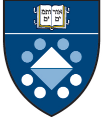

Yale SCHOOL OF MANAGEMENT

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Agora Partnerships: Investing with Impact

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In early August of 2004, Ben Powell, then an MBA student at Columbia Business School, planned to fly to Miami to meet Ricardo Terán Terán, a fellow alumnus of Georgetown's Master of Science in Foreign Service program, for lunch. Ben boarded the flight with both excitement and trepidation. He and Ricardo had been exchanging e-mails for several months, discussing the possibility of founding an organization to support entrepreneurs in emerging economies. But would it work? They had never met in person. Would they have the right chemistry? Could they become partners?

Ben and Ricardo had been introduced by a mutual acquaintance. Initially, they had discussed the possibility of opening a miniature golf operation together in Nicaragua, a repeat of a business that Ben had built in Mexico. But, as Ben got to know Ricardo better, he began to shift the conversation to something else, an idea that he had been harboring for some time: Ben had a dream of alleviating poverty by building a social enterprise to help entrepreneurs in poor countries to grow faster, to create more and better jobs. Ricardo seemed the perfect partner. He shared not only Ben's entrepreneurial spirit but also his passionate belief that entrepreneurs would prove instrumental to the elimination of poverty in the developing world. He also had the local networks and know-how that would prove critical to the success of such a venture.

"We just clicked," Ben said. As the lunch progressed, Ben and Ricardo realized that they had not only a shared optimism for the role of entrepreneurship in developing countries but also similar beliefs about the barriers that made it difficult to get businesses off the ground in those countries.

One issue involved financing. Institutions engaged in microfinance have increasingly made small loans available in poor countries. But these loans, rarely amounting to more than a few hundred dollars, primarily fund household expenditures or the minimal capital necessary for self-employment.[3] Microfinance rarely provided sufficient capital to launch businesses with more than one or two employees. At the other end of the spectrum, both national and international banks would lend to large-scale projects – even in poor countries – when the assets created could serve as collateral. But as Ben observed: "Most aspiring entrepreneurs in poor countries are caught in a development blind spot. Too big for microfinance, too small for traditional lending..."[4]

Ben Powell[5]

Born and raised in Massachusetts, Ben exhibited entrepreneurial tendencies from an early age. While still an undergraduate at Haverford College, he co-founded Tres Nacos Quesadillas Delivery, a food business that lasted but a few days, as well as an improv troupe, the Lighted Fools, which performs to this day. Following graduation, Ben moved to Mexico to co-found another business, CityGolf Puebla, a miniature golf course and family recreation center. Though successful, soon after getting the business going, Ben returned to school, first for an MS in Foreign Service at Georgetown and then for an MBA at Columbia.

Ricardo Terán[6]

Ricardo, a native of Nicaragua, had also been a serial and a successful entrepreneur. He founded Portal Americas – Nicaragua's first web portal – in 1997, Teranet Global Internet Communications – an ISP – in 1998, and LOLITA de Nicaragua – a franchisee of an Uruguan chain of women's clothing stores – in 2003. In 2003, Ricardo also founded the Asociacion de Jovenes Empresarios de Nicaragua, an organization designed to provide a support network for young entrepreneurs in Nicaragua; by 2006, it had already grown to more than 600 members. Ricardo received his BA and MS from Georgetown and, in 2010, studied at Yale as part of the Yale World Fellows program.

Far from being simply an issue of access to funding, however, entrepreneurs in poor countries faced additional challenges: Business networks, for example, revolved around social and political elites and remained closed to those from outside these circles. Aspiring entrepreneurs also had little in the way of role models or social support. As Ricardo noted, "these entrepreneurs need much more than money *before* they even get the money"; before they could effectively use the funds, entrepreneurs in these countries usually first needed coaching and training in some of the basics of business and management.

Following that auspicious lunch, Ben and Ricardo began to design an organization to help entrepreneurs in developing countries to overcome these barriers. Their plan had two parts: To address the non-financial obstacles, they envisioned a non-profit organization that would bring entrepreneurs together with MBA students who would provide the entrepreneurs with consulting services. To deal with the paucity of financing, they imagined that a for-profit, seed-stage venture capital fund could invest in the small- to medium-sized, high-risk businesses they had in mind. They also believed strongly that both the non-profit organization and the for-profit fund should operate in a socially responsible manner, paying attention not just to financial returns but also to the effects of these ventures on the environment and on poverty reduction (a double- or

triple-bottom line approach often referred to as "impact investing"). Putting this plan into action, they launched Agora Partnerships in 2005.

