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The Future of Start-Up Chile

Start-Up Chile's CEO, Angeles Romo, closed her laptop and reflected upon the meeting she was about to have with Chile's Minister of Economy. It was November 2021, and Romo knew that, as government officials fine-tuned the 2022 budget, the Minister was probably going to ask about her plans and vision for the future of the Start-up Chile Program (SUP). Created in 2010 as the first public accelerator program in Latin America (Latam), SUP offered foreign entrepreneurs a visa, equity-free money, and other resources to launch their start-ups in Chile. Since 2012, Chileans could also apply for the program, but it was SUP's openness to migrant entrepreneurs that had created a global buzz. Foreign press media, such as *The Economist,* had highlighted the contrast between the Silicon Valley "model"—a closed cluster that created barriers for foreign entrepreneurs' longer stays—and what they viewed as the more open "Chilean model" to attract global talent and create innovation hubs.[1] The hype around the program had also encouraged other countries like Puerto Rico and Peru to build similar initiatives to promote entrepreneurship in their territories.

A decade later, however, SUP's executives feared that the program might be losing its competitive edge (see **Exhibit 1** about value proposition for entrepreneurs). Many countries had started to offer one-year visas for digital nomads (people who worked remotely from a foreign country), a trend expected to grow as the Covid-19 crisis accelerated the adoption of remote work practices such as work-from-anywhere. Also, Brazil and Mexico had developed their entrepreneurial ecosystems fast, attracting capital and consolidating as leading start-up hubs in Latam. "Now talent can go anywhere, so we need to move quickly to ensure that the best entrepreneurs will come to Chile," said Romo. How could Chile and its relatively small economy remain appealing to migrant entrepreneurs in the new post-pandemic world? And what could Romo do to ensure the program would have a significant impact on Chile's economy to survive political swings in the long run?

Innovation and Entrepreneurship in Chile - An Overview

With a population of 19.1 million in 2020,[2] Chile was the world's narrowest country, stretching from the Atacama desert in the North to Patagonia's glaciers in the southern tip of South America.[3] (See **Exhibit 2** for a map and political history and **Exhibit 3** for an overview of Chile's economy.)

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Chile was often the best-ranking Latam country in global competitiveness indexes. It ranked 59th among 191 countries in the World Bank's Ease of Doing Business report—before Mexico, Colombia, Peru, Brazil, and Argentina—and was Latam's highest ranked country in the World Economic Forum's Competitiveness Index.[4] Chile also shared the 25th spot in Transparency International's Corruption Perception Index with the U.S.[5] Yet, in a survey by the Global Entrepreneurship Monitor about global entrepreneurship environments, Chile ranked 25th among 44 nations, below Uruguay and Colombia.[6] In fact, Chile's government had taken several steps to support innovation and entrepreneurship in the country. A 2013 law allowed companies to be created online in one day and, since 2017, the Chilean Tech Visa program cut down the approval time for a visa to 15 days for foreign entrepreneurs.[7]

Despite these efforts, entrepreneurs reported that access to talent in Chile proved difficult. Another hurdle regarded funding options, although Chile had made some progress in this area. In 2020, venture capital (VCs) firms invested $136 million in start-ups in Chile—three times more than in 2018, but still a fraction of the amount invested in Brazil and Mexico.[8] (See **Exhibit 4a** for VC investments in Latam and **Exhibit 4b** for country data.) In 2019, 23 of Chile's 40 fundraising rounds involved seed-stage start-ups, while 16 were early-stage deals, and only one was an expansion deal.[9] Chile's smaller market and reduced access to capital seemed to curtail its start-ups' ability to scale up *vis-à-vis* some Latam counterparts. By 2021, Latin America had generated 34 unicorns (start-ups valued at more than $1 billion): 60% of them were based in Brazil, 17% in Argentina, and 11% in Mexico.[10] In the same period, Chile had produced two unicorns: the online grocery delivery platform Cornershop and plant-based food group NotCo.[11]

The Origins of Start-Up Chile

SUP was created in August 2010, during President Sebastián Piñera's first term in office (2010-2014). Pledging to raise Chile's economic growth to 6% yearly, Piñera had sworn in as president in March that year, just a couple of weeks after an 8.8 magnitude earthquake shook Chile, leaving 525 people dead and $30 billion in damages.[12,13] The tragedy resonated strongly among Chileans abroad, including entrepreneur Nicolas Shea, who was working in Silicon Valley after graduating from Stanford University in 2009.

Shea was born in New York to an Irish family that had migrated to Chile and the U.S. At the age of four, he moved with his mother back to Chile, where he grew up. Just three days before the 2010 earthquake, he had received a call from Chile´s new Economy Minister, the University of Chicago-trained economist Juan Andrés Fontaine, inviting him to be his innovation advisor. "At first, I wasn't inclined to accept the offer as I was too involved with my projects in the U.S., but, after the earthquake, my family and I decided to go back to Chile," Shea recalled. "We lost two nephews in the tsunami that followed. I realized that my mission was to help rebuild Chile through innovation and entrepreneurship in that advisory role."

Shea discussed what he could do to help his country with his Stanford professors and his friends at Silicon Valley. His overriding idea was to attract foreign entrepreneurs to Chile. He explained:

> At Stanford, I saw talented friends struggle because they dreamed about starting a business in Silicon Valley, but they didn't have the right passport. In addition to the pressure of starting a company, they had to endure the pressure of dealing with immigration issues and not knowing if they were going to be in the country in six months. A lot of resources and efforts went into selecting Stanford students among world talents only to have them kicked out of the U.S. after they were trained. It didn't make sense! I remember thinking that, if I ever worked for the public sector, I would try to take all those

> people to spend some time in Chile. So that was my chance! But I had to find a way to do it.

In their first meeting, Shea pitched his idea to Minister Fontaine. "I told him that, while we could not build a Silicon Valley in Chile in four years, we could bring high-potential entrepreneurs to the country with the right baits," said Shea. Fontaine recalled his interaction with Shea:

> Basically, he suggested that we exploited the fact that many entrepreneurs in the U.S. were completing their education and had ideas to build start-ups but could not get the visa there. Why not bring them to Chile? Chile had grown strongly from the mid-1980s to the late-1990s, but since then our growth had slowed down. We thought that entrepreneurs could drive the country´s productivity by developing new ideas and combining productive factors to reduce costs. They also could help us develop an innovation and entrepreneurship culture, which Chile was lacking at that time.

The minister green-lit the project, and Shea returned to California to design the right value proposition to attract entrepreneurs. He started by gathering Stanford second year MBAs in the campus cafeteria. "'Would you come to Chile?,' I asked, and they replied 'No.' So I followed up, 'How can I get you to come to Chile?' And then I started to draft my list," Shea recounted. He interviewed around 15 founders in Silicon Valley to finalize the entrepreneurs' wish list for his pilot project. It came down to: (I) equity-free money (enough to live and work in Chile for six months); (II) a working visa (that could be easily renewed); and (III) support with the local bureaucracy associated with living and launching a business in Chile. "We wouldn't have to convince entrepreneurs to stay in Chile forever, but just for six months—maybe as a stopover on their way back home, as many were immigrants in the U.S.," Shea reflected. "Most of them were about 25 years old. In Chile, they would receive free government money and could forget about lawyers or pitching to investors. Also, Chile is a beautiful country, and it even shares some geographical similarities with California. A friend says it's California squeezed and upside down, where you can go snow-skiing and surfing on the same day."

The new program was named "Start-Up Chile," and for the pilot project the Ministry agreed on a $1 million budget—enough to support 25 companies. The government also decided to place the program under the authority of Corporación de Fomento de la Producción (CORFO), Chile´s development agency. Created in 1939, CORFO was a flexible instrument to execute government policies, and, since 2005, it received resources from a tax charged to mining groups.[14] SUP's executive team reported to CORFO's subsidiary for innovation, InnovaChile, which was run by Shea's Stanford friend Cristóbal Undurraga since May 2010. *Forbes* wrote, "In many ways, SUP is insulated from the rest of the Chilean government and operates as a separate entity, [which] helps avoid issues that arise from differences in the way and the speed at which things are done in startups versus in government."[15]

Undurraga, who was also manager of Entrepreneurship and Innovation at CORFO, commented, "CORFO has an endowment and a special law that establishes how this money can be spent, so it does not need Congress' approval for its programs. We had a budget of around $200 million to award grants and promote innovation and did not have to ask a lot of people or engage in political negotiations to define the use of these resources." Pablo Terrazas, Executive Vice-President of CORFO in 2021 added: "We knew the importance of this public policy [SUP] for the development of our country's economy. That is why we decided to give more independence to SUP to carry out is strategic projects, stimulate the ecosystem, and help startups revolutionize entire industries in Chile, generating new jobs and growing globally."

The Program's First Generations

The Start-up Chile program was finally rolled out in August 2010, and its first participants arrived in the country in 2011.[16] "We hoped these creative people would interact with Chileans and start an innovation movement here," Fontaine said. "The idea was to change the mindset of Chilean students and companies and to forge ties with the world's dynamic and innovative hubs." Initially, the program would provide each participant with an equity-free grant equivalent to $40,000 USD, asking them to invest $4,000 of their own funds in the business (10% of the government-funded seed capital). The selected entrepreneurs and their teams would also receive one-year visas, support to open bank accounts, access to social security services, and a place at a co-working space in downtown Santiago, where they could interact with other entrepreneurs. Finally, the SUP team would give them access to networks of mentors, business executives, experts, and other entrepreneurs to help them hone their business models and implement their ideas.

Participating entrepreneurs had to stay in Chile for at least six months, using their grants to cover their business creation costs and living expenses (which, according to SUP, ranged from $1,230-$1,850 monthly per person in Santiago). They also needed to provide receipts to prove they had spent the grant money in relevant endeavors. Additionally, to ensure their contribution to Chile's innovation economy, they had to engage in activities to promote local entrepreneurship, inspiring students and helping to change the mindset of large Chilean corporations. To facilitate these exchanges, SUP created a system in which entrepreneurs were awarded "points" for their efforts to build the program's community—the so-called Return Value Agenda (RVA). Later in the program, even the payment of part of the grant would be conditioned to participants' meeting certain RVA scores. "They would get points for lecturing at a university, mentoring local entrepreneurs, and even hosting events for the entrepreneurial community," said Shea. "Hopefully, some of these start-ups would be successful," added Undurraga, "But at the very least they would invigorate our entrepreneurial ecosystem. Also, by attracting these entrepreneurs, the program would help to position Chile as an innovation hub in Latin America."

Two administrative units provided guidance for the program—SUP's Advisory Board and CORFO's Entrepreneurship Committee.[17] The Board's role was to improve SUP's governance and ensure it had a long-term view (by 2021, it would be presided by Mike Letherbee, an Assistant Professor at Pontificia Universidad Católica de Chile.) The selection of entrepreneurs was initially outsourced to a Silicon Valley start-up, YouNoodle, which assigned judges to evaluate the projects based on four criteria: product quality, competitive positioning, team profile, and network connections.[18]

At the beginning, very few people in Chile were convinced about SUP's benefits. Shea recalled:

> Most people were skeptical about the possibility of bringing world-class entrepreneurs to Chile in the first place. "Talented people are never going to come," they said. Others were against giving taxpayers' money out to foreigners, especially at a time when Chile desperately needed resources for reconstruction. Even president Piñera asked, "Instead of spending that money on penicillin or food, why should we give it to Stanford or Harvard grads who are hanging out here for six months and may depart from our country leaving no equity nor debt behind?"

A controversial aspect of the program was that, initially, it was not open to Chileans living in the country—only foreigners and Chileans working abroad could apply. "In its initial stage, the program was accused of discriminating against nationals and faced political resistance for that—although there were other programs at CORFO for national entrepreneurs," Fontaine recalled. "Foreigners don't vote, so critics noted that, politically, it made no sense to give them our taxpayers' money."

The SUP team spent a significant amount of time explaining the program to critics. "We talked repeatedly to politicians, economists, the press, and local entrepreneurs to get at least some on our side. We also opened the program's data to academics," Undurraga recalled. "But at the same time, we tried not to be arrogant or naive and changed the program when we thought it necessary." One of these changes was to admit local entrepreneurs, which happened in the program's third batch. "If we insisted on keeping Chileans aside, it might have killed the initiative," Shea said.

