

# GEF-8 REQUEST FOR CEO ENDORSEMENT/APPROVAL

## TABLE OF CONTENTS

<b>GENERAL PROJECT INFORMATION .....</b>	<b>3</b>
Project Summary .....	4
Project Description Overview .....	5
<b>PROJECT OUTLINE .....</b>	<b>7</b>
<b>A. PROJECT RATIONALE .....</b>	<b>7</b>
<b>B. PROJECT DESCRIPTION .....</b>	<b>10</b>
Institutional Arrangement and Coordination with Ongoing Initiatives and Project.....	27
Core Indicators .....	28
<b>NGI (only): Justification of Financial Structure .....</b>	<b>34</b>
Risks to Project Implementation .....	36
<b>C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES .....</b>	<b>43</b>
<b>D. POLICY REQUIREMENTS .....</b>	<b>44</b>
Gender Equality and Women’s Empowerment.....	44
Stakeholder Engagement .....	45
Private Sector .....	45
Environmental and Social Safeguards .....	45
<b>E. OTHER REQUIREMENTS .....</b>	<b>46</b>
Knowledge management .....	46
Socio-economic Benefits .....	46
<b>ANNEX A: FINANCING TABLES .....</b>	<b>46</b>
GEF Financing Table .....	46
Project Preparation Grant (PPG) .....	46
Sources of Funds for Country Star Allocation.....	47
Focal Area Elements .....	47
Confirmed Co-financing for the project, by name and type.....	47
<b>ANNEX B: ENDORSEMENTS .....</b>	<b>48</b>
Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):.....	48
<b>ANNEX C: PROJECT RESULTS FRAMEWORK.....</b>	<b>49</b>
<b>ANNEX D: STATUS OF UTILIZATION OF PROJECT PREPARATION GRANT (PPG) .....</b>	<b>50</b>
<b>ANNEX E: PROJECT MAP AND COORDINATES .....</b>	<b>50</b>
<b>ANNEX F: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING.....</b>	<b>51</b>
<b>ANNEX G: BUDGET TABLE.....</b>	<b>51</b>
<b>ANNEX H: NGI RELEVANT ANNEXES.....</b>	<b>51</b>
<b>ANNEX I: RESPONSES TO PROJECT REVIEWS.....</b>	<b>59</b>

## General Project Information

### Project Title

Yield Lab Opportunity Fund I: Accelerating technology and local innovation for sustainable and decarbonized food systems in Latin America and the Caribbean.

Region	GEF Project ID
Regional	11066
Country(ies)	Type of Project
Regional	FSP
GEF Agency(ies):	GEF Agency Project ID
IADB	RG-Q0012
Project Executing Entity(s)	Project Executing Type
The Yield Lab Latam	Private Sector
GEF Focal Area (s)	Submission Date
Multi Focal Area	11/2/2023
Type of Trust Fund	Project Duration (Months)
GET	144
GEF Project Grant: (a)	GEF Project Non-Grant: (b)
0.00	6,000,000.00
Agency Fee(s) Grant: (c)	Agency Fee(s) Non-Grant (d)
0.00	570,000.00
Total GEF Financing: (a+b+c+d)	Total Co-financing
6,570,000.00	27,275,000.00
PPG Amount: (e)	PPG Agency Fee(s): (f)
0.00	0.00
Total GEF Resources: (a+b+c+d+e+f)	
6,570,000.00	

### Project Tags

CBIT: No NGI: Yes SGP: No Innovation: No

### Project Sector (CCM Only)

Mixed & Others

## Taxonomy

Focal Areas, Climate Change, Climate Change Mitigation, Agriculture, Forestry, and Other Land Use, Financing, Climate Change Adaptation, Climate resilience, Innovation, Climate finance, Private sector, United Nations Framework Convention on Climate Change, Paris Agreement, Nationally Determined Contribution, Chemicals and Waste, Emissions, Eco-Efficiency, Best Available Technology / Best Environmental Practices, Pesticides, Biodiversity, Mainstreaming, Agriculture and agrobiodiversity, Sustainable Development Goals, Land Degradation, Sustainable Land Management, Improved Soil and Water Management Techniques, Sustainable Agriculture, Food Security, Land Degradation Neutrality, Land Productivity, Influencing models, Deploy innovative financial instruments, Stakeholders, Private Sector, Capital providers, Project Reflow, Beneficiaries, Gender Equality, Gender Mainstreaming, Sex-disaggregated indicators, Gender-sensitive indicators, Gender results areas, Access to benefits and services, Capacity, Knowledge and Research, Knowledge Generation, Workshop, Learning, Theory of change, Indicators to measure change, Targeted Research, Capacity Development

## Rio Markers

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
Principal Objective 2	Significant Objective 1	No Contribution 0	Significant Objective 1

## Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? (iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. (max. 250 words, approximately 1/2 page)

Latin American food systems face several significant challenges: the urgent need to transition to decarbonization and sustainable production models, the growing pressure for higher productivity and food security, and a sector requiring a fairer distribution of the value created to enable inclusive development. Agrotechnological (agtech) innovations developed by the technology-based ventures in the agri-food sector are central to addressing these challenges, particularly for small and medium-sized farms with low productivity. However, despite its rapid growth, the venture capital (VC) ecosystem in the agri-food sector in Latin America and the Caribbean (LAC) has limited availability of early-stage specialized advice and mentoring for companies to grow. This is partly due to the fact that many VC Funds focus on more mature stages of investment and offer bigger tickets. Within this context, it is ever more important for the Project Proposal to promote early-stage agrotechnological innovations with a catalytic impact potential.

To address the aforementioned gaps and meet the challenges in this sector, The Yield Lab Latam, a leading venture capital firm specializing in high impact agtech startups, will work as a much-needed complementary stakeholder in the innovation ecosystem, providing specialized capital investment alongside strategic support and mentoring to companies in critical early stages, scaling up sustainability solutions to meet urgent sustainability challenges. The Project will provide early-stage financing and mentoring in the form of equity and specialized support to a portfolio of up to 30 agtech startups, with tickets ranging between USD 175,000 and USD 2,000,000, with the possibility of making additional investments in subsequent rounds and providing strategic assets throughout the business growth and regionalization process.

Therefore, The Yield Lab Latam plays an important complementary role vis-a-vis SP Ventures. Together, they will support startups, starting from their very inception and extending all the way to providing large-scale solutions at a regional level. These activities will move the needle towards decarbonized and sustainable food systems as enablers for high impact in climate change mitigation, adaptation, and restoration. Each startup within the regional portfolio will result in the following environmental benefits: Indicator Number #6 GHG emissions mitigated; Indicator Number #4 Area of landscapes under improved practices; Indicator Number #9 Chemicals of global concern and their waste reduced, disposed of/destroyed, phased out, avoided and eliminated from the environment and from processes, materials, and products; and Indicator Number #11 Number of direct beneficiaries as a co-benefit of GEF investment. This proposal contemplates focusing on specific priorities for each country and strengthening significant stakeholders in the sustainable evolution of the food sector.

## Project Description Overview

### Project Objective

The Project objective is to support a transition to decarbonized and sustainable food systems through the systematic acceleration and scaling-up of catalyst tech-based solutions, strengthening stakeholders as a means to achieve climate change mitigation, adaptation, and restoration. The regional Fund will invest in a critical phase for early-stage companies from seed rounds, series A to series B, thereby enabling the deployment of high-impact solutions that address some of the most important needs and barriers in the agrifood sector.

### Project Components

#### The Yield Lab Latam Opportunity Fund I equity capitalization for Ag/food innovation.

Component Type	Trust Fund
Investment	GET
GEF Project Financing (\$)	Co-financing (\$)
6,000,000.00	27,275,000.00

#### Outcome:

Outcome 1: Increased private finance for investment into tech-based food systems innovation for decarbonization and inclusive, sustainable development.

Outcome 2: Strengthening of the innovation ecosystem as an accelerator, support and leverage of tech-based innovations for sustainable and resilient food systems.

Outcome 3: Enhanced adoption and scaleup of tech-based innovation available supporting resilience, adaptation and less environmentally harmful models in agriculture and food systems in LAC as a result of the Yield Lab Opportunity Fund I investments.

Outcome 4: Increased number of people benefiting directly from climate smart innovation in agriculture and food systems.

Outcome 5: Project M&E

#### Output:

Output (1) A portfolio with a minimum of 20 startups financed aligning with the investment thesis.

Output (2) Two knowledge products developed by YLL per year (acceleration programs, innovation challenges, roundtables, whitepapers, events, growth programs, etc.) \*

Output (3.1) 15,680 metric tons of chemicals of global concern and their waste reduced, disposed of/destroyed, phased out, avoided or eliminated from the environment, and in process, materials, and products.

Output (3.2) 29,732,240 metric tons CO2 emissions avoided and mitigated.

Output (3.3) 11,550,000 ha. of land under better sustainable practices.

Output 4: 200,000 people benefiting directly from the project.\*\*

Output 5.1.: Design of impact monitoring and measuring guidelines for the agritechnology innovation prioritized in the project, supporting the correct implementation over time by the Fund management team and the startups in the portfolio.

Output 5.2.: Project Midterm Evaluation Report

Output 5.3.: Project Final Evaluation Report

Output 5.4: Final workshop event to present the project results to a group of stakeholders involved in the project, and part of the innovation ecosystem in LAC that could benefit from the results, lessons learned, and experience.

\*See Attached document Stakeholder engagement & Knowledge Management Plan for more detail.

\*\*More detail about outputs targets in core Indicator section.

## M&E

Component Type	Trust Fund
GEF Project Financing (\$)	Co-financing (\$)
Outcome:	

Output:

## Component Balances

Project Components	GEF Project Financing (\$)	Co-financing (\$)
The Yield Lab Latam Opportunity Fund I equity capitalization for Ag/food innovation.	6,000,000.00	27,275,000.00
M&E		
<b>Subtotal</b>	<b>6,000,000.00</b>	<b>27,275,000.00</b>
Project Management Cost		
<b>Total Project Cost (\$)</b>	<b>6,000,000.00</b>	<b>27,275,000.00</b>

Please provide Justification

The Fund structure is similar to that of the other VC funds in which IDB Lab and GEF have co-invested. The proposed Project will channel GEF funding for an equity investment in the amount of USD 6M in The Yield Lab Opportunity Fund I. The objective of this investment is to capitalize the Fund, together with other investors, to channel entrepreneurial capital to agtech and foodtech startups in LAC. The Project includes a number of actions to ensure a systemic approach to the innovation ecosystem and a coherent execution according to the theory of change.

The estimated co-finance at closing is USD 44M, the confirmed co-finance at CEO endorsement is USD 27.275M. Changes in the project co-finance will be reported in the annual GEF PIR and annual reflow reporting.

For further details about the structure and characteristics of the proposed financial operation, see Annex H.1: Term Sheet.

The Monitoring and Evaluation actions of the operation will be financed with GEF agency fees and will follow IDB Lab's internal M&E framework, which covers annual processes, and GEF M&E requirements, as seen in the Budget table.

## PROJECT OUTLINE

### A. PROJECT RATIONALE

Describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

**Food systems worldwide and in LAC – the baseline.** Food systems worldwide are facing several significant challenges: the urgent need to transition towards decarbonization, the growing pressure for more productivity to serve a growing global population, and the need for a fairer distribution of the value created to enable a more inclusive development.

Food systems are a significant driver of environmental degradation, including loss of forests and biodiversity, land degradation, depletion of freshwater resources, nutrient pollution, and greenhouse gas (GHG) emissions. Today, agriculture is one of the most carbon-intensive activities. The agricultural sector accounts for 22% of the total global annual direct emissions (13Gt CO<sub>2</sub>eq).<sup>[1]</sup> Adding indirect emissions to the estimation (storage, transportation, processing, equipment, etc.), it represents around a third of the global total. Moreover, agriculture occupies about 37% of the planet's total land area. It accounts for up to 80% of global deforestation <sup>[2]</sup>, 70% of terrestrial habitat loss, and 50% of freshwater biodiversity loss.<sup>[3]</sup> The agri-food sector has such a big impact on GHG emissions that the global goal of keeping the increase in the planet's average temperature below 2°C above pre-industrial levels will not be met without a substantive change in the industry.

The consequences of unsustainable food production extend into aquatic systems; agriculture is one of the largest sources of water pollution, which runs off into marine ecosystems and coastal areas. Agricultural production accounts for approximately 70% of water consumption <sup>[4]</sup> (there is often excessive consumption due to suboptimal irrigation systems). In addition, the agri-food sector is highly vulnerable to climate change in terms of economic losses and social consequences. By 2050, estimations are that some of the most consumed crops world-wide (e.g. soybean, wheat, maize) will see their productivity reduced between 1% to 8% in the absence of effective adaptation measures.<sup>[5]</sup>

Food waste is a significant problem in LAC and generates a negative environmental impact. According to a UNEP food report from 2021, an estimated 931 million tons of food end up in the trash yearly. Contrary to observations in other regions, in Latin America, most of the waste is generated along the supply chain, from its production to its distribution through food retailers.

Food systems play a critical role in the LAC economy. In the last years, agriculture represented 4% of the GDP globally. In Latin America, it represents between 5% and 18% of the GDP, depending on the country analyzed.<sup>[6]<sup>6</sup></sup> Because of the scale of the agrifood activities in the local economy, the associated GHG emissions and environmental degradation are even higher in Latin America and the Caribbean. Tackling these challenges requires a combination of policies and efforts from both the public and the private sector, new market-driven solutions, and new technology models. There is an urgent need for innovation and new ideas to solve the environmental problems affecting this sector and promote social inclusion and economic development.

The innovative solutions developed by technology-based ventures in the agri-food sector are therefore central to addressing environmental and inclusion challenges, particularly for small and medium-sized farms with low productivity. These ventures are highly relevant as they have the potential to enable a transformative change in the way food is produced, and to promote a chain of positive environmental, social, and economic impacts. In recent years, LAC saw an increase in agri-food tech innovation, a continuing phenomenon that keeps expanding across the region and deepening in the food subsectors.

