




WORLD  
RESOURCES  
INSTITUTE

*ENTREPRENEURSHIP / ENVIRONMENT / EMERGING MARKETS*



New Ventures

[www.new-ventures.org](http://www.new-ventures.org)



As the world's **population rises**,  
how can business help to meet the  
ever-increasing needs of a growing  
world while **protecting threatened  
resources** such as clean air, water  
and other natural resources?



This question is especially relevant in emerging markets, where population growth is expected to continue alongside rapid economic growth in the coming decades.

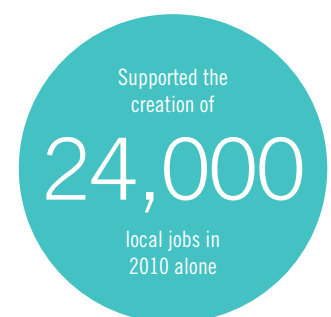
In these emerging economies, small and medium enterprises (SMEs) play a pivotal role in driving economic development. They can shape growth that is both economically and environmentally sustainable.

New Ventures works in six key emerging economies around the world to promote the growth of successful SMEs with positive environmental impacts. We support businesses that offer substitutes or solutions to resource-intensive products or services (clean technologies, renewable energy) and/or responsibly use natural resources (organic agriculture, sustainable forestry). We help companies receive adequate business skills training and access capital and the appropriate markets for their goods and services.

New Ventures works at the intersection of three defining trends: entrepreneurship, environment and emerging markets.



#### NEW VENTURES ACCOMPLISHMENTS





## WORLD RESOURCES INSTITUTE

New Ventures is headquartered in Washington, DC, at the World Resources Institute (WRI), one of the world's leading environmental think tanks. New Ventures has access to WRI's technical and research expertise, as well as connections to a global network of experts in fields such as biodiversity, clean energy, air quality, natural resource management, and transportation. New Ventures and its partners share WRI's commitment to providing innovative paths to a sustainable planet through work that is accurate, fair, and independent.

WRI's mission is to move human society to live in ways that protect Earth's environment and its capacity to provide for the needs and aspirations of current

and future generations. WRI is a global environmental think tank that goes beyond research to put ideas into action. It works with governments, companies, and civil society to build solutions to urgent environmental challenges. WRI's transformative ideas protect the earth and promote development because sustainability is essential to meeting human needs and fulfilling human aspirations in the future.

WRI spurs progress by providing practical strategies for change and effective tools to implement them. Success is measured in the form of new policies, products and practices that shift the ways governments work, companies operate and people act. WRI operates globally because today's problems know no boundaries. WRI is an avid communicator because people everywhere are inspired by ideas, empowered by knowledge, and moved to change by greater understanding.

## New Ventures

New Ventures provides support to innovative small and medium enterprises in six of the world's most dynamic emerging economies: Brazil, China, Colombia, India, Indonesia and Mexico.

These businesses underpin economic development, create jobs, provide solid financial returns to their investors and address the world's most critical environmental challenges. The activities of New Ventures and its collaboration with environmental, philanthropic, business and policy leaders inspire thought leadership relating to environmental entrepreneurship and enable its growth in emerging markets. As a result, environmentally-focused entrepreneurs are able to transform their ideas into successful,

growing companies that help reduce pollution, increase clean energy, protect biodiversity and improve communities' quality of life.

As one of the earliest organizations working with SMEs in emerging markets, New Ventures brings years of in-country expertise and insight to its strategies and operations. As one of the only business development service providers working specifically with environmental SMEs, New Ventures is uniquely positioned not only to help individual companies, but also to influence and address barriers to the growth of the sector as a whole.

New Ventures works through on-the-ground partnerships with six Local Centers that, alongside its Washington, DC hub, form a dynamic global network to promote the growth of environmental entrepreneurship.





