



The Landscape of Entrepreneurship Support in Central America

Challenges, opportunities, and a path forward

Bridge for Billions and ANDE

This report is a collaborative effort between **Bridge for Billions** and the **Aspen Network of Development Entrepreneurs (ANDE)**, two organizations committed to strengthening the entrepreneurial ecosystem in emerging economies.

Bridge for Billions is a social enterprise founded in 2015 with the mission to democratize access to entrepreneurship. It provides entrepreneurs with the tools and guidance needed to transform their ideas into sustainable businesses, having supported thousands of founders in over 100 countries through one of the world's largest online entrepreneurship program networks. This report is part of a new strategic research initiative developed within its flagship program, **Conecta**, which supports both entrepreneurs and the support organizations that accompany them.

The **Aspen Network of Development Entrepreneurs (ANDE)** is a global network of over 230 organizations that promotes entrepreneurship in emerging economies. As an initiative of the Aspen Institute, ANDE's mission is to strengthen organizations that support Small and Growing Businesses (SGBs) as a strategy to solve social and environmental problems and improve quality of life. With a proven track record in mapping and analyzing investment and entrepreneurship ecosystems in Latin America since 2013, ANDE is a leading voice in the sector, providing knowledge, training, and policy advocacy to support SGBs.





Letter from the CEO of
Bridge for Billions.

Pablo Santaefemia

Dear allies,

The paradox is clear: while Central America's entrepreneurs rise, the organizations that sustain them remain dangerously fragile. This report on Central America's entrepreneurial support ecosystem, developed with **ANDE**, highlights both the remarkable contributions of **Entrepreneurship Support Organizations (ESOs)** and the fragility of the foundations on which they operate.

ESOs across the region are delivering remarkable results. **Programs reach completion rates above 75%, and 68% of the businesses they support remain active one year after receiving assistance.** Their work is inclusive—reaching more than half of all participants who are women, a similar share of youth, and an increasing number of entrepreneurs from rural and underserved areas. Yet behind these successes lies a deeper structural challenge: the system that enables this impact is unstable and under strain.

Most ESOs depend on short-term project funding, often from international donors, with little long-term certainty or local institutional support. Regional collaboration remains limited, with no collective structure to unify efforts or articulate shared priorities. Early-stage ventures—especially those outside major urban centers—face significant financing gaps, and the absence of consistent impact measurement leaves ESOs undervalued in the eyes of funders and policymakers.

At Bridge for Billions, we see this paradox across many ecosystems: the very organizations that make entrepreneurship possible are themselves struggling to survive. Our **purpose** is clear—to enable more early-stage entrepreneurs of all kinds to thrive, generating jobs and solutions so that our economies can sustainably meet the needs of all. This mission depends on strong, sustainable ESOs. Without them, inclusive entrepreneurship in Central America cannot scale.

The path forward is also clear. This report calls for:

- The creation of a regional ESO alliance to strengthen advocacy, coordination, and knowledge exchange across countries.
- A shift from short-term projects to long-term, flexible financing models that allow ESOs to innovate and build institutional resilience.
- Focused investment to bridge the early-stage capital gap, particularly for rural and underrepresented entrepreneurs.
- Development of shared metrics and evidence frameworks that measure systemic outcomes and attract sustained investment.

These recommendations align fully with our **Conecta strategy**, which supports ESOs in co-creating programs, strengthening their financial and operational sustainability, and activating partnerships to transform fragmented ecosystems into collaborative, resilient networks.

Our **2033 vision** is bold: to support over 100,000 entrepreneurs, generate 1 million jobs, and positively impact the lives of 1 billion people. Central America has the talent, institutions, and entrepreneurial drive to lead this vision. But achieving it requires urgent action to ensure that ESOs are no longer fragile, but empowered as central actors in the region's development.

This report is not just an analysis. It is a call to act differently. To funders, policymakers, and ecosystem leaders: the future of entrepreneurship in Central America will be determined by how you support the organizations that make it possible.

With commitment and urgency,

Pablo Santaefemia

CEO & Co-founder

Bridge for Billions



Letter from the Latin
America Regional
Director of ANDE

**Pedro
Martínez**

Dear ecosystem builders and allies,

The data is clear. Entrepreneurship is one of the most powerful tools to solve social and environmental challenges while creating social mobility across the Global South. But in Central America, as in many parts of our region, the organizations that make this possible are struggling to sustain themselves.

This time, we worked with one of our members, Bridge for Billions, to develop this report on Central America's entrepreneurial support ecosystem. I want to recognize José Ibañez and Bárbara de la Garza from our ANDE team who led this research effort. Together, we sought to bring evidence to a reality we have long observed: Central America's Entrepreneurship Support Organizations (ESOs) are driving inclusion and opportunity, yet they operate under persistent financial and structural pressure. They work project to project, without long-term funding, and often without the coordination or visibility their systemic role deserves.

At ANDE, we have spent over a decade strengthening these critical organizations across Latin America. Our updated strategy recognizes a fundamental truth: sustainable entrepreneurial ecosystems require locally owned, evidence-based support structures. We are not importing Silicon Valley models; we are building capacity where entrepreneurs actually live and work.

I encourage you to use this report as your advocacy tool. Take it to local governments, regional development agencies, foundations, and family offices. Show them that investing in ESOs is not charity, it is economic infrastructure. Every dollar invested in these organizations multiplies into livelihoods created, problems solved, and communities transformed.

The report's findings echo patterns we see across our eight regional chapters: fragmented funding, limited collaboration, and weak measurement systems that obscure true impact. The solutions are systemic as well: collective action, flexible financing, and shared metrics that make impact visible and credible to investors and policymakers alike.

This report is not just analysis. It is an invitation to act differently. To ecosystem leaders, funders, and policymakers: the future of entrepreneurship in Central America depends on how we support those who make it possible.

Let's build ecosystems that last.

Pedro Martínez

Latin America Regional Director

Aspen Network of Development Entrepreneurs (ANDE)

The Aspen Institute



Executive Summary

Central America’s entrepreneurship support ecosystem tells a story of resilience under strain. Across the region, hundreds of Entrepreneurship Support Organizations (ESOs) nurture early-stage ventures, empower women and youth, and anchor local innovation. Yet behind this dynamism lies a fragile foundation: chronic financial precarity, fragmented coordination, and limited access to capital. The result is an ecosystem full of potential but structurally constrained, capable of starting many ventures, but ill-equipped to help them grow sustainably.

“Funding cycles are too short and unpredictable. We spend more time applying for the next project than improving the ones we already have.”

– **ESO Leader**, Roundtable discussion

This report is a situational analysis with advocacy purposes, designed to give ESOs across Central America a collective voice and a shared roadmap for systemic change.

By reading this report, you will get:

- An evidence-based picture of how Central American ESOs operate, sustain themselves, and serve entrepreneurs across countries.
- A clear diagnosis of the system’s structural bottlenecks: financial fragility, fragmented coordination, and persistent gaps in access to finance and impact data.
- A regional action agenda informed by survey data and the roundtables discussion, calling for collaboration among ESOs, funders, and policymakers.

A resilient but fatigued ecosystem

Central America’s ESO landscape is active and mission-driven, built largely by non-profit organizations with strong social commitments. These entities reach diverse populations: a majority work with women and youth, and many serve rural and migrant entrepreneurs. Yet the system supporting them is precarious. **Financial sustainability is the most pressing challenge**, as most ESOs depend on short-term donor projects (27% of funding) and have limited access to unrestricted or long-term financing. This constant fundraising cycle drains energy from innovation and long-term strategy.

Beneath the surface, the ecosystem faces four interlocking weaknesses that hold back its full potential:

- 1. Structural financial instability:** The fight for their own financial survival is the top challenge for ESOs. A heavy reliance on short-term grants creates a cycle of precarity that drains resources from their core mission. This matters because unstable ESOs mean unreliable outcomes for entrepreneurs and wasted public and private investment.
- 2. Fragmentation and weak coordination:** Collaboration exists but remains informal and scattered across countries. While 78% of ESOs express interest in forming a regional or national association, no unified structure yet exists to represent the sector's collective interests, advocate for policy reform, or share evidence across borders. This leaves ESOs isolated and reduces their ability to influence regional entrepreneurship agendas.
- 3. An early-stage capital gap:** Access to finance remains the single greatest barrier for entrepreneurs. Only 36% of those supported secure follow-on funding, often in small amounts. Public and private financing channels remain disconnected, leaving most early-stage ventures particularly women- and youth-led, unable to access loans or investment.
- 4. Weak impact measurement and shared learning:** Most organizations monitor only short-term outputs rather than long-term outcomes such as job creation or revenue growth. Without shared metrics or data platforms, the sector struggles to demonstrate its collective value or to advocate effectively for resources and reform.

An agenda for collective action

Central America's ESOs have proven their resilience. Now they must channel that resilience into systemic transformation, supported by funders and policymakers who recognize their strategic role in inclusive economic growth. The data and dialogues point to four priorities:

- 1. From fragmentation to coordination:** Establish a regional ESO association to unify advocacy, standardize practices, and foster cross-country collaboration.
- 2. From project dependence to sustainability:** Shift from short-term grants to multi-year, flexible financing that strengthens ESO institutions and enables innovation and planning.
- 3. From capital scarcity to inclusive finance:** Develop blended finance and seed mechanisms that de-risk early-stage ventures, expand access for women and rural entrepreneurs, and align public and private investment.
- 4. From disconnected initiatives to shared evidence:** Build a regional learning and data platform to track long-term outcomes, strengthen accountability, and promote collective learning across ESOs.

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Definitions and acronyms

- **ESO (Entrepreneurship Support Organization):** A general term for any organization, such as an incubator, accelerator, university center, or innovation hub, that provides entrepreneurs with critical resources like training, mentorship, networks, and funding to help them start, grow, and sustain their businesses.
- **SGB (Small and Growing Business):** A commercially viable business with 5 to 250 employees that has significant potential, and ambition, for growth. ESOs often focus on supporting SGBs due to their high potential for job creation and economic impact.
- **M&E (Monitoring and Evaluation):** The process by which organizations track and assess the performance and impact of their programs over time. In the context of this report, it refers to how ESOs measure the success of their interventions and the progress of the entrepreneurs they support.

Stages of the entrepreneurial journey

The following stages, based on the provided framework, describe the typical path a venture follows from concept to growth. ESOs design their programs to support entrepreneurs at one or more of these specific stages.

- **Pre-ideation / Entrepreneurial Education:** This is the foundational stage that occurs before a concrete business idea is formed. Support activities focus on the **promotion of an entrepreneurial culture and mindset**, helping potential founders develop the basic skills and orientation needed to identify opportunities.
- **Ideation:** The earliest stage, where an entrepreneur develops an initial idea. Support activities focus on **design thinking, prototyping, and customer discovery** to test the concept's viability.
- **Incubation:** The stage focused on building a solid foundation for the business. ESOs help entrepreneurs **search for and validate market fit** and develop a **minimum viable product (MVP)** or service.
- **Acceleration:** The growth phase where a business has an established product and begins to acquire its **first customers and employees**. Support is geared towards refining the business model and preparing for growth.
- **Scaling / Growth:** The most mature stage, where a validated business focuses on expanding its reach and impact. For some ventures, this means **scaling** in the traditional sense, rapidly increasing operations and internationalizing to capture a large market share. For others, it means pursuing sustainable **growth** by deepening their market presence,

diversifying services, or strengthening their financial stability without necessarily aiming for exponential expansion. Support at this stage is tailored to the specific goals of the venture, whether it be market expansion, operational efficiency, or securing strategic investment.

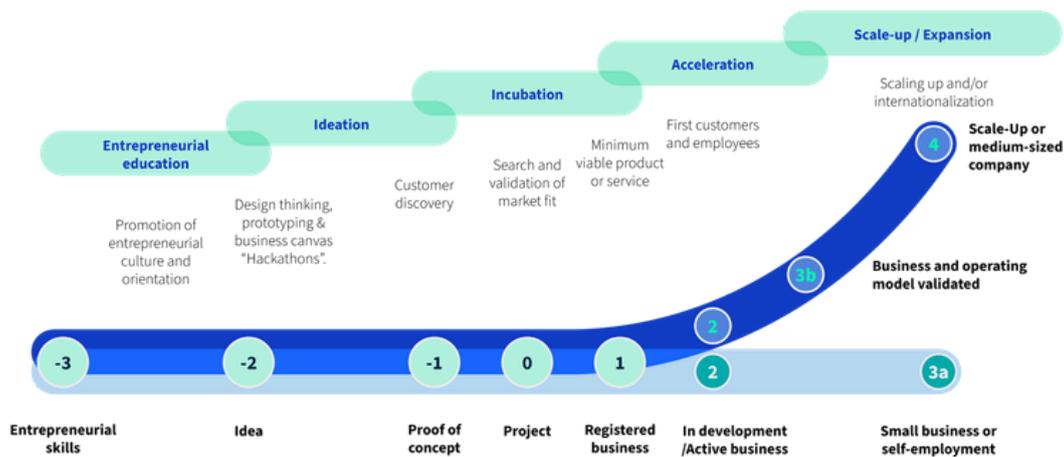


Figure 1: Stages of entrepreneurial journey

1. Introduction & methodology

1.1 Context, purpose and objectives

Central America, encompassing **Costa Rica, El Salvador, Guatemala, Honduras, and Panama**, presents a diverse and dynamic economic landscape. While often viewed collectively, the region comprises countries with distinct levels of economic development, regulatory environments, and entrepreneurial ecosystems (BID Lab, 2024; World Bank, 2024). Despite macroeconomic stability in some nations, the region grapples with **shared challenges** such as relatively small internal markets (pushing entrepreneurs towards internationalization early), significant informality rates (often exceeding 70% in countries like Guatemala and Honduras), gaps in infrastructure (both physical and digital, particularly in rural areas), and persistent social inequalities (BID Lab, 2024; ANDE, 2021; World Bank, 2024). Youth unemployment and underemployment remain critical issues, alongside challenges in educational quality and skills mismatches, hindering the development of a workforce fully equipped for innovation and dynamic entrepreneurship (World Bank, 2024; GEM, 2024). However, Central America also holds considerable potential, driven by its strategic location, young population, and growing digital connectivity (BID Lab, 2024).

The Central American entrepreneurial ecosystem has witnessed notable growth over the past decade, spurred by increased digital adoption, a rise in opportunity-driven entrepreneurship (alongside necessity-driven ventures), and dedicated efforts from various actors (BID Lab, 2024; GALI, 2021). Incubators, accelerators, universities, government agencies, and community builders are increasingly active across the region, offering a range of services from ideation support to seed funding (CENPROMYPE, 2010; BID Lab, 2024). National policies promoting entrepreneurship exist in several countries though implementation and focus vary (BID Lab, 2024).

A number of country-specific and regional studies have contributed valuable insights into the entrepreneurial landscape of Central America, mapping actors, support services, financing flows, and business environments. However, a critical perspective remains underrepresented: that of the ESOs themselves. How do ESOs navigate the tension between inclusion and sustainability within highly diverse national contexts? What models of support have emerged to serve entrepreneurs in more innovation-oriented environments like Costa Rica and Panama, compared to more resource-constrained settings such as Guatemala or Honduras? What barriers limit ESOs' ability to grow their impact, and what systemic shifts do they view as necessary to strengthen the ecosystem?

This report responds to these questions by bringing forward a unified, ground-up perspective from ESOs across Central America. It provides a data-driven situational analysis of the ESO landscape across Costa Rica, El Salvador, Guatemala, Honduras, and Panama, grounded in original data and direct testimonies. It consolidates a regional view of who the ESOs are, who they support, how they operate, the models they use, and the outcomes they generate, while acknowledging country-specific nuances. This is a report with an advocacy purpose: it positions ESOs as essential infrastructure for inclusive economic development, actors whose sustainability, coordination, and capacity to influence their environments are critical for unlocking the region's entrepreneurial potential. By elevating the shared challenges, requests, and aspirations of ESOs, the report aims to strengthen their collective voice and support a more coherent and enabling environment for entrepreneurship, one that leverages both national strengths and the benefits of regional collaboration.

A tool for strategic action

This report is designed as a practical resource for ESOs, funders, policymakers, and ecosystem stakeholders who share a commitment to fostering entrepreneurship as a driver of opportunity in Central America. Through the evidence presented, the report encourages reflection, collaboration, and strategic alignment among those shaping the region's entrepreneurial future, recognizing that progress will be most sustainable when countries learn from one another and act together.

This report is intended for three key audiences:

- **For ESOs**, this report is a source of evidence and a call for collective action. Use this data to validate your challenges, identify peers for collaboration across the region, and build a unified voice to advocate for the support and enabling conditions you need to sustain and scale your work.
- **For funders and policymakers**, this report is an urgent call to address systemic gaps that hinder entrepreneurship in Central America. Use these insights to understand the consequences of short-term funding cycles, fragmented policy, and limited incentives for innovation. They serve as a basis to co-design more stable and long-term financial and regulatory frameworks that enable ESOs and entrepreneurs to thrive.
- **For the broader entrepreneurial ecosystem**, this report provides a shared understanding of where the real bottlenecks lie. It enables better alignment of resources and a more coordinated regional effort to help entrepreneurs move from idea to growth with consistent, high-quality, and equitable support.

1.2 Conceptual framework

The analysis is organized around two complementary pillars. The **first pillar** (sections 2, 3, and 4) examines the internal *working recipe* of ESOs in Central America. It describes *what they do, what they achieve, and whom they serve*. Using the survey as the primary source of data, it documents ESO service models, the types of entrepreneurs and ventures they support, and the results they generate. Immediate outputs, such as program reach, participation, and service delivery, are distinguished from longer-term outcomes that capture entrepreneurial progress after program completion, including business survival, revenue generation, investment raised, and employment created. This pillar provides a detailed, evidence-based account of the functions, performance, and beneficiary profiles of ESOs across the five countries.

The **second pillar** (sections 5 and 6) explores the broader system in which ESOs operate. It captures the enablers and constraints that shape their effectiveness and sustainability. The survey provides comparable data on the barriers ESOs face, while qualitative insights from a roundtable with ESO leaders and ecosystem stakeholders add contextual depth across Central America. These perspectives highlight systemic issues and collective requests to policymakers, funders, and peer organizations, complementing quantitative findings and pointing to priority areas for coordinated action at both national and regional levels.

Together, these two pillars provide a structured approach to understand how ESOs function internally and how external conditions influence their capacity to deliver outcomes. By combining quantitative and qualitative evidence, this framework supports a practical and nuanced assessment of the ESO landscape in Central America and informs actionable recommendations to strengthen the ecosystem.

1.3 Methodology

This analysis combines two sequential surveys with a regional roundtable discussion, conducted between February and August 2025. The design ensures that findings are

grounded in validated quantitative data while enriched by qualitative insights from ecosystem stakeholders across Central America.

- **Survey 1: Mapping the landscape.**

The first survey was a short questionnaire designed to identify and map active ESOs across Central America. It collected basic information on each organization's legal form, services offered, target populations, and geographic reach. In addition, Survey 1 included two questions directed at financial investors, with the aim of capturing their perception of market conditions in the region. Survey 1 was deployed between February and June 2025. Invitations were distributed via email to known organizations and through partner networks to broaden coverage. The responses established the baseline dataset of active ESOs and provided an initial picture of their role and services within the regional ecosystem.

- **Survey 2: Deepening the analysis.**

The second survey was sent exclusively to organizations that had completed Survey 1. Conducted between July and August 2025, it gathered more detailed information on ESO capacities, funding models, service delivery, and results. This allowed for an assessment not only of program reach but also of the effectiveness and sustainability of ESO interventions. By collecting a more comprehensive dataset from a smaller group, Survey 2 enabled a deeper analysis of ESO operational models and outcomes.

- **Regional roundtable: Capturing systemic perspectives**

In parallel, Bridge for Billions and ANDE convened a regional roundtable at the end of March 2025 in San Salvador to present the first insights emerging from Survey 1. The session brought together ESO representatives, ecosystem leaders, investors, and broader regional stakeholders. After sharing the preliminary findings, particularly on the challenges most frequently reported by ESOs, participants were divided into thematic roundtables to discuss key systemic issues in depth. The discussions generated qualitative insights on barriers, ecosystem dynamics, and requests to public and private actors. These perspectives complement the quantitative data by explaining why certain challenges persist and how ESOs and stakeholders interpret their role within the wider regional ecosystem.

Data quality and interpretation

Responses from both surveys were reviewed for consistency and plausibility and were complemented where possible with publicly available information. Roundtable notes were systematized and used to contextualize and interpret the survey findings. In presenting results, the report distinguishes between measured facts, directly supported by survey indicators, and perceptions or claims arising from the roundtable discussions.

Respondents

A total of 75 organizations participated in Survey 1. Of these, 84% were ESOs, 7% investors, 5% development finance institutions or donor agencies, and 4% banks or other financial institutions (Figure 2). Survey 1 respondents represented all five Central American countries: Costa Rica, El Salvador, Guatemala, Honduras, and Panama (Figure 3), providing a diverse regional perspective on the ecosystem.

