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Alliances Taskforce - #2

Policy Paper Draft



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Introduction

In the era of the 21st century, alliances have emerged as a critical factor for scaling up established businesses. The alliances' concept becomes equally important for startups as well, considering startups can spot white spaces and



exploit the deficiencies of existing business models to create new, more efficient, and scalable solutions leading to new market creation and expanding existing ones. These characteristics of startups offer the potential for high scale in national as well as international markets. But unlike large and mature corporates, whilst startups are bold in business model experimentation, they are forced to be frugal when it comes to bold bets in scaling up due to limited capital and other constraints. Where large corporates can form partnerships, networks, access new markets, and build collaborations easily through strong brand value and deep pockets, and a comparatively longer timeline for returns on investment, startups generally lack in these areas.

Many economies which have a robust startup ecosystem have witnessed exponential growth in their GDP, employment rates, and other economic parameters whereas countries with non-existent or nascent ecosystems are not able to unlock this value. Startups thrive when there is a conducive environment of enablement through support entities and investors. There is a high requirement for the startup ecosystems and operating stakeholders within such a system to work together and collaborate not only locally but also globally to accelerate the growth of ecosystems across countries.

Given the limitations startups face it is critical to reflect on the potential lost opportunity across the G20 nations if the aspect of alliances is not addressed. The G20 nations today account for about two third of the world population and ~85% of the global GDP¹¹, which signifies the quantum of total addressable markets for consumers seeking goods and services. Hence alliances become a crucial enabler for a large pool of startups, investors, incubators, accelerators, and policy makers across the G20 nations involved in innovation for solving customer problems and generating value for them. Furthermore, at a global level, there is a lack of opportunity to connect and leverage networks through a common platform for startup ecosystem stakeholders.

This often results in challenges of information asymmetry, loss of productivity, and additional effort to scout information and capture the strengths and weaknesses of startup ecosystems across countries. Hence it becomes important to promote alliances across G20 for knowledge sharing, that links the startups and other ecosystem stakeholders, it is essential to create and establish formal channels for sharing of best practices. Such initiatives not only support bringing the countries closer but also leverage the rich learnings across the startup ecosystem such as insights on regulations, incorporation, funding, product solutions, innovation, and scale-up.

Further, the G20 member nations comprise emerging and developed economies, which offer a diverse pool of skilled entrepreneurial talent for starting up. The talent pool has the potential to showcase and translate an array of skills to navigate complex global-level solutions and create value for the markets and consumers they serve through innovative solutions and startups. Additionally, the entrepreneurial skilling requirements are evolving and require the attention of the Policymakers to evaluate integrations of relevant entrepreneurial skill development initiatives in academic institutions, which can further cater to the growing startup requirements. Such

¹¹ World Economic Forum, 2022



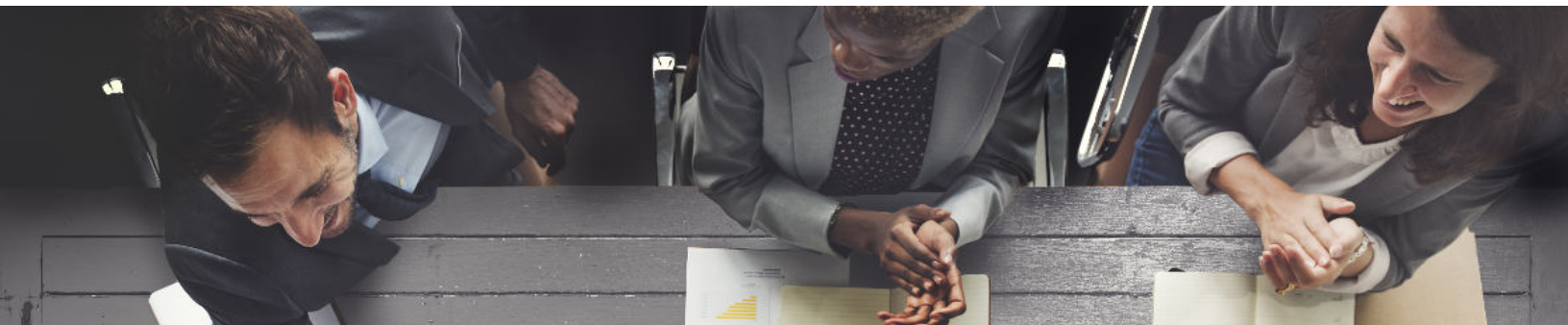
developments at a Policy level can enable feasible mechanisms for global access to markets and mobility for startups operating in G20 nations, a critical alliances level aspect that can be crucial to support startups.

Lastly, the alliances' agenda cannot be achieved for startups without the involvement and support of critical stakeholders of the startup ecosystem in the G20 context, which are Corporates, Government Agencies, Industry Players, and Multilateral Institutions. Many large firms in the current global economic scenario fear disruption and seek to become more innovative and entrepreneurial by externally partnering with startups. As such, it may be ideal for startups to work in partnership with the corporates and leverage their respective strengths to support each other. Startups can co-create solutions, strategically partner, or develop solutions for corporates whereas corporates can help startups test their products in markets, reduce their go-to-market significantly and save costs for them. A Deloitte survey results showcased that ~75 percent of startups consider partnerships with corporates to be essential, which further cements the argument for the need for Policies to be conducive for partnering with Corporations, Government Agencies, and Multilateral to partner with startups. India is among the first to recognize the potential of alliances in the context of startups. The country promotes the culture of alliances in the form of flagship initiatives such as Startup India and the recently launched Atmanirbhar Digital India Foundation. Through the Startup 20 engagement group and specifically the Alliances Taskforce, the main three Policy objectives for Alliances are:

- To promote a global community for knowledge sharing, that links the startups and other ecosystem stakeholders
- Create mechanisms for global access to markets and talent for startups operating in G20 nations
- Establish a network of centers dedicated to incubating and accelerating startups, fostering the exchange of best practices encompassing legal, secretarial, governance, government policies, regulations, and funding

Considering the above objectives, four key Policy recommendations are being put forward for the G20 members to consider:

- Establish effective channels between the startup ecosystems across G20 nations
- Build market access mechanisms for startups from G20 nations
- Establish mechanisms to access, nurture, and empower entrepreneurial talent from G20 nations
- Promote government bodies, private players, and multilateral organizations to work with startups in key industries/sectors which can be revolutionized through startup innovations



RECOMMENDATION 2.1

Recommendation 2.1: Establish effective channels between the startup ecosystems across G20 nations

Policy Directives	
Policy Directive 2.1.1	Identify and designate the nodal access point to facilitate interconnections between relevant startup ecosystem entities
Policy Directive 2.1.2	Adopt a standard framework or align existing frameworks to facilitate information access and knowledge sharing
Policy Directive 2.1.3	Establish a network of centers dedicated to incubating and accelerating startups, fostering the exchange of best practices encompassing legal, secretarial, governance, government policies, regulations, and funding

SDG Goals Impacted



Recommendation 2.1 contributes to achieving UN SDGs: **8: Decent work and economic growth** and **17: Partnerships for the goals**.

Policy Directive 2.1.1 – Focusing on realizing target **17.9** (Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South, and triangular cooperation).

Policy Directive 2.1.2 – Focuses on assisting the accomplishment of target **8.3** (Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services), **17.6** (Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism), **17.7** (Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed), **17.14** (Enhance policy coherence for



sustainable development), and **17.16** (Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries).

Context

The need for facilitating knowledge sharing, collaboration, best practices, and alliances amongst startup ecosystem stakeholders between member countries

Startups are known to operate in agile and dynamic environments, to deliver on a certain business model and meet consumer expectations. 1 out of 12 startup founders succeed², considering the dynamic operations, startups are always susceptible to risks of funding loss and navigating through uncharted territories, hence it becomes extremely important for these young organizations and founders to receive support from various ecosystem stakeholders. These stakeholders include investors, incubators, accelerators, and policymakers who play critical roles to develop entrepreneurial ideas into reality and support scaling the venture to new markets.

Many of the countries have a matured startup ecosystem with established incubators, accelerators, and a strong investor network. Such countries already have robust policies to support startups and encourage support entities to work and thrive in a conducive environment. On the contrary, there are nations where the startup ecosystem is in its nascent stages, and government policies and incentives are non-existent or not so favorable to startups or supporting stakeholders. Such ecosystems can utilize the opportunities to collaborate with matured ecosystems and accelerate the pace of development in the respective countries through Knowledge exchange and leveraging best practices.

The world is currently looking to solve global issues which impact SDGs including climate change, global food crisis, and drinking water crisis amongst others. The United Nations has already recognized the role of startups in solving such global issues through innovation and new business models. Startup ecosystems globally must come together and work towards these problems, and any startup solving these issues should have a global support environment to accelerate its research and expand to global markets.

There has been a severe global economic slowdown due to the Covid19 Pandemic. Many countries are expected to go into recession due to the pandemic and its after-effects. During the pandemic, startups supported economies through their innovation and new business models. Whether it was enabling work from home through technology products or support in the development and delivery of vaccines, startups contributed heavily during the peak pandemic period. Having a healthy startup ecosystem helped countries like India to economically grow even during

² Startup Genome, 2019



the pandemic because of a developed startup ecosystem. Startups have become a major factor in economic resilience, and it has become important for the world to focus on strengthening this ecosystem through alliances and collaboration.

