



भारत 2023 INDIA

## Startup20 India Communiqué Draft Version



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## PREAMBLE:

This document is the first public draft of the Policy Communique` published by the Startup20 Engagement Group of the G20. The group was launched under India's Presidency of The Group of Twenty. This is the first time such an exercise is taking place and will set the benchmark for the way the global startup ecosystem will be structured and will evolve.

The overarching goal of Startup20 is to propose a policy framework that achieves two objectives simultaneously: (a) to harmonize global startup ecosystems to facilitate their working together and (b) to preserve the freedom of national startup ecosystems to grow as they desire.

To achieve its objectives, the Startup20 Engagement Group organized itself into five Taskforces considered critical to creating a thriving global start-up ecosystem: Foundation, Alliances, Finance, Inclusion and Sustainability.

The document to follow presents the Recommendations and Policy Directives that have emerged from the consultative process that included both physical and virtual meetings with over 500 delegates (India and other G20 nations, invitee nations) representing various stakeholders of the startup ecosystems. The proceedings of Startup20 thus far are detailed at:

<https://www.startup20india2023.org/>

The document is organized into five sections: Foundation, Alliances, Finance, Inclusion, and Sustainability. Each section lists the pertinent Recommendations and Policy Directives on which the Startup20 Engagement Group wishes to seek public comments.

By putting up this document for public comments, the Startup20 Engagement Group wishes to ensure that the proposed Recommendations and Policy Directives do indeed reflect the real concerns of the stakeholders of global startup ecosystems, such as startups, investors, ecosystem builders, mentors, policymakers, and more.

The public comments on this document can be submitted via the following link:



<https://forms.gle/Qa84yAtMMFhNDo5H9>



# 1. FOUNDATION TASKFORCE

## IMPORTANCE OF THE FOUNDATION TASKFORCE

Startups have become indispensable to the growth of the global economy. Still, there exists very little harmony in how startups are defined and the policies that support them are designed across nations. Common and stronger startup definitions along with proactive policies for startups can help build better ecosystems across G20 nations. In pursuit of the above, the Foundation Taskforce identified two Recommendations enlisted below.

### **Recommendation 1.1 - Create and adopt a global definition framework for startups across G20 nations**

**Policy Directive 1.1.1:** Encourage multilateral organizations, research organizations, and other relevant stakeholders to adopt a definition framework for consistency in understanding and evaluating startup ecosystems

**Policy Directive 1.1.2:** Align the existing definitions to the definition framework and ensure future alignment with the evolution of both government and private sectors

### **Recommendation 1.2 - Create and adopt a policy framework that strengthens the startup ecosystems within and across G20 nations**

**Policy Directive 1.2.1:** Encourage G20 nations to formulate their respective national startup policies

**Policy Directive 1.2.2:** Adopt best practices from other G20 nations to re-calibrate existing national policies

**Policy Directive 1.2.3:** Re-evaluate and update policies that inhibit the growth of the startup ecosystems

**Policy Directive 1.2.4:** Promote policies that facilitate and encourage startup-centric global trade and investment



## 2. ALLIANCES TASKFORCE

### IMPORTANCE OF THE ALLIANCES TASKFORCE

Alliances are critical for scaling up businesses in domestic as well as international markets. The Alliances Taskforce is focused on addressing challenges confronting startups in expanding across borders, navigating regulatory requirements, accessing mentor networks, finding entrepreneurial talent, and working with corporations and governments. In pursuit of the above, the Alliances Taskforce identified four Recommendations enlisted below.

#### **Recommendation 2.1 - Establish effective channels between the startup ecosystems across G20 nations**

**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

#### **Recommendation 2.2 - Build market access mechanisms for startups from 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

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

### **Recommendation 2.3 - Establish mechanisms to access, nurture, and empower entrepreneurial talent from G20 nations**

**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

### **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 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



## 3. FINANCE TASKFORCE

### IMPORTANCE OF THE FINANCE TASKFORCE

Everyday, more and more startups are coming out with novel products and services for the betterment of society and the planet. But to ensure the success of such ventures a sound and accessible global financing system is crucial. The Finance Taskforce of the Startup20 Engagement Group has deliberated on the various measures available for G20 nations to enable access to capital for startups at various stages of their lifecycle and also to facilitate cross border flow of capital among the member nations. In pursuit of the above, the Finance Taskforce identified four Recommendations enlisted below

#### **Recommendation 3.1 - Target 1-2% of GDP of the G20 nations towards funding the G20 startup ecosystem**

**Policy Directive 3.1.1:** Facilitate the flow of public and private capital into the startup ecosystem by promoting various mechanisms such as Fund-of-Funds (FOF), Corporate Venture Funds (CVC), and University Endowment Funds

**Policy Directive 3.1.2:** Make debt and venture debt products accessible to startups

**Policy Directive 3.1.3:** Allocate funds and grants specifically for sectors that require patient capital

#### **Recommendation 3.2 - Provide incentives and other supportive measures to promote the growth of startup ecosystems, encompassing tax, regulatory, and policy aspects**

