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Startup20:
India's Gift to the World

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India's Presidency of the G20 gave birth to the Startup20 Engagement Group (Startup20) which, for the first time in the history of G20, has given startups and other small business their own platform for recommending to the world leaders how they may integrate the power of the small and innovative into the global economic discourse. The group's efforts reached its first milestone when the world leaders accepted it as an enduring feature of the G20 architecture in the New Delhi Leader's Declaration (NDLD) on September 9, 2023:

> *We recognise that start-ups and MSMEs are natural engines of growth. They are key to socio-economic transformation by driving innovation and creating employment. We welcome the establishment of the Start-up 20 Engagement Group during India's G20 Presidency and its continuation.*

> *para 18, NDLD*

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This chapter discusses the *principles* upon which Startup20 was built, *processes* that were designed and followed, the crux of the *Policy Commuquè* published, *participation* witnessed from diverse spheres, and the *path forward*.

Principals

Three principals undergirded the building of Startup20. They have actively shaped India's Presidency of this group from its inception. First, to work towards harmonizing the global startup ecosystem while retaining the autonomy of the national ecosystems. This principal acknowledges the need for nations to grow their startup ecosystems according to their own legacies and aspirations even as we work together to create global opportunity for startups.

Second, to create mechanisms to listen to both top-down (expert) and bottom-up (ecosystem) voices. This principal acknowledges that the real aspirations of the startup ecosystems worldwide are reflected in the actions of startups, investors, policymakers, ecosystem managers, and consumers. Representing these voices effectively is the responsibility of Startup20.

Third, to embrace a deeply participatory paradigm in building this new Engagement Group this principal acknowledges the importance of creating, at all levels, a culture of openness, meritocracy, and ownership.

By its very birth, Startup20 poses as the world's highest policy forum for startups and micro, small and medium enterprises (MSMEs). The startup ecosystems across G20 nations add up to over 850,000 startups; 1600 unicorns; 20,000 incubators; and 41,000 investors such as Angel Investors, Venture Capitalists, and Private Equities. There are startups in all sectors of the economy. Every G20 nation today is supporting startups. The three principals are created keeping in mind this vast canvas whose responsibility the group assumes.

Processes

The process of taking Startup20 from zero-to-one was designed to first be divergent and then convergent. The idea was to be as *open* and *inclusive* in terms of input and *decisive* and *action-oriented* in terms of its output.

The *divergence half* of Startup20 proceeded in three phases, each making the process more inclusive both in terms of people and ideas[1]:

Idea to *Issue Note*: In December 2022, about six weeks before the Hyderabad Inception Meeting of January 2023, we hosted a two-day huddle with stakeholders representing India's startup ecosystems. They included incubators, accelerators, academia, industry bodies, investors, policymakers and, most importantly, startups. The output of this brainstorm became the Startup20 Issue Note, with which we invited nations to Hyderabad.

Draft Issue Note to *Joint Issue Note*: The Hyderabad Inception Meeting was designed to discuss the Draft Issue Note that had five pillars: *Foundation*, *Alliances*, *Finance*, *Inclusion*, and *Sustainability*. We went into this meeting having formed around each pillar a minimal Taskforce, a core group representing the India ecosystem. These members were either nominated on the basis of their leadership or were elected by India's startup ecosystem. These Taskforces expanded to international membership at the Inception Meeting, which close to 200 delegates from India plus 25 nations attended. They critiqued on whether and how the conceptualization of the taskforces, their objectives, and the expected outcomes needed to change to accommodate what we collectively should aspire for. The result was the Joint Issue Note.

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[1] It is reasonable to acknowledge that the actual implementation is never as crisp as this post-facto account of it. Even so, we could envision a path that would approximate to such a process.

Joint Issue Note to *Working Policy Papers*: Between the Inception Meeting of January and the first side meeting in March 2023, the Sikkim Startup Sabha (*Sabha* is a Sanskrit term for meeting), each Taskforce had international co-chairs and members. They were either the official delegates of the nations who volunteered for one or more Taskforces or, alternatively, the invited leaders of the various national ecosystems who were nominated by the country delegates.[2] By the Sikkim meeting, each Taskforce had outlined a working paper that explored the issues relevant to their topic. At the Sikkim Sabha, 100 delegates from 16 countries participated to finalize the scope and depth of each working policy paper. Over the month of April, policy papers were developed on all five Taskforce topics through weekly virtual calls.