The latest advances and the acceleration of new digital technologies (data analytics, big data, remote imaging, satellites, the Internet of things, artificial and augmented intelligence, and blockchain, etc.), life sciences (for example, advanced genomics, biotechnology), and automation (such as robotics, precision sensors) have led to a type of innovation known as agrotechnology (agtech), demonstrating the existing potential to generate significant impact and inclusion throughout the value chain of this sector.

However, despite its rapid growth, the agtech startup ecosystem is still emerging in the LAC region, and entrepreneurs<sup>[7]<sup>7</sup></sup> face limited availability of capital,<sup>[8]<sup>8</sup></sup> mentoring, and specialized advice in this sector. This kind of support is essential for entrepreneurs, who rarely thrive and innovate without specialized support and investment. Traditionally, this type of financial and non-financial support has been provided by VC funds. However, there is currently a limited number of regional funds that offer in-depth specialized knowledge and meet the needs of agrotechnological ventures. This proposed Project is therefore targeting these needs, providing capital, capacity-building, and mentoring to agtech startups. Furthermore, the opportunities and conditions for the development of agtech ventures vary in the LAC region, leaving some countries underserved in terms of innovative agtech investments. Startups are heavily concentrated in Brazil, which accounts for around half (51%) of all startups.

The Fund will invest in technologies that are used by large corporate conglomerates and are accessible to small and rural stakeholders in the food and agriculture supply chain and will foster innovation. The current inequality is a significant barrier to supporting best practices and reducing natural resource intensity as a component of the food supply and production operations. The Fund directly supports the development of the agtech entrepreneurial ecosystem in LAC and influences the availability of innovative technologies across LAC within an inclusive framework, thereby contributing to improving livelihoods, positive environmental outcomes, and climate resilience in vulnerable populations.

Tackling these challenges in isolation will not deliver the desired shift toward sustainability and resilience in the food systems, for the benefit of people and the planet. Such transformational change calls for the collective engagement of diverse stakeholders in the food system and requires the availability of appropriate resources.<sup>[9]<sup>9</sup></sup> It is necessary to move toward integrated solutions across entire supply chains, from supply (production) to consumption. In this context, YLL will promote urgent innovation by financing and building capacity in startups offering catalytic technologies and approaches to move the needle toward sustainable food systems and generate a positive impact.

**Innovation Baseline Scenario.** As mentioned before, food systems globally are facing simultaneous significant challenges: (i) a mandatory urgent transition to decarbonized models, (ii) a growing pressure for higher productivity to serve a growing global population, and (iii) inefficiencies that prevent a fair distribution of the value created in this sector. The innovation wave recognizes global technological juxtaposition and fundamental factors linked to the environment, consumer demand, public policies, and the dynamics of agricultural producers, all of which drive innovation toward more sustainable and efficient development models.



Agri-food tech innovation has found momentum for regional development and expansion, but the LAC innovation ecosystem is still emerging and there are better conditions in some subregions than in others. As a result, startups are heavily concentrated in Brazil, which accounts for around half (51%) of all startups. Countries in South America are leading the innovation wave, supported by a large-scale local market and more developed entrepreneurial ecosystems that have favored the emergence and scaling of startups.

While startups offer solutions to generate transformative changes with a positive impact on environmental, social, and economic aspects, based on information gathered by IDB Lab from experience, different entrepreneurs, and other sources, there is still a long way to go to effectively reach vulnerable populations in the sector, to have a solid innovation ecosystem for supporting startups (specialized knowledge), and to secure enough financial capital in all scaling and entrepreneurial regionalization stages.

Furthermore, the agri-food entrepreneurial tech ecosystem is less developed than other ecosystems in the region –such as fintechs–, and thus agri-food tech faces a greater scarcity of long-term financing, especially for early-stage companies. A limited number of VC funds (and other types of investment vehicles) are currently dedicated to addressing the challenges faced by the food sectors, and most of them are focused on South America.

In the last years, VC kept rising, and 2020 saw a record number of VC deals, followed by 2022 with USD 5.4B deployed across 541 deals in 1H 2022, according to LAVCA.<sup>[10]</sup><sup>10</sup> A growing amount of capital is directed to venture capital in Latin America, but less than 5% is invested in agri-food tech. As venture capital investments increased across the region's industries over the last few years, fintechs hold the top spot as the sector accounting for 40% of VC invested in 2020 and 43% in 2022,<sup>[11]</sup><sup>11</sup> followed by e-commerce, super apps, and proptech. Meanwhile, due to the pandemic, the healthtech and edtech industries thrived as digital usage of remote learning, telemedicine, and associated services skyrocketed. As for the agri-food tech landscape, there are over 70 different innovation categories across 12 major sectors that span along the whole food and agriculture value chain, with strong trends in farm mechanization and automatization, precision farming, big data, bioenergy, soil tech solutions, and food processing.

Recognizing the crucial role of climate finance, and governments and national development banks' potential to promote and finance climate-smart innovation, for the last 30 years, IDB Lab has helped design and invest in Funds with a high impact thesis. With a portfolio of more than 50 active VC Funds, only a few of them invest, on a case-by-case basis, in agtech companies.

The above-described context points at a clear need to rapidly upscale and regionalize climate-smart innovations and, therefore, fill the existing gaps in the agri-food ecosystem and strengthen stakeholders that can support the materialization of sustainable models for food systems. This Project Proposal executed by The Yield Lab Latam aims to be a significant step in this direction. The Fund characteristics and investment thesis offer an excellent opportunity to balance venture capital investment in sectors with higher financial scarcity and mentoring needs.

---

[1] 2022. IPCC. Summary for Policymakers. In: *Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* [P.R. Shukla, J. Skea, R. Slade, A. Al Khourdajie, R. van Diemen, D. McCollum, M. Pathak, S. Some, P. Vyas, R. Fradera, M. Belkacemi, A. Hasija, G. Lisboa, S. Luz, J. Malley, (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA. doi: 10.1017/9781009157926.001

[2] 2019. IPCC. P.R. Shukla, J. Skea, R. Slade, R. van Diemen, E. Haughey, J. Malley, M. Pathak, J. Portugal Pereira (eds.) Technical Summary, 2019. In: *Climate Change and Land: an IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems*. <https://doi.org/10.1017/9781009157988.002>

[3] 2020 Banco Mundial. El agua en la agricultura. From [El agua en la agricultura \(bancomundial.org\)](https://www.bancomundial.org/es/topic/water-in-agriculture)

[4] 2020 Banco Mundial. El agua en la agricultura. From [El agua en la agricultura \(bancomundial.org\)](https://www.bancomundial.org/es/topic/water-in-agriculture) <https://www.bancomundial.org/es/topic/water-in-agriculture> - :~:text=Actualmente%2C%20la%20agricultura%20representa%20(en,la%20evapotranspiraci%C3%B3n%20de%20los%20cultivos).

[5] 2019. IPCC. Mbow, C., C. Rosenzweig, L.G. Barioni, T.G. Benton, M. Herrero, M. Krishnapillai, E. Liwenga, P. Pradhan, M.G. Rivera-Ferre, T. Sapkota, F.N. Tubiello, Y. Xu: Food Security. In: *Climate Change and Land: an IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems* [P.R. Shukla, J. Skea, E. Calvo Buendia, V. Masson-Delmotte, H.-O. Pörtner, D.C. Roberts, P. Zhai, R. Slade, S. Connors, R. van Diemen, M. Ferrat, E. Haughey, S. Luz, S. Neogi, M. Pathak, J. Petzold, J. Portugal Pereira, P. Vyas, E. Huntley, K. Kissick, M. Belkacemi, J. Malley, (eds.)]. <https://doi.org/10.1017/9781009157988.007>

[6] United Nations Environmental Programme. (2021). Global Food Waste Report, 2022. [Proyecto Clima](https://www.unep.org/resources/report/global-food-waste-report-2022). El efecto invernadero | El Gato y La Caja. Argentina.

[7] Above 70% of VC investments in this sector worldwide focus on funding rounds and later stages. Source: 2019 AgriFoodtech Investment Review - Finistere Ventures & Pitchbook.

[8] The Agrifood tech sectors accounts for just 7% of the VC industry investments. Source: Pothering, J. (2020) [The role of impact investors in early stage agtech investing](https://agfundernews.com/the-role-of-impact-investors-in-early-stage-agtech-investing.html) Retrieved from: <https://agfundernews.com/the-role-of-impact-investors-in-early-stage-agtech-investing.html>

[9] For further details about stakeholders involved, see the “Stakeholder engagement” section.

[10] LAVCA 2021 Review of Tech Investment in Latin America Report.

[11] Patel, M. (n.d.). 2023 LAVCA Trends in Tech |. <https://lavca.org/industry-data/2023-lavca-trends-in-tech/#top-sectors>

## B. PROJECT DESCRIPTION

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF’s policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the guidance document. (Approximately 3-5 pages) see guidance here

- The Yield Lab Latam (YLL) is a leading venture capital firm specializing in investing and mentoring high-impact startups whose solutions promote widespread and sustained positive transformation in food systems and related technical and environmental challenges. Founded in 2017, YLL is the Venture Capital firm with the most prominent presence and experience across LAC, with offices in Argentina, Mexico, Brazil, and Chile, and a team investing in companies in the whole food and agriculture innovation spectrum, from farm to fork. The Yield Lab’s mission is to enable entrepreneurs to revolutionize agri-food systems sustainably.

The following section describes the general Theory of Change (ToC) for The Fund and attached as Theory of Change is the complemented ToC for the investment verticals prioritized in the Investment Thesis, as requested in the PIF review.

**Theory of Change.** LAC has a variety of innovation startups in very early stages of development focused on food systems, which are fighting to scale up solutions in an innovation ecosystem that still faces different gaps and lacks stakeholders that would provide specialized support in critical early stages. A systemic approach is needed to strengthen the agrotechnological innovation ecosystem so startups can scale up their solutions and contribute to decarbonized and resilient food systems. At the same time, it is an opportunity to consolidate inclusive development in the sector and deliver increasing environmental benefits.

The proposed project under this thesis considers YLL as one of those missing stakeholders that could support relevant tech-based startups in their most critical stages. The Project, thus, develops appropriate activities to support the startups’ capacities, to strengthen and articulate the ecosystem, to identify the most catalytic and urgent innovations for Latin America and the Caribbean with higher potential for regionalization, and to provide resources, including financial capital, at crucial moments for the acceleration of startups as enablers for food systems evolution. Through its activities, the regional Fund will invest in a portfolio of early-stage companies from seed rounds, series A to series B.[1]<sup>12</sup> By doing so, the Fund aims to support high-impact opportunities to address some urgent needs in the agri-food sector and remove critical development barriers to sustainable economic models.

The Fund’s portfolio companies will develop innovative solutions for decreasing the intense use of chemicals and natural resources (water, energy, and land), enable climate mitigation in high carbon-intensive food segments, and increase climate resilience in crucial food supply chains. Furthermore, the proposed Project will benefit around 270,000 people from the technologies produced and services offered by the Fund’s portfolio companies. Technologies such as farm mechanization and automatization, precision farming, big data, bioenergy, soil tech solutions, or food processing, among others, can provide the expected positive impact and deliver the Global Environmental Benefit (GEB) targets.

In addition to promoting technological solutions, the Fund also promotes monitoring and transparency. YLL, assisted by experts, has developed an Environmental and Social (E&S) monitoring tool customized to the agtech sector. The device will screen and monitor the portfolio companies regarding key E&S indicators (including compliance and GEF’s Core Indicators). It could serve as a benchmark for the climate-smart industry in Latin America and other developing regions

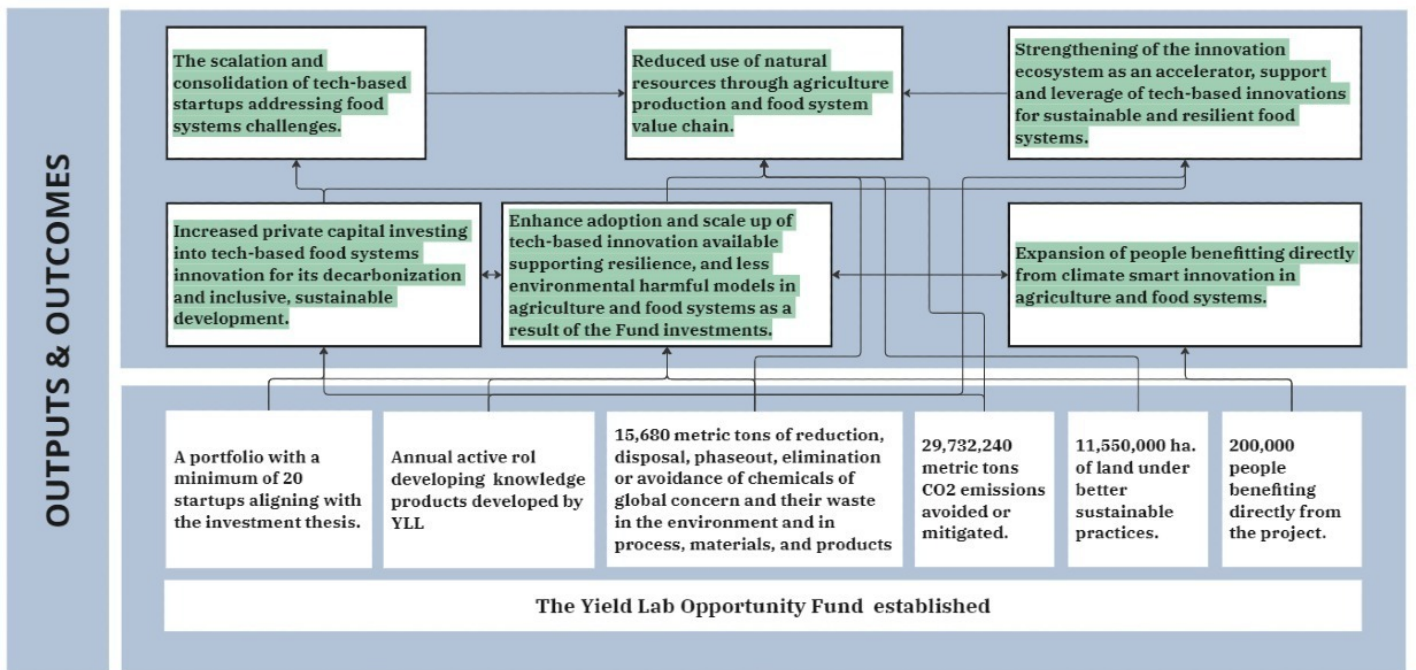


**GOAL.**

**Consolidation and expansion of emerging ag&food tech companies, offering innovative solutions to environmental, market and productivity challenges in food sector, and addressing climate change challenges under an inclusive development outline.**

**IMPACT.**

- Prevention of health problems because of unsustainable agrifood practices
- Stronger resilient capacity in agriculture sector, territories, people.
- Stakeholders with cost effective sustainable solutions to pursuit as part of food value
- Sustainable, decarbonized & resilient food systems enabling inclusive development in Latin America and the Caribbean..
- A lower climate and environmental impact of food systems in LAC.