# 135,000

Tons of CO<sub>2</sub>e reduced by New Ventures companies in 2010, the equivalent of removing over 112,000 cars from the road for one year

# 1,490,448

Hectares of land placed under sustainable management by New Ventures companies in 2010, an area greater than that of Connecticut

# The New Ventures Global Network

Our Global Network consists of six Local Centers and one Global Hub, housed at the World Resources Institute in Washington, DC.

## Global Hub

WASHINGTON, DC



## New Ventures Mexico

YEAR FOUNDED: 2000

## New Ventures Colombia

YEAR FOUNDED: 2008

## New Ventures Brazil

YEAR FOUNDED: 2002



## New Ventures **China**

YEAR FOUNDED: 2006

## New Ventures **India**

YEAR FOUNDED: 2006

## New Ventures **Indonesia**

YEAR FOUNDED: 2005

# \$1,217,436

The amount spent on business development services for New Ventures entrepreneurs in 2010

This number translates into the creation of over \$917 million of local economic growth through revenue generation (\$858,492,223) and employee wages (\$58,524,390).

**30,000+** = The number of training hours New Ventures has provided to companies since 1999

**\$705** = The number of dollars generated by New Ventures entrepreneurs for every dollar spent on training and business acceleration services

# Leveraging Effective Partnerships

**OVER THE PAST DECADE,** New Ventures has successfully established a strong local presence in six key emerging economies: Brazil, China, Colombia, India, Indonesia and Mexico. These countries are home to 46% of the world's population and account for 25% of the protected biodiversity areas on the planet. New Ventures has created a network of six Local Centers, formed with its partners in the countries where it works. Every Local Center is led

by a New Ventures Country Director with extensive experience and expertise.



Each New Ventures Local Center has built a support network for local entrepreneurs, drawing from

investors, financial institutions, development agencies, government and policymakers, academia and business schools, large companies and multinationals, and other leading think tanks and non-governmental organizations (NGOs). These actors each play a unique role in providing the resources and technical support that environmentally focused SMEs need to thrive and grow. The partnerships also enable New Ventures to identify and address specific barriers to environmental entrepreneurship from within each country of operation.





New Ventures Mexico, one of the most established centers in the New Ventures network, is recognized as the country's leading environmental business accelerator. In order to increase support around environmental entrepreneurship in Mexico's business community, New Ventures Mexico established The Sustainable Minds Network, Mexico's first network of business mentors aimed exclusively at environmental entrepreneurship.

# Strategy

New Ventures focuses on three core areas essential to the growth of environmental entrepreneurship in emerging markets: Business Development, Investment Facilitation and Global Network Building.

1

## Developing Successful Businesses

Business development lies at the core of the New Ventures strategy.

Environmentally focused enterprises are carefully selected to participate in New Ventures mentoring and acceleration programs. Each Local Center has a locally adapted curriculum, but the focus and results are the same across the board: enterprises prepared to manage growth; attract investment capital; and assess their own financial, environmental, and social performance. Services offered by New Ventures include one-on-one mentoring with business leaders, access to investors, venues to connect with peers in order to share best practices and explore partnerships, and training workshops around key business and management skills.

In addition to working with individual businesses, New Ventures drives broader change by engaging and creating partnerships with civil society, government, investors, and multinational and large companies to support entrepreneurial solutions to sustainable development.



An investor poses a question to an entrepreneur at a New Ventures China Investor Forum.



2

## Facilitating Investment to Spur Growth

New Ventures helps to grow the pool of both available and invested capital to address the funding needs of environmental SMEs, enabling their businesses to grow and their positive environmental and social impacts to increase.

New Ventures companies seek investment from a variety of investors, including commercial banks, angel investors and venture capitalists. Annual Investor Forums are held in each New Ventures country, showcasing companies chosen for the New Ventures program to an audience of potential investors and business partners to help attract financing.

New Ventures also encourages the flow of capital to the environmental SME sector as a whole by providing investor-targeted research, and promoting new mechanisms for evaluating environmental impacts. New Ventures is leading the way in creating rigorous standards for investors to understand and assess the environmental and social impacts of SMEs in emerging markets.