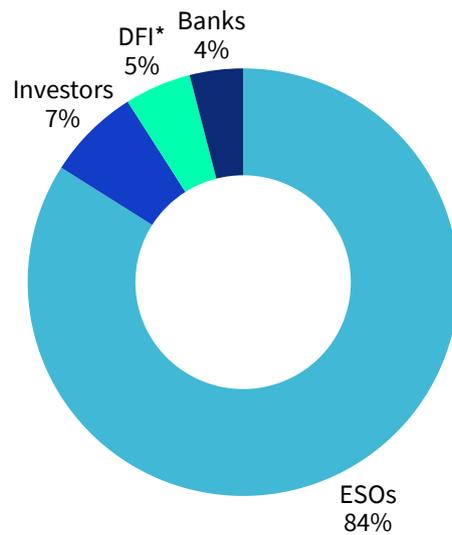


Figure 2: Organizations participating in Survey 1 (N=75)

*Development Financial Institutions

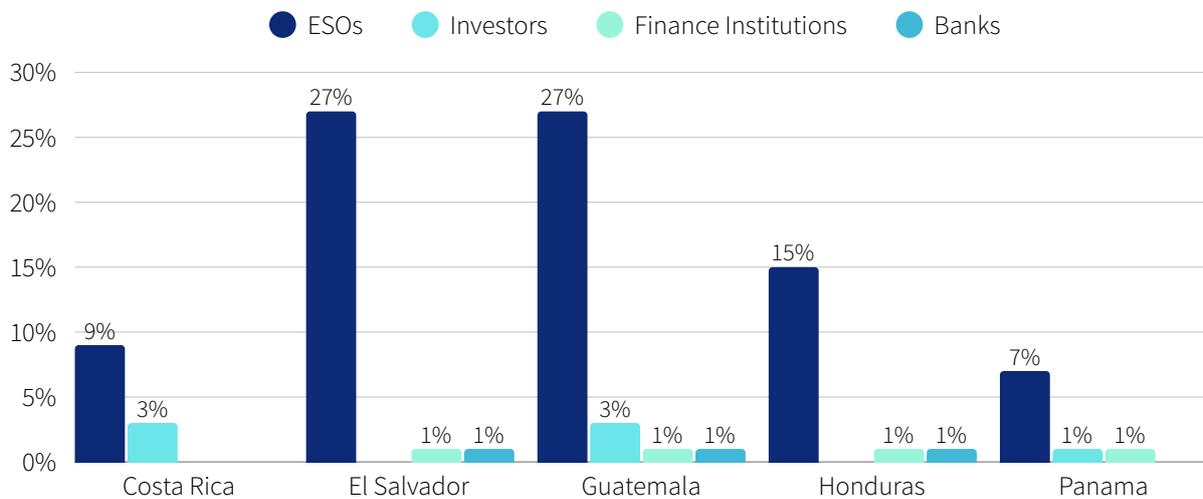


Figure 3: Survey 1 respondents by country (N=75)

Survey 2 was completed by 15 ESOs that had previously responded to Survey 1 (Figure 4 Annex, Table 1). Respondents were distributed across Costa Rica, El Salvador, Guatemala, and Honduras, with no Survey 2 responses from Panama. This distribution enables a regional analysis of ESO operational models while acknowledging that insights from Survey 2 reflect a smaller subset of the broader sample. In addition, around 47 participants attended the regional roundtable, including ESO leaders, investors, development partners, and ecosystem stakeholders. Their contributions generated qualitative insights that further complement the quantitative evidence.

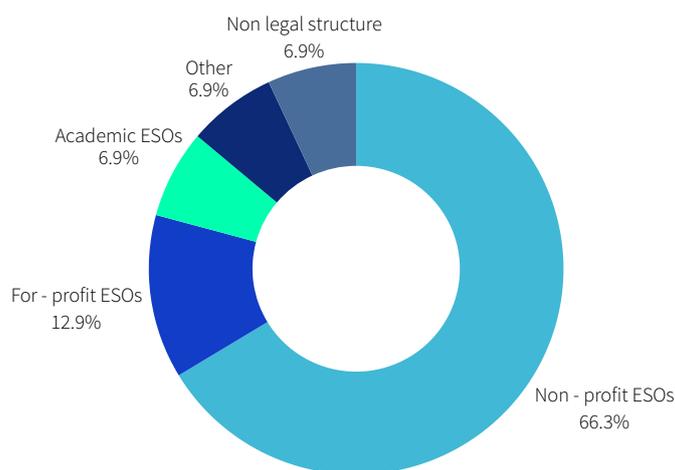


Figure 4: Survey 2 respondents, disaggregated by ESO structure (N=15)

Limitations

The findings presented in this report are based on self-reported data from survey respondents and the discussions held during the regional roundtable. While **75 organizations** responded to Survey 1 and **15 ESOs** to Survey 2, this represents only part of the wider ESO community in Central America and **should not be interpreted as a full census**. This difference in sample size reflects the deliberate two-phase survey design: Survey 1 served as a broad mapping tool, while Survey 2 required a higher level of detail and operational transparency, resulting in a smaller self-selected group for the second phase.

There are also **limitations linked to the regional aggregation of data**. Ecosystem maturity, public-sector engagement, and resource availability differ across the five countries, and aggregating results at the regional level may smooth over relevant individual-country dynamics. While the regional lens enables identification of shared patterns and systemic challenges, some nuances are best understood within national contexts. To balance this, country-specific insights are highlighted only when they meaningfully influence interpretation.

The country distribution of Survey 2 responses introduces an additional constraint. While Survey 2 includes respondents from Costa Rica, El Salvador, Guatemala, and Honduras, it does not include ESOs from Panama. As a result, detailed findings relating to operational models and outcomes reflect the experiences of ESOs in four countries.

Responses are also subject to variation in how organizations track and report their activities and outcomes. Although efforts were made to validate and triangulate data, including through external sources and the regional roundtable, some indicators may reflect differing internal measurement practices. The qualitative insights presented in this report represent the perspectives of participating stakeholders and may not capture the full diversity of views across the region. Despite these limitations, the combination of two sequential surveys, cross-checks with external data, and qualitative validation through the regional roundtable provides a robust and balanced evidence base for assessing the ESO landscape in Central America.

2. Landscape of ESOs in Central America



At a glance:

The landscape of ESOs in Central America is diverse, unevenly distributed, and strongly oriented toward early-stage support. ESOs are present across all five countries, but **their activity remains highly concentrated in capital cities and major urban centres**, with only a limited presence in secondary regions. This creates an ecosystem where access to support depends significantly on geography. The region is shaped by a mix of institutional profiles, from long-standing non-profits and university-linked initiatives to newer, less formal structures, reflecting both accumulated experience and emerging dynamism.

In terms of program design, **ESOs are primarily concentrated at the entry point of the entrepreneurial journey.** Support is almost evenly distributed across pre-ideation, ideation, and incubation, confirming a regional focus on activating and validating new ventures rather than scaling them. Acceleration is less frequent, and growth-stage support is scarce. More mature ESOs tend to offer multi-stage pathways, while younger entities remain focused on early foundational training.

Program access follows a mixed admissions model, balancing flexibility and structure. Nearly half of ESOs operate with rolling or continuous admissions, while the rest rely on one to two annual cohort-based calls. Selection processes are rigorous: innovation, scalability, and social impact stand out as the most valued entry criteria. While this alignment supports program quality and mission coherence, it may also limit access for entrepreneurs who show promise but lack early exposure, networks, or resources.

Taken together, the data portrays an ecosystem that is active but uneven, with strong capacity to mobilise and shape early entrepreneurial talent, yet limited ability to sustain and scale ventures across the region. Broadening territorial reach, strengthening later-stage support, and widening the entry pipeline for underrepresented entrepreneurs will be key to converting early potential into long-term entrepreneurial outcomes.

2.1 Geographic distribution, legal typology and age of ESOs

Organizations supporting entrepreneurs are present across all five Central American countries, though with uneven representation (Figure 5). El Salvador and Guatemala account for the largest shares of organizations in the dataset, followed by Honduras, Costa Rica, and Panama. This distribution points to potentially more consolidated and visible support ecosystems in parts of the Northern Triangle (El Salvador, Guatemala, Honduras), while Costa Rica and Panama show smaller but established communities of practice, a pattern potentially influenced by differing levels of historical development aid focus and distinct national entrepreneurship policies (BID Lab & MassChallenge, 2024; CENPROMYPE, 2010).

Consistent with findings across Latin America, territorial presence remains highly concentrated in capital cities and surrounding metropolitan areas (Kantis et al., 2024). In El Salvador, most organizations are located in the San Salvador region. Guatemala shows a comparatively broader footprint, with activity extending into western departments, although still anchored in the capital, possibly reflecting specific programs targeting regional development or impact investment initiatives (Red de Impacto LATAM & EGADE Business School, 2024) In Honduras, the majority of actors are based in Tegucigalpa and San Pedro Sula. Costa Rica and Panama present smaller groups of organizations, primarily concentrated in San José and Panama City, respectively. Although signs of decentralised activity exist in some countries, particularly Guatemala and, to a lesser extent, El Salvador, the overall pattern reflects a **predominantly urban footprint**.

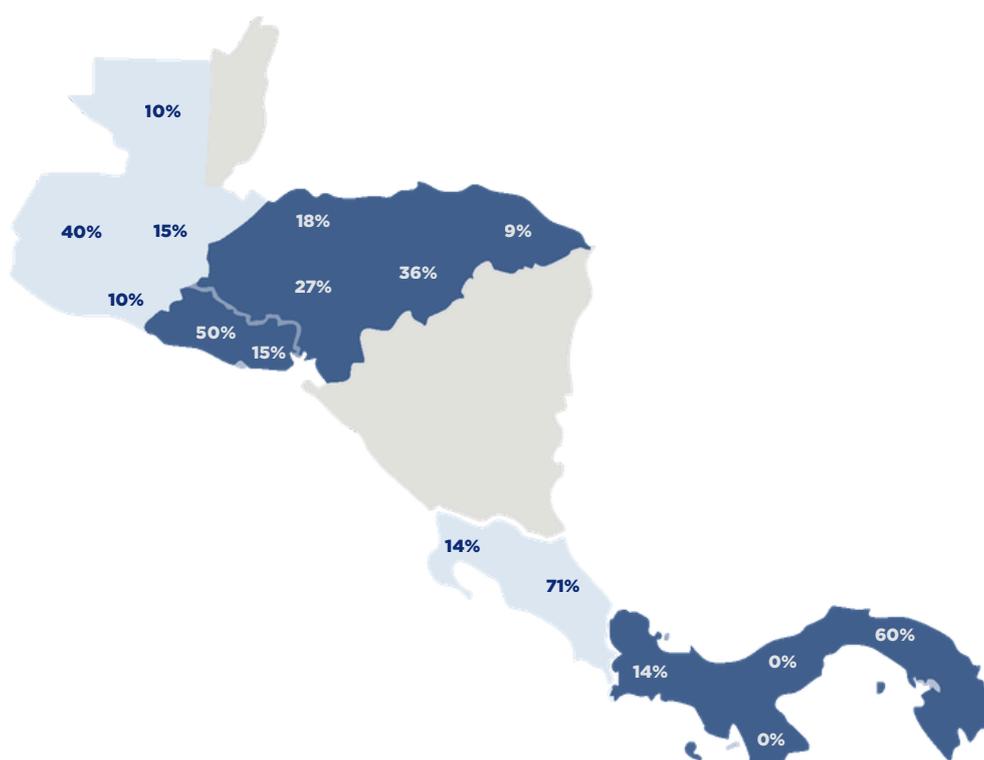


Figure 5: Areas of entrepreneurial support provided by ESOs (N=63)

Most ESOs in Central America operate as nonprofit organizations, with smaller shares of for-profit ESOs, university-based ESOs, and a limited number operating without a formal legal structure (Figure 6). The predominance of nonprofits is visible in all countries, reflecting the strong historical influence of development-oriented, mission-driven models of entrepreneurial support in the region, often established through international cooperation or as civil society initiatives (CENPROMYPE, 2010; YEP Report, 2020). Across all countries, nonprofit ESOs are the dominant organizational form (Annex, Figure 1). University-based ESOs are present in El Salvador, Guatemala, and Honduras, and appear more modestly in Costa Rica and Panama. For-profit ESOs are a minority segment in every country, and ESOs without a formal legal structure appear only marginally. This composition suggests similar institutional mixes across countries, with differences mainly in scale.



Figure 6: Typology of ESOs in Central America (N=63)

ESOs in Central America show a mature profile overall: roughly one-third are historical (20+ years), and around two-fifths have between 6 and 20 years of activity. Young ESOs (≤ 5 years) represent about one-sixth of the sample (Figure 7). This mix indicates long-standing providers, likely rooted in earlier SME development programs (CENPROMYPE, 2010), coexist with a newer cohort reflecting the more recent wave of startup-focused ecosystem building seen globally and regionally (Kantis et al., 2024; BID Lab & MassChallenge, 2024). The age structure varies across countries (Annex, Figure 2). El Salvador concentrates a larger share of long-standing ESOs, while Guatemala skews toward mid-aged ESOs (6–20 years). Honduras presents a balanced distribution with fewer very young ESOs, and Costa Rica and Panama show smaller samples with a mix of historical and consolidated organizations.

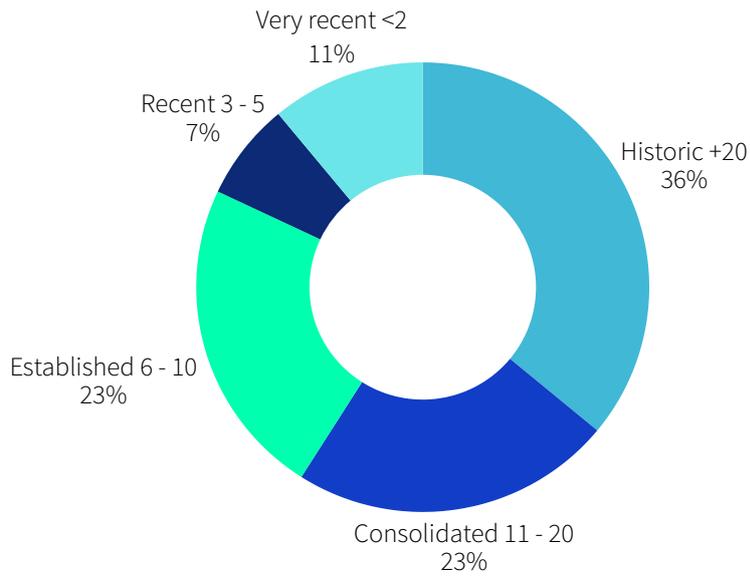


Figure 7: Years of activity of ESOs (N=63)

The maturity profile differs by ESO type (Figure 8). Nonprofit ESOs include the largest share of the oldest cohort, alongside consolidated and established organizations, indicating long institutional trajectories. For-profit ESOs skew younger, with a higher presence among 6–10-year and ≤5-year groups. University-based ESOs also show a younger profile, concentrated in the ≤10-year range. ESOs without formal structure are few and mostly recent.

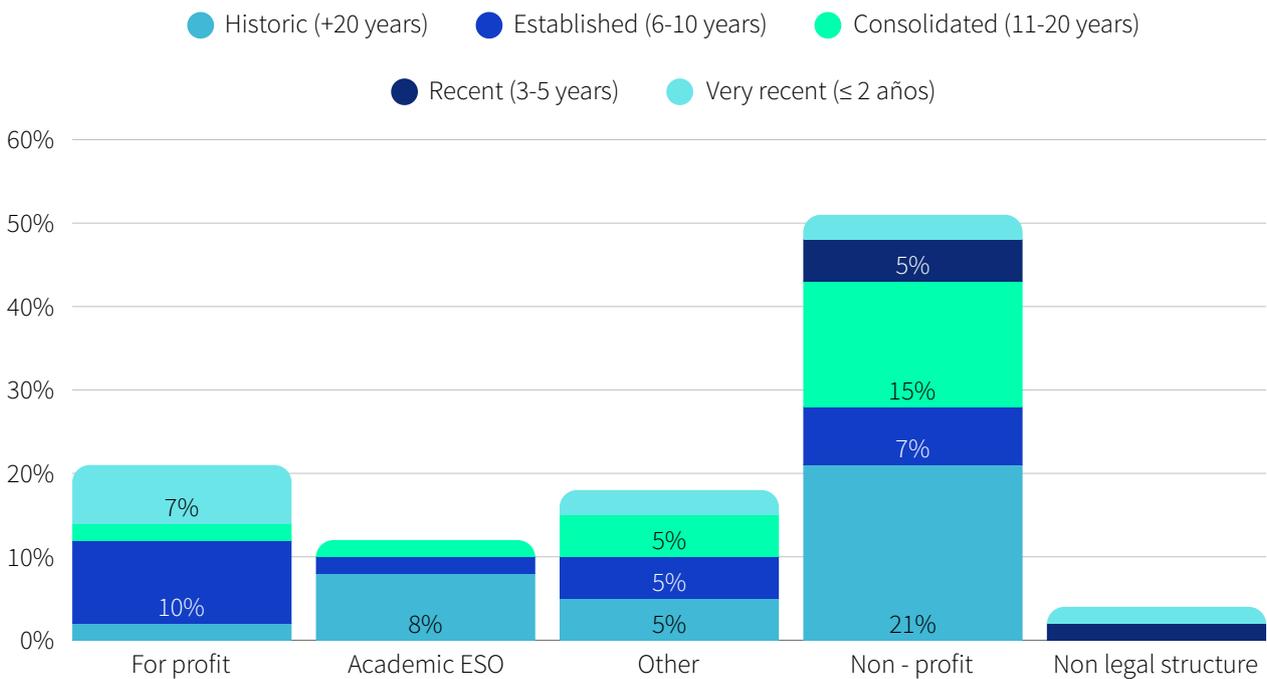


Figure 8: Age profile of ESOs by organizational type (N=63)



An ecosystem anchored in experience, but unevenly distributed

The data reveals a defining tension in Central America's entrepreneurial support ecosystem: **it is anchored in experience yet unevenly accessible**. A significant share of ESOs have been operating for more than a decade, offering institutional continuity, knowledge, and deep community roots. At the same time, this solid foundation rests on an unbalanced territorial structure. Support services remain concentrated in capital cities, leaving entrepreneurs in secondary regions with limited or no access to the programs, networks, and opportunities needed to grow. This imbalance risks entrenching a system where the likelihood of receiving support depends more on geography than on entrepreneurial potential.

For ESOs, this is a call to rethink presence and reach. The opportunity lies in expanding beyond traditional hubs by adopting more flexible delivery models, forging local partnerships, and sharing methodologies with emerging or regional peers. Building bridges across territories will be essential to ensure that entrepreneurial opportunity is not a privilege reserved for those located near capital cities.

For public and private funders, this is an urgent moment to correct an access gap that market forces alone will not solve. Concentrating funding, programs, and incentives in urban centres will only widen territorial inequality. The priority now must be to deploy targeted mechanisms that enable ESOs to operate sustainably outside capitals, strengthening the entrepreneurial fabric of the entire region, not only its metropolitan cores.

2.2 Entrepreneurial journey stages covered

Support is distributed primarily across the early and middle stages of the entrepreneurial journey (Figure 9). ESOs allocate similar levels of support to pre-ideation, ideation, and incubation, each representing roughly one-quarter of their activities. Acceleration receives a smaller yet still notable share, while growth and scaling remain the least covered stages (9%). This distribution shows that the Central American support ecosystem is structured to activate entrepreneurs, develop business ideas, and validate initial models, but offers more limited accompaniment for scaling and consolidation. This aligns with findings from earlier regional diagnoses emphasizing SME creation and basic capacity building (CENPROMYPE, 2010) and reflects a common pattern in developing ecosystems where mobilizing new entrepreneurs is often prioritized (Kantis et al., 2024). However, the lower focus on later stages points to potential gaps in accompaniment for scaling and consolidation, a challenge noted in studies on acceleration and access to finance in the region (GALI, 2021).

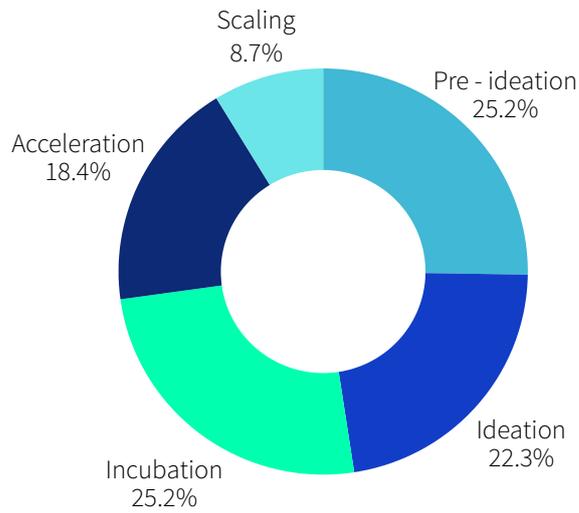


Figure 9: Average distribution of ESO support by stage of the entrepreneurial journey (N=63)

This pattern is consistent with the average number of entrepreneurs supported in 2024 per ESO by stage, where the largest volumes are reached in ideation (97) and incubation (80), compared to lower averages in acceleration (73), pre-ideation (50), and growth (36) (Table 1). The data suggests that while early-stage programs reach a broad base of entrepreneurs, more advanced stages require greater specialization, resources, and networks, factors that only a limited number of ESOs in the region can currently mobilize.

Stage	Average Entrepreneurs Supported per ESO in 2024
Pre-ideation	50
Ideation	97
Incubation	80
Acceleration	73
Scaling / Growth	36

Table 1: Inferred average number of entrepreneurs supported in 2024 per ESO by stage (N=63)

When looking at the predominant stage of focus for each ESO, pre-ideation emerges as the most frequent (24%), followed by incubation (22%) and ideation (19%). Acceleration represents 16% of ESOs, and only 3% focus mainly on growth (Figure 10). The concentration of organizations at the early stages reflects a **support landscape still centered on mobilizing and validating entrepreneurs**, with fewer structures designed to sustain their long-term growth.