Achieving Global Visibility

By 2012, SUP had enrolled 900 participants from 37 countries and 500 start-ups. Its entrepreneurs had participated in 380 meetings and over 1,000 conferences and workshops.[19] Such figures attracted media attention. According to *Fundación Imagen de Chile*, more than a thousand articles mentioned SUP between 2012 and 2013 in several media outlets—from the BBC in the U.K. to *Le Monde* in France.[20] "Want More Start-Ups? Learn from Chile," was the title of an article published by Bloomberg.[21] *The Economist's* article entitled "The Lure of Chilecon Valley" noted:[22]

> Many countries have sought to create their own versions of Silicon Valley. Nearly all have failed. Yet Chile's attempt is interesting because it exploits the original Silicon Valley's weak spot—America's awful immigration system. When the home of free enterprise turns away entrepreneurs, Chile welcomes them… The Start-Up Chile program has been a big hit with foreigners, which is hardly surprising: they get to build their businesses with Chilean taxpayers' pesos without having to give up any equity. Many rave about their time in the country, where they can write software code while sipping *Pisco Sours* (a favorite local tipple) and swapping tips with their peers.[23]

SUP's founders believed these reports signaled that the program was advancing its goal to position Chile as an innovation and entrepreneurship hub in Latin America. Fontaine received calls from foreign ambassadors who wanted to know more about SUP, as well as from Chilean diplomats relaying positive feedback from other countries. Internal support for the program seemed to grow with its global visibility, but some criticism persisted. Shea said:

> Most entrepreneurs would explore the country and post pictures of trips to Patagonia or the Atacama Desert, so government officials complained: "It looks like they are going sightseeing on the government's money—and now everybody sees that, so it's awful publicity! These young people think the program is a party!" Well, SUP was supposed to be an unforgettable party. The right entrepreneurs would not come only for the money. The experience was the most important. We wanted participants to interact, to make friends, to build that strong human connection that would last for good. Some entrepreneurs even ended up getting married in Chile. Over the first five years, 17 babies were born as a result of this program! What a great way to connect Chile to the world!

In the meantime, SUP's increased global visibility encouraged other countries to launch similar programs. Peru launched Start-Up Peru in 2013 to provide funding, mentorship, and training for early-stage start-ups in the country.[24] That same year, Brazil launched Start-Up Brazil, helping start-ups with funding and access to investors. SUP even supported some of these countries in planning their own initiatives. By 2016, *La Tercera,* a Chilean newspaper, reported that "around 50 countries have replicated some aspects of Start-Up Chile, including Peru, Malaysia, Brazil, Puerto Rico, and Jamaica."[25] (See **Exhibit 5** for some of these programs.)

Sustaining the Program in the Long-Term

Around 2013, facing the prospect of a new administration, the SUP team started to formulate a strategy to ensure the program´s continuity. The elections were due to take place in December 2013, and polls suggested that socialist Michelle Bachelet might return to power, beating the center-right candidate backed by Piñera. "When we realized that the government was going to change, we began to build a common message around the program. We talked with academics and economists from the center-left and invited them to learn about the program and its results. We wanted to get people more involved," Undurraga recalled. After Bachelet took office in 2014, SUP did not change the way it operated significantly, although there were changes in its executive team. Bachelet appointed Undurraga to the board of the National Council of Innovation and Development (*CNID*), which supported the president in designing innovation strategies. "The fact that innovation and entrepreneurship were perceived as crucial areas by both left- and right-wing politicians helped to ensure SUP's continuity," Undurraga said.

In April 2014, SUP's CEO Horacio Melo left the program to launch a solar energy company. SUP's then COO, Sebastián Vidal, became the new CEO, but he also left a year later to head a similar program launched by Puerto Rico (see **Exhibit 5**). In 2015, under its first female CEO, Rocío Fonseca, SUP launched its first initiative to support female entrepreneurs—the so-called "The S Factory." The initiative granted an equity-free fund of $15,000-$22,000, a workspace and a pre-acceleration process to 20-25 start-ups founded by women.[26] SUP's regular program was named "Seed" to differentiate it from this and other initiatives.

Changing Missions and Metrics

Around the same time, a study commissioned by the Ministry of Economy suggested that SUP did not have a significant impact in the country's economy.[27] The survey's sample was limited—only 118 companies out of the 785 supported by SUP between 2011 and 2013 answered its questionnaire, and none were foreigners.[28] Still, its results prompted more questions about the program. The study claimed, for instance, that 66% of the ventures supported by SUP never generated profits, and 44% did not raise any capital after leaving the program.[29] Newspaper *La Tercera* wrote that SUP needed to do more to ensure start-ups' development and monitor their progress in "technical and business terms."[30]

The program then decided to change its mission.[31] According to its website, the goals of changing Chile's culture towards entrepreneurship and positioning the country as an innovation hub had been already "accomplished by 2015."[32] Sebastian Diaz, SUP's Communications Director, who later served as CEO from 2018 to 2020, said, "Today, Chile stands as the best hub in Latin America in global rankings like GEDI [Global Entrepreneurship and Development Institute]. Chilean universities offer courses and master's degrees in innovation and entrepreneurship; the media covers start-ups, and national corporations are more willing to work with them."[33] After 2016, SUP embraced a new mission: promoting a real economic impact in Chile by helping the country to diversify and sophisticate its economy.[34,35] Following this change, the program started to track and publicize not only the numbers of entrepreneurs and ventures it supported, but also start-ups' survival rate, valuation, sales value, the number of jobs they created, and the percentage of supported ventures operating in Chile.[36]

SUP also began to pay more attention to mentors' work and rolled out two new initiatives. The first one, "Scale," allowed the start-ups that had graduated from the Seed program to apply for an extra $100,000 to spend one more year in Chile developing their businesses with local talent. The second, the "*Huella*" ("Footprint") initiative, was tailored to ventures aiming to achieve a positive social and economic impact.

By the time Piñera returned to Chile's presidency in 2018, SUP's programmatic changes ensured it was not significantly affected by the political change, according to its executives. Romo summarized, "The program continued to evolve naturally. At first, SUP's focus was to attract early-stage foreign entrepreneurs to Chile. Soon, it started to welcome locals and, after that, to look beyond early stage, trying to do more to help entrepreneurs grow their companies. The idea was to encourage them to stay longer in the country if they were foreigners and, in the case of Chileans, to expand abroad."

Start-Up Chile in 2021

By 2021, SUP had a budget of around $8 million per year.[37] Since inception, the program had supported around 2,550 start-ups and more than 5,000 entrepreneurs from 89 countries (see **Exhibit 6** for number of foreigners). Approximately 25-30% of participants were Chileans and the rest, foreigners (largely Americans, Argentines, Indians, and Brazilians). Of all the start-ups supported by SUP since 2010, 44.2% were still operating in 2021 (54.7% were Chilean ventures and 37.9% were foreign endeavors). For a comparison, on average, in Latin America, only 25% of start-ups survived their first two years of activity, while the rate for start-ups supported by SUP was 69.6%.[38]

The estimated total value of active start-ups supported by the program (considering those that had raised capital and received a formal valuation) was $5.8 billion in 2021, compared to a total of $2.2 billion in 2020. SUP's start-ups also reached $2.15 billion in accumulated sales in 2021, with 33% of these sales taking place in Chile.[39] In fact, only the sales in Chile represented more than seven times the amount invested in the program since its inception (around $100 million). Considering that all businesses in the country had to pay VAT taxes of 19% over sales, SUP estimated that its start-ups had disbursed at least $136 million to pay taxes in Chile—again, more than the amount invested in the program by the government since 2010.

Three of the companies supported by SUP—Chilean plant-based food producer NotCo, the Spanish ride-sharing app, Cabify, and Brazil's cashback marketplace, Méliuz—had developed into unicorns. The Chilean start-up, Betterfly, a purpose-driven benefits platform, was valued at $300 million, and 48 other companies supported by SUP were worth over $10 million. (See **Exhibit 7** for start-ups' profiles.) Among the start-ups that continued operating, more than 70% still had a presence in Chile. Those that managed to raise capital had received $1.33 billion from private investors—$1.18 billion of which came from outside Chile. [40] (See **Exhibit 8 a-e** for more data about the start-ups survival rates, retention in Chile, valuation, sales, and amount of capital raised).

SUP executives also pointed to other metrics they believed proved that the program was a public investment with good returns. In 2020, the businesses supported by the initiative had created more than 25,000 jobs in Chile. They had also hired more than 10,000 people abroad (including 900 hired by Chilean companies).[41] "Additionally, we have worked as a deal-flow generator [for venture capital firms and investors] in Chile," said Javiera Araneda, SUP's Chief Growth Officer. Fontaine noted, "At the end of the day, this is a relatively cheap program, costing less than $10 million a year. If this amount were spent in a marketing campaign for Chile, it would not be a big deal."

Entrepreneurs' accounts also helped to validate the program. "SUP gave us $40,000, and we not only spent all this money in the country, but we also had friends, family, and business associates that came to visit, spending even more," said Nathan Lustig, an entrepreneur from Wisconsin. Lustig enrolled in Start-Up Chile's program with his company, Entrustet, a website that enabled users to determine the fate of their digital assets—such as Facebook accounts—when they died (the site allowed them to name heirs for these assets). Lustig sold Entrustet in the early 2010s but remained in Chile after that. He first worked for a Chilean start-up and taught a course on entrepreneurship at a local university. Then, he opened an investment fund, Magma Partners, in partnership with a Chilean investor, gathering a team of specialists who worked from Mexico, Colombia, Chile, Argentina, and the U.S. to invest in top entrepreneurs in Latam.

Introducing New Changes

Given her diverse training at global institutions such as Harvard University, and Stanford University, Romo had created the first Business Angel Network in Chile. She had also worked as Managing Director of Endeavor's Chilean subsidiary (in charge of Endeavor Catalyst Chile) and as Corporative Manager at CORFO before becoming SUP's CEO in April 2021 (see **Exhibit 9** for Organizational Chart in 2021). Once at Start-Up Chile's helm, she announced several changes in the program.[42] First, SUP created three initiatives to support start-ups in their different stages: Build, Ignite, and Growth.

Build focused on very early-stage companies (with less than one year in development), that each received grants of around $18,000 and had to stay in Chile for four months. The Ignite program focused on companies with less than three years that had a Minimum Viable Product (MVP). They each received $60,000 grants and also had to stay in Chile for four months. Growth supported more mature companies in their efforts to scale, offering a more robust grant—$91,000—and requiring them to stay in Chile for eight months. (See **Exhibit 10** for more on each program and **Exhibit 11** for a Build calendar). Both at Ignite and Growth, start-ups relied on a three-member mentoring board, which might include entrepreneurs, alumni, executives, and academics.

Start-ups that had received support in early stages could apply to the next programs. "We actually encourage them to do that. The idea is to have a funnel with more start-ups at the beginning and fewer later," said Araneda. "In every batch, we have around 40 start-ups for Build, 30 for Ignite, and 15-18 for Growth—and we typically have two batches per year."

Rodrigo Haydar and Gabriel Lara, the Chilean founders of an app called GoodMeal, were applying for Ignite after participating in Build. GoodMeal fought food waste by allowing businesses such as restaurants to sell their surplus food while it was still good for consumption. "Build helped us validate our product, as we had just launched the app when we entered the program," said Lara. "Now, at Ignite, we expect to get support to fine-tune our sales skills and to expand our business," added Haydar. For these entrepreneurs the fact that SUP did not take equity was important. "Private accelerators such as [U.S.-based] 500 Startups have great global connections and are excellent validators, but they take equity," Haydar noted. They praised Build but reported that some of their foreign peers struggled to access the Chilean market because they did not speak Spanish. "It was really hard for them to sell in Chile," Lara said.

During Romo's administration, SUP also discontinued The S Factory project for female founders. Instead, SUP adopted new targets to increase women's engagement in all its programs. "We didn't want female entrepreneurs to be isolated, so now we support them as they go through Build, Ignite, and Growth. We have special events for them and encourage founders from the three initiatives to connect," said Araneda. "Now at least 50% of Growth startups have at least one female founder," added Nicolás Vega, SUP's Acceleration Director. According to him, SUP's team also changed the way it distributed its attention among participants: "We only have 30 employees, so we cannot do everything. Two or three years ago, we spent a lot of time trying to solve issues in problematic projects in their early stages. Now, we let these founders work freely and focus on the most promising ventures."

Entrepreneurs applied for the three programs online, filling out a form and uploading a 1.5-minute video about their businesses. These materials were assessed in-house—since the late-2010s, application assessment was no longer outsourced to YouNoodle. The SUP team reviewed all videos with the help of external industry experts. "We want to know if the start-ups are trying to solve a relevant problem, if they are scalable, how they compare to the competition, and if they have the right technology to thrive," said Araneda. "We also prefer start-ups that are global but have some interest in our market." The selected entrepreneurs went through an interview phase and had to be approved by CORFO's Entrepreneurship Committee. "We evaluate the team members' skills and experience. But we are agnostic in terms of industry and nationalities," Araneda added. On average, 10% of those who applied were admitted to the program. (See **Exhibit 12** for number of companies that applied and were selected in each program.)

Knowledge Recombination

In addition to attending workshops and training sessions, entrepreneurs learned substantially from their peers and the program's multicultural environment, according to SUP executives. Said Araneda, "This is the heart of program: we really believe in the value of diversity—diverse cultures, ideas, and industries." Vega added, "Sometimes founders fail and start working on a start-up founded by people from a different country. Having professionals from different backgrounds adds a new perspective to the business, brings in knowledge about other cultures and solutions used in other markets, as well as contacts of global clients. Recently one of our start-ups even acquired another one."

For instance, once in Chile and interacting with Latam entrepreneurs, Lustig realized that Entrustet could expand in the region by taking advantage of less restrictive regulations for digital assets in several countries. Different attitudes towards death in some countries also accounted for an opportunity. "In Mexico, they have a holiday called the Day of the Dead, and we had a huge spike in Mexican clients signing up around that date," he said.

