

Management Response to the 2021 evaluation of Pomona Impact Foundation

Ever since the launch of the Pomona Impact Foundation (the “Foundation”) in 2016, we have had the privilege and benefit of Argidius’ funding support and counsel. We are enormously grateful for this partnership and feel we have been able to overcome a wide range of challenges (i.e. volcanic eruption in 2018, pandemic, etc) and grow as an organization. At the time of obtaining the Argidius Evaluation, the Pomona Impact Foundation was in the process of revamping its governance and expanding its programmatic reach. The Argidius Evaluation has been complementary during this process and a strong source of guidance.

Programmatic Learnings from the Evaluation

The two keystone programs, the regional AgTech/Food Systems Accelerator and Costa Rica GreenTech Incubator, were highly rated with regards to team and perceived value by entrepreneurs. There said there’s an opportunity to drive improvements in the following areas:

1. **Strengthen mentoring:** Throughout the years we have tried different mentoring methodologies, after trial and error and using the research that Argidius has provided, we have developed a methodology that has proven to be more effective and which we have used in our Greentech program in Costa Rica. This methodology includes a previous analysis to match the mentor with the mentee, based on personality and skills, as well as a weekly review process from a team member and a compensation for the mentor. We will be using this methodology for all of our programs.
2. **More P2P learning and post-acceleration engagement:** We understand the importance of P2P learning and we have van seen the positive effects of this interaction in the past years. As well, after trying different methodologies, we have created an interaction process in the Greentech program which foments collaboration among participants. We are still finding ways to foment the interaction post-program.
3. **Re-invest in the selection process:** We have the strongest reputation in the Agricultural capacity building sector and are therefore positioned to recruit well. However, we need to ensure the projects that we take on with additional partners line up with the Foundation’s objectives of working with high potential businesses interested in obtaining financing to scale. We will be using a more thorough interviewing process as well as a structured selection committee.

Governance Learnings from the Evaluation

The Pomona Impact Foundation has been operating with a small yet highly invested to implement its programs. With its plans to expand its reach and help more entrepreneurs obtain growth capital, it will need substantially more funding and thus more robust governance to oversee the management of the organization. A few governance recommendations from the Evaluation that have or are in the process of implementing include:

1. **Strong Board of Directors:** The organization has recruited an active board of directors to help drive the governance efforts and assist with fundraising.
2. **Local Subsidiary:** The Pomona Impact Foundation is a US 501c3 but needs to establish a local subsidiary in order to develop local employment contracts. Legal counsel is already assisting in the process launching the Guatemalan subsidiary. It should be noted that having a local organization will also better position Pomona to gain funding support in the future (with partners eager to help Central American entrepreneurs).
3. **Executive leadership:** Pomona Impact Foundation is well positioned to grow but needs to be hire a full-time executive that can drive fundraising and scale the capacity building programs. The hiring process is underway and should be complete by Nov 2022.

Pomona Impact Foundation: The Future is Bright

The Pomona Impact Foundation has had a banner year (in 2022). We credit a lot of our success to the support that we have received from Argdius over the years, so we wanted to share the fruits of our combined labor alongside the Evaluation results.

1. **New Funding to Grow its Capacity Building Reach:** The Foundation was awarded \$1.1 million in connect to the Guatemalan Entrepreneurship Development Initiative (GEDI) launched by USAID and ANDE that will support:
 - a. Incubation and Acceleration: Development and launch of the first Renewable Energy Accelerator in Central America. Expansion of the AgTech / Food Systems acceleration programming with a focus toward access to markets.
 - b. Entrepreneurial Service Center: A Partnership with EY Seed, El Cubo and Pomona Impact Foundation to launch a low-cost servicing center that includes legal, accounting and administrative support, plus relevant programming of events to better serve entrepreneurs.
2. **Governance:** The Foundation has built up a robust governance structure to support the growth of the future:
 - a. A new Board of Directors and hiring of new Executive Director. The Foundation has also added additional accounting and impact metrics monitoring support.

- b. EY SEED support: EY Seed is among the strongest local legal outfits in Central America and is helping us to launch the Pomona Impact Foundation local subsidiary in Guatemala.
 - c. Formalize Policies
 - i. Foundation mission, vision, and values completed.
 - ii. Employee Handbook completed has been completed.
 - iii. Anti-corruption, whistle-blowing, and anti-harassment policies are now in place.
- 3. **Synergies:** Pomona Impact Foundation is working on deepening the synergies between all of its affiliated entities like the Pomona Impact Fund II, a \$30mm SME investment fund, and the Entrepreneurial Service Center with the goal to helping more entrepreneurs gain access to financing to scale their impact in the region.