

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

REGIONAL

PUENTE LABS
CREATING A BRIDGE FOR LATIN AMERICA AND THE CARIBBEAN (LAC)
ENTREPRENEURS TO SCALE

(RG-T2852)

DONORS MEMORANDUM

This document was prepared by the project team comprised of: Susana Garcia-Robles (MIF/KEC) Team Leader, Paula Auerbach (MIF/CEC), Co-Team Leader, Maritza Vela (MIF/KEC), Caitlyn McCrone (MIF/KEC), and George Rogers (GCL/GCL).

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PROJECT SUMMARY

PUENTE LABS

CREATING A BRIDGE FOR LATIN AMERICA AND THE CARIBBEAN (LAC)

ENTREPRENEURS TO SCALE

(RG-T2852)

The ecosystem to help innovative start-ups from Latin America and the Caribbean (LAC) achieve scale and become sources of knowledge-economy (KE) job creation requires substantial strengthening. To date, there have been very few LAC companies that have been able to scale, as demonstrated by the low number of significant exits generated in the region. The MIF has witnessed innovative companies with high growth potential remain unable to raise funding and/or fail in the implementation phase simply due to lack of seasoned know-how.

This project seeks to support LAC entrepreneurs grow their businesses so they can become sources of accelerated KE job creation. Through this project, PuenteLabs (PL) will unlock resources, both talent and capital, from Silicon Valley to support and invest in LAC companies. Specifically, PL will offer entrepreneurs access to the relevant knowledge and right connections that can help them expand their companies, as well as assist them in securing international growth funding to become high-growth businesses. PL will focus on developing their network and education platform in areas that will have long term innovation cycles and thus can be leveraged to drive significant economic and social impact in the region. PL's thesis is that capital alone will not solve the problem of LAC companies not achieving scale. Founders need access to certain skills and mentorship, as well as capital coming from international funds in order to build global companies.

PL is the first initiative of its kind for LAC entrepreneurs in SV. The proposed instrument to finance PL's activities is also very innovative. The MIF will provide a Contingent Recovery Technical Cooperation that will be reimbursable unless PL is able to meet certain targets that are of interest to the MIF.¹

The project is expected to have the following results at the end of year 6th: i) 2,000 KE-jobs created by companies supported through PL's Connect and Launch phases; ii) PL's community grows by 10x; iii) 7,300 people (entrepreneurs and other ecosystem actors) utilized knowledge via PL's Educate platform; iv) 988 programs/meetings about LAC organized for SV ecosystem; v) 25 meetings generated for entrepreneurs through Connect; vi) 4,500 participants in programs organized for government/corporate delegations through Connect; vii) At least 27 companies have been supported through Launch Assist during six years of operation; and viii) \$75 million dollars have been raised by companies supported through Launch Assist during six years of operation.

The project is aligned with IDB/CTI's strategic pillars, as it seeks to contribute to: i) increased investment in technology and innovation coming from LAC, to reduce the gap with more advanced economies; ii) access to adequate financing in technology and innovation for businesses, particularly for startups; iii) advance the availability of high-skilled human capital, namely entrepreneurs and engineers; iv) improvement in the environment for business and innovation, linking the actors in the innovation system.

The MIF's financing will strengthen PL's model in order to pave the way for its consolidation and scale, helping bridge the knowledge, advisory/mentoring support, and financing gap facing growth-stage enterprises in LAC. PL can be a nexus and broker of knowledge for other MIF projects supporting entrepreneurial and innovation ecosystems in the region, connecting the dots across countries and industries, and helping them to scale.

¹ Please see Section 4 for more information on the Contingent Recovery Technical Cooperation.

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INFORMATION AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF MIF PROJECT INFORMATION SYSTEM

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ACRONYMS AND ABBREVIATIONS

DNA	Diagnostic of Executing Agency Needs
IDB	Inter-American Development Bank
IIC	Inter-American Investment Corporation
KE	Knowledge-Economy
LAC	Latin America and the Caribbean
MIF	Multilateral Investment Fund
MM	Millions dollars
PL	PuenteLabs
SV	Silicon Valley
TC	Technical Cooperation
VC	Venture Capital
\$	US Dollars

PROJECT INFORMATION

PUENTE LABS

CREATING A BRIDGE FOR LATIN AMERICA AND THE CARIBBEAN (LAC)

ENTREPRENEURS TO SCALE
(RG-T2852)