According to Vega, another example of the benefits of the program's multicultural environment was provided by the trajectory of The Live Green Co, a start-up founded by Indian entrepreneur Priyanka Srinivas, which used an artificial intelligence system to recommend natural plant alternatives to dairy, meat, and chemical ingredients in consumer goods. Srinivas applied for SUP with plans to launch all sorts of products made with plant-based chemical-free ingredients—starting with items such as cleaning products, soap, and toothpaste. Once in Chile, however, The Live Green Co's founder realized that Latin Americans were more concerned about chemicals in foods, and, at the same time, could not compromise on product taste and appearance. "So she started to focus on food instead of soap or hygiene products," Vega recounted. Two other entrepreneurs from the program started to work with Srinivas to help her understand local regulations. "The company created samples that were validated by us and brought natural ingredients from India to make a plant-based ice-cream that tastes good for Latin American and U.S. consumers. Now it's sold in supermarkets in Chile, and the company is expanding to the U.S.," Vega said (see **Exhibit 13** for The Live Green Co's pitch materials).

An Open Network

Although many entrepreneurs moved to other countries after completing the program, SUP had initiatives to encourage its alumni to stay in touch. Former participants were called upon to serve as mentors in the program, to speak at its events, or to become part of the SUP ambassadors' network, helping to spread the word about the initiative around the globe. "Many entrepreneurs want to 'give back' and help develop our ecosystem," said Vega. SUP also organized annual meetings for its alumni, sent them a weekly newsletter, and posted jobs and other opportunities on its LinkedIn page.

"Additionally, our entrepreneurs can always come back to us to ask for contacts with our corporate or investment network," said Araneda.

For Lustig, however, SUP could do more to strengthen its global network of former participants. "Ultimately, the maintenance of strong connections depends on participants themselves. I have a WhatsApp group with some entrepreneurs, and we talk and meet from time to time," he said. Undurraga shared concerns about SUP's ability to keep its open network connected over time due to the differences in progress of participating companies. "The program's alumni are on very different stages of their journey as entrepreneurs," he said. "Half of the start-ups don't survive, and the others may be on their series A, B, or C funding rounds. It is hard to see how much value a public accelerator like SUP can create for a company in series B, for instance."

Shea agreed that it was difficult to measure how much value the open network actually created. "But I believe that this open network is the future, and the closed clusters are the past," he said. "If Silicon Valley keeps on raising taxes, kicking out immigrants, and making life hard for entrepreneurs, they are simply going to move to Texas, Dublin, or Santiago. There is a huge opportunity in being the hub of the Latin American innovation network in a connected world where people can come and go, working from anywhere."

Challenges Ahead

Some of the challenges that SUP faced in 2021 revolved around limitations in Chile's entrepreneurial ecosystem that jeopardized start-ups growth potential and survival rates. Program participants found it difficult to access talent, particularly for CTO and other tech positions. "So we are trying to find ways to help them in that area—for instance, generating talent pools with former participants and forging partnerships with local universities," said Araneda. Another major issue was access to capital. "Today start-ups have to go to other countries to get private funding for their endeavors, so we are starting to think about ways to help Chile become an investment hub in the region," Romo commented.

Internal Retention Issues

SUP also faced some challenges associated with its own structure and capabilities—for instance, like some other public institutions that dealt with dynamic sectors of the economy, it struggled to retain talent. Indeed, although on average the salary of public servants in Chile was more than 40% higher that of private workers, a study published at *CEPAL Review* (linked to the U.N.'s Economic Commission for Latin America and the Caribbean, or ECLAC) concluded that when the comparison was "restricted to a subsample of workers with similar characteristics", this wage premium disappeared.[43] Another study, by the Interamerican Development Bank (IADB), also mentioned that the "rigidity of public sector remuneration systems" in Latin America as a factor that hindered the sector's ability to attract talent that could help it navigate digital transformation processes.[44]

SUP had six CEOs in a decade, and turnover was relatively high also in other positions, according to its executives. "The public sector has some limitations—for example to raise salaries and to allow employees to work remotely, which hinders talent retention," Araneda explained. "Also, we are a very visible organization, and companies often come here when they need entrepreneurship specialists. So we are working hard to make sure that, if people leave, they make an efficient transmission of knowledge and network contacts. We are also creating a job scale—adding different hierarchical layers to our team structure, so our employees can climb this corporate ladder and feel that they are advancing their careers with us."

External Competition Concerns

Outwardly, the program's main challenge lay in maintaining the appeal of its value proposition for foreign entrepreneurs when other countries were creating similar programs and visa schemes to attract talent. Estonia, Croatia, Barbados, Spain, and Portugal, for instance, were granting one-year visas to digital nomads (see **Exhibit 14** for these arrangements). Brazil and Mexico had also rapidly grown into strong entrepreneurship hubs in Latin America, and their economies and consumer markets were much larger and diverse than Chile's. Finally, a wave of protests that swept Chile in 2019 (see **Exhibit 2**) had raised some concerns about the country's stability, according to Undurraga. "If you googled 'Chile' in the past, you would see images of mining companies, wine production and, maybe, some poverty," Undurraga said. "Now you will also see pictures of the protests and riots." Added Vega:

> We need to understand how the program is going to keep offering great value for start-up founders. We do offer equity-free money, but so does Puerto Rico, and soon more countries may also do that. Perhaps that will not be enough anymore. We need other advantages to differentiate us. At the same time, we also must continue to show our value as a public policy to ensure the continuity of the program.

In Undurraga's view, one of the program's options to remain attractive for foreign entrepreneurs while ensuring its relevance to Chile's economy was to focus on sectors with high-growth potential. He pondered:

> Maybe we could reinvent Start-Up Chile or start something new. Perhaps the problem is that we cannot be generalists anymore. I am in general reluctant to too much state planning in the economy, but perhaps in the case of this policy in particular we could bet on verticals in which the country is strong or may become strong. The program could build expertise and help entrepreneurs who want to do something associated with mining, for instance, putting them in contact with companies, experts, and so on. We could also do that with agriculture, fishing, and other sectors where we have substantial assets.
>
> Or maybe we could explore other high-potential verticals like astronomy or those related to the solutions for climate change, for example. At my biotech company, we are discussing to move a group outside of Chile, because we need cutting-edge infrastructure and broader technology network. Entrepreneurs in other areas are facing similar difficulties. SUP could help entrepreneurs with what really creates value for them throughout their journey. Of course, it is hard to be good at too many things, so maybe specializing is an option. (See **Exhibit 15** for some potential verticals for specialization.)

Fontaine, on the other hand, thought that specialization was not a good idea for the program. "It is very difficult for the government to efficiently choose priority sectors," he reflected. "Choices may end up contaminated by political interests, which could result in an inefficient allocation of resources. The upside of Start-Up Chile is precisely that it operates in a level playing field. All ideas can compete on an equal standing." Romo admitted that sometimes she was pressured by some government sectors to focus on industries such as mining, agriculture, and salmon production, where Chile had competitive advantages. Nonetheless, she believed that being industry-agnostic also had its advantages. "Sometimes we realize that entrepreneurs solving problems in agriculture could use their tech and grow faster in other industries, for instance."

Another alternative to ensure the future of SUP raised frequently by entrepreneurs and people close to the program was to allow it to take equity in a few mature start-ups. Lustig elaborated:

> Maybe, if Start-Up Chile started offering money in exchange for equity for the top 25% companies, it could become self-financed and sustainable over time. If just a few of these companies grew and became unicorns, the results of the investment could even help to finance education initiatives, such as the acquisition of computers for public schools or grants for small businesses, protecting the program politically.

This option, however, faced legal and political hurdles. In practice, by taking equity in some companies, the Chilean State would become a minority partner in them. "Chile's laws don't allow us to do that now, and changing the law is complicated," said Romo. "There would also be a lot of questions about who would select these companies and the criteria used to choose them," added Vega. One alternative that Romo and her team were analyzing was to create a public-private partnership to allow a private VC fund to invest in SUP's entrepreneurs as they scaled up. Romo explained:

> The VC fund would be 100% private, but it would focus on the program, so we would give them access to our deal flow, and they would help to solve entrepreneurs' capital problems in exchange for equity. We could invite successful entrepreneurs, like Nico Shea, to be involved in the initiative, making it more enticing for them to invest time and energy mentoring our start-ups. Startup founders are the engines of change and innovation much needed in our economy and society. So, to ensure that our ecosystem will gain traction, we need to identify successful cases and role models and make sure that these successful entrepreneurs will help to inspire, mentor, and fund the next generation of start-up founders. We need the culture of "giving back" to be imbedded in the country's culture.

To deal with the issue of funding, CORFO, SUP, and the Santiago Stock Exchange also launched the so-called ScaleX, or Santiago Venture Exchange, a new market that allowed start-ups to make public offerings and trade securities exempt from some requirements of the Chilean Commission for the Financial Market (CMF). "This will be a factor of change for our ecosystem, encouraging more startups and investors to choose Chile as a platform to make an impact in the world," said Terrazas.

As SUP approached its twelfth anniversary, Romo knew the program had to shape up to remain relevant for Chile and to survive future political swings. Just like the entrepreneurs it supported, Start-Up Chile also needed to innovate to continue to attract migrant innovators and entrepreneurs. What should it do to accomplish these goals? The new federal administration could always question if the program was still a good investment for Chile. At times when the Covid-19 pandemic propelled remote work operating models around the world, how could Romo and her team demonstrate the value of being at the center of an "open global network of innovators and entrepreneurs"?

Exhibit 1 Start-Up Chile – Value Proposition for Entrepreneurs, 2021

<Resources>

Equity Free Funding: You will receive financial funding without the need of giving up shares of your company.

Free Coworking Space: You will have access to our entrepreneurs exclusive coworking space at downtown Santiago.

Exclusive Perk Deals: Up to USD $300,000 in exclusive benefits and discounts with services such as AWS, HubSpot, and Microsoft, as well as more specific ones such as legal, accounting, hiring, design, marketing, and more.

<Soft-landing>

Soft-landing Program: 1 year work visa for the whole team and significant other [benefits], which can be extended in time.

** once the sanitary and travel conditions permit.*

<Acceleration>

SUP Academy: Training program (workshops, talks, and other learning experiences).

SUP Boards: Advisory board of voluntary experts in your industry with whom you meet every month to receive their guidance and [access to] connections, as well as to demonstrate your progress throughout the program.

Platoons: Peer-to-peer monitoring group of start-ups from your industry with whom you meet every month to demonstrate progress and gain peer insights.

Pitch Training: Group sessions where you can train your pitching skills on different subjects such as sales, investor, or a general pitch of your company.

<Community>

Events & Experience: Special invitations to relevant external and internal events; the chance to give back through our Founders Lab activities (local ecosystem support program) and invitations to different community events where you can bond with peers and relevant ecosystem players.

<Connections>

Corporate Network: Companies of all industries and sizes you can meet for feedback or business [activities].

Mentor Network: Mentors and industry experts who offer their guidance and connections at zero cost.

Investor Network: We coach you on how to reach VCs and connect you to +50 angel investors from Chile and the world.

Global Network: Global connections which will support your international chances of success after the program: other accelerators, incubators, governments, embassies.

Alumni Network: +5,000 alumni from over 85 countries.

Source: Start-Up Chile web site, https://www.startupchile.org/apply/, accessed November 2021.

Exhibit 2 Map of Chile

Source: University of Texas, "Chile – Country Map," https://maps.lib.utexas.edu/maps/americas/txu-oclc-310606103-chile_pol09.jpg, accessed October 2021.

Note: Chile had an area of 291,933 square miles (756,102 square kilometers), making it slightly bigger than Texas. The country's 20th century history was marked by political turbulence, culminating in a coup d'état led by General Augusto Pinochet against a socialist president in 1973. Pinochet's regime laid the groundwork for Chile's liberal economic model with the help of University of Chicago-trained economists, privatizing state-owned firms, reducing tariffs, making its labor laws more flexible, and increasing the private sector's role in areas such as pensions, education, and healthcare.

After the country´s return to democracy in 1990, a left-wing coalition held power for 20 years, taking steps to alleviate poverty and strengthen Chile's social services. Yet, it did not change Pinochet's free market system significantly. In 2010, center-right billionaire Sebastián Piñera was elected, succeeding socialist Michelle Bachelet. In 2013, Bachelet was elected for a second, non-consecutive term, and, in 2017, she was again succeeded by Piñera. In 2019, a wave of social unrest swept Chile, casting a shadow on the country's reputation as an "oasis" of stability in Latam. Triggered by a metro fare hike, protests quickly escalated to include other demands, such as measures to tackle Chile's inequalities.

The government called for a constitutional referendum to appease rioters, and, in 2020, Chileans voted to draft a new Constitution to replace the one from Pinochet's era. In 2021, a Constitutional assembly was elected. Still, it was not clear if the constitutional process would result in mild reforms or a radical change in Chile's pro-market economy and analysts did not rule out the risk of more popular unrest. Chile held general elections in November 2021 and a presidential runoff vote was due to take place in December, opposing left-wing congressman Gabriel Boric, a former student leader, and far-right lawyer José Antonio Kast, a Pinochet supporter with an anti-immigration stance. "No matter who [wins]. . . a country once seen as a model of neoliberal triumph is headed for rocky times," wrote Bloomberg.