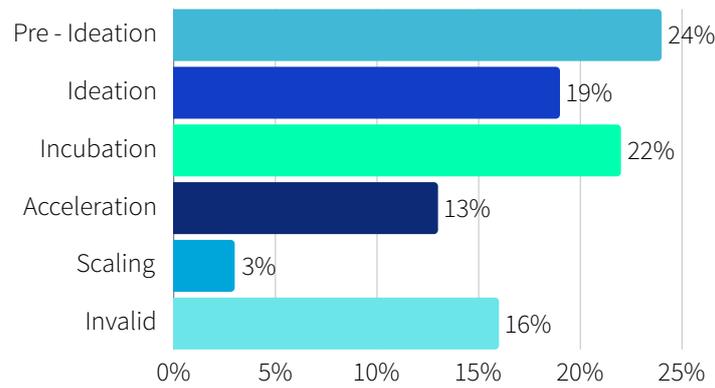


Figure 10: Inferred predominant stage of focus among ESOs (N=63)

Differences appear when analyzing the predominant stage by ESO type. Non-profits show the broadest stage coverage, with presence across ideation, incubation, and acceleration, suggesting more diversified program portfolios. University-based ESOs focus primarily on pre-ideation and ideation, reflecting their educational and research-driven contexts. For-profit ESOs are more active at ideation and acceleration, in line with business model validation and market-readiness objectives. In contrast, ESOs without legal structure concentrate almost exclusively on pre-ideation and ideation, indicating limited institutional capacity for long-term support.

	Pre - ideation	Ideation	Incubation	Acceleration	Scaling / growing	Invalid
For - profit ESO	6%	3%	5%	2%	0%	3%
Academic ESO	8%	0%	2%	0%	0%	3%
Other	3%	3%	3%	2%	2%	2%
Non - profit ESO	5%	11%	11%	10%	2%	3%
Non legal structure	2%	2%	2%	0%	0%	0%

Table 2: Inferred predominant stage by ESO type (N=63)

Similarly, when analyzing stage focus by years of activity, **more experienced ESOs display broader coverage.** Historic ESOs (over 20 years) are the most active across early and mid-stages, including acceleration. Consolidated and established ESOs (6–20 years) maintain a balanced presence from pre-ideation to incubation. Meanwhile, younger organizations (≤ 5 years) tend to operate primarily at pre-ideation and ideation, rarely extending their programs toward acceleration or scaling. This confirms that organizational maturity correlates with multi-stage support capacity and deeper entrepreneurial pipelines.

	Pre-ideation	Ideation	Incubation	Acceleration	Scaling	Invalid
Very recent (≤ 2 years)	5%	3%	3%	0%	0%	0%
Recent (3-5 years)	0%	2%	0%	2%	2%	0%
Established (6-10 years)	5%	5%	5%	3%	0%	2%
Consolidated (11-20 years)	3%	3%	3%	6%	2%	5%
Historic (+20 years)	8%	6%	11%	2%	0%	8%

Table 3: Inferred predominant stage by years of activity (N=63).

Although there are small variations across countries, the overall pattern remains consistent throughout Central America. Given the limited sample per country, disaggregated results are presented in the Annex for reference but are not statistically representative of national contexts (Annex, Table 2). National reports, where available, can offer deeper insights into country-specific nuances (e.g., BID Lab & MassChallenge, 2024 Country Reports).

Takeaway



A wide entry ramp, but a narrow path forward

The stage distribution reveals a structural imbalance: Central America has built strong on-ramps into entrepreneurship, but very few pathways that take ventures beyond early validation. ESOs concentrate most of their activity and reach in pre-ideation, ideation, and incubation, helping many entrepreneurs get started and refine their ideas, yet support significantly declines at acceleration and is scarce at growth. As a result, a large pool of early-stage entrepreneurs is created, but only a small fraction receives the specialized support required to consolidate, scale, and compete in larger markets. If unaddressed, this imbalance risks limiting the region’s ability to convert entrepreneurial potential into sustainable, high-growth ventures that generate jobs and economic transformation.

For ESOs, the challenge is to strengthen mid-to-late stage support, whether by expanding their own capabilities or, more realistically, by partnering to build shared pipelines that accompany entrepreneurs beyond validation. Collaboration, rather than isolated efforts, will be key to filling the acceleration and growth gap in a resource-constrained ecosystem.

For public and private funders, targeted investment is required to unlock the missing middle of the journey. Financing and incentives will need to be directed toward initiatives that enable ESOs to develop or scale acceleration and growth-oriented services, including market access, sales enablement, and investor readiness. Without this, the system will continue to produce entrepreneurs who start but cannot grow.

2.3 Calls and selection models

Entry into ESO programs in Central America is managed through a mix of rolling and cohort-based models. Almost half of ESOs (47%) operate with rolling or ongoing admissions, allowing entrepreneurs to join their programs at any time. The remaining 53% implement a cohort-based model, opening calls for applications at specific moments during the year. Among those using a cohort-based approach, **ESOs run on average 1.6 calls per year for their main program.** This suggests that while cohorts remain a common entry mechanism, program intake cycles are relatively infrequent, which may limit the number of entrepreneurs supported annually unless multiple programs are offered in parallel.

ESOs apply a diverse set of criteria to select entrepreneurs into their programs, with a clear emphasis on innovation, scalability, and social purpose. The most frequently weighted elements in the selection process are **the potential scalability of the business model, the innovativeness of the solution, and the social impact of the project**, suggesting that demand-driven filters prioritize both growth potential and mission alignment. Entrepreneurial team quality, prior experience, and expected impact of the program on the individual entrepreneur also feature among the most valued criteria. Elements such as **traction, public visibility, prior awards, and degree of exclusion of the business from the ecosystem** are considered, but with lower relevance overall (Figure 11).

Differences emerge when examining selection priorities by ESO type. For-profit ESOs exhibit a markedly stronger focus on scalability as a criterion, signalling their orientation toward market viability and investment readiness, a common characteristic of private accelerators (GALI, 2021). University-based ESOs prioritise social impact and innovation, aligned with educational missions and student-focused entrepreneurship models. Nonprofits, while also valuing social purpose, apply a more balanced set of criteria across dimensions, including talent, impact potential, and early signs of traction, possibly reflecting diverse funding mandates or target populations, such as youth entrepreneurs where potential may outweigh early metrics (YEP Report, 2020). ESOs without a formal legal structure show a sharper emphasis on innovation and team quality, likely reflecting smaller capacity to evaluate more complex business maturity indicators (Annex, Table 3). These patterns indicate that **selection processes reflect organizational mandates**, with each type of ESO shaping its pipeline according to its strategic and impact orientation.

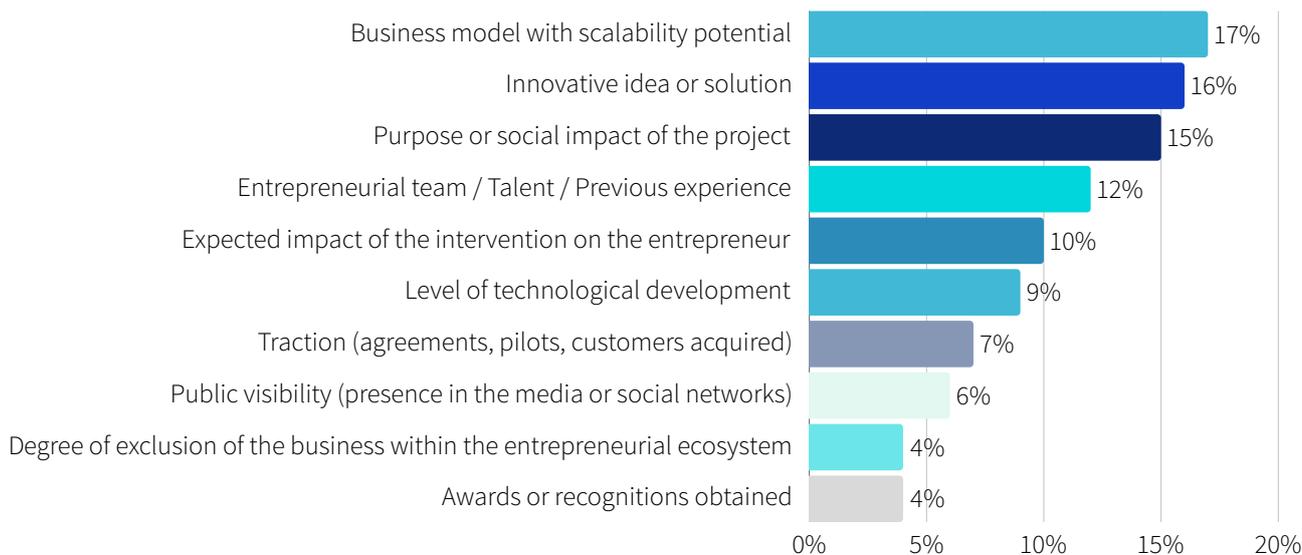


Figure 11: Average weight (%) of selection criteria assigned by ESOs (N=15).

Takeaway

Broad doors, selective filters

The way ESOs open their programs reflects a dual dynamic: **access is flexible, but entry is far from guaranteed**. With nearly half of ESOs offering rolling admissions, entrepreneurs can engage at the moment they are ready rather than waiting for a cohort cycle. Yet once they apply, selection filters remain demanding. ESOs prioritise innovation, scalability, and social purpose, and increasingly look for teams with talent and commitment to maximise the value of support. This combination of flexible access and high expectations helps ensure program quality, but also risks filtering out entrepreneurs who show potential yet lack early exposure, networks, or capabilities to meet these criteria at the outset.

For ESOs, this highlights the need to balance rigor with inclusive pipeline-building. Strengthening outreach, pre-program preparation, and transparent selection processes can help ensure that promising but under-resourced founders are not prematurely excluded from support.

For public and private funders, the call is to resource the “pre-selection” stage. Targeted funding for awareness-raising, training, and early-readiness interventions would help level the playing field so that more entrepreneurs, regardless of background, reach the minimum thresholds needed to compete for and benefit from ESO programs.

3. Organizational capacity and models of intervention



At a glance:

The operational backbone of Central America’s ESO ecosystem reflects a vibrant yet uneven landscape: diverse in form, mission, and maturity, but constrained by structural fragility. Financially, ESOs remain heavily dependent on short-term, project-based and external funding, particularly from international cooperation and CSR initiatives. Earned income continues to represent a small share of total revenues, leaving most organizations vulnerable to donor cycles and short funding horizons. This pattern traps many ESOs in a “project logic,” where sustainability is often secondary to program continuity.

Operationally, ESOs display a broad but shallow service architecture. Mentorship and training are nearly universal features, but few organizations offer advanced services such as financing, market access, or R&D support. Non-profits dominate the service landscape, prioritizing inclusion and impact over commercial sustainability, while for-profit and university ESOs remain smaller in number but more selective and specialized. Program formats are typically long-term and resource-intensive, emphasizing pedagogy and accompaniment rather than acceleration at scale. Human resource structures reflect similar constraints: small professional teams supported by a high reliance on volunteers and temporary staff. This model sustains high engagement but limits institutional continuity and professionalization. The ecosystem’s talent base remains concentrated in mentoring and training roles, with limited technical and operational depth for scaling or innovation.

In terms of reach, the ecosystem is characterized by ambition without equilibrium. A handful of consolidated organizations manage to serve hundreds of entrepreneurs annually, while most ESOs operate with modest reach and fluctuating cohorts. Inclusivity is a visible strength: youth and women remain the core focus, but the system’s depth of inclusion remains limited, with scarce engagement of migrants, people with disabilities, or base-of-the-pyramid populations. Technological intensity among supported ventures is low: only a small fraction operate in high-digitalization sectors, while the majority remain in traditional commerce, services, and agriculture.

Altogether, the Central American ESO ecosystem exhibits a dynamic yet fragmented structure: rich in diversity, socially driven, and mission-oriented, but hindered by financial precarity and limited institutional consolidation. It is an ecosystem that has successfully democratized access to entrepreneurial support but is still searching for the organizational foundations and financial stability needed to achieve scale, specialization, and sustained economic transformation.

3.1 Human capital

The human infrastructure of Central American ESOs reveals a landscape of lean yet mission-driven organizations. The median ESO operates with just **three full-time employees dedicated to entrepreneurship programs and four volunteers**, underscoring the small operational scale that characterizes much of the ecosystem. Despite these modest figures, a few outliers, particularly among non-profit ESOs, mobilize large volunteer bases, with an average of over 60 volunteers supporting entrepreneurial activities. This points to a high reliance on voluntary engagement as a compensatory mechanism for limited staffing capacity. This model of leveraging extensive volunteer mentor networks is a key feature of many non-profit and youth-focused support programs globally, enabling them to extend their reach significantly (YEP Report, 2020).

Organizational size varies sharply by legal structure. Non-profit ESOs stand out as the largest contributors to the region’s support capacity, combining small professional teams (9 full-time staff on average) with extensive volunteer networks. This aligns with the ecosystem's historical roots in international development and NGO-led initiatives (Red de Impacto LATAM & EGADE, 2024). By contrast, for-profit, university-based, and newer informal initiatives operate with micro-teams of two to four people, reflecting a resource-constrained but agile operational model (Figure 12). The data suggest that while the sector is growing in diversity, its backbone remains humanly thin, heavily dependent on the commitment and adaptability of small teams to sustain program delivery across the region.



Figure 12: Average number of full-time employees and volunteers in ESOs by type of organization (N=15).

Beyond team size, the **Entrepreneurs per Employee (E/E)** ratio measures the **number of entrepreneurs supported annually by each full-time employee** in an ESO. It serves

as an indicator of **operational capacity and efficiency**, showing how intensively organizations use their human resources to deliver incubation, acceleration, or advisory services. A higher ratio may suggest **greater scalability or reach**, while a lower ratio can reflect **more personalized or resource-intensive support models**.

On average, **each full-time employee supports 81 entrepreneurs** (Annex, Tables 4 and 5) a figure that points to a remarkable capacity to deliver impact with limited human resources. However, this average conceals stark disparities depending on the ESO's legal and institutional profile. For-profit organizations and "other" hybrid structures exhibit the highest efficiency ratios, serving 250 and even up to 400 entrepreneurs per staff member, likely reflecting lighter-touch program models or digital delivery formats. In contrast, university-based ESOs and those without formal legal status manage smaller cohorts (12–25 entrepreneurs per employee), aligning with more personalized or educational approaches.

When analyzed by organizational maturity, the relationship between experience and efficiency follows a nonlinear pattern. "Established" ESOs (6–10 years old) display the highest E/E ratios, supporting over 200 entrepreneurs per staff member, while "very recent" and "consolidated" institutions manage far fewer (24 and 41 respectively). This suggests that mid-stage organizations are in a phase of maximum operational optimization, combining sufficient institutional know-how with flexible structures and active program delivery. Meanwhile, older ESOs may experience increasing administrative complexity, and younger ones are still developing systems and networks to scale their reach. Overall, **the data portray a resource-efficient but fragile workforce model**, where human intensity and volunteer reliance enable impressive outreach, yet raise questions about sustainability and staff wellbeing in the long term.

Takeaway



Lean teams driving broad impact, but at a human cost

Central America's entrepreneurship support ecosystem is built on small, committed teams achieving disproportionately large impact. The average ESO operates with just three full-time employees and four volunteers, yet supports more than eighty entrepreneurs per staff member. This extraordinary ratio reflects both ingenuity and strain, a system powered by dedication rather than structural resources. Non-profit ESOs, in particular, sustain the bulk of activity through volunteerism, a strength that simultaneously reveals the sector's fragility.

The data suggest that many organizations are pushing the limits of their human capacity, operating at the intersection of high demand and chronic underinvestment in staffing. While mid-stage ESOs show the greatest operational efficiency, the smallest and

most established ones risk burnout and stagnation due to limited renewal or growth opportunities for their teams. This imbalance challenges the long-term resilience of the support ecosystem and its ability to retain qualified talent.

For ESOs, this calls for deliberate strategies to professionalize and care for their teams, from better workload management to improved staff development and volunteer coordination.

For funders and policymakers, it highlights an urgent need to shift investment priorities toward organizational strengthening, ensuring that financial support covers not only program delivery but also the human infrastructure that makes impact possible. Without investing in people, the promise of scalable, sustainable entrepreneurship support across Central America will remain out of reach.

3.2 Services offered

ESOs in Central America demonstrate a strong orientation toward direct, experiential, and accompaniment-based support. The most prevalent services are personalized mentorship (73%), practical or interactive workshops (67%), online synchronous training (63%), and in-person classes (59%), forming the backbone of the regional incubation and acceleration landscape. This pedagogical and relational model is common in development-focused entrepreneurship support, particularly in programs targeting youth or social impact, which prioritize deep capacity-building through high-touch interventions (YEP Report, 2020). Mid-level frequencies are observed for on-demand advisory (48%) and business coaching (48%), indicating growing efforts to individualize guidance beyond structured programs. Meanwhile, financial support for entrepreneurs (41%) and technical consulting (41%) appear as more selective interventions, often offered by organizations with greater maturity or external partnerships. This selective offering of financial support aligns with regional studies noting a significant "access to finance" gap, even for entrepreneurs who have completed support programs (GALI, 2021). Networking activities (38%), visibility initiatives in media (38%), and business development support (37%) complement this service mix, suggesting an ecosystem that is progressively incorporating outreach and ecosystem positioning into its core functions. Asynchronous online training (35%) and co-working spaces (35%) show moderate adoption, while demo or investor days (14%) remain rare, reflecting the early-stage and pre-investment focus of most programs (Figure 13).

Non-profit ESOs are the clear drivers of regional support, delivering nearly half of all services reported (Annex, Table 6). They dominate across all major categories, mentorship (32%), practical workshops (30%), online training (29%), and in-person training (32%), and also lead in advisory services (17%), technical consulting (22%), networking (21%), and access to finance (24%). This reflects their broad reach

and mission-driven scope. By contrast, for-profit and university-affiliated ESOs contribute more selectively. For-profit ESOs show greater emphasis on technical consulting, business development, and networking, aligning with market-oriented and B2B models. University-based ESOs maintain a balanced but modest participation, focusing primarily on training and consulting, while ESOs without legal structure and hybrid or other ESOs display smaller yet flexible participation across service types. In sum, **Central America’s ESOs prioritize capacity building and mentorship over investment-readiness or infrastructure**, revealing an ecosystem that is both pedagogical and relational in nature. This orientation reflects the resource constraints and social missions of the region’s organizations, which emphasize learning and guidance as the core mechanisms of entrepreneurial support.

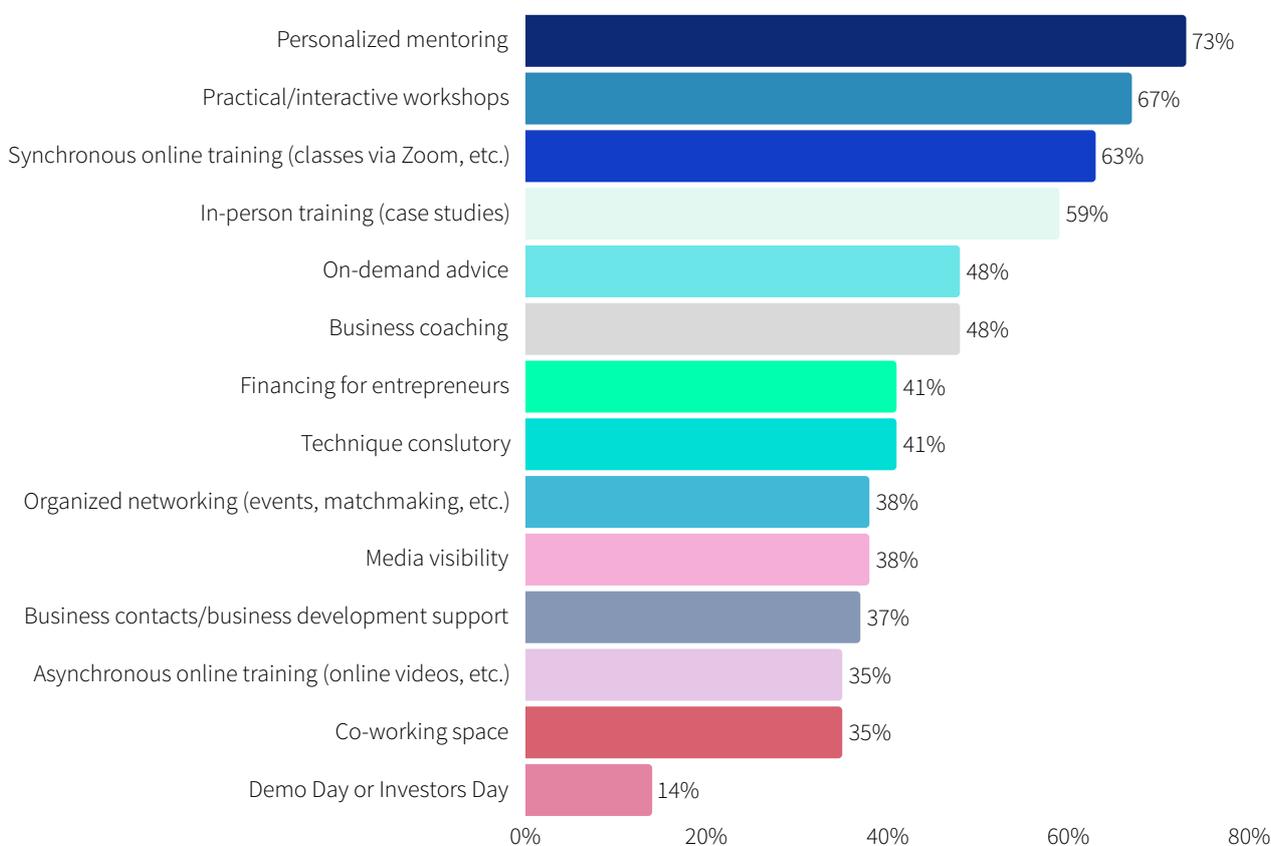


Figure 13: Services most frequently offered by ESOs (N=63)

The average duration of entrepreneurship support programs in Central America is approximately 9.2 months. This is longer than the intensive 3-4 month "bootcamp" model common in many global accelerators (GALI, 2021) and is more aligned with comprehensive incubation or youth support models, which often span 6-12 months (YEP Report, 2020). Within this structure, the design and preparation phase lasts on average 2.7 months, scouting and selection 1.5 months, and implementation 5.6 months, suggesting a stronger operational focus on delivery compared to planning and recruitment (Annex, Table 7).