The *convergence half* of Startup20 began in May, with each phase converging towards a consensus-based Policy Communiquè:

- *Working Policy Papers* to *Draft Policy Communiquè:* In May 2023, each Taskforce turned to deriving the *Recommendations* and *Policy Directives* in each of the five areas. This process augmented the empirical findings of the working papers as well as the rich mental models the experts brought to the weekly discussions. The synthesis lea to formulating the *Draft Policy Communiquè.*

- *Draft Policy Communiquè* to *Pubic Consultation*: Draft Communiquè was then put out for public consultation. While the document was open for anyone to submit their comments, Startup20 task forces galvanized the ecosystems in India and other nations to host *Startup Sabha (meets)* to seek feedback on the document from local startup ecosystems. Focused discussions were also hosted with industry and academic

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[2] In this phase, we continued to scout across nations to ensure Startup20 was not missing the important public and private members active across national startup ecosystems.

experts to seek their critique. We received 800 comments from 15 nations.

- *Public Consultation* to *Final Policy Communiquè*: When Startup20 met at Goa for its third meeting in June 2023, the Startup20 Goa Sankalpana (*Sankalpana* is a sanskrit term for collective resolve), 200 delegates from 15 nations joined. The focus and structure of the meeting was to build consensus. We equipped the delegates with two sets of inputs (a) the Draft Policy Communiquè which, as it was public, countries had already seen and commented upon and (b) a list of themes emerging from the Public Consultation. We requested counties to re-formulate, if necessary, their final position for the Heads of Delegation meeting, where the detailed, para-by-para negotiation was held to approve or modify the Recommendations, Policy Directives, and Joint Actions of Startup20 to produce the Final Policy Communiquè.

Policy Communique` (The Goa Sankalpana)

The Startup20 Policy Communiquè was adopted at the Statup20 Shikhar Summit in Gurugram on July 3-4, 2023 with consensus across the participating G20 as well as invited nations. By this point, the conversation felt like a movement with 850 delegates from 22 nations participating. The event marked a new dawn for the Global Startup Ecosystem. Below is the crux of the communiquè.

The G20 nations opened the Communiquè by thanking the Indian Presidency for launching the Startup20 Engagement Group of the G20. The group has recognised the sincere efforts of every G20 nation to support startups, and has proposed a way to weave the national startup ecosystems into a global one to make them an engine of economic growth across the world.

In its inception year, the group has called upon G20 leaders to raise their joint annual investment in the global startup ecosystem

to $ 1 trillion by 2030. To harmonize the global ecosystem, while retaining the autonomy of the national ecosystems and helping startups achieve full potential, the group has recommended (a) adopting a Global Startup Definition Framework and governance, and due diligence standards, (b) creating channels to access global financing, market, and talent, (c) emphasizing inclusive practices to support diverse and under-represented groups, and (d) building capacity to identify and scale startups that address our common challenges such as achieving the Sustainable Development Goals.

To implement these measures, it has proposed building a networked institution of existing nodal agencies across G20 nations. The group has proposed four measures by which its success must be measured in enabling the G20 nations to scout promising startups internationally, fund them collaboratively, mentor them contextually, and scale them globally.

Participation

With an overarching goal of providing startups from G20 nations an equitable voice in the global economic discourse, it was imperative that Startup20 embraced an approach that was deeply participatory. We devised several mechanisms to achieve this goal.

Startup20 developed the Policy Communiquè through an intensely participatory process. Over four physical meetings across Hyderabad, Gangtok, Goa, and Gurugram, more than 500 international delegates from 25 countries and 1000 stakeholders from India participated. More strikingly, our move to open up the Draft Policy Communiquè for public consultation spurred something unexpected. Across India and other nations, over 40 startup meetings sprang up to discuss the document, resulting in over 800 comments from 15 nations. They represented the views of startups, investors, ecosystem builders, policymakers, and more. It would not be an

exaggeration to say thatit was this process which excluded none that made the final step of building consensus painless.

Startup20 built itself up through deeply democratic processes. The very scaffolding comprising five task forces — foundation, alliances, finance, inclusion, and sustainability — emerged through an intensive brainstorm among over twenty five nations at the inception meeting in Hyderabad. Furthermore, the chairs and co-chairs of these task forces were *elected* by the groups. The result was, there was a deep sense of ownership to the task at hand.

Startup20 architected itself to effectively listen to both top-down and bottom-up voices. Early on, the group recognized that, while its Task Forces, where the core policy topics were discussed and developed, comprised of subject matter experts and highly effective leaders, there needed to be a mechanism to hear the voices of the global ecosystems bottom-up, as that is where the real action takes place. To capture this energy, Startup20 created a platform called Startup20x, allowing ecosystems across G20 nations to co-branded and globalize their events. In the words of Mahatma Gandhi, Startup20x is created with the vision of '*Antyoday* 'of the global startup ecosystem. This platform will continue as the presidency moves to Brazil.