3

## Creating a Vibrant Global Network

New Ventures is building a vibrant and strong global network for environmentally focused SMEs to share knowledge, learn from each other and seize opportunities for collaboration across borders.

This Global Network allows New Ventures to have an impact beyond the companies and countries that it works with directly. It also allows the Local Centers to learn from each other's successes and failures through staff exchanges and annual Country Director meetings. A robust internal communications platform encourages communication across the Global Network and helps to identify collaborative opportunities between different Local Centers.

The New Ventures Global Portfolio, a select group of entrepreneurs with strong financial performance and high growth potential, highlights the importance of a strong Global Network. Companies in the Global Portfolio hope to raise capital from international investors and build partnerships beyond their home countries. New Ventures facilitates cross-country connections in today's increasingly global economy.

## ① Developing Successful Businesses: Proving the Concept

**IN 1999, WHEN NEW VENTURES WAS FOUNDED** to build capacity and support environmentally-focused SMEs in emerging markets, the concept of building a “greener economy” was challenged by skeptics. New Ventures itself was a start-up pioneering a new path to environmental entrepreneurship. Since then, New Ventures’ work has helped to spread a clear message: SMEs can provide solutions to environmental and social problems while also creating profits. Investors are seeing an ever-increasing pipeline of environmental businesses that can create attractive investments.

New Ventures has successfully helped SMEs grow and meet the challenges of biodiversity loss, climate change and water scarcity in six key emerging markets. The growth of environmental entrepreneurship and New Ventures’ successes has been reflected in the increasing number of applicants to the New Ventures programs each year. For example, in one year the number of applicants to New Ventures Colombia grew from 90 to 160.

New Ventures companies come from the raw materials, manufacturing and services sectors, and provide a wide range of products and services. The companies vary in revenue and number of employees, but all are commercially viable and looking to grow both in size and impact.

*“New Ventures has helped me grow my business. We all know where we’re heading, but we don’t know exactly the methods of how to get there and how to pass the message to more people. New Ventures is very good at that.”*

Hugo Hernandez, CEO, Vidrios Marte,  
a New Ventures enterprise

## ② Facilitating Investment to Spur Growth

**TO DATE, NEW VENTURES HAS** successfully facilitated the transfer of \$203M in investment into companies that have participated in its enterprise development programs. After receiving tailored business strategy advice from investment and business professionals, New Ventures companies are well prepared to showcase their businesses to potential investors and attract the capital they need to grow.

Pro Nature, an Indian company selling certified organic foods such as flour, jam and rice, received investment



New Ventures companies provide local communities with jobs.

through its connection to New Ventures. Large grocery stores chains in India wanted to stock Pro Nature’s products, but the company needed to expand production in order to meet the demand from these new buyers. New Ventures India introduced Pro Nature to an Indian angel investor who provided \$200,000 for Pro Nature to scale its operations and become a supplier for large grocery chains.



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## Expanding Investor Networks

New Ventures works to drive investment across the environmentally focused SME sector by supporting the creation of investor networks and funds that invest in environmental entrepreneurship.

Stratus Investment Fund in Brazil first became involved with New Ventures at the inaugural New Ventures Investor Forum in 2000. Five years of engagement later, Stratus launched VC III, a \$15 million venture capital fund designed to invest solely in environmentally sustainable enterprises.

In Indonesia, New Ventures played a major role in the establishment of the first angel investor group to focus on Indonesian companies with positive social and environmental impacts. By providing this group, PT Social Enterprise Indonesia (PT SEI), with tangible examples of dynamic and innovative SMEs as potential companies in which to invest, New Ventures was instrumental in convincing them that there would be a strong deal pipeline. New Ventures Indonesia advised PT SEI during

its formation stage, and the group committed \$2 million in investment to the country's social enterprise sector.



New Ventures Country Director Sanjoy Sanyal speaks to Indian investors.

