



Restoring the balance

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Main Content

The Need for Change

Mission & Objectives

Value Proposition

How the Fund Works

Eligibility Criteria

Cases



AGRI3
FUND

Logic Behind - Three Dimensions of AGRI3 Fund

Forest

1 football-field of forest is lost

Every second

75%

Agriculture is responsible for 75% of global deforestation

Farmers

+70%

We need to increase agricultural production by 70%

2.6 bn people depend directly on agriculture

Food

there will be over 9 bn mouths to feed

2050

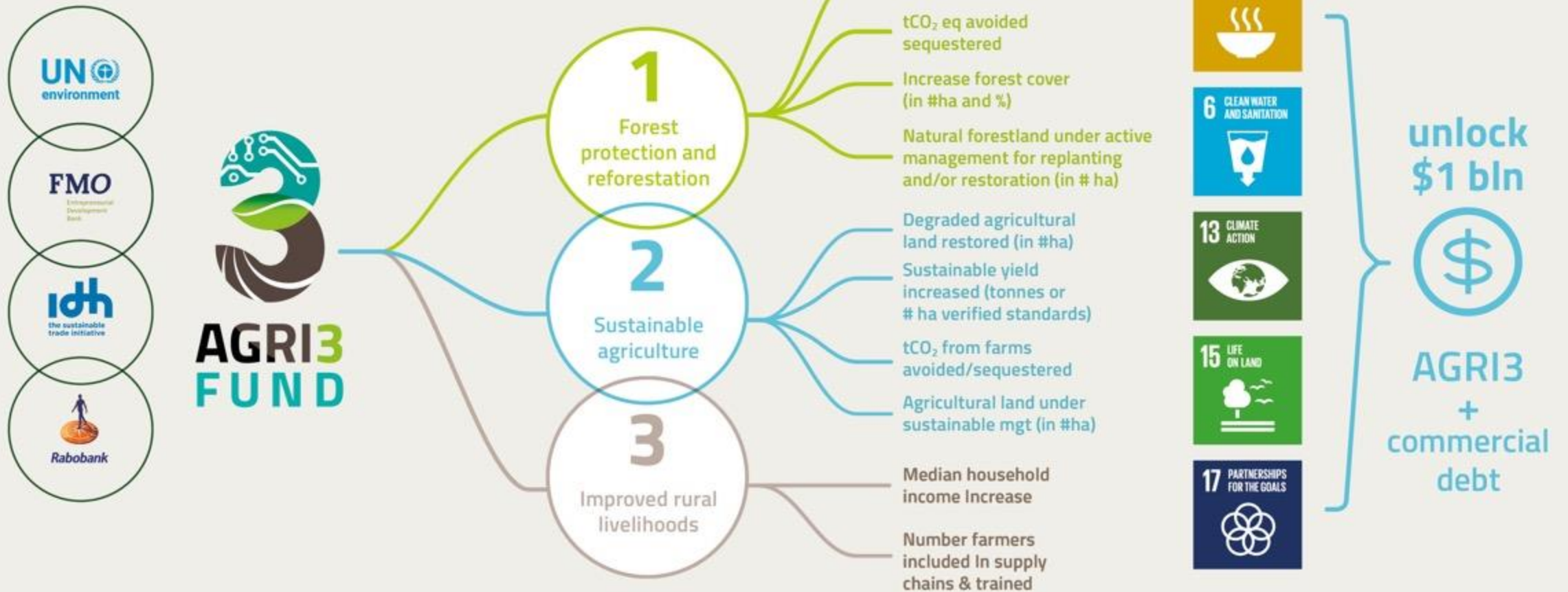
7bn

2018

Growing a Better World Together – Time for Drastic Change

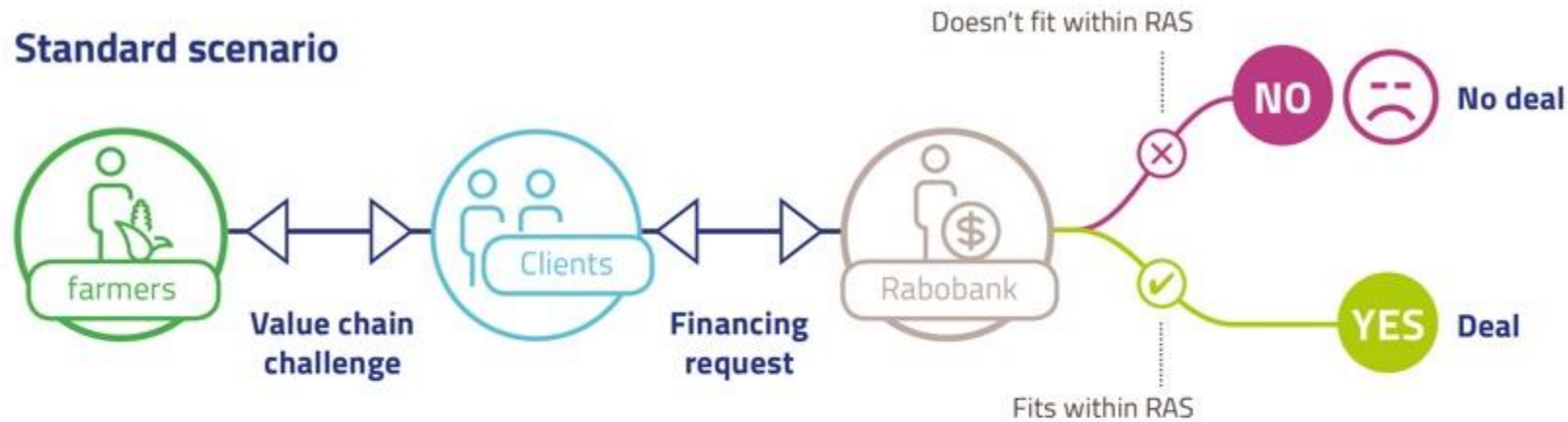


Mission & Objectives

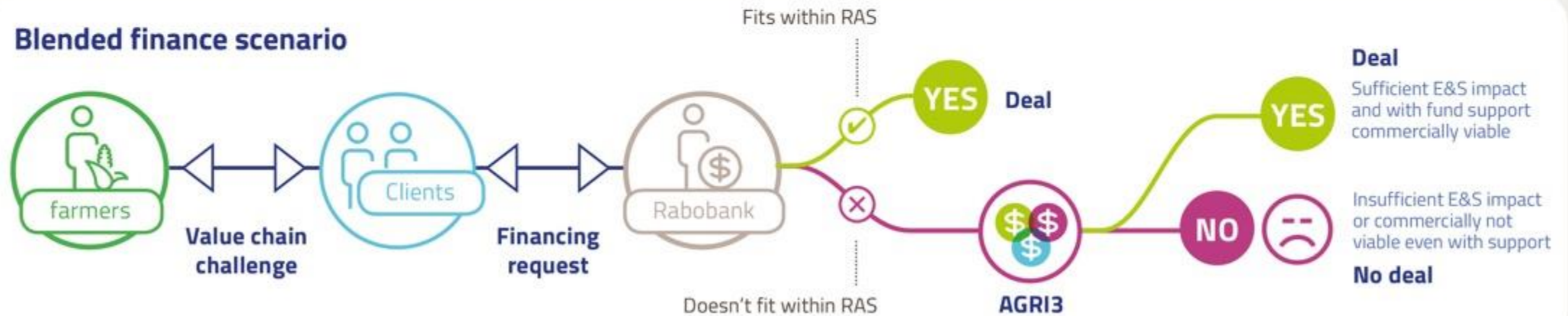


Value Proposition – Beyond Commercial Lenders

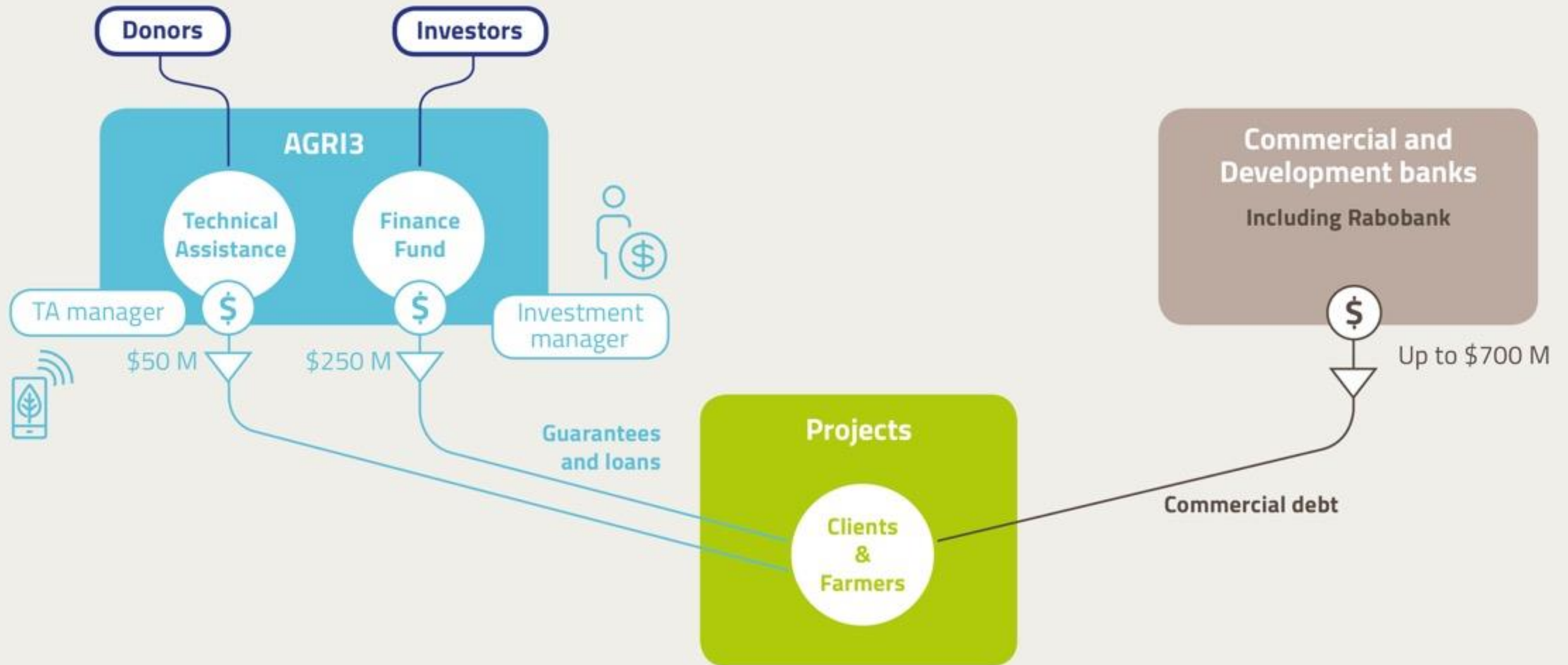
Standard scenario



Blended finance scenario



How the Fund Works



Fund management

Investment Advisors



althelia
ecosphere

A European platform dedicated to natural capital investing

Board of Directors



Joost Zuidberg

- CEO Cardano Development
- Strong track record in investment and developing countries



Bob Assenberg

- Partner Goodwell Advisory
- Experienced fund manager and advisor for developing countries

