



# PARTNERING TO ACCELERATE ENTREPRENEURSHIP

## GLOBAL ACCELERATOR LEARNING INITIATIVE

Through the **Partnering to Accelerate Entrepreneurship (PACE) Initiative**, USAID's U.S. Global Development Lab aims to catalyze private sector investment into early-stage enterprises by identifying and testing innovative models or approaches that help entrepreneurs bridge the pioneer gap—thus unlocking the potential of thousands of promising enterprises around the world.

### THE CHALLENGE

In the last decade, hundreds of entrepreneurship-focused accelerators have proliferated around the world. Public and private organizations have invested in accelerator programs to catalyze broad-based economic development by supporting small and growing businesses (SGBs) in developing markets. These programs provide technical assistance and business development services to SGBs, typically in cohort-type settings, during the business' start-phase to increase its chance of success.

Although the numbers of business accelerators and incubators around the world continue to grow, and donors and investors continue to fund them, there has been little study of whether accelerators work, and if so, how.

### THE PARTNERSHIP

To better understand the impact and effectiveness of accelerators, USAID's Partnering to Accelerate Entrepreneurship (PACE) Initiative partnered with Omidyar Network, The Lemelson Foundation, and the Argidius Foundation to fund the Global Accelerator Learning Initiative (GALI), a collaboration between the Aspen Network of Development Entrepreneurs and Emory University.

The partnership was publicly launched at the Global Entrepreneurship Summit in Nairobi, Kenya, on July 24, 2015 to address key questions about enterprise acceleration: Do acceleration programs contribute to revenue growth? Do they help companies attract investment? Do how well do they work for developing-world impact entrepreneurs?

Through PACE, USAID is supporting GALI's comprehensive market assessment and analysis of accelerators, the first of its kind in entrepreneurship research. GALI builds upon the work done thus far by The Entrepreneurship Database program at Emory University, which has collected information on more than 8,500 enterprises and partnered with more than 100 accelerator programs to date.

USAID anticipates that GALI's research will shed light on insights into the way successful accelerator programs are designed and executed, helping both donors and SGBs select the most effective accelerator program for their investment and time.

## THE RESULTS

In March 2016, GALI, in collaboration with Village Capital, completed its first major research report, *What's Working in Startup Acceleration*. The report looks at fifteen different Village Capital programs and demonstrates that the Village Capital accelerator model has tangible positive effects on the ability of entrepreneurs to raise capital. The report uses data from Emory University's Entrepreneurship Database Program to compare the performance of ventures that were accelerated versus those that applied but were rejected, allowing the authors to differentiate between high and low-performing Village Capital programs. The report and its executive summary can be found here: [bit.ly/GALI\\_Report](http://bit.ly/GALI_Report).



## USAID PARTNERS

- Aspen Network of Development Entrepreneurs (ANDE)
- Emory University
- Omidyar Network
- The Lemelson Foundation
- Argidius Foundation

In November 2016, GALI published a data brief on entrepreneur mobility, as part of its “Questions from the Field” series. In this brief, GALI analyzes the flow of entrepreneurs between and within developing and developed countries. By exploring founders’ countries of origin, work experience, and ventures’ countries of operation, GALI found that both high-income and low-income countries attract foreign-born entrepreneurs, but in emerging markets, transplant founders have, on average, higher revenues and more investment capital raised (before acceleration) than local founders. The report can be found here: [bit.ly/GALI\\_Mobility](http://bit.ly/GALI_Mobility).

## For More Information

To learn more about the PACE Initiative, visit [usaid.gov/pace](http://usaid.gov/pace).

## About the U.S. Global Development Lab

The U.S. Global Development Lab serves as an innovation hub. The Lab takes smart risks to test new ideas and partner within the U.S. Agency for International Development (USAID) and with other actors to harness the power of innovative tools and approaches that accelerate development impact.

The Lab is focused on solutions around Science, Technology, Innovation, and Partnership—reflecting USAID’s broad embrace of innovation to bring about positive change and solve some of the world’s most pressing challenges. It works across USAID and within the broader international development community to test innovative tools and methods. When a new approach proves effective, the Lab works to increase its adoption throughout USAID and with our partners.