. If an enterprise can quickly deliver revenues and profits, less investment is needed, which means there is less risk in starting the business, making the model more attractive for replication.

→ Simple

The simpler the model, the easier it is to implement. The easier it is to implement, the higher the chance of successful replication. Simpler business models require knowledge that is easy to attain and not too specialised; they rely on skills that are widespread and/or easy to transfer. Technologies used are easy to understand.

→ Financially viable

Models that make money attract second movers. Models that are profitable at the smallest unit of production and have little overhead costs do not have to rely on scale to become financially viable. Once a model achieves proof of concept, potential adopters and investors will find it more attractive, raising the chance that the model will be replicated.

Box 3: Four key features that make a business model more conducive for replication



Barriers to replication faced by entrepreneurs working on low-carbon solutions to development

Information

Lack of key market data 👤

Enterprises planning to replicate low-carbon models often lack information about new target markets, including consumer habits and needs, statistics on target demographics or information on policies related to a low-carbon economy. This lack of data creates unnecessary costs and inefficiencies, as each business needs to invest in market research.

” We looked at several social enterprises and found that one of the biggest challenges for them while transferring business to a new location was access to key market information. We need to make it less resource intensive and reduce the timeframe that it takes without shifting the focus away from core activities. ”

Pallavi Shrivastava, IFC

Lack of granular information on vetted business models 👤

For potential adopters, it is hard to access information on which low-carbon models are truly viable and have impact and how they work. Some are showcased, but assessments of actual profitability and impact is often not detailed enough to know whether the model is really worth replicating.

” There is a lack of proper documentation of systems and processes adopted by successful models. It makes it challenging for those who try to replicate the business model of the originator. ”

Nicolas Chevrollier, BoP Inc

Lack of opportunities to learn from real-world experts 👤

Learning from entrepreneurs with working low-carbon models enables the transfer of tacit knowledge. Opportunities to learn from such experts are rare but could offer valuable insights for those replicating models.

” Social entrepreneurs prefer to learn from their peers and concrete experience, rather than abstract trainings and publications. Unfortunately, little support exists for these kinds of exchanges so far. ”

Christina Tewes-Gradl, Endeava



People & partners

Getting the right people on board

While replicating, enterprises have to find partners and staff with adequate skills and capacity and matching motivations. This is mostly done through personal networks. Although this ensures an element of trust, the drawback is that it can easily lead to suboptimal choices in the replication location.

” Our model relies on micro-franchisees in order to create effective distribution networks. Retaining them sometimes is a challenge since they are not our employees. It’s important to have a good interface with them and develop their skills as entrepreneurs and partners. “

**Jamie McCloskey,
Sunny Money**

Low supply of appropriate know-how

The combination of solid business skills and a deep understanding of the low-income markets is rare. Yet, successful replication of social and environmental businesses relies on a team and partners that understand both business and social/environmental goals. Low-carbon models may also require expertise in climate change mitigation and adaptation strategies. For businesses wishing to copy a model, it is hard to gain access to people that have tacit knowledge of the originating business.

” We have worked with more than 200 small and growing eco-inclusive enterprises in the past 10 years and during that time learned that there are many business models out there that proved to work well and are easy to adapt to a different context. We need to showcase successful models while improving business skills of future entrepreneurs. “

**Rainer Agster,
SEED**

Financing

Funding bias towards new ideas

There is a growing number of grants and start-up funding available for innovations, but a lack of financial support for second movers that are replicating innovative models. This is particularly true for climate change mitigation and adaptation grants.

” Most of the funds are chasing game-changing innovations. There are no funds to specifically support replication. “

**Stevie Valdez,
Global Alliance for Clean
Cookstoves**

Lack of suitable working and expansion capital

Many social and environmental businesses struggle to access appropriate financial products. Working capital is typically available, though unaffordable, while the capital needed to expand often falls in “the missing middle” - too high for micro-finance and too low for commercial banks and traditional investors, or it is too expensive.