By 2010, however, Ben and Ricardo found themselves at a crossroads. On the one hand, Agora Partnerships had already helped hundreds of entrepreneurs and therefore had made progress on their social mission. On the other hand, a large share of the non-profit's funding had come from a contract with the USAID that had recently expired; the non-profit needed a stable source of revenue. It had also become increasingly clear that the investment fund might not generate a positive return, despite the fact that the non-profit arm had provided substantial pro bono consulting and services to the firms in their portfolio.

Based on what they had learned in their first five years, Ben and Ricardo saw two potential paths for improving Agora's long-term viability: On the one hand, they believed that adapting their contracts and increasing the scale of their average investment might allow them to operate the investment fund more profitably. On the other hand, they thought that maybe they should simply focus on their primary passion – advising and mentoring entrepreneurs – and leave the investing to others.

Agora Partnerships

Agora Partnerships, jointly headquartered in Washington, DC, and Managua, Nicaragua, served as the parent organization for both the non-profit and for-profit activities of Agora (Exhibit 1 provides an organization chart for Agora). It connected with donors in the United States and elsewhere, and administered multiple non-profit programs designed to advise and educate aspiring entrepreneurs in Central America.

The dual-office structure and the division of activities across them reflected the strengths of the two founders. Ben and Ricardo brought distinct and complementary resources to the venture. Ben had been cultivating relationships with donors and investors interested in activities that could alleviate poverty. The Washington office therefore raised funds, recruited MBA students and established partnerships with other organizations. Ricardo, meanwhile, had extensive personal connections to entrepreneurs, especially in Nicaragua. The Managua office thus focused on selecting entrepreneurs, coordinating the consulting projects, providing business incubation services and connecting entrepreneurs to investors.

Agora's flagship program involved pairing entrepreneurs in Central America, initially only in Nicaragua, with teams of students from elite MBA programs in North America. Each team would work on a pro bono consulting project of roughly four months dura-

tion – to fit the school term – evaluating and helping to improve the business plan of one of the entrepreneurs selected for the program. Near the end of the term, the students would travel to Nicaragua for a workshop to meet and advise the entrepreneurs in person. Even in its first full year, the program proved popular: Agora received more than 60 applications for six slots (Exhibit 2 profiles these entrepreneurs).[7] Demand grew rapidly but so too did Agora's capacity to meet it: By 2009, Agora Partnerships received 173 applications for 63 consulting engagements, involving 213 MBA students.

Agora's support to these businesses, however, did not end with the consulting engagements. Agora would continue to provide the entrepreneurs selected with advice and services, such as support in building a corporate board, and help those who completed the consulting program to secure funding for their businesses. Agora entrepreneurs also became eligible for investments by the Agora Venture Fund (see below).

Agora's educational programs and consulting services have been paid for primarily through donations from large philanthropic institutions. An important early source of financing had been a contract with the Global Development Alliance program of US-AID, which had contributed more than $1.7 million to the Nicaraguan operations from 2007 to 2010. It had also received financial support from many of the most respected organizations involved in impact investing: the Argidius Foundation, the Citi Foundation, the DOEN Foundation, the Draper Richards Foundation, and The Rockefeller Foundation. Donations have grown rapidly from $26,200 in 2006, to $194,975 in 2007, $493,884 in 2008, and $245,632 in 2009.[8]

Nicaragua

The Republic of Nicaragua, with an area similar in size to the state of New York and a population of 5.3 million, sits in the heart of Central America, with Honduras to the north and Costa Rica to the south. The poorest country in the region, Nicaragua has extensive poverty and underemployment: Its per capita GDP amounts to roughly $3,200 (PPP), and estimates place the poverty rate above 40%.[9] Its degree of income inequality has nevertheless been declining rapidly, from a Gini index of 60.3 in 1998 (among the ten most unequal countries in the world) to one of 40.5 in 2010 (lower than the United States).[10]

Nicaraguan entrepreneurs face numerous obstacles. According to the OECD, startup costs average 170% of the per capita annual GDP, and it takes at least 45 days to set up a business in Nicaragua (compared to five days in the United States).[11] Both aspiring entrepreneurs and independent analysts nevertheless considered access to capital the single most significant barrier to entrepreneurship in Nicaragua.[12]

Agora had also received various forms of in-kind support: Clifford Chance, for example, developed many of the legal documents on a pro bono basis; First Republic offered them banking services; and TechnoServe provided them with affordable office space and other forms of back office support.