Furthermore, as a first-time entrepreneur, it's inevitable to avoid mistakes while starting up. As per Forbes, first-time founders usually end up wasting a lot of time, effort, and capital. Additionally, in most cases, an early-stage startup doesn't have the spare capacity to survive such inefficiencies. Key observations across the startup ecosystem, referencing early-stage startups have showcased multiple challenges when it comes to accessing knowledge or leveraging best practices and experience of other startups. The challenges to be reflected upon range from the limitation of resources, lack of networks, limited industry knowledge, unclear information, and lack of mentorship along with linguistic and cultural barriers.

Despite the digital divide barriers being opened up during rapid digitalization across countries, especially in COVID when the transition from physical to digital was made. The startup ecosystem has not been able to leverage or arrive at a common platform to exchange information when it comes to cross-border or global-level information exchange through a common platform. Select countries in the G20 pool have been able to showcase the information and knowledge portals at a country level such as the United States of America's Small Business Administration, United Kingdom's "Gov.uk", Canada's "The Business Development Bank of Canada", India's Startup India, and Australia's "Business.gov.au", these countrywide digital platforms have emerged as important assets for startup founders and other key stakeholders to provide resources and support for entrepreneurs.

In the effort to guide the G20 towards a meaningful solution and change, the Startup20 Alliances Taskforce seeks to draw attention to three key priority directives to ensure enabling of common knowledge networks.

- Identify and designate the nodal access point to facilitate interconnections between relevant startup ecosystem entities
- Adopt a standard framework or align existing frameworks to facilitate information access and knowledge sharing
- Establish a network of centers engaged in incubating and accelerating startups and exchanging best practices (including legal, secretarial, governance, government policies and regulations, and funding).

Policy Directive 2.1.1: Identify and designate the nodal access point to facilitate interconnections between relevant startup ecosystem entities

The G20 may ensure that relevant entities are identified and designated as nodal access points to facilitate cross-nation connects to enable the startups to access knowledge, information, and leverage from best practices across the G20 nations.



The G20 members need to revisit and identify the need for startup ecosystem support beyond financing and policies. The first step is to review how information and network connections are established for stakeholders as part of the startup ecosystem. As a first step, the member nations will have to seek and review what are the existing platform for exchanging connections and information. Startups utilize the quadruple-helix³ approach that integrates the four pillars of academia, industry, government, and civil society to achieve competitive advantage. While the domestic system has its inherent advantages and disadvantages, a global community of knowledge-sharing would enable the expansion of this approach by integration with established systems of other nations. This integration could offset input deficiencies and value-add the best practices available through the alliances.

For G20 members it is essential that within the key stakeholder group, a nodal entity or group is identified to lead as a country-level single point of contact for facilitating cross-border connections to startups and enabling suitable alliances. G20 members can reflect on and analyze the success of select global-level entrepreneurship networks such as the Global Entrepreneurship Network (GEN)⁴. GEN is a non-profit organization that operates programs in about 200 countries intended at making it easier for any individual or a startup, anywhere to start and scale a business. Further, GEN enables a conducive environment for enabling deep cross-border collaboration and initiatives between entrepreneurs, investors, researchers, policymakers, and entrepreneurial support organizations.

Basis the above case study, The G20 members can select a nodal point in the form of a global-level entrepreneurship network or enable the existing platforms which provide innovation and startup-related information. Some of the G20 members have already institutionalized these platforms, which allows the stakeholders to access national-level startup information. Below are some of the examples, which members can leverage:

- **United States of America (USA):** The Small Business Administration (SBA) supports with a wide range of resources and relevant information for startups and small businesses, including a dedicated portal for entrepreneurs
- **United Kingdom (UK):** The UK government provides a portal called "Gov.uk" which offers information and enables support for small businesses
- **Canada:** The Business Development Bank of Canada (BDC) provides a portal called "BDC.ca" which offers a range of resources on startups
- **India:** "Startup India", the official Government portal provides information and support for startups, including access to funding and mentorship
- **Australia:** The Australian government offers a portal called "Business.gov.au" which provides information and support for startups and small businesses.

³ Start-Up Ecosystem (StUpEco): A Conceptual Framework and Empirical Research, 2022

⁴ Global Entrepreneurship Network Impact Report, 2022



- **Germany:** The Government offers a portal called "Existenzgründungsportal" which provides information and support for startups, including access to funding and mentorship.
- **Türkiye:** The Ministry of Industry and Technology's comprehensive platform "sanayi.gov.tr" provides up-to-date information on startup policy initiatives and support mechanisms. To further assist SMEs and startups, the Small and Medium Enterprises Development Organization (KOSGEB) has developed a user-friendly platform called "kosgeb.gov.tr".

Given the existence of country-level portals and participation from private and civil society organizations, the G20 members can consider nominating a standalone designated body at a country level, which will act as a bridge for providing information. Further, it will also enable the establishment of cross-border connections, which in turn will enable a conducive and empowering environment for startups to go ahead and maximize the global potential of scale. Additionally, the standalone body within the country can also act as bridging different smaller agencies or bodies which are present at state levels. The same action will support the cross-linkage of smaller players through the hub and spoke model. Constructive efforts will have to be undertaken by the Government to promote the singularity of a multilingual information portal and leverage the infrastructure to bring every stakeholder from the startup ecosystem and information pieces on a single platform.

Policy Directive 2.1.2: Adopt a standard framework or align existing frameworks to facilitate information access and knowledge sharing

The G20 may evaluate identifying core gaps hindering knowledge sharing between startup ecosystem stakeholders

Success outcomes usually are linked to knowledge sharing⁵ and business performance. Further knowledge sharing enables a better flow of all forms of capital (human, structural, and relational) which enables startups and enabling stakeholders to sustain growth organically. Considering the importance of knowledge and information play in the success of the startup ecosystem, G20 members should take a step back and analyze the key gaps related to knowledge sharing across the ecosystem and stakeholders. Given the complexity of the ecosystem, various factors may emerge as challenges for different stakeholders to access information that the G20 members can reflect upon and establish problem statements. Key potential problems identified about knowledge exchange for G20 members to deep dive into are:

⁵Influence of Intellectual Capital, Knowledge Sharing, and Innovation on Indonesian Startup Companies: A Development of Conceptual Framework, 2018



- **Lack of networks:** Startup ecosystem stakeholders may not have well-known networks or collaborations, that can help them access information and knowledge. This can make it challenging for them to gain access to critical information or resources
- **Limited industry knowledge:** The relevant stakeholders may lack industry knowledge or experience, which can make it difficult for them to support startups in their respective ecosystems
- **Information overload:** In the age of information abundance, there is an overload of information available online, and enabling organizations may struggle to filter and access relevant information amidst the vast stream and volume of data
- **Intellectual property protection:** Startups may need to protect their intellectual property in different markets, which can make it challenging due to limited resources
- **Limited access to mentorship and coaching:** Startups may not have access to experienced mentors or coaches who can guide them in their local ecosystem
- **Language and cultural barriers:** Access to information and adopting best practices may require understanding different markets including their language, culture, and overall economic ecosystem

Bucketing problems specific to the need of the startup ecosystem will help G20 members organize solutions for developing a common framework for facilitating information access and knowledge sharing across geographies.

The G20 may promote and create a common framework for facilitating information access sharing across nations and geographies

Research categorizes information and knowledge flow in the startup ecosystem into three broad categories⁶. These attributes may be discussed, and appropriate frameworks can be devised to best capture relevant information for presenting a representative picture of the overall startup ecosystem. The data if standardized and comparable can lend itself to further analysis and enable efficient facilitation. It could then further enable the synergies between G20 members to adopt a suitable framework for information facilitation.

Knowledge type	Attributes	Proposed Framework for G20 Members
Explicit	Documents-based: readily available, fact-based information, e.g., Annual Reports, existing policies	Standardized database for a framework-based analysis
Tacit	People-based: personal experience of founders, observations, feelings, etc. e.g., pulse survey, what works, what doesn't	Peer exchange through meetings and interactions
Implicit	Experiential: best practices, hands-on/learned on the job, e.g., case stories	Documentation and analysis of peer group reactions to framework and ecosystem realities

⁶ The three types of knowledge and how startups can use them, 2021



The above-proposed framework factors in consideration of multiple attributes for types of knowledge exchange, and the same can be cultivated into a common framework through a Network approach.

