

FONDO VERDE CATALÍTICO

An initiative by

Latimpacto



GREEN
CLIMATE
FUND



With the support of



Foundation



América
Latina

Agenda

1. Who **made this study** possible?
2. About the study: Knowledge sharing and **reaction capturing**
3. Next steps: **Key questions** for Ecosystem Support





01



**Who made this
possible?**

An initiative by:

Latimpacto



With the support of:



Foundation

Coca-Cola América
Latina

And the analysis of:



Business
Development
Think tank





02



About the study

We analyzed and evaluated 124 ESOs working in the green business sector in LAC.

01

Characterization of descriptive variables: we conducted one of the most rigorous studies of ESO characterization in LAC, analyzing aspects such as age, legal nature, leadership profiles, location of operations, budget, among others.

02

Rigorous evaluation of practice adoption: building on prior business development research by Grupo Impacta*, we analyzed the effectiveness of business support services by assessing five key dimensions.

1. [Gonzalez-Uribe \(LSE\), Leatherbee & Reyes \(IFC\). Untangling the Benefits of Business Accelerators: **Experimental Evidence on What Works and for Whom**](#)
2. [Gonzalez-Uribe \(LSE\) & Reyes \(IFC\). Identifying and boosting “Gazelles”: **Evidence from business accelerators**](#)
3. [Echeverry \(IDB Lab\) & Reyes. The Endowment Effect on Entrepreneurs: **A Risky Attachment**](#)

Each ESO was evaluated in five dimensions, combining objective data with jury assessments.

1

Propensity to measure impact

Measures how prepared the ESO is to manage, measure and to be knowledge repositories of its impact.

2

Profitability and performance

Measures financial sustainability according to income and expenditures.

3

Connection with the ecosystem

Measures the ESO's capacity to generate connections and facilitate strategic business opportunities.

4

Quality of its programs

Assesses the robustness of the support model through adoption of key practices and objective criteria.

5

Quality of the proposal

Measures the coherence of the program design and its expected impact.

Objective variables

Variables combining objective data with expert jury assessments. 3 per ESO

We found five key characteristics



1. Most ESOs lack sufficient resources to operate

43% of entities operate with less than USD 400K.

2. ESOs are mainly generalists

Only 23% of entities are specialists.

3. ESOs are led by well-educated professionals

60% holds a postgraduate degree.

4. IMM* remains a challenge

The average score across 124 ESOs was 53/100.

5. ESOs are a diverse ecosystem

Development services are provided by more than 10+ entity types and vary in experience (50% have 10+ years).

*Impact Measurement and Management

Our goal is to rethink Entrepreneurial Ecosystem strengthening



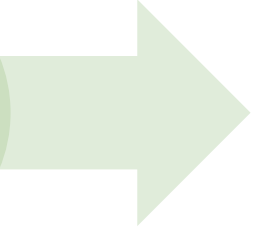
1. How can we design **better programs** by recognizing the diversity of ESOs participating in this ecosystem?



2. How can we strengthen **sector expertise and knowledge** considering the high technical skills required?



3. How can we **adjust/create market incentives** so that they reward quality?





How can we design better programs by recognizing the diversity of ESOs participating in this ecosystem?

There are more than 10 different types of organizations providing entrepreneurial services, with a wide range of experience.