Central to Agora's mission and its appeal to donors and volunteers has been the idea of impact investing—actively placing capital in businesses that produce positive social and/or environmental outcomes while providing at least a nominal return on principal to the investor. Interest in impact investing, particularly on the part of donor organizations, has been growing rapidly. The Monitor Institute estimates that impact investing could grow from $50 billion in assets in 2009 to $500 billion within the next decade.[13]

Agora has also been active in building a larger community around their activities. It helped to found the Aspen Institute of Development Entrepreneurs and hosted its first reception as well as its first conference in Latin America. It joined B-Lab as a founding B-Corp and has been a partner in creating the GIIRS standard. And it launched Premio LiderES with funding from Citi.

Agora Venture Fund

In 2007, Ben and Ricardo launched the Agora Venture Fund Central America, L.P. (AVF), the first for-profit, impact-investing venture capital fund in Central America. The AVF, with dual goals of producing both social and economic returns, had expected to invest approximately $2 million over its life in seed and early-stage companies based in Nicaragua. However, as Ricardo explains "Unfortunately in September 2008, the economic crisis hit us during the second fundraising round, and we could only raise $517,000 by August 2008."

AVF represented Ben and Ricardo's initial attempt to adapt the venture capital model to the Nicaraguan context. With it, they hoped to demonstrate that, given the right support, impact entrepreneurs in poor countries could launch and grow successful companies with positive social outcomes while still providing a positive return to investors.

Although Agora Partnerships served as the general partner (GP) for AVF, Ben and Ricardo recognized that they did not have experience investing in early-stage ventures. They therefore recruited a volunteer investment committee to help them to screen and select portfolio companies. The committee consisted of:

- Tom Hardy, an angel investor, former COO of Trans-Resources (a US-based company that manufactures industrial and organic chemicals)

- Mario Lazzaroni (Chair), a senior associate at McKinsey & Co.
- Ben Powell, Founder and CEO, Agora Partnerships
- Luis Sanz, professor of finance, INCAE
- Charles Shaw, Managing Director, First Atlantic Capital (a middle-market private equity firm, based in New York)
- Eric Sillman, General Partner, Aperture Venture Partners (joined board in 2008)
- Ricardo Terán Terán, Co-Founder, Agora Partnerships

Agora Partnerships non-profit activities played an essential role in the selection and support of investments. The non-profit had contact with hundreds of entrepreneurs through its seminars and workshops and received more detailed information from the dozens of companies that applied for the consulting program each year. The consulting engagements themselves also yielded additional information about these companies and the feasibility of their plans.

But these connections between the non-profit and for-profit activities could also create confusion: Entrepreneurs believed they had built cooperative, trusting relationships with Agora Partnerships during the consulting phase. But then when being considered for and negotiating an investment, AVF had to prioritize its own interests. Entrepreneurs sometimes felt uncomfortable with this shift in the relationship.

Investment criteria

AVF originally planned to invest between $25,000 and $250,000 in each portfolio company. In identifying potential investments, AVF believed in screening entrepreneurs both on their beliefs and values and on the potential of their business ideas.

> We are looking for great entrepreneurs who care about creating impact; then, we look for a good business case, and then we look at the projected social impact. We think this is the right priority order to create long-term social impact. – Ben Powell

Putting this philosophy into practice, Agora applied several investment criteria in their due diligence process: The management team should have an interest in promoting employment and local economic growth in their community. They should share Agora's values and vision for alleviating poverty through sustainable entrepreneurship. They should also want a long-term partnership with Agora.

In terms of the business idea, Agora preferred innovative companies, with a new product or service or one that planned to extend an existing product to a new customer base. These companies should have a clear competitive advantage and a positive projected cash flow within 18 months and the potential to reach annual sales of at least $500,000 within three years. Agora initially hoped to subject the growth and profitability projections to an investment hurdle rate of 25% IRR. But it later relaxed that criterion because, as Ben explains, "We just couldn't find deals that would provide that IRR."