Time investment varies significantly across program types. The most intensive engagement occurs in ideation programs, where entrepreneurs receive an average of 59 hours of individual mentoring, 18 hours of online synchronous training, and 32 hours of in-person sessions, demonstrating a strong emphasis on guided learning and applied knowledge. In acceleration programs, mentoring reaches around 20 hours per entrepreneur, while training is less intensive (approximately 8 hours in person and 48 hours online), indicating a shift toward self-directed and outcome-oriented support. Incubation programs show moderate intensity, averaging 14–32 hours of structured interaction, whereas pre-ideation initiatives tend to be lighter, around 25 hours in total, focused on early validation and mindset development. On-demand advisory averages 11.5 hours, serving as complementary and flexible assistance across stages (Annex, Table 8).

Only a minority of Central American ESOs provide direct funding to participating entrepreneurs, with an average amount of USD 2,500 per program (Annex, Tables 9 and 10). This finding strongly reinforces one of the most significant documented challenges in the Central American ecosystem: a critical scarcity of early-stage capital (GALI, 2021; Kantis et al., 2023). The data reveal that “established” ESOs (6–10 years old) tend to offer the highest average funding (USD 13,000), while newer or smaller organizations provide significantly lower contributions (USD 400–1,100 on average). Differences by organizational type also show marked disparities: other organizational forms (likely hybrid or experimental models) report the highest average disbursement (USD 25,000), whereas nonprofits provide modest financial assistance (USD 833). Most for-profit and informal entities do not offer funding at all.

Among the few programs that exchange financing for equity, **the average stake stands at 14%**, though practices vary widely (Annex, Tables 11 and 12). Some younger organizations report equity agreements as high as 30%, reflecting exploratory models to ensure program sustainability. Nonprofits also report isolated equity arrangements (16%), signaling diversification in financing approaches across the region. Overall, this data underscores that **funding remains the weakest component of ESO support** in Central America, with only a small share of programs capable of directly injecting capital into early-stage ventures. Strengthening financial mechanisms remains a strategic opportunity to deepen ecosystem impact (GALI, 2021; Red de Impacto LATAM & EGADE, 2024).

Takeaway

Intensive support, limited capital flow

The data reveal that Central American ESOs deliver long and deeply engaging programs, averaging around nine months and combining mentoring, training, and tailored support. However, the same data expose a structural weakness in the



ecosystem's financing capacity. With an average of just USD 2,500 offered per entrepreneur, and very few organizations experimenting with equity or investment models, the ecosystem's educational and accompaniment strengths are not yet matched by pathways to capital.

For ESOs, this points to the need to connect human capital development with financial readiness. Without access to investment mechanisms, much of the value created through training and mentorship risks remaining unrealized. Building bridges to capital, through partnerships with investors, financial institutions, or public-private funds, should become a strategic priority.

For funders and policymakers, the ecosystem's strong pedagogical foundation can only translate into scalable economic impact if paired with targeted financial instruments that empower ESOs to fund the entrepreneurs they prepare. Investing not only in programs but in the capital infrastructure that sustains entrepreneurship is essential for unlocking Central America's full innovation potential.

3.3 Business models and sustainability

Central America's ESOs operate within a highly aid-dependent funding landscape, where international cooperation remains the dominant source of income. On average, 27% of total funding comes from international organizations, followed by 20% from other or miscellaneous sources and 14% from entrepreneurs' payments for services. National public funding and corporate social responsibility programs each contribute 8%, while universities account for 9%. Funding from national foundations and investment-related revenues, such as fund management or equity participation, represent only 4% and 3%, respectively (Figure 14). This low level of investment-based income aligns with findings from other regional studies, which note that most Central American support programs are not primarily investment-driven and struggle to find sustainable, market-based revenue models (GALI, 2021). This structure reveals a persistent reliance on external, project-based support, with only a minority of ESOs having managed to build partially self-sustaining models. Despite this, there are signs of gradual diversification. The share of income generated directly from entrepreneurs, while still modest, reflects an emerging willingness to charge for value-added services, a trend observed in accelerators seeking diversification (GALI, 2021).

Differences by organizational type further illustrate this tension between dependence and self-determination. For-profit ESOs report the highest levels of revenue from entrepreneurs (31%) and corporate partnerships (28%), suggesting a clearer orientation toward market-driven models. In contrast, non-profits rely predominantly on international aid (35%) and to a lesser extent on national foundations (11%), reinforcing their social mission but limiting financial flexibility. University-affiliated ESOs stand out

for their institutional stability, deriving nearly two-thirds (63%) of their funding from their parent institutions, which shields them from donor volatility but may constrain innovation in revenue generation (Annex, Table 13).

In terms of country differences, the composition of revenue sources reveals clear national patterns shaped by ecosystem maturity and funding infrastructure. Costa Rica and Honduras stand out for their heavy reliance on international cooperation, which accounts for nearly half (48%) and one-third (30%) of their ESO revenues, respectively. This underscores the structural dependence on external project funding that continues to sustain the region’s support infrastructure. Honduras is the only country where national public support plays a visibly stronger role (15%), suggesting a relatively higher level of government involvement compared to the rest of the region. In contrast, Guatemala and El Salvador display more fragmented revenue structures, balancing small but diverse shares of international, public, and earned income sources. Panama presents a more hybrid profile, with a growing portion of revenue classified under “other” sources (34%), which likely includes consulting, training fees, or service contracts, a sign of gradual experimentation with more sustainable and market-driven models. Entrepreneur payments remain modest across the region (10–18%), showing that few ESOs have managed to consolidate fee-based mechanisms as a core financial strategy. University-linked revenues appear marginal except in Guatemala (16%), where academic incubation programs seem more integrated (Annex, Table 14).

Overall, these contrasts reveal a region that continues to depend heavily on international cooperation and short-term project funding, with limited diversification and weak domestic financial anchors. While some countries, particularly Panama and Guatemala, show early signs of transition toward earned income and institutional partnerships, the move toward financial sustainability remains nascent and uneven.

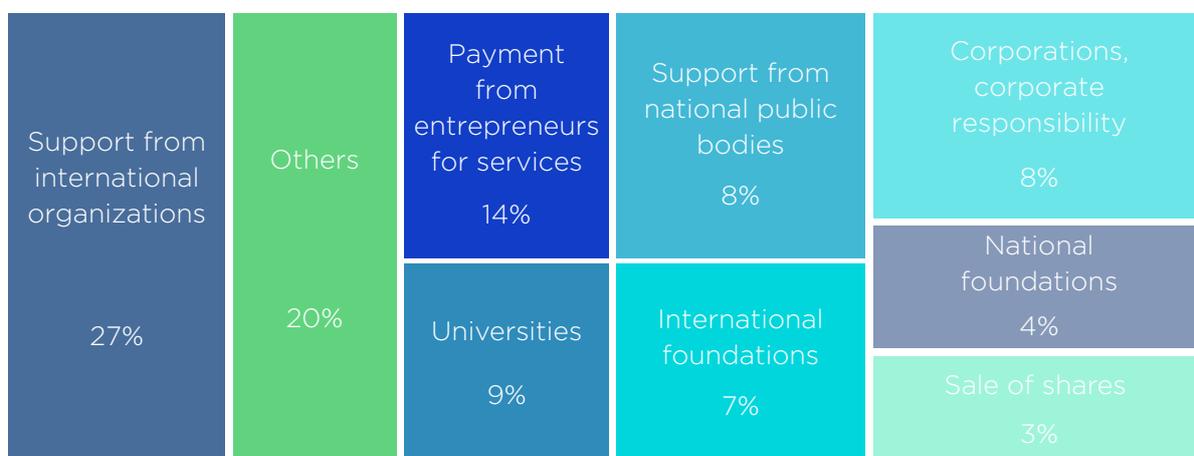


Figure 14: Average revenue sources of ESOs in Central America (N=63)

When examining the breadth of income sources, that is, the share of Central American ESOs reporting at least some revenue from each category, the data show that **most organizations sustain their operations through a wide variety of funding channels**. The most frequently accessed sources include international cooperation (62%), payments from entrepreneurs for services (52%), and other sources (52%), followed by corporate partnerships (38%) and national public funding (33%) (Figure 15). This pattern reflects the adaptability and creativity of ESOs in diversifying their resource base, often combining donor funds, corporate collaborations, and program fees to maintain operations.

However, this broad reach masks a deeper structural fragility. As noted by regional experts, a significant portion of these revenues originates from volatile and short-term, project-based funding relationships, particularly with international donors (Red de Impacto LATAM & EGADE, 2024; GALI, 2021). Non-profit ESOs stand out for their heavy reliance on these external partners, while for-profit ESOs show a more market-oriented profile. University-affiliated ESOs, in contrast, rely almost exclusively on institutional budgets (100%), ensuring stability but limiting financial autonomy (Annex, Table 15). The resulting picture is one of broad exposure but uneven resilience, where **diversification compensates for the absence of stable and long-term national funding mechanisms**.

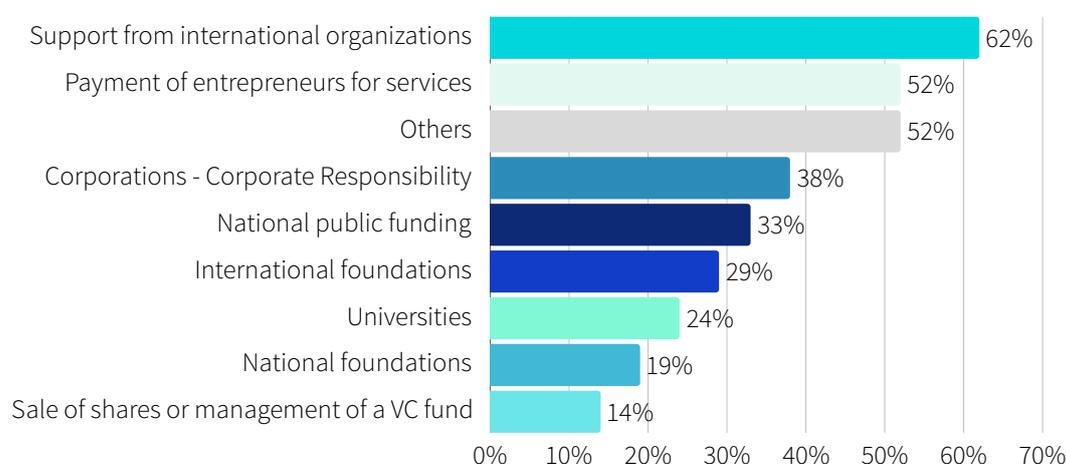


Figure 15: Breadth of funding sources among ESOs (N=63)

When analyzing the depth of income sources, understood as the share of ESOs for which a given source contributes more than 25% of total income, the picture narrows significantly. The most common substantial contributors are other sources (24%) and entrepreneur payments (17%), suggesting that while many ESOs experiment with a wide range of income streams, only a few reach strong dependence on more commercial forms of revenue. A mid-range group of income sources, including corporate CSR (12%), international foundations (12%), and universities (12%), represent moderately important but not dominant funding channels. National public and international

cooperation funds (10% each) are reported as major sources for only a small share of ESOs, while national foundations (5%) and equity or venture capital management (2%) rarely account for a quarter or more of organizational budgets (Figure 16).

Depth patterns vary notably across organizational types. For-profit ESOs tend to rely more heavily on entrepreneur payments, with 38% obtaining over a quarter of their income from this source, followed by universities and international cooperation (both 25%), suggesting a more market-oriented profile. Non-profit ESOs, by contrast, display significant dependence on international cooperation (63%), complemented by smaller yet relevant shares from international foundations (21%), CSR programs (16%), and other sources (21%), indicating a donor-driven and partnership-based funding logic. University-based ESOs unsurprisingly depend primarily on universities (75%), reflecting strong institutional anchoring, while unregistered initiatives operate under greater volatility, with two-thirds drawing most of their funds from miscellaneous or informal sources (67%) and a third from national foundations (33%). Finally, other organizational forms rely predominantly on international cooperation (75%), occasionally supported by national public funds (25%) or CSR contributions (13%) (Annex, Table 16).

Overall, breadth indicates that **Central American ESOs draw from multiple revenue streams, yet depth reveals concentration around a few key pillars that differ by organizational type.** While for-profit entities depend on earned income, non-profits and informal organizations remain highly reliant on external funding, particularly international cooperation. This imbalance exposes the sector’s financial fragility and highlights the need to expand reliable, long-term domestic sources of funding.

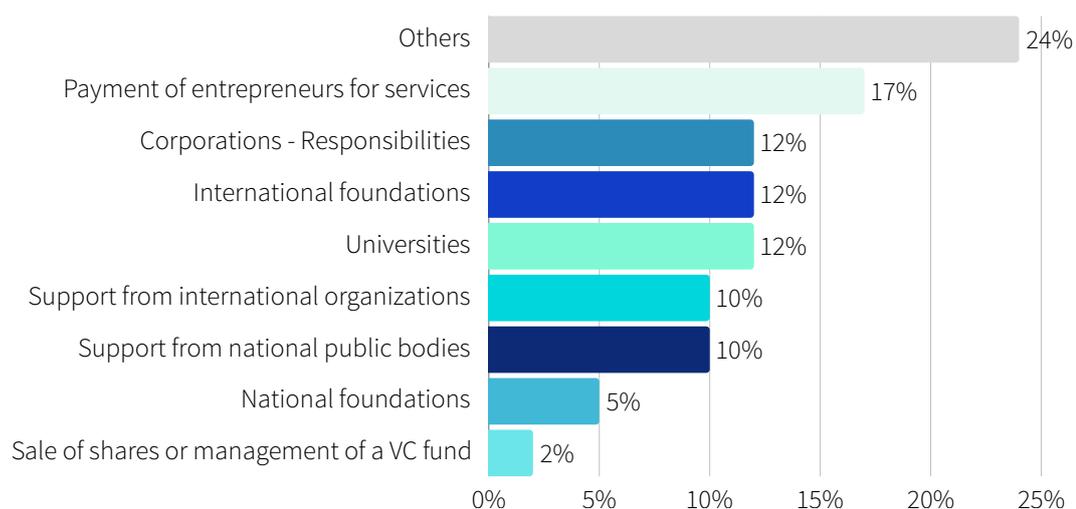


Figure 16: Depth of funding sources among ESOs (N=63)

Complementing the analysis of income sources, the allocation of financial resources across different activities provides insight into how ESOs in Central America operate.

With remarkably lean budgets, ESOs operations reflect both the limited financial capacity of the ecosystem and its high dependence on external funding. **On average, organizations report an annual budget of USD 261,000, with USD 75,000 allocated specifically to entrepreneurship-related activities.** The average annual income reaches USD 369,000, of which USD 51,000 corresponds to the entrepreneurship area. The data confirms the lean and resource-constrained nature of the ecosystem identified in other regional studies (GALI, 2021; Red de Impacto LATAM & EGADE, 2024).

The breakdown by organizational type reveals sharp differences. For-profit ESOs report a total budget of USD 69,500, with nearly half dedicated to entrepreneurship (USD 38,000), while generating USD 205,000 in total income. Non-profit ESOs operate with higher budgets, around USD 318,000 on average, but with smaller proportional income in entrepreneurship activities (USD 53,000). University-based ESOs stand out with the largest budgets, averaging USD 446,000, reflecting institutional backing and access to in-kind resources, while informal initiatives operate with minimal funding (below USD 10,000).

When comparing expenditure and income levels by country, Guatemala stands out with a significantly higher financial scale, both in total income and entrepreneurship program budgets, suggesting stronger institutional maturity and diversified funding streams. Costa Rica and El Salvador, while financially balanced, show limited surplus capacity and rely on modest, project-bound budgets. In contrast, Honduras operates with the leanest financial structure, exposing its ESOs to greater vulnerability and dependency on external funding. Overall, entrepreneurship-related operations account for less than a third of total ESO budgets across the region, indicating that most organizations manage multi-program portfolios and have yet to develop stable, self-financing entrepreneurship units (Annex, Table 17).

The data also suggest a **significant investment in entrepreneur scouting and selection, which absorbs 28% of annual budgets on average**, an unusually high proportion for such small organizations. This underscores the resource intensity of outreach and recruitment, a critical but often underfunded stage of program delivery. The average scouting cost per entrepreneur reaches USD 215, indicating that acquisition costs consume a non-negligible portion of limited resources.

When looking at program delivery costs, the average cost per entrepreneur is USD 1,092, increasing to USD 1,511 for women entrepreneurs. University-based ESOs again show the highest delivery costs per entrepreneur (USD 2,477), while for-profit and non-profit organizations report more moderate values (USD 788 and USD 1,130, respectively) (Annex, Table 17).

Taken together, these figures depict an ecosystem operating with constrained resources yet significant commitment. The high share of spending devoted to scouting and the relatively elevated per-entrepreneur cost indicate that Central

American ESOs are overextending limited budgets to sustain quality engagement. This calls for greater investment not only in program delivery but also in strengthening organizational infrastructure and efficiency, ensuring that impact can scale without overburdening already lean teams.

Takeaway



Running on short breaths: the aid-dependence challenge

The financial data exposes Central America’s ESOs as operating on fragile ground: their business models are largely sustained by short-term and external aid. With international cooperation representing 27% of funding and “other” project-based sources 20%, the region’s ESOs remain deeply tied to donor cycles. Earned income from entrepreneurs (14%) is growing but still too limited to offset dependence, while national public funding (8%) and corporate partnerships (8%) remain insufficient to anchor long-term sustainability. While many organizations exhibit broad funding portfolios, the depth of their income is shallow, only a handful rely substantially on any single and stable source. The sector’s adaptability masks a structural fragility: an ecosystem forced to diversify out of necessity rather than strategy, constantly chasing the next grant or partnership to survive.

For ESOs, this is a clear signal to evolve from grant-driven to market-resilient models. The path forward lies in building hybrid sustainability strategies that blend fee-based services, long-term partnerships, and locally rooted funding sources. Strengthening financial management, articulating value propositions for entrepreneurs and private partners, and embedding cost-efficiency mechanisms are key to escaping the cycle of dependency and unlocking autonomy.

For funders, the findings serve as a mirror. The short-term, project-based funding logic keeps ESOs in a permanent “pilot mode,” preventing institutional growth and stability. Breaking this pattern requires a shift from financing isolated initiatives to investing in organizational capacity and continuity. By providing multi-year, flexible, and trust-based funding, donors and governments can empower ESOs to build the durable foundations necessary to support inclusive entrepreneurship and economic resilience in the region.

3.4 Capacity of reach

The data on the number of entrepreneurs supported annually reveals the diversity and structural imbalances within Central America’s ESO ecosystem. On average, organizations report accompanying 165 entrepreneurs per year, but this figure masks significant variation across ESO age groups (Table 4). Consolidated ESOs (11–20 years old) show the highest average reach, supporting around 313 entrepreneurs per

year, while very recent organizations (≤ 2 years) also report a relatively high average of 198, likely driven by a few outliers with unusually large programs. Established ESOs (6–10 years) average 137 entrepreneurs, whereas historic ESOs (+20 years) and recent ESOs (3–5 years) show lower averages of 108 and 29, respectively. When considering the median values, the picture becomes less distorted by outliers. Consolidated ESOs maintain a median of 75 entrepreneurs supported per year, while established and very recent organizations follow closely, with 62 and 69, respectively. In contrast, historic ESOs show a median of 26. This finding is consistent with historical context, as many older organizations in the region originated from earlier development models (CENPROMYPE, 2010), which may now be shifting toward more specialized, high-touch (and thus lower-volume) support models rather than broad scale.

Age and maturity do not necessarily guarantee broader reach. Some long-standing organizations have shifted toward more specialized and in-depth support models, thus prioritizing quality and tailored accompaniment over scale. Conversely, some new or recently established ESOs experiment with broader outreach but lack the consistency and infrastructure to sustain large cohorts over time. Overall, the data depict a fragmented and uneven ecosystem, where a few larger or well-resourced organizations serve a significant share of entrepreneurs, while most operate with limited reach. Institutional age explains part of this disparity, but not entirely: funding stability, organizational strategy, and operational efficiency appear to play more decisive roles in determining outreach capacity. The result is an ecosystem that combines ambition and adaptability with clear constraints on scalability and long-term sustainability.

In terms of country differences, the average number of entrepreneurs supported per year varies significantly across the region (Annex, Table 18). Honduras and Guatemala stand out with the highest average outreach: 292 and 206 entrepreneurs per ESO, respectively, followed by Panama (200) and Costa Rica (109). El Salvador reports a notably smaller average of 69 entrepreneurs per year. These figures likely reflect structural and funding disparities: Honduras and Guatemala concentrate a few large-scale or donor-funded programs, while Costa Rica and El Salvador host a greater proportion of smaller or early-stage initiatives.

	Average number of ventures supported per year	Median number of ventures supported per year
Very recent (≤ 2 years)	198	69
Recent (3-5 years)	29	7
Established (6-10 years)	137	62
Consolidated (11-20 years)	313	75
Historic (+20 years)	108	26

Table 4: Organization performance by ESO longevity (N=63)

In terms of inclusivity, **Central American ESOs reach a wide pipeline but with a clear bias toward youth and women.** Two thirds of organizations work with young entrepreneurs (67%) and three in five with women (60%) (Figure 17). The strong focus on youth is a well-documented trend in the region, supported by numerous international programs aimed at addressing high youth unemployment rates (YEP Report, 2020). Also, the focus on women also reflects the high rates of female entrepreneurial activity in Latin America, though often concentrated in necessity-driven, informal sectors (GEM, 2024/2025). Beyond these two anchors, inclusion thins out: rural entrepreneurs (46%) represent the most common additional focus, while migrants and forcibly displaced people (22%) and racial/ethnic minorities (19%) appear far less frequently. Groups that typically require higher-touch support, such as people over 50 (13%), base-of-the-pyramid populations (11%), and entrepreneurs with disabilities (11%), are the least served.