2.1

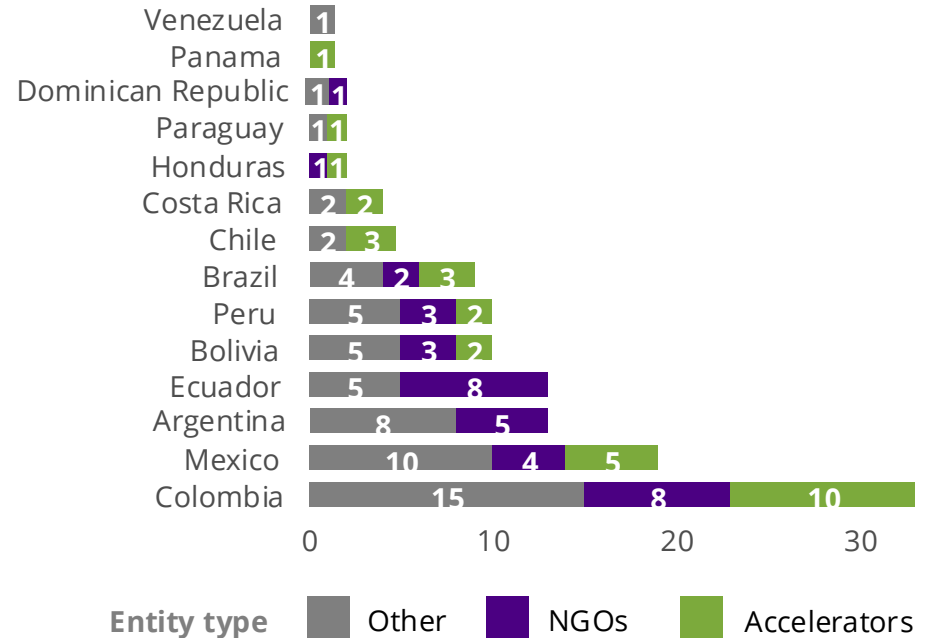
124 applicants from diverse regions and service sectors, showing high heterogeneity

ESOs by Region



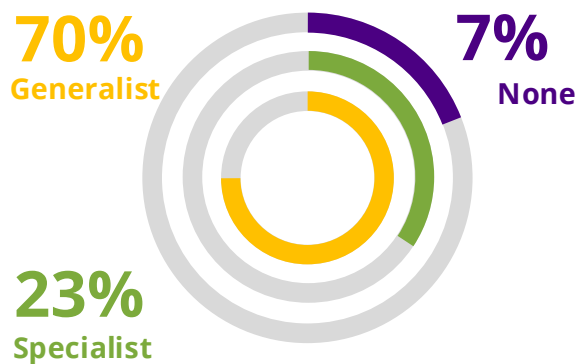
***Other entities:** This includes Technology Development Agency, Producers Association, Business / Trade Association, Chamber of Commerce, Impact Enterprise, Impact Investment Fund, Guild, None of the above, Other, and University.

ESOs by Country and Entity Type

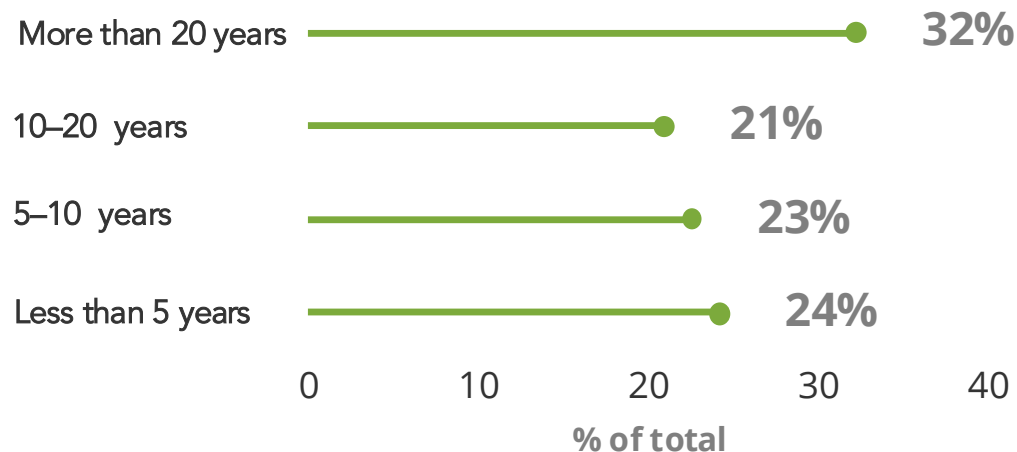


Most entities are generalists, with diverse experience

ESO specialization level (N=124)



ESO age (N=124)



***Specialized:** Entities that focus their attention **exclusively** on one of the FVC challenge categories (innovative technology companies, nature-based solutions, or traditional businesses operating in rural areas), which suggests specialization.