Technical Assistance manager



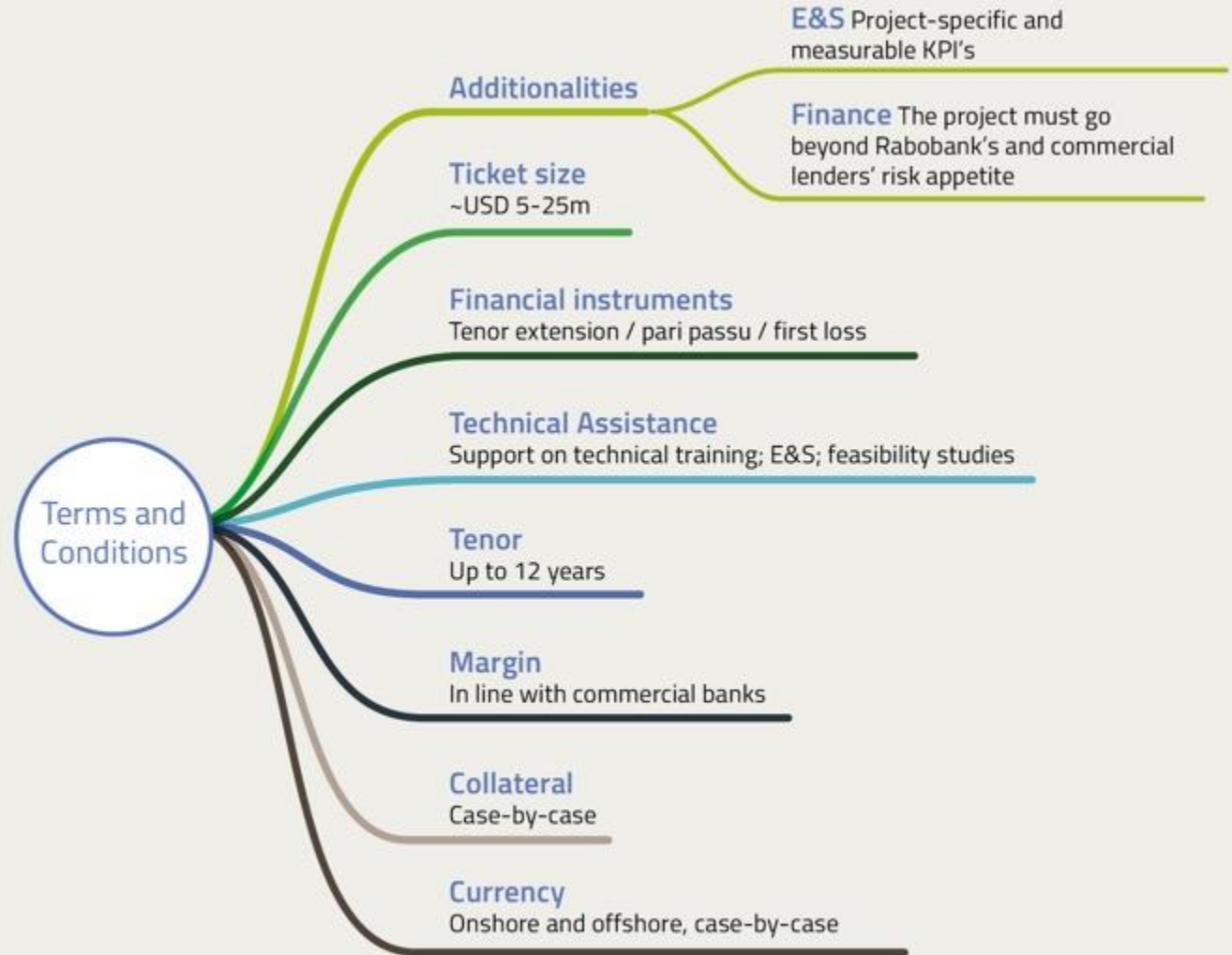
An organisation supported by governments, dedicated to more sustainable trade and development

Eligibility Criteria & Terms and Conditions

Eligibility Criteria



Terms and Conditions



Instruments of the Fund

Technical Assistance

Technical Assistance

includes feasibility studies, training and/or research programs aimed at the fight against deforestation or improving the capacity of farmers and smallholders.

Tenor extension

Tenor extensions are loans that have more lenient terms, such as extended grace periods, longer amortization schedules or lower interest rates, than conventional bank loans.