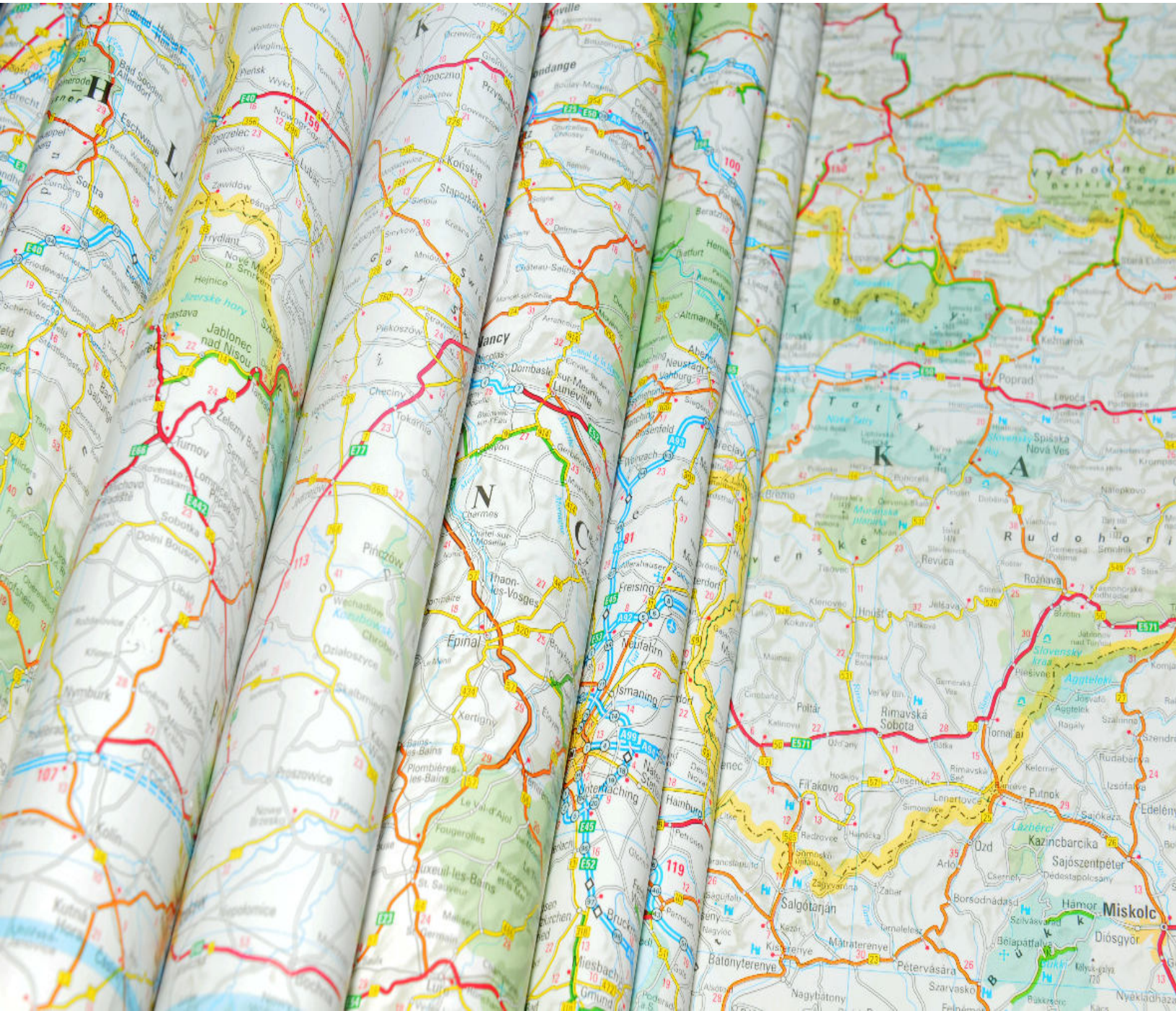
Policy Directive 2.1.3: Establish a network of centers dedicated to incubating and accelerating startups, fostering the exchange of best practices encompassing legal, secretarial, governance, government policies, regulations, and funding

Setting-up G20 Network of Centers to facilitate startup support, collaboration, exchange of best practices, and alliances

Establish a **Network of Centers** in different countries voluntarily to interact with one another, share knowledge and resources, and drive innovation⁷. G20 members can align with the framework and further align their respective startup ecosystems towards the same for information exchange. Further, the membership can be extended to all G20 member startup ecosystem stakeholders and each country can nominate a representative from their respective startup or innovation ecosystem to be a part of the Governance structure of the group. The network in the form of operations can facilitate ecosystem connections through a virtual platform, and conduct, and organize periodic events, knowledge exchange seminars, workshops, and networking events to fulfill the cross-border information flow agenda.

⁷ G20 Innovation Network, G20 Indonesia 2022





RECOMMENDATION 2.2



Recommendation 2.2: Build market access mechanisms for startups from G20 nations

Policy Directives	
Policy Directive 2.2.1	Adopt key startup-specific policies, local regulations, and best practices that enable startups to smoothly access markets across G20 nations
Policy Directive 2.2.2	Designate nodal (government/private) agencies to support startups in accessing markets across G20 nations

SDG Goals Impacted



Recommendation 2.2 contributes to achieving UN SDGs: **8. Decent work and economic growth, 9. Industry, Innovation, and Infrastructure, and 17. Partnerships for the goals.**

Policy Directive 2.2.1 – Commits to the realization of target targets **8.3** (Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services), **8.5** (By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value) and **9.3** (Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets).

Policy Directive 2.2.2 – Contributes to the fulfillment of targets **8.3** (Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services) and **17.17** (Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships).



Context

The need for ease of global market access for startups

Startups are innovation drivers committed to discovering new ways of solving industry challenges, increasing productivity, and opening up new opportunities on a global stage. With almost every nation today having a dedicated policy towards startups and innovation, there is great scope for enabling access to new markets and geographies. However global market access for startups may not be as simplified as it sounds, considering operating out of home territory can be challenging and resource intensive. Major challenges faced by startups looking to access markets are difficulty in navigating the policies & regulations, cultural differences, language barriers, supply chain management, talent management along with foreign currency and financial risks.

According to a study done by CB Insights focused on 1100 US Tech startups that raised early-stage seed funding, only 1% of startups went on to become unicorns (companies valued at over \$1 billion) and almost all of the unicorn startups were able to penetrate international markets to expand their business. The statistics only reflect that despite many startups operating, not many can maximize the potential of reaching the unicorn level, further implying reduced access to the global market access.

Further one of the major challenges which startups face while evaluating to expand globally are regulatory and Government Policy barriers. Governments can limit or prevent entry to industries with various controls, for example, licensing requirements, and limits to access to raw materials. It is very crucial to consider the eligibility to trade along with potential tariffs and legal costs associated with entering the global markets for startups.

With over USD 6.4 Trillion⁸ valuations vested in the global startup economy, the G20 members need to reflect on the criticality of enabling market access across nations by influencing conducive and suitable policies and reducing entry barriers for the smooth conduct of business.

In the effort to guide the G20 towards a meaningful solution and change, the Startup20 engagement group's Alliances Taskforce seeks to draw attention to two key priority directives to ensure global access to markets for startups operating in G20 nations.

- Adopt key startup-specific policies, local regulations, and best practices that enable startups to smoothly access markets across G20 nations
- Designate nodal (government/private) agencies to support startups in accessing markets across G20 nations

Policy Directive 2.2.1: Adopt key startup-specific policies, local regulations, and best practices that enable startups to smoothly access markets across G20 nations

⁸ Global Startup Ecosystem Report, 2022



The G20 nations can evaluate the robustness of country-level policies enabling ease of doing business for startups across nations

When discussing startup Policies about conducting business locally and globally, the G20 members need to revisit the needs of startups in terms of global market access. G20 members need to review the trade and entry barriers at each country level, specifically towards the startups. G20 members will have to consider the readiness of the governments to allow international startups as entrants and operate with local players. Considering the rapid globalization of trade and the rising demand of consumers, the G20 members will have to factor in the need for allowing more players to participate and serve the market needs.

Further, startups face multiple challenges when they plan to expand globally. A range of challenges can be controlled or tackled through strategic pivots on managing financial resources, and supply chain along with cultural and linguistic barriers. However regulatory and government policy challenges are the most difficult when it comes to navigating solutions for the same.

Select research studies in the USA by the Kauffman Foundation found that 80% of US startups do not expand internationally, and according to Startup Genome, globally 70% of startups fail due to early scaling which includes expanding in new markets. Hence G20 members will have to ensure easing up policies for startups and reduce regulatory hurdles. Examples from select countries illustrated below can be leveraged to develop a common set of regulations for startups operating out of G20 nations.

USA: In the 2020 Ease of Doing Business Index, the US ranked 6th out of 190 economies⁹, for foreign startup entrepreneurs the country introduced the E-2 visa is mandatory and serves as the Treaty Investor Visa¹⁰. It is available to citizens or nationals of 30+ countries that have trade treaties with the United States. Individuals with significant funds to invest can come to the United States with an E-2 visa to set up a business, practice, or office. The United States offers an initial stay of 2.5 years, which may be renewed once for a further 2.5 years under the International Entrepreneur Parole Program.

Canada: Canada's Start-up Visa Program¹¹ is towards targeting immigrant entrepreneurs with the relevant skills and potential to build businesses in Canada that are innovative, can create jobs for Canadians, and can compete on a global scale. This approach reflects a view that those entrepreneurs whose start-ups are identified as promising. They are offered permanent residency, hence allowing flexible intake of startups, and accepting entrepreneurs from foreign geographies.

Chile: To promote entrepreneurship and become a popular investment destination, Chile introduced the Startup Chile program, an official initiative by the Chilean Government to attract capable and innovative founders who are

⁹ Doing Business in the USA, Acclime, 2020

¹⁰ U.S Department of State Website

¹¹ Government of Canada, Immigrate with a start-up visa



running startups. The Startup-Chile acceleration program¹² spans six months but is exclusively for startups that are no older than 3 years and have a functional product. The program provides a one-year work visa for startup founders and further holds a competition open to founders from all over the world. The program is further split into three sub-programs, offering a granting between USD 15,000 and USD 60,000 depending on the sub-program to which the start-up entrepreneur applies.