Potential Agora entrepreneurs should also pursue a quantifiable, positive social impact. Companies might achieve this impact by creating jobs, by protecting the environment, by providing products or services to low-income populations, or more broadly by bringing a multi-stakeholder approach to their management. Between 2006 and 2011, these criteria guided AVF's investment in 11 companies, with an average investment size of $55,000. Exhibit 3 lists the portfolio companies.

Investment structure

One of the major early decisions concerned how AVF should invest in companies. To the extent that it existed, entrepreneurial finance in Nicaragua came in the form of debt, with annual interest rates as high as 45%.[14] Entrepreneurs therefore understood this form of financing.

But Ben and Ricardo wanted a means both of benefiting from the upside of the successful companies and of aligning their interests with those of the entrepreneur. They therefore initially decided that AVF, much like venture capital firms in the developed world, should seek common or preferred stock in exchange for its investments.

The companies that AVF considered, however, generally required large infusions of capital relative to their existing valuations. Most of the entrepreneurs moreover had little in the way of personal financial resources and could only contribute "sweat equity" to their ventures. To justify their investments financially would therefore often require Agora to acquire a large equity position (though less than 50%).

Ben and Ricardo attempted to negotiate for equity positions with several of the early companies in which they wanted to invest, including Aggu, Agronegocios Benamont and Vegyfrut. These negotiations stalled, however, as the founders appeared to consider the loss of complete ownership a "deal breaker" to the investments. Ricardo said that, "Culturally, we just were not getting any traction with equity. People were starting to accuse us of wanting to steal their companies."

Even in cases where they could establish an equity position, Ben and Ricardo realized that having too large of an ownership stake could have a number of unintended and undesired consequences: It meant that Agora had to participate more actively in the day-to-day management of the company than originally anticipated. It also could lead the entrepreneur to behave more like an employee than an owner. Reflecting on these issues, Ricardo noted that:

> We need to make sure that the entrepreneur feels in total control of his company. At the same time, we need to make sure we can capture at least a share of the upside of the successful companies, since these will have to balance out the negative experiences.[15]

But how could Agora capture the upside on successful companies? Central American firms almost never had the option of going public and even acquisitions occurred only rarely. Ben and Ricardo could see three potential exit paths:

- Management buy out: Management obtains a conventional loan to buy back the convertible debt (and any equity) from Agora.
- Dividend-based exit: The company pays its profits out in dividends but the entrepreneur uses his proceeds to repay debt and repurchase equity from Agora.
- Royalty-based exit: The company pays a proportion of its revenues – for example, 5% – to Agora as a royalty for some fixed period of time.

Agora therefore adjusted its investment strategy. Instead of equity, they would invest in companies through convertible debt and something they thought of as "quasi-equity"—traditional debt coupled with a royalty payment. To attract entrepreneurs and to ensure that the debt burden would not cripple the companies, they charged the lowest interest rates possible for this debt (usually between 6% and 12% per year).

For Agora, "structuring the debt" also ended up being "exponentially cheaper than structuring equity," according to Ricardo. Selling equity in Nicaragua required the company to file and receive approval on revised letters of incorporation, a process that could require more than three months. In one case, he noted, "before all the paperwork had been in place for an equity deal that we had done, the company went under."

Mixed success

In terms of educating and inspiring entrepreneurs in Central America, Agora Partnerships appeared an unmitigated success: Through its educational events (more than 70 in total), it had touched the lives of more than 4,000 Nicaraguan entrepreneurs. It had

provided business services to more than 400 small and growing businesses in Nicaragua and El Salvador. The 100+ businesses that had been selected for pro bono consulting had created more than 620 documented, full-time jobs. Wages and benefits at these companies had grown even faster than employment. Agora had helped 24 of these businesses to obtain financing (of more than $2.5 million in total).

It also seemed clear that Agora Partnerships had had a positive social and environmental impact: On top of the full-time jobs created directly by Agora-supported companies, Agora estimated that an additional 1,000 part-time or indirect jobs had been created in 2008 alone. At least eight of the companies that they helped had created products or services for the "base of the pyramid" (low-income consumers). An additional seven companies had business models that addressed environmental issues, from deforestation to pollution.

Both Ben Powell and Ricardo Terán had also received a great deal of recognition for their efforts. Ben had been named a Draper Richards Kaplan Foundation Entrepreneur, a BMW Foundation Young Leader, an Ashoka Fellow, and one of Devex Washington, DC's 40-under-40 International Development Leaders (in 2010). In addition to being selected as a Yale World Fellow, Ricardo had been named a fellow of the Aspen Institute's Central American Leadership Initiative and as a Young Global Leader by the World Economic Forum.