**INPUT/ ACTIVITIES.**

- Investment:** Provision of financial capital for investment to early-critical stage for startups focused in sustainable and regenerative food systems
- Support:** Complementary support and resources to disruptive high impact ag&food tech
- Expertise:** deep-business expertise networking access top talent market intelligence data intelligence knowledge sharing
- Stakeholder engagement,** systemic Approach. Alignment of diverse stakeholders influencing and part of the food value chain from downstream buyers, intermediaries, financial providers, to the farmers, who can put into action a system-wide positive change towards sustainability.

**SOME BARRIERS.**

- The agtech ecosystem in the region is still emerging, and early-stage startups have limited access to capital, advice, mentoring, and specialized support in the sector.
- Rural and stakeholders from the agriculture sector are often left behind from accessing to financial assistance, as they experience large productivity, have low technology, poor management practices, face high output costs and attain small or low margins.
- Geographic and sector concentration
- Limited enabling environment for climate technology and venture capital investment in developing countries, including insufficient capital, market development, and technical assistance to advance innovative products/processes through the prototype, demonstration, and early adoption phases.



Fig.1 Theory of Change Diagram. Source: Own elaboration.

**The Proposed Alternative Scenario.** To close the gap and address the identified current and forecasted problems, the Yield Lab Opportunity Fund I requests a USD 6M equity investment from the GEF that will leverage an estimated additional USD 44M at closing (USD 27.2M confirmed at CEO Endorsement) in co-investments from other private investors. The finance investment provides the medium- and long-term capital needed to achieve the targeted investment thesis and business model described below.

**Goal & Objective:** The Project objective is to support a transition to decarbonized and sustainable food systems through the acceleration and upscaling of catalyst tech-based innovation as enablers to achieve climate change mitigation, adaptation, and restoration. Under the investment thesis and a systemic approach, the regional Fund will invest in a critical phase for early-stage companies from seed rounds, series A to series B. By doing so, the Fund aims to accelerate and scale up high-impact opportunities addressing some of the most significant needs and barriers in the agri-food sector.

**Target Outcomes:** The targeted outcomes include: 1) Increased private finance for investment into tech-based food systems innovation for decarbonization and inclusive sustainable development; 2) Strengthening of the innovation ecosystem as an accelerator, support, and leverage of tech-based innovations for sustainable and resilient food systems; 3) Enhanced adoption and scaleup of tech-based innovation available supporting resilience, adaptation, and less environmentally harmful models in agriculture and food systems in LAC, as a result of YLL Fund investments; 4) Increased number of people benefitting directly and indirectly from climate smart innovation in agriculture and food systems, and 5) Project Monitoring and Evaluation (M&E). The proposed Project will generate environmental, social, and financial returns, including specific Global Environmental Benefits (GEBs) like #6 GHG emissions mitigated;<sup>20</sup> #4 Areas of landscapes under improved practices, and #9 Chemicals of global concern and their waste reduced, disposed of/destroyed, phased out, avoided or eliminated from the environment, and from process, materials, and products. The outcomes will directly benefit 200,000 people from the innovations produced or deployed by the portfolio companies. For further details, see the core indicators section. Long-term outcomes are expected to be achieved from the transition towards a zero-carbon food sector, inclusive development, improved resilience, and a mature and inclusive entrepreneurial ecosystem in LAC.

**Expected Outputs:** The Project and planned activities are expected to achieve the following outputs: 1) A minimum of 20 startups (and up to 30) financed, aligned with the investment thesis, 2) 2 knowledge products developed by YLL (research, webinars, and education events for stakeholders in the innovation ecosystem), 3.1) 15,680 metric tons of chemicals of global concern and their waste reduced, disposed of/destroyed, phased out, avoided and eliminated from the environment and from processes, materials, and products, 3.2.) 29,732,240 metric tons of CO<sub>2</sub>e avoided and mitigated, 3.3.) 11,550,000 ha of land under better sustainable practices, 4) 200,000 people (60,000<sup>[2]</sup><sup>13</sup> female small & medium holder farmers and 140,000 male small & medium holder farmers) benefitting directly from the Project.

**Gender Considerations.** The project gender approach acts on three levels, (i) The Fund Manager team, (ii) The Portfolio startups, and (iii) The ecosystem. As explained in the Gender Strategy and Action Plan, the Fund will focus on four gender issues: (i) Limited capital and Venture Capital opportunities for women, by supporting inclusive capital and opportunities access within the Fund portfolio; (ii) Lack of monitoring and reporting systems in the VC ecosystem to support transparency and accountability for gender inclusion, by improving monitoring and evaluation capacities internally (the Fund Management) and at the portfolio level to promote transparency and accountability for gender commitments; (iii) Limited opportunities for gender inclusion in venture capital business ecosystem by supporting an inclusive VC business ecosystem; and, (iv) Socio-economic disparities resulting in lack of cultural, gender and geographic diversity in the innovation ecosystem in Latin America, by opening opportunities internally (Fund Management team) and in the portfolio to promote gender equality and social inclusion. For further details, please refer to the Annex document Gender Action Plan and the Results Matrix.

### Fund Investment Strategy.

The Fund will invest in 20 to 30 of the most promising early-stage startups that address the most significant challenges in the agri-food sector. The Fund will focus on a critical phase for early-stage companies, with most of the investment

portfolio concentrated in seed rounds (average tickets of USD 250k), complemented with series A and B (average tickets of USD 1M-1.5M). The decision to build a portfolio offering these ticket sizes responds to the ecosystem needs and the opportunity to complement the innovation ecosystem, with YLL acting as an accelerator and supporter of these early-stage startups hand in hand with other actors, such as SP Ventures, which focus on more mature stages of investments. The Fund will offer smaller ticket sizes and mentoring to support each startup in scaling up and preparing for regionalization and expansion into other markets. The Fund thesis offers smaller tickets in comparison with other VC Funds in the agri-food sector in addition to mentoring and support for later growth stages. This approach results in a portfolio that is complementary to the ecosystem supporting innovation in Latin America and the Caribbean.

a.	Innovation and disruption verticals in the sector
b.	Investment criteria
c.	Geographic Strategy
d.	Investment Thesis
e.	Strategy for Investment identification and origination
f.	Pipeline
g.	Investment process
h.	Fund Value proposition
i.	Exit Strategies
j.	Gender and Diversity
k.	Knowledge management and Stakeholder Engagement

**a. Innovation and disruption verticals in the sector:**

In LAC, investments can be channeled to multiple verticals in the broad agriculture and food sector. YLL will consider the following key variables to assess the relevance of innovations. In this sense, the Fund will focus on and prioritize certain verticals and innovation sectors according to the target geography, expected impact, and sector priorities, among other criteria:

- Challenges and critical needs addressed by innovations in agrotechnology.
- Economic relevance and competitiveness of the subsectors throughout the value chain.
- Productivity gaps (global and intraregional) in food systems.
- Local innovation variables: i) Environment and Climate, ii) Consumers (demand), iii) Producers in this sector (supply), iv) Regulations and Public Policy.
- There is a convergence of technologies, including Healthtech, Biotech, Cleantech, and Fintech, which are revolutionizing the agri-food sector. Technological advancement will be an essential driver and facilitator of innovation in this sector. The Project seeks to invest in categories related to sustainable food production, climate change mitigation and adaptation, social and financial inclusion, and nutritious, healthy, and safe food, as enablers for global environmental benefits including, at least, GHG emissions mitigated, chemicals and waste avoided, land under better practices, and people benefited directly and indirectly from the YLL portfolio impact.

From 12 innovation verticals, at this point the Fund has identified 6 that will have a prioritized role in the portfolio:

- - Crop Genomics, Protection & Nutrition, Animal Welfare
- - Farm Management, Information & Education Services
- - Farm Mechanization & Automation
- - Big Data & Precision Farming
- - Ag Platforms for Trading, Outsourcing & Finance
- - Supply Chain Tech

Other potential innovation verticals in the portfolio are:

- - Food Processing Technologies
- - Innovative Feed, Food & Beverages
- - Tech for Restaurants, Food Retail, Stores & Home Cooking
- - New Sales Channels
- - Novel Farming system

- - Bioenergy, biomaterials, and other renewables

For more details about the methodology to determine the prioritized verticals according to impact criteria, please refer to attached document Impact Matrix.

#### **b. Investment criteria:**

The Fund uses the following main criteria as part of the analysis of potential investments:

- Entrepreneurial team: Team with experience, complementary skills, diverse profiles, integrity, drive, and teamwork skills.
- Traction in the market: Market validation of the product.
- Product or service development and differentiation: Product or service innovation, competitive environment, differential factors in the short, medium, and long term.
- Internationalization and scaleup potential: Business model, market size, buoyant unit economies for internationalization and for scale.

Additional investment criteria are specified according to each of the innovation verticals in attached document Theory of Change.

#### **c. Geographic Strategy:**

YLL will build a regional portfolio, balancing markets from the Southern Cone and the Andean Region and startups from outside these regions, in both cases looking for models that can be scaled up regionally. While the regional mapping of agtechs deal flow shows that 80% of the ventures originate in Brazil, Argentina, and Chile, YLL has a strategy for the most nascent/emerging markets, with plans to support the development of local innovation ecosystems, promote the transfer of innovation to less developed markets, and identify the best investment opportunities in these markets. The Fund expects to support a minimum threshold of 40% of the capital in companies outside Brazil and Argentina. YLL's value proposition permeates much better in subregions that have not yet received support from other stakeholders for an efficient, sustainable transition. The Fund has offices in Mexico, Chile, Argentina, and Brazil, fostering a portfolio not monopolized by South American countries. GEF Operational Focal Points (OFPs) were informed about the project in Argentina, Brazil, Chile, Colombia, and Uruguay where The Yield Lab Opportunity Fund I already reached the investment stage in startups. Once the investment stage is reached in other countries, IDB will reach out and inform the respective OFPs.

#### **d. Investment Thesis:**

The investment thesis starts with the conviction that revolutionizing the agri-food sector offers the opportunity for far-reaching multi-sector impact rippling beyond its value chain. The food sector is a powerful vector for environmental, social, and economic impact. Some of the statements directing the investment thesis and investment approach are:

- **Techno optimism.** YLL believes technology should improve people's lives by increasing efficiency and democratizing access to information and markets.
- **Farmer centric.** Farmers and industry stakeholders that are part of the value chains must be the drivers of change, as they know best what problems need to be solved, the levels of urgency and potential scope of the impact. YLL supports inclusive innovation for medium, large, and smallholder farmers, under the assumption that with the proper economic, educational, and technological support also smallholder farmers can shape and eventually invest in relevant technologies, driving innovation from the grassroots and improving their financial security. The Fund has a significant percentage of farmers as LPs to support this thesis.
- **Mentoring beyond financing.** With each startup, the Fund applies a hands-on approach, from creating and sitting on advisory boards to helping build additional business models on top of our invested companies to capture transactional volume better and monetize Climatech, Workertech, and Fintech opportunities.
- **Leverage Incumbents.** Transforming the complex food and agriculture value chain requires a systems approach involving diverse actors aligned to achieving a common goal. Because of this, YLL proposes to convene a breadth of sector players in YLL's farmer-centric networks: from downstream buyers, intermediaries, and financial providers to the farmers, who can operationalize a systemwide change.
- **Founder closeness.** The portfolio companies join a global family of Funds under YLL management. The Fund Manager approach is filling the sector's financing gap and attracting talent, sharing expertise through coaching and mentorship, and opening access to a valuable international network.

**e. Strategy for investment identification and origination:**

With a regional mapping with more than 1,000 agtech companies, YLL has created one of the most diverse agri-food innovation databases in LAC. The continued visibility of agtechs throughout the sector’s value chain will continue to be one of the most critical competitive advantages The Fund has established a two-way approach - outbound and inbound - to identify opportunities.

*A. Outbound origination.* YLL will proactively seek opportunities based on prioritizing subsectors of innovation and disruption verticals. The priorities will be analyzed and defined by the management team. YLL leverages its network of ecosystem partners proactively to improve the visibility of its transaction flow. YLL plans to implement “Dealflow sharing roundtables” among key ecosystem partners following the prioritization of the disruption vectors to each target market. Some examples of allies in the target markets are: in Brazil, Agtech Garage association; in the Southern Cone, Nester’s alliance; in the Andean Region, Startup Chile, Incubatec UFRO, Ruta N, Hub UDEP, Bioincuba, Impaqto (Ecu), Aurus, Alerce VC, Chile Global Ventures and Digevo; and in Mexico, Bluebox, Redwood ventures, Jaguar ventures, Allvp. The Project will expand its allies and local partners in Central America over the Project duration. Current allies in Central America are: CAPCA, Solidaridad Network, Swisscontact or IFAD (Guatemala), IICA and CRUSA (LAC y Costa Rica), and many more.