Country and Geographic Location:	Regional: potencial countries may include Argentina, Brazil, Chile, Colombia, Ecuador, Mexico and Uruguay.		
Executing Agency:	PuenteLabs		
Focus Area:	Knowledge Economy		
Coordination with Other Donors/Bank Operations:	Other potential donors include: Government of Argentina, Government of Mexico, and Silicon Valley Bank. Other partners include: Samsung Global Innovation Center, NXTPLabs, Storm Ventures, Emergence Capital, Gunderson Dettmer, Valor Capital Group.		
Project Clients:	7,300 entrepreneurs and other ecosystem actors will utilize knowledge via PLs Educate platform. 4,500 participants in programs organized for government/corporate delegations through Connect. At least 27 companies will be supported through Launch Assist.		
Financing:	Contingent Recovery Technical Cooperation:	\$ 600,000	
	TOTAL MIF FUNDING:	\$ 600,000	39%
	Counterpart:	\$ 950,000	61%
	TOTAL PROJECT BUDGET:	\$ 1,550,000	100%
Execution and Disbursement Period:	72 months of execution and 36 months of disbursement.		
Special Contractual Conditions:	Special conditions precedent to first disbursement will be: i) PL hires a project coordinator; ii) PL selects a management information system that ensures data collection and monitoring of all the agreed indicators; and iii) PL presents commitment letters for at least 50% of the counterpart funding needed to finance the next three years of operations.		
Environmental and Social Impact Review:	This operation was screened and classified as required by the IDB's safeguard policy (OP-703) on September 26 2016. Given the limited impacts and risks, the proposed category for the project is C.		

1. THE PROBLEM

A. Problem Description

- 1.1 The ecosystem to help innovative start-ups from Latin America and the Caribbean (LAC) achieve scale and become sources of knowledge-economy (KE) job creation requires substantial strengthening. To date, there have been very few LAC companies that have been able to scale, as demonstrated by the low number of significant exits generated in the region. The MIF has witnessed innovative companies with high growth potential remain unable to raise funding and/or fail in the implementation phase simply due to lack of seasoned know-how.
- 1.2 In a recent survey carried out by the MIF amongst its Seed and Venture Capital (VC) portfolio funds, nearly 70% of the managers surveyed indicated that fundraising is an issue in LAC. They indicate that only a few, or in some cases none, of their portfolio companies were able to reach their fundraising targets, estimated at nearly a shortage of \$680 M. Close to 72% of those managers indicated that these very same companies have high growth potential, but due to the lack of available funding in the regional market, find themselves unable to support their expansion and catalyze KE job creation due to the risk aversion profile of most LAC investors.
- 1.3 Founders of early-stage companies face two main challenges to scale:
- 1.4 *Lack of technical knowledge and international business culture:* Many investors, from both LAC and Silicon Valley (SV), have repeatedly mentioned that entrepreneurs from LAC lack certain cultural awareness and technical skills to navigate the global environment, and these become barriers for the growth of their companies. Examples include: lack of a big vision for their companies, a mindset that doesn't encourage risk or deals well with failure, lack of understanding of how to pitch to VC investors outside their countries, awareness of how to make the most of technology within their companies (CRM, Sales, tech development, UI/UX design, etc.), among others. There is considerable information in print and on the web on these topics in English, but not necessarily in Spanish and Portuguese.
- 1.5 *Lack of resources, namely a robust network and capital:* It is hard for LAC entrepreneurs to access mentors, advisors, and angel investors that have relevant experience to help them grow their companies to \$50-\$100M in annual revenues. In addition, many LAC start-ups also lack the capital during the "pivot" pre-Series A growth stage, which is typically in the \$500K-2M range. Many Latin American financial institutions have not yet adapted their product offering for technology-based, rapid growth companies. In fact, in the survey cited above, some VC investors mentioned Banks requiring real guarantees in order to provide financing to these early-stage companies. As for VC funding, in terms of magnitude, volumes in LAC are behind when compared to other developed economies. Although there are strong VC Fund Managers in LAC, their funds are mainly focused on regional or single country growth, and the volume of deals currently in the region is small in comparison to the US (\$2.7 B in 10 years in LAC vs. \$15 B in the US in one quarter).

