

 Early Warning System

IDBI-14651-01

GoodKarma Impact Fund



Quick Facts

Countries	Brazil
Specific Location	Uninformed
Financial Institutions	IDB Invest (IDBI)
Status	Active
Bank Risk Rating	U
Voting Date	2023-10-20
Borrower	Good Karma Partners (GK VENTURES, LP)
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 5.00 million
Loan Amount (USD)	\$ 5.00 million



Project Description

The Project consists of an investment of up to US\$5m in Fundo de Investimento em Participacoes - Multiestrategia ("Good Karma Impact Fund" or the "Fund"), a new Brazilian VC growth impact fund which aims to invest in early-growth-stage Brazilian companies, mainly, as well as other LAC companies, with proven business models and high-growth potential, with a core product, or service that promotes a measurable solution to a social and/or environmental challenge.

The Fund is incorporated in Brazil, with a feeder structure/fund in the US for non-Brazilian investors and will be managed by Good Karma Ventures Gestora de Recursos LTDA ("Good Karma" or the "Fund Manager"). Established in 2020, Good Karma is a young independent impact investment firm with an experienced investment team with deep knowledge in climate action, healthcare equity and social development. Good Karma's team has invested more than US\$4.7bn in private equity transactions.

With a target size of US\$100m and a target net US\$ IRR of 20%+, the Fund will invest 80% of the capital in approximately 6-8 mature venture-backed companies (Series B+) and 20% in 2 to 4 early-stage companies in sectors such as sustainable agriculture, decarbonization of industrial processes and energy, healthcare, education, and social development.

This transaction has a strong fit with IDB Invest strategic focus in supporting climate finance investments, health, and education sectors. It is also an opportunity to keep increasing IDB Invest relevance across all stages of the company life cycles, closing gaps in the "early growth" stage, as well as access to co-financing opportunities in developmental-strategic sectors.



Investment Description

- IDB Invest (IDBI)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Good Karma Partners](#) (Financial Intermediary)



Private Actors Description

According to the IDB Invest, Good Karma Partners is the leading mission-driven and climate investor in Latin America. We exist to activate intellectual and financial capital to grow and scale companies that are solving global challenges and generating strong returns. Our investment team brings in-depth knowledge of regional markets, skilled deal origination, and strong execution capabilities. The team is driven by the mission to deliver impact and is grounded on a strong entrepreneurial culture and resistance to the status quo. The partners at Good Karma have a combined experience of more than 60 years in the Private Equity industry, building solid partnerships with companies in the sectors that the strategy will invest in, including climate change, healthcare equity and people development. Good Karma Impact Fund, a Brazilian fund that aims to invest in early-growth-stage Brazilian companies with proven business models and high-growth potential that promote a measurable and disruptive solution to main challenges in health, education and climate change.



Contact Information

IDB INVEST

ACCESS TO INFORMATION

You can submit a request for information disclosure at:

<https://www.idbinvest.org/en/access-information-policy>.

ACCOUNTABILITY MECHANISM OF IDB / IDB INVEST

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IDB Invest)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IDB Invest is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at <http://www.iadb.org/en/mici/mici,1752.html> (in English) or <http://www.iadb.org/es/mici/mici,1752.html> (Spanish).



Bank Documents

- [GOODKARMA IMPACT FUND - ENVIRONMENTAL AND SOCIAL REVIEW SUMMARY \(ESRS\) \(1\)](#) [Original Source]
- [News Media: IDB Invest Addresses Climate Change, Health and Education through Early-Growth Stage Bra](#)