” Even a modest amount of financing can go a long way for a start-up marketing initiative. However, both conventional and socially responsible loans involve bureaucratic hurdles and high interest rates, and require a previous track record of success. “

**Olivia Vent,
SRI Partnership**

Lack of financing focused on the active dissemination of business models

Documenting and disseminating a business model to make it easy to adopt is time-consuming and does not contribute to the core business. Businesses seeking to maximise their social and environmental impact can be discouraged by these costs that are currently not compensated.

” Donors could organise sectoral workshops in countries where they have a local presence. They would gather all the necessary players of the chosen sector in one room, and expose them to selected best practices in the field. “

**Olivier Kayser,
Hystra**

Solutions for Accelerating Replication

When business models lack one or more of the features that make a model more conducive to replication (see Box 3), it is less likely that entrepreneurs will replicate their model without support to overcome the barriers they face. Different actors in the business ecosystem can accelerate the replication of eco-inclusive businesses contributing to a low-carbon economy by providing solutions to these barriers. The following pages show which actors can do what to ensure that the potential of replicating these businesses is recognised and realised. Because these barriers are similar to those of other eco-inclusive enterprises, policy makers can build on good practice examples from other sectors.

Actor	Information 	People & Partners 	Finance 
Development Partners including bilateral and multilateral public development partners and private foundations	<ul style="list-style-type: none"> → Support governments, research institutes and business service providers in gathering and providing market data, for example on energy needs of low-income households → Support research on replication of low-carbon models and make granular information on available vetted business models - <i>SELCO, a company that offers low cost green energy solutions, received support from various donors to establish incubation centres that support their dissemination strategy.</i>¹⁹ → Support dissemination through immersion programs and on-site training, in which businesses can gain hands-on knowledge about successful low-carbon models 	<ul style="list-style-type: none"> → Facilitate and support the organisation of career fairs and networking events that focus on entrepreneurship in a low-carbon economy to help businesses find and recruit talent → Help businesses that want to replicate to find local partners in new markets - <i>Endeva's Meet & Multiply brought originators and adopters together at the IDB's Base Forum in Mexico City</i>²⁰ 	<ul style="list-style-type: none"> → Earmark funds to support the replication of low-carbon models as a transition to a low-income economy → Create financing instruments specifically targeted at eco-inclusive enterprises pursuing replication of their low-carbon models, such as grants for businesses to open their model to the public or to create dissemination centres, or start-up loans for franchisees and second-generation businesses - <i>the ILO Youth to Youth Fund provides grants for youth seeking to replicate successful business models</i>²¹ → Develop new working and expansion capital facilities specifically targeted at eco-inclusive enterprises pursuing replication of low-carbon models
Governments	<ul style="list-style-type: none"> → Provide data on markets and various demographics such as the status of local waste management facilities and household energy consumption → Help eco-inclusive enterprises to find clear information on incentives that apply to a low-carbon economy context- <i>In Rwanda, businesses benefit from tax exemptions on off-grid and mini-grid solutions</i>²² → Encourage local universities and other education providers to offer courses on low-carbon economy and commercialisation of related business models 	<ul style="list-style-type: none"> → Organise and support career and trade fairs related to eco-inclusive enterprises in the low-carbon sector → Support public-private dialogue with entrepreneurs combining climate change mitigation and development goals → Encourage universities and other education providers to offer courses on low-carbon development and eco-inclusive entrepreneurship 	<ul style="list-style-type: none"> → Improve local banking support for SMMEs → Set up a local replication fund specifically dedicated to low-carbon solutions, providing incentives to replicate successful low-carbon models → Recognise low-carbon models in relevant policies and ensure continuity of policy support and implementation

