

## **Introducing Social Enterprise Accelerators all Over**

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Jessica Jennifer Cohen Foundation - 2<sup>nd</sup> / Final Report

It's hard to believe that my time in Ecuador is coming to an end. I feel as if just yesterday I was sailing into the Amazon along the Napo River and thoughts of "What have you gotten yourself into?!" were racing through my head. Looking back, however, I'm thrilled to report that with the help of Village Capital, the Yachana Foundation, and the Monterey Institute of International Studies we have successfully created proposals (pending funding approval) to develop not one, but two social enterprise accelerators in Ecuador!

### **Around Yachana**

With the Yachana Foundation, I continued to run mini Village Capital workshops with the Yachana Technical High School students as we worked on plans for the new Yachana Institute's Village Capital Program. Compared to other Village Capital programs around the world, the final structure for Village Capital Yachana turned out slightly different due to the size and scale of the average startup enterprise in rural Ecuador, which tend to be smaller and centered in traditional industries such as agriculture and textiles. Instead of creating a program whereby winning enterprises receive an equity investment (as is the practice in other Village Capital programs) we decided that a small business loan of around \$10,000 would be a more appropriate investment tool. Additionally, Village Capital Yachana will incorporate a greater amount of business / financial education since the concept of social enterprise, venture capital, convertible debt, and peer evaluation, etc. as concepts are still quite novel not just in rural areas, but in most of Latin America as a whole.

Unfortunately, and as is common in Ecuador, the construction of the Yachana Institute (which will be the area's first higher education institute and will specialize in sustainable tourism, agroforestry, and conservation) has been delayed and it is now expected to open in late 2012. Because of this delay, it was decided to put plans on hold for Village Capital Yachana until the proper infrastructure was in place to run such a program. When the Institute is up and running, we will re-propose the plans for Village Capital Yachana to the Village Capital Board. In the event funding is limited, I have also established contacts with 2 of the leading microfinance institutions in Ecuador who have expressed interest in providing small business loan capital for the winning social enterprises.

### **During the Down Time**

After it was discovered that the Yachana Institute construction would need to be put on hold, and subsequently plans for Village Capital Yachana, I decided to look around for potential other partners who might be interested in an Ecuadorian social enterprise accelerator. Over the past 2 months, I had begun working with a Quito-based business incubator and startup consultancy called Catapulta on ways to Ecuadorian-ize the Village Capital program template in terms of cultural appropriateness, language, etc.

Catapulta specifically works with high impact companies in the agricultural / nutrition, education, and renewable energy industries, and has run similar business development programs to Village Capital in the past. In addition, they are looking to enhance their current business incubator program and incorporate more opportunities for Ecuadorian enterprises to access venture capital. This fits perfectly with what Village Capital can offer and falls in line with their mission to support high-impact social enterprises. After a whirlwind of meetings just this past week, it was decided that Catapulta would become Village Capital's second partner in Ecuador and that we would immediately begin working on plans for a social enterprise accelerator for the 4 most Northern provinces which mainly constitute of rural areas.

### **Summary of Activities: October - January**

- Attended the First National Forum on "Public Policy for a More Entrepreneurial Ecuador" in Quito and participated on behalf of Village Capital in various roundtables
- Conducted two 3-week sessions of mini-Village Capital at Yachana Technical High School with 18 high school juniors.
- Met with social entrepreneur, David Poritz, to discuss his venture Equitable Origins (EO), and the trials and joys of running an enterprise in Ecuador. EO has developed a patented standards system and certification process for sustainable, low impact and socially responsible extraction of petroleum and natural gas and seeks to give consumers a choice in the type of gasoline and petro-based products they purchase.
- Began working with Catapulta, an innovative Ecuadorian business incubator specializing in the development of high impact enterprises, to create plans for Village Capital Northern Ecuador
- Visited "Grupo Faro," the first Ecuadorian think tank dedicated to improving transparency, education, and consumer protection through public policy to discuss a partnership with Village Capital Ecuador.
- Met with Banco Solidario, Ecuador's first "social" bank, to discuss possible small business loans for Village Capital Yachana.
- Delivered 2 Village Capital program proposals (Village Capital Yachana and Village Capital Carchi), a database of key Ecuadorian contacts and organizations, and "next steps" plan to the Monterey Institute of International Studies and Village Capital.
- Developed "mini" Village Capital lesson plans for future use in Yachana Technical High School to continue entrepreneurship education

### **Next Steps and Reflections**

Looking forward, there is still a lot of work to be done! While my presence on the ground is no longer possible, I plan to continue supporting Village Capital's work in Ecuador by serving as Program Manager, helping to recruit student fellows to perform on-the-ground support this coming fall, and continue working with Yachana and Catapulta to develop sustainable Village Capital Accelerator programs. We will be working diligently this Spring to organize a marketing and fundraising campaign for Catapulta's

program and to develop a network of possible business mentors, lecturers, and entrepreneurs in-residence for all future Ecuador Village Capital programs.

I would like to sincerely thank the Jessica Jennifer Cohen Foundation for making the last 5 months possible and for supporting a project that is so close and dear to me. Thanks to JJCF, over 30 high schoolers from rural Amazonia received training in business development and entrepreneurship, and there are plans in place to start two social enterprise accelerator programs in Ecuador which together could channel upwards of \$100,000 in startup capital to Ecuadorian social entrepreneurs.