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GLOBAL ECONOMIC TRANSFORMATION | SNAPSHOT

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Brazil's Central Única das Favelas uses two decades of community networks to connect favela entrepreneurs with business schools, investors and public institutions, coordinating the support that training alone cannot provide.

Key insights

Address several constraints at once

entrepreneurship support may need to address several constraints at the same time rather than focusing only on training.

Community intermediaries extend institutional reach

community-based intermediaries can help outside institutions reach entrepreneurs and better understand local conditions.

Coordination without a single provider

coordination does not require one organization to provide every service. CUFA's role is valuable because it leverages its community embeddedness, but then connects different organizations and resources around local entrepreneurs.

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Brazil's 2022 Census identified 12,348 favelas and urban communities across 656 municipalities. More than 16 million people live in these communities, representing about 8 percent of the national population (IBGE, 2024).

Entrepreneurship is common in these communities, but the conditions are different from those assumed by many formal business programs. Pereira et al. (2017) studied microentrepreneurs in Rocinha and compared their practices with the models promoted by formal entrepreneurship programs. They find that many businesses grew by adapting to the resources and relationships available around them rather than following formal planning models. While this study focuses only on Rocinha and its findings may not be relevant for every favela, it still points to an important problem: business support programs can often fail to address the models and principles with which local entrepreneurs actually work.

The organizations behind the Favela Business School identified similar barriers. Entrepreneurs did not only need management skills and the challenge, therefore, is not simply a lack of training. Entrepreneurs may also need better access to markets, finance, networks, and institutions that are often outside their immediate communities (IBGE, 2024; Pereira et al., 2017). They also faced difficulties reaching investors, accessing credit, entering wider business networks, and communicating their businesses to institutions outside the favela. This made the challenge broader than training alone (Favela Fundos, CUFA & FDC, 2023).

In this context, the Central Única das Favelas (CUFA) offers a different approach. CUFA has worked in Brazilian favelas for more than two decades and has built strong community networks. It now uses those networks to identify entrepreneurs and connect them with business schools, investors, companies, and public institutions. Initiatives such as Expo Favela and the Favela Business School combine training with access to finance, visibility, and business networks. CUFA's model demonstrates how a community organization can help coordinate support around entrepreneurs that traditional institutions are often unable to reach.

The CUFA Model

CUFA's main contribution is its connection to the communities where these entrepreneurs live and work. A business school or investment fund may have technical knowledge or capital, but it does not necessarily have the local relationships needed to find entrepreneurs and understand their context.

CUFA fills part of that gap. It mobilizes entrepreneurs through networks developed over years of work in favelas. It also brings local knowledge into the design of programs. This includes how entrepreneurs are approached, the language used in training, and the types of challenges programs are designed to address. A recent study by Fonseca (2025) helps explain this role. The research included interviews

with 16 CUFA members and a review of the organization's public communications. It describes CUFA as an organization that operates between favela communities, the private sector, and the state. CUFA maintains its community presence while building partnerships with companies and public institutions.

Expo Favela became one of the main entry points into this model. Launched in 2022, this is a fair designed to identify businesses and startups from favelas and connect them with a wider business audience. In the first edition, 300 entrepreneurs were selected to exhibit after an application and screening process. Before the event, entrepreneurs received mentoring to prepare their businesses and presentations. The fair brought together entrepreneurs, investors, companies, and other organizations. It attracted around 33,000 visitors and included 500 exhibitors. A panel then selected ten businesses for a more intensive next stage (Favela Fundos, CUFA & FDC, 2023).

Those ten entrepreneurs became the first group of the Favela Business School. The School was created by CUFA, Fundação Dom Cabral (FDC), and Favela Fundos, which each organization playing a different role. CUFA was responsible for reaching and mobilizing entrepreneurs and bringing knowledge of the favela context to the program. FDC developed the business education. Favela Fundos connected entrepreneurs with investors, credit, and other financial opportunities. The three organizations also created a shared governance structure for the program (Favela Fundos, CUFA & FDC, 2023).

