



## **The Global Environment Facility invests USD 13.5 million in AGR13 Fund**

**AMSTERDAM (April 5, 2023) – The Global Environment Facility (GEF) has finalized a USD 13.5 million equity investment in The Sustainable Trade Initiative’s public-private partnership, the AGR13 Fund, to enable increased finance mobilization for sustainable agriculture and forest conservation activities across Africa, Asia, and Latin America. The GEF’s participation in AGR13 has been secured through Conservation International (CI), a GEF partner Agency.**

The rapid expansion of agricultural production, driven in part by dramatic increases in human population, has become one of the most powerful drivers of environmental degradation. As more land is cultivated and production is increasingly industrialized, agriculture has contributed significantly to deforestation, habitat loss, greenhouse gas emissions, and soil and water pollution. Governments and businesses, including farmers, have an important role to play in ensuring that adequate and swift action is taken. The transition to a more sustainable, low carbon and climate-smart agricultural system requires significant financing.

This investment made by the GEF, in partnership with Conservation International, supports AGR13 to achieve its mission of unlocking at least USD1 billion in finance towards deforestation-free, sustainable agriculture and land use. The investment will support the Fund to increase its capacity to provide guarantees and subordinated loans to commercial banks and other financial institutions to mobilize capital by de-risking and catalyzing investment propositions.

Claude Gascon, Head of Programs: “For the Global Environment Facility, supporting AGR13 Fund as one of our investments under the Blended Finance Global Program is key to advance our work on engaging the private sector at scale. With the GEF investment of USD 13.5 million into AGR13 Fund, we expect to continue our partnership involving the banking sector to catalyze transformational forest conservation, climate-smart agriculture, and degraded land restoration.”

The partnership of this project is critical as the financial sector faces substantial difficulties in providing the solutions needed by farmers to change to more sustainable practices. Long-term investments are often needed to make changes to key components of agriculture, such as irrigation, replanting, soil quality, forest and ecosystem protection/nature inclusive agriculture, new farm equipment or training. Almost all banks perceive the risks attached to these investments to be too high and regard the required loan tenors too big a step to comply with increasingly stringent banking regulations.

Loan size, tenors and pricing at commercial terms may not match the demand required for change. Commercial and development banks struggle to provide finance on non-concessional terms to actors in the value chain to unlock the financing needed for transformations. These investments will serve as proof of concept to the wider community of banks, other financial institutions and value chain partners, aiming to ultimately mainstream sustainable practices across the agricultural value chain and financial sector.

For CI, this intervention aligns with an organizational goal of supporting and investing in financial mechanisms that harness capital from a mix of public and private sources.

“AGRI3 is an innovative financial mechanism combining donor and investor funding to increase commercial banks participation in the sustainable land use sector,” says Senior Vice President of Conservation Finance, Agustin Silvani. CI is pleased to partner with AGRI3 through the GEF investment and help mobilize much needed support to nature-based climate solutions at scale. “AGRI3’s instruments will be available to financial banking partners and their clients to support de-risking loans and investments they plan to make in agricultural supply chains.

“We are delighted to have closed this investment from the GEF and to develop a new partnership with CI. This is an important endorsement for the fund and the broader mission of AGRI3. It will allow the fund to expand its capacity to mobilize further finance for sustainable agriculture and forest conservation. We look forward to working closely with GEF and CI over the coming years,” said Nick Moss, Managing Director, AGRI3 Fund.

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### **About AGRI3 Fund**

The AGRI3 Fund was created by the United Nations Environment Programme (UNEP) and Rabobank, together with partners IDH and FMO, the Dutch Entrepreneurial Development Bank, to support the transition to sustainable agriculture. The Ministry of Foreign Affairs of the Netherlands is a donor to AGRI3 Fund. FOUNT and Cardano Development are the Investment Advisors for the Fund. AGRI3 Fund aims to mobilise additional public and private capital globally and at scale. The Fund works with commercial banks, development finance institutions (DFIs), impact investors and institutional investors and provides credit enhancement tools and technical assistance to projects which actively prevent deforestation, stimulate reforestation, contribute to efficient sustainable agricultural production and value chains and reduce carbon emissions and improve rural livelihoods.

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## **ABOUT THE GLOBAL ENVIRONMENT FACILITY**

The Global Environment Facility is the world's largest funder of biodiversity protection, nature restoration, climate change response, and pollution reduction in developing countries. It finances international environmental conventions and country-driven initiatives that generate global benefits. The GEF partnership connects 184 member governments with civil society, Indigenous Peoples, and the private sector, and works closely with other environmental financiers for efficiency and impact. To date, the GEF has provided more than \$22 billion in grants and blended finance and mobilized another \$120 billion in co-financing for more than 5,000 national and regional projects, plus 27,000 community ventures through its Small Grants Programme.

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## **ABOUT CONSERVATION INTERNATIONAL**

Conservation International protects nature for the benefit of humanity. Through science, policy, fieldwork and finance, we spotlight and secure the most important places in nature for the climate, for biodiversity and for people. With offices in 30 countries and projects in more than 100 countries, Conservation International partners with governments, companies, civil society, Indigenous peoples and local communities to help people and nature thrive together. Go to [Conservation.org](https://www.conservation.org) for more, and follow our work on [Conservation News](#), [Facebook](#), [Twitter](#), [TikTok](#), [Instagram](#) and [YouTube](#).

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