Companies	<ul style="list-style-type: none"> → Successful (replicated) eco-inclusive enterprises can share knowledge about functioning low-carbon models and replication experiences → Local market-research companies can produce data such as consumer demographics and key legal parameters affecting replicators of low-carbon models 	<ul style="list-style-type: none"> → Experienced replicators of low-carbon models can act as mentors for other eco-inclusive enterprises, providing their expert advice - <i>The SECLCO incubation centre trains entrepreneurs in classrooms and in the field in a year-long immersion program</i>²³ → Local SMEs can act as business-services providers, offering recruitment services, training programs, and legal or tax support → Larger companies can seek to integrate eco-inclusive enterprises in their value chains 	<ul style="list-style-type: none"> → Larger businesses can invest in eco-inclusive enterprises, thereby supporting their growth and replication and contribute to an low-carbon economy- <i>In an example from the health sector, GlaxosmithKline (GSK) committed GBP 900,000 to Health Store Holdings (HSH) to establish 60 health clinics in Rwanda under the One Family Health model, and plans to provide an interest-free loan to replicate a further 180 clinics through franchising.</i>²⁴
Investors, including impact investors	<ul style="list-style-type: none"> → Share information on successful and unsuccessful low-carbon models, thus creating a culture of open dialogue and learning that supports replication 	<ul style="list-style-type: none"> → Act as matchmakers, linking entrepreneurs engaging in replication or low-carbon models with peers, experts and partners in expansion markets 	<ul style="list-style-type: none"> → Provide financial products that meet the needs of eco-inclusive enterprises pursuing replication of low-carbon models, such as products for affiliates or adopters
Incubators, accelerators and hubs	<ul style="list-style-type: none"> → Help disseminate granular information on successful low-carbon models → Build in-house knowledge on low-carbon economy related topics and advise entrepreneurs 	<ul style="list-style-type: none"> → Link eco-inclusive enterprise leaders with talent and business development services providers → Organise mentoring programs that enable peer-to-peer exchange in the low-carbon sector 	<ul style="list-style-type: none"> → Link eco-inclusive enterprises with potential investors, and help businesses develop successful pitches positioning themselves as low-carbon economy contributors where useful - <i>the India based Artha Platform links social and environmental businesses with impact investors and intermediaries</i>²⁵
Research institutions	<ul style="list-style-type: none"> → Conduct research on low-carbon models → Conduct research on the role of eco-inclusive enterprises in climate mitigation → Support the development of impact assessment tools that combine development impacts with climate mitigation impacts → Support the dissemination of low-carbon models for replication 	<ul style="list-style-type: none"> → Build a talent pool by offering courses on the relation between climate change and development, and by organising immersive training programs that foster hands-on learning → Run traineeship and internship programs focused on low-carbon models 	<ul style="list-style-type: none"> → Conduct research on the specific financing needs of eco-inclusive enterprises pursuing replication or low-carbon models, and develop recommendations for targeted and innovative financial services → Support eco-inclusive enterprises with low-carbon models by building more research around impact evaluation to strengthen the case for these solutions
Civil society organisations	<ul style="list-style-type: none"> → Support the dissemination of low-carbon models, and act as catalysts for the successful implementation of proven low-carbon models → Raise awareness among other stakeholders of the importance of supporting the role of eco-inclusive enterprises in the transition to a low-carbon economy - <i>a collaboration of international NGOs including WWF and Brot für die Welt make the case for low-carbon development in online publications</i>²⁶ 	<ul style="list-style-type: none"> → Build talent for eco-inclusive enterprises working on low-carbon models 	

The shift to a low-carbon economy is the most fundamental challenge of this century. If we attain it, we will improve the well-being of nine billion people and support the achievement of the Sustainable Development Goals by 2030 and the Paris Agreement. Debates around climate mitigation are biased towards large projects. Yet, SMMEs contribute most to economic development and job creation, making them essential in the transition to a low-carbon economy. Eco-inclusive enterprises are already providing innovative low-carbon solutions while serving local populations who are too often forgotten. Replicating these low-carbon solutions accelerates the transition to a low-carbon economy while improving well-being. All societal actors are called upon to support eco-inclusive enterprises in replicating proven low-carbon models. Three steps are vital for the transition:

1 Take small-scale solutions into account in programs and policies for low carbon development

Many countries are already developing implementation strategies in their NDCs for their shift to a low-carbon economy. Including small-scale solutions will provide more comprehensive and effective policies, while at the same time supporting SMME growth and job creation.