Source: The World Bank Group, "Population, total – World," The World Bank Database, https://data.worldbank.org/indicator/SP.POP.TOTL?end =2020&locations=1W&most_recent_value_desc=true&start=2016, accessed October 2021; CIA World Factbook, "Chile," CIA web site, https://www.cia.gov/the-world-factbook/countries/chile/#geography, accessed October 2021; Vincent Pons, William Mullins, Ruth Costas and Pedro Levindo, "Walmart Chile after the Unrest: Doubling Down or Pulling Out?" HBS Case (9-772-012), October 2021; *Encyclopedia Britannica*, "Chile," https://www.britannica.com/place/Chile/Recreation#ref25247, accessed October 2020; Edwin Williamson, *The Penguin History of Latin America* (London: Penguin, 2009), p. 578; "Chile Constitution: Sweeping changes possible as independents win," BBC, May 2021, https://www.bbc.com/news/world-latin-america-57142087 accessed November 2021; "Can Chile's constitutional convention diffuse people's discontent?" *The Economist*, October 2, 2021, https://www.economist.com/the-americas/2021/10/02/can-chiles-constitutional-convention-defuse-peoples-discontent, accessed November 2021; Michael Stott and Benedict Mander, "Chile president Sebastián Piñera: 'We are ready to do everything to not fall into populism,'" *Financial Times,* October 17, 2019, https://www.ft.com/content/980ec442-ee91-11e9-ad1e-4367d8281195, accessed November 2021; "Chile installs new constitutional assembly after delay caused by protests," *France24*, July 4, 2021, https://www.france24.com/en/americas/20210704-demonstrations-delay-launch-of-chile-s-new-constitutional-assembly, accessed November 2021; "Chile, once considered Latin America's Finland, is in trouble," *The Economist*, October 30, 2021, https://www.economist.com/the-americas/2021/10/28/chile-once-considered-latin-americas-finland-is-in-trouble, accessed November 2021; "Chile Conservative Kast Wants to Double Growth to Solve Social Ills," *Bloomberg*, November 2, 2021, https://www.bloomberg.com/news/articles/2021-11-02/chile-conservative-wants-to-double-growth-to-solve-social-ills, accessed November 2021; John Bartlett, "Chile Far-Right Candidate Rides Anti-Migrant Wave in Presidential Poll," *The Guardian*, October 21, 2021, https://www.theguardian.com/world/2021/oct/21/chile-jose-antonio-kast-presidential-election-far-right, accessed November 2021; Matthew Malinowski and Ethan Bronner, "Chile's Polarized Presidential Election Promises a Shake-Up," *Bloomberg*, December 9, 2021, https://www.bloomberg.com/news/articles/2021-12-09/gabriel-boric-and-jos-antonio-kast-shake-up-chile-s-presidential-elections, accessed December 2021.

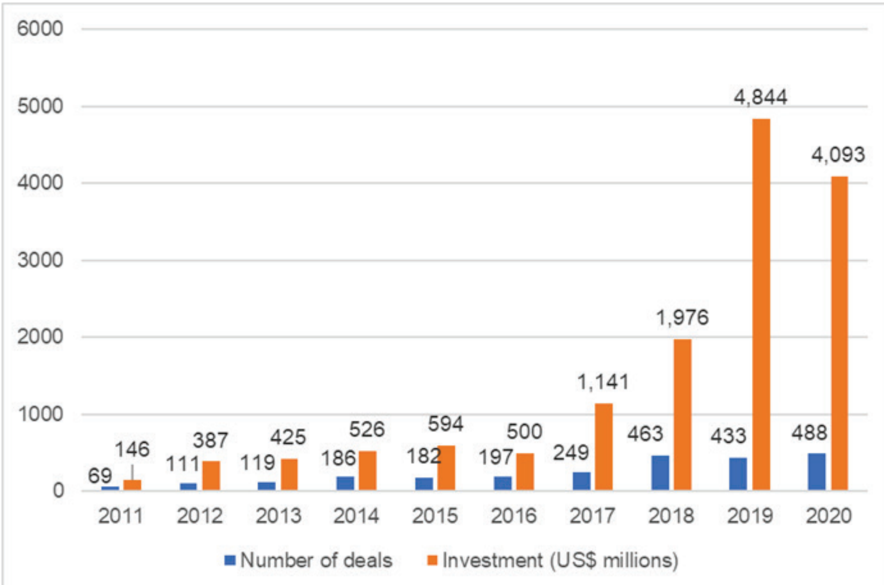
Exhibit 3 Chile Macroeconomic, Demographic, and Social Indicators, 1990-2020

Economic Indicatos															
GDP (current US$, billions)	33.1	73.4	77.9	123.0	218.5	252.3	267.1	278.4	260.5	243.9	250.4	277.0	297.6	279.4	252.9
GDP growth (annual %)	3.3	8.9	5.3	5.7	5.8	6.1	5.3	4.0	1.8	2.3	1.7	1.2	3.7	0.9	-5.8
GDP per capita (current US$)	2,495	5,107	5,075	7,599	12,808	14,637	15,352	15,843	14,671	13,574	13,754	14,999	15,888	14,742	13,232
Services, value added (% of GDP)	47.1	48.3	54.1	50.5	52.8	53.5	55.6	56.9	56.7	57.9	58.6	57.9	58.3	58.8	56.5
Industry (including construction), value added (% of GDP)	39.2	38.0	31.4	36.9	35.7	34.7	32.5	31.2	31.0	29.8	28.9	29.4	29.4	29.1	31.4
Manufacturing, value added (% of GDP)	18.5	19.3	16.9	14.3	10.8	11.0	10.8	11.1	11.3	11.7	11.0	10.4	10.5	10.1	9.9
Agriculture, forestry, and fishing, value added (% of GDP)	8.2	7.0	5.4	4.1	3.6	3.7	3.3	3.4	3.7	3.6	4.0	4.0	3.5	3.6	3.9
Exports of goods and services (% of GDP)*	32.5	28.6	30.5	40.2	37.7	37.8	34.1	32.2	33.1	29.4	28.1	28.4	28.5	28.0	31.5
Imports of goods and services (% of GDP)*	29.3	26.3	28.8	31.5	31.3	34.4	34.1	32.8	32.2	29.6	27.5	27.2	28.8	28.9	26.3
Current account balance (% of GDP)	-1.5	-1.8	-1.2	1.5	1.4	-2.7	-4.4	-4.8	-2.0	-2.4	-2.0	-2.3	-3.9	-3.7	1.3
Gross savings (% of GDP)	23.7	24.2	21.1	23.3	24.5	23.0	22.5	20.8	21.2	21.3	20.2	18.9	18.1	19.2	21.1
Final consumption expenditure (% of GDP)	71.6	72.4	76.1	69.5	70.4	72.0	73.6	74.9	75.8	76.4	77.2	77.5	78.1	77.8	74.9
General government final consumption expenditure (% of GDP)	9.8	9.8	12.1	10.6	12.1	11.9	11.9	12.3	12.7	13.0	13.8	14.1	14.4	14.6	15.9
Tax revenue (% of GDP)	13.3	15.1	16.2	18.0	17.4	18.9	19.0	17.4	17.0	17.4	17.4	17.5	18.3	17.8	NA
Lending interest rate (%)	48.9	18.2	14.8	6.7	4.8	9.0	10.1	9.3	8.1	5.5	5.6	4.6	4.2	NA	NA
Deposit interest rate (%)	40.4	13.7	9.2	3.9	1.8	5.3	5.8	5.2	3.9	3.6	3.8	2.9	2.7	2.5	0.9
Foreign direct investment, net inflows (% of GDP)	2.0	4.0	6.2	6.1	7.3	10.1	11.7	8.0	9.0	8.6	4.9	2.2	2.6	4.5	NA
Inflation, consumer prices (annual %)	26.0	8.2	3.8	3.1	1.4	3.3	3.0	1.8	4.7	4.3	3.8	2.2	2.4	2.6	3.0
Military expenditure (% of GDP)	3.4	2.6	2.7	2.5	2.2	2.3	2.0	2.0	2.0	1.9	1.9	1.9	1.9	1.8	1.9
Demographic and Social Indicatos															
Population, total (millions)	13.3	14.4	15.3	16.2	17.1	17.2	17.4	17.6	17.8	18.0	18.2	18.5	18.7	19.0	19.1
Urban population (% of total population)	83.3	84.5	86.1	86.8	87.1	87.1	87.2	87.2	87.3	87.4	87.4	87.5	87.6	87.6	87.7
Labor force, total (millions)	5.1	5.7	6.3	7.0	8.0	8.3	8.4	8.6	8.7	8.9	9.0	9.2	9.4	9.5	8.9
Unemployment, total (% of total labor force) (national estimate)	5.6	4.7	10.5	9.3	8.4	7.3	6.7	6.2	6.7	6.5	6.7	7.0	7.2	7.3	11.2
Poverty headcount ratio at $5.50 a day (2011 PPP) (% of population)	45.6	NA	30.4	NA	NA	12.0	NA	6.6	NA	5.1	NA	3.6	NA	NA	NA
Gini index (World Bank estimate)	57.2	NA	52.8	NA	NA	46.0	NA	45.8	NA	44.4	NA	44.4	NA	NA	NA
Mortality rate, infant (per 1,000 live births)	16.1	11.1	9.2	7.7	7.4	7.3	7.2	7.1	6.9	6.7	6.6	6.4	6.2	6.0	NA
Life expectancy at birth, total (years)	73.5	75.0	76.4	77.6	78.8	79.0	79.2	79.3	79.5	79.6	79.8	79.9	80.0	80.2	NA
Fertility rate, total (births per woman)	2.6	2.4	2.1	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.7	1.7	1.6	1.6	NA

Source: Compiled by case writers with data from the World DataBank, The World Bank Group, "Chile", https://data.worldbank.org/country/chile, accessed November 2021.

Note: Since the mid-2010s, China was Chile's key trading partner, garnering 32% of exports, followed by the U.S. (14%) and Japan (9%). China was also Chile's largest import partner (24%) followed by the U.S. (20%) and Brazil (8%). Refined and crude oil, and cars were Chile's top imports. Source: CIA World Factbook. Chile's GDP reached $252.9 billion USD in 2020, the fifth largest in Latam, after Brazil, Mexico, Argentina, and Colombia. The country's per-capita GDP of $12,925, was the second highest, after Uruguay's. Participating in 26 trade agreements with 60 countries, Chile had a relatively open economy, largely driven by agricultural and mineral commodities (which accounted for 60% of its exports). , The country was the world's biggest producer of copper, which accounted for 10% of its GDP, one third of its foreign direct investments (FDIs), and 20% of government's revenues. Chile also stood as a global leading player in fishery, wine and grapes, and pulp and forestry products. Other Chilean economy sectors were considered promising for the future. For instance, Chile held 44% of the world's known lithium reserves, and the demand for this mineral was expected to almost triple in five years, propelled by the production of electric vehicles with lithium-powered batteries. Chile was also developing its biotech industry (it housed 200 biotech firms operating in sectors such as mining, agriculture, and healthcare) and its renewable fuel sector (it aimed to become a top exporter of green hydrogen by 2040). Additionally, the country was taking strides in astronomy, as the clear Atacama skies made it a natural hub for research in the field. Hit by Covid-19, Chile's GDP fell 5.8% in 2020. Unemployment rose from 7.3% to 11.2% in 2020.

Exhibit 4a Venture Capital Investments in Latin America, 2011-2020



Source: Prepared by casewriters with information from: The Association of Private Capital Investment in Latin America, "LAVCA's Annual Review of Tech Investment in Latin America 2020" (PDF file), downloaded from LAVCA's website, www.lavca.org; and The Association of Private Capital Investment in Latin America, "LAVCA's 2021 Review of Tech Investment in Latin America 2020" (PDF file), downloaded from LAVCA's website, www.lavca.org, accessed November 2021.

Exhibit 4b Venture Capital Landscape in Latin America—Number of Deals and Amounts Invested, 2019-2020

Source: Prepared by casewriters with information from The Association of Private Capital Investment in Latin America, "LAVCA's 2021 Review of Tech Investment in Latin America 2020" (PDF file), downloaded from LAVCA's website, www.lavca.org, accessed November 2021.

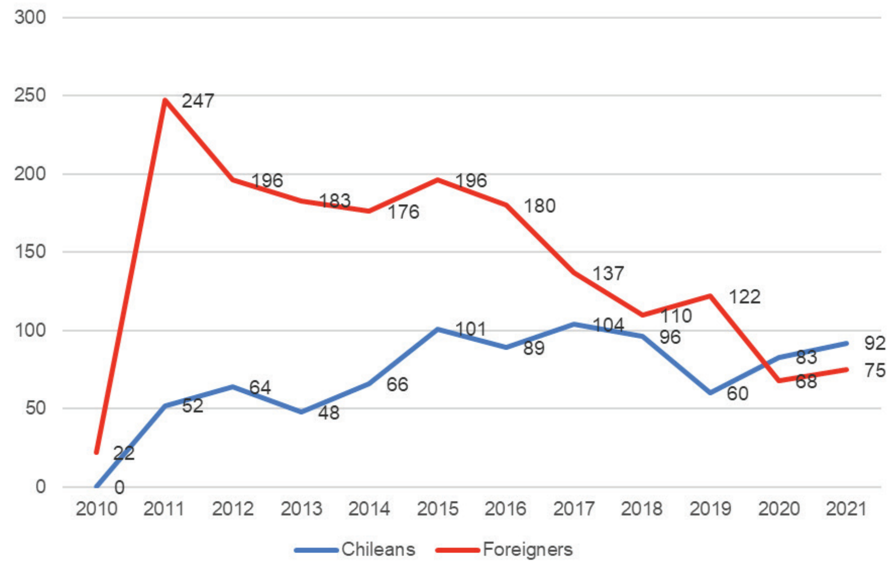
Note: *Other countries in Latin America—i.e., Ecuador, Costa Rica, Panama, Uruguay, and Venezuela.