Japan: The country approved and implemented the startup visa under Fukuoka City's National Strategic Special Zone Initiatives¹³. The visa is termed a "Business Manager Visa", which requires foreign startup founders to do business in Japan, especially in Fukuoka (National Strategic Special Zone). As a part of the visa process, the startup founders are expected to submit a business plan to the city administration which is subject to a six-month evaluation for visa finalization. Further, Fukuoka runs a prize competition for foreign startups, providing office space and a rent subsidy to incentivize startups to go ahead and apply for the program.

Italy: The country initiated the Italia Startup Visa program, which is aimed to attract non-European Union members, to startup in Italia. The country requires start-ups to have an annual turnover of less than EUR 5 million¹⁴. Further, the entrepreneur must showcase that the startup is innovative, scalable, and economically viable. The startup must also have the potential to create jobs and contribute to the growth of the Italian economy. The approved visa provides initial access for two years and allows access to a range of business support services and resources, including incubators, accelerators, and networking events.

Türkiye: The country's Tech Visa Program is an initiative launched by the Turkish government to attract skilled international professionals and entrepreneurs in the field of technology. This program aims to foster innovation, drive economic growth, and position Türkiye as a hub for tech talent. The Tech Visa Program offers streamlined procedures and benefits for qualified individuals, including fast-track visa processing, simplified work permits, and access to a vibrant tech ecosystem. It provides opportunities for foreign professionals to work at leading technology companies, start their ventures, or collaborate with local businesses. By creating a welcoming environment for global tech talent, the Türkiye Tech Visa Program plays a crucial role in promoting knowledge exchange, boosting technological advancements, and contributing to the overall development of the country's tech industry.

Germany: The country offers a self-employed entrepreneur visa for those persons willing to relocate and start a business in Germany. However, the applicant has to meet specific requirements such as submitting a comprehensive business plan and meeting key criteria such as:

- The product or service should meet the commercial interest or regional demand
- The proposed business or entrepreneurial idea shall have a positive impact on the German economy

¹² Immigration Residency Portal

¹³ Fukuoka City, Japan's First "Startup Visa (Entrepreneurial Incentives for Foreigners)"

¹⁴ Migration Policy Debates, what are the risks and rewards of start-up visas? - OECD, 2022



- The funding and financing for the business should be secured in advance by way of a loan or available capital commitment

Few other countries have also taken active initiatives to enable foreign startups and entrepreneur's setup and access national markets and the same can be referred to below:

Country	Program	Special (S) or fast-track standard visa (F)	Cap in 2022	Permit type
Israel	Innovation Visa (pilot)	S	Uncapped	Temporary 2 years, non-renewable
Italy	Italy Start Up Visa	F	Uncapped	Fast-Track Temporary, 1 year, renewable for 2 years, then change to other permit
Japan	Business manager/investor	F	Uncapped	Temporary 6 months, can be extended as "business manager" for 12 months, then status change required
Korea	Technology and Business Start-Up Visa	S	Uncapped	Temporary 2 years, renewable
Latvia	Start up Visa	S	Uncapped	Temporary up to 3 years, then change to other permit
Lithuania	Start up Visa	S	Uncapped	Temporary 1 year, renewable for 1 year, then change to other permit
New Zealand	Global Impact Visa (pilot)	S	Uncapped	Temporary up to 3 years, then change to permanent
Netherlands	Start up Visa	S	Uncapped	Temporary 1 year, then change to self-employed permit
Poland	Poland Prize	F	Uncapped	Fast-Track Temporary 1 year, renewable
Portugal	Start up Visa	S	Uncapped	Temporary 1 year, renewable for 1 year periods
Spain	Visa for Innovative Entrepreneur	S	Uncapped	Temporary 1 or 2 years, renewable
United Kingdom	Tier 1 "Start-Up" Visa	S	Uncapped	Temporary 2 year, renewable
United States	International Entrepreneur Rule	F	Uncapped	Temporary 2.5 years, with one renewal – total 5 year stay.

Table 1: Country-specific startup visa programs¹⁵

Based on the select country examples, globally very few countries have showcased the initiative to promote entrants of international startups. Hence it becomes critical for G20 members to promote the cross-border accreditation of startups of G20 countries for ease of doing business within and across G20 nations. As a policy measure, the G20 member nations can ease visa norms for startup founders and offer special assistance by providing grants, extended stays, and connecting with incubators and accelerators to further scale up ideas within the countries.

Further, the G20 should consider the formalization of an information booklet or a playbook as a digitized version into a single platform, which can have G20 nation-wise information on startup ecosystems, sectors, market opportunities, regulatory policies along with visa requirements. With almost every nation today having a dedicated

¹⁵ Migration Policy Debates, what are the risks and rewards of start-up visas? - OECD, 2022



policy towards startups and innovation, there is great scope for enabling access to new markets in new geographies through the above Policy Directive.

Policy Directive 2.2.2: Designate nodal (government/private) agencies to support startups in accessing markets across G20 nations

The G20 may ensure that relevant agencies are identified and designated as the nodal point of contact to support startups' access to other country markets

To enable cross-border market access, the G20 members shall emphasize designating the nodal agency in the form of a government or a private agency which acts as a one-stop for G20 member nation startups. The need for a nodal agency at a country level is essential, especially if it is a government agency. Considering the government is usually a primary stakeholder in sparking policy and promoting the larger innovation culture. Be it enhancing and creating the innovation infrastructure or promoting a culture of a fail-fast attitude, it will encourage businesses and individuals to innovate constantly through means of policy and regulations.

G20 members need to assess which agency in respective countries can act as the nodal agency to facilitate cross-border connections, and details and enable local startups to access global markets. The agencies can act as an innovation hub or a network agency to facilitate the links required for startups. The need for government agencies to play this pivotal role is essential, considering at a global matter of diplomacy and dialogue are best led by governments.

Furthermore, government agencies have strategic insights into global markets through access to cross-border data. Such data can be difficult for startups to obtain on their own. This information can enable startups to understand market trends, regulations, competition, and cultural differences, which can be crucial in developing a successful international expansion strategy. Additionally, government agencies can support startups in relevant international networking opportunities through memberships to key global-level bodies such as United Nations, World Trade Organisations, G20, BRICS, B20, and other such groups. Lastly, the government agency of a country can assist startups with guidance on approaching and entering global markets, through support with regulatory compliance, customs clearance, and visa requirements.

Many countries have a nodal government agency or a ministry to act as a one-stop for startups seeking policy support, regulations, and other such guidance relevant to them. Some of the agencies which G20 members can draw best practices from are enlisted below:

USA's Department of Commerce: The Department of Commerce offers a range of programs and services to support startups and small businesses, including business development assistance, access to federal grants, and support for international trade. The Department actively participates in the annual Global Entrepreneurship Summit, which provides an opportunity for startups to engage with the world's foremost innovators gathered to



exchange best practices, draw learning from their peers, and hear the stories of successful and exceptional business leaders.

Canada’s Innovation, Science and Economic Development Canada (ISED): The nodal Canadian agency is an enabler for economic growth by facilitating a culture of innovation by providing adequate resources and support to startups. It runs multiple programs under its purview to support startups in the form of policy, funds, network, and export opportunities.

United Kingdom’s Department for Business, Energy & Industrial Strategy (BEIS): The United Kingdom (UK) with a vibrant ecosystem of innovative startups. BEIS strives to create the environment for business success by promoting innovation, boosting productivity, and creating an ecosystem where businesses can grow and prosper. They offer a range of programs and services to help startups access funding, develop their skills, and grow their businesses. The BEIS as a part of its UK Innovation Strategy¹⁶ published in 2021, will continue to support businesses scale-up through adequate support.

India’s Department for Promotion of Industry and Internal Trade (DPIIT): The DPIIT is India’s nodal agency which is tasked with promoting and regulating Foreign Direct Investments (FDI) and domestic investments in manufacturing and services along with startups. A flagship initiative “Startup India” under the DPIIT, is a nodal agency that provides benefits to startups in areas of mentorship, policy support, and networking along with regulatory and tax exemptions. Further majority of the G20 member nations have a nodal government agency who are tasked to develop and support the startups, to further enable economic growth and development, hence G20 members can go ahead and officially designate the relevant agencies to further act as a nodal agency to support startups access global markets and cross border trade. The startups can register officially with the proposed G20 common startup portal and seek a license to operate across borders from the identified nodal agency. This will enable a formal route for startups to engage with the nodal agency and further seek cross-border connect support.

Türkiye’s Ministry of Industry and Technology (MoIT): Published by MoIT, Türkiye’s National Tech Entrepreneurship Strategy aims to foster a dynamic and innovative startup ecosystem in the country. The strategy focuses on enhancing the entrepreneurship culture, improving access to funding, and providing a supportive regulatory environment for startups. Within the National Technology Entrepreneurship Strategy, Türkiye also launched Turcorn 100 Program. Turcorn 100 is a program that they have designed to bring out new companies that have reached a billion-dollar valuation from Türkiye within the framework of this vision document. The Turkish government has also launched several support programs to facilitate the growth of tech startups in the country. These programs include financing support, mentorship, networking opportunities, and incubation and acceleration programs.