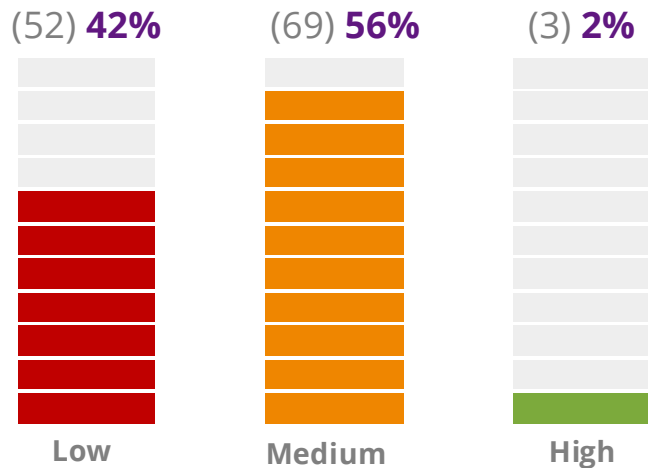
Reactions?



How can we strengthen sector expertise and knowledge
considering the high technical skills required?

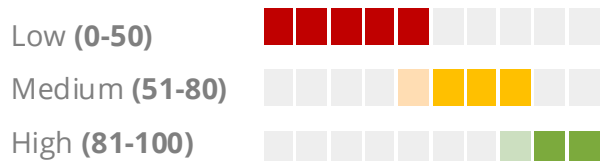
2.2

98% of ESOs fall short of outstanding performance



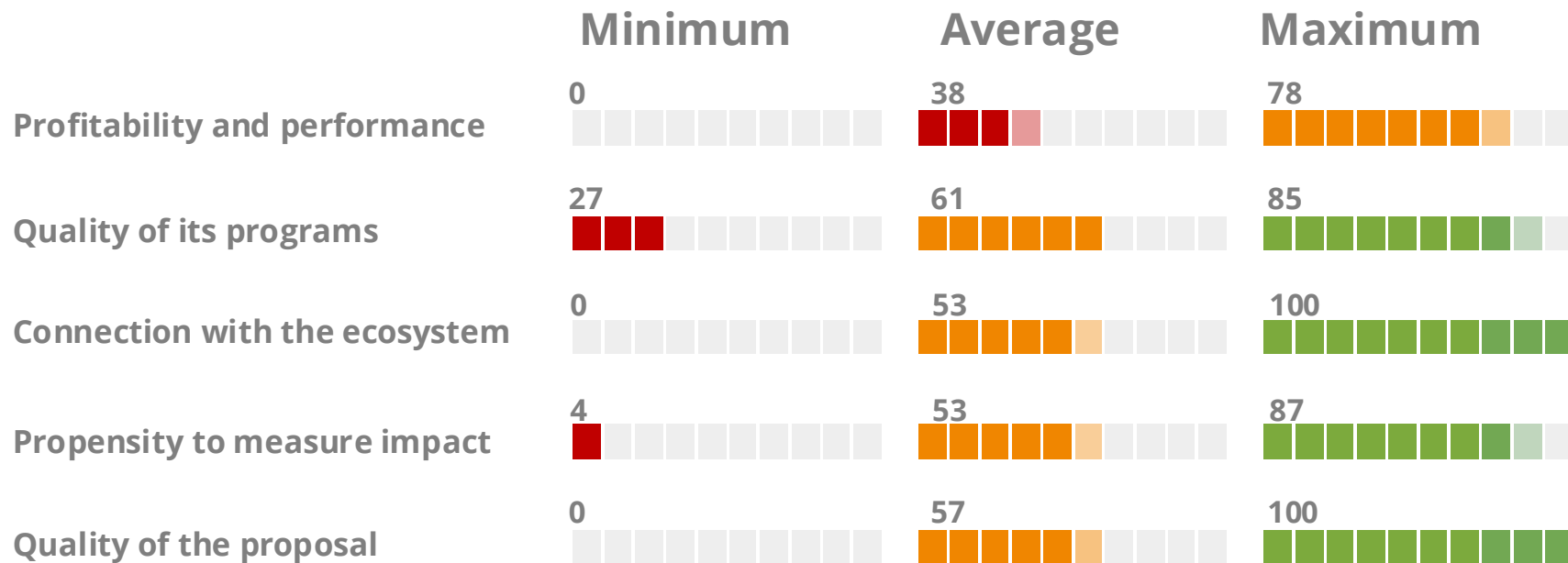
Scores range from 0 to 100 and are calculated by assigning equal weight to the individual scores across five dimensions:

