

AGRI3 Fund

Critical transitions:



Innovation:

Blended finance funds

Geographic focus:

Latin America, Africa and South Asia

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Target of \$190 million for investment and \$15 million for technical assistance



Launched in 2020, the AGRI3 Fund aims to de-risk finance for sustainable land use. The investments should either contribute to sustainable agricultural production or prevent deforestation and enhance reforestation, and at the same time improve rural livelihoods. The fund’s main goal is to mobilize over \$1 billion of loans by de-risking finance from financial institutions and other key parties in food and agri value chains.

Born from a partnership between UNEP and Rabobank,⁶¹ IDH and FMO, the evergreen AGRI3 fund aims to become a \$190 million guarantee fund (with Mirova Althelia as the lead-advisor), supported by a \$15 million technical assistance facility (managed by IDH). The fund targets guarantees of \$2-15 million (smaller sizes possible if they lead to larger investments; max \$25 million) to enable projects between \$5 and \$25 million. Smaller is optional, as long as the structure/project is replicable. The objective to de-risk loans by providing guarantees, is to enable financial institutions to provide loan tenor extensions, larger size loans, and subordinate loans– alongside technical assistance.⁶²

Rabobank and the Dutch government have each committed \$40 million to the fund, creating an initial \$80 million capital base. Currently, the Fund is operating with Rabobank’s pipeline but it is open to other mission-aligned financial institutions, commercial banks and Development Finance Institutions (DFIs).

Stakeholders:

UN Environment Programme; Rabobank; IDH; FMO; Dutch Ministry of Foreign Affairs; Mirova Natural Capital; Cardano Development and

Status:

 Operational