2. THE SOLUTION

A. Project Description

- 2.1. **Objective.** The objective of the project is to support LAC entrepreneurs grow their businesses so they can become sources of accelerated KE job creation. Through this project, PuenteLabs (PL) will unlock resources, both talent and capital, from Silicon

Valley to support and invest in LAC companies. Specifically, PL will offer entrepreneurs access to the relevant knowledge and right connections that can help them expand their companies, as well as assist them in securing international growth funding to become high-growth businesses.

- 2.2. **Model/solution proposed.** PL's thesis is that capital alone will not solve the problem of LAC companies not achieving scale. Founders need access to certain skills and mentorship, as well as capital coming from international funds in order to build global companies.
- 2.3. PL's founders have first-hand experience helping LAC companies get the right connections and successfully raise capital in the region and the US. In 2015 alone PL generated 500 meetings for LAC entrepreneurs, 300 of those in the US, and helped 25 companies raise capital, investing directly through a syndicate in four of those which raised over \$40 M. Based on this experience they have created a model with three pillars Educate, Connect and Launch/Assist. PL allows companies to access any or all of these services depending on their stage.
- 2.4. *Component I: Educate - Provide a curated online content platform about entrepreneurship and VC best practices.* The platform will target key audiences in the region: University students, startup founders, employees and established executives looking at innovation within larger organizations. Initially, the platform will start-off by organizing live webinars, seminars and round table meetings on relevant topics for the region's audiences, including specific challenges faced by LAC entrepreneurs. In parallel, PL will also develop an online platform with curated and relevant content in English, Spanish and Portuguese. The team has had initial conversations with Google, YouTube, Tec de Monterrey, Stanford, and others to create this online platform and potentially include a LAC channel with video content. As part of this pillar, PL will also develop content and programs to educate SV about the opportunity presented by the region's entrepreneurs, in order to help drive investment to LAC. The Educate platform will be free and over time, some revenue will be generated through additional functionality such as online sponsorship (e.g. private organizations sponsoring a formal curriculum), online content directory (e.g. Crunchbase), and potential job placement fees or listings from employers (e.g. Angel List).
- 2.5. *Component II: Connect – Foster relevant connections between LAC entrepreneurs, companies and governments to Silicon Valley.* Through this component PL will connect entrepreneurs and governments/corporates from the region to SV. For entrepreneurs, the services under this component can range from the use of a desk for a business trip or a permanent office in San Francisco, to initial connectivity to the SV ecosystem. Depending on the company (usually companies at an early-stage) and after an initial meeting with one of PL's staff, PL could provide the following services: i) hiring/interviewing executives on the entrepreneurs' behalf; ii) strategy advice; iii) meetings with potential mentors; and vi) meetings with customers and executives that can help provide feedback on go-to-market strategies, product or value proposition validation, and talent recruitment. This pillar also includes networking events with PL's mentors, investors and advisors. So far, PL has formed a network of over 100 high-caliber mentors based mostly in SV and NY that are willing to engage with these companies. In 3 years, PL expects their mentor network to triple and include Argentina, Brazil, Chile, Colombia, Mexico and other LAC countries. PL will not charge entrepreneurs for these services: networking events are free, as well as advice and the initial connectivity. In addition to the services provided to entrepreneurs, through the Connect pillar, PL will also create tailored programs for government and corporate delegations that are implementing strategies to promote entrepreneurship and VC/Seed

in their countries. These programs could be industry specific (e.g. fin-tech) or general understanding of the industry (e.g. policies that drive innovation). The creation and organization of these programs will require a fee.