- Quality of their programs
- Quality of their proposal
- Impact measurement potential
- Profitability and performance
- Connection with corporates



42% operate at low performance levels.

The quality challenge spans all dimensions

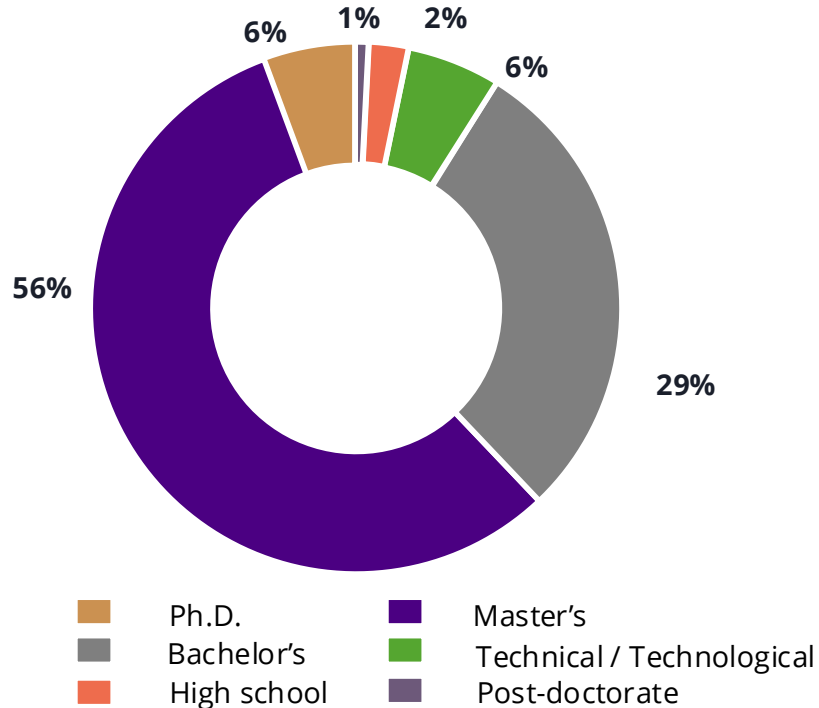


Average scores across all dimensions were below 65 out of 100. In no dimension the average score was above 70/100.

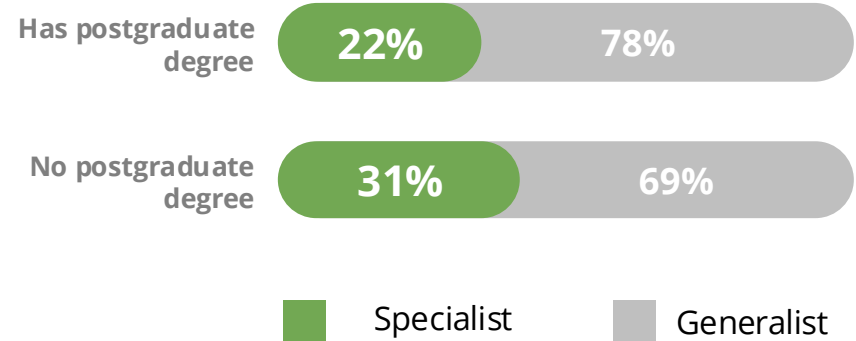
Overall, the ecosystem remains at an early stage and shows limited sophistication across all dimensions.