Disaggregation by ESO type shows who carries the inclusion agenda. Non-profits shoulder most of the work with under-served groups: they account for the largest shares of organizations serving women (32%), rural entrepreneurs (24%), migrants/displaced (11%), minorities (10%), people with disabilities (5%), and BoP populations (8%). University ESOs contribute notably to talent pipelines: especially youth (10%) and women (8%), but are scarcely present in displacement, BoP, or disability segments. For-profit ESOs emphasize market-ready profiles like youth (11%) and women (11%) with marginal engagement in migrants, minorities, BoP, or disability (Annex, Table 19).

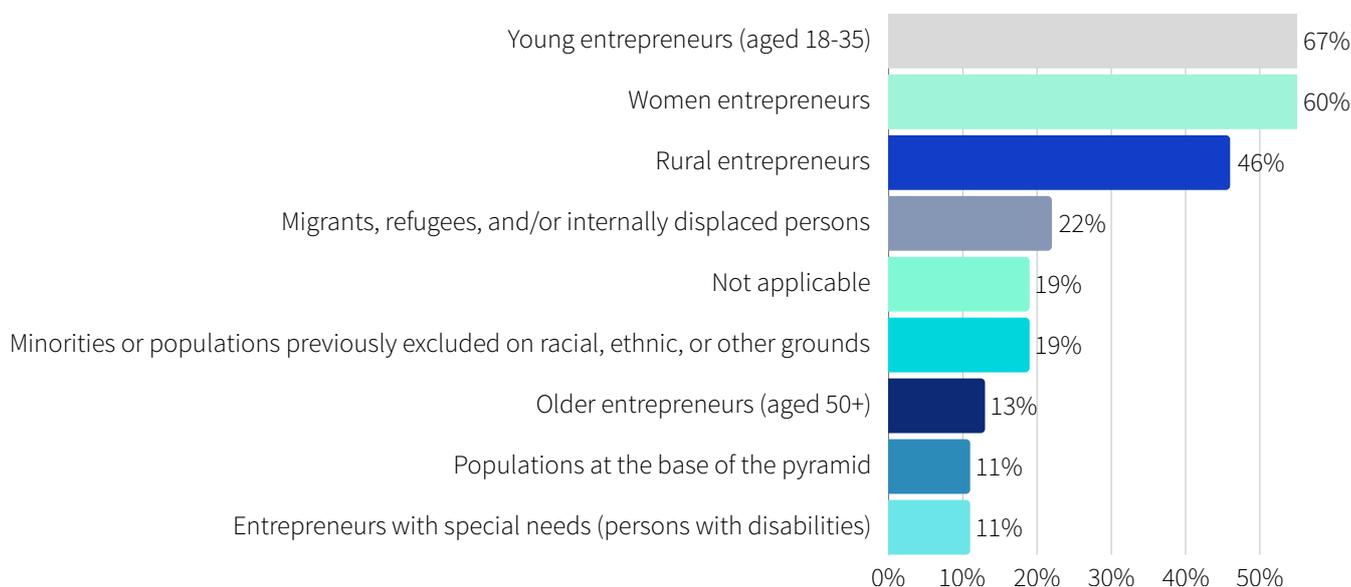


Figure 17: Demographic composition of supported entrepreneurs (N=63)

Further insight into education and vulnerability of the entrepreneurs supported deepens this picture. A vast majority of beneficiaries have vocational or technical education (77%), while only 8% each come from primary, secondary, or university education levels

(Annex, Table 20). This finding is particularly salient when compared to the broader economic context, which highlights significant gaps in both foundational education and advanced university-level skills in the region (World Bank, 2024). This suggests ESOs are effectively targeting a "missing middle" of entrepreneurs: those with practical skills but who lack the high-level business training or networks to scale.

When looking at other vulnerability factors, ESOs report serving migrants and refugees (40%), indigenous peoples (40%), and to a lesser extent Afro-descendants (20%) and LGBTIQ+ entrepreneurs (20%) (Figure 18). These numbers reveal a modest but meaningful commitment to intersectional inclusion, particularly regarding mobility and ethnicity.

Overall, **inclusion in the region is broad in discourse but still concentrated in a few demographic profiles**. Expanding the reach toward less visible groups such as older adults, people with disabilities, and racial minorities will require stronger institutional incentives and the professionalization of inclusive program design.

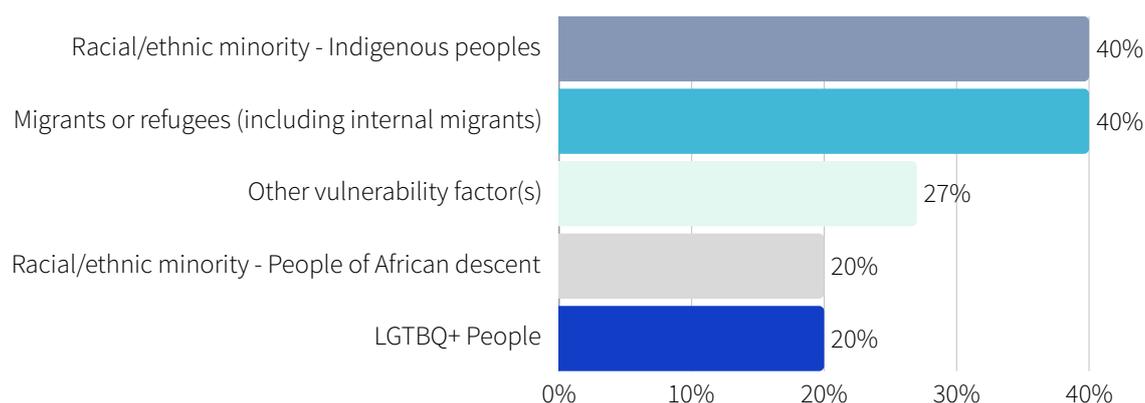


Figure 18: Vulnerability factors explicitly targeted by ESOs (N=11).

Central American ESOs support entrepreneurs across a wide range of productive sectors, with a clear concentration in commerce and services (51%) and technology (51%). These two domains dominate the ecosystem, reflecting both the region's service-driven economies and the growing digitalization of entrepreneurship support. The high focus on services directly mirrors the region's macroeconomic structure, which is characterized by a dominant service sector and "premature deindustrialization" (World Bank, 2024). These are followed by agriculture and food (41%), a crucial area given its importance for rural employment and the significant challenges it faces (ANDE, 2021). Beyond these top sectors, smaller yet significant niches include crafts (33%), culture and creative industries (32%), and manufacturing (25%), showing the presence of traditional and informal activities that maintain economic relevance. Lower frequencies are found in education (24%), industrial innovation (19%), and financial services (16%), while health (14%) and energy and sustainability (14%) remain underrepresented (Figure 19).

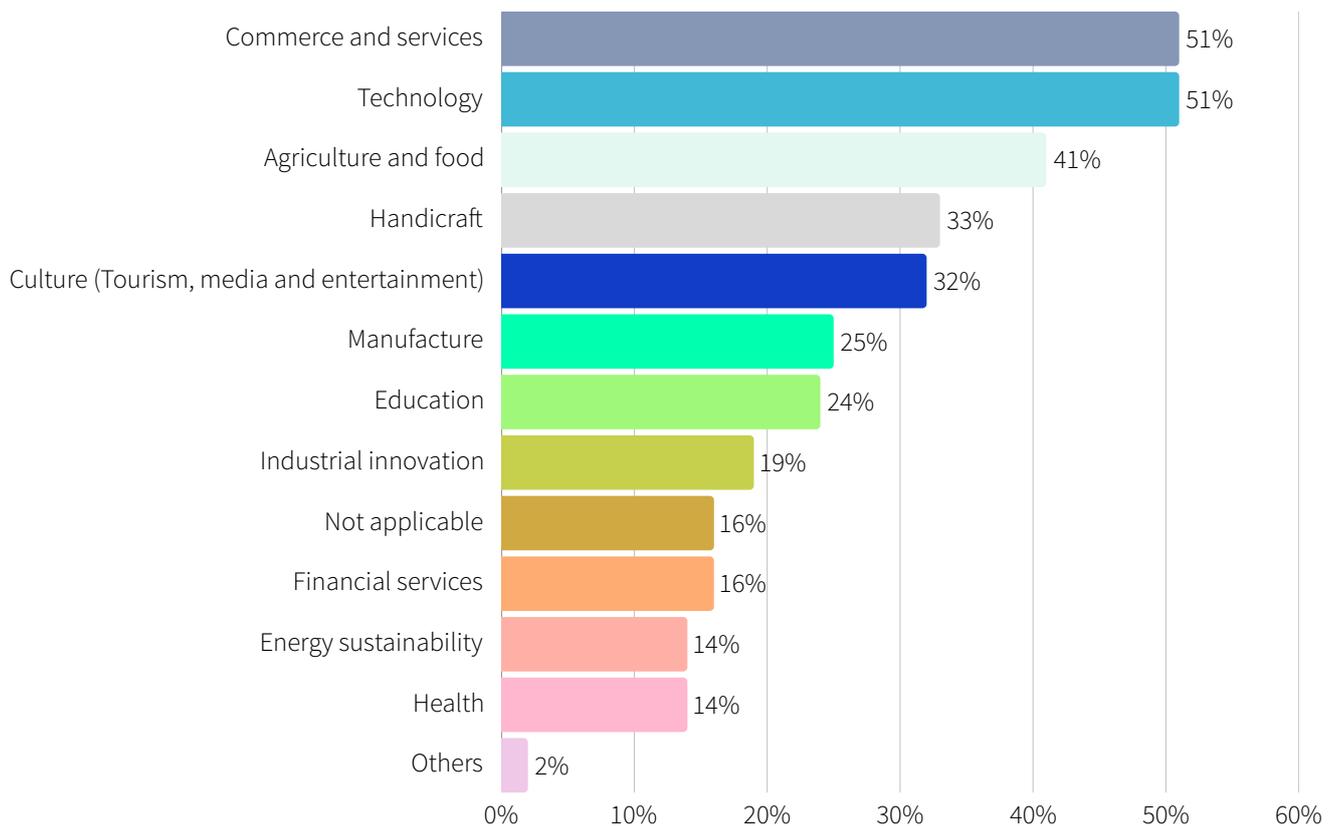


Figure 19: Sectoral distribution of supported entrepreneurs (N=63).

When looking at technology intensity, the data portrays a landscape still dominated by low- and mid-level digitalization. Only 16% of supported ventures operate with high technological intensity (advanced automation, R&D, or high digitalization). Most initiatives fall under low (34%) or medium (28%) technology levels, and a notable 22% still function with manual or artisanal processes (Figure 20). This finding from our sample strongly corroborates macro-level analyses indicating that the penetration and diffusion of advanced technology in Central American economies remains limited (World Bank, 2024). Disaggregated by ESO type, the contrasts are sharp. For-profit ESOs work across the widest technology range but remain anchored in low-tech (40%) and manual sectors (35%), reflecting a strong orientation toward micro and small enterprises. University ESOs show the highest emphasis on low-tech (70%), likely linked to academic incubation in early innovation stages, while non-profits and unregistered initiatives tend to engage a mix of manual (23–25%), medium (24–70%), and high-tech ventures (20%), showing experimentation but without specialization (Annex, Table 21).

Overall, **the region’s entrepreneurial support ecosystem reflects a dual structure: on one end, a growing but still small digital and tech-driven segment; on the other, a large base of traditional ventures requiring modernization.** Strengthening bridges between these two, possibly through digital capacity building, access to technology infrastructure, and sectoral innovation linkages, remains a key opportunity for Central America’s ESOs.

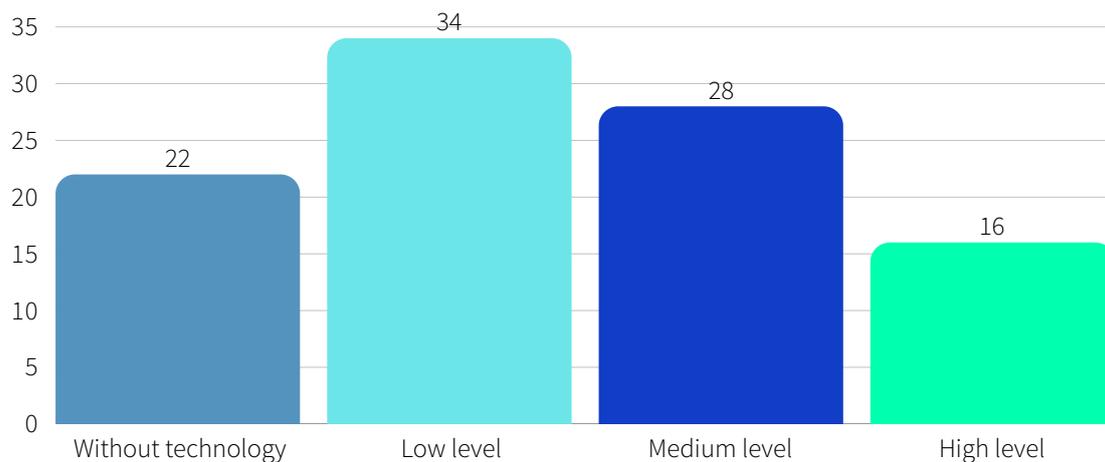


Figure 20: Average technological profile of ventures supported by ESOs (%) (N=15)

Finally, **Central American ESOs demonstrate a recruitment process marked by high variability in both scale and selectivity**, largely reflecting their structural and operational diversity. On average, programs receive 110 applications per call, of which 69 are deemed eligible and 52 are ultimately accepted. This implies that just under half of applicants complete the funnel, a proportion that points to moderate selectivity in the region’s incubation and acceleration landscape (Table 5).

The non-profit ESOs exhibit the broadest outreach capacity, attracting an average of 142 applications per call and accepting 64 entrepreneurs, which translates into a 45% selectivity rate. Their ability to mobilize large applicant pools underscores their visibility and reach within local ecosystems, though it also suggests challenges in refining targeting mechanisms. By contrast, for-profit ESOs manage much smaller cohorts, with an average of 40 applications and 32 accepted, yet show the highest conversion rate (81%). This pattern aligns with a more market-oriented logic, where recruitment tends to prioritize quality fit and program alignment over reach. University-based ESOs attract around 80 applicants per cycle, selecting approximately 30 (38% selectivity). Their more restrictive intake reflects the institutional nature of these programs, which often emphasize research-based or academic entrepreneurship and may have limited capacity for large cohorts. Meanwhile, unstructured or informal initiatives and other ESO types receive smaller volumes (30–50 applications) but admit a relatively high proportion of them suggesting flexible criteria and context-responsive operations.

Overall, the recruitment funnel across Central America reveals a **dual dynamic: while non-profits drive access and inclusivity through large applicant pools, private and less formal actors tend to concentrate on depth and tailored support to narrower audiences**. The absence of standardized selection methodologies and data systems

limits comparative efficiency assessments, but the figures point to a region where ESOs balance openness with pragmatic constraints, shaping an ecosystem that privileges adaptability over uniformity.

	Average Applications Received	Average Eligible Entrepreneurs	Average Accepted Entrepreneurs	Overall Selectivity
Non-profit	142	87	64	45%
For profit	40	32	32	81%
University	80	40	30	38%
Other	30	25	15	50%
No legal structure	50	35	35	70%
Other	110	69	52	47%

Table 5: Disaggregated recruitment funnel by ESO type (Average per program) (N=15)

Takeaway



Turning diversity into ecosystem strength

Central America’s ESO ecosystem stands at a crossroads between experimentation and institutional consolidation. The diversity of models, ranging from large outreach programs to niche and high-touch initiatives, reflects adaptability, yet also signals fragmentation and volatility. Without stronger institutional anchors, this variety risks translating into dispersion rather than resilience. The next frontier is not simply expanding reach, but transforming operational diversity into systemic strength. This requires long-term investment in organizational capacity, funding stability, and data-driven management, not just short project cycles. Scaling should no longer mean “serving more,” but rather deepening the quality, continuity, and inclusiveness of support.

For policymakers and funders, the imperative is clear: move beyond isolated success stories toward ecosystem-level consolidation. Strengthening mid-sized ESOs, fostering collaboration between traditional and tech-oriented actors, and embedding inclusion as a measurable performance goal are key levers to ensure that Central America’s ecosystem grows not just in numbers, but in coherence, equity, and sustainability.

4. Results and outcomes of supported entrepreneurs

At a glance:



The outcomes of Central American ESOs show a solid record of program delivery but weaker performance in long-term economic indicators. Completion rates are high (83%), and most ventures remain active a year after graduation (79%), with a majority (74%) generating income. Across program cohorts, ESOs report an average of 128 jobs created in total per group of supported entrepreneurs in 2024, though the average cost per job (USD 13,278) suggests notable efficiency gaps across ESO types.

However, these results are tempered by limited access to external financing. Only about one-third (36%) of graduates secure funding, and the average amount raised remains modest (USD 5,300), underscoring the challenge of sustaining growth beyond incubation.

This disconnect between strong programmatic delivery and limited financial outcomes is reflected in how ESOs monitor their impact. Most organizations track short-term indicators such as training hours, gender inclusion, and satisfaction, while systematic long-term outcome monitoring remains rare. Two-thirds of ESOs stop tracking within six months of program completion, and fewer than 15% continue beyond one year, thus limiting their ability to assess or demonstrate sustained economic results.

4.1 Program completion and survival

Across Central America, **ESOs report an average program completion rate of 83%**, showing that the majority of entrepreneurs successfully graduate from incubation or acceleration processes. However, **post-program survival, measured as the share of graduates who remain active after one year, drops slightly to 79%**, indicating that while most programs achieve strong delivery and retention, sustaining ventures beyond graduation remains a challenge.

Performance varies by ESO typology. For-profit organizations show the highest completion rate (90%), while non-profits, which dominate the ecosystem, average slightly lower at 80%. University-based ESOs also report high graduation rates (85%) but a notably lower continuation rate (50%), suggesting limited follow-up mechanisms after program completion. The “Other” category, which includes hybrid and unconventional models, stands out with 95% completion and survival, suggesting particularly strong cohort management and continuity strategies (Annex, Table 22). Overall, Central

American ESOs maintain solid operational performance in ensuring entrepreneurs complete their programs and continue operating afterward, though outcomes are heterogeneous across organizational models.

4.2 Income generation and employment creation

Entrepreneurs supported by Central American ESOs demonstrate encouraging post-program economic activity. On average, 74% of graduates generate income after program completion, and 43% create employment beyond their own position, reflecting a meaningful translation of incubation efforts into livelihood opportunities (Annex, Table 22). The outcomes vary notably by ESO type. For-profit ESOs show the highest post-program performance, with 85% of graduates generating income and 25% creating employment, suggesting strong market alignment and a focus on commercially viable ventures. Non-profits, which serve larger and more diverse cohorts, report lower proportions of graduates generating income (68%) but stand out in employment creation (44%). This suggests a different optimization, prioritizing social impact such as job creation for at-risk youth or rural populations over high-scale commercial returns, a common mandate for impact-focused ecosystem builders (Red de Impacto LATAM & EGADE, 2024). University ESOs reach 80% income generation but remain modest in employment creation (10%), consistent with their focus on early-stage or pre-commercial innovation.

In absolute terms, **each ESO cohort of supported ventures generates an average of 128 jobs per year (median = 50).** This means that the combined ventures within a single program cycle collectively create around 128 new jobs annually. Within this, non-profits lead with 169 jobs created per cohort, followed by for-profits (125 jobs), while university-based and informal initiatives generate far fewer, averaging under 10 jobs per cohort (Table 6). These differences reflect the contrasting scales and resources of program types: larger, mission-driven ESOs typically manage wider and more mature venture portfolios, while smaller or academic ones focus on early-stage initiatives.

From a cost-efficiency perspective, the average cost per job created across all ESOs is estimated at USD 13,278, though this varies sharply by organizational model. For-profits achieve remarkable efficiency (USD 300 per job), while non-profits and university-based ESOs report much higher costs (USD 18,578 and USD 17,835, respectively), reflecting resource-intensive and high-touch support approaches (Table 7). Overall, Central American ESOs are demonstrating the capacity to convert entrepreneurial support into tangible income generation and job creation outcomes, though these remain concentrated among better-resourced organizations.

ESO type	Average of jobs created per cohort
For - profit	125
University ESOS	5
Other	50
Non - profit	169
No legal structure	5
Total	128

Table 6: Average total number of jobs created per ESO cohort of supported ventures in 2024 (N=15)

ESO type	Average of Cost jobs created
For - profit	USD 300
University ESOS	USD 17,835
Other	-
Non - profit	USD 18,578
No legal structure	USD 500
Total	USD 13,278

Table 7: Cost per job created by ESO type (N=15)

4.3 Financing outcomes

Access to finance remains a major bottleneck for ventures supported by Central American ESOs. Despite reasonable program completion and income-generation rates, **only 36% of graduates manage to secure funding within one year of completing their program**. This finding strongly corroborates one of the most significant and well-documented challenges of the regional ecosystem: a persistent "financing gap" for early-stage ventures (GALI, 2021; Kantis et al., 2023; Red de Impacto LATAM & EGADE, 2024). The data show notable disparities by ESO typology. For-profit ESOs, with their market-oriented approach, show minimal engagement in post-program financing (0%), as their cohorts often rely on self-sustaining revenue rather than external capital. Non-profits and hybrid models demonstrate comparatively stronger outcomes, with 42% and 90% of graduates accessing funding, respectively, a reflection of their deeper integration with donor and development finance networks. This may seem counter-intuitive, but it likely reflects their deeper integration with donor and development finance networks, connecting graduates to grants or seed funds (Red de Impacto LATAM & EGADE, 2024). University-based ESOs, in contrast, report the lowest success rate (10%), consistent with their focus on early-stage or pre-commercial ventures that rarely reach investor readiness (Annex, Table 22).