¹⁶ UK Innovation Strategy, Leading the future by creating it- DBEIS, 2021





RECOMMENDATION 2.3



Recommendation 2.3: Establish mechanisms to access, nurture, and empower entrepreneurial talent from G20 nations

Policy Directives	
Policy Directive 2.3.1	Promote and encourage academic institutions to develop entrepreneurial skill programs that empower youth from G20 nations to build startups operating across global markets
Policy Directive 2.3.2	Adopt policies for easy navigation of entrepreneurs across G20 nations
Policy Directive 2.3.3	Establish a platform for startups to access mentors within the G20 network

SDG Goals Impacted



Recommendation 2.3 contributes to achieving UN SDGs: **4. Quality Education, 9. Industry, Innovation, and Infrastructure, 8. Decent work and economic growth, and 17. Partnerships for the goals.**

Policy Directive 2.3.1 – Focuses on achieving target **4.4** (By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship), **9.5** (Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending) **9.2** (Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry’s share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries), and **17.9** (Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation).

Policy Directive 2.3.2 and 2.3.3 – Assists the accomplishment of target **8.3** (Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services).



Context

The need for entrepreneurial skill development and mobility for startups across global markets

Entrepreneurship is considered a national asset for the growth and development of a nation.¹⁷ Entrepreneurship is a key driver to the development of the nation, which is enabled through wealth creation and enhancing the well-being of the population. As a concept, entrepreneurship has been widely discussed in the disciplines of economics and business management and can be viewed as a process to utilize resources, capital, and labor for the most efficient purposes. Entrepreneurship as a process is driven by an individual referred to as the “entrepreneur”, who takes on the risks in hope of making a profit through solving complex consumer needs and meeting the expectations

Further entrepreneurship also acts as a bridge to promote and foster the culture of innovation of the nation, which enables entrepreneurs to bring innovative practices in solving problems by opening doors to new ventures, markets, products, and technology. Lastly, entrepreneurship enables entrepreneurs to bring systemic and social change to society at large, by providing unique and innovative solutions to the population and generating economic value for the nation. The same is associated with improved lifestyle, generous thinking, better morale, and higher economic choices.

While there is a growing importance of entrepreneurship along with the need for more entrepreneurs globally to drive economic and societal change, there still lacks a huge challenge in the dissemination of formal entrepreneurial skill-based education. Often at school, graduate, and higher university levels, the courses offered do not have a broad spectrum of dedicated or standalone courses in bulk to disseminate formal skill-based education. Challenges cited for delivering a formal education in entrepreneurship are mainly, moving away from formal lecture mode to action-oriented learning, blending theory and real-time application of business concepts, and non-availability of adequate and skilled teachers who have real startup or entrepreneurship experience. Further academia and curriculum design have not evolved to an extent, which can integrate formal courses on entrepreneurship and link them to application and real-world problems and solutions. For example, practical fundraising, risk-taking, idea formulation, and other related skills cannot be taught through theoretical concepts and are more application based for undertaking entrepreneurship. Further development of cognitive and non-cognitive skillsets across knowledge, attitude, and practice-based competencies is extremely hard as the current curriculum design does not integrate such skill development formally. Hence navigating select challenges and bridging the skill gap through upgrading and integrating skill-based education and entrepreneurship will need to be addressed by G20 members through a consultative approach with education experts across countries.

¹⁷ Top 5 Takeaways On The Importance of Entrepreneurship, Duke Sanford, 2020



Further startup founders while expanding to new markets, often come with critical challenges of decoding the mobility regulations and compliances along with understanding the new geographic landscape. Hence it becomes important for G20 members to reflect on how certain mobility barriers can be eased for enabling startup entrepreneurs to access new geographies and expand startup operations. Beyond mobility, accessing relevant market information, assessing competition, regulations, talent, lack of mentor networks and other associated factors challenge entrepreneurs when it comes to accessing foreign geographies.

With about 54%¹⁸ of Gen Z globally indicating they wanted to start or work for a startup, there is a significant entrepreneurial potential pool available to be tapped for building the future for startups. In the effort to guide the G20 towards a suitable solution, the Startup20 engagement group's Alliances Taskforce seeks to draw attention to three key priority directives to ensure nurturing and skilling of entrepreneurs for startups operating in G20 nations, through the below Policy Directives:

- Promote and encourage academic institutions to develop entrepreneurial skill programs that empower youth from G20 nations to build startups operating across global markets Adopt policies for easy navigation of startup entrepreneurs across G20 nations
- Adopt policies for easy navigation of entrepreneurs across G20 nations
- Establish a platform for startups to access mentors within the G20 network

Policy Directive 2.3.1: Promote and encourage academic institutions to develop entrepreneurial skill programs that empower youth from G20 nations to build startups operating across global markets

The G20 may evaluate the feasibility to equip academic institutions with adequate entrepreneurial skill development programs to equip youth for building startups

It is essential for G20 members to take note of the rising unskilled workforce globally. In an OECD survey, it was reported that about 77%¹⁹ of firms consider the lack of digital skills amongst the workforce to be a barrier to expansion. Further, the number may be minuscule as per a survey study it was found that 4.9%²⁰ of workers in OECD countries failed to perform the bare fundamental tasks such as scrolling through a web page or using a mouse. The lack of such basic skills makes it difficult to adapt to the rapid pace of change and adoption of digitization, which is a critical component for starting up beyond the risk-taking ability of startup founders. Hence basic digital literacy must form the backbone of the academic curriculum adopted by academic institutions across G20 nations.

¹⁸

¹⁹ Future Shocks and Shifts: Challenges and the Global Workforce and Skills Development-OECD, 2017

²⁰ Survey of Adult Skills, Future Shocks and Shifts: Challenges and the Global Workforce and Skills Development-OECD, 2017



Globally megatrends of the role of technology, climate change, demographic shifts, mass urbanization, and the globalization of value chains are evolving the nature of work and skills demands. G20 members must evaluate additional key skills for the population and integrate them into the Education Policies across nations to build an enhanced pipeline of academically skilled entrepreneurs. A 2021 World Bank Report on skill development, highlights key skills essential to succeed in the 21st century which are mainly cognitive, socio-economic, technical, and digital skills. Considering the rapidly evolving skillset required for adapting to the startup culture, the following steps should be taken by G20 members for academic institutions.

Academic institutions may play a critical role in entrepreneurial skill development by providing students with the relevant knowledge, tools, and resources necessary to succeed as potential entrepreneurs in the future. Here are some ways in which academic institutions contribute to entrepreneurial skill development to effectively tackle the upskilling of potential entrepreneurs:

- **Increase investments to develop educational infrastructure in schools:** Increase and improve infrastructure quality in the form of adding more digital and technological resources at a school level from preschool through post-secondary education to vocational training. The same will enable higher exposure to work with technology from the formative years, which has the potential to enable a smooth transition of learning and adaptability toward technology. The same will also act as a basic input for developing an entrepreneurial skill set of dealing with and handling the basics of technology.
- **Integrate entrepreneurial competencies framework in the academic curriculum design:** To bridge the gap between theoretical and practical learning, the G20 members should assess the need of revisiting key skill sets, which can be embedded across the learning policy framework while disseminating course content. The majority of the educational policy climate across countries emphasizes standardized delivery and testing, which has led to a focus on cognitive competencies, neglecting non-cognitive competencies²¹.

Major research has highlighted that entrepreneurs reflect and exhibit a mix of cognitive and non-cognitive skills which are critical for them to operate at an optimum level and showcase success. Hence the G20 member academic policymakers should identify skill sets such as entrepreneurial motivation & passion, innovativeness, proactiveness, perseverance, strategic thinking, interpersonal skills, and other relevant skills and embed them in the curriculum design and delivery across levels to make entrepreneurship learning effective. The below table reflects an indicative researched framework that can be utilized for evolving select key modules for training entrepreneurship.

²¹ Entrepreneurship in Education, OECD,2015



	Main theme	Sub themes	Primary source	Interpretation used in this report
Cognitive competencies	Knowledge	Mental models	(Kraiger et al., 1993)	Knowledge about how to get things done without resources, Risk and probability models.
		Declarative knowledge	(Kraiger et al., 1993)	Basics of entrepreneurship, value creation, idea generation, opportunities, accounting, finance, technology, marketing, risk, etc.
		Self-Insight	(Kraiger et al., 1993)	Knowledge of personal fit with being an entrepreneur / being entrepreneurial.
Skills		Marketing skills	(Fisher et al., 2008)	Conducting market research, Assessing the marketplace, Marketing products and services, Persuasion, Getting people excited about your ideas, Dealing with customers, Communicating a vision.
		Resource skills	(Fisher et al., 2008)	Creating a business plan, Creating a financial plan, Obtaining financing, Securing access to resources
		Opportunity skills	(Fisher et al., 2008)	Recognizing and acting on business opportunities and other kinds of opportunities, Product / service / concept development skills
		Interpersonal skills	(Fisher et al., 2008)	Leadership, Motivating others, Managing people, Listening, Resolving conflict, Socializing
		Learning skills	(Fisher et al., 2008)	Active learning, Adapting to new situations, coping with uncertainty
		Strategic skills	(Fisher et al., 2008)	Setting priorities (goal setting) and focusing on goals, Defining a vision, Developing a strategy, Identifying strategic partners
Non-cognitive competencies	Attitudes	Entrepreneurial passion	(Fisher et al., 2008)	"I want". Need for achievement.
		Self-efficacy	(Fisher et al., 2008)	"I can". Belief in one's ability to perform certain tasks successfully.
		Entrepreneurial identity	(Krueger, 2005, Krueger, 2007)	"I am / I value". Deep beliefs, Role identity, Values.
		Proactiveness	(Sánchez, 2011, Murnieks, 2007)	"I do". Action-oriented, Initiator, Proactive.
		Uncertainty / ambiguity tolerance	(Sánchez, 2011, Murnieks, 2007)	"I dare". Comfortable with uncertainty and ambiguity, Adaptable, Open to surprises.
		Innovativeness	(Krueger, 2005, Murnieks, 2007)	"I create". Novel thoughts / actions, Unpredictable, Radical change, Innovative, Visionary, Creative, Rule breaker.
		Perseverance	(Markman et al., 2005, Cotton, 1991)	"I overcome". Ability to overcome adverse circumstances.