2 Identify the most impactful solutions and showcase them

Eco-inclusive enterprises have already taken the lead in their sectors in developing low-carbon products that improve the lives of the poor. Vetting and closely documenting these solutions and spreading knowledge and awareness of these models can inspire action from various stakeholders.

3 Actively support dissemination through dedicated funding, information, and capacity building

Everybody can take action, doing what they do best to support the dissemination of low-carbon business models. For example, funding is needed on various fronts including for brokering services between investors and entrepreneurs; this provides slow capital or financing in-depth case studies that reveal granular information.

Transitioning to a low-carbon economy is critical to improve well-being in low income countries. If we manage to make this transition by leveraging the impact of eco-inclusive enterprises, we will not only help stop climate change, but also immeasurably improve the lives of people living in poverty. Through replication of successful low-carbon business models and therefore spreading more impact, we offer new opportunities to individuals and communities, as well as provide new development paths to emerging markets that benefit their people without relying on high carbon infrastructure.

A new programmatic effort – the SEED Replicator

To promote increased replication of high potential eco-inclusive business models in developing countries and emerging economies, SEED has launched a new programmatic effort in 2016 – the SEED Replicator. Within this programme SEED conducts research on the performance of various high impact eco-inclusive enterprises to identify the most promising business models and their experiences, challenges and success factors. The programme initially focuses on five sectors: Sustainable Agriculture, Manufacturing, Energy, Integrated Waste Management and Tourism. Learnings from the conducted research are distilled into business model specific Replicator Workbooks that are made available to aspiring entrepreneurs in Replicator Connect Workshops. At those workshops, selected applicants will receive hands-on support to take their first steps towards building their own eco-inclusive enterprise based upon the original business idea. Special focus is given to create local ownership and ensure anchoring the new enterprise in the local context.

The SEED Replicator is built upon SEED's understanding that local ownership and multi-stakeholder partnerships in combination with non-financial tailored business development support (BDS) are the ingredients for ensuring successful replication of eco-inclusive businesses models. To this end, SEED's toolkit-based BDS concept and the upskilling of local BDS providers strive to provide an enabling environment for the uptake and scale-up of replication-prone eco-inclusive business models. The SEED Replicator Programme is made possible in South Africa through the generous support of the Government of Flanders. Through a partnership with the SWITCH-Africa Green Project, which is implemented by UNEP with the assistance of the European Union, SEED will also implement the programme in Burkina Faso, Ghana, Kenya, Mauritius, South Africa and Uganda.

Find out more about the SEED Replicator via www.seed.uno/support/replicator.html.

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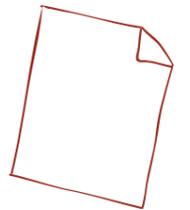
ABOUT SEED

SEED is a global partnership for action on sustainable development and the green economy. Founded by the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP) and International Union for Conservation of Nature (IUCN) at the 2002 World Summit on Sustainable Development in Johannesburg, SEED supports innovative locally driven enterprises around the globe which integrate social and environmental benefits into their business model. It is hosted by adelphi research gGmbH, based in Berlin, Germany. adelphi research is a leading think tank for policy analysis and strategy consulting. The institution offers creative solutions and services regarding global environment and development challenges for policy, business, and civil society communities.



ABOUT ENDEVA

Endeva's mission is to inspire and support enterprise solutions to the world's most pressing problems: making poverty a thing of the past and preserving ecosystems for the future. In our projects, we build, share, and apply knowledge to develop, implement and grow inclusive business models. As an independent institute, we work closely with partners from all sectors. The people at Endeva share a passion for positive change and inspiring collaboration.



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