Exhibit 5 Selected Public Programs to Support Start-Ups Around the Globe, 2020-2021

Country	Name	Starting date	Overview of the Program	Entity in charge of implementation	Who was Eligible
Puerto Rico	Parallel 18	2016	A five-month accelerator program offered $40,000 in equity-free funds with a chance for follow-on funding if entrepreneurs decided to establish their business in Puerto Rico. Entrepreneurs had access to an office space, a network that included more than 100 mentors, training, business contacts, and investors. They needed to engage with local universities and companies to help advance a culture of entrepreneurship in Puerto Rico. The program accelerated more than 200 start-ups until 2021.	Puerto Rico Science, Technology and Research Trust, an NGO that promoted the investment in science & technology and development in Puerto Rico	Start-ups from all industries could apply. Open to both foreigners and Puerto Ricans.
Brazil	Start-Up Brazil	2013	The program involved a public-private partnership. Its public arm gave start-ups up to 200,000 of Reais (R$, around $35,000) in equity-free seed capital and connected entrepreneurs with private accelerators affiliated to the program. This private sector partners, then, could offer the start-ups mentorship and access to clients/investors, as well as up to R$200,000 in seed capital in exchange for equity. The program supported 229 start-ups from 2013 to 2019 but had not opened new editions since.	Ministry of Science, Technology and Innovation	Industry-agnostic. The start-ups had to be based in Brazil, but the entrepreneurs and team members could be foreigners (they received a one-year visa to work on the project).
Peru	Start-Up Peru	2013	Gave start-ups equity-free seed capital as well as mentorship and support through accelerators affiliated to the program. It had two initiatives. The Innovative Entrepreneurs was a nine-month program focused on early-stage ventures. Its entrepreneurs received up to 50,000 Soles (S/., around $12,500 USD) to finance up to 70% of their projects. The Dynamic Ventures initiative was for more mature start-ups, which received up to S/.130,000 ($30,000) in a one-year program (it had a co-participation rate of 30%). Start-Up Peru supported more than 400 start-ups until 2021.	National Program of Technological Development and Inovation (ProInnóvate), linked to the Ministry of Production	Start-ups that had a Minimum Viable Product (MVP), from all industries, could apply. Foreigners could be part of the start-ups teams, but at least half of team-members had to be Peruvians or foreigners living in Peru. For the Innovative Entrepreneurs initiative, the project leader had to be a Peruvian or a resident in Peru.
Malaysia	Malaysian Global Innovation y Creativity Center (MaGIC).	2014	Had several programs to support start-ups in early-, mid-, or late-stages. The Global Acceleration Program (GAP), for instance, launched in 2017, accelerated local and international mid- to late-stage startups aiming to expand their business in Southeast Asia. The program helped these businesses be market and investment-ready in three months. It offered them mentorship, knowledge, access to corporate partners and investors. Since 2014, MaGIC supported more than 2,000 start-ups.	Ministry of Finance	For GAP, start-ups that "prioritized social and economic impact through their products and services." The program was open to foreign entrepreneurs with an interest in the Southeast Asian market. It was industry-agnostic.
Denmark	Start-Up Denmark	2015	The program was basically a visa scheme for entrepreneurs who were not citizens of the European Union (EU) or European Economic Area (EEA). It gave entrepreneurs residence and work permits for up to two years, with the possibility of an extension for three years at a time. It did not provide financing, but once in Denmark, the entrepreneurs were able to apply for public funding schemes available for start-ups in the country.	Ministry of Industry, Business and Financial Affairs and Ministry of Immigration and Integration.	Only for non-EU/EEA entrepreneurs who wanted to establish an innovative business in Denmark. Individuals and teams of up to three people were eligible to apply.
South Korea	Tech Incubator Program for Start-up (TIPS), K-Startup Grand Challenge, others.	2013 (TIPS); 2016 (K-Startup)	Several publicly funded programs supported start-ups in South Korea. The Tech Incubator Program for Start-up (TIPS) provided government funding of up to $500,000 for start-ups that were selected and received $100,000 in investments from venture capitalists and angel investors (in exchange for equity). If the start-up was successful, it paid back 10% of the government funds. The K-Startup Grand Challenge was a 3.5-months global acceleration program designed to attract foreign startups to South Korea. It gave entrepreneurs $10,840 for living expenses as well as access to a visa scheme, acceleration programs (which included training, mentoring, etc.), corporate and investment networks, settlement services, and an office space. A Korean Intern was also designated to work in each startup and the top-10 selected ventures received grants that varied from $10,000 to $120,000.		To apply for TIPS, a foreign business had to establish a base in South Korea and have a Korean citizen as CEO (or co-CEO) and founder. To apply for the K-Startup Grand Challenge the entrepreneur had to be a foreigner aiming to establish a business in Korea and hire Koreans, as well as to expand from Korea to overseas markets. The start-up had up to seven years. The program was industry-agnostic.

Source: Prepared by casewriters with information from multiple sources, including: https://parallel18.com/; https://startup.proinnovate.gob.pe/; https://www.startupbrasil.org.br/; https://www.mymagic.my/; https://startupdenmark.info/; http://www.jointips.or.kr/global/; https://www.mss.go.kr/; https://www.k-startupgc.org/; https://www.gov.br/startuppoint/pt-br/programas/startup-brasil; https://techcrunch.com/2017/01/15/puerto-rico-turns-to-tech-and-entrepreneurialism-to-revitalize-the-economy/, accessed November 2021.

Exhibit 6 Origin of Startup Founders at Start-Up Chile, 2010-2021



Source: Start-Up Chile.

Note: Data considers only nationalities of startup founders, or "Team Leaders" of the project. Other members of the teams that appear in the contracts signed with Start-Up Chile/CORFO ate not included.

Exhibit 7 Profile of Companies Supported by Start-Up Chile (SUP) Valued at Over $300,000, 2021

cabify

Founded in 2011, Cabify was a Spanish ridesharing app that competed with Uber in many countries. In addition to Spain, as of 2021 it was present in Argentina, Chile, Colombia, Ecuador, Mexico, Peru, and Uruguay. In 2018, it raised $160 million at a valuation of $1.4 billion. The company also announced plans to list its shares in Madrid's Stock Exchange.

Méliuz

Brazilian start-up Méliuz offered its users a marketplace where they could buy from affiliated companies receiving cash back. Since 2019, the company worked to become a new ecosystem of financial services, acquiring cryptocurrency digital bank AlterBank and fintech Acesso. With a user base of 16 million people, Méliuz listed its shares in São Paulo´s Stock Exchange in 2020 and, months later, became a unicorn. Valued at $1.16 billion.

NotCo

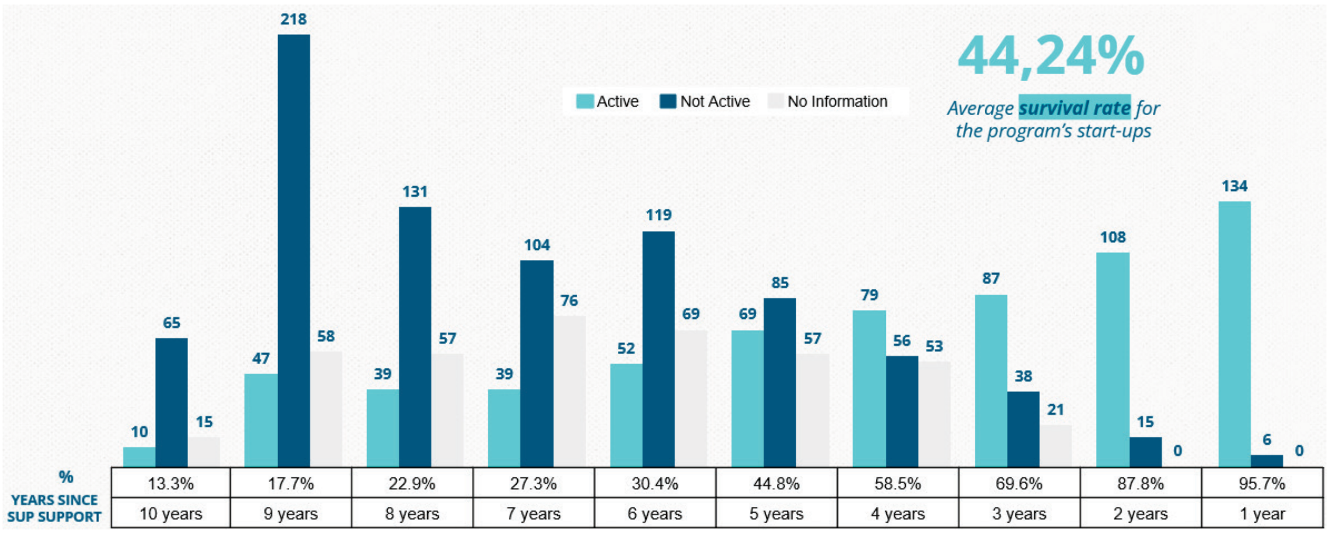
NotCo was a Chilean food-tech company that produced plant-based meat and dairy substitutes. Founded in 2015, it used artificial intelligence to make plant-based food that looked, smelled, and tasted very similar to animal-based products. It became a unicorn in July 2021, when it received an investment of $235 million, and was valued at $1.5 billion.

betterfly

Betterfly was a Chilean purpose-driven benefits platform that rewarded healthy habits from its users with higher life insurance coverage. The company sold insurance policies to large companies (starting at $4 per person) and every time employees walked, exercised, or meditated, the value of the coverage increased. In June 2021, Betterfly expanded its operations to Brazil after receiving $60 million in a series B round of investments, reaching a valuation of $300 million.

Source: Prepared by case writers with information from multiple sources, including: Start-Up Chile, https://cabify.com/en/about-us, https://www.reuters.com/article/cabify-ipo-idUSL8N2M21KE; https://techcrunch.com/2018/01/22/uber-rival-cabify-has-raised-another-160m-at-a-1-4b-valuation/; https://www.crunchbase.com/organization/the-not-company; https://www.cnnbrasil.com.br/business/startup-chilena-de-carne-vegetal-notco-vira-unicornio-e-ja-quer-dobrar-tamanho/; https://labsnews.com/en/news/business/brazilian-meliuz-acquires-fintech-acesso-for-brl-324-5-million/; https://labsnews.com/en/news/business/meliuz-acquires-the-cryptocurrency-digital-bank-alterbank/; https://labsnews.com/en/articles/business/meliuz-expands-to-financial-services-to-increase-recurrence-of-its-16-million-user-base/; https://www.crunchbase.com/organization/go-betterfly,; and https://labsnews.com/en/news/business/combining-life-insurance-and-wellness-chiles-betterfly-raises-a-60-million-series-b/, accessed November 2021.

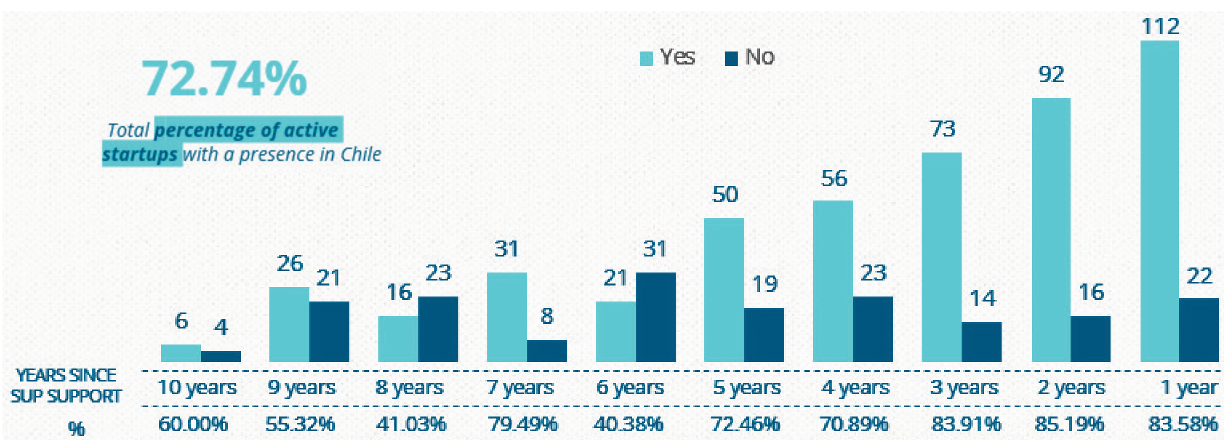
Exhibit 8a Survival Rates of Start-ups Supported by SUP, 2021



Note: The rate did not consider start-ups that were acquired (85) and those that did not share information about their operations with the program ("no information"). Some start-ups were also no longer in contact with the program, and were, as a result, excluded from the survey. The industry's average survival rates were around 15% (IESE Business School & Wayra, 2020).