Post graduate degrees are not associated to ESO specialization.

Leader Educational Level (N = 124)



Education distribution of the ESO leader by specialization level (N = 116)





Reactions?

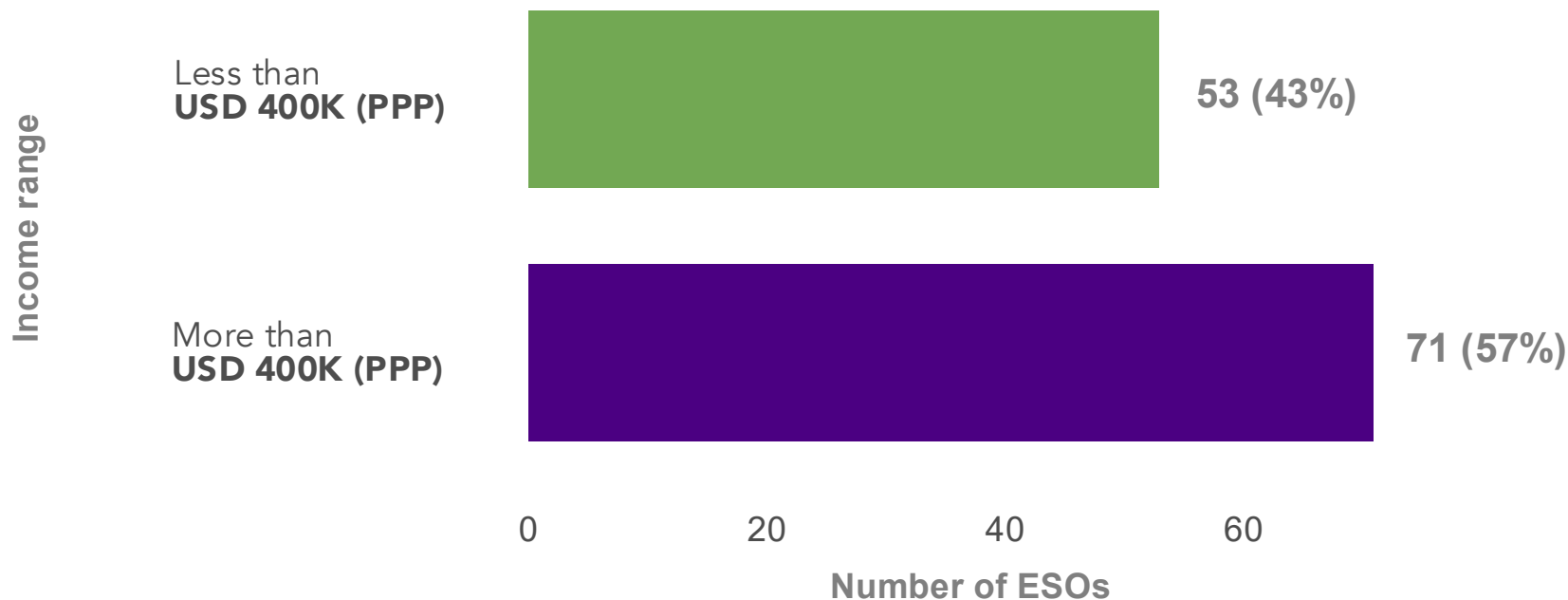


3. **How can we adjust market incentives** so that they reward quality?