*B. Inbound origination.* Although the Manager’s experience shows that the most suitable opportunities to invest come from ecosystem building origination, scouting efforts, and referrals, YLL expects to receive a stream of transactions from other sources, such as calls for calls, social networks, and websites.

The investment selection process includes the identification, screening and the due diligence process. The three processes include an analysis of the startup’s alignment with the impact investment theses, to ensure the fit under the innovation verticals, and its capacity to provide the expected GEBs and contribute to the portfolio's total GEBs' impact, besides other criteria. After this analysis process, the Investment Committee will review the information from the analysis and will approve or deny the inclusion of each of the startups in the portfolio on a case-by-case basis. Case by case will be detailed over the investment period with each startup selected. The alignment with each innovation vertical and expected GEBs with caveat that the results may vary according to the specific startups chosen for the portfolio.

**f. Pipeline:**

YLL has a pipeline of more than 50 companies that have been, or are currently being, evaluated after reviewing more than 350 companies at a regional level and mapping more than 1,000 opportunities. From that list, there is a short list of approximately 20 companies that are currently in the prospecting stage to start the proceedings. The following table shows a list of companies where the Fund has already invested, which will be expanded in the coming years

Name	Country	Description	Website	Innovation vertical	Expected GEBs
Ucropit	Argentina	Platform of crop traceability for all stakeholders who work on the agrifood value chain.	<a href="https://www.sustentabilidad.esmasrentabilidad.com/ucropit">Sustentabilidad es más rentabilidad con ucrop.it</a>	Agplatform for trading, finance, outsourcing,	GEB#4, #11,
Kilimo	Argentina	SaaS water management platform for extensive and intensive farming, with a highly precise water balance algorithm.	<a href="https://www.kilimo.com/monitoreo-y-gestion-de-riego">Kilimo   Monitoreo y Gestión de Riego – Kilimo</a>	Farm Mechanization & Authomation, BigData & Precision farming	GEB #4,#11,#6
Sioma	Colombia	Technological ecosystem developments to increase the operational productivity of tropical farmers. Provides business intelligence and insights to large agribusiness companies through its loyalty and sales incentive platform.	<a href="https://www.sioma.com/tecnologia-de-agricultura-de-precision">SIOMA: Tecnología de Agricultura de Precisión   Aumenta la productividad de tus cultivos tropicales</a>	Farm Mechanization & Authomation, BigData & Precision farming	GEB #4,#11,#6



<b>Agroforte</b>	Brazil	Digital bank for small and medium holder producers of poultry, pork, and dairy, promoting financial inclusion.	<a href="http://meuagroforte.com.br">AgroForte – Crédito de Impacto (meuagroforte.com.br)</a>	Agplatform for trading, finance, outsourcing,	GEB #4, #6, #11
<b>Seedz</b>	Brazil	Provides business intelligence and insights to large agribusiness companies through its loyalty and sales incentive platform.	<a href="#">Seedz – Home</a>	Agplatform for trading, finance, outsourcing.	GEB #4, #11
<b>The Climate Box</b>	Uruguay	The Climate Box is a leader in Climate Tech, offering automated consulting to prevent and reduce frost damage in high-value crops.	<a href="#">The Climate Box – Frost Protection</a>	Farm management & information & education services/ Crop genomics, protection & nutrition.	GEB #4, #11
<b>EIWA</b>	Argentina	Management platform for seed, crop protection and crop nutrition corporation bridging the data gap across the enterprise.	<a href="#">Content blocked by your organization (eiwa.ag)</a>	Ag-platform for trading, finance, outsourcing.	GEB #4, #6, #9, #11
<b>(in due diligence)</b>	Brazil	Platform for sequencing technologies, machine learning and genome editing tools. New class of high-performance biologicals to increase crop productivity in a sustainable way. Discovering and developing microbes for an efficient carbon sequestration and storage in soils.		Crop genomics, Protection & Nutrition. Animal welfare	GEB #4, #6, #9, #11
<b>(in due diligence)</b>	Argentina	Cloud-based, smart freight solution that captures the efficiencies of an integrated supply-chain system. By digitizing the agricultural logistic network, it provides a smart infrastructure, collects valuable data and offers shared services to the agriculture industry.		Farm management & information & education services / Big data & precision farming	GEB #4, #6, #11
<b>(in due diligence)</b>	Brazil	Platform with computer vision, which identifies patterns in images collected in the field to offer diagnostics that allow better		Farm management & information & education services /	GEB #4, #9, #11

grounding in agronomic decision-making.

Big data & precision farming

Table 1. Source. YLL information

**g. Investment process:**

The Fund has two main phases. First, the investment phase, and second, the portfolio management. In parallel to these main phases, the Fund evolves in different investment moments:

1. *Sourcing/Dealflow*: Finding and identification of venture opportunities.
2. *Analysis*: Evaluation and assessment to filter opportunities.
3. *Due Diligence*: In-depth Evaluation (financials, impact, market, among other aspects).
4. *Signing and Negotiation*: Investment negotiation and agreed terms.
5. *Portfolio Management*: Support, resources, guidance, and monitoring of portfolio.
6. *Exits and Closing*: Pursue profitable exits from the startups.

The process has six major stages: sourcing, analysis, due diligence, signing, portfolio management, and exits. At this point, YLL has tracked around 1,900 startups across LAC that solve problems within the agrifood value chain. From this deal flow, the Fund has been able to invest in seven startups and keeps analyzing and advancing in the due diligence process for new investments aligned with the Project and thesis.

**h. Fund Value Proposition:**

YLL builds value in the ecosystem by driving regional innovations that address the sector’s key challenges to produce a positive impact, starting from macro trends, identifying disruptive technologies and innovative models throughout the value chain and verticals that meet the challenges of productivity, sustainability, and inclusion. YLL leverages business, networking expertise, market intelligence, and investment in agri-food in the region as a source of competitive advantage to add value to companies and investors.

- **A Scaleup Program** equips startup founders with critical strategic and operational capabilities to grow. Built from the professional investor’s perspective, the approach of YLL Capacity Building helps startups close their businesses gaps to scale up their business. YLL’s program encompasses four dimensions (revenue, product, talent, and investors) and groups the capabilities into eight sets, each containing a group of crucial deliverables (tools with an impact on the operation of the company) that will be developed throughout the program, at both the strategic and performance level. The most important component that startup founders gain from the program is help for new businesses to transition from a local presence to a regional presence, usually over a 12- to 24-month growth trajectory, taking them from startups in the initial stage up to validated Series A companies. Two other programs also provide visibility to the performance of YLL’s portfolio companies: a) The Gateway program connects portfolio companies with corporations established in the sector and producers to generate business and create awareness. B) The Exit program (exits) (still in its early stages of implementation) connects portfolio companies with potential investors and acquirers.

- **Participation in the board of directors of companies:** In some cases, the Fund Manager will have active participation in the board of directors of the portfolio companies to (i) attract and retain talented team members management positions; (ii) act as a mentor to the executive team; (iii) provide information and market advice to future fundraisers; (iv) undertake performance monitoring; (v) identify obstacles to progress; and (vi) supervise and promote fiscal, legal, and ethical governance regulations.

**i. Exit Strategies:**

YLL has run a granular study on liquidity from exit events for the global agtech market and for the LAC region specifically. The Fund anticipates that the main opportunities to provide liquidity to the Fund’s investors will be through acquisitions by strategic or financial investors, and through secondary offerings, and in very exceptional cases, through initial public offerings. YLL may eventually benefit from subsequent equity rounds for portfolio companies, in which new investors may seek to consolidate their position. YLL identified four types of potential acquirers: the leading players in the agri-

food industry (e.g., Bayer, Syngenta, BASF, etc.); private equity funds (private equity) with consolidation strategies; global agtech platforms, and technology industry giants (e.g., Google for data or Amazon for supply chains). As part of risk management in exit events, the Management Team anticipates and has mapped various outlet options for the Fund's future investment portfolio. These mainly include: i) strategic exits through sales to major players in the agri-food sector, which are the most active buyers of agtechs and, as they increase their interests in these companies across the region, they seek to consolidate their position and their access to producers; ii) private equity firms, whose presence in the agrotechnology sector has been limited so far, but which are evidencing a shift due to the advancement of technology and maturity of adoption in the sector; iii) global agriculture technology platforms seeking to consolidate their positions through the acquisition of regional solutions; iv) tech giants seeking to enter the agri-food sector. From the inception of the Fund, interest will be placed on connecting with potential buyers and future investors, taking advantage of the global and regional connections network of YLL.

#### **j. Gender Strategy & Action Plan:**

YLL assesses gender and diversity challenges with a 360-degree view spanning from the team, across the growing portfolio companies, and up to the startups assessed for investment. YLL actively identifies, monitors, and commits to addressing gender and diversity gaps and related issues by focusing on equality initiatives that will level the playing field and have a positive impact on the YLL deal flow pipeline, the portfolio companies, and the ecosystem. For further details, see the attached document "Gender strategy & Action Plan".

The Fund/Project will act on three levels: (i) The Fund Manager team, (ii) The Portfolio startups, (iii) The ecosystem. The Fund will focus on four gender issues: (i) Limited capital and Venture Capital opportunities for women, by supporting inclusive capital and opportunities access within the Fund portfolio; (ii) Lack of monitoring and reporting systems in the VC ecosystem to support transparency and accountability for gender inclusion, by improving monitoring and evaluation capacities internally (the Fund Management) and at the portfolio level to promote transparency and accountability for gender commitments; (iii) Limited opportunities for gender inclusion in venture capital business ecosystem by supporting an inclusive VC business ecosystem; and, (iv) Socio-economic disparities resulting in lack of cultural, gender and geographic diversity in the innovation ecosystem in Latin America, by opening opportunities internally (Fund Management team) and in the portfolio to promote gender equality and social inclusion. For further detail, please refer to the attached document Gender Strategy & Action Plan.

The Gender Strategy & Action Plan will be monitored according to IDB Lab's standardized monitoring and evaluation process. IDB Lab will monitor the project, including the gender action plan, in three ways: (i) YLL has an investment officer in charge of monitoring the operation, and an alternate investment officer. (ii) The officers have monthly meetings to monitor and support the Fund. (iii) YLL needs to follow traditional reporting standards for Impact Funds, including quarterly reports, and LP monthly and quarterly meetings.

#### **k. Knowledge Management and Stakeholder Engagement.**

As described before, the region needs to strengthen its innovation ecosystem: Building and promoting sustainable, resilient ecosystems capable of facing global megatrends will allow us to develop the paradigm shift that the agribusiness of the future demands from the base of human talent. This prevailing context motivates the Project Proposal to promote early-stage agrotechnological innovations with catalytic potential.

Stakeholder engagement is critical to empower talent and build ecosystem capacities. By engaging with the most relevant stakeholders, it is possible to identify potential barriers that hinder the ecosystem's scalability and regional impact opportunities for startups within their Fund portfolio.

For this reason, YLL believes that the promotion of agri-food tech ecosystems is one of the key points to promote sustainable agri-food systems, with the potential to have a positive impact on societies and the environment. In order to enable innovative talent to capture technology opportunities in the agri-food industry, we focus the stakeholder engagement strategy on supporting a nascent ecosystem. This holistic approach sets YLL apart from other venture capital funds in Latin America, which primarily concentrate on direct support for startups without considering the broader ecosystem.

The Yield Lab Latam's approach leverages deficiencies that have traditionally impeded the local VC industry, transforming them into strategic opportunities. By focusing on innovation capillarity, incumbent engagement, and founder proximity, the firm has created a differentiated approach resonant with the region's unique needs and engages with stakeholders at three levels:

- 
- i. **Innovation Capillarity:** Partnering with agrifood tech innovation hubs and innovation policy officials, YLL expands its technological reach throughout the region. This network enables the identification and support of nascent innovations, driving sustainable growth where it's needed most.
  - ii. **Incumbent Engagement:** By fostering relationships with an exclusive pool of strategic (incumbent) investors concerned with agri-food industry productivity, sustainability, and inclusivity, such as IDB Lab, Nestlé, Bimbo, SQM, etc, The Yield Lab Latam aligns investments with industry goals, maximizing impact and relevance.
  - iii. **Founder Proximity:** Recognizing the unique VC complexities in Latin America, YLL emphasizes hands-on mentoring, guiding founders through challenges and providing essential support to navigate the region's particular landscape.

The knowledge management approach is fully funded by the Yield Lab Latam and Yield Lab Institute (YLI)[\[3\]](#)<sup>14</sup> and provides the basis for developing the YLI and YLL programs described below:

- **Acceleration Programs:** They seek to strengthen the Hubs as articulators, connectors, drivers and main agents of ecosystem change.
- **Innovation Challenges:** They seek to provide essential tools for entrepreneurs and startups to improve their innovations through specific content and leveraging a network of more than 80 global mentors with specialized knowledge in the different verticals of the sector.
- **Roundtables:** The methodology of the roundtables is designed to provide the main stakeholders and producers of the sector with the opportunity to learn about the benefits of using innovation to promote a sustainable agribusiness through work sessions guided by a specific methodology.
- **White Papers and Research:** Agri-food technology ecosystem studies build information and knowledge about ecosystems enabling researchers, the academia, policy makers, founders, and governments to detect challenges and leverage solutions and opportunities to foster ecosystem growth.
- **Trips and Events:** Through the organization of trips to more developed ecosystems and thanks to the events organized in different regions, The Yield Lab Institute promotes the articulation and connection of the different actors in the ecosystem (Hubs, Startups, Academia, Incumbents, Producers, Government, Financial Agents, etc.).
- **Growth Programs for founders:** These programs follow a capacity-building approach to equip portfolio company founders with the key strategic and operational capacities that are fundamental on the roadmap to a Series A. There are three key strategic processes in which we seek to add value to our portfolio companies, and which provide our founders with the right mindset and skillset:
  - Scale Up Program
  - Mentoring and board management
  - Harvest Program (under construction)

**Innovation Engagement programs for investors:** Open innovation programs to support fund investors:

- Open Innovation Programs
- Collaboration Fund Programs

The Stakeholder and Knowledge Management Plan will be part of the monitoring and evaluation processes executed by IDB Lab. This project will generate 2 knowledge products per year as listed in the project description overview table. For more information, please see the section 'Monitoring and Reporting' in the Plan. These products and the associated materials will be reported during project implementation in the PIRs, midterm and final evaluations. The 2 knowledge products to be generated annually by the project and additional KML activities are fully funded through two vehicles - Yield Lab Institute and Yield Lab Latam by

the Fund's management fees. The budget, which can be found in a link in the document 'Stakeholder Engagement and Knowledge Management Plan' is a projection of the annual financial resources (for the whole duration of the project) for the knowledge management actions, products and events financed by the Fund Manager and its Institute. The Fund manager will be responsible for the implementation of the Plan and the corresponding reporting.