- 2.6. *Component III: Launch Assist - help LAC start-ups achieve a path to profitability and raise Series A funding.* If the “connect” phase goes well, then the founder will meet with other members of PL’s Board and be formally evaluated. This is a more in-depth phase in which there is a commitment to introduce the founders to investors for a Series A, referring or interviewing employees or co-founders, and pairing them with mentors to get engaged in the company in a more meaningful way. The five main criteria for evaluation are: strategic fit, market size, product market fit, competitive landscape, financial profile and team. Through this component, PL would provide the connection to international funds that are headquartered in SV and could potentially unlock significant capital from these investors towards the region.
- 2.7. *Component IV: Community.* The creation of PL was driven by the desire of a small group of LAC entrepreneurs and investors to “give back” to the region. PL’s founders would like to expand that small group by connecting the large but fragmented LAC diaspora in SV and building a community of LAC entrepreneurs, investors and executives from SV and the region, which becomes a strong source of learning, teaching, mentoring and support for LAC entrepreneurs. PL will be able to leverage this community, which will include VC firms, law firms, accounting firms and leading SV companies, to support all three of its pillars. PL envisions that several of these will become sponsors of the organization, thus creating sustainability for its programs in the long-term.
- 2.8. Although PL is open to companies from all industries, they will focus on developing their network and education platform in areas that will have long term innovation cycles and thus can be leveraged to drive significant economic and social impact in the region: All Things Digital, Artificial Intelligence/Deep Learning and Global Nutrition.
- 2.9. **Innovation.** PL is the first initiative of its kind for LAC entrepreneurs in SV. Indian entrepreneurs set up a similar initiative in 1992 which has been very successful: [TiE](#), the Indus Entrepreneurs. TiE brings together the entrepreneurial community and hosts nearly 50 events each year. For years Indian entrepreneurs have had this soft-landing including networking events, referrals to companies, and leading entrepreneurs offering advice to the next generation of founders coming to SV. The proportion of Indian-founded startups that have presence in SV has increased from 7% in 1995 to 15.5% in 2005.
- 2.10. The proposed instrument to finance PL’s activities is also very innovative. The MIF will provide a Contingent Recovery Technical Cooperation that will be reimbursable unless PL is able to meet certain targets that are of interest to the MIF. This model aims at aligning the MIF and PL’s incentives during the execution of the project: the MIF accomplishes key targets and PL reduces the repayments of the TC if they deliver these targets.²

B. Project Results, Impact, and Monitoring and Evaluation

- 2.11. **Results.** The project is expected to have the following results at the end of year 6th: i) 2,000 KE-jobs created by companies supported through PL’s Connect and Launch phases; ii) PL’s community grows by 10x; iii) 7,300 people (entrepreneurs and other ecosystem actors) utilized knowledge via PLs Educate platform; iv) 988

² Please see Section 4 for more information on the Contingent Recovery Technical Cooperation.

programs/meetings about LAC organized for SV ecosystem; v) 25 meetings generated for entrepreneurs through Connect; vi) 4,500 participants in programs organized for government/corporate delegations through Connect; vii) At least 27 companies have been supported through Launch Assist during six years of operation; and viii) \$75 million dollars have been raised by companies supported through Launch Assist during six years of operation.

- 2.12. The project will also track the following indicators: i) type of support given to entrepreneurs/companies³; ii) entrepreneurs supported by country of origin and by ratio women/men; iii) percentage of companies supported vs. companies screened for the Connect and Launch Assist phases; iv) quantity and type of content (e.g. videos, articles, blogs, etc.) created or curated by PL, among other indicators.
- 2.13. **Impact.** The project will track the following indicators at the impact level: i) number of KE-jobs created by companies supported through the Connect and Launch Assist phases and ii) revenues generated by companies supported through the Connect and Launch Assist phases.
- 2.14. **Monitoring and Evaluation.** PL will expand its internal management information system to allow them to collect and monitor key data from its member-community and its beneficiaries, starting with their registration to PL and continuing through the services they provided or benefited from. PL will also collect data regarding their performance, including services delivery, relevance, etc. After year-three of implementation, and for three years, the project will also finance the hiring of an independent auditor that will issue annual status reports on the targets agreed upon, which will determine whether PL is eligible for a discount. In addition to PL's internal monitoring system, PL will also report on project results through an extended PSR.

3. ALIGNMENT WITH IDB GROUP, SCALABILITY, AND PROJECT RISKS

A. Alignment with IDB Group

- 3.1. The project is aligned with IDB/CTI's strategic pillars, as it seeks to contribute to: i) increased investment in technology, and innovation coming from LAC, to reduce the gap with more advanced economies; ii) access to adequate financing in technology and innovation for businesses, particularly for startups; iii) advance the availability of high-skilled human capital, namely entrepreneurs and engineers; and iv) improvement in the environment for business and innovation, linking the actors in the innovation system.
- 3.2. The IDB Demand Solutions Initiative- an annual event that unites some of the most creative minds in the world in the start-up space (entrepreneurs, investors, and public & private institutions) already having taken place in SV this past June, can continue to fuel the pool of entrepreneurs who could benefit from PL's programs. Those participating in PL programs will also be more prepared to actively engage and contribute to Demand Solutions community.