But on other dimensions, they had not been as successful as they had hoped. Ben and Ricardo felt that many of the entrepreneurs had not benefited as much as they could have from the consulting program. As Ben explains, "[the entrepreneurs and their companies] just didn't know how to deal with four consultants from, for example, Yale. They received too much information that they could not process. They didn't have the absorptive capacity and bandwidth." He concludes, "Progressively, we've understood that it didn't make sense to go as small and as early stage as we had been going."

As of 2010, the results had also been disappointing in terms of financial performance. In total, Agora Venture Fund had made investments of $601,911 (the amount exceeds the funds raised because AVF reinvested proceeds from some of the exited investments). From these investments, it had reaped $122,433 in returns (mostly through principal plus interest payments on debt).

Two of the eleven investments had been written off: The management team behind Bambucasa did not have technical expertise in building or bamboo processing so it had difficulty producing a quality product. Taller de Escultores meanwhile failed to acquire the correct permit to sell art in Brazil, its intended target market.

Clinica del Pie

Roberto Mejia, the founder of Clinica del Pie, grew up in poverty and had never run his own business before, but he saw a need for providing affordable foot care to the poor in Nicaragua. His business expanded rapidly. Roberto joined the middle class. Clinica also provided and continues to provide employment for many members of his immediate and extended family, as well as for dozens of others in the community. The business has also brought better medical care to his community. Plus, Ben Powell noted that "the staff hired by Clinica del Pie trained on foot health care and then some of them created their own new businesses. The company created its own cottage industry of affordable foot care for the low-income population . . . He's a huge success story."

Four additional companies fell in the near-write-off category. Calzado Reyes, for example, had failed, though AVF recovered its machinery as part of the collateral for the debt. NicFoods had been hurt by falling international prices for vegetables and had only made a few debt payments. And Salminic had difficulty establishing effective internal processes and had lost key personnel. AVF hoped to salvage some portion of its investment in Salminic but the company seemed sure to generate near-complete losses (returning less than 25 cents on each dollar invested).

The most successful exit had been Clinica del Pie. Ricardo related its story:

> Clinica del Pie exited in less than a year. AVF had invested with 2% royalties of the Clinica del Pie revenues, above their twelve-month average. They did extremely well in the first six months since Agora invested, but at one point, the entrepreneurs inaccurately estimated that their company would continue to grow at over 100% a month. Naturally, this would have made the royalty payment ridiculously high. So they somehow found a way to sell an asset and they came with cash in hand to pay back the loan they had received from AVF. While we were very happy they had done well and that we had achieved our first exit, we were a little disappointed because we felt they could have been an even bigger success story if we would have continued to partner with the company.

Four companies in the portfolio nevertheless remained active: CO2 Bambu, Tauro Shoes, Vegyfruit and Pochi. Tauro and Vegyfruit had been meeting their loan repayment schedules. Pochi had fallen behind on its payments, but AVF remained hopeful that it could turn its business around. By contrast, CO2 Bambu appeared to be doing extremely well. Agora had hopes that it might become the "home run" that would generate sufficient returns to cover some of Agora's losses on other companies. Together, AVF carried these investments on its books at an unrealized value of $322,699.

Ricardo explained that they believed that some of this disappointing performance stemmed from the selection criteria.

> The Agora Venture Fund was originally intended for companies under the radar—those that needed a lot of help, those too big for microfinance, but too small for traditional lending . . . An NGO might be interested in investing in a company without any assets, with a balance sheet that does not look good, with uncertain cash flows or without any entrepreneurial track record because of the social goals they may have. But matching this type of entrepreneur with investment capital from AVF was too risky and did not harvest good financial returns, which were needed to prove the double bottom-line thesis.

Beyond the poor performance of the portfolio companies themselves, AVF had also incurred higher costs than Ben and Ricardo had originally anticipated. Ricardo noted that "the management fees were not enough to cover the real costs of the fund." In part, this reflected the intensive needs of early stage companies. Ricardo explained that "small size companies require much more help and support than companies of a bigger size." But, in part, it stemmed from the high cost of doing business in Nicaragua. For example, the professional services and registration and licensing fees associated with a $50,000 equity investment would average $4,000 to $7,000. "With such high transaction costs, even deals that could be potentially profitable for the fund were starting in the red from the fund's point of view," Ricardo noted.