The first ten participants received 54 hours of training, including 15 hours of mentoring. Topics included management, finance, innovation, marketing, sales, and people management. A second group of 136 entrepreneurs later participated in a shorter digital program. Across the first two groups, the School reported 146 participants, 57.5 hours of classes, and 19 hours of mentoring.

But training was only one part of this program, which also aimed to connect participants with the Favela Fundos investor network and microcredit opportunities. The idea was to move entrepreneurs through several stages. First, CUFA and Expo Favela helped identify them. Then they received training and mentoring. After that, they could be connected to finance, investors, and broader business networks.

This is where the coordination function becomes increasingly critical. CUFA does not become an investment fund, and FDC does not need to build its own community network. Favela Fundos does not need to find every entrepreneur on its own. Each partner plays its specific role, but their resources are connected around the same group of entrepreneurs.

The model can also connect entrepreneurs with support from institutions outside the original partnership. In Paraíba, for example, the state government used the 2023 Expo Favela process to select ten businesses for R$400,000 in public funding and pre-incubation support. The example does not show that Expo Favela caused these businesses to perform better. It does show how the platform

can help outside institutions identify entrepreneurs and direct resources toward them.

The division of roles is central to the model. CUFA's value stems partly from the fact that, as a community based partner, it can reach entrepreneurs that outside institutions may struggle to engage directly. Its partners then contribute capabilities that CUFA does not have itself. This makes the model different from a program in which one organization enters a community and delivers a fixed service. Here, the intermediary helps build a pathway across several institutions. Community access, education, finance, and market connections remain in different organizations, but entrepreneurs can move between them through a shared structure.

Role	Actor	Main function
Community intermediary	CUFA	Identifies and mobilizes entrepreneurs and connects them with external partners
Education partner	Fundação Dom Cabral	Provides business education and mentoring
Finance partner	Favela Fundos	Connects entrepreneurs with investors, credit, and financial opportunities
Business platform	Expo Favela and partners	Provides visibility, networking, and connections to markets and investors

Evidence and Open Questions

The evidence available is strongest on how the model works and how many entrepreneurs it reaches. Expo Favela has created a platform for identifying businesses from favelas and connecting them with investors and companies. The Favela Business School provides more detailed evidence on the next stage of support, including training, mentoring, and links to finance. There is also anecdotal evidence about entrepreneurs who continued to grow after participating in Expo Favela. Todas por Uma, an app designed to support women experiencing violence, won the first Expo Favela challenge. By early 2024, its founder reported around 30,000 users. Mazodan, which won the 2023 challenge, later continued to receive innovation support from other institutions.

These examples are useful, but they also show why attribution is difficult. Since both businesses participated in other accelerators and support programs, their later progress cannot be attributed solely to CUFA or Expo Favela. In fact, this may be part of the model. Expo Favela may work as one

node in a larger network of organizations that support entrepreneurs at different stages. On the other hand, the Favela Business School data show that the program was implemented and that entrepreneurs received training and mentoring. But they do not tell us whether participants later had higher revenues, created more jobs, survived longer, or gained more access to capital than similar entrepreneurs who did not participate.

The research reviewed for this snapshot did not identify an independent impact evaluation of CUFA's entrepreneurship programs, Expo Favela, or the Favela Business School. This is the main evidence gap. While its longer-term economic effects are not completely clear, CUFA's implementation model still offers insights about how local entrepreneurship may be supported.

CUFA shows how a community organization can connect entrepreneurs with resources that sit outside their immediate networks. Its local presence helps it identify and engage entrepreneurs, while partnerships bring in business education, finance, investors, and market connections.

Three lessons stand out. First, entrepreneurship support may need to address several constraints at the same time rather than focusing only on training. Second, community-based intermediaries can help outside institutions reach entrepreneurs and better understand local conditions. Third, coordination does not require one organization to provide every service. CUFA's role is valuable because it leverages its community embeddedness, but then connects different organizations and resources around local entrepreneurs.

The open question is whether these connections lead to lasting improvements in business growth, employment, and access to finance. The model is clear. Its long-term impact still needs to be tested.

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