

PROJECT SUMMARY

This project responds to IDB Lab's renewed approach for investing in venture capital funds, specifically aligned with the pillar focused on supporting funds in nascent and emerging ecosystems. Through this vertical, IDB Lab seeks to support managers in emerging or incipient markets such as Central America, in order to strengthen venture capital initiatives there.

Within this framework, in the first quarter of 2024, IDB Lab reviewed 139 applications received during 2023 through its call for proposals for venture capital fund managers. Of these, 87 funds met the minimum eligibility requirements. The **ICV Delta Fund I**, LP (the "Fund" or "**Innogen Delta I**"), which is managed by Innogen Capital Ventures¹ (hereinafter referred to as "the Manager" or "Innogen") and based in San Salvador (El Salvador), was selected after a thorough analysis in the following areas: (1) alignment with at least one of the pillars of IDB Lab's fund investment thesis; (2) 80% of the fund's investable capital allocated to Latin American and Caribbean firms; (3) a focus on early-stage enterprises (initial investments from the pre-seed stage to Series B rounds); (4) minimum target capitalization of US\$10 million;² (5) a management team with experience in early-stage investments and a physical presence in Latin America and the Caribbean; and (6) a transformational or impact-oriented mission that is clearly embedded in the fund's investment strategy.

Innogen Delta I, administered by Innogen, which is led by [Christian Quiñonez](#) and [Rodrigo Dumont](#), aims to manage investments totaling US\$10 million in up to 25 dynamic and highly scalable early-stage startups that seek to make innovative use of technology to solve structural problems in El Salvador, Guatemala, and Honduras, mainly in AgTech, e-commerce, EdTech/future of work, FinTech, HealthTech, InsurTech, logistics, PropTech, retail, solutions for small and medium-sized enterprises (SMEs) (business-to-business, software as a service), and other sectors. The companies in question will receive pre-seed capital investment (an initial investment of between US\$25,000 and US\$350,000, with the possibility of follow-on investments of between US\$500,000 and US\$1 million). They will also receive comprehensive support in the process of testing the viability and growth of the business, including issues such as mentoring in strategic development, commercial introductions to potential customers and key suppliers, advice on raising capital in subsequent rounds of financing and access to new markets.

The proposed investment in Innogen Delta I is strategic and innovative since it is the first venture capital fund that allocates 100% of its investments to startups that are based or operating in El Salvador, Honduras, and Guatemala, with an additional commitment to invest at least 25% of its capital in women-led enterprises.³ It also grants coinvestment rights to IDB Lab, which is looking to increase its presence in Group C and D countries, including those of Central America, through direct investments partnering with a local institutional investor. In addition, it has a Manager with six years of experience investing throughout Latin America and the Caribbean,⁴ which enables knowledge transfer to the portfolio companies and promotes greater regional integration. Innogen has invested in a total of 19 companies in Argentina, Brazil, Colombia, Costa Rica, Ecuador, Mexico, and

¹ The ICV Delta Fund I, LP will be managed by Innogen Capital through the entities ICV Delta GP I, LLC (the general partner) and Innogen Management, LLC (the management company).

² Minimum target capitalization for funds in nascent and emerging ecosystems.

³ Firms with women as founders or in C-level positions.

⁴ Innogen Capital, the venture capital firm that manages Innogen Delta I, was founded in 2019.

Peru, through its two previous proof-of-concept funds, in which it allocated 24% and 44% of its invested capital, respectively, to women-led companies.⁵ The Fund's general partners have also made angel investments in five Central American startups since 2019, and the outstanding performance of these investments (a 3.14x multiple on invested capital) provided the motivation for allocating 100% of Innogen Delta I to the financing of startups in Central America. Lastly, this investment is likely to facilitate synergies and strategic interaction between the Fund and the projects contained in the current portfolio financed by IDB Lab in Central America.

This project is gender-aligned and contributes to climate finance. It proposes an investment by IDB Lab (MIF) of up to US\$500,000 in the Fund with an expected final capitalization of US\$10 million.

⁵ Firms with women as founders or in C-level positions.