YLL will engage with innovation stakeholders to get early visibility to investing pain points, trends, and opportunities. Latin America is no Silicon Valley and information access is limited. As such, YLL differentiator is that early and direct engagement with innovation stakeholders would help YLL overcome the ecosystem deficiencies and therefore de-risking faulty information on potential investments.

For YLL stakeholder engagement is the most critical step into the knowledge management ladder for the region's innovation capacities. This engagement starts with awareness, and then it moves into engagement, to allow for experiences, to build habituation, to grow into capacities, to build the region's competitive advantages. YLL's engagement model covers four dimensions for ecosystem advancement:

- (i) Resources on which the ecosystem feeds and supports its ever-changing needs,
- (ii) Pillars representing the principal areas for the agent's interaction and development,
- (iii) Agents leading or hindering change through
- (iv) Drivers for change within the ecosystem.

Image. Stakeholder Engagement and Knowledge Management Fund Scope.

## AgriFoodTech innovation spans the whole food & ag value chain

Technological innovation in the AgriFoodTech space is a major driver to make the food and agriculture production system more efficient and sustainable, with multiple areas ripe for disruption.

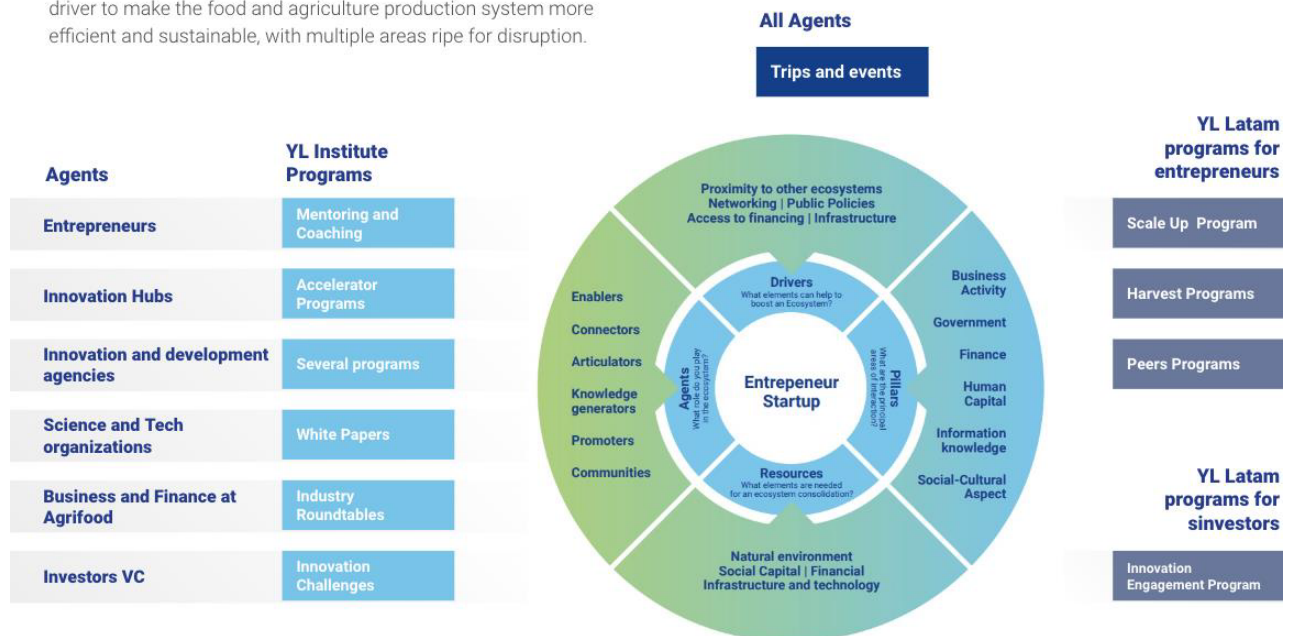


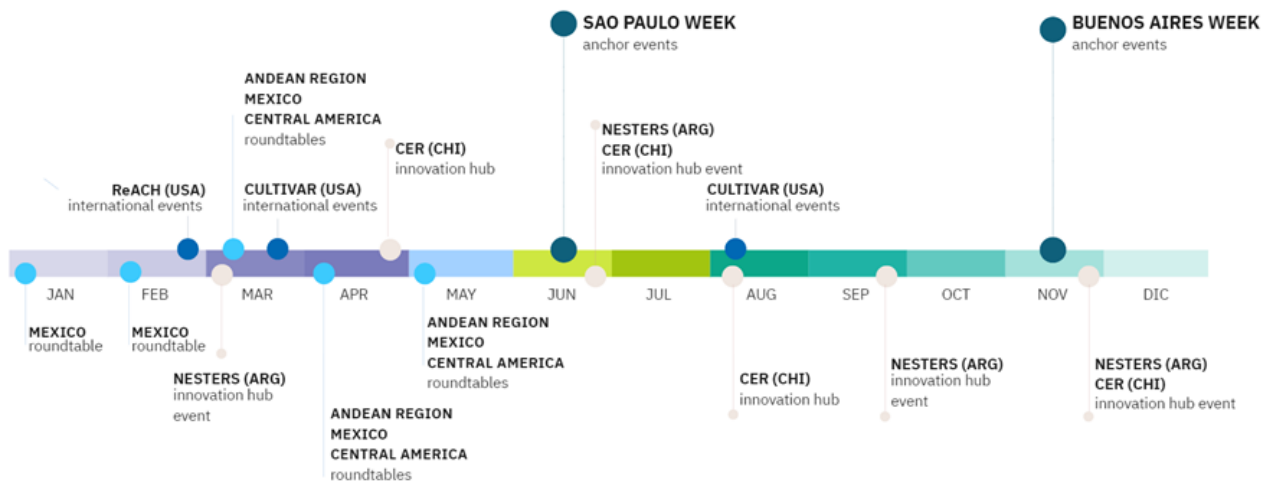
Table. Summary of Stakeholder Engagement Plan

STAKEHOLDER GROUP	INTEREST	INFLUENCE	PROJECT INTEREST MOTIVATION	PROJECT ENGAGEMENT	CONTRIBUTIONS/ RESPONSIBILITIES
Portfolio startups	High	High	The startups are aiming to scale up and achieve more mature company stages. They are interested in the financial capital and	These stakeholders are the project focus because their work, scope, and results are the core to the success materializing the Fund/project objectives as they push the existing industry	Developing or applying technologies for sustainable practices adoption.



			specialized support by the Fund in the process.	standards towards sustainability practices.	To provide updated information to capture and measure results indicators in the process.
<b>Investors</b>	High	High	The YLL funding is from impact investors, therefore, its motivations in the project are a balance of financial returns and positive impact results.	These stakeholders are crucial in the project because they are the enablers for the project execution, and directly related for project scope.	As the fund investors are all strategic players in the agrifood industry, they not only supply the capital but also valuable insights into the industry's pain points on achieving sustainable practices while feeding the world through nutritious, safe, and healthy food. Therefore, they will be part of the roundtables, events, and programs (knowledge products) developed by YLL.
<b>Innovation Hubs</b>	High	Medium	Innovation hubs are interested in articulating and networking with investment funds for support for the startups part of the Hubs. Furthermore, the YLL efforts strengthening the innovation ecosystem is beneficial for all.	These stakeholders are important for the project for various reasons: First, the innovation hubs are crucial in the support in developing an emergent innovation ecosystem, which is a common goal. Second, the innovation hubs are important identifying startups during the project duration. Also, the Hubs are enablers for increasing the scope of knowledge products developed by the Fund.	These stakeholders provide the context (facilities, events, local enhanced communication) for content generation and stakeholder networking.  Innovation hubs help to enhance the local impact scope of events and knowledge products.
<b>Public Sector</b>	Medium	Medium	This type of stakeholder is interested in inclusive development, increase of employment sources, economic development, and scaling up of a sustainable agri-food sector. The Agri-food sector can impact vulnerable populations, which is why supporting the Fund is an opportunity for them.	The public sector stakeholders in research can support the Fund vision, the legislation can support or be a barrier of growth for the Fund start-ups or be part of constructive roundtables and events for joining and coordinating efforts with the private sector, among other possible engagement.	Following their multiple agendas, public sector organizations occupy different roles as investors, Innovation Hubs, or Academia. As such, their contributions track that of the equivalent stakeholders.
<b>Science Researchers/ Academy</b>	Medium	High	Academy and research stakeholders are interested in networking with partners that are executing, and market driven, for the practical execution of research advance and geographic scope.	The targeted startups are innovating in the sector. The science stakeholders involved are part of the process of accelerating and helping the startups and the fund to solve process barriers.	These stakeholders are usually the launching pad for both the technology and teams which will become the future startups from which the Fund nurtures its dealflow. They participate in roundtables and events. They are a context for future pipeline sourcing. They provide a space for disseminating the knowledge products.
<b>Civil society</b>	Medium	Low	The civil society in the agri-food sector targets environmental, social, or economic development and would be interested in supporting and collaborating for joint efforts.	Civil society stakeholders listed follow a common vision towards sustainability: the support in developing an emergent innovation agenda, identifying startups during the project duration, and increasing the scope of knowledge products developed by the Fund.	Civil society contributions include heightened awareness of the agrifood industry challenges, and the context brought by the several initiatives and events they put together following their diverse development agendas.

### Image. Knowledge Management and Stakeholder Engagement annual events.



The Fund will promote knowledge exchange and sharing with existing GEF programs like the GEF-8 Food Systems IP, the GEF-7 FOLUR IP, and the FARM (Financing Agrochemical Reduction and Management) program, etc. YLL's thesis and thematic focus is aligned with the Food Systems IP's overall objective of catalyzing the transformation to sustainable food systems that are nature positive, resilient, and pollution-reduced, looking to reduce environmental degradation and negative externalities in food production systems (food crops, commercial commodities, livestock, and aquaculture) and on the demand side across supply chains'. YLL will support knowledge exchange with the IP about positive results, impactful actions, and lessons learned to accelerate crucial technology, and the private sector's role in encouraging the use of these new technologies to help transform agriculture. The FOLUR IP focuses on the Latin American countries Brazil, Peru, Guatemala, Mexico, and Paraguay. All of them are part of the geographic scope of YLL. Specific knowledge and lessons learned from these countries will be shared, paying attention to the main crops and value chain priorities from the IP program. Furthermore, alignment with FARM will be taken as an opportunity to support synergies and knowledge sharing through the FARM Green Growth Knowledge Platform (GGKP), and its three units - the Green Policy Platform, Green Industry Platform, and Green Finance Platform. YLL's knowledge exchange with these programs will help to provide access to the latest research, case studies, guidance, and tools to empower policymakers and advisors, small and medium-sized enterprises (SMEs), and banks, insurance, and investment firms to enable evidence-based decision-making about how to green their operations. YLL will directly contact each program manager to meet and jointly establish the best channel (reports, workshops, quarterly/annual meetings,...) and frequency to promote synergies and knowledge sharing during project duration.

For more information about YLLs Knowledge Management and Stakeholder Engagement, please refer to the attached document "Stakeholder Engagement and Knowledge Management Plan".

In addition, IDB will be an important agent in knowledge management and communication of successes and challenges. Co-creating, curating and disseminating practical knowledge and lessons learned to solve inclusion challenges is an integral part of IDB Lab's work in Latin America and the Caribbean. IDB Lab as the venture capital arm of the group, understands that the innovation sector is a sector with a high-level of uncertainty, but that there are characteristics in the teams, the approaches, the context, the governance structures, and the reading of these aspects among others, which are decisive factors for success. This is how IDB Lab accompanies but also analyzes and reads active and past operations to understand key factors of success and failure. This vital information is being shared through internal case studies and in networking events organized by IDB Lab. This allows IDB Lab to continue improving its additionality, internal capabilities, and the positive influence in the innovative ecosystem. For example, one of the partners of The Yield Lab is participating in the IDB Lab Forum 2023, where they share their experience, proposal, and lessons learned with members of IDB Lab and other Fund managers, as well as with a large group of members of the LATAM innovation ecosystem.