Among those ventures that do raise external capital, the **average amount secured is approximately USD 5,330 per entrepreneur** (median = USD 1,000) within the first year post-program.

This modest figure confirms that graduates are not accessing formal venture capital, which is scarce in the region (GALI, 2021; Kantis et al., 2023). Instead, this funding likely corresponds to micro-finance, prizes from competitions, or small grants. Overall, these outcomes suggest that ESOs lack the mechanisms to translate program participation

into sustained financial access, underlining the need for stronger linkages between ESOs and financial institutions (GALI, 2021).

4.4 Satisfaction and monitoring

Overall satisfaction among entrepreneurs supported by Central American ESOs is high, with 67% of respondents rating their experience 6 out of 7, and another 27% providing scores between 4 and 5. **This consistently positive feedback highlights the strong relational and pedagogical quality of ESO programs, particularly in mentoring and training delivery.**

However, **the monitoring of post-program outcomes remains limited and inconsistent, indicating a critical gap in long-term performance tracking.** As shown in Figure 21, only 13% of ESOs monitor entrepreneurs for a full year after program completion, and just 7% continue tracking outcomes beyond two years. The majority of organizations (66%) end monitoring within the first six months, with another 7% reporting no follow-up at all. Disaggregated by ESO type, non-profits dominate long-term engagement, being the only group that consistently tracks participants beyond one year, whereas for-profits and academic ESOs tend to conclude monitoring immediately after program closure. This difference reflects structural realities: **non-profits are often accountable to donors and international partners, requiring them to embed impact reporting into their funding cycles**, as seen in regional impact reports (YEP Report, 2020; Red de Impacto LATAM & EGADE, 2024).

The absence of standardized longitudinal tracking systems limits the region's ability to generate robust impact evidence. Without systematic data on post-program performance, job creation, or financing, ESOs risk underreporting their long-term contributions to local economies. Strengthening monitoring frameworks through shared indicators, digital data systems, and dedicated resources would not only improve learning and accountability but also position ESOs to access more sustained and evidence-based funding.

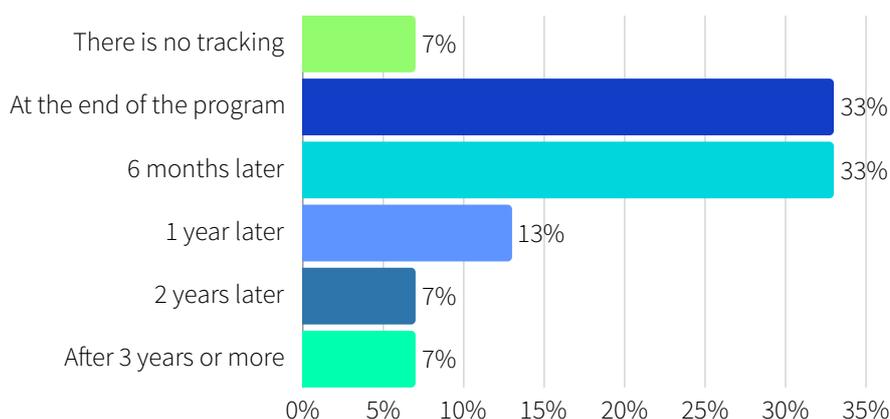


Figure 21: Monitoring timeline after program completion (N=15)

4.5 Indicators tracked by ESOs

Central American ESOs tend to focus their monitoring on operational and output-level indicators, emphasizing what happens during program implementation rather than the long-term impact of their interventions. The most commonly tracked indicators are the number of training or mentoring hours and the number of women entrepreneurs supported, both measured by 71% of organizations. These are followed by the number of jobs created by supported ventures (53%), satisfaction rates with the intervention (49%), and the geographic location of entrepreneurs (48%). A smaller proportion of ESOs monitor whether ventures remain active two to five years after participation (48%). Meanwhile, fewer than half of organizations (40%) measure program completion, access to financing, or the socioeconomic level of entrepreneurs supported. Tracking of diversity indicators such as race or origin remains limited (21%), and only a very small share (14%) reports on equity exits or sales of participations (Figure 22).

Overall, these patterns show that Central American ESOs are consolidating their monitoring around inclusion and activity-based metrics, while still lacking the structures and resources to systematically measure post-program outcomes or broader economic impact. Building shared impact frameworks and investing in data management capacities could help the ecosystem move from counting activities to demonstrating measurable results.

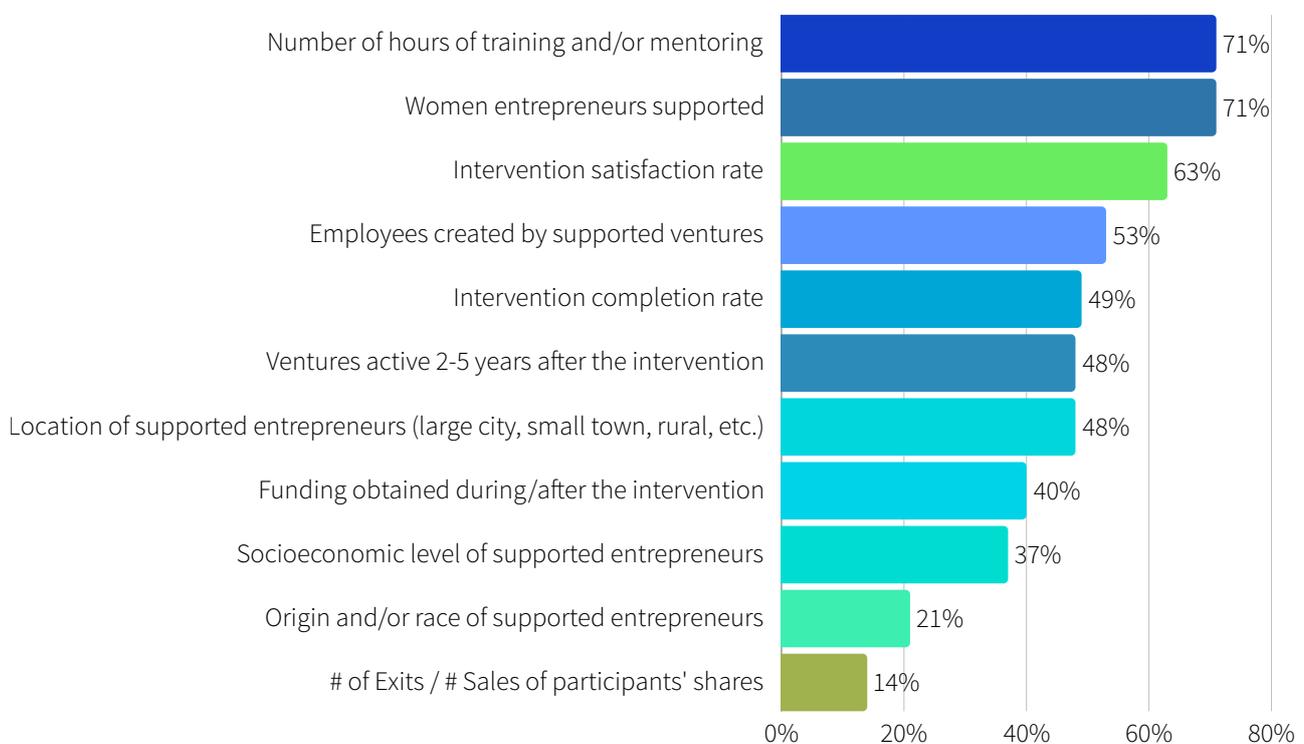


Figure 22: Indicators most frequently monitored by ESOs (N=63)

Takeaway



Strong delivery, thin economic outcomes, and short monitoring horizons

Central American ESOs know how to run strong programs: entrepreneurs graduate, survive, and stay engaged, but their ventures rarely break through to real growth.

Access to capital remains limited (around USD 5.3k on average), job creation is modest, and monitoring stops too soon to capture lasting impact. The region's support ecosystem is still built to deliver activities, not outcomes.

For ESOs, the challenge is to prove what happens after graduation. Track financing, revenue, and job growth for at least two years post-program, and integrate "investment readiness" as a core result, not a side effect.

For funders and policymakers, the opportunity is to flip the script: fund performance, not participation. Multi-year, flexible funding tied to tangible economic outcomes would help ESOs evolve from solid incubators into real engines of growth and inclusion.

5. Challenges faced by ESOs

At a glance:



The challenges facing Central American ESOs are deep, interconnected, and primarily financial. The data reveal a sector in chronic survival mode, with financial sustainability as the top concern. This internal fragility rooted in short-term, donor-dependent funding has cascading effects: limited capacity to monitor impact, slow digital transformation, and uneven progress on inclusion.

This internal crisis mirrors the ecosystem's external bottleneck: entrepreneurs' limited access to finance. Despite strong completion rates and job creation, most ventures fail to secure follow-on capital, reflecting an underdeveloped early-stage investment market.

Meanwhile, fragmentation among ecosystem actors and weak coordination with the public sector prevent collective influence and policy alignment. Across the region, the message is consistent: **without stable funding, coordinated governance, and inclusive financing mechanisms, the ecosystem will continue to generate promise without the structures needed to sustain it.**

5.1 Structural and financial sustainability

Financial sustainability emerges as the most pressing challenge for Central American ESOs, with an overall average of 3.8 out of 5 (Figure 23). This concern sits well above other internal and operational barriers such as efficiency and use of digital tools (3.0) or the development of effective training methodologies (3.0). Challenges related to positioning, networking, and impact measurement remain relevant but secondary (3.4 each), while inclusion (3.1) and deal flow (3.2) are perceived as less urgent within this specific dimension of sustainability. This finding aligns with persistent concerns over financing gaps and weak institutional support that are well-documented across the region (GALI, 2021; Kantis et al., 2023)

Across types of ESOs, financial fragility is evident in almost every category. Non-profit organizations and those categorized as “Other” report the highest levels of concern (4.0), reflecting their dependency on project-based grants and the scarcity of long-term institutional funding. Unregistered initiatives also express a high degree of vulnerability (3.7), as their lack of legal recognition often prevents them from accessing donor support or private sector partnerships. University-based ESOs, though embedded within larger institutions, are not immune to financial strain (3.6), suggesting that entrepreneurship programs within academia still rely on external or short-term resources. Even for-profit entities, while theoretically less exposed to donor cycles, show moderate pressure (3.5), indicating that self-sustaining business models remain difficult to consolidate in the region’s ecosystem (Annex, Table 25).

When looking at ESO longevity, a “U-shaped” pattern emerges. The youngest organizations (operating for less than two years) and consolidated ones (between 11 and 20 years old) both record the highest concern (4.3). For new ESOs, this likely reflects the lack of steady backers or diversified income streams, while for more mature ones it suggests the opposite problem: higher fixed costs and complex portfolios that require stable financing to maintain. Established organizations between 6 and 10 years of activity fare slightly better (3.9), and the most historic institutions (+20 years) report the lowest levels of stress (3.6), benefitting from diversified networks and long-standing donor or corporate partnerships (Annex, Table 26). Country-level data adds another layer of nuance. Honduras (4.5) and Costa Rica (4.2) stand out as the countries where financial sustainability challenges are felt most acutely. Guatemala (3.7) sits near the regional average, while El Salvador (3.5) and Panama (3.4) report comparatively lower pressure (Annex, Table 27). These national-level perceptions mirror specific ecosystem diagnoses, which identify severe funding constraints in countries like Honduras (ANDE, 2021; BID Lab & MassChallenge, 2024) and a more developed, though still fragile, funding landscape in Panama (BID Lab & MassChallenge, 2024).

The qualitative responses from the survey bring these dynamics vividly to life. **Many organizations emphasize how shrinking donor landscapes and heightened competition exacerbate their fragility:**

“One of the main challenges is financial sustainability... many of the funds have left the Central American region, and now there are many more organizations ‘competing’ for the same funding”.

Others point to internal constraints, particularly **limited staffing and dependence on short-term projects:**

“Our main challenge is having enough staff. In the past, we had programs financed by donors, but without that support, we’ve had to divide tasks among ourselves just to keep going”.

The problem extends beyond funding to ecosystem fragmentation, as **ESOs often duplicate efforts instead of building synergies:**

“We have not managed to achieve financial sustainability. Instead of complementing each other’s work, many organizations end up competing and offering similar services, which creates confusion and limits our impact.”

These perspectives align with the roundtable discussions where **participants consistently emphasized that the region’s entrepreneurship ecosystem remains over-fragmented and under-resourced.** Representatives from both public and private sectors agreed that *“funding scarcity and competition among ESOs create silos rather than cooperation”*, noting that stronger co-financing and regional programs are needed to sustain operations beyond short-term donor cycles. Participants also highlighted the **absence of robust public policies that ensure continuity:**

“Many initiatives depend on individual administrations or donors, and when these change, so does the entire support structure.”

Roundtable participants also pointed to **structural weaknesses in ecosystem coordination**. ESOs often operate in isolation, with limited mechanisms for joint measurement or shared learning. As one participant put it, *“There is too much emphasis on theory and training, but not enough on implementation or collaborative scaling.”* Similarly, others argued for professionalizing the sector through standardized management systems, data collection tools, and shared impact frameworks. The lack of these systems combined with dependency on donor agendas makes sustainability an ongoing struggle rather than an achievable goal.

Overall, both quantitative and qualitative evidence converge on a clear conclusion: **Central American ESOs face a structural sustainability trap**. They are burdened by financial precarity, fragmented collaboration, and weak institutional continuity. Addressing these issues will require not just new funding streams, but a systemic shift toward regional cooperation, professionalization, and sustained public-private alignment.



Figure 23: Average ESO challenge ratings (1 not a challenge - 5 major challenge) (N=63)

Takeaway

Walking the funding tightrope

Financial sustainability is the region’s top and most persistent challenge (average 4.0/5), far surpassing operational or strategic concerns. ESOs across Central America are walking a precarious line sustained by short-term grants and donor priorities that



Takeaway



leave little room for long-term vision or innovation. This dependency traps organizations in reactive cycles, undermining strategic planning and staff retention, and limiting their ability to evolve.

For ESOs, survival now depends on breaking away from traditional grant dependency. Diversifying income through hybrid models, partnerships, and impact investment is essential to achieve autonomy and resilience. Collaboration and shared services across the ecosystem could also help reduce operational costs and strengthen collective sustainability.

For funders, it is key to acknowledge that project-based funding perpetuates instability. Moving toward multi-year, flexible financing and investing in shared monitoring systems would enable ESOs to focus on lasting impact rather than chasing short-term opportunities thus building a foundation for a more self-sustaining and connected entrepreneurial ecosystem.

5.2 Access to funding for entrepreneurs

Across Central America, access to finance remains one of the weakest links in the entrepreneurship ecosystem, despite nearly 41% of ESOs reporting that they offer some form of financial support whether through seed funds, grants, competitions, or investor connections. However, this apparent availability rarely translates into effective capital access for early-stage ventures. As shown in Section 4.3, only 36% of entrepreneurs actually secure external funding one year after program completion, with an average amount of just USD 5,330. The gap between financial support “offered” and “accessed” underscores structural inefficiencies: **while ESOs play a key role in preparing entrepreneurs, few have the resources, instruments, or partnerships needed to bridge them toward real investment.**

The perspective from investors echoes this diagnosis. Among investment entities surveyed, 42% cite the lack of early-stage financing as the ecosystem’s most pressing challenge, followed by limited collaboration among organizations (33%) and weak entrepreneurial education systems (33%) that leave entrepreneurs unprepared for investment. Regulatory uncertainty (25%) and insufficient technical assistance, skilled labor, and investment culture (17% each) deepen the divide between available capital and investable ventures (Figure 24).

Roundtable discussions reinforced this picture of disconnection between support and financing ecosystems. Participants agreed that “*there is capital in the region, but it does not reach early-stage entrepreneurs*” because ESOs and investors “*speak different languages and operate on incompatible timelines.*” While ESOs focus on inclusion and training, investors prioritize scalability and return, leaving a void between incubation and investment. This “pipeline problem” is a recurring theme in regional studies, where investors report a scarcity of ventures that meet their criteria for scalability and formal readiness (GALI, 2021; Red de Impacto LATAM & EGADE, 2024). As one participant put it, “*The problem is not the money; it is the lack of a pipeline that meets investment criteria.*”

Many ESO representatives also lamented the short-term nature of donor funding, which limits their ability to accompany entrepreneurs through the full journey from ideation to growth. “*We are expected to prepare entrepreneurs for investment,*” one ESO director explained, “*but the funding we receive doesn’t allow us to stay with them long enough to get there.*” This shortfall, combined with a lack of blended finance schemes and risk-sharing mechanisms, leaves entrepreneurs dependent on sporadic competitions or small grants that rarely unlock private capital.

In essence, **Central America’s entrepreneurial landscape is rich in training but poor in financing continuity.** The system cultivates entrepreneurial skills and motivation but fails to connect that pipeline to capital. Both ESOs and investors agree: the next step must be building structured pathways from incubation to investment, a key recommendation echoed by other regional analyses (GALI, 2021).

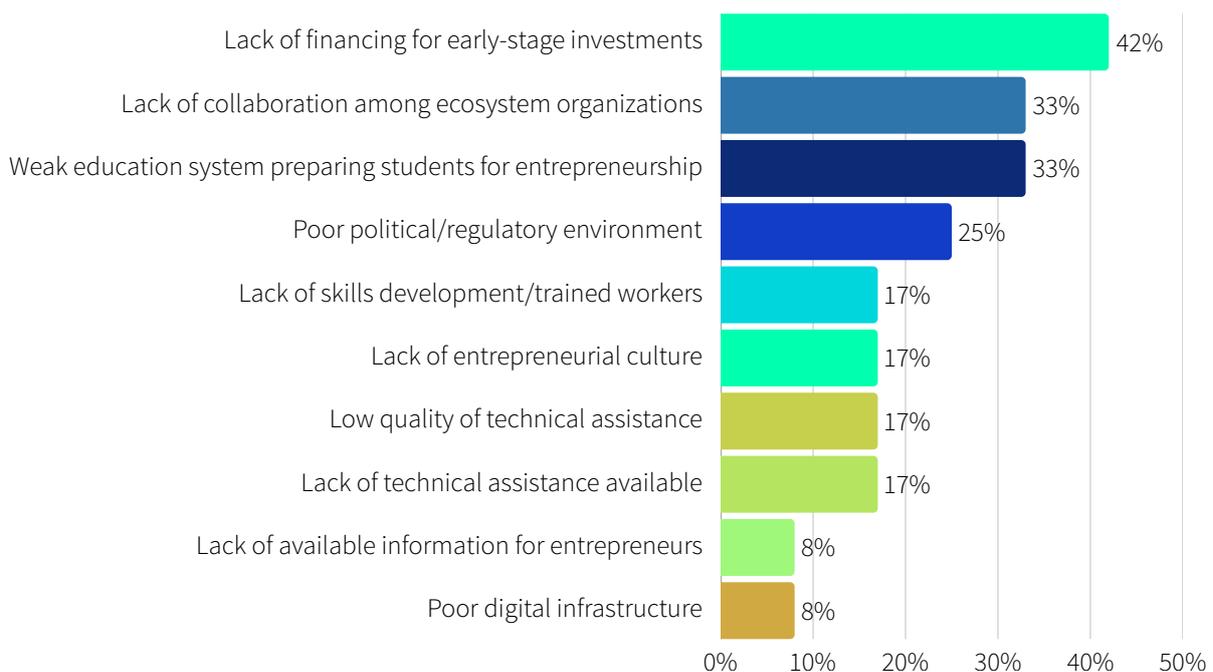


Figure 24: Ecosystem challenges reported by investors (N=12)

Takeaway



From incubation to investment: bridging the missing link

The data exposes a persistent gap between entrepreneurial support and financial access. Although 41% of ESOs offer some form of financing, only one in four entrepreneurs ultimately secures external funding, with modest amounts that fall short of enabling real growth. The region's ecosystem remains training-rich but capital-poor, held back by fragmented instruments, short-term donor cycles, and weak coordination between ESOs, investors, and public actors. **This disconnect leaves early-stage ventures stranded between readiness and investment.**

For ESOs, the challenge is to evolve beyond capacity-building toward investment facilitation. Developing stronger ties with investors, experimenting with blended finance models, and building shared due diligence pipelines could transform scattered efforts into effective funding pathways. Strengthening financial literacy among entrepreneurs and aligning incubation programs with investor expectations are also critical to bridge the “last mile” of support.

For funders and investors, this calls for a shift from project-based aid toward ecosystem-based financing. Multi-year, flexible funding should enable ESOs to sustain post-program accompaniment and structure investment-readiness pipelines. Public institutions and impact investors, in turn, should collaborate on regional co-investment platforms and guarantee mechanisms that de-risk early-stage investment turning entrepreneurial potential into investable opportunity across Central America.

5.3 Monitoring and communication of impact

Further, **monitoring and impact communication are a top-tier constraint for ESOs.** On a 1–5 scale, the challenge averages 3.4, second only to financial sustainability (3.8) (Figure 23). The burden is not evenly distributed. University ESOs rate it the highest (4.1), followed by unregistered initiatives (3.7) and “other” ESOs (3.6), while non-profits (3.2) and for-profits (3.3) report comparatively fewer frictions but still above neutral (Annex, Table 25). Maturity matters: very recent ESOs score 4.0 and historic ESOs 3.8, signaling limited systems at launch and legacy fragmentation at the other end of the lifecycle; consolidated (3.1) and established (3.2) organizations report fewer pains, whereas recent (3–5 years) players dip to 2.0, often because they monitor a narrow set of outputs (Annex, Table 26). Country differences are modest in our sample: El Salvador is highest (3.7), Guatemala and Panama sit at 3.4, Honduras at 3.3, and Costa Rica at 3.2 (Annex, Table 27). These perceptions align with the measurement practices documented in Section 4.