With the above measures, participation in Startup20 grew both in scale and scope. What started in Hyderabad with less than 200 delegates ended in Gurugram Summit with over 850 participants. At the Summit, many nations showed up in their full permitted strength of 15 delegates.

Alongside each Startup20 event, there was a showcase of 50 to 200 carefully selected startups representing the great diversity of sectors and geographies they come from. What began in Hyderabad Inception Meeting and continued in Sikkim and Goa as Indian startup showcase turned into an international conclave of startups at the Gurugram Shikhar Summit, where sixty startups from over 15 nations also participated. The Conclave was not just

a showcase; it was designed for startups to engage with investors, policymakers, leading mentors and unicorn founders. By the end, several startups got soft commitments for investments.

Because of the generative spirit of Startup20, we saw its scope expanding in unexpected ways. At the Gurugram Shikhar Summit as an eclectic set of innovate groups, whose work is not often considered mainstream to the startup world, joined in to open new avenues. To mention a few: in a track on *innovation in arts*, scholars and performers exhibited innovations in fields of performing arts. The evening concert at Startup20 featured artists who are not mere performers but are innovators who have transformed their musical instrument or repertoire. Similarly, in a track on *innovation and indigenous identify*, change makers from tribes of India exhibited innovations. A track on *innovations in healing* featured a spectrum of stakeholders who innovate in Ayurveda, Yoga and Naturopathy, Unani, Siddha, and Homeopathy (AYUSH). Finally, a track on Social Impact Unicorns provoked the delegates to consider measuring the unicorn status by whether a startup has socially uplifted millions of people. Each of these endeavours will go forward in some or the other form as we move to Brazil.

Path Forward

Apart from being accepted by the world leaders for continuation in the G20 architecture, perhaps the greatest success for the Startup20 Engagement Group came when Brazil, the country that has the next year's presidency of the G20, announced at the Gurugram Shikhar Summit that they will take the group forward wholeheartedly. The work of Startup20 has already produced several actionable outcomes for us to take forward.

For the first time, the world came together to produce a consensus-based *Startup Definition Framework*. The framework is based on the existing definitions of startups across the G20

countries, the academic literature, and expert consultations. Such a framework is intended to help stakeholders understand what makes an entity a "startup" in different parts of the world and how to "value" it. Demystifying this question is at the heart of addressing the fundamental challenge of bringing startup valuation in line with the real value. The journey ahead is to test the validity of this framework across the diverse startups and its utility in policymaking as well as investment.

Recognising that the true potential of startups will not be realized until when startup ecosystems establish a culture of accountability, transparency, and ethical behaviour at all levels through self-governance, the group has produced a *Startup Governance Framework*. This framework is a comprehensive guide for startup founders to take practical measures to embrace corporate-like governance at early, mid, and mature stages. The framework aspires to ensure that governance need not be an afterthought no matter what is the stage of startup. Success of this framework depends upon how actively startups and other ecosystem enablers adopt it.

Leveraging the existing commitment of G20 nations towards meeting the sustainable development goals (SDGs), the group published a *Framework for Identifying and Guiding SDG-focused Startups*. This framework tackles the important challenge of identifying and fostering startups that are truly SDG-focused and proposes ways to scale them to global impact. The next step is to work towards making this the de-facto framework, voluntarily acceptable to investors.

Acknowledging the importance of including the under-represented groups and communities on one hand, and the challenge of catering to the great diversity of who it is that is considered under-represented on the other, the group has produced a cataloguing of *Inclusive Practices Across G20 Nations* when it comes to building innovation ecosystems. This area needs much work and further

consensus building, as who is "under represented" means different things to different nations and there will not be one-size-fits all.

Finally, to ensure that the above actions are taken consistently and effectively, the group has proposed an *Architecture for a Global Networked Institution*. This framework envisages a three-tired networked institution comprising a Global Network of Centers (GNC) that will weave together the existing regional nodes (RNs) via regional network centers (RNC) that act as their nodal access point or point of contact. Succeeding at this goal is the enduring way to implement the Startup20 agenda.

What Startup20 has achieved over the past six months lays the foundation for the next decade of work in building the global startup ecosystem. Determining whether or not we succeed in the medium to longer term is simple and clear. We would have succeeded if our efforts allow the G20 nations to identify promising startups globally, invest in them collaboratively, mentor them contextually, and scale them to global impact. For the time being, however, the clarity and magnitude of the commitment by G20 as well as invited nations towards the Startup20 Communiquè speaks for itself. What shines through is the power of embracing fully the philosophy undergirding India's G20 Presidency: one earth, one family, one future!

"Our effort will be that there should not be any first world or third world in the world, but only one world. India is working on a vision to bring the whole world together for a common objectives, for a better future."

— Shri Narendra Modi
Hon'ble Prime Minister of India