Of particular relevance for the Yield Lab is IDB Lab's vast experience with Agtech and foodtech VC stakeholders like SP Ventures, Agrocapiital, Agrosmart, and Kilimo among many more startups, or VC funds that include verticals related to Agriculture and Natural Capital in their portfolio. Lessons learned from these startups and VC Funds are used in reports to IDB Group leaders to understand the evolution of those funds, future needs and priorities. This contributes to greater internal understanding of portfolio and success stories or failures. IDB Lab also develops a wide range of knowledge products for external audiences to ensure lessons are leveraged to replicate and scale-up success stories in other countries or regions in LATAM. Examples of the products can be found in [Publications \(iadb.org\)](https://www.iadb.org/publications) or [Blog del Banco Interamericano de Desarrollo \(iadb.org\)](https://www.iadb.org/blog). Additional examples of knowledge sharing and lessons learned from IDB Lab operations are: [Casos de uso de blockchain en las cadenas de valor agropecuarias: América Latina y el Caribe \(iadb.org\)](#), [Escalando la innovación en el mundo del desarrollo: la experiencia de BID Lab \(iadb.org\)](#), [Ejido](#)

Verde, [Aprendiendo juntos para avanzar en la transformación digital de MIPYMEs: el caso de Uruguay - Puntos sobre la i \(iadb.org\)](#). Similar products can be expected for the Yield Lab project development. portfolio.

Below please find YLL's communication strategy including, among others, audience, messages, channel and frequency:

**Communication Strategy.**

<b>COMMUNICATION STRATEGY PLAN</b>					
<b>AUDIENCES GROUPS</b>	<b>OBJECTIVE OF THE COMMUNICATION</b>	<b>MESSAGES</b>	<b>CHANNEL</b>	<b>FREQUENCY</b>	<b>YLL RESPONSIBLE</b>
Startups	To be recognized as the preferred partner for the most promising technology startups in the industry	We provide Global Visibility to Regional Innovation.  Our global network gives us the advantage to lead global trends in technology and business models, driving distributed innovation for the food industry through venture capital, unlocking the AgriFoodTech potential of Latin America.'	1. Events 2. Social Media 3. Paid Media 4. Articles in Specialized Media	Weekly, Monthly, quarterly, according to each communication channel.	YLL Fund Manager
Startups Portfolio Companies	Position the companies as champions in the industry at regional and global levels	Our Commitment is Action -  We firmly commit to supporting founders in their growth journey and business management to empower them as champions in the AgriFoodTech ecosystem. Together, we aim to break new ground in innovation and address the demands of the evolving consumer.	1. Events 2. Social Media 3. Articles in Specialized Media 4. Newsletter 1. Reports (Industry Trends)	Weekly, Monthly, quarterly, Annual according to each communication channel	YLL Fund Manager
Investors	To keep investors updated on the progress of the Fund's objectives and to inform the compliance schedule for investor's duties.	- Current and historical status of the Fund. (Financial and impact)  - Identified challenges, problems, and management strategies.	1. Monthly meeting. (virtual) 2. Quarterly Report (written document) 3. Monthly Newsletter 4. Annual Report 5. Roadshows trips	Monthly, quarterly, and annual according to each communication channel.	YLL Fund Manager
Innovation Hubs	Lead conversations in the AgriFoodTech ecosystem. Stimulate deal flow in the region and shorten learning curves within the sector.	We engage with talents in the AgriFoodTech ecosystem through cross-cultural and multidisciplinary conversations to provide the necessary context, enrich knowledge, and accelerate the industry's required transformation, thereby creating a profound social impact in the environment.	1. Innovation Challenges 2. Acceleration Programs 3. Agtech Roundtables 4. Expert Panels	According to each communication channel.	YLL Fund Manager
Public Sector	Raise awareness about the crucial impact of the Agrifoodtech industry and	The global network of Agrifoodtech experts that Yield Lab builds allows us to identify a broad spectrum of impactful and innovative	1. Events 2. Articles in Specialized Media	According to each communication channel.	YLL Fund Manager



	establish ourselves as reliable benchmarks in investments to contribute to the sustainable development of the sector.	trends and solutions, from both the supply and demand perspectives worldwide. This empowers us to drive the potential of the food			
Science, researchers, Academy	Enrich knowledge and accelerate the transformation that the industry requires, creating a profound impact on the environment.	We connect with talents in the AgriFoodTech ecosystem through cross-cultural and multidisciplinary conversations to provide the necessary context, enrich knowledge, and accelerate transformation	1. Articles in Specialized Media 2. Social Media 3. Industry Reports 4. News Editorials 5. Yield Lab Institute Website	According to each communication channel	YLL Fund Manager

**GEF + IDB Lab Additionality.** GEF's investment (USD 6M) into the Yield Lab Latam Fund will be the critical catalytic capital needed to cushion and trigger the additional investments to fund and launch YLL fully. And in doing so, it will provide essential investment and technical assistance to SMEs focused on climate-smart innovation in Latin America, working towards supporting critical SDGs, environmental benefits, and countries' Nationally Determined Contributions under the Paris Agreement. In addition, IDB Lab is investing USD 4M in the Fund as part of the co-finance for GEF.

- GEF's investment will be fundamental in leveraging additional co-financing from other investors. By joining forces with the GEF, private investors increase their appetite to invest in the region through the Yield Lab Latam Fund. As an investor, the GEF is highly valuable, as it promotes opportunities for more significant and long-term financing aligned with the impact thesis, which results in scalability and expands the scope of the Fund and of the companies that are part of the Fund. This directly accelerates growth and impact.
- The GEF investment requirements stipulate the need to implement measurement methodologies to capture GEB impact indicators to identify the undertakings with potential to catalyze a more profound impact throughout LAC and, in the short-term, advance towards supporting the startups that best contribute to the impact objectives.
- The GEF requirements promote a process of both professionalization and maturation in environmental issues, which reinforces the consolidation and growth of each portfolio company within the Fund.
- The Fund and GEF financing will enable to support the innovation ecosystem in all regions across LAC, rather than only the developed countries, resulting in real action for inclusive development.
- Integrated impact efforts. By securing a GEF investment and going through the project design phase, the Fund will have the opportunity to delve further into its impact goals. Agtech, foodtech, and climate tech are huge sectors, and aligning the project with GEF impact goals (GEBs) helps mitigate the risk of having a portfolio that is too broad and lacks intentionality. This alignment enables a better understanding of how each startup in the portfolio contributes to the bigger picture in each focal area, in relation to the impact goals of GEF. The GEF process will give the space for analyzing and supporting the Fund in making a more targeted selection of companies for the portfolio, aligned with the sectors that are intended to be impacted. This targeted approach will result in a more significant impact over the 10-year duration of the Project and enhance its potential impact in the long term.
- Also, the investment requirements of GEF are a guiding framework for The Yield Lab to establish a measurement system and standardized methodologies to measure GEB impact indicators. This rationale will equip the Fund with the necessary capabilities to execute those methodologies.
- An additional aspect of additionality arises from the opportunity to establish a two-way communication channel facilitating the exchange of reports and evaluations, among other information. Over the next 10 years, multiple variables such as global challenges, focus priorities, specific needs, and market behavior will change and evolve. In this dynamic context, the GEF, as an actor that is at the center of the conversation and decision-making, will provide essential support by guiding the process, and also communicating the challenges, needs, market behavior and the response of the private sector facing these challenges, from the background.

IDB Lab, participating as a co-investor, will provide tools and strategic advice to support YLL in maturing its capacities to achieve greater impact, which is essential to accomplish the objectives of the GEF Project proposed. Part of IDB's additionality is:

- a) Gender and diversity. IDB Lab will support the Fund manager to incorporate a gender and diversity lens to investments, both at the management (diverse representation in instances of governance, gender, and diversity policies) and at the company level of the Fund, providing tools and strategic advice.

- b) Connections and knowledge. IDB Lab will support YLL's interest in strengthening the ecosystem with its structures, network, expertise and knowledge.
- c) IDB Lab teaming with GEF will help YLL mature the necessary capabilities for higher environmental benefits.
- d) Governance, Environmental, and Social Sustainability. As a member of the Advisory Committee, IDB Lab will promote and monitor the adoption of good corporate governance practices for the Fund and the implementation of an Environmental and Social Management System (ESMS) aligned with the Environmental and Social Performance Standards of the IDB.

## Differences between The Yield Lab Latam and SP Ventures and complementary roles

**1. The Yield Lab is an accelerator complementing the ecosystem.** Innovation process for startups requires a network of supportive actors aligned and working collaboratively thorough the whole process. The Yield Lab plays a complementary role in the ecosystem, acting in part as an accelerator and supporter of these early-stage startups, working alongside other actors who primarily operate in more mature stages of investments. Therefore, besides the value proposition, YLL offers smaller ticket sizes and mentoring to support each startup to grow and mature, and subsequently tap into regional markets and implement solutions at a larger scale. The Yield Lab will offer tickets ranging from an average of USD 250K up to USD 1.5 million, in addition to mentoring and preparation for later scalation stages. This distinguishes The Yield Lab from other actors focused on food systems, like SP Ventures and other LAC Funds, offering larger tickets.

**2. The Yield Lab places particular emphasis on sub-regions not covered by other regional funds.** This proposal has a regional approach, like other Latin American stakeholders. However, The Yield Lab stands apart by offering differences and a value proposition that permeate much better in subregions that have not yet received support from other actors for an efficient, sustainable transition. The Yield Lab has offices in Mexico, Chile, Argentina, and Brazil, resulting in a portfolio that is not monopolized by South America, which is often the case due to innovation development happening primarily in countries like Brazil. This means that there is complementarity with players like SP Ventures, which, despite being regional, are more reluctant to achieving a balance in their portfolio by financing actors outside of Brazil, due to contextual realities such as the COVID-19 pandemic, and because their offices are based in Brazil. The proposal of The Yield Lab therefore seeks to respond to the needs of the startup ecosystem in regions like Guatemala, Costa Rica, Honduras, and others, which are typically left aside from investment portfolios. Furthermore, The Yield Lab defines priorities for each subregion of LAC. For Central America and the Caribbean, the focus is placed on intensive crops, with solutions including fintechs, traceability, logistics, and water and irrigation systems; for South America, it focuses on livestock, broad farming, bioenergies, food and beverages, and raw crops, with solutions including data analytics, insurance, and sustainable proteins; for the South Cone, the focus is placed on permanent crops, fisheries and aquaculture, with solutions including labor technologies, biologicals, digital aquaculture, geolocalization, and sustainable feed. These are only a few examples of possible innovation subsectors to support startups.

**3. Systemic Approach.** YLL builds value in the ecosystem by driving regional innovations that address the sector's key challenges to produce a positive impact, starting from macro trends, identifying disruptive technologies and innovative models throughout the value chain, and verticals that meet the challenges of productivity, sustainability, and inclusion. Additionally, YLL's strategy is built upon professionalism, networking expertise, market intelligence, and a long track record of investments in the agri-food sector in the region as a competitive advantage to provide added value to companies and investors. This approach entails ongoing analysis and engagement with various stakeholders across different levels of the innovation ecosystem. The aim is to identify potential barriers and work jointly to solve key issues limiting the ecosystem's ability to scale up and regionalize impact opportunities for each startup within the Fund's portfolio. This is not common in other VC Funds in LAC, like SP Ventures, whose focus is primarily on providing direct support to startups, and not to the ecosystem as a whole. In recent years, the Fund managers have implemented several initiatives to develop strategic allies and provide support within the innovation ecosystem of less developed regions, like Central America:

- a. Since 2022, YLL has supported IICA in joint actions in Costa Rica and the region. Within the framework of this collaboration, YLL served as strategic partners of the 'IICA Digital Agriculture Week' in 2022 and 2023.
- b. Starting in 2022, YLL have been holding regular brainstorming sessions with IFAD and FAO (Rome headquarters). The purpose of these meetings is to monitor the situation of the agri-food tech ecosystem in Central America and propose specific actions for FAO and IFAD in the region.
- c. In 2022, as part of our cooperation with FAO and IFAD, YLL participated in the organization of the event 'Round Table Opportunities to accelerate the digitalization of the agriculture sector in the countries of Central America and the Caribbean.' YLL is currently helping design the strategy of IFAD's plan in the region for 2023-2024.
- d. Hand in hand with the FAO Office of Science and Technology in Chile, in 2022, YLL conducted an exploratory study on technological adoption by small farmers in LAC. We chose Guatemala as one of the study

countries, which allowed us to come into contact with and address the challenges and opportunities of agri-food tech in this country. This exploratory study is managed internally by FAO, but YLL can request authorization to share some ideas with you if desired. The Yield Lab intends to continue supporting ecosystem initiatives in Central America in 2023, building upon existing alliances and expanding ecosystem connections with other vital institutions in the region.

#### Definitions:

- The Yield Lab Latam (YLL) (Fund Managers)
- The Yield Lab Latam Opportunity Fund I (The Fund)
- Latin America and the Caribbean (LAC)
- Agrotechnology (agtech)
- Agriculture and food sector (agri-food)

---

[1] Fundraising is an important part of the growth journey of each startup. These fundraising rounds allow investors to invest money into a growing company in exchange for equity/ownership. The initial investment—also known as seed funding—is followed by various rounds, known as Series A, B, and C. A new valuation is done at the time of each funding round.

[2] In Latin America and the Caribbean, **only between 8% and 30% of agricultural production is managed by women, according to the United Nations Food and Agriculture Organization (FAO). The fund proposes a target of 30% female beneficiaries, which will substantially increase the baseline percentage of womens' participation in most cases. The target takes into account the baseline of women currently participating in the agricultural sector and the Fund Manager's own experience from previous Funds.**

[3] The Yield Lab Institute (YLI) was formed in July 2017 by team members of [The Yield Lab](#). YLI drives sustainable agrifood tech innovation globally and supports engagement in agrifood tech entrepreneurship in a meaningful way outside of the confines of a venture capital model. It supports it by attracting a greater diversity of innovators to the agtech space, and by clearly communicating the needs of current stakeholders. We can do this utilizing a variety of levers that include innovation challenges, ecosystem assessments, white papers, webinars, agtech immersions and boot camps, a weekly newsletter and more.

#### Institutional Arrangement and Coordination with Ongoing Initiatives and Project.

Please describe the Institutional Arrangements for the execution of this project, including financial management and procurement. If possible, please summarize the flow of funds (diagram), accountabilities for project management and financial reporting (organogram), including audit, and staffing plans. (max. 500 words, approximately 1 page)

IDB as accredited GEF Agency will provide oversight and direction in line with IDB policies, as well as IDB Fiduciary Standards, IDB Standards for Environment and Social Safeguards, GEF Policy on Program and Project Cycle Management and others.