B. Scalability

- 3.3. **Path to scale.** The MIF's financing will strengthen PL's model in order to pave the way for its consolidation and scale, helping bridge the knowledge, advisory/mentoring

³ Types of services/support include: i) PL hiring/interviewing executives on entrepreneurs' behalf; ii) PL strategy advice; iii) PL networking events; iv) meetings with potential mentors; v) meetings with customers and executives that can help provide feedback on go-to-market strategies, product or value proposition validation, talent recruitment; vii) PL investor presentation and fund-raising advice; viii) meetings with angels and VCs.

support, and financing gap facing growth-stage enterprises in LAC. To ensure the scalability of its activities and their increased impact on the region's entrepreneurs, PL is currently active in talks/negotiation to secure the early support of both public and private partners. On the public side, PL's has had conversations with the Governments of Argentina and Mexico to receive counterpart funding for this project; and on the private side, PL is in talks with companies like Silicon Valley Bank. PL has also secured strong private partners for the implementation of its activities such as Samsung Global Innovation Center, Storm Ventures, Emergence Capital, Gunderson Dettmer or Valor Capital Group. PL will continue securing its path to scale through a strong outreach effort during the implementation phase by engaging LAC diaspora in SV that could be engaged as sponsors and act as leverage for its three pillars. In addition to LAC's diaspora, and since PL's work helping entrepreneurs and start-ups throughout LAC gain access to SV knowledge and resources is unique, it can also be of interest to several organizations focused on innovation, entrepreneurship and economic development in the region (e.g. INADEM, RutaN, InnPulsa, CORFO, etc.), including the IDB Group.

- 3.4. PL can be a nexus and broker of knowledge for other MIF projects supporting entrepreneurial and innovation ecosystems in the region, connecting the dots across countries and industries, and helping them to scale: Caribbean entrepreneurs supported through TEN Habitat and the Branson Center, Xcala angel investors, Guatemalan, Nicaraguan, Peruvian and Uruguayan entrepreneurs from MIF supported projects, among others.
- 3.5. The project will support a number of activities under the Community component that will aim at solidifying PL's community in SV and throughout the region, in order to secure implementation and financial support of PL's activities in the long term. PL plans to drive engagement via email newsletters, a member blog, bulletin board featuring LAC startups, member-to-member connections and workshops or events, in order to develop a data driven culture to drive awareness, action plans and concrete results.

C. Project Risks

- 3.6. **Counterpart funding.** PL might fail to secure the rest of the project's counterpart funding. In order to mitigate this risk, PL has already engaged with a number of potential sponsors such as the Government of Argentina and Silicon Valley Bank.
- 3.7. **Traction amongst LAC entrepreneurs.** PL might not generate enough traction amongst entrepreneurs in the region. Despite having been created recently in 2015, PL has already raised significant awareness throughout the region and currently has a pipeline of 130 companies for its Connect and Launch Assist phases. With more resources to strengthen their outreach in the region, PL will likely be able to secure enough pipeline of LAC companies over the coming years.
- 3.8. **Relevant mentors/advisors for LAC entrepreneurs.** PL might not be able to secure enough relevant mentors/advisors for these companies. After their one-year experience operating under PL, the founders have been able to secure over 100 high-caliber mentors that are willing to engage with LAC companies, and they have refined what are the most common challenges that LAC entrepreneurs face to grow. This will likely ensure the content and connections generated are relevant for entrepreneurs.
- 3.9. **Management of PL.** PL is a new organization and the team is currently only comprised by the founders who, although dedicating most of their spare time to the organization, have other work obligations. In order to mitigate this risk, PL is currently carrying out a

selection process for a project coordinator who will be dedicated to the implementation of the project solely, and plans to hire a technical team in 2017.

- 3.10. **Project results.** PL might not achieve the targets agreed upon in the project. This risk is mitigated through the repayment mechanism incentives, since there is no obligation to repay if the project is successful.

4. COST AND FINANCING

- 4.1. The project has a total cost of \$1.55MM, of which \$600,000 (39%) will be provided by the MIF, and \$950,000 by the counterpart (61%).
- 4.2. Through this project the MIF will support the strengthening and consolidation of PL's model, including: (i) awareness raising, knowledge sharing, platform and content development for the Educate platform; (ii) building partnerships and solidifying the methodology for the Connect and Launch Assist phases; and (iii) systematizing how data on entrepreneurs is collected and analyzed.
- 4.3. **Instrument.** As mentioned in Section 2, in order to align the MIF and PL's incentives during the execution of the project, the MIF will provide PL with a Contingent Recovery Technical Cooperation to finance its activities during the next three years. Essentially, the MIF will provide a TC that is to be reimbursed, unless PL is able to meet certain predetermined targets that are of interest to the MIF during the implementation of the project. The achievement of those KPIs/targets by PL will trigger discounts that could reduce the repayment of the TC to zero.
- 4.4. *Period.* The final maturity of the Contingent Recovery Technical Cooperation is six years (72 months).
- 4.5. *Disbursements.* The Contingent Recovery Technical Cooperation will be disbursed in a period of up to three years according to the financial needs of the project. There will be conditions precedent to the first two disbursements. The first disbursement will be conditioned to: i) PL hiring a project coordinator; ii) PL selecting a management information system that ensures data collection and monitoring of all the agreed indicators; and iii) presenting commitment letters for at least 50% of the counterpart funding needed to finance the next three years of operations. The second disbursements will be conditioned to: i) PL having implemented its management information system; and ii) launched the Educate platform.
- 4.6. *Repayment and discounts.* This model would consider a grace period of three years for PL (i.e. a number of years to execute the project and achieve results) and a subsequent repayment period of three years. During the repayment period an independent consultant/auditor would issue annual status reports on the status of the targets agreed upon and determine whether PL is eligible for a discount. The discount would be triggered if PL achieves 80% to 100% of the targets previously agreed upon and would not increase if PL achieves more than 100% of the targets. The maximum amount of the discount equals the full amount of the Contingent Recovery Technical Cooperation, that is if PL delivers on all the targets agreed, the repayment would be equal to zero. The total discount will be evenly distributed during the repayment period (years 4th, 5th and 6th), and the achievement of each target will be tied to a fixed discount amount.
- 4.7. *Targets and discount.* The targets that will trigger the discount each year are the following:

	Year 4		Year 5		Year 6	
	Target	Discount	Target	Discount	Target	Discount
People (entrepreneurs and other ecosystem actors) utilize knowledge via PLs Educate platform	2,500	\$50,000	4,000	\$50,000	7,000	\$50,000
Meetings generated for entrepreneurs through Connect	20	\$75,000	25	\$75,000	25	\$75,000
Amount raised by companies supported through Launch Assist	\$15MM	\$75,000	\$20MM	\$75,000	\$25MM	\$75,000

4.8. PL's total budget for the next three years is \$1.55MM. The MIF would provide a \$600,000 Contingent Recovery Technical Cooperation over three years as follows:

Project Components	MIF	Counterpart	Total
Component 1: Educate	228,450	97,050	325,500
Component 2: Connect	115,500	93,000	208,500
Component 3: Launch	137,250	27,750	165,000
Component 4: Community	60,000	60,000	120,000
Monitoring & Evaluation	20,480	10,320	30,800
Administrative and Operational Management	0	648,000	648,000
Ex Post Reviews – External Audit	18,000	0	18,000
Contingencies	20,320	13,880	34,200
Grand Total	600,000	950,000	1,550,000
% of Financing	39%	61%	100%

5. EXECUTING AGENCY AND IMPLEMENTATION STRUCTURE

A. Executing Agency Description

- 5.1. PuenteLabs LLC will be the Executing Agency of this project and will sign the agreement with the Bank.
- 5.2. PL's mission is to find the best founders of high potential growth companies from LAC and help them scale their businesses globally. PL's team, advisors and mentors come from a broad set of companies in SV and throughout the US and LAC. The current team and Board is comprised of entrepreneurs, angel and VC investors, and founders that all have extensive US and LAC experience in sales, marketing, operations, finance, investing, talent acquisition, legal, IPOs, and scaling real businesses.
- 5.3. **Founders.** PL was co-founded over a year ago by SV investors and entrepreneurs with Latin American origins and experience, who are committed to helping the next generation of LAC entrepreneurs. For years PL's founders have been (informally) helping LAC entrepreneurs, until recently they decided to create PL. As an established organization, they can now be more effective and strategic in their support while reaching more companies and entrepreneurs.