2.3

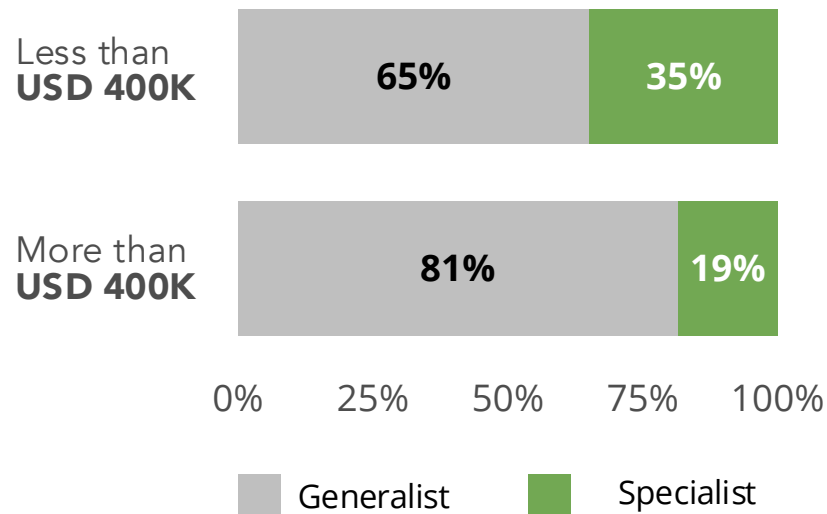
Entities operate with limited resources

Number (and proportion) of ESOs by income range (N = 124)

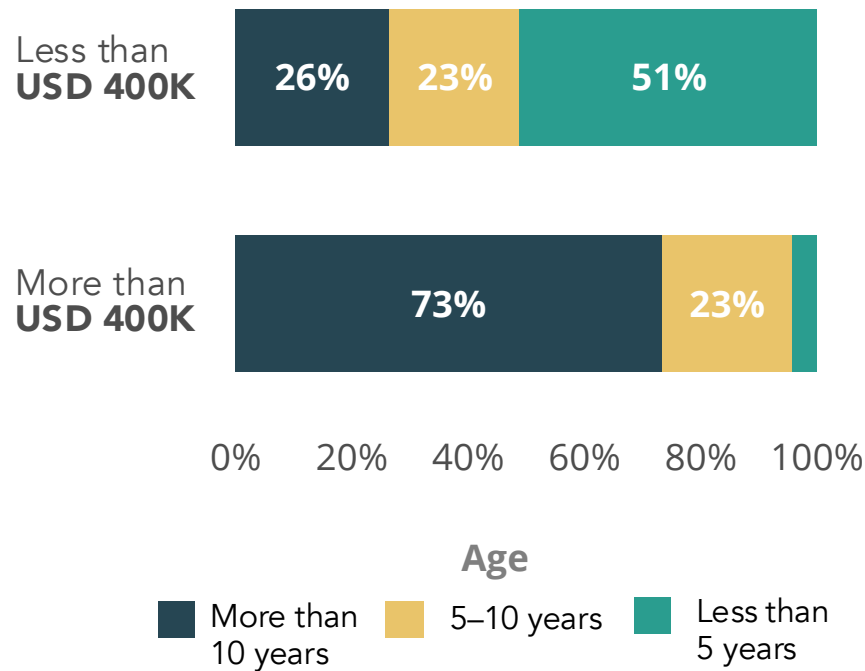


Higher income is associated with 10+ years of experience and a generalist approach (little segmentation)

Distribution of ESOs by income range and specialization level (N=116)



Age distribution of the ESO within each income range (N = 124)



Access to resources is associated with greater adoption of best practices

- Positive relationship between the income level and the ESOs impact measurement propensity
- Positive relationship between the income level and the ESOs potential to generate corporate connections. with respect to the ESOs income.
- The relationship is stronger among NGOs*.

Quality dimension	NGOs	Accelerators
Impact measurement propensity	0.12%	0.01%
Connections with corporates	0.16%	0%



Elasticity is interpreted as the percentage by which **the variable's score increases in response to a 1%** increase in the ESO's income.

***Methodological Notes**



Gracias

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