The project will follow the institutional arrangement established by IDB Group for the administration of third-party funds and specifically for green funds like the GEF. This managing framework covers financial management, procurement, and other necessary processes.

IDB Lab's extensive experience helping, designing, and participating in investment vehicles over the last 30 years proves to be a strong institutional structure and maturity to execute, administrate and monitor funds under the best practices.

Yield Lab Latam as the Fund Manager will be responsible for executing the project presented to GEF (Yield Lab Opportunity Fund I). Please see Annex about executing agency capacity for further detail. IDB Lab has a contract as Limited partner/ investor in the fund from its own investment (USD 4M). IDB will be the administrator of the GEF funds and be responsible for monitoring and implementation of the funds. Attached is IDB Lab's contract for further detail on procurement.

Will the GEF Agency play an execution role on this project?

If so, please describe that role here and the justification.

Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing (max. 500 words, approximately 1 page)

IDB Lab has vast experience helping design and participating in investment vehicles. During the last 30 years, IDB Lab has invested in nearly 80 investment VC Funds across Latin America and the Caribbean, of which around 50 are still active. IDB Lab's experience and collaborative relationship with fund managers provides IADB with a comparative advantage over other regional development agencies in overseeing and successfully implementing investment vehicles like The Yield Lab.

As described in the project rationale section, The Yield Lab fills a gap in the innovation ecosystem by supporting a sort of incubator that targets a geographic area that is different from that targeted by other VC Funds that invest in food system innovations, and it adopts a systemic approach. The knowledge gained and lessons learned by The Yield Lab will be important to encourage other impact investors to participate more actively in the innovation sector with a view to moving agriculture and food systems to a sustainability pathway. The Project will help articulate efforts throughout the region by leveraging lessons learned from different companies in different countries.

In addition to the Fund's efforts to support stakeholders in the innovation ecosystem and foster connectivity among them, as well as create knowledge products and conduct different actions, IDB Lab's value proposition includes providing and facilitating networking opportunities and knowledge sharing. Agriculture and Natural Capital is one of the vertical areas of IDB Lab and IDB Group as a whole, so the Project is part of a list of actions undertaken collaboratively across the three arms of IDB Group with the aim of promoting a public agenda that fosters improved regulation and enabling conditions, unlocking financing, providing advisory services, facilitating collaboration and generating capacities among the different actors to catalyze development in the region.

#### Examples include:

- IDB Lab supports different but complementary impact funds focused on supporting social and environmental impact. They contribute to the evolution of agriculture and food systems with a view to addressing environmental and social challenges. The articulation and complementarity between these funds is of utmost importance. Some of these funds are [SP Ventures](#), [EcoEnterprises](#), among others.

- In addition, IDB Lab's portfolio includes a number of projects, companies and startups that are aligned with YLL's theory of change, which opens a great opportunity for collaboration. Examples are [Clicampo](#), [Agrolend](#), [Agrosmart](#), [EjidoVerde](#), [Beeflow](#), and many more.

Some of the lessons learned and knowledge gained from previous projects, investments, and impact fund development are: (i) Understanding Local Challenges: Local nuances matter, as challenges in agriculture and food production can vary widely across the LAC region. Conducting in-depth research on specific challenges in the target region and involving local specialists to develop tailored solutions is important. (ii) Technology Adoption Rate: Considering the pace at which farmers and businesses adopt new technologies is essential, and it is important to develop strategies for gradual technology adoption in first of a kind business. (iii) Collaboration with Stakeholders: Engagement with local farmers and other local stakeholders in the sector early on in the fund's lifecycle fosters strong partnerships that help enhance acceptance and contribute to securing success and sustainability. (iv) Scalability and Flexibility: Scalability is crucial for long-term success. Solutions that have a roadmap for scaling up or regionalization should contemplate flexibility to adapt to changing market and environmental conditions. (v) Regulatory Landscape: Regulatory frameworks can impact the adoption of new technologies. Funds should stay informed about regulatory changes.

## Core Indicators

Indicate expected results in each relevant indicator using methodologies indicated in the GEF-8 Results Measurement Framework Guidelines. There is no need to complete this table for climate adaptation projects financed solely through LDCF and SDCF.

### Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0	0	0	0

#### Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

#### Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

#### Indicator 3.3 Area of natural grass and woodland under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

#### Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

### Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
13646300	11550000	0	0

#### Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

#### Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

#### Type/Name of Third Party Certification

#### Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
13,646,300.00	11,550,000.00		

#### Indicator 4.4 Area of High Conservation Value or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
---------------------	----------------------	----------------------------------	----------------------	---------------------

#### Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
-------------------	---------	----------------------------	--	----------------------------	---------------------------

#### Documents (Document(s) that justifies the HCVF)

Title
-------

#### Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>	12639838	29732240	0	0
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>	0	0	0	0

#### Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>	10,990,400	25,121,040		
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>				
<b>Anticipated start year of accounting</b>	2025	2025		
<b>Duration of accounting</b>	20	20		

#### Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
<b>Expected metric tons of CO<sub>2</sub>e (direct)</b>	1,649,438	4,611,200		
<b>Expected metric tons of CO<sub>2</sub>e (indirect)</b>				
<b>Anticipated start year of accounting</b>	2025	2025		
<b>Duration of accounting</b>	20	10		

#### Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
<b>Target Energy Saved (MJ)</b>				

#### Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)



Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)
------------	------------------------------------	--	------------------------------------	-----------------------------------

#### Indicator 9 Chemicals of global concern and their waste reduced

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
5,226.00	15,680.00	0.00	0.00

#### Indicator 9.1 Solid and liquid Persistent Organic Pollutants (POPs) removed or disposed (POPs type)

POPs type	Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
--------------	----------------------------------	--	----------------------------------	---------------------------------

#### Indicator 9.2 Quantity of mercury reduced (metric tons)

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

#### Indicator 9.3 Hydrochlorofluorocarbons (HCFC) Reduced/Phased out (metric tons)

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
0.00			

#### Indicator 9.4 Number of countries with legislation and policy implemented to control chemicals and waste (Use this sub-indicator in addition to one of the sub-indicators 9.1, 9.2 and 9.3 if applicable)

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
0			

#### Indicator 9.5 Number of low-chemical/non-chemical systems implemented, particularly in food production, manufacturing and cities (Use this sub-indicator in addition to one of the sub-indicators 9.1, 9.2 and 9.3 if applicable)

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
0			

#### Indicator 9.6 POPs/Mercury containing materials and products directly avoided

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
0.00			

### Indicator 9.7 Highly Hazardous Pesticides eliminated

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
5,226.00	15,680.00		

### Indicator 9.8 Avoided residual plastic waste

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
0.00			

### Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
<b>Female</b>	81,000	60,000		
<b>Male</b>	189,000	140,000		
<b>Total</b>	<b>270,000</b>	<b>200,000</b>	<b>0</b>	<b>0</b>

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

In the PIF, the GEB targets were estimated according to a top-down approach, considering the sector, the innovation verticals that will be part of the portfolio, the companies that are currently invested and in pipeline, the startups scaling over the years, and diverse variables and assumptions.

As indicated during the PIF review stage of this project, further analysis of the methodology and the GEBs was undertaken for the CEO endorsement document to verify each of the GEB calculations and their projections over time, including the scaling projections. This was necessary given the complexity of these calculations and considering that this is the first time YLL develops some of these types of estimations for its portfolio.

As part of this exercise, the top-down approach presented at PIF stage (see description of Approach A below) was adjusted including the replacement of secondary sources and reference factors with IPCC references for example, with the aim of improving the sources and using the most reliable data. Some changes are proposed to the GEBs indicator numbers compared to the PIF proposal as a result of this further analysis.

It is important to highlight that for GEB indicator 6, an even more detailed validation process was undertaken for CEO endorsement to ensure greater certainty of the calculation projection model. This was necessary since this indicator presented the most uncertainty in terms of calculating GEBs. To this end, a calculation model (see Approach B described below) was designed in addition to Approach A to validate projections. This was done in a joint review process between The Yield Lab and IDB technical specialists.

The GEB review process for the project hence resulted in two scenarios to make estimations to assess the Fund's impact on GEBs. The current projections of all indicators, including #6, are based on Approach A. For indicator 6, the projections using Approach B resulted in higher numbers and therefore, the more conservative Approach A was used for now. However, the models will be improved over time and especially Approach B will become more solid as a means of comparison and validation as more startups



will have entered the Fund's Portfolio. For core indicator #6, sub-indicator 6.1. was included since main emissions will stem from Carbon Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector and indicator 6.2. according to Core Indicators guidelines, was therefore considered in the project scope, only from the avoided emissions from the replacement of chemicals inputs, the livestock methane reduction and the optimization of machinery used in farm.

Indicator 11 considers direct clients and users of each of the startups as beneficiaries and is calculated based on a 10-year projection.

Approach (A): Estimations about changes in carbon stocks depend on the availability of data and models, as well as resources and capacity to collect and analyze additional information. Due to the fact that the project is at an initial stage of development and thus, it is subject to limitations in terms of deriving default data sets to support certain estimations of stock changes, a combination of methods included in the IPCC guidelines have been used as the basis for the estimations presented in this document. Following the IPCC guidelines for the AFOLU sector, the next steps below will be undertaken:

- i) Define the spatial boundaries of the territory impacted by the activity.
- ii) Identify the land-use categories and subcategories of the I impacted by the activity.
- iii) Identify emissions impacted by the activity.
- iv) Identify the timeframe (temporal boundaries) of the activity and ensure full reporting of any legacy emissions and removals associated with it.
- v) Develop estimates by applying methods consistent with IPCC guidance, ensuring consistency among the results of activities and the trends of time series of relevant NGHGI categories.

The estimations provided are high-level estimations that use regional data from Latin America and the Caribbean about AFOLU within the Project's scope. The estimations take into account the expected changes supported by the startups in the portfolio. Assumptions have been made for all indicators according to general conditions expected from the startups and based on experience and expert criteria.

Approach (B): Since no detailed data is available at this stage of the project's lifecycle, and there is great uncertainty surrounding the AFOLU sector, a second approach has been developed. This second approach scenario is used to estimate Greenhouse Gas Emissions Mitigated and validate top-down projections for indicator 6. It is an attempt to use the companies that are already part of the investment portfolio as a reference to estimate the overall impact of the portfolio.

For Approach B, an impact model has been designed to find the intersections between the verticals of technological innovation, the startups, and the expected impact. In addition, the model identified the relationship between different positive outcomes produced by the portfolio and their potential contribution to the GEF.

The estimation process starts by using the developed impact matrix (attached document titled Impact Matrix) to assess the impact of startups on each GEB, and the projected number of startups categorized by innovation vertical that are impacting AFOLU in agriculture and livestock. The proposed method articulates this bottom-up data with regional data about hectares dedicated to agriculture and livestock, and average GHG emissions per hectare. These calculations are crucial in obtaining a high-level estimation of the potential impact per hectare attributed to each startup.

To reduce uncertainty, these estimations will be updated with bottom-up data from the portfolio characteristics throughout the project duration.

For further details on all core indicators estimations, please refer to the attached Excel document titled "YLL GEB Calculations" and the attached document Impact Matrix.

The GEBs monitoring plan. The YLL Fund management team will implement specific actions to understand the contribution of each start-up invested in the portfolio to the targeted GEBs and will collect the necessary data to monitor the portfolio and each start-up's impact performance. The GEBs monitoring actions include: a) The YLL Management team will analyze the potential start-up's contribution to GEBs and will use it as an eligibility criterion before investment; b) At the end of the portfolio investment phase (first five years), the Fund Management team will update the GEBs estimations according to all start-up's contributions and the results accomplished at that point; c) During the project execution phase, each start-up and the Fund Management team will collect the impact data biannually; iv) With the data collected, the Fund Management team will analyze the accomplished GEBs performance annually; v) The YLL Fund management team will report annually to the IDB Lab, which will register the most relevant information in the PIR and send it to the GEF Secretariat; vi) At mid-term and final evaluation stages, the YLL Fund Management team will provide information on GEBs results to the external evaluator in charge. These evaluations will be reviewed by the IDB Lab and the IDB-GEF Coordination Team, who will also send these documents to the GEF Secretariat.

As part of the GEBs impact monitoring actions, it is important to highlight that the Fund has an impact-based incentive structure, and 30% of the Fund's carried impact interest share depends directly on the accomplishment of the ESG KPIs that will be identified during the investment phase for each start-up, as mentioned before. The impact will be monitored, validated, and approved by the ESG Advisory Committee, an independent governance organ in which IDB Lab has a seat and has a role in the decision process. This ESG Committee is coordinated, hosted and part of the Fund governance organ. For more details about the ESG Committee please refer to the Annex Responsible and Sustainable Investment Guidelines.

## NGI (only): Justification of Financial Structure

Please describe the financial structure and include a graphic representation. This description will include the financial instrument requested from the GEF and terms and conditions of the financing passed onto the Beneficiaries.

**Fund structure.** The Fund structure is similar to the other VC funds in which IDB Lab and GEF have co-invested. The proposed Project will channel GEF funding for an equity investment amount of USD 6M in The Yield Lab Opportunity Fund I. The objective of this investment is to capitalize the Fund, together with other investors, to channel entrepreneurial capital to agtech and foodtech startups in LAC. The Project includes a number of actions to ensure a systemic approach to the innovation ecosystem and a coherent execution according to the theory of change. The co-financing as of September 2023 is USD 27.275M, which is expected to increase up to USD 44M at the last fund closing.

**GEF + IDB Lab Additionality.** GEF's investment will be fundamental in leveraging additional co-financing from other investors. By joining forces with the GEF, private investors increase their appetite to invest in the region through the Yield Lab Latam Fund. As an investor, the GEF is highly valuable, as it promotes opportunities for more significant and long-term financing aligned with the impact thesis, which results in scalability and expands the scope of the Fund and of the companies that are part of the Fund. This directly accelerates growth and impact. The GEF investment requirements and measurement methodologies to capture GEBs impact supports the identification of startups that best contribute to the impact objectives. GEF promotes both professionalization and maturation in the Fund to deliver the estimated impact.

**YLL has a crucial complementary role in the ecosystem.** Innovation process for startups requires a network of supportive actors aligned and working collaboratively thorough the whole process. The Yield Lab plays a complementary role in the ecosystem, acting in part as an accelerator and supporter of these early-stage startups, working alongside other actors who primarily operate in more mature stages of investments. YLL offers smaller ticket sizes and mentoring to support each startup to grow and mature, and subsequently tap into regional markets and implement solutions at a larger scale. The Yield Lab will offer tickets ranging from an average of USD 250K up to USD 1.5 million, in addition to mentoring and preparation for later scalation stages. This distinguishes The Yield Lab from other actors focused on food systems, like SP Ventures and other LAC Funds, offering larger tickets. The Yield Lab places particular emphasis on sub-regions not covered by other regional funds. YLL stands apart by offering differences and a value proposition that permeate much better in subregions that have not yet received support from other actors for an efficient, sustainable transition. The Yield Lab has offices in Mexico, Chile, Argentina, and Brazil, resulting in a portfolio that is not monopolized

by South America, which is often the case due to innovation development happening primarily in countries like Brazil. YLL proposal seeks to respond to the needs of the startup ecosystem in regions like Guatemala, Costa Rica, Honduras, and others, which are typically left aside from investment portfolios.

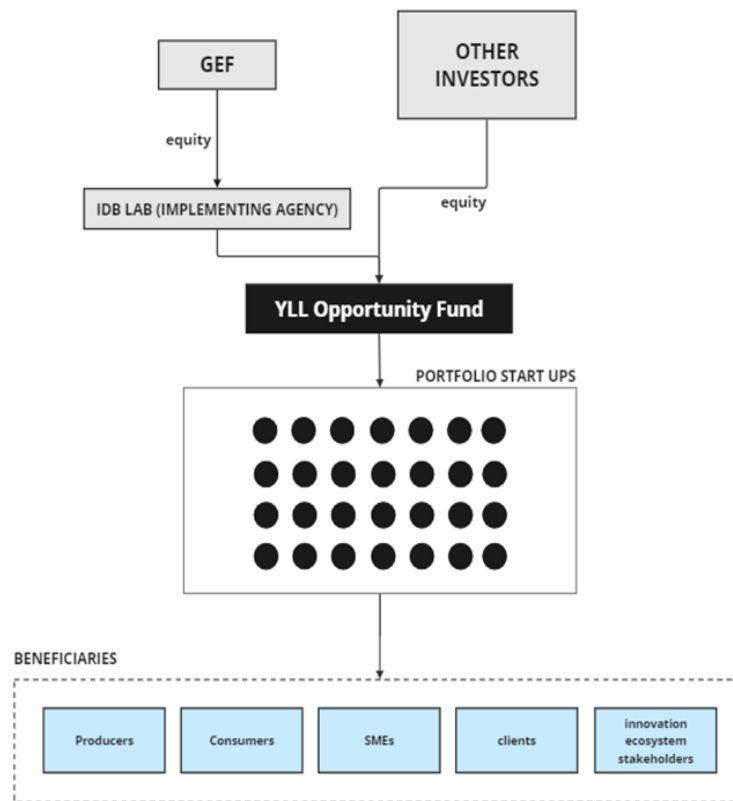
**Systemic Approach.** YLL builds value in the ecosystem by driving regional innovations that address the key sector's challenges to create a positive impact, starting from macro trends, identifying disruptive technologies and innovative models throughout the value chain, and verticals that meet the challenges of productivity, sustainability, and inclusion. Additionally, YLL's strategy is built upon professionalism, networking expertise, market intelligence, and a long track record of investments in the agri-food sector in the region as a competitive advantage to provide added value to companies and investors. This approach entails ongoing analysis and engagement with various stakeholders across different levels of the innovation ecosystem. The aim is to identify potential barriers and work jointly to solve key issues limiting the ecosystem's ability to scale up and regionalize impact opportunities for each startup within the Fund's portfolio.

**Fund cascade distribution.** As the Fund liquidates its investments, net earnings, together with dividends and interest derived from the investment, will be distributed according to the following priority: (i) 100% to investors in proportion to their participation until they recover all their contributions to the Fund. (ii) Second, until the cumulative amounts distributed to each Limited Partner (including the General Partner in respect of its Capital Commitment) hereunder is equal to an annual rate of return of 8% calculated on the capital contributions made by each Limited Partner, from the date of receipt of such capital contribution by the Partnership and accrual until distribution; (iii) Third, 80% to the General Partner and 20% to the Limited Partners until the General Partner has received cumulative distributions under this paragraph (iii) equal to 20% of the sum of distributions made or being made to the Limited Partners pursuant to the preceding paragraph (ii); and (iv) Fourth, with respect of any balance, 20% to the General Partner and 80% to all of the Limited Partners (including the General Partner in respect of its Capital Commitment).

**Management and Governance Structure:** The fund has diverse governance groups to deliver and execute the expected daily activities and responsibilities, as well as deliver the expected project results indicators. as described in the diagram, some of the most important governance bodies are: (i) Board of Directors, the General governance for the YLL GP, t includes all partners with more than 5% on the Management Co. (ii) the investment committee, the body in charge of Approval of investment decision & divestments and, jointly with the LPAC, amendments and exceptions on investment guidelines. Members are senior partners from YLL. It includes observers from Key Investors. (iii) limited Partner advisory Committee, Advise on general conduct of business and on potential conflicts of interest, and reviews of Fund's expenses. Members are Key Investors. (iv) ESG Advisory Committee, advisory group on ESG general conduct of business, potential conflicts of interest and ESG Carry governance. Members are Key Investors. (v) Limited Partner Industry Committee, Group advising on Agri Food industry technical and go-to-market opportunities presented to YLL investment activities. Members are diverse.

**YLL Background.** YLL has a regional mapping of more than 1,000 agtech ventures, of which it has analyzed more than 360 and has invested in 13 of them. In 2018, it launched its first acceleration fund specialized in investing in companies in the early stages of the agrifood sector (called The YLL Accelerator), which invested USD 2.4M of seed capital in 12 companies, including companies based in Argentina, Brazil, Chile, and Peru. In 2020, YLL launched its second Fund, named YLL Warehousing Fund, through which it has invested USD 2.5M in seed capital, pre-Series A, and Series A, in 6 companies. Some prominent companies in the YLL's investment portfolio include Kilimo, Botanical Solutions, Terramagna, Space Ag, Circular, Polynatural, among others. This last Fund has just completed its investment period.

For further details about the structure and characteristics of the proposed financial operation, see Annex H.1: Term Sheet and the following diagram of the graphic description.



## Risks to Project Implementation

Summarize risks that might affect the project implementation phase and what are the mitigation strategies the project will undertake to address these (e.g. what alternatives may be considered during project implementation—such as in terms of delivery mechanisms, locations in country, flexible design elements, etc.). Identify any of the risks listed below that would call in question the viability of the project during its implementation. Please describe any possible mitigation measures needed. (The risks associated with project design and Theory of Change should be described in the “Project description” section above).

The risk rating should reflect the overall risk to project outcomes considering the country setting and ambition of the project. The rating scale is: High, Substantial, Moderate, Low.

Risk Categories	Rating	Comments
Climate	Moderate	Sensitivity to climate change and its impacts are part of the investment analysis process. A Risk management system is part of the Fund and of growing capacities in the startups. As the Fund's objective is to help farmers (via the technologies and services to be provided by the Fund's portfolio companies) reach a better degree of climate resiliency, the Fund's strategy considers climate threats to global food production, from farm gates to the rest of the supply chain.

		<p>The Fund will apply climate risk analysis in the selection process and balance risk appetite and levels to secure high-impact and good financial results, enabling scalation and regionalization. Furthermore, climate mitigation measures will be implemented by each startup, and mentoring will be provided by the Fund according to each startup's characteristics.</p>
Environment and Social	Low	<p>The startups financed by the Fund will develop innovative technical solutions that are expected to lead to a less intense use of natural resources in agriculture production (especially water, energy, and land), increased climate resilience, and the implementation of climate mitigation strategies. The Fund will not invest in agri-food tech startups risking negative environmental impacts. Prior to the investment, the Fund will undertake a rigorous environmental and social screening and evaluation process. Additionally, during the execution phase, a strict monitoring structure will measure results indicators.</p>
Political and Governance	Low	<p>The Fund may face difficulties operating efficiently in the target countries where its investments are located if there are material negative changes in their economic and/or political environments. This could affect the appetite for investment, productivity, prices, logistics, operations, valuations, and overall returns. Considerations: The Fund has ten years to operate (plus a 2-year extension option) and could withstand moderate fluctuations in the operating environment. Except for a few countries, the political and economic environment in Latin</p>

		<p>American countries has been largely stable, and countries shall continue to improve their regulatory and legal frameworks to attract and expand private investments in all sectors of their economy, including those that are part of the Fund’s business model. To avoid political risks, the following measures can be implemented: 1) Ongoing research and political risk analysis, regular monitoring of local situation, and diversification among countries. 2) Engagement by The Yield Lab with key stakeholders and local agencies in each country to identify opportunities that align with the local context. 3) Possibility of hiring political risk consultancies that can provide advisory services during critical moments.</p>
Macro-economic	Low	<p>As part of the planning phase, a previous map of opportunities and pipeline identification was drawn to ensure alignment of the scale of the Project proposal. Additionally, recent research studies confirm that the region has an increasing number of startups in the agri-food tech sector that can be supported throughout a growth process. Given that the Project is specifically focused on technology for agribusiness and food systems, the financial returns of the Fund can be impacted by the sector’s market dynamics and its dependence on the deal-flow and exits in a less mature technology vertical.</p> <p>Considerations: The Fund manager has vast experience in venture capital investments and a track record and proven knowledge in the agrotechnology sector. In addition, the Fund has a mandate to diversify its investments across stages, sub-verticals, and geographies. However,</p>

		the sectoral concentration risk cannot be fully reduced and could be considered an inherent risk for IDB Lab as an anchor investor in developing the agrotechnology sector
Strategies and Policies	Low	Changes in public policy for different areas can affect the operations and performance of the companies we invest in, resulting in challenges to the achievement of the associated target impact goals. Although public policy for the food and agriculture sector is in general increasingly aligned with the Fund's target impact goals, the Manager is well aware of the fact that public policy is very dynamic and has a certain degree of uncertainty, especially when it comes to new technologies, agricultural practices, and the related business models. It is also worth noting that global policies are shifting towards supporting climate change mitigation, adaptation, and sustainability. For further detail, see attached document Policy risk Management.
Technical design of project or program	Low	As is common in VC Funds, the results of the portfolio reflect a balance between the growth and impact of the different startups throughout the Project's lifecycle. To secure the best possibilities for success, the Fund Manager will balance the portfolio considering risk level, geolocation, and impact potential, among other aspects. Furthermore, the Fund Manager's experience in this sector is key to mitigate risk during the technical design of the Project.
Institutional capacity for implementation and sustainability	Low	Both IDB Group and IDB Lab have proved institutional capacity to successfully implement the Project. For more details see Annex H.



Fiduciary: Financial Management and Procurement	Low	The Project and the Executing Agency underwent a rigorous due diligence and risk analysis. No significant risks have been identified at this point.
Stakeholder Engagement	Low	To manage potential stakeholder engagement risk, the Fund Manager has developed a previous process mapping the region, understanding the stakeholders, startups, their characteristics, maturity, and potential financial, environmental and social impact. A previous analysis enables mitigating stakeholder engagement risk in relation to the engagement of future investees.
Other	Low	The exit of investments from early-stage companies remains a prevalent challenge in Latin America. It is an inherent risk in venture capital investment funds, as there is a possibility of failing to achieve the amount or quality of outputs that is necessary to get the expected returns of the Background. The exit risk can be even greater in a vertical of less mature technology that has suffered a downturn as a result of the COVID-19 pandemic. Considerations: The management team anticipates, and has mapped out, various outlet options for the Fund's future investment portfolio. These mainly include: i) strategic exits through sales to major players in the agri-food sector; they are the most active buyers of agtechs and, as they increase their interests in these companies across the region, they seek to consolidate their position and their access to producers; ii) private equity firms, whose presence in the agrotechnology sector has been limited so far, but which are



evidencing a shift due to the advancements in technology and maturity of adoption in the sector; iii) global agtech platforms seeking to consolidate their positions through the acquisition of regional solutions; iv) tech giants who are seeking to enter the agri-food sector. From the inception of the Fund, interest will be placed in connecting with potential buyers and future investors, taking advantage of the regional and global connections network of YLL. Deal sourcing. As part of the planning phase, a previous map of opportunities and pipeline identification was drawn to ensure alignment of the scale of the Project proposal. Additionally, recent research studies confirm that the region has an increasing number of startups in the agri-food tech sector that can be supported throughout a growth process. Given that the Project is specifically focused on technology for agribusiness and food systems, the financial returns of the Fund can be impacted by the sector's market dynamics and its dependence on deal-flow and exits in a less mature technology vertical.

Considerations: The Fund Manager has vast experience in venture capital investments and a track record and proven knowledge in the agrotechnology sector. In addition, the Fund has a mandate to diversify its investments across stages, sub-verticals, and geographies. However, the sectoral concentration risk cannot be fully reduced and could be considered an inherent risk for IDB Lab as an anchor investor in developing this agrotechnology sector. Currency risk. The Fund will be established and operated in US

		<p>dollars, but part of the income generated by the portfolio companies may be denominated in local currency, which creates a currency mismatch between the investment and repayments. Considerations: This risk cannot be fully mitigated due to the high cost of currency risk coