

SUMMARY OF THE PROJECT IN DESIGN * (*)

AgVentures III Climate Investment Fund: Agtech for Inclusion and Sustainability in LAC (SP Ventures)

PITCH ELIGIBILITY DATE		COUNTRY(IES)
04/09/2025		Argentina; Brazil; Chile; Colombia; México
ALIGNED WITH COUNTRY STRATEGY?		
Yes		
PARTNER(S)		
SP Ventures		
PRELIMINARY CLASSIFICATION ENVIRONMENTAL AND SOCIAL IMPACT		
FI-2 (**)		
TOTAL BUDGET	IDB Lab	LOCAL COUNTERPART AND COFINANCING
	US 6,000,000	
DESCRIPTION		

The problem Latin America and the Caribbean (LAC) hold immense potential as a global leader in agriculture and food production, yet the region faces critical challenges that threaten its long-term sustainability and efficiency. Climate change, resource scarcity, supply chain inefficiencies, and limited access to financing for innovation hinder the sector's ability to meet growing global food demands.

The opportunity. LAC plays a pivotal role in the future of global agriculture and food systems. The region is a major food producer and has the potential to lead the transformation toward a more resilient, equitable, and sustainable global food system. This context represents an opportunity for innovative companies to develop disruptive business models and technology that could scale up and catalyze positive impact and just transition towards sustainability. SP Ventures is a specialized VC fund manager in tech-based innovation in agriculture and food systems, and it is fundraising its third fund, which presents an opportunity to keep supporting catalyzing innovation, increasing productivity, and fostering resiliency in LAC.

The solution

IDB Lab Call for Proposals for Venture Capital Funds: Since 2021, IDB Lab launched a renewed mechanism for receiving proposals, aligned with the growth and evolution of the venture capital industry in the region, with the goal of expanding the coverage of interested fund managers while adopting a more transparent and systematic selection process. "Sectoral Funds" is one of the three verticals of IDB Lab's investment thesis for venture capital funds. Under this vertical, IDB Lab aims to direct its investments towards funds specializing in high-impact sectors with pronounced financing gaps, such as Health/Biotech, Edtech/Workertech, Agrifoodtech, and Climate (mitigation, adaptation, and regeneration), among others. SP Ventures' "AgVentures III Climate Investment Fund LP" ("AgVentures III" or "AGV III") was selected in Q1 2025 among 25 fund managers that applied under the sector-specific vertical (out of a total of 91 applicants and 67 funds that passed to the second screening), after carrying out an exhaustive analysis in the following areas: (1) management team, (2) track record, (3) investment thesis, (4) terms and governance of the fund, (5) potential for development impact and additionality of and for IDB Lab.

IDB Lab's proposed investment in AgVentures III is an opportunity to continue supporting agrifoodtech sector and an emerging manager that has positioned itself as one of the regional leaders in a sector that is crucial for the region's development.

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**The IDB categorizes all projects into one of six E/S impact categories. Category A projects are those with the most significant and mostly permanent E/S impacts, category B those that cause mostly local and short-term impacts, and category C those with minimal or no negative impacts. A fourth category, FI-1 (high risk) Financial Intermediary (FI)'s portfolio includes exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, mostly irreversible or unprecedented, FI-2 (medium risk) FI's portfolio consists of business activities that have potential limited adverse environmental or social risks or impacts, FI-3 (low risk) FI's portfolio consists of financial exposure to business activities that predominantly have minimal or no adverse environmental and social impacts.

Impact track record:

SPV has demonstrated a strong impact track record, particularly in advancing sustainable agricultural practices and financial inclusion. SP Ventures is a pioneer in the region for its ESG and Impact Framework. As the firm's ESG and impact measurement framework has improved over time, AGVII stands out for its robust accountability strategy. According to the last Impact Report (2024), the AGVII has positively impacted 344,000 people, and 171,000 farmers with access to sustainable and better technology, contributing to the sustainable management of 54 million hectares, and avoiding 786,000 Tons of chemicals and fertilizers. In terms of gender and diversity, 40% of AGVII's investees have at least one female co-founder in a gender-disbalanced sector, highlighting its commitment to fostering more inclusive agricultural innovation.

AgVentures III's Investment Strategy:

Sectoral focus: AgVentures III will invest in mission-driven, high-growth technology companies that are leading the transformation of food production in LAC. The Fund targets startups developing innovative solutions to drive a lower-carbon, climate-resilient agricultural value chain while enhancing productivity and farmer profitability. Its investment strategy focuses on four key areas:

- **Biotech:** Cutting-edge advancements in biological pest control, plant genetics, and animal health solutions, among others, that improve yields and reduce environmental impact.
- **Ag Digital & Precision Agriculture:** Technologies that optimize farm operations, including IoT-based monitoring, precision agriculture, soil and climate sensing, and digital marketplaces for inputs and outputs.
- **Foodtech:** Innovations in sustainable food production, such as alternative proteins, novel ingredients, and preservation technologies that enhance food security and efficiency.
- **Agfintech:** Build a streamlined and inclusive financial system for farmers, reducing bureaucratic barriers, increasing access to funding, and creating a resilient, adaptive food system.

By supporting pioneering companies across these sectors, AgVentures III aims to accelerate the transition to a more sustainable, technologically advanced and productive agricultural ecosystem in LAC.

The beneficiaries AgVentures III seeks to invest in up to 22 outstanding high-growth tech companies leading the transformation of agriculture and food production in LAC towards decarbonization, climate resilience, and a just transition. Building on its extensive expertise in ag/foodtech, the fund manager has refined its approach to measuring climate and social impact over time. AGV III, reinforces its commitment to integrating explicit climate and social targets into its investment, monitoring, and measurement processes.

The partner SP Ventures ("SPV") is the leading early-stage venture capital firm specializing in agtech in LAC. Based in São Paulo, Brazil, SPV was founded in 2007 with the mission of leveraging innovation to 'solve real problems of real agricultural producers, with a particular focus on small and medium-sized farms (SMSFs) and climate innovation.

The IDB Lab's contribution IDB Lab project team proposes an equity investment of up to US\$ 6M in "AgVentures III Climate Investment Fund LP" (AGVIII).

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