Qualitative evidence explains the bottlenecks with clarity. **Several organizations acknowledge the absence of fit-for-purpose systems:** *“We currently do not have a clear mechanism that evidences our impact.”* Others point to tooling and data gaps, noting the need for *“adequate tools to collect data from small farmers, women entrepreneurs and MSMEs, and to monitor more efficiently.”* ESOs also describe **how donor logics skew metrics:** *“We depend on cooperation funds and compete to hit their indicators, regardless of the metrics.”* This creates a significant “tension between global objectives and local realities,” where donor requirements may not align with the community’s immediate needs (Red de Impacto LATAM & EGADE, 2024). The communication side is equally strained: *“Our day-to-day challenge is to communicate our impact to attract contracts.”* Finally, a few warn that measurement rarely captures implementation and business change: *“There is a lack of a focus that helps businesses execute... Without an implementation culture, training is under-utilized.”*

Roundtable discussions echoed these concerns, revealing **a regional consensus that impact measurement is fragmented, duplicative, and disconnected from strategy.** Participants noted that *“there is no standardized methodology for evaluating impact, and each organization collects data according to donor priorities rather than ecosystem learning”*. This fragmentation and lack of common standards is a key structural weakness identified across the regional ecosystem (GALI, 2021; Red de Impacto LATAM & EGADE, 2024). Another highlighted the difficulty of closing the feedback loop: *“We have data, but we don’t use it to make decisions or to demonstrate value to investors.”* In El Salvador, one stakeholder summarized the issue succinctly: *“We have learned to report, but not to learn.”*

Moreover, the discussions pointed out that communication of impact is often undervalued as a strategic tool. Many ESOs struggle to translate monitoring data into compelling narratives for funders, governments, and the public. As one participant put it, *“We talk about our activities, but not about our transformations.”* This reflects a wider cultural gap between program delivery and impact storytelling, one that hinders both visibility and funding.

Overall, the evidence paints a consistent picture: Central American ESOs are rich in activity data but poor in actionable insight. Monitoring remains short-term, donor-driven, and fragmented, while impact communication is sporadic and under-resourced. The result is an ecosystem that knows how to report but not how to learn, limiting its ability to demonstrate value, attract sustainable funding, and influence policy. Strengthening shared data infrastructure, harmonizing metrics across actors, and embedding learning loops would allow ESOs to move from compliance-based reporting toward a culture of evidence, transparency, and strategic influence.



Turning data into learning

Central American ESOs are collecting more data than ever, yet much of it remains underused and fragmented. Most organizations measure training hours and participation rates, but few go further to assess long-term results such as the real growth, survival, or social impact of the ventures they support. The result is a region that knows how to report, but not how to learn and communicate evidence.

To change this, ESOs need to move beyond compliance and donor-driven reporting toward collective learning frameworks that enable comparison, benchmarking, and transparency. Developing shared standards for impact indicators, improving data systems, and investing in staff skills to interpret results could transform monitoring from a burden into a strategic advantage.

For ESOs, the priority is to simplify and integrate monitoring tools, linking them directly to decision-making and storytelling.

For investors and cooperation agencies, the call is to fund long-term measurement, supporting organizations not just to deliver activities but to prove and improve their impact.

And for ecosystem builders and governments, the challenge lies in aligning metrics and incentives across programs, fostering a data culture where evidence guides strategy and collaboration drives learning.

5.4 Scouting and deal flow

Across Central America, the ability of ESOs to attract, select, and retain high-potential entrepreneurs emerges as a systemic bottleneck. Quantitatively, the challenge scores a moderate 3.2 out of 5 (Figure 23), but this average conceals sharp contrasts. This finding aligns with broader regional diagnoses that identify a weak pipeline of "dynamic" entrepreneurs as a core challenge (Kantis et al., 2023). University-based ESOs (4.5) report the highest pressure, reflecting the structural complexity of sourcing specialized startups that align with academic research and innovation verticals (Annex, Table 25). Very recent ESOs (<2 years) also face steep hurdles (3.8), still building credibility and visibility. Meanwhile, historic organizations (+20 years) score similarly high (3.6), reflecting fatigue and growing competition for the same pool of ventures (Annex, Table 26). Country-level data reveal comparable patterns: El Salvador (3.5) and Guatemala (3.3) report the greatest difficulties, tied to ecosystem fragmentation and overlapping calls for entrepreneurs, while Costa Rica (3.0) and Honduras (2.8) show relatively lower but persistent gaps (Annex, Table 27).

The qualitative evidence adds texture to these figures. **ESOs across the region describe resource and capacity constraints as key barriers.** As one respondent explained, “*We need sufficient income to conceptualize and execute programs,*” while another noted the human cost: “*We lack dedicated staff to run the full selection process; everything depends on volunteers or short-term funding.*” Others highlight how geographic and digital divides exclude rural and Indigenous communities: “*Our main challenge is reaching rural communities with low connectivity. Calls cannot depend only on online platforms; they must involve local networks and community organizations.*” This is a direct testament to the challenges documented in-depth by studies on Central America's rural ecosystems, which cite severe infrastructure, digital, and logistical barriers to providing support (ANDE, 2021).

This territorial exclusion is compounded by specialization demands. One ESO stated: “*Finding startups that match our program’s verticals like health, climate change, or digital innovation is increasingly hard. We compete with other ESOs across Central America for the same few projects.*” In several countries, the shrinking pool of qualified applicants also reflects broader systemic issues, including limited early-stage education in entrepreneurship and the lack of trust in support programs: “*Entrepreneurs hesitate to share information as they fear competition.*”

Roundtable discussions reinforced these findings, describing scouting as fragmented, donor-driven, and duplicative. Participants pointed out that “*each organization runs its own recruitment call, competing for the same entrepreneurs,*” and that “*there’s no shared pipeline or referral mechanism between ESOs.*” Many emphasized that this lack of coordination leads to repetition rather than complementarity, where “*entrepreneurs move from one acceleration program to another without truly scaling.*”

Another recurrent theme was visibility and communication. Participants noted that “*calls rarely reach beyond urban centers*” and that “*ESOs depend on social media campaigns that miss informal entrepreneurs and rural innovators*”. This reinforces the documented urban concentration of ESO activity and the persistent challenge of bridging the rural-urban divide (ANDE, 2021). The proposed remedy centered on localized outreach and partnerships: “*We need alliances with municipalities, universities, and rural cooperatives to expand reach beyond the same cities and the same audiences.*”

Yet, despite these constraints, a few organizations are reimagining scouting as a participatory, community-based process. One ESO shared: “*What worked for us was involving community leaders from the start in the design of selection processes. It legitimizes the call and increases local participation.*” Another described the power of accessible communication: “*Maintaining fluid communication with entrepreneurs using language they understand strengthens trust and engagement.*”

Taken together, the evidence points to a fragmented deal-flow landscape, where limited resources, digital divides, and competition among ESOs erode reach and inclusion.

Strengthening scouting will require collective pipelines, shared visibility platforms, and funding models that support continuous, inclusive recruitment, not just project-based calls. Without these changes, ecosystems risk staying crowded at the top and empty at the base, where the next generation of entrepreneurs should be found.

Takeaway



Breaking the deal flow deadlock

Central American ESOs are trapped in a cycle of competition over collaboration, chasing the same entrepreneurs instead of building shared pathways for talent discovery. Despite strong local expertise, their ability to identify and attract quality deal flow is limited by fragmented outreach, scarce funding, and weak coordination mechanisms. This fragmentation not only constrains who gets access to incubation and acceleration opportunities, but also perpetuates exclusion of rural, Indigenous, and women-led ventures, i.e. those least visible to mainstream calls.

For ESOs, the task ahead is to turn scouting into a collective, inclusive, and data-informed process. Building shared recruitment platforms, strengthening alliances with universities, municipalities, and community organizations, and co-designing localized outreach strategies can multiply reach and reduce duplication. Investment in digital visibility tools and trust-based communication especially in rural and underserved contexts should become core operational priorities, not peripheral efforts.

For funders and ecosystem builders, it is key to acknowledge that individual calls for entrepreneurs no longer serve ecosystem growth. Instead, they should fund and incentivize joint scouting initiatives, regional referral systems, and shared databases of pipeline-ready entrepreneurs. Multi-year and flexible funding can allow ESOs to move beyond reactive recruitment toward long-term talent cultivation. Only by shifting from fragmented competition to coordinated discovery will the region unlock the next wave of entrepreneurs and ensure no potential remains invisible.

5.5 Digitalization and process improvement

Digitalization and process efficiency are perceived as a moderate but persistent challenge among Central American ESOs, scoring an average of 3.0 out of 5 in the regional dataset (Figure 23). As a matter of fact, the broader Central American economy suffers from low technological diffusion and adoption, with a significant gap in digital infrastructure and skills (World Bank, 2024). The figures reveal distinct patterns by organizational type and maturity. For-profit ESOs (2.9) and non-profits (3.0) report relatively low concern, suggesting they have partially integrated digital tools or rely on more established workflows. In contrast, university-based ESOs (3.3) and younger

organizations (<2 years: 3.5) express stronger pressure, reflecting both the administrative complexity of academic institutions and the initial resource constraints of emerging actors (Annex, Tables 25 and 26).

Geographically, El Salvador (3.3) and Honduras (3.3) stand out as the most challenged, driven by limited access to affordable technology and unstable funding for process automation. Costa Rica (3.0) and Guatemala (2.6) report lower averages, yet qualitative data suggest these numbers mask deeper gaps in system integration and data management (Annex, Table 27).

ESOs consistently describe manual processes, fragmented data systems, and limited staff training as bottlenecks to operational efficiency. One respondent summarized this tension:

“The issue of resource management to maintain operations has become a challenge; agencies that lack expertise are offering similar services, creating unnecessary competition in our funding space.”

Others pointed to the absence of digital infrastructure:

“We need adequate tools to collect data from small farmers, women entrepreneurs, and MSMEs to make monitoring more efficient.”

This challenge is particularly acute when serving non-urban populations, where a profound digital and infrastructure divide isolates rural entrepreneurs from the formal support ecosystem (ANDE, 2021).

The roundtable discussions confirmed that digital transformation remains largely reactive and donor-driven rather than strategic. Participants explained that *“digital tools are often introduced as part of short-term projects, without long-term maintenance plans,”* and that *“data is stored in separate systems that don’t communicate with each other.”* This fragmentation of data and tools is also a symptom of the broader ecosystem “silo” effect, where actors compete rather than collaborate on shared infrastructure (Red de Impacto LATAM & EGADE, 2024).

Several ESOs also underscored the human side of digitalization. As one put it, *“The problem is not just the technology, it’s having people who know how to use it effectively and integrate it into our daily work.”* Smaller and rural-based ESOs highlighted the

challenge of uneven connectivity:

“Our work depends on digital tools, but some of our beneficiaries still lack reliable internet or devices. We can’t automate processes that our users can’t access.”

Despite these barriers, some ESOs are actively rethinking process improvement as a means to sustainability. A university incubator described its current efforts:

“We are building our entrepreneurial and mentorship network and strengthening our internal processes before scaling.”

Another ESO noted the potential for collaboration in this area:

“The integration of ministries and government agencies with key ecosystem actors could provide the platforms and licenses we need to grow and innovate.”

Overall, the data suggest that digitalization is not an isolated technical challenge but a structural one linked to resource flows, human capacity, and coordination across the ecosystem. While ESOs recognize its importance for efficiency and scaling, most lack the stable funding, shared tools, and institutional capacity to implement it effectively. Roundtable participants called for collective digital infrastructure, where shared platforms for data management, learning, and collaboration could help reduce duplication, improve transparency, and boost overall ecosystem efficiency.

Takeaway

From digital gaps to digital bridges

Digitalization is no longer a luxury for ESOs: it is a precondition for efficiency, learning, and collaboration. Yet most organizations in Central America remain constrained by short-term project cycles, limited resources, and fragmented systems that prevent effective operational integration. The current approach, where each ESO develops its own isolated tools, keeps the ecosystem digitally fragmented and administratively overburdened.



For ESOs, this moment calls for a strategic shift from tool adoption to digital transformation. Investing in interoperable systems, cloud-based data management, and team upskilling can turn administrative burdens into opportunities for insight and coordination. Partnerships with technology providers, universities, and governments should prioritize shared infrastructure, ensuring that small and rural ESOs gain access to the same digital capacity as larger, urban ones.

For funders and policymakers, the path forward lies in financing digital capacity as core operational infrastructure, not as a project add-on. Supporting ecosystem-wide digital platforms such as common data repositories, monitoring dashboards, and communication channels would not only strengthen accountability but also reduce duplication across the region. Sustainable impact depends on ESOs having the digital backbone to operate efficiently, measure outcomes, and collaborate effectively. Moving from digital gaps to digital bridges is essential for an ecosystem ready to scale with equity and intelligence.

5.6 Inclusion, legitimacy, and networking

Inclusion emerges as one of the ecosystem's most persistent and nuanced challenges, with an overall average of 3.1 out of 5 (Figure 23); a score that reflects both progress and structural fragility. While nearly all ESOs identify inclusion as part of their mission, data and qualitative insights suggest that translating this intention into sustained, equitable practice remains difficult. Disaggregated results show that university-based ESOs (4.3) and non-formal entities (4.0) perceive inclusion as a major challenge, reflecting the pressure these organizations face to deliver on social impact. In contrast, non-profits (2.8) and for-profits (3.1) report relatively lower concern, but this often masks the fact that inclusion work in these institutions is externally funded and project-dependent. In short, the apparent stability hides vulnerability: inclusion efforts are only as sustainable as the next donor cycle (Annex, Table 25).

By longevity, the divide is striking. Younger ESOs (<2 years) rate inclusion challenges at 3.3, largely due to resource scarcity and the absence of dedicated inclusion strategies or partnerships. However, historic organizations (+20 years) show an equal or higher concern (3.4), pointing to a dynamic of inertia and structural fatigue. Many long-established institutions acknowledge that their inclusion models have not evolved to match new social realities, such as gender diversity, migration, or climate-driven displacement (Annex, Table 26). At the country level, El Salvador (3.5) and Guatemala (3.2) report the greatest struggles. Costa Rica (2.7) and Honduras (2.6), by contrast, show lower averages, but qualitative evidence suggests this reflects narrower programmatic scopes rather than genuine inclusivity. This is unsurprising given these countries face some of the region's most profound rural-urban and ethnic divides, making true inclusion a massive operational hurdle (ANDE, 2021).

The qualitative data offers a human dimension to these numbers. A Guatemalan ESO explained: “*Reaching rural communities with little digital access requires designing outreach processes that don’t rely only on online calls but involve local partners and grassroots organizations.*” Another respondent stressed: “*Ensuring that selected profiles reflect linguistic and cultural diversity is still a pending task.*” **Roundtable participants repeatedly noted that inclusion remains largely reactive, driven by donor requirements rather than by institutional design.** As one actor stated, “*Programs for women or rural entrepreneurs appear when there’s a call for proposals—not because they are part of our long-term strategy.*” This “donor-driven” approach to inclusion, rather than a systemic one, is a known challenge in aid-dependent ecosystems (Red de Impacto LATAM & EGADE, 2024). Others linked the issue to weak coordination: “*We work with the same target groups but rarely share data or approaches, so many entrepreneurs fall through the cracks.*”

Furthermore, networking stands out as one of the most persistent systemic challenges for Central American ESOs, with an average rating of 3.4 out of 5 (Figure 23). Despite a widespread recognition of its importance, collaboration within the ecosystem remains fragmented, often limited to short-term or project-based efforts. The region’s entrepreneurial infrastructure continues to lack the institutional mechanisms and incentives necessary to transform sporadic partnerships into sustained, strategic alliances.

Disaggregation by ESO type and maturity further reveals how these challenges manifest differently. University-based ESOs (4.0) and non-formal organizations (4.3) report the greatest struggle to establish and maintain networks, often due to limited autonomy or reliance on external legitimacy. For-profits (3.4) and non-profits (3.0), while better connected, face their own constraints, one limited by commercial focus, the other by donor-driven agendas that shift with each funding cycle (Annex, Table 25). In terms of longevity, younger ESOs (<2 years) rate networking challenges particularly high (3.8), reflecting difficulties in gaining visibility and credibility within established ecosystems. Yet, even historic organizations (+20 years) report elevated concerns (3.6), pointing to stagnation and limited adaptation to new collaboration dynamics (Annex, Table 26).

Taken together, the data depicts an ecosystem in transition: from symbolic inclusion to structural inclusion. While ESOs demonstrate growing awareness of diversity and equity, they continue to lack the systemic tools, financing models, and inter-organizational alignment needed to operationalize it sustainably. True inclusion, as the evidence suggests, will require not only more outreach but also institutional transformation: embedding equity principles in governance, resource allocation, and partnership design across the entrepreneurial ecosystem.

Geographical differences echo this pattern. El Salvador, Guatemala, and Honduras (3.5 each) (Annex, Table 27) present the highest challenge ratings, reflecting ecosystems

marked by fragmentation and weak coordination among public, private, and academic actors. Respondents in these countries often describe environments where “everyone works toward the same goals but with parallel agendas,” illustrating a lack of shared strategy or convening mechanisms.

The survey data portrays a nuanced picture. On one hand, collaboration practices are extensive: 87% of ESOs report partnering through joint programs or events, 68% identify new strategic allies, and 59% exchange knowledge or best practices (Annex, Figure 3). Similarly, 70% organize networking activities for entrepreneurs and 52% facilitate access to digital platforms or networks (Annex, Figure 4). These figures reveal a culture of cooperation but one that is transactional rather than transformative. As one ESO remarked, “We collaborate when a project requires it, but once the funding ends, so does the partnership.” This perfectly captures the critique of “donor-driven, project-based” collaboration rather than institutional collaboration (Red de Impacto LATAM & EGADE, 2024).

When asked how collaboration could be improved, the responses point to structural needs rather than attitudinal barriers. Seven in ten (70%) ESOs called for greater institutional support to foster and sustain ecosystem connections. Nearly two-thirds (63%) highlighted the demand for more targeted networking events, while 54% emphasized improved digital platforms to connect key actors (Figure 25). This convergence underscores the perception that the region’s collaborative landscape is still underdeveloped in terms of both infrastructure and coordination.

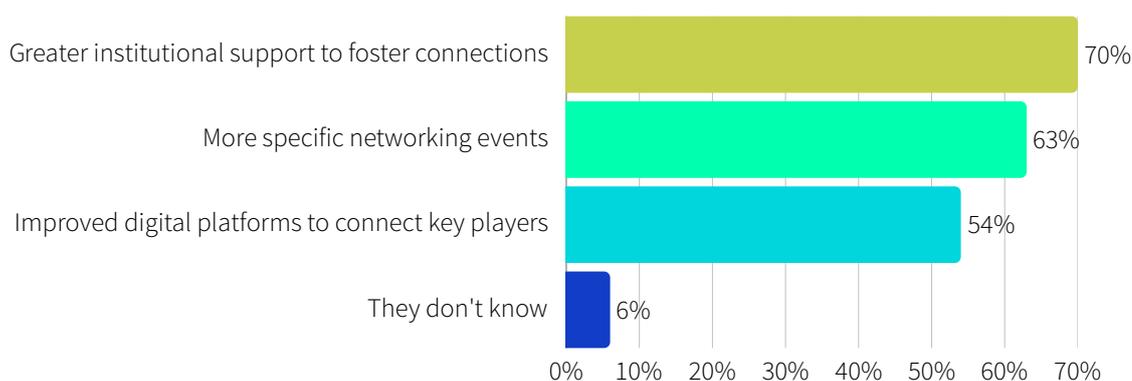


Figure 25: Suggestions to improve collaboration efforts (N=63)

Qualitative insights deepen this diagnosis. In the roundtables, participants repeatedly emphasized that collaboration is personality-driven rather than institutionally sustained. As one put it, “When leadership changes, alliances disappear.” Others noted the absence of collective advocacy or governance spaces capable of unifying the sector: “There’s collaboration, but not coherence. Each organization works in isolation, even when the objectives overlap.”

Interestingly, investors' perceptions contrast with those of ESOs. In their view, ecosystem collaboration has improved noticeably in recent years: 33% identified “connectivity and collaboration among organizations” as one of the areas that has seen the most progress, alongside information availability (33%) and technical assistance quality (42%) (Figure 26). This divergence suggests that while progress is visible at the macro level, many ESOs still experience fragmentation and lack of inclusion at the operational level.

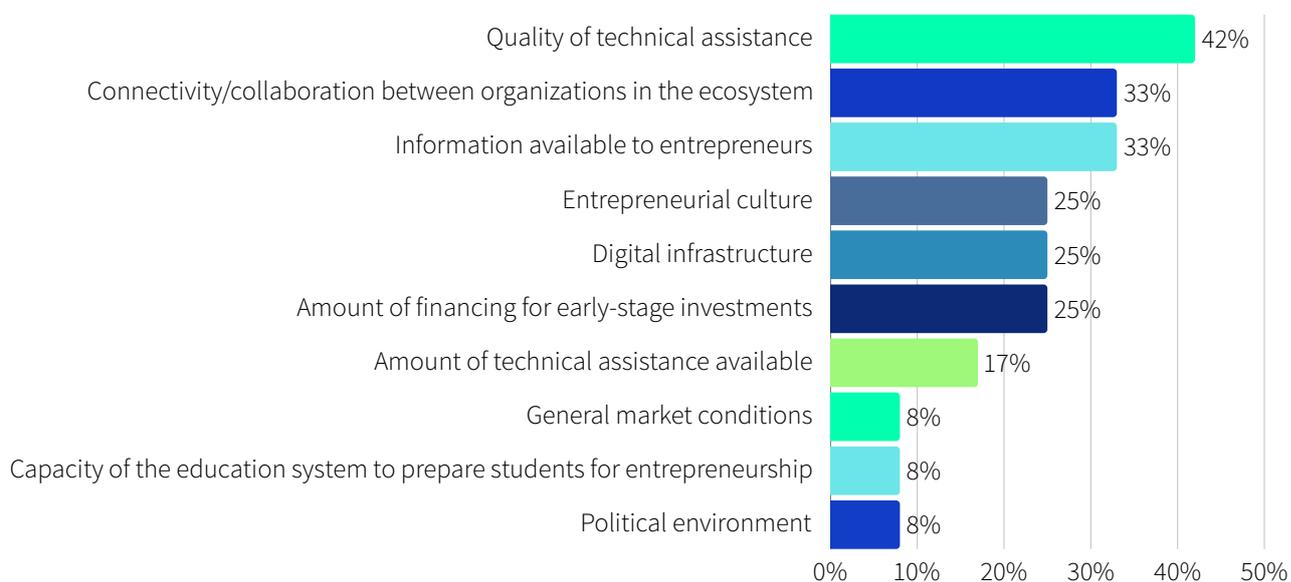


Figure 26: Ecosystem improvements according to investors (N=25)

Despite these limitations, there are signs of optimism and willingness to change. **The vast majority of surveyed ESOs (78%) express interest in joining a formal association or guild to strengthen ecosystem coordination and advocacy** (Figure 27). This figure indicates a collective recognition of the need to move from ad hoc collaboration toward structured, representative networks capable of articulating shared priorities and influencing policy narratives. Overall, the data and testimonies converge on a central conclusion: Central America’s entrepreneurial support ecosystem collaborates frequently but incoherently. The challenge is not the absence of collaboration, but its fragmented, short-term, and donor-dependent nature. Building the institutional backbone for sustained networking through shared governance platforms, trust-based partnerships, and stronger digital intermediation will be essential for turning isolated cooperation into systemic cohesion and legitimacy.

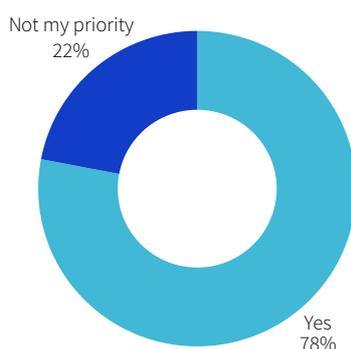


Figure 27: Interest in joining a gremio (N=63)



From scattered voices to collective influence

Central America's entrepreneurial ecosystem is rich in collaboration but poor in coordination. The data and testimonies confirm that ESOs are eager to connect yet trapped in fragmented, short-term alliances that dissolve once funding cycles end. Despite widespread collaboration in practice (87% co-delivering programs and 68% building new partnerships networking) remains a challenge precisely because it lacks permanence, shared governance, and institutional backing.

The call from the ecosystem is clear: 70% of ESOs demand stronger institutional support to sustain connections, while another 63% advocate for more structured networking spaces and 54% call for improved digital platforms. The desire for collective representation is equally strong: 78% of organizations would join a regional association to strengthen the sector's voice and influence in policy. This signals not apathy, but a collective readiness to move from isolated efforts to a coordinated movement capable of shaping the region's entrepreneurial agenda.

For ESOs, the challenge now is to transform collaboration from a project requirement into a strategic function. That means investing in trust, data-sharing, and joint advocacy mechanisms that transcend individual programs. Building shared legitimacy also requires intentional inclusion especially of smaller, newer, or rural ESOs that remain peripheral to decision-making networks.

For funders and policymakers, this is a call to invest in coordination as infrastructure. Supporting umbrella platforms, national associations, or regional networks could anchor collaboration beyond donor timelines, giving the ecosystem a collective identity and negotiating power. As one roundtable participant put it, *"Everyone works toward the same goals, but without a shared table."* Creating that shared table, and ensuring it is resourced, representative, and resilient, is the next frontier for strengthening inclusion, legitimacy, and cooperation in Central America's entrepreneurial landscape.

5.7 Policy and funding demands

The policy and funding priorities raised by Central American ESOs reveal a consistent call for greater financial stability, more coherent public-private coordination, and improved access to both direct and indirect incentives for entrepreneurship. Nearly half of surveyed organizations (48%) explicitly request subsidies or economic support for their own operations, making this the most frequent demand (Figure 28). Closely behind, incentives or subsidies for investors and private capital (40%), and strengthening of networking mechanisms at local, national, and international levels (38%), indicate that ESOs view sustainability not as an isolated issue but as part of a wider system that needs connectivity and investment incentives.

Additional priorities include subsidies, financing, or fiscal incentives for entrepreneurs themselves (37%), and improved agreements between ESOs and the public sector (32%), both of which point to the dual nature of the ecosystem's financial bottleneck: ESOs struggle to sustain their programs, while entrepreneurs face persistent capital constraints. Meanwhile, better access to public tenders for entrepreneurship services (22%) and the accreditation of methodologies and pedagogies (17%) reflect a desire to formalize the role of ESOs as recognized development partners, rather than short-term project implementers. Lower-frequency items, such as a unified communication channel for ESO initiatives (13%) and administrative simplifications (6–10%), suggest operational barriers that exacerbate inefficiencies across the ecosystem.

The qualitative evidence deepens this picture, highlighting a pervasive sense of fragmentation and short-termism in policy and funding. ESOs across the region express frustration with **limited government collaboration and a lack of continuity in entrepreneurship policies**. As one organization put it, *“Public institutions often hold the funds while private organizations hold the expertise — but there is no real connection or access between the two.”* Another leader from Panama summarized the problem bluntly: *“There is no coordination; plans and programs lack continuity and sustainability. We need to think in terms of strengthening the ecosystem, not competing within it.”*

A recurrent theme is the demand for structured, sustainable public-private agreements that go beyond ad hoc collaborations. ESOs in Panama, Costa Rica, and Honduras, for instance, highlight the absence of stable partnerships that would allow NGOs and private support centers to access public resources and infrastructure: *“We need to establish alliances that make it possible to support entrepreneurs sustainably, especially migrants and refugees,”* one respondent noted. *“These agreements should guarantee access to spaces, training, and resources that help our communities achieve economic autonomy.”*

Funding-related petitions are not limited to ESOs themselves. Many participants underscore the importance of expanding fiscal incentives and credit programs for entrepreneurs, particularly in early stages. Several testimonies reference the difficulty of accessing bank credit due to rigid requirements, especially for independent workers or informal entrepreneurs. Others propose the creation of simplified and inclusive financial products, as well as seed capital schemes that are accessible beyond highly selective competitions. Beyond financial matters, several contributions propose institutional reforms. Some respondents call for the creation of new legal figures, such as social enterprises, to recognize hybrid models that combine social impact and business sustainability. Further, others request greater clarity in ecosystem governance, including the definition of roles among ecosystem agents and improved policy coherence across ministries and programs.

A second cluster of insights focuses on capacity building and information access.

Multiple ESOs emphasize the need for government and private actors to invest in training entrepreneurs and investors alike from financial literacy and legal preparedness

to investor education and due diligence. As one leader argued, “It is just as important to train investors as it is to train entrepreneurs — we need investors who know how to evaluate and accompany small businesses, not just chase high returns.” Complementary to this, several suggest establishing a single and centralized information channel whether digital or physical to consolidate available programs and funding opportunities, addressing the current fragmentation that leaves many entrepreneurs unaware of existing resources. “Information is scattered,” a respondent noted, “and that means many entrepreneurs never even find out what support is available.”

Finally, several ESOs advocate for more participatory policymaking, where civil society and private support organizations are consulted before policy decisions are made. They point to a need for listening mechanisms that recognize the lived experience of ESOs and entrepreneurs in shaping effective and context-sensitive measures.



Figure 28: ESOs requests to public and private stakeholders (N=63)

Takeaway



A unified call to build stable, inclusive, and coordinated support frameworks

The collective demands of Central American ESOs reveal that **the current policy and funding landscape is fragmented, short-term, and misaligned with the region’s realities.** ESOs are not asking for isolated grants, but for a coherent system that values coordination, continuity, and inclusivity. There is a growing recognition across the region that entrepreneurship cannot thrive without a stable institutional architecture.

Fragmented initiatives, inconsistent incentives, and lack of cross-sector alignment are preventing the ecosystem from reaching its potential. ESOs are calling for **predictable funding frameworks and fiscal mechanisms that reward inclusive business growth, and participatory policy processes** that give them a seat at the decision-making table.

For ESOs, this means organizing around a coordinated advocacy agenda that amplifies their shared demands and presents concrete policy proposals from the creation of hybrid legal figures such as social enterprises, to unified communication platforms and frameworks for long-term collaboration with government and the private sector.

For funders, this means moving beyond project-based aid toward multi-year and flexible financing that strengthens institutional capacity and enables ESOs to plan, innovate, and scale impact. Support should include not only programs for entrepreneurs but also the human and operational infrastructure that sustains the ecosystem.

For policymakers, this means treating entrepreneurship as a public good and ESOs as essential partners in national and regional development. Building mechanisms for stable collaboration, simplifying access to financing, and aligning fiscal and regulatory frameworks will be key to unlocking the region's entrepreneurial potential.

6. An agenda for collective action

6.1 Building a regional ESO association

Challenge

Central America's ESO sector is fragmented. Collaboration is common but mostly informal, built on short-term projects and personal networks. This limits coordination, weakens collective legitimacy, and reduces the sector's ability to influence policy or set shared standards.



Opportunity

A strong mandate for unity is emerging across the region. Survey data show that 78% of ESOs express interest in joining an association or sectoral network to strengthen collaboration and advocacy. In parallel, 38% call for better networking and 32% for stronger public-private agreements. Together, these signals reflect readiness to move from isolated efforts toward a regional ESO association capable of consolidating the sector's voice, promoting peer learning, and influencing entrepreneurship policy at both national and regional levels.



Recommendation for ESOs

Take the lead in establishing a Central American ESO association to share best practices, build professional standards, and consolidate data for collective advocacy and impact visibility.



Recommendation for Policymakers & funders

Formally recognize and engage this new body as a strategic regional partner to co-design policy, streamline funding, and strengthen the overall coordination and sustainability of the entrepreneurial ecosystem.



Central America's ESO ecosystem is a vital pillar of inclusive entrepreneurship, yet its potential remains constrained by fragmentation and the absence of a unified institutional voice. While collaboration among organizations is frequent, it is largely ad hoc and dependent on project cycles, making it difficult to sustain alliances or speak with coherence in regional forums. This lack of formal coordination weakens the sector's legitimacy and its ability to shape public policy or influence resource allocation.

However, the data reveal a strong desire for unity: nearly eight in ten ESOs are ready to join a sectoral association, confirming that the conditions for collective organization already exist. A representative platform would allow ESOs to standardize practices, share methodologies, and pool data to build an evidence-based narrative of their collective contribution to inclusive growth.

For governments and donors, this is an opportunity to partner more effectively with the sector. By recognizing and supporting a regional ESO association as a legitimate interlocutor, policymakers can reduce duplication, improve coordination, and design long-term frameworks that turn a fragmented field into a cohesive and credible ecosystem capable of driving sustainable entrepreneurship across Central America.

6.2 From project dependence to financial sustainability

Challenge

Financial fragility remains the defining constraint of Central America's ESO ecosystem. Most organizations depend on short-term, project-based aid with an average 27% of total income for each ESO coming from international cooperation and only 14% from entrepreneur fees or earned income. This model limits strategic planning, discourages talent retention, and prevents long-term investment in innovation or institutional growth.



Opportunity

There is clear momentum to move beyond donor dependence. ESOs across the region are beginning to explore hybrid models that combine diversified revenue sources, corporate partnerships, and flexible funding agreements. For funders and governments, this is a timely moment to pilot multi-year, adaptive financing mechanisms that prioritize organizational strengthening alongside program delivery: a necessary step to unlock scale and sustainability.



Recommendation for ESOs

Develop hybrid business models that balance social mission with financial resilience blending earned income, strategic alliances, and long-term partnerships that reduce reliance on short-term aid.



Recommendation for funders & policymakers

Shift from project-based financing to multi-year, trust-based funding that supports institutional development, talent investment, and cross-program innovation within ESOs.



Central America's ESOs operate in a paradox: they are essential to fostering entrepreneurship, yet structurally underfunded. The region's financial model is dominated by short project grants and donor cycles, thus creating a dependency trap. Organizations spend substantial time seeking new grants rather than consolidating operations or improving service quality. This short-termism undermines the stability needed to plan, evaluate, and scale.

The data confirm this structural imbalance. International cooperation remains the single largest revenue source for ESOs (27%), while local funding streams from national governments, corporate CSR programs, or earned income remain marginal. This dependence on external aid not only constrains flexibility but also exposes the ecosystem to volatility when global funding priorities shift. Still, the region shows encouraging signs of experimentation. Some ESOs are developing fee-for-service models, engaging corporate partners, or managing funds for specific entrepreneur segments. Others are leveraging impact metrics to attract private-sector sponsorships. These emerging practices suggest that the transition toward hybrid sustainability is possible if properly supported.

For funders and policymakers, the call is clear: financing must evolve from fragmented projects to strategic, long-term partnerships. By channeling resources into ESO institutional capacity such as staffing, systems, technology, and governance rather than

just short-lived programs, funders can ensure continuity, efficiency, and greater impact per dollar invested. Sustained investment in ESO stability is not administrative overhead: it is the backbone of a resilient entrepreneurial ecosystem. Without it, the region will continue to rely on fragile, short-term models unable to match the ambitions of its entrepreneurs.

6.3 From capital gaps to inclusive financing ecosystems

Challenge

Access to finance remains one of the most persistent barriers for entrepreneurs in Central America. Only 36% of ESO graduates secure any form of funding after completing a program, and the average amount raised is modest (around USD 5,300). Traditional banking requirements and risk-averse investment practices exclude most early-stage ventures, while public and private financing instruments remain fragmented and inaccessible to underrepresented groups.



Opportunity

Bridging this financing gap requires stronger connections between ESOs, investors, and public institutions. ESOs are uniquely positioned to de-risk early-stage ventures and prepare them for investment. Building collaborative financial mechanisms such as seed funds co-managed by ESOs, impact investment incentives, or simplified credit instruments could unlock a new wave of inclusive entrepreneurship.



Recommendation for ESOs

Forge partnerships with financial institutions and investors to create tailored funding pathways for early-stage entrepreneurs, including shared due diligence, micro-grant schemes, and blended finance models.



Recommendation for policymakers & funders

Develop inclusive and accessible financial instruments including fiscal incentives for early-stage investment, matching funds, and innovation-friendly credit programs that enable ESOs and entrepreneurs to grow sustainably.



The region's entrepreneurs face a dual constraint: limited capital supply and low investor readiness. Even after completing incubation or acceleration programs, most

ventures remain too early-stage to qualify for formal credit or equity investment. For many, informal networks, small grants, or personal savings remain the only viable sources of finance. This perpetuates inequality in opportunity, as ventures led by women, youth, or rural entrepreneurs face even steeper access barriers.

ESOs are playing an increasingly important bridging role, preparing entrepreneurs for investment and building trust with financial actors. Yet their capacity to connect ventures to capital remains underdeveloped. Few ESOs manage funds or investment vehicles, and coordination with local banks or government agencies is often inconsistent. Closing this financing gap will require collaboration rather than isolated initiatives. **ESOs, investors, and governments must work together to design financing models that balance risk and inclusion**, for example, co-investment schemes where public funds absorb part of the risk, or revolving grant programs that recycle early repayments into new ventures.

For funders and policymakers, this is a strategic opportunity to position entrepreneurship finance as a driver of social inclusion. By embedding ESOs within financial policy as trusted intermediaries that both prepare and vet early ventures, Central America can create a more inclusive, efficient, and sustainable investment pipeline capable of turning entrepreneurial potential into measurable growth and employment.

6.4 From disconnected efforts to shared learning and evidence

Challenge

Monitoring and evaluation practices across Central American ESOs remain fragmented and under-resourced. Most organizations track only short-term indicators, and two-thirds stop monitoring within six months after program completion. This lack of shared metrics limits the sector's ability to measure long-term impact, demonstrate value to funders, or inform data-driven policy decisions.



Opportunity

Strengthening collective learning and impact measurement can transform how ESOs communicate their contribution to inclusive growth. Creating a regional learning and evidence platform would allow organizations to share methodologies, standardize indicators, and consolidate results across countries. Combined with greater investment in digital tools and training, such coordination would elevate the credibility and visibility of the entire ecosystem.



Recommendation for ESOs

Collaborate to design and adopt common monitoring frameworks that capture both social and economic outcomes, and invest in staff training and digital tools to improve data collection and analysis.



Recommendation for policymakers & funders

Support the creation of a regional knowledge and data-sharing platform that enables cross-country comparison, fosters accountability, and provides evidence for policy design and investment decisions.



Central America’s entrepreneurial support ecosystem has made significant progress in expanding outreach and programmatic quality, but its collective impact remains under-communicated. The absence of shared measurement systems and standardized reporting has fragmented the regional evidence base, making it difficult to demonstrate the broader economic and social value of ESOs. Most organizations focus on immediate program outcomes such as participation rates or training hours, but lack the tools or resources to track revenue growth, employment, or social impact over time. This results in missed opportunities to attract investment and influence policy through credible evidence. Moreover, digitalization of data systems remains uneven, with smaller ESOs relying on manual tracking and limited technical capacity.

Establishing shared learning mechanisms offers a direct path to greater efficiency and influence. Common frameworks for monitoring and evaluation would allow ESOs to aggregate results, identify successful practices, and showcase collective contributions at the regional level. A dedicated knowledge platform could also support training, peer exchange, and access to digital tools for data management and visualization.

For funders and policymakers, investing in evidence infrastructure is both strategic and cost-effective. Reliable data strengthen accountability, improve targeting of resources, and help design policies grounded in real outcomes rather than assumptions. By fostering a culture of shared learning and transparency, Central America’s ESOs can move from disconnected initiatives to a cohesive, evidence-driven community that informs decision-making and amplifies the region’s entrepreneurial impact.

6.5 Our agenda for action

The central finding of this report is a defining paradox: **Central America’s entrepreneurial support ecosystem is vibrant, experienced, and deeply committed to inclusion, yet it remains structurally fragile and fragmented.** Despite the

dedication of organizations across the region, the system continues to depend on short-term aid, operate with limited coordination, and struggle to connect entrepreneurs to capital and evidence-based policy. The region's greatest barriers from donor dependence and limited access to finance to disconnected monitoring systems, all stem from a weak institutional foundation that prevents the ecosystem from realizing its full potential.

Transforming this landscape requires collective resolve and long-term coordination among ESOs, funders, and policymakers. Based on the findings of this report, here is a proposed agenda for the key actors who can drive this essential change.

For Entrepreneurship Support Organizations (ESOs):

Unite and represent

Act on the strong mandate for collaboration (78% support) by formally establishing a regional or national ESO association to consolidate advocacy, standardize practices, and strengthen coordination.



Diversify and stabilize

Develop hybrid financial models that blend earned income, corporate partnerships, and long-term funding agreements to reduce dependence on short project cycles.



Bridge the capital gap

Build partnerships with investors and financial institutions to design accessible funding mechanisms for early-stage ventures, including blended finance and micro-grant programs.



Collaborate on evidence

Through the new association, adopt shared impact metrics and digital tools to monitor long-term results, learn collectively, and communicate the sector's value to funders and governments.



For funders, investors, and philanthropy:

Fix the funding logic

Move beyond project-based grants to provide multi-year, flexible core funding that strengthens ESO institutions, talent retention, and operational capacity.



Catalyze inclusive finance

Deploy blended investment vehicles and co-financing schemes that de-risk early-stage ventures and open access to capital for women, youth, and rural entrepreneurs.



Invest in infrastructure for learning

Support the creation of a regional knowledge and data-sharing platform that consolidates evidence, promotes transparency, and enables smarter allocation of resources.



For policymakers and government agencies:

Recognize and engage

Formally acknowledge ESOs as strategic partners in national and regional entrepreneurship policies, working through the emerging association as a legitimate interlocutor.



Enable sustainable funding

Create fiscal incentives, tax benefits, and matching schemes that encourage private investment in early-stage ventures and ESO partnerships.



Coordinate and simplify

Strengthen inter-agency collaboration and simplify administrative procedures for entrepreneurs and ESOs, ensuring continuity in public programs and coherence in policy implementation.





For Entrepreneurship Support Organizations (ESOs)

For Funders, Investors, and Philanthropy

For Policymakers and Government Agencies

1. Organize and unite:

Act on the strong regional mandate (78% support) to establish a Central American or national ESO association that consolidates advocacy, sets professional standards, and strengthens collaboration across countries.

1. Fix the funding model:

Shift from short-term project grants to multi-year, flexible funding that prioritizes institutional stability, talent retention, and innovation within ESOs.

1. Recognize the sector:

Formally engage with the new ESO association as a strategic partner in co-designing national and regional entrepreneurship policy.

2. Diversify and stabilize:

Develop hybrid business models that blend earned income, corporate partnerships, and long-term alliances to reduce donor dependence and enhance financial sustainability.

2. Bridge the capital gap:

Develop and deploy blended finance mechanisms and co-investment vehicles that use public or philanthropic capital to de-risk early-stage ventures and attract private investors.

2. Enable growth and investment:

Introduce fiscal incentives and long-term programs that expand access to early-stage finance and support impact-driven ESO collaborations.

3. Collaborate on evidence:

Through the new association, define and adopt shared outcome metrics and digital tools for monitoring and evaluation to build a regional, evidence-based narrative of impact.

3. Invest in knowledge infrastructure:

Fund the creation of a regional data and learning platform that enables evidence-sharing, peer learning, and transparent impact measurement across the ecosystem.

3. Streamline and coordinate:

Simplify administrative procedures, strengthen inter-agency coordination, and align regional entrepreneurship initiatives to reduce fragmentation and ensure policy continuity.

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