PARTNERING TO ACCELERATE ENTREPRENEURSHIP

UNITUS SEED FUND: ACCELERATING INDIA

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

Launched in 2012, Unitus Seed Fund is an impact investing firm that supports seed-stage startup companies serving India's base of the pyramid population. Unitus invests in scalable, high-impact businesses that are traditionally unable to attract the early-stage capital they need to grow. Currently, Unitus has a growing portfolio of 23 investments, making it the most active seed-stage impact investor in India.

However, Unitus and most other successful seed-stage impact investors in the region have tended to focus on well-established tech hubs such as Bangalore, as entrepreneurs in other cities simultaneously struggle to attract appropriate capital. Additionally, these entrepreneurs did not have access to the same high-quality accelerators and incubators as those in Bangalore. Unable to source promising entrepreneurs and create quality pipelines in these non-traditional cities, Unitus applied for assistance from USAID's Partnering to Accelerate Entrepreneurship (PACE) initiative in order to build a more robust ecosystem for supporting entrepreneurship and quality employment in the region.

THE PARTNERSHIP

USAID and Unitus partnered through PACE to build a healthier ecosystem outside of tech hubs like Mumbai, Bangalore, and Hyderabad. With USAID's commitment, Unitus is tackling two tasks: expanding the sourcing of entrepreneurs into non-traditional cities and improving the quality of start-up business incubators and accelerators.

In order to expand the pool of promising entrepreneurs for possible investment, Unitus has created a network of "scouts" to identify and mentor new entrepreneurs from cities across India.

Additionally, USAID's grant is supporting Unitus as it grows a network of high-quality business accelerators and incubators by co-creating more effective training programs, facilitating training sessions, and developing and updating the training curriculum. This creates a more robust pipeline of investment-ready entrepreneurs for Unitus. USAID is also supporting Unitus' enhancement of its own technical assistance program through mentoring, training and network building for entrepreneurs.

THE RESULTS

As of January 2017, USF has eight "scouts," covering 11 cities and three additional non-metro locations, actively sourcing social enterprises. Additionally, Unitus has trained five incubator partners in order to create a more effective ecosystem for entrepreneurial support in the region and adequately prepare enterprises for additional capital investment.

Unitus has impacted over 900,000 lives in India through the 23 investments made to date and this number is growing with the portfolio. USAID's grant catalyzed $23 million in additional investment funding for Unitus-supported enterprises.

In addition to enhancing the startup ecosystem in India, the partnership will provide the broader impact community with a potential roadmap for further accelerating bottom of pyramid impact throughout South Asia and the developing world.

For More Information

To learn more about the PACE Initiative, visit 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.