Source: Start-Up Chile.

Exhibit 8b Share of Start-ups Supported by SUP with a Presence in Chile, 2021



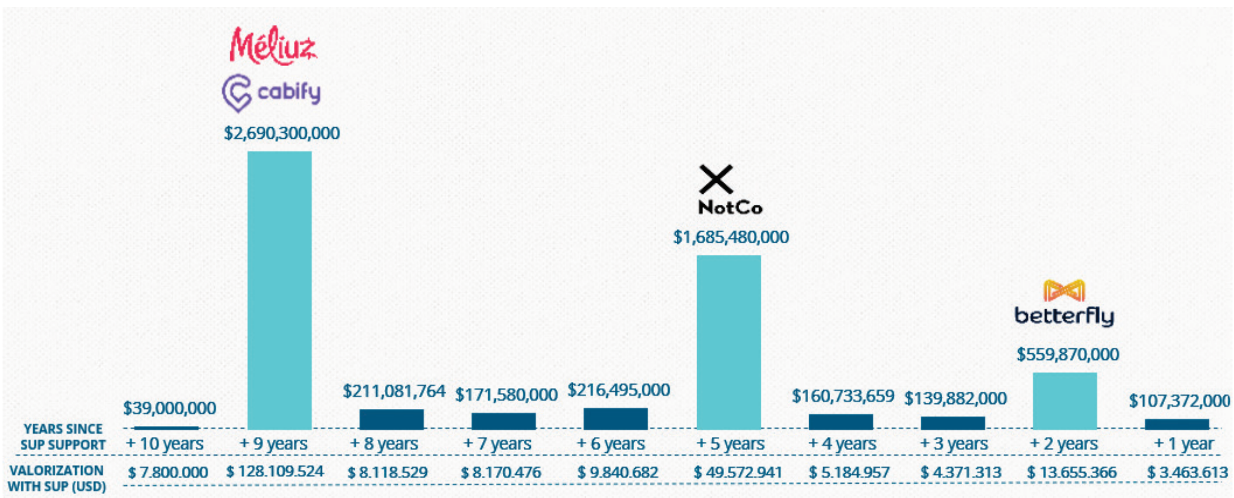
Source: Start-Up Chile.

Exhibit 8c Valuation of Start-ups Supported by SUP, 2021

Per location:

Note: Considered only 283 companies that raised capital and received a formal valuation.

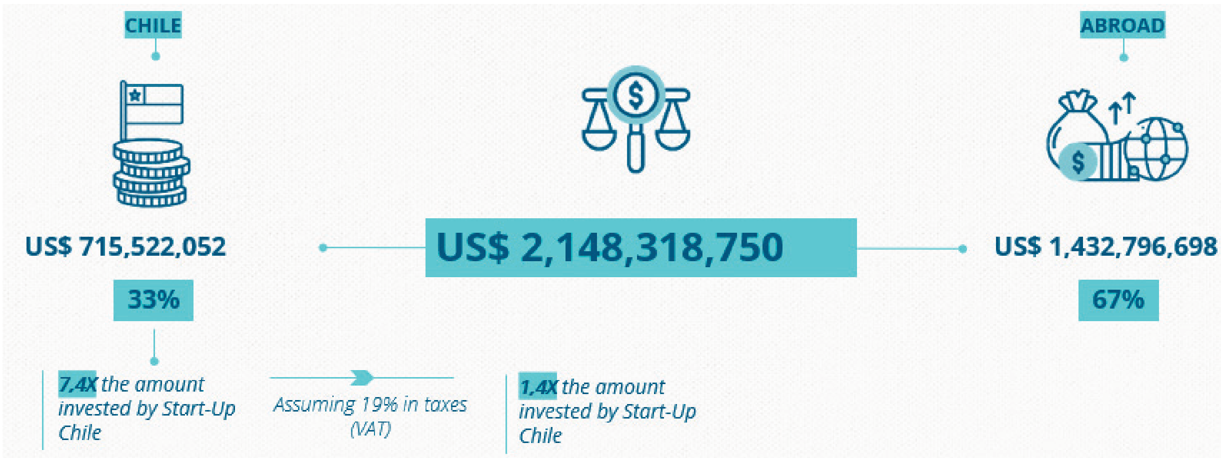
Per year since SUP support:



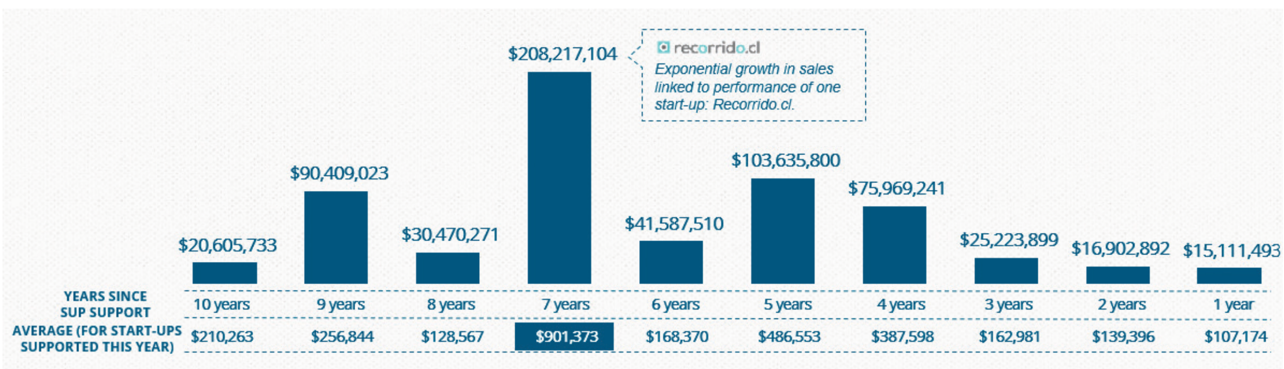
Source: Start-Up Chile.

Exhibit 8d Sales of Start-ups Supported by SUP, 2021

Total sales:

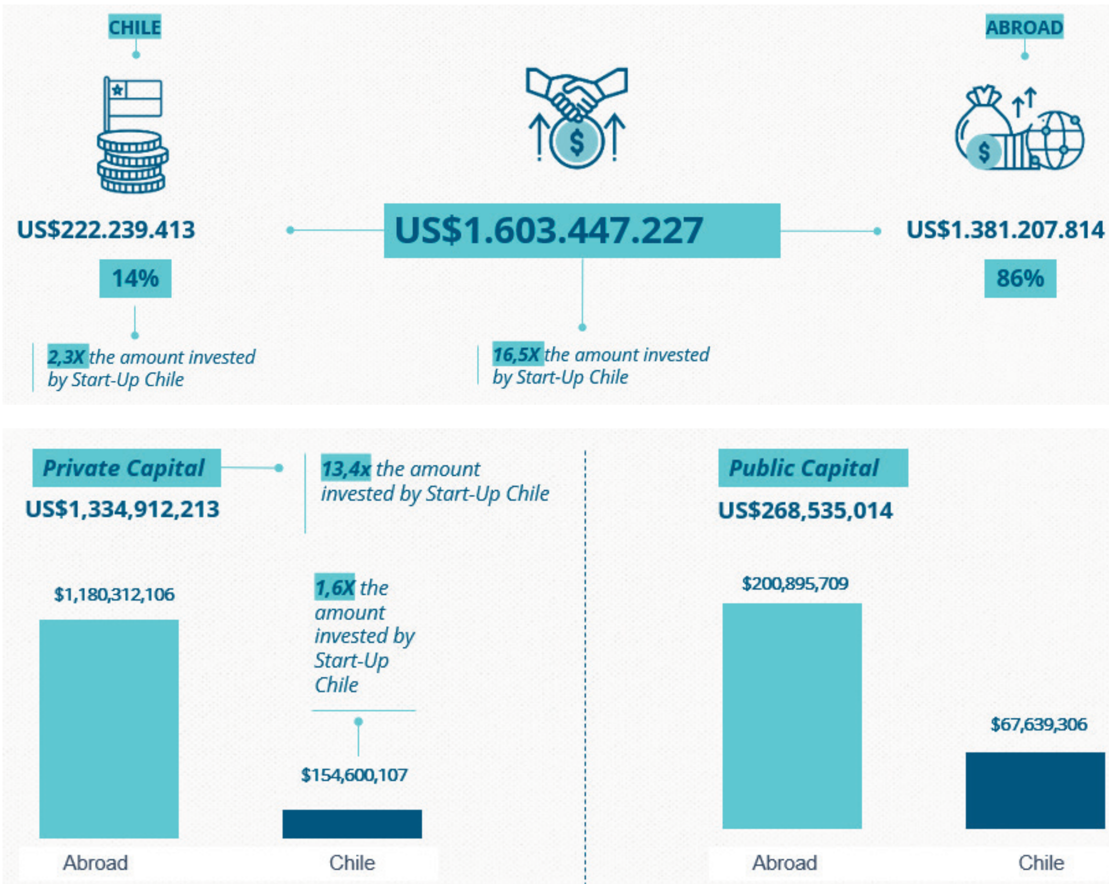


Sales in Chile:



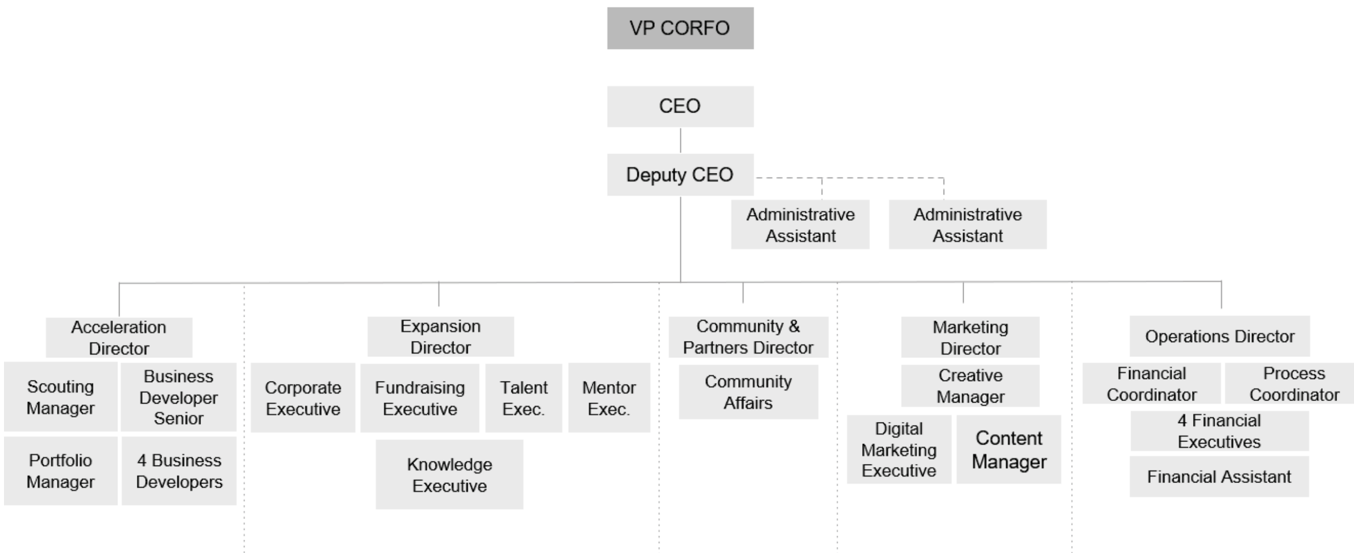
Source: Start-Up Chile.

Exhibit 8e Capital Raised by Start-ups Supported by SUP, 2021



Source: Start-Up Chile.

Exhibit 9 SUP Organizational Chart



Source: Start-Up Chile.

Exhibit 10 Promotional Material About Build, Ignite, and Growth, 2021

PRE-ACCELERATION PROGRAM

For early-stage startups.
At least 50% led by female founders.

1. From a validated idea to an early-stage prototype.
2. Four-month program.
3. Two cohorts per year. Up to 50 startups each.
4. Equity-free funding of $10M CLP (Around $12K USD).
5. Possibility to win an extension of $5M CLP (Around $6K USD).

ACCELERATION PROGRAM

For startups with a functional product an early validation.

1. From a functional product to reach product-market fit.
2. Four-month program.
3. Two cohorts per year. Up to 30 startups each.
4. Equity-free funding of $25M CLP (Around $30K USD).
5. Possibility to win an extension of $25M CLP (Around $30K USD).

SCALE PROGRAM

For the expansion of consolidated innovative and tech-based startups

1. Startups in expansion stage.
2. Eight-month program.
3. Two cohorts per year. Up to 10-18 startups each.
4. Equity-free funding of $75M CLP (Around $91K USD).

Source: Start-Up Chile web site, https://www.startupchile.org/apply/, accessed November 2021.

Exhibit 11 Build Program – Calendar and List of Selected Events from Participants Playbook, 2021

- **August 17th - 20th**
  Orientation Week: The first week of the program is full of activities that will help you better understand how SUP works. The main topics reviewed include an explanation of the acceleration program, the opportunity to connect with staff and other founders from the generation, community activities, among others. This week include:

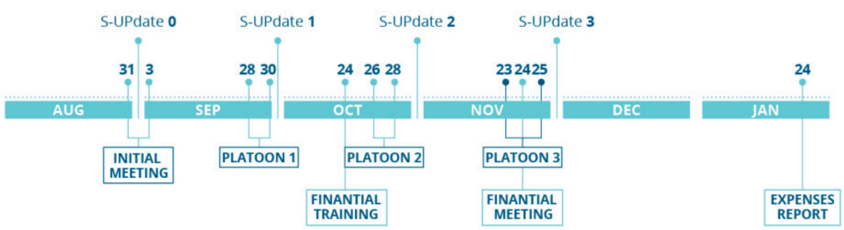
  - Orientation Day - August 17th: Welcome to Start-Up Chile.
  - Acceleration Program kick-off - August 18th: Program activities, networks, and tracking
  - Ice breaker - August 20th: Get to know the other amazing cohort members!

- **August 24th**
  Intro Day: This is the first pitch presentation event, scheduled for the second week of the program, where you will present a 3-minute pitch to your peers and to Start-Up Chile staff. So get ready!

- **December 1st**
  Pitch Day: Each startup will do a 3-minute pitch to their peers and will show a demo of their products and/or services to the audience. This is your chance to show everyone what you have been working on over the past few months. You will be evaluated by the Start-Up Chile staff, external attendants, and CORFO's committee judges. The results of Pitch Day determine which teams will present on Demo Day.

- **December 15th**
  Demo Day: This is the final event showcasing the top startups from Build, chosen for their growth, performance, progress, and engagement with the Start-Up Chile program. The selected startups will present a 3-minute pitch to a qualified audience, including media, corporations, other accelerators, mentors, investors, and public institutions. Participants of the Demo Day are the only ones who can apply for an extension of the additional grant of 5 million Chilean pesos and up to 3 additional months of project execution.

Other events:



This is **the first mandatory meeting** with your BizDev and Financial Executive (FE), where you will outline commitments and final results of the program, in terms of activities, goals, and expenses. You should present your work plan in detail. The meeting focuses on clarifying all the questions and what should be implemented during the program, based on the budget, goals, and metrics document that your BizDev will ask you to fill out. This info will serve as a guideline for your BizDev to understand your project and see how our offer can help the development of your startup.

Platoons are discussion groups formed by a diverse set of founders which aim to generate peer to peer accountability and feedback. These groups will meet on a monthly basis for a two-hour session, facilitated by your BizDev. The conversation will focus on project progress from the previous month and on solving challenges identified by the startups. In these sessions, participants will assist each other in tackling common challenges by bringing together different perspectives of the problem.

The **Financial Training** is a workshop to evaluate the comprehension of the financial concepts and the financial process in general. The objective is to clear out the doubts of a specific group of entrepreneurs, according to the portfolio of each FE.

The **Financial Meeting** is to monitor the progress of the financial tracking folder, so the FE can give you feedback before the expenses report.

Knowledge and Training:

SUP Academy

SUP Academy consists of weekly sessions of workshops and talks. The sessions will be every week and the topics will be defined according to the general needs of early-stage startups. These sessions are divided into two types:

- **Workshops -** Focused on reviewing topics to give you the tools to develop your business. These sessions will cover topics that every great entrepreneur must know.

- **Master Class -** You will meet people who were once in your shoes but from different points of view. Learn through the experience of our network of partners: Mentors, Alumni, Investors, Companies, and people close to our community.

Pitch Training

Pitching is a recurring practice, which is why we will help you improve and develop throughout the program. During the program, you will train how to present your startup in a 3-minute pitch and learn how to create a sales pitch that maximizes leads and clients!

Pitch Trainings involve each startup presenting a 3-minute pitch in English to a small number of your SUP peers and Start-Up Chile staff members. You will be provided with instant feedback to continue to build and improve your pitch.

Office Hours

Each startup can request individual **30-minute meetings** with members of the Start-Up Chile team. Every month, members of the Start-Up Chile staff will offer Office Hours for the startups. We invite you to use this time to get to know the staff, tell us about your ideas, ask for advice, and clarify any doubts that you have about the program. You can find the link to book an Office Hour in the section "Staff" on the Suppers Online site.

Network & Resources:

Mentors:

We encourage you to check our Mentors Network in our SUPpers online. There, you will find mentors from different industries and areas of expertise willing to help you. Right after having your Initial Meeting, you can ask for connections through the on-demand mentoring form and we will be happy to make you an intro.

Corporate:

Corporate Connections:

To connect with any member of the Corporate Network, you just need to fill the Connections Form. The focus of these connections is feedback because it opens a door with the companies- it's easy for them to say yes, and you have a good starting point. If other opportunities appear, amazing! But remember to always start by asking for feedback. Here you can find some tips for epic connections!

Corporate Challenges:

Once a week challenges are launched in the Weekly Update channel. Here, you are invited to apply to solve a real problem/pain declared by the company through the solution your startup provides. After the applications, the companies select the startups they want to meet with, to learn more about the proposed solutions. In case you get selected, our Corporate Network Manager will make the connection between you and the company.

In some cases, the Corporates will want to have a chance to see all the startups of interest to them at the same time and place, and in that case, we will organize a Pitch Session. In these instances, selected startups will have the chance to do a 3-minute pitch in front of the Corporate representatives, and answer their questions. Then, the Corporate decides with whom they want to keep in conversations.

Keep checking the Weekly Update, so you don't miss any of these amazing opportunities!

Corporate Talks:

To aid in the Open Innovation process inside the Corporates, we will be inviting startups to do talks for them about specific technologies, methodologies or about their journey as entrepreneurs. We will invite startups to apply through the Weekly Update channel, so keep an eye out, it's a good chance to showcase your startup!

Founders Lab:

SUP founders can give back to Chile through voluntary activities with social impact. These activities are planned by Municipalities and Universities that are part of the Corporate Network, and they may consist of workshops, talks or mentoring activities. You will find the Founders Lab opportunities in the Weekly Update channel. It is a great chance to give back to Chile, and at the same time make a connection with potential clients.

Corporate Showcase:

Events that aims to generate real connections between big companies and startups. On one hand, we will have a group of members of our Corporate Network (10-15) that have similar needs, and on the other hand, a group of startups (10-15) that could solve that need or pain. Startups will have the opportunity to pitch in front of the Corporates and also share in a roundtable about the challenges and opportunities that the startup-company work may bring, exploring possible synergies.

We will host at least 2 of these events every year, and all startups are welcomed to apply to be a part of each event. We will notify the date and theme of the event in our Weekly Update, don't miss out! Check out one of our past Corporate Showcase here.

Note: Business Developer (BizDev) was a Start-Up Chile official that supported entrepreneurs and connected them to all the offers from the program.

Source: Start-Up Chile.

Exhibit 12 Number of Companies that Applied and Were Selected for Build, Ignite, and Growth, 2020-2021

Year	Program	Generation	Applications	Selected
2020	Build	1	444	43
2020	Ignite	1	438	34
2020	Growth	1	148	15
2021	Build	2	392	40
2021	Ignite	2	427	32
2021	Growth	2	160	18
TOTAL:			2009	182

Source: Start-Up Chile.

Exhibit 13 The Live Green Co Pitch Materials (2017 and 2021)

2017:

2021:

Source: Start-Up Chile.

Exhibit 14 Selected Nomad Visa Programs (in Chronological Order from Starting Date), 2021

Mexico	May 1, 2017	▪ The country's 6-month long tourist visa attracted several digital nomads, and Mexico also offered a Temporary Resident Visa. ▪ Applicants had to prove they had a monthly income of at least $1,620 over the last 6-months or a bank account balance of at least $27,000. ▪ Remote workers also had to own an independent business (and/or) work remotely for a company based outside of Mexico.	▪ Applicants had to gather the required documents and complet an application form. ▪ They also made an appointment at the Mexican consulate.	Temporary Resident Visa valid for one year, renewable for another three years.	Non-residents paid taxes on income accrued in Mexico.
Spain	August 1, 2019	▪ Candidates could not “work” with the visa, as Spain looked to attract retired and self-sufficient persons. ▪ They had to prove they could support themselves financially through investments or retirement income of at least €2,151 per month or held €25,816 in savings. ▪ Candidates had to submit, among other documentation: proof of private health insurance, a clear police background check, and a medical certificate of good health.	▪ Applied in person at a Spanish consulate or embassy. ▪ All documents had to be translated into Spanish and authenticated in home country. ▪ Signed a sworn statement before a Notary agreeing not to work while living in Spain. ▪ Paid visa application fee of $140.	Up to one year, but could be renewed.	The visa was for retired people, and was not subject to income taxes.
Antigua & Barbuda	August 1, 2020	▪ Applicants had to have income of no less than $50,000/year for the 2 years in Antigua and Barbuda and had to provide proof of means to support themselves during the stay. ▪ Visa did not allow holders to work for a local company.	▪ Submitted documents for immigration authorities, including certificate of medical insurance coverage, police clearance, proof of employment (or self-employment) and proof of funds. ▪ Paid a fee (Single: $1,500; Couples: $2,000; Families of three persons and above: $3,000).	Visa was valid for 2 years after first arrival in the country.	No personal income tax was payable to Antigua and Barbuda, but applicants were not allowed to work for (or derive income from) any entity in the country.
Bermuda	August 1, 2020	▪ Applicants had to own a location independent business (and/or) work remotely for a company based outside of Bermuda. ▪ No minimum income requirement. ▪ Proof of travel insurance was needed.	▪ Filled out online application form. ▪ Submitted required paperwork and paid the $263 fee.	One year after first arrival in the country.	Remote workers and students were not employed in Bermuda, so they did not need to pay income tax.
Czech Republic	August 1, 2020	▪ Applicants had to have a trade license. ▪ Proof of accommodation for at least one year. ▪ Proof of at least €5,587 balance in a bank account (per person). ▪ Paid approximately 1,800 Kč (around $80 USD as of November 2021) per month as a fee.	▪ Submitted required documents. ▪ Made appointment at a Czech embassy for the long-stay visa. ▪ Paid the visa fee of €100.	One year, but could be extended.	Non residents were not subject to income taxation.
Estonia	August 1, 2020	▪ Owned a location independent business (and/or) worked remotely for a company based outside of Estonia. ▪ Applicant must earn at least €3,504 per month for the last 6-months.	▪ Filled out the online application form and submitted it in an Estonian embassy/consulate in person. ▪ There were two types of digital nomad visas: Type C (short stay) cost: €80, and Type D (long stay) cost: €100.	One year.	Not subjected to income taxes.
Anguilla	August 25, 2020	▪ Applicants had to provide proof of employment or Business Incorporation Certificate. ▪ All applicants needed police certificate with validity of no more than six months of issuance.	▪ Filled out online application. ▪ Paid the visa fee of $2,000 per individual, or $3,000 per family.	Between 91 days and one year.	Taxation on affluent digital nomads (the ones who paid more than $75,000 in annual tax worldwide).
Georgia	August 27, 2020	▪ Applicants had to own a location independent business (and/or) work remotely for a company based outside of Georgia. ▪ Earned at least $2,000 per month and proved financial ability to pay taxes while staying in Georgia. ▪ Obtained travel insurance valid for six months.	▪ Filled out the online application form.	Up to one year.	If holder spent at least 183 days in Georgia in 12 months, he/she had to pay taxes in the country (1%).
Croatia	January 1, 2020	▪ Provided proof of self-employment or ability to work remotely. ▪ Had a minimum income of 16,907 kunas ($2.560), per month or 202,890 HRK ($30,700) for the year. ▪ Provided clear criminal background check from home country. ▪ Proof of accommodation/rental agreement. ▪ Obtained travel/health insurance valid for length of stay.	▪ Filled out the application form and provided documentation ▪ Paid the application fee of 590 kuna (approx. $90 USD) plus 35 kuna (approx. $5) in tax stamps.	Maximum of 12 months.	Non residents were not subject to income tax, but could not work with any firm in Croatia.
Barbados	July 24, 2020	▪ Applicants had to own a location independent business (and/or) work remotely for a company based outside of Barbados. ▪ Earned at least US$50,000 per year.(the visa only allowed holders to work remotely for companies and individuals not registered in Barbados).	▪ Filled out the online application form. ▪ Submitted all required paperwork and paid the $2,000 visa fee.	The “Barbados Welcome Stamp” was a 12-month visa for remote workers (could be renewed).	Visa holders were not liable to pay Barbados Income Tax.

Norway	June 1, 2020	▪ Applicant had to be self-employed with a contract to work on a project for a business in Norway. ▪ Candidates had to have relevant qualifications to work in their profession. ▪ Proof of accommodation in Norway. ▪ Had to have an income of at least €35,719 per year before tax.	▪ Provided required documents, filled out application, and brought it to the nearest Norwegian embassy. ▪ Paid visa application fee of about €600.	The visa remained valid for the entirety of the traveler's life.	Holder had to pay taxes if stay lasted for more than 183 days in one year.
Portugal	November 1, 2020	▪ Applicants had to provide proof of income from property, business ownership, or financial means. ▪ Earned at least €600 per month. ▪ Proof of private travel/health insurance. ▪ Submitted to a criminal background check.	▪ Provided documents and application form. ▪ Made an appointment at a Portuguese consulate. ▪ Paid the €83 visa fee and €72 resident permit fee.	Up to one year and could be renewed for up to five years.	Foreign pension income was taxed at 10%. Foreigners could register for the Non-Habitual Resident special tax regime, which exempted most foreign income from taxes for the first 10 years. Income taxes for those who did not have NHR status varied from 14.5% to 48%.
Germany	November 1, 2020	▪ Applicants needed an address in Germany. ▪ Proof of health insurance. ▪ Proof of financial self-sustainability. ▪ Holders had to serve clients in Germany—the country wanted to secure that holders provided services that helped the local economy.	▪ Provided required documents. ▪ Secured a residence in Germany. ▪ Booked a visa appointment at the immigration office. ▪ Paid the visa fee of €100.	At least six months, up to three years.	Freelancers were also subject to taxes, and had to register with the tax office in Germany.
Iceland	November 3, 2020	▪ Applicants had to own location independent business or work remotely for a company located outside of Iceland. ▪ Provided proof of self-employment. ▪ Showed a minimum monthly income of 1,000,000 ISK (about $7,640 USD) or 1,300,000 ($9,930) ISK for a couple. ▪ Proof of travel/health insurance coverage for Iceland.	▪Provided a notarized bank reference letter and application form. ▪ Paid the 7,800 ISK (around $60 USD) processing fee.	The long-term visa was valid for only 6 months (one of the shortest digital nomad visas available). If candidates applied while already in the European Schengen Area, then visa was only valid for 90 days.	Non-residents were not subject to federal income tax.
Cayman Islands	October 1, 2020	▪ Applicants had to be employed by an entity outside of the Cayman Islands. ▪ Candidates were subject to background checks. ▪ Showed proof of health insurance coverage. ▪ Applicants had to provide proof of an annual salary (at least $100,000 for individuals, or $150,000 for couples and $180,000 for families) and a notarized bank reference letter.	▪ Filled out online application form. ▪ Submitted required paperwork and paid application fee of $1,469.	The visa was valid for up to two years.	Holders did not pay income tax.
Costa Rica	October 1, 2020	▪ Called "Rentista," the freelance visa allowed self-employed people or entrepreneurs to work in the country, but holders could not be employed by other companies. ▪ Showed income of $2,500 per month for two years or made a $60,000 deposit in a Costa Rican bank.	▪ Possible to apply online, but specialists recommended applicants hired an immigration lawyer for help. ▪ Documents had to be translated and authenticated in home country. ▪ Paid the visa fee of $250.	Up to two years, but could be extended.	Non-residents working abroad were not subject to tax in Costa Rica.
Mauritius	October 1, 2020	▪Applicant had to own location independent business or work remotely for a company located outside of Mauritius. ▪ Provided proof of plans to stay in Mauritius. ▪ Proof of travel/health insurance coverage during stay in Mauritius.	▪ Completed the application form. ▪ Country did not charge a visa fee.	One year (renewable).	A person became liable to tax if he/she spent 183 days or more in the country.
Dubai (UAE)+B18:E22	October 15, 2020	▪ Employees needed to provide proof of employment with a contract valid for one-year, a minimum of US$5,000 monthly salary, the previous months' pay slip and 3 preceding months' bank statements. ▪ Business owners had to provide proof of ownership of their company for one year or more, with an average monthly income of US$5,000 per month and 3 bank statements. ▪ All applicants had to have health insurance.	▪ Filled out application form. ▪ Paid $287 visa fee.	One year.	UAE did not have federal income tax (even for the permanent residents).

Note: Several of the countries listed applied measures due do the COVID-19 pandemic, such as quarantines, tests, etc. Other countries and territories had Nomad visa programs, such as: Aruba, Australia, Brazil, Cape Verde, Curacao, Dominica, Ecuador, Greece, Grenada, Malta, Montserrat, Panama, St. Lucia, Seychelles, and Sri Lanka, among others.

Source: Prepared by case writers with information from multiple sources, including: Ward Williams, "Countries Offering Digital Nomad Visas," Investopedia, July 15, 2021, https://www.investopedia.com/countries-offering-digital-nomad-visas-5190861; and Matthew Karsten, "20 Countries with Digital Nomad Visas (For Remote Workers)," Export Vagabond, October 12, 2021,https://expertvagabond.com/digital-nomad-work-visas/; and others; accessed November 2021.

Exhibit 15 Selected Sectors of High Potential in Chile, 2021

Sector	Status	Importance to Chilean Economy & Global Markets	Assets & Structures	Prospects
Copper mining	Consolidated	▪ Chile was the world's leading copper producer, with a 28% share of global copper ore output (2019). It was also the second largest producer of the refined material, with a 9% share. ▪ Copper was responsible for 10% of Chile's GDP, half of the country's exports, 20% of the government's revenue and one third of foreign direct investment (FDI).	▪ Chile held almost one quarter of the world's copper reserves (23%). ▪ Although closely-held state-owned miner Codelco was the country's (and the world's) largest copper miner, several other players operated in the Chilean market, including strong private local groups and most of the world's largest mining conglomerates (BHP, Rio Tinto, Anglo American, Glencore, etc.), which were among the biggest foreign investors in the country.	▪ In 2021, Chile's copper sector's revenues soared as international prices surged with the global economy's recovery (copper was essential for industries such as construction and automaking). ▪ Higher prices, however, led workers at several mines to threaten strikes over higher pay and lawmakers proposed increasing taxes on miners to pay for the social programs for Chileans suffering from the pandemic's effects. ▪ The county planned to create a "green copper" sector, with mines powered by solar energy produced in the Atacama desert. ▪ Analysts pointed to the possibility that Chile's new constitution included tougher environmental regulations that affected the mining sector. On the other hand, they also believed that Chile was set to reap the rewards of the world's transition to clean energy, as wind turbines, solar panels, and electric cars used large quantities of minerals.
Fishing	Consolidated	▪ Between 2008 and 2018, Chile's fish exports rose by 65% and the country became the world's fifth biggest exporter of fish, with a 4% share of the global total. ▪ Accounting for 3.9% of Chile's exports in 2019, fish meat was the country's second most important export. Frozen fish accounted for another 2.6% of exports. ▪ Chile was the world's second biggest producer of farmed salmon, behind Norway. It was responsible for almost half of U.S. imports of the product, worth $1.8 billion USD. ▪ In 2018, Chile was the tenth largest player in marine capture production, with a 3% share of the world total. Marine capture in Chile, however, had fallen by half from 1980s levels, as the country invested in aquaculture production (which grew to 37.4% of the total). ▪ The seafood sector in Chile employed 170,000 people.	▪ Chile's 4,000 miles (6,435 km) of Pacific coastline was a great natural advantage to Chile's fishing industry. ▪ With 27 trade agreements with 64 markets, the country was a preferred base for reaching over 86% of global GDP with special tariff conditions.	▪ The sector was expected to keep on growing with an increase in food consumption worldwide and some start-ups were already doing business in this area. For instance, Atum Lab, a Chilean start-up, used data analytics and AI to improve salmon harvest, taking into consideration production capacities, demand, and price. ▪ Depending increasingly less on marine capture, Chile seemed to be in line with the global fight against overfishing. Chile's salmon industry and the government also sought to make the country's sector more sustainable. Between 2017 and 2019, use of antibiotics in local salmon farms declined by a third. Still, for every ton of salmon produced, an estimated 500g of antibiotics was applied, compared to almost zero in Norway. Rules for discharge of waste into water were also much less restrictive in Chile than in the U.S, and Europe.
Wine production	Consolidated	▪ Chile was the world's eighth largest wine producer, with 4.4% of global output. In 2020, it was the fourth largest global wine exporter by volume, behind Italy, Spain, and France. ▪ Wine was Chile's fourth largest export in 2019, with a 2.8% share of the country's foreign sales. Grapes represented another 1.8% of exports.	▪ Chile had over 330 wineries and 212,000 hectares of vineyards, favored by fertile soil, warm summers, low costs, and few pests. ▪The wine industry also helped to boost tourism. In 2018, 610,000 tourists visited Chile's wineries. ▪ The sector faced some environmental risks in Chile, like droughts and soil erosion (which affected 60% of the country's land and had severe impacts on 22%). In response, producers developed modern irrigation systems which provided water savings of 20-30%.	▪ Values of Chilean wine exports increased over 20% from 2014 to 2019 and were projected to keep on growing. Revenues of the wine market in Chile were expected to reach US$6.25 billion in 2023, a 37% increase over 2020 values. ▪ The country sought to maintain its lead in the sector through innovation: in 2019, for instance, an R&D center of Chile's biggest winery started using molecular biology and DNA engineering to make healthier and stronger plants with the ability to produce high-quality grapes for longer periods of time; and a local biotech firm developed a method to reduce alcohol content in wines with less effects on its properties, among other innovations.

Lithium	High potential	▪ Chile was the world's second largest lithium producer, after Australia, with 22% of global output in 2019. ▪ Lithium was Chile's 13th most exported product and the fourth within the mining sector (behind copper, molybdenum, and iron ore).	▪ Chile held 44% of the world's known lithium reserves, almost double the amount of Australia. ▪ On October 2021, Chile's government announced plans to auction five new lithium developments that could, in a decade, expand the country's production by 70% over 2021 levels.	▪ Over 70% of global lithium output was used to produce lithium-ion batteries, which powered everything from electric vehicles (EVs) to mobile phones and notebooks, and whose use was expected to grow. ▪ As in other mineral commodities, lithium prices swung with global supply and demand. In 2019, prices fell due to oversupply and a slowdown in EVs sales. Still, production was four times higher than a decade before and analysts predicted that it would triple until 2025, pulled by EVs sales. Production in South America alone was predicted to expand 200% by 2025. ▪Chile's government was trying to move the country up the lithium value chain, by incentivizing the production of battery components. Yet, it faced some hurdles—e.g. the distance between Chile and the EVs manufacturing centers, such as those located in the U.S. and China.
Renewable energy	High potential	▪ In 2019, fossil fuels still generated 77.15% of the energy used in Chile, while low carbon sources accounted for 22.85% (hydro, solar, wind, and other renewables). ▪ In terms of installed electricity generation capacity, however, wind was responsible for 11%; solar energy, for 8.5%; and hydroelectric plants, for 27%. ▪ Chile was the ninth country in the world that received most investments in clean energy: $4.9 billion USD in 2019. ▪ Renewable energy accounted for 42% of Chile's FDI in 2020, when Chile became Latin America's leading country for renewable energy FDI investments (with 32 projects).	▪ Chile's renewable power generation capacity (wind and solar) increased more than sixfold between 2010 and 2020 (annual growth rate for 2009-2019 was 19.6%) and the country was well positioned to significantly increase is solar generation, as the Atacama Desert was one the world's sites that received most solar radiation. ▪ With its enormous coastline and powerful waves, especially in the South, Chile was also seen by specialists as a country with great potential to generate energy from tidal waves.	▪ The International Energy Agency expected Chile to accelerate its auctions of clean energy projects, after delays due to the COVID pandemic, and Bloomberg New Energy Finance's Climatescope 2020 report ranked Chile as the most attractive emerging market for renewable energy investment. ▪ By 2021, Chile had met its 2025 goal of producing 20% of its electricity from renewable sources. Its new goal was to produce 60% clean power by 2035. It also committed to phasing out coal-powered generation by 2040. ▪ Chile's government fast-tracked the environmental approval of 55 solar energy projects as part of the recovery efforts after the pandemic. The country also launched its National Green Hydrogen Strategy in 2020, vowing to produce the cheapest green hydrogen in the world by 2030 and to become one of the world's top three exporters of this fuel by 2040.
Astronomy	High potential	▪ In 2021, Chile was home to 40% of the world's astronomical observation capacity, being a powerhouse in space research. ▪ Only in 2016, the country published around 1,300 studies in the fields of astronomy and astrophysics research. Among the discoveries made from the country were new planets and the first supernova visible to the naked eye in 400 years. ▪ Despite the advancements, Chilean scientists claimed the country was too reliant on foreign capital for investments in the field (Chile invested less than 0.5% of GDP in R&D, compared to 1% in Brazil and 2.8% in the U.S.).	▪ The Atacama Desert, with its high altitude, clear skies, and very high dryness was one of the best places in the world for astronomical observation. Its skies were clear 90% of the year. ▪ The Atacama was also one of the best places on Earth for astro-tourism and some observatories were open to the public. ▪ The Antofagasta region, where the Atacama was located, housed several observatoires, such as the Atacama Large Millimeter/submillimeter Array (ALMA), the world's largest radio observatory. ▪ One the world's biggest telescopes was also being built in the region, at the cost of $1 billion USD: the European Extremely Large Telescope (E-ELT), due to start operations in 2024.	▪ Large investments in the field stimulated the economy during the construction phase, and brought to the country high-skilled labor (scientists, researchers, etc.) ▪ The addition of new infrastructure in the coming years was set to increase Chile's ground optical astronomic capacity from 40% to 70% of the world's total.

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