Table 2: Entrepreneurial competencies. Framework outlining some key entrepreneurial competencies and their relation to cognitive and non-cognitive competencies.²²

- **Empower academic institutions to design and run formal entrepreneurship programs for developing entrepreneurial capabilities:** Developing entrepreneurial talent can be feasible by enabling more universities and academic institutions to host standalone graduate or master's degree programs in entrepreneurship. The G20 members may evaluate the feasibility of emphasizing and promoting entrepreneurial talent through embedding an integrated focus in the educational policies of each nation and promoting dedicated learning programs similar to engineering, business administration, commerce, science, and liberal arts along with other popular education streams. Further G20 member countries can leverage already existing standalone programs run across select countries and import similar program designs in their respective countries. A few academic programs which have exhibited entrepreneurial skill-based education are:
 - Babson College²³, located in Massachusetts USA is acknowledged globally for its entrepreneurship education and degree program. The program is unique as through its program, it provides an integrated

²² Entrepreneurship in Education, OECD, 2015

²³ Babson College official website



approach to teaching entrepreneurship through electives that enable not only learning of key disciplines such as marketing, finance, operations, and others but also develop opportunities to start a venture through idea refinement and generation and gathering deeper insights into industries and global context of entrepreneurship. The college has a unique blend of faculty which consists of entrepreneurs, investors, consultants, and corporate leaders which enables the students to learn from practitioners and seek firsthand insights and experience on the subject.

- Sweden is acknowledged for its innovation and startup culture, the same has also been driven through the extensive push of promoting formal entrepreneurship educational programs. Leading universities such as the Stockholm School of Entrepreneurship and the Chalmers University of Technology offer entrepreneurship programs that focus on practical skills and real-world experience.
- Singapore has exhibited a strong focus on entrepreneurship and innovation through universities in such as the National University of Singapore and Nanyang Technological University offering entrepreneurship programs that are designed to equip students with the skills they need to start and grow their businesses.
- Imperial College in the UK has allowed tweaking its entrepreneurship offering the Enterprise Lab, which acts as an academic project and offers students various options to experiment with startup ideas in the form of hackspaces, prototyping, projects, and competition.
- Germany's Technical University of Munich (TUM) is known for its strong focus on entrepreneurship and innovation. The University offers a range of different programs and courses through the School of Management, which offers a Master's program in Management & Innovation and combines management education with a focus on innovation and entrepreneurship. Additionally, TUM offers elective courses, seminars, and workshops related to entrepreneurship across various disciplines.
- Turkish universities have taken significant steps to empower academic institutions in designing and implementing formal entrepreneurship programs aimed at developing entrepreneurial capabilities among students. For instance, Sabancı University in İstanbul offers an Entrepreneurship Development Program that equips students with the knowledge, skills, and mindset required to pursue entrepreneurial ventures. Another example is Middle East Technical University (METU), which has established the METU Technopark and Entrepreneurship Center. This center provides a supportive environment for students to nurture their entrepreneurial ideas, offering resources such as incubation services, business development training, and access to funding opportunities. Furthermore, İzmir Institute of Technology has launched the IZTECH Technopark, a hub that encourages innovation and entrepreneurship. The Technopark offers comprehensive support to student-led startups, including access to state-of-the-art facilities, mentoring programs, and connections to industry partners. These initiatives by Turkish universities exemplify their



commitment to fostering entrepreneurial capabilities among students and providing them with the necessary resources to thrive in the startup ecosystem.

The G20 members should revisit the curriculum design across academic institutions and provide greater flexibility to allow the institutions to curate or align the existing curriculum needs with relevant skills at an industry level. G20 members should approach this by consulting with the top academic institutions and sectors, to analyze the current supply and demand of the industry and what are the pertaining entrepreneurial skilling gaps. Further innovative ways can be integrated into the curriculum design, such as establishing industry-run modules which are taught by startup industry founders and professionals to disseminate practical and job-fit skills to the students.

Policy Directive 2.3.2: Adopt policies for easy navigation of entrepreneurs across G20 nations

The G20 members may implement feasible policies to facilitate the movement of startup entrepreneurs

To meet the growing talent demand for startup entrepreneurs (talent) across G20 nations, the G20 members should implement a feasible policy that allows the cross-border movement of talent which meets the demand of startups and enable startups to operate beyond local geographies. At present, there are multiple challenges when it comes to the mobility of startup founders across borders. Below are some of the challenging solutions, which the G20 members can address through an implementable policy:

- **Ease complex visa requirements:** G20 members can consider implementing visa policies that enable talented individuals with entrepreneurial capabilities to move across borders and start-up in different countries. This can enable startup founders in respective countries to access the markets and consumer base they need to succeed. This policy measure can enable reducing the burden of complex visa issues which are specific to each country. Usual visa challenges which skilled entrepreneurs willing to relocate usually face are lengthy application procedures, limited visa options (based on skillset and industry preference), restrictions on language and education along with higher visa costs and reduced chances of renewability. The G20 members can review the relaxation of complex visa requirements, and establish policy measures that enable easing immigration hassles, reducing visa costs, and increasing the number of visas for skilled professionals. The G20 members can further evaluate the need for a single G20 startup visa just like the European Union (EU) Schengen, which allows access to all EU-authorized countries through one single visa. The common G20 startup visa would allow for flexible movement to start startups across G20 nations.
- **Mobility and exchange agreements:** The G20 members to enhance startup founders' mobility can evaluate the need for exchange and mobility treaties or agreements. This will allow the free movement of



entrepreneurial talent across the G20 member nations. Further, the agreements can provide for special visa permits, ease in regulatory filings and compliances, and support with early incubation and adjusting to the country by accommodation support for individuals and families.

Through the above actions, the G20 members can evaluate the above actions for enabling startup entrepreneurs to navigate across other geographies.

Policy Directive 2.3.3: Establish a platform for startups to access mentors within the G20 network

G20 members should facilitate a common platform for startups to access a global network of mentors

Most of the startups are started by first-generation entrepreneurs with limited work experience; hence they need mentorship, guidance, and access to networks at each stage of their lifecycle. Startups face challenges in multiple dimensions like product development, market access, GTM, internal governance, team management, etc. Since capital is a limited resource for startups it is difficult to hire paid consultants, experienced and senior team members to resolve these challenges. In such a scenario, mentors play a significant role in providing the right path and navigating the startup with preparedness across key segments such as product and industry knowledge, marketing, regulations, compliances, and relevant trends. Mentors come in with wealthy knowledge and immense experience, which enables them to guide new startups and entrepreneurs, who are willing to seek newer opportunities. Mentors or groups of mentor networks typically have through the ups and downs of building a company themselves and have gained valuable experience and expertise that they can share with founders. They can offer insights into everything from product development to fundraising and marketing strategies. Further, mentors bring the adequate capability of enabling newer and more effective networking opportunities for the founders across the value chain of the startup ecosystem which includes industry players, other entrepreneurs, potential customers, and even funders. By tapping into the knowledge and support of mentors, founders can increase their chances of success and accelerate the growth of their startups.

The G20 member nations should evaluate building a common platform of mentors for startups thereby increasing the pool of quality mentors across member nations bringing in diverse knowledge and experience. The G20 members can draw from the global best practices as enlisted below

- SCORE²⁴ is a nonprofit organization based out of the United States that provides free-of-cost business mentoring services to entrepreneurs. The digital platform enables United States-based small businesses to connect with mentors. The mentor supports with things like starting a business or other key strategies to help existing businesses grow. SUP46²⁵ is a Swedish-based startup hub located in Stockholm that provides mentorship, networking opportunities, and support to early-stage startups. Further, the platform enables

²⁴ SCORE official website

²⁵ startup people of Sweden, SUP46 official website



startup founders to connect with a pool of mentors, investors, advisors, and partners, to offer a competitive advantage for startups seeking to expand.

- T-HUB²⁶ Innovation Center is an Indian-based public-private partnership startup incubator and acceleration, which was formed as a nodal point to facilitate startups with various programs such as mentor connect, ecosystem connects, knowledge exchange, and connect with industry leads. The platform has enabled multiple startups to seek accessible services to reach the desired scale.
- The Founders Institute²⁷ is a global-level mentorship network that is present in over 200 cities and has mentored and launched over 6800 companies globally. The platform enables access to startup founders for seeking expert mentorship which consists of successful entrepreneurs, investors, and industry experts who provide guidance and support to early-stage startups. The program also offers access to a global network of alumni, investors, and corporate partners.

Basis the above examples, G20 members may evaluate to structure a common platform to host mentors and experts to support startups seeking to enter and expand across G20 countries. The platform can have a diverse mix of entrepreneurs, investors, industry professionals, experts, and funders to enable a smooth transition for entrepreneurs seeking to startup cross borders.