Moving forward

Ben and Ricardo saw two potential avenues for continuing their mission. One involved raising a second, larger fund. Given sufficient scale, they thought that they could solve some of the problems that plagued AVF. The other involved transitioning to an accelerator model.

Prometeo Fund

One option would be to raise a larger fund, which they internally referred to as the Prometeo Fund—Spanish for the Greek titan, Prometheus. Ben said that they came up with the name because they thought of the fund as "taking the fire of capital from institutional investors and other limited partners and distributing it to people who could put it to work to create impact and spread opportunity."

If Agora could raise a fund of $20 million, Ben and Ricardo thought that they could solve a number of problems. A fund of that size would allow them to invest $250,000 to $1,000,000 in each company. That investment size range would allow them to reach a different category of entrepreneur. Rather than pure startups, they could consider companies that had already reached a post-proof-of-concept stage. As Ben noted: "It's much easier to decide to invest in an entrepreneur who has a track record."

These later-stage companies would not necessarily be the same ones that went through the Agora Partnerships programs. But they imagined that the Prometeo Fund could source deals through Agora's extensive network of partners and that it could co-invest with local angel investors and other impact investment funds.

Ben and Ricardo thought that if they charged a 30-point carry (after a 6% hurdle rate) and a 3.5% management fee to the limited partners that they could hire full-time, dedicated investment professionals and cover the higher costs of investing in Central America. To expand the fund's geographic reach and to increase its appeal to international investors, they thought that they would base the fund in Costa Rica.

They believed that they could solve some of entrepreneurs' distrust of large equity investments by investing in early-stage companies through "quasi-equity"—a loan coupled with a royalty based on revenues. More mature companies that had sufficient value to justify investment on the basis of smaller positions would receive cash in exchange for preferred stock.

Ben and Ricardo, however, worried that they might find it difficult to assemble such a large fund. They had been frustrated in finding investors for the first fund and feared that a larger fund would only prove harder to raise.

Agora Accelerator

Another option would be to modify Agora's model into something of an accelerator. Accelerators generally incubate startups for a fixed period of time, helping entrepreneurs to develop their business plans and to hone their pitches to investors. They then often use their relationships with angels and with venture capitalists to help the most promising companies obtain funding. Most accelerators, however, do not provide financing directly to startups.

In exchange for their services, accelerators often require entrepreneurs to grant them equity in their companies. Agora, however, had little interest in receiving small equity positions. Given the transaction costs associated with them in Nicaragua and other Central American countries, they considered them more a nuisance than a form of payment. Instead, they envisioned developing a fee-for-service model.

This case has been developed with the cooperation of Agora Partnerships and has benefited from the comments and research assistance of Neela Pal (MBA Class of 2013). It has been developed for pedagogical purposes and does not serve as an endorsement of the organization in question or to illustrate either effective or ineffective management techniques or strategies.

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Notes

[1]MEM Class of 2013, Yale School of Forestry and Environmental Studies

[2]Frederick Frank '54 and Mary C. Tanner Professor of Management

[3]Abhijit Banerjee, Esther Duflo, Rachel Glennerster and Cynthia Kinnan, "The miracle of microfinance? Evidence from a randomized evaluation." Working paper, MIT

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[5]Tom Roberts, "Putting in Puebla: Ben Powell '93," accessed September 10, 2012 at `http://www.haverford.edu/publications/summer99/powell.htm`

[6]Mario Lazzaroni, "Agora Partnerships: Structuring a seed stage investment in Nicaragua." INCAE, February 2006

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[8]Agora Partnerships Annual Reports 2006, 2007 and 2008

[9]CIA, *The World Factbook*; accessed September 10, 2012

[10]Ibid.

[11]International Finance Corporation, *Doing Business in 2005: Removing Obstacles to Growth*, 2005

[12]Inter-American Development Bank, *The Business of Growth, Economic and Social Progress in Latin America*, 2001

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[14]Ibid.