- 5.4. *Alex Mendez.* Mr. Mendez was a member of the founding team of Stratacom which Cisco acquired in 1996 and led several business units at the company from 1996-2000. Also a Founder of Storm Ventures, a prominent early stage SV VC fund with over \$800M under management in over 160 companies across four funds. Storm has had several IPOs and exits including MobileIron, Marketo, Sandforce, Airespace, MetaCloud, and Com2Us. Mr. Mendez has personally reviewed over a 1,000 LAC companies over the past 20 years.
- 5.5. *Santi Subotovsky.* Mr. Subotovsky is a General Partner at Emergence Capital Partners, the first Enterprise SaaS VC firm which has raised \$910M, invested in 57 companies and counts Salesforce (CRM), Veeva (VEEV), Box (BOX), SuccessFactors (SFSF), and Yammer (sold to MSFT) as successful exits. Mr. Subotovsky has evaluated over 1,000 deals and is currently on the boards of Zoom, Civitas Learning, CrunchBase, AffectLayer, High Alpha, Restorando and Quasar, a company builder in Argentina.
- 5.6. **Board.** In addition to the founders, the following members conform PL's Board:
- 5.7. *Ariel Arrieta.* Mr. Arrieta has founded three companies and NXTP Labs, a regional seed fund and accelerator based in Buenos Aires which has raised \$38.5 M. NXTP Labs has invested in over 170 companies all over the region and has had nine exits so far. Mr. Arrieta is a Kauffman Fellow and an expert in Digital Media.
- 5.8. *Mike Hennessey.* Mr. Hennessey is a prolific investor, he has invested in five SV VC funds as a Limited Partner, as well as sourced and invested in 25 startups personally, including three in Latin America, with various exits including to IBM, LinkedIn, Groupon, Latin Communication Holdings, and one IPO Violin Memory (VMEM). Mr. Hennessey has a sales background in search, CRM, and database applications.
- 5.9. **Advisory (Selection) Committee.**
- 5.10. *Allen Taylor.* Mr. Taylor is currently in charge of Endeavor's Catalyst Fund and the Endeavor Investor Network. Allen has worked at Endeavor for nearly 10 years which has allowed him a front row seat to the screening of 35,000 companies (10% personally) and the selection of over 1,100 entrepreneurs from 25 countries. As head of the Catalyst fund he has directed investment of \$17M in 30 companies. So far, the Fund has had two exits including Globant from Argentina and Yemeksepeti in Turkey.
- 5.11. *Antoine Colaço.* Mr. Colaço is a Partner at Valor Capital Group, a VC firm focused on cross border investing with a focus on Brazil. So far, the firm has invested in more than 30 companies from seed stage to Series D and has had three exits. Mr. Colaço opened up Google's offices in Brazil as COO of International (as well as Mexico and Asia).
- 5.12. *Ariel Poler.* Mr. Poler is a serial entrepreneur from Venezuela and one of SV's most regarded Angel Investors. He founded IPRO and Topica, and has served on the board of a dozen companies, including LinkExchange, which was acquired by Microsoft. Mr. Poler has invested in over 100 companies; including companies based in Mexico and Brazil, and has had 24 exits.
- 5.13. *Esteban Sosnik.* Mr. Sosnik is a serial entrepreneur from Argentina, where he founded and sold two gaming companies. Mr. Sosnik is an expert in education and gaming, and is a partner for Co.lab education incubator and Reach Capital a VC firm (a John Doerr NewSchools and zynga.org partnership). In that capacity he has reviewed over 250 companies and led 6 investments. He is also an Angel investor.

- 5.14. **Mentor network.** PL's mentor network has nearly 100 members, coming from top-tier SV and LAC VCs, firms and technology companies.⁴ In three years, PL wants to triple their network and include more members from Brazil, Chile, Argentina, Colombia, Mexico and beyond.

B. Implementation Structure and Mechanism

- 5.15. PL is incorporated as an LLC in Delaware, US and will develop the necessary structure to execute project activities and manage project resources effectively and efficiently. PL will also be responsible for providing progress reports on project implementation. Details on the structure of the execution unit and reporting requirements are in Annex V in the project technical files.

6. COMPLIANCE WITH MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS

- 6.1. **Disbursement by Results and Fiduciary Arrangements.** PuenteLabs will adhere to the standard MIF disbursement by results, procurement and financial management arrangements as specified in Annex V.

⁴ Some of those companies include the following: Storm Ventures, Emergence Capital Partners, Samsung, Valor Capital Group, Lumia, BlueRun Ventures, Xseed Capital, Atomico, Endeavor, Draper, Amadeus Capital, Rivet Ventures, Citi-Ventures, Omidyar, Singularity, SoftTech VC, Agave Labs, Telefonica Ventures, Xapo, Salesforce, Google, YouTube and many others