

JUNE 2018



# Looking Back, Looking Forward

## -Lima

*Executive Summary*

REAP TEAM LIMA | COHORT 4

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## EXECUTIVE SUMMARY

The Peruvian innovation-driven entrepreneurial (IDE) ecosystem is vibrant yet young and underdeveloped. While it is among the world's top ten countries with most entrepreneurial intentions, its low levels of education, Research and Development (R&D) expenditures (public and private) for the region, and underdeveloped platforms for science, technology and innovation render the ecosystem as one with many opportunities for improvement.

Utilizing MIT Regional Entrepreneurship Acceleration Program (REAP) frameworks, Team Lima identified the Peruvian economy as efficiency driven yet lacking as innovation driven. The four challenge areas to boosting the IDE ecosystem of Peru are:

1. Promoting an innovation culture.
2. Strengthening innovation infrastructure and human capital.
3. Improving the entrepreneurial skills of Peruvians.
4. Increasing public and private R&D investment.

MIT REAP Team Lima further identified biodiversity as Peru's regional competitive advantage. Peru is one of the world's most biodiverse countries however it is not at its full potential in terms of exports, business models, and research around biodiversity. Moreover, a strategic approach focused on biodiversity encourages dispersed innovation efforts throughout the country and avoids concentrating in one metropolitan market to benefit from innovation initiatives. Thus, the articulated vision moving forward is to foster an articulated IDE ecosystem with a long-term focus on sustainable biodiversity.

To promote the technological and commercial development of Peru's natural resources, the objectives of Team Lima's strategy are:

1. To connect the ecosystem actors.
2. To improve the entrepreneurial capacity of Peru
3. To improve the innovation capacity.

These objectives address Peru's most prevalent pain points, weak infrastructure and human capital, as well as cost barriers in the risk-averse culture towards innovation. The MIT REAP program implementation of Must Win Battles (MWB)<sup>1</sup> aligned priorities across government ministries to create project grant financing programs and capacity building initiatives benefiting all stakeholder groups. Team Lima engaged stakeholders across groups identified as Entrepreneurs, Accelerators and Incubators, Academia, Government, and Corporations. The stakeholders in each group committed to roles and activities that support across the four challenge areas.

Peru aspires to have a thriving IDE ecosystem where all actors understand their supporting role and are empowered to grow new innovative activity in Peru. Team Lima launched six

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<sup>1</sup> MWB is a project that a team chooses to focus on that has the potential to accelerate the ecosystem, sharpen the common agenda and create shared measures. MWBs always align with the overall REAP strategy of the team.

MWB's with plans underway with Experiment Perú; a new government program that seeks to attract foreign talent (research laboratories, entrepreneurs, researchers, startups, and students) to work on challenges in Peru. The six MWB initiatives are:

1. Bio Challenge: US\$3.5 Million in grants for innovations that promote the technological and commercial development of Lima's natural resources. (September 25, 2017)
2. Grants for Regional Ecosystems: Grants to accelerate four IDE ecosystems outside Lima following the REAP frameworks and strategy. (August 2018)
3. Workshop for regional universities: Three-day workshop on accelerating regional ecosystems in Peru. (February 2018)
4. Start Up Peru Summit: 3-day event that includes all the ecosystem stakeholders and promotes a collaborative environment. (December 12-14, 2018)
5. Corporate / startup matchup: Event within Start Up Peru Summit that aimed at connecting startups with companies. (December 12, 2018)
6. Hackathon AGROHACK. Hackathon attended by some 700 experts and scientists to discuss biodiversity and food security in Cusco, Peru. (May 27-28, 2018)

In order to ensure sustained activities, Team Lima is considering partnering with new or established organizations to serve as a backbone organization that is dedicated to IDE integration and new ecosystem MWB's in Peru.