RECOMMENDATION 2.4

Recommendation 2.4: Promote government bodies, private players, and multilateral organizations to work with startups in key industries/sectors which can be revolutionized through startup innovations

Policy Directives	
Policy Directive 2.4.1	Create policies to incentivize corporates working with startups to co-create solutions
Policy Directive 2.4.2	Develop policies to encourage startups to participate in government tenders and key projects
Policy Directive 2.4.3	Develop policies for multilaterals to partner with startups in key areas of global interest

SDG Goals Impacted



Recommendation 2.4 contributes to achieving UN SDGs: **8. Decent work and economic growth, 9. Industry, Innovation, and Infrastructure, and 17. Partnerships for the goals.**

Policy Directive 2.4.1 – Commits to the realization of target **9.b** (Support domestic technology development, research, and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities), **17.16** (Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries) and **17.17** (Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships).

Policy Directive 2.4.2 – Focuses on the accomplishment of targets **8.3** (Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services), **9.5** (Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially



increasing the number of research and development workers per 1 million people and public and private research and development spending).

Policy Directive 2.4.3 – Promotes SDG target **8.a** (Increase Aid for Trade support for developing countries, in particular, least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries) and **17.9** (Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South, and triangular cooperation).

Context

The need for partnering with government/ private players/multilaterals for startups in key industries

The collaboration between startups and corporates is a mutually beneficial exercise since startups gain networks, acceptance, expertise, and mentorship from the industry. The Corporates gain from high investment returns, cutting-edge innovations, and new techniques from collaborating with startups. Often, the alliances are inter-networked and can enable pivots within the industry leading to disruptive innovations and spin-offs. Partnerships not only enable a solid foundation for both the company and the corporate to grow but also facilitate the expansion of the ecosystems in which the corporates operate. A leading survey report indicated that 75%²⁸ of the total startups surveyed responded and acknowledged that partnerships with corporates are very important in today’s market conditions. Furthermore, partnerships in specialized sectors such as deeptech, research and development, defense, health sciences, and allied industries, the need for corporate and startup partnerships becomes even more critical. For instance, during COVID-19 many healthtech companies prospered during the pandemic, and the sector’s corporates showcased an excessive interest in partnerships with startups. Further, breaking into newer market trends and staying relevant with the competition is an essential motivation for corporates when it comes to partnering with startups, due to the agility and fast-moving style of operating.

Government is another key partnering stakeholder that startups should tap into, specifically bidding for key tenders and contracts to undertake key streams of work. Government agencies have large budgets and represent hundreds, or even thousands, of product users, implying that startups have an attractive market to tap into. However, challenges of securing or bidding for government tenders or work orders becomes challenging for startups due to pre-requisite requirements and showcasing past performance or bank guarantees. A leading research thinktank examined various factors working with the government exhibited below in Table 2:

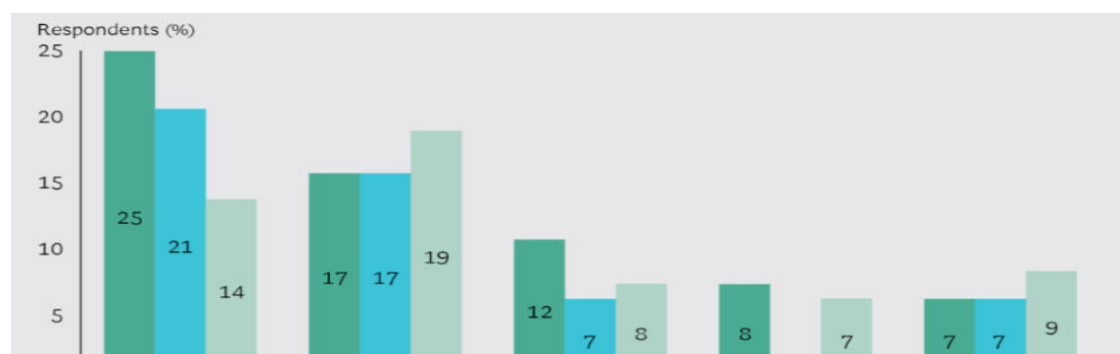


Figure 1: Barriers to contracting with Government for startups²⁹

Considering the complexity of tenders along with the lengthy sales cycle, it becomes challenging for startups to pursue Government tenders actively and often they miss out on large-scale projects. Due to these aspects, the government ends up missing out on innovative and quick solutions. Government can leverage a startup's ability of technology enablement, automation, research, and market adaptability to deliver in select sectors such as defense, aerospace, and technology implementation along with research and development.

The third key dimension of partnership which startups can leverage is partnering with multilateral organizations and agencies. Multilateral organizations such as United Nations agencies (UNICEF, UNDP, UNFSS, WHO, FAO, etc.), World Bank, Asian Development Bank (ADB), and similar agencies work towards solving some of the global level developmental challenges and create key impact in the global ecosystem. Startups can play an important role by providing solutions through partnering with multilateral organizations across sectors of impact, however similar challenges to working with governments. Startups face challenges of lengthy procurement processes, compliances along with multi-level decision-making processes, making it difficult for them to partner with multilateral organizations.

In the effort to seek the G20's attention towards key partnerships with corporates, governments, and multilateral organizations, the Startup20 engagement group's Alliances Taskforce seeks to draw attention to three key priority directives, through the below Policy Directives:

- Create policies to incentivize corporates working with startups to co-create solutions
- Develop policies to encourage startups to participate in government tenders and key projects
- Develop policies for multilaterals to partner with startups in key areas of global interest

²⁹ Easter Foundry 2016 Survey



Policy Directive 2.4.1: Create policies to incentivize corporates working with startups to co-create solutions

The G20 members should allow more corporate to partner with startups through policy measures

G20 members need to promote more corporate and startup partnerships, in ecosystems that have a large presence of mature corporates willing to expand the scope of services. Earlier it has been discussed extensively on the potential benefits of partnerships between corporates and startups, the G20 members can further equip corporates through a range of constructive policy measures, which motivates and fosters enhanced partnerships with startups. G20 members will have to emphasize the importance of the partnerships between incumbent players and startups as a way forward to be sustainable in the long term.

G20 members should evaluate incorporating indicative policy measures enlisted below:

- **Enable a conducive regulatory and taxation framework:** G20 members should promote measures in the form of tax incentives for corporations who enter into partnerships with startups. G20 members can draw from the case of the United States of America which offers a Research and Development (R&D) tax credit³⁰ to allow companies to claim a credit against their taxes for certain R&D expenses made towards innovation. Similarly, India has also introduced a special incentive for corporates to support startups operating under nationally recognized incubators under the Corporate Social Responsibility Rules³¹, enabling corporates to spend to the tune of 2% of average net profits towards innovation. Further, this expenditure is subject to income tax exemption, which provides a dual benefit to the corporation to not only contribute to the innovation ecosystem but also incentivize corporates to participate in conducive partnerships. Each member nation across G20 can evaluate the feasibility of a conducive regulatory and taxation framework to further promote corporates to participate actively in collaboration with startups.
- **Promote participation of corporates in incubators and accelerators:** To promote large-scale participation of corporates to partner with or support startups, G20 members should enable corporates to establish or support incubators and accelerators on a large scale. The G20 can leverage the case from global examples of leading corporations such as Coca-Cola's Bridge startup incubator program. The "Bridge" program³² is aimed at introducing newer and emerging technologies to the company faster than its competition. The program established to bridge between technology entrepreneurs and global markets, identifies technology startups that are on the threshold of commercialization and strategically relevant for Coca-Cola. Another program that has established global recognition is Microsoft's Accelerator, a global program curated to allow new businesses, works closely with market-ready startups and provides the relevant tools, resources, knowledge, and expertise that are required to flourish. Another program that

³⁰ 7 ways governments can foster entrepreneurship-World Economic Forum, 2023

³¹ Corporate Social Responsibility: Funding Incubators - Startup India 2019

³² How Coca Cola's 'Bridge' Program Can Help Over The Long Run- Forbes, 2017



has gained significant traction, is Germany's leading pharmaceutical player Bayer. They run the Grant4Apps program, which promotes innovation in the health sector. Through the program, Bayer supports startups and entrepreneurs in the digital health space. It offers funding, mentoring, and access to Bayer's network to help innovative digital health solutions get off the ground. The eventual goal through referring to these best practices, is to enable startups to further mature into enterprise-ready companies by scaling every aspect of their business. Hence G20 members may evaluate to draw best practices from leading corporates and can recognize and promote similar initiatives in the member nations.

- **Funding programs by the government:** The G20 member governments can evaluate incorporating policies around funding dedicated programs to support startups and encourage partnerships with corporations. Similar programs have been implemented before, in which the G20 members can draw learnings. One of the leading programs run at a global level is European Union's Horizon Scale-Up Champions³³, this program is aimed at enabling EU incubators to achieve global scale through bridging the gaps by providing access to public and private customer networks, access to EU-wide talent, capital, potential corporate partners and further scale up opportunities. Canada runs the National Research Council- Industrial Research Assistance Program³⁴, which supports small and medium size scale innovators, through building innovation capacity and enable go to market support. The same is done through funding, advisory services, and connections with top corporates and R&D houses in Canada. Similarly, Germany runs the ZIM³⁵, which is a central innovation program for SMEs. ZIM supports SMEs with R&D projects to innovate through funding and industry connections. Funding is not restricted to any particular field of technology, nor specific fields of application as a part of the ZIM program. Türkiye runs a special program called Turcorn 100³⁶. It operates as a collaborative initiative, involving corporate companies, participants from the entrepreneurial ecosystem, and public institutions, rather than being a publicly funded program. Aligned to realize the National Technology Move, the Turcorn 100 team collaborates closely with technology entrepreneurs who have the potential to become prominent players in the industry and have successfully passed the early stage, and demonstrate high growth potential, enabling them to scale rapidly and expand globally.