**Policy Directive 3.2.1:** Provide a favorable policy environment for startups through tax incentives and other support mechanisms



### **Recommendation 3.3 - Enable measures to ease the cross-border flow of capital across G20 nations**

**Policy Directive 3.3.1:** Develop common minimum G20 Startup Accounting Standards, Governance Standards, and Startup Due Diligence Standards (G20 SAS, G20 GS & G20 SDDS) to facilitate ease of doing cross-border investments

**Policy Directive 3.3.2:** Facilitate startups' access to public capital markets across G20 nations by enabling cross-border listings

### **Recommendation 3.4 - Enable the creation of a Common Engagement Platform among G20 nations to promote collaboration**

**Policy Directive 3.4.1:** Create an organization/platform with rotational leadership to promote active collaboration among the startup ecosystems, share best practices, access innovative and successful ideas, and enable funding options





## 4. INCLUSION TASKFORCE

### IMPORTANCE OF THE INCLUSION TASKFORCE

Despite the proliferation of startups and unicorns worldwide, disparities persist within the startup ecosystem, including gender imbalances, regional disparities, and a divide between rural and urban areas. These barriers are evident even in the early stages of founding a startup, affecting factors such as access to funding, technology, mentorship, networks, and financial stability. Therefore, it is crucial to foster a culture of inclusivity and diversity within the startup ecosystem. Additionally, it is essential to provide support to startups that prioritize the inclusion of under-represented communities through their technology-driven solutions, enabling them to expand their impact and create a global value. In pursuit of the above, the Inclusion Taskforce has put forth the following two Recommendations.

**Recommendation 4.1 - Provide special focus to startups led by entrepreneurs from under-represented communities (women, LGBTQIA+, Persons with Disabilities (PwDs), grassroots entrepreneurs, and other marginalized communities) across G20 nations**

**Policy Directive 4.1.1:** Improve access to capital through financial literacy, flexible funding avenues, and specially formulated fiscal incentives

**Policy Directive 4.1.2:** Create focused incubation and mentorship programs for networking, skill building, and exchange of best practices

**Policy Directive 4.1.3:** Leverage existing policy frameworks to promote innovation and entrepreneurship

**Policy Directive 4.1.4:** Develop and implement forward-looking policies and programs focused on digital literacy, STEM education, emerging technologies, compliances, and IPR protection

**Recommendation 4.2 - Create strategies and mechanisms for startups solving for inclusion**

**Policy Directive 4.2.1:** Extend financial benefits to startups promoting access to healthcare, safety, education, child-care, and other services for women

**Policy Directive 4.2.2:** Promote startups addressing representation, healthcare, access to networks, and other key challenges faced by LGBTQIA+ communities

**Policy Directive 4.2.3:** Strengthen startups developing solutions for PwDs, by creating market awareness and demand, skilling workforce, and increasing product adoption

**Policy Directive 4.2.4:** Promote startups improving access to health, education, livelihood opportunities, and other services for grassroots communities



## 5. SUSTAINABILITY TASKFORCE

### IMPORTANCE OF THE SUSTAINABILITY TASKFORCE

The United Nations' Sustainable Development Goals (SDGs) provide a blueprint for sustainable development that aims to end poverty, protect the planet, and ensure peace and prosperity for all. Startups and entrepreneurs play a crucial role in achieving these goals, driving innovation, and creating new solutions to address complex challenges. It is noteworthy that the potential impact of startups working towards SDGs is enormous, with a \$12 trillion economic opportunity and the creation of 380 million jobs by 2030. In pursuit of the above, the Sustainability Taskforce identified two Recommendations enlisted below.

#### **Recommendation 5.1 - Increase the pipeline of entrepreneurs focused on Sustainable Development Goals (SDGs) across G20 nations**

**Policy Directive 5.1.1:** Increase awareness about entrepreneurship opportunities in pursuit of SDGs

**Policy Directive 5.1.2:** Identify and spotlight key startups/entrepreneurs solving for SDGs

**Policy Directive 5.1.3:** Incorporate and encourage SDGs-driven entrepreneurship for undergraduate and post-graduate educational institutions (including Vocational Training Institutes/Community Colleges/ equivalent)

**Policy Directive 5.1.4:** Provide early-stage, high-risk, flexible funding for startups focused on SDGs to innovate and establish themselves

#### **Recommendation 5.2 - Support the scalability of startups focused on SDGs across G20 nations**

**Policy Directive 5.2.1:** Curate a framework to identify startups focused on SDGs

**Policy Directive 5.2.2:** Develop a capital inflow framework for startups focused on SDGs including patient capital and options for longer-term grant/debt/equity

**Policy Directive 5.2.3:** Build a supportive ecosystem for startups focused on SDGs through incubation, mentorship, and knowledge exchange

**Policy Directive 5.2.4:** Enable networks for market access and trade opportunities for startups focused on SDGs





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