[15]Ibid, p. 2

Exhibit 1: Agora Partnerships Structure

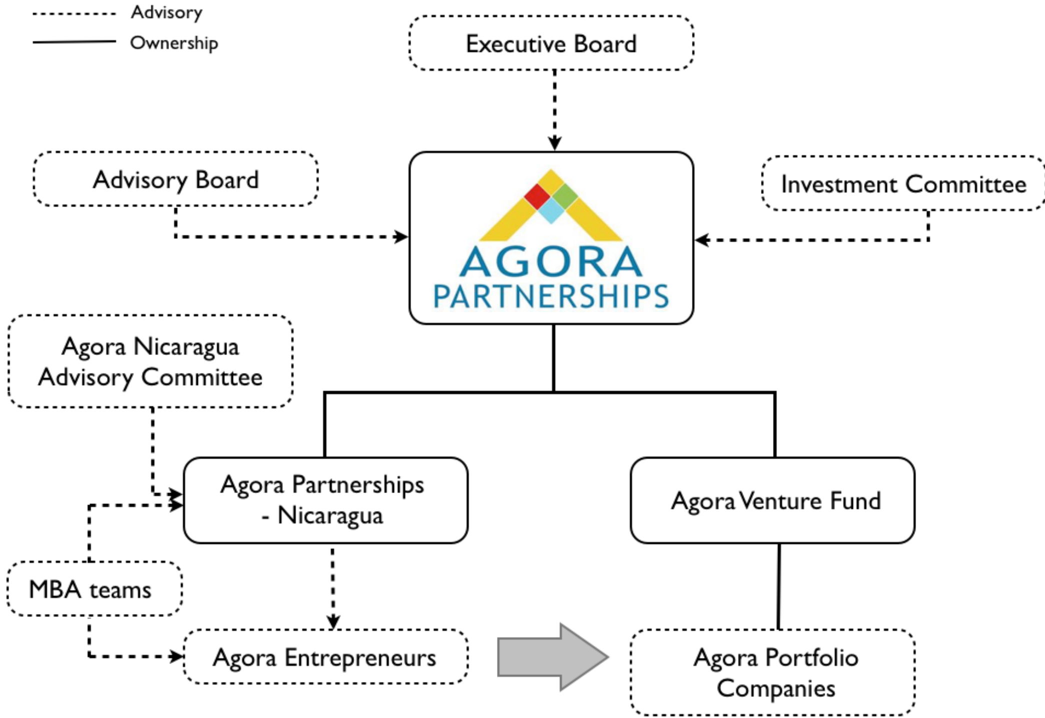

Exhibit 2: 2005 Agora Entrepreneurs

Name	Sector	Ideat
Rafael Garcia Anselmo	Recycling	To process and recycle plastic.
Rafael is the manager and owner of RC industries, a plastic products manufacturing company.		
Danilo Benavides Rivera	Agriculture	To grow, process and freeze potatoes.
José is a potato farmer with a Master's degree in agribusiness.		
Jaime Salazar	Agriculture	To cultivate and sell oysters.
José has a Master's degree in marine aquaculture.		
José Benito Úbeda Zeledón	Agriculture	To grow, process and export cardamom.
José is an English professor, cardamom farmer and leader of an 82-member cardamom farmers' cooperative.		
Robertson Carrillo Zeledón	Agriculture	To produce and export tropical fruit.
Robertson is a project manager for the Nicaraguan Export-Promotion agency.		
Mónica Zúñina	Services	To provide a full range of HR services.
Mónica has been the Director of Human Resources for FINDESA and a human resources consultant for PricewaterhouseCoopers.		

Exhibit 3: AVF Investments 2007-2011

Company	Year	Investment	Description
Bambucasa	2007	$28K	Constructs housing and other structures using native bamboo.
Calzado Reyes	2007	$138K	Manufactures men's shoes.
Clinica del Pie	2007	$35K	Provides affordable foot health care.
Salminic	2007	$44K	Produces mineral-rich salt blocks for cattle.
NicFoods	2008	$50K	Exports food items sourced from small growers.
Pochi	2008	$10K	Produces purified water, carbonated water, juice, and frozen desserts.
Taller de Escultores	2008	$10K	Exports handcrafted sculptures.
Grupo Bios	2009	$128K	Cultivates botanicals for cosmetics and nutritional supplements.
Tauro Shoes	2010	$24K	Produces hand-made leather shoes.
Vegyfrut	2010	$90K	Processes locally grown produce for use in fast food restaurants.
CO2 Bambu	2011	$50K	Constructs housing and other structures using native bamboo.