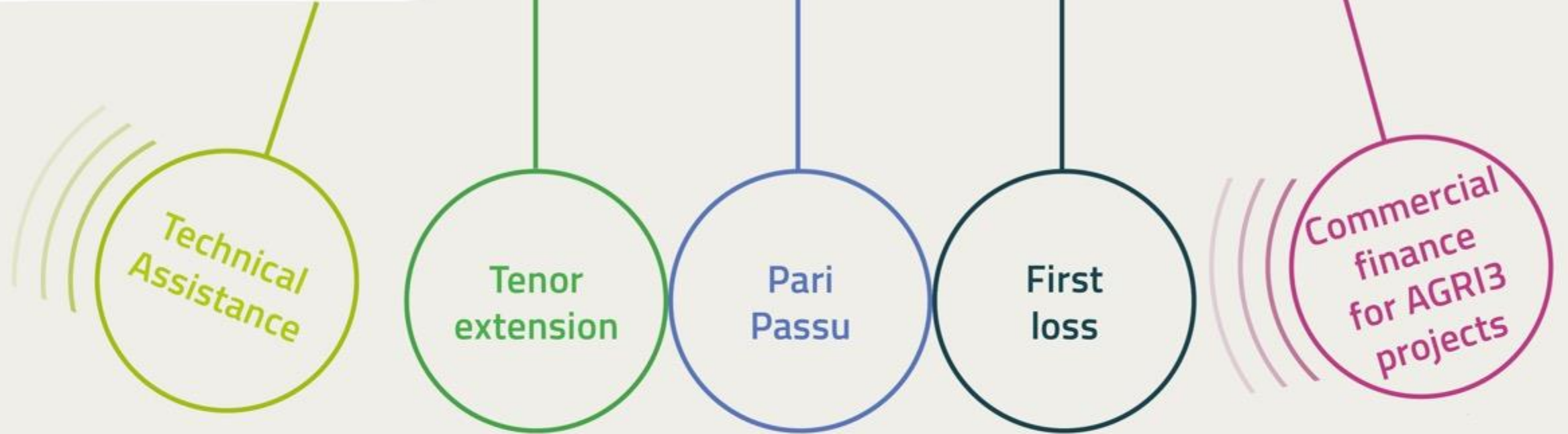
Pari Passu

Pari Passu are loans and guarantees/insurances to Execution Partners in order to mitigate their risk towards farmers, their suppliers and/or off-takers.

First loss

First loss are loans and guarantees/insurances to Execution Partners in order to mitigate their risk towards farmers, their suppliers and/or off-takers.

Commercial finance for AGRI3 projects



Deal example (1): Large farmer in Brazil

E&S Impact

- Regenerate soil quality, leading to a 15% yield increase.
- Better water and nutrients retention.
- Discourage deforestation.
- Training employees and other farmers on the technology.

Additionally

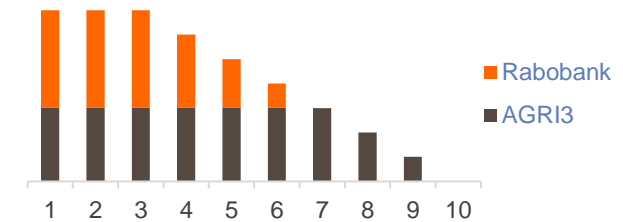
- Tenor is not available in the commercial local market.
- Grace period longer than accepted within Rabo Risk Appetite Statement.
- Input finance at higher level than usual guidelines/ portfolio average.

Brazilian
Cerrado
region



Making **soy production** more sustainable at scale using subsoil to remove soil compaction

Debt Run-Off



Financing flow

Amount

USD 5 mln (pilot phase)

Tenor

10 yrs, 3 yrs grace

Agri3 Participation

USD 2.1 mln risk sharing with Rabobank.

Funding

USD

Deal example (2): Brazilian sugar-cane mill

Sao Paulo
State

Optimize **sustainable sugarcane** production and improve S&E mill.

E&S Impact

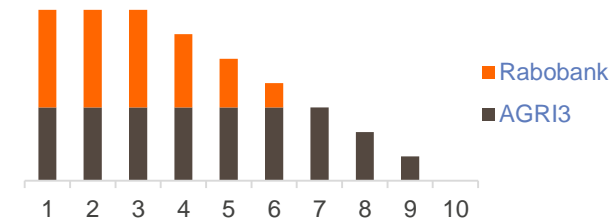
- Increased areas under sustainable management (52k ha).
- Reduced GHG emission.
- Reforestation with native tree species.
- Biological pest control.

Additionally:

- Tenor is not available in the local commercial market.
- Grace period longer than accepted within Rabo Risk Appetite Statement
- Financing of projects that are not cash flow generating.



Debt Run-Off



Financing flow

Amount

BRL 50 mln

Tenor

10 yrs, 3y grace

AGR13 Participation

BRL 21.5 risk sharing with Rabobank, year 8, 9 and 10.

Funding

EUR swapped to BRL

Prospect example (3): Sugar-cane in South Africa

Smaller sugar cane growers need to invest in (micro or drip) irrigation schemes to ensure continuous production during dry periods. They need to replace aging sprinkler irrigation systems.

Solution

Financing structure that allows smaller farmers to borrow and repay (irrigation equipment delivered, repaid with sugar cane), while risk on smaller farmers is shared between AGRI3, corporate client and Rabobank.

E&S Impact

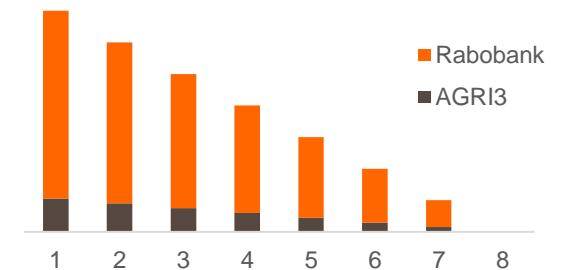
Higher and stable sugarcane yields, reduced water usage and reduced electricity usage. Overall improved income proposition for sugarcane growers.