The G20 members through the above Policy Directives can strive to enable a conducive ecosystem for corporates and startups to foster partnerships and scout opportunities to grow together. The larger benefit of this unique and industry-oriented partnership will lead to a positive innovation culture, enhanced interest in entrepreneurship, and better consumer service eventually leading to economic growth.

³³ Scale-up Champions: Scale up innovative businesses across the EU, 2020

³⁴ About the NRC Industrial Research Assistance Program, Government of Canada official website

³⁵ Funding is not restricted to any particular field of technology, nor to specific fields of application, Government of Germany official website

³⁶ <https://turcorn.gov.tr/en/home/>



Policy Directive 2.4.2: Develop policies to encourage startups to participate in government tenders and key projects

The G20 members should re-assess the scale of potential Government projects which startups can deliver, through ease in policies for participating in tenders.

Governments play an important role in providing public goods and services to the citizens of the nations. Further, with rapid development, modernization, and innovation in the 21st century, the delivery expectation of the public is also rising globally. G20 members need to acknowledge this and evaluate the integration of startups in the delivery of reliable, inclusive, and citizen-oriented services in fields as diverse as defense, education, healthcare, social protection, or any other relevant sector. Government consumption accounts for about 17.1 percent³⁷ of global GDP as of 2021, this figure showcases the immense potential of partnership with startups to deliver innovative services on behalf of the government.

Despite the healthy global demand and consumption patterns of the public sector, it is often seen that the mass participation of startups in tendering process or formal partnerships with the government is at a minuscule level. Reasons attributed to the same as discussed earlier are mainly complex tendering processes, and long payment cycles along relevant eligible experience, often discouraging startups to access government projects or partnership opportunities. Hence it is critical for G20 members to review the current partnership mechanisms with startups and the public sector along with introducing policy measures for easing up tendering process, to promote large-scale startup participation in the public delivery of goods and services through below actions:

- **Exclusive tendering quota for startups:** G20 members can introduce a tendering quota for startups, by allocating a fixed percentage of tenders or contracting reserved for startups. This will encourage more participation of startups and SMEs in partnering with the government to deliver public services. G20 members can leverage the policy measure, which was introduced by the Kingdom of Bahrain, that boosts the promotion of the SME sector through a mandatory 10% quota³⁸ for all SMEs who wish to participate in a government public tender. India also introduced a mandatory procurement of a minimum of 25%³⁹ of all government public tenders from Micro, Small & Medium Enterprises (MSME) in 2015. Along similar lines, the United States has also successfully implemented a minimum quota on public procurement for SMEs, which provides a 23% quota⁴⁰ of government procurement that needs to be awarded to SMEs. G20 members must leverage some of the country-specific policy measures and evaluate if similar tendering quotas can be extended in their specific countries.

³⁷ The World Bank, “General Government Final Consumption Expenditure”, 2021

³⁸ Bahraini SMEs will now have 10% quota on all public contracts, Startup Bahrain, 2021

³⁹ Ministry of Micro, Small & Medium Enterprises, Government of India official website

⁴⁰ Government procurement – a path to SME growth?- World Bank Blogs, 2016



- Reduce tendering complexities for startups:** G20 members can evaluate to ease the tendering process by reducing complex requirements and introducing separate eligibility criteria for registered startups to participate in tenders. The same can be implemented in the form of simplifying paperwork and documentation, extending guidance services on approaching tender bids along with relaxing bank guarantees and years of relevant sectoral experience. G20 members will have to innovate or evaluate alternative procurement processes, to promote startups' access to government and public contracts. Select countries have navigated similar challenges and approached procurement and tendering through alternative routes such as the Build in Canada Innovation Program (BCIP)⁴¹. Through the BCIP, the Government of Canada buys pre-qualified goods and services from innovators and startups, this enables the startups to showcase their innovations to the government and avoid the hassle of complex tendering. Another case that G20 members can leverage is the case of Singapore's one-stop e-portal called the GeBIZ⁴². The portal provides a simplified procurement process for SMEs, including startups and other agencies to access and submit tenders. The process is simplified and has adequate user information, which makes it easy for the applicant to access. Along similar lines, India also has the Government E-Market Place (GeM), which allows SMEs and MSMEs to access public tenders and are also allowed to claim 95 percent of the performance security or bid security or liquidated damages forfeited from them in government tenders.⁴³
- Promote government project partnerships with startups in key areas:** The G20 member governments can promote key partnerships with startups in select sectors to promote innovation and adopt an agile problem-solving approach towards public service delivery. India's Innovations for Defence Excellence (iDEX) initiative can be referred to as a strong case of how the government is willingly promoting innovation through partnering with key startups in the aerospace and defense sector.

The G20 members through the above Policy Directives can enable wider participation of startups to partner with the government. The larger benefit through this unique partnership will lead to more innovative ways of public service delivery and benefiting the public along with the startups.

Policy Directive 2.4.3: Develop policies for multilaterals to partner with startups in key areas of global interest

⁴¹ Government of Canada, official website

⁴² Government of Singapore, GeBIZ website

⁴³ Govt's GeM portal to help MSMEs get back penalty amount levied for failure to execute contracts, Financial Express 2023



The G20 members should support policies toward enhanced partnerships between multilateral organizations and startups

Multilateral organizations are important bodies that promote global cooperation and development by actively tackling some of the pressing global challenges and developmental agendas. It is important for the G20 members to critically evaluate the role startups can play in accelerating global development along with economic growth through partnering with multilateral organizations.

Below are some of the policy suggestions that the G20 members can evaluate to foster conducive partnerships between multilateral organizations and startups.

- **Zeroing down on key impact areas of intervention:** Each G20 member will have to prioritize the impact areas or developmental challenges they grapple with. It could range from health, education, poverty alleviation, climate, or hunger. Hence the G20 members need to identify in which sectors would they want the startups to support and partner with the relevant multilateral organization to deliver innovative solutions. This measure will chalk out a clear rationale and scope for startups to also contribute and feature innovative solutions to some of the most pressing development challenges the member nation faces, through conducive partnerships with the relevant multilateral organization.
- **Incentivize startups to partner for global causes:** The G20 members can support startups appearing for large-scale innovation programs in partnership with Multilateral organizations. Some of the programs in which the G20 members can note best practices are enlisted below
 - **United Nations Climate Change's Global Innovation Lab for Climate Finance⁴⁴:** This model engages startups in a collaborative way to develop and pilot innovative financial instruments to address climate change challenges. The Lab focuses on early-stage ideas and ideas that employ a blended finance approach to solve critical issues. The innovative ideas in the form of blended finance are further routed towards climate change adaption and mitigation strategies.
 - **United States Agency International Development Agency (USAID)'s Development Innovation Ventures⁴⁵:** This program is USAID's flagship open innovation program that fund and support innovative solutions by innovators and disruptors to solve some of the world's most challenging problems. The grants offered by USAID can be accessed by any innovator and researchers with adequate ideas and build an evidenced-based solution. Further, the grants offered range from pilot to scale-up stage., which has fueled impactful solutions in 49 countries globally.
 - **World Bank's infoDev:** InfoDev program is endorsed and curated by the World Bank to promote entrepreneurship and innovation. The program is aimed to support entrepreneurs in developing economies through the provision of networks, incubation, and innovation hubs. Further

⁴⁴ Global Innovation Lab for Climate Finance, Multi-Regional website

⁴⁵ USAID Development Innovation Ventures, official website



knowledge resources in the form of crowdfunding, angel investing, and business incubator management are additional support elements that the program supports.

- o **Multiple startup programs focused on SDGs run by UN Agencies:** The United Nations have been the flagbearer of the United Nations Sustainable Development Goals (SDGs), which acts as a global framework for countries to act upon 17 global goals and showcase progress alongside the indicators by a defined timeline. UN agencies to accelerate the development and contribution towards the SDGs runs innovative startup programs which G20 members can draw reference from.
 - **United Nations Global Compact (UNGC)'s SDG Innovation Accelerator for Young Professionals⁴⁶:** This program provides an opportunity for UNGC signatory companies to empower and partner with young talent to collaborate and accelerate business innovation towards SDGs. This nine-month program enables young innovators to work on innovative challenges to deliver sustainable business models.
 - **United Nations World Tourism Organization (UNWTO)'s⁴⁷ Global Startup Competition:** This program is one of the largest and most disruptive startup challenges, which promotes and enables startups participate to solve some of the sustainability-related challenges and contribute to the SDGs. The program initiative sets out to reach a common goal, to set innovation at the forefront of sustainable development globally.

Through the above Policy Directives enlisted G20 members can integrate and promote multilateral organizations to partner with starts to accelerate global development.

⁴⁶ UNGC official website

⁴⁷ UNWTO SDG Global Startup Competition