In India, New Ventures created the first “Green Investors Network” to convene angel investors, social enterprise funds, seed and venture capital funds, banks and corporate investors in India interested in investing in environmentally focused enterprises. As part

of the network, members take part in deal flow sessions between entrepreneurs and investors and round table discussions while also receiving access to the New Ventures India mentors and coaches’ network.

*“Before working with New Ventures, our business was disconnected from the support networks for sustainable companies. . . . The New Ventures team gave us visibility, helped us strategize, and provided us access to potential partners and investors.”*

David Velasco of Café La Selva, a New Ventures enterprise



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## Providing Thought Leadership through Solution-Driven Research

Under WRI's rigorous peer-review process, New Ventures has successfully published cutting-edge research that has influenced its target financial markets audience.

2007

In *"The Next 4 Billion: Market Size and Business Strategy at the Base of the Pyramid"* produced in partnership with the International Finance Corporation (IFC), New Ventures measured the market opportunity of the base of the economic pyramid (BoP) using the World Bank's national household data. This research has been widely cited in follow-up publications, including extensively in the 2010 JP Morgan/Rockefeller Foundation report "Impact Investments: An Emerging Asset Class," which defines and sizes the current opportunity for impact investing.

2009

New Ventures provided an overview of the barriers to growth for SMEs in developing countries in *"On the Frontiers of Finance: Scaling up Investment in Sustainable Small and Medium Enterprises in Developing Countries."* This publication is currently used in the orientation curricula for the Aspen Institute of Development Entrepreneurs (ANDE) and has been referenced by numerous impact investors to provide a view of the market when launching new funds.

2009

New Ventures released *"Powering Up: The Investment Potential of Energy Service Companies in India."* This research led to the exploration and piloting of financial products for energy efficiency projects by the Industrial Bank of India, India's fourth largest bank.

2010

New Ventures published *"Power to the People: Investing in Clean Energy for the Base of the Pyramid in India"* with the Centre for Development Finance at the Institute for Financial Management and Research (CDF-IFMR). This report calculated the size of the clean-energy market servicing India's rural poor. Within a few months of its release, the publication was being used by leading Indian clean energy companies, such as New Ventures enterprise Husk Power Systems, to set goals for growth and to present the strength of their market opportunity to potential investors.



## Leading on Environmental Impact Measurement

**INVESTORS WISHING** to create positive social and environmental impacts with their investments increasingly seek to quantify these impacts. In order to drive greater investment into enterprises like New Ventures' companies, New Ventures is collaborating with the Global Impact Investing Network's (GIIN) Impact Reporting and Investment Standards (IRIS) team to develop standardized environmental metrics for SMEs. IRIS is recognized as an industry leader

working to provide a common language for describing the social and environmental performance of an organization.



Building on WRI's extensive expertise in developing tools

to measure greenhouse gas emissions, water usage and ecosystems services, New Ventures has led the Energy, Environment and Water (EEW) Working Group of IRIS to develop a core set of indicators for energy (renewable energy and energy efficiency), climate change (greenhouse gas emissions reduced, carbon offsets generated) and water (quality and availability).

To help entrepreneurs on the ground report credible data to investors in an efficient and effective manner, New Ventures partnered with clean energy investment fund E+Co to launch the Toolkit for Impact Measurement (TiME) in 2010. TiME resources have been provided to entrepreneurs and to in-country practitioners, laying the groundwork for a simple company-wide environmental management plan to help SMEs improve their company's operating efficiencies and environmental impact, thereby reducing risks and improving bottom-line costs.

Through its engagement with New Ventures, the Global Impact Investing Rating System (GIIRS), a standardized rating system for emerging market SMEs and impact investment funds, now requires environmental criteria in their enterprise and fund level ratings. In August 2010, eleven leading emerging market fund managers agreed to use the GIIRS rating system in their investment decision-making and have raised up to US\$1 billion to invest in high impact GIIRS-rated enterprises. By serving on the GIIRS emerging markets standards advisory committee, New Ventures played a key role in embedding environmental metrics into the rating system, raising the visibility of environmentally focused businesses in emerging markets.



Entrepreneurs at a TiME seminar review methodology for quantifying their GHG emissions.



### ③ Creating a Vibrant Global Network

**NEW VENTURES HAS TRANSITIONED** from a group of individual Local Centers creating on-the-ground change into a global network supporting environmental entrepreneurship. In 2008, New Ventures held its first Directors Meeting, bringing together its six Country Directors to collaborate on strategy and to launch the New Ventures Global Network. Directors Meetings are now held at least annually, providing opportunities to discuss successes and challenges, as well as trends in environmental entrepreneurship in six dynamic

emerging markets. These meetings allow New Ventures to keep on top of key developments that could shape new ideas and strategies in the environmental and entrepreneurial fields in the countries where it works.

In 2011, New Ventures continued to strengthen its Global Network through an inaugural Global Investor Forum and the launch of the New Ventures Global Portfolio. The Global Portfolio features companies looking for international investment that have passed a rigorous selection process, including evaluations from panels of both environmental and investment experts. Selected companies traveled to New York for the first Global Investor Forum to present their business plans on an international stage and inspire their audience about the power of small businesses to create positive environmental change.

#### Case Study: LANDWASHER – CHINA

Through the Global Network, New Ventures companies have increasing opportunities to travel to other countries to build connections and business opportunities. In 2011, New Ventures China company Landwasher attended the New Ventures India Investor Forum and met with business leaders in India to discuss expanding its water-free flushable toilet technology to the Indian market. India is a strong potential market for Landwasher given its rapid population and infrastructure growth and the fact that there is currently no competition for its technology. Landwasher has applied for Indian patents to expand its business beyond its home market in China.



Landwasher's water-free toilets conserve water resources while also reducing water contamination.



For more information

[www.new-ventures.org](http://www.new-ventures.org)

(New Ventures)

[www.wri.org](http://www.wri.org)

(WRI)

NextBillion.net

New Ventures also serves as a Managing Partner for the blog NextBillion.net.

NextBillion, launched by WRI in 2005, has become the leading website exploring the connection between development and enterprise with more than 40,000 unique visitors per month. NextBillion uses its blog, newsroom, research tool and career center for discussion, networking and as a knowledge base for a community of business leaders, social entrepreneurs, non-governmental organizations, policymakers and academics interested in innovative business solutions to development issues. NextBillion has expanded its influence into the Spanish- and Portuguese-speaking communities through the launch of NextBillion Español and NextBillion Brasil.

BusinessWeek recognized NextBillion as an “Editor’s Pick: Best of the Web” site.

# Looking Forward

Over the next ten years, the world's demand for "clean" growth will increasingly shine a spotlight on environmental entrepreneurship. New Ventures sees many exciting opportunities to continue growing its operations and impact. With its expertise on the ground and burgeoning global network, New Ventures is well-positioned to unleash increased support for environmental entrepreneurship in emerging economies and help environmentally focused SMEs gain significant market share.

By increasing the investment available to environmental entrepreneurs, strengthening in-country resources to support them and creating a vibrant global network to enable knowledge sharing, New Ventures will enable the entrepreneurs at the heart of tomorrow's economy to address the world's growing environmental challenges.



## Strategic Partners



Citi Foundation



## Supporters

Dutch Ministry of Foreign Affairs

Fundación AVINA

Morgan Stanley

Rockefeller Foundation

UK Department for International Development

UPS Foundation

US Department of State – Asia Pacific Partnership

Zennström Philanthropies

## Local Center Partners

Center for Sustainability Studies at Fundação  
Getulio Vargas, Brazil

Institute for the Environment and  
Development, China

Universidad de los Andes School of Management  
UASM

Confederation of Indian Industry – Godrej Green  
Business Centre (CII – Godrej GBC), India



WORLD  
RESOURCES  
INSTITUTE

10 G Street, NE (Suite 800)  
Washington, DC 20002 USA  
+1.202.729.7600



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