South Africa

774
farmers

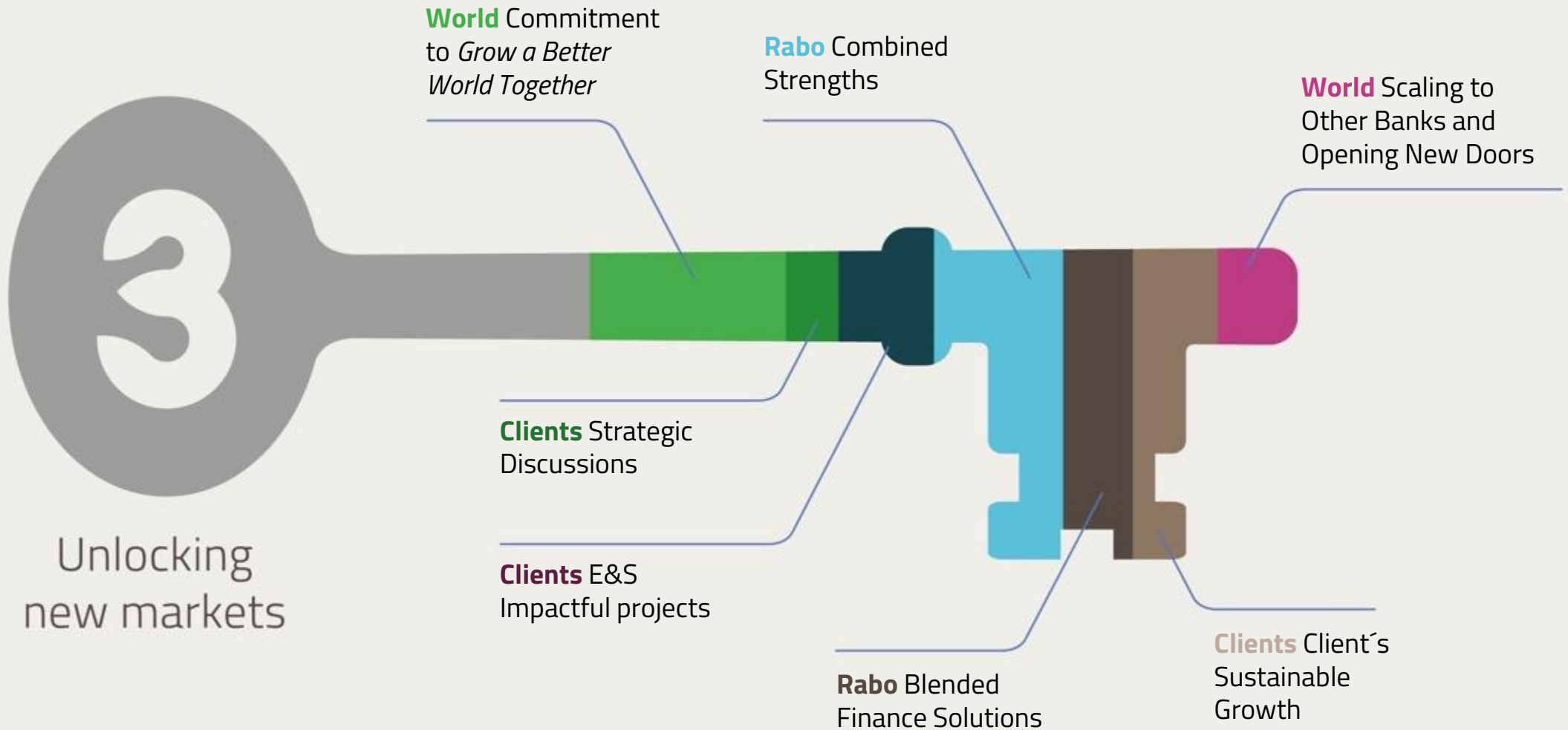
Debt Run-Off - 15% first loss risk sharing



Financing flow

Working capital facility and long term capex facility dedicated for irrigation investments

AGRI3 Fund as a Tool to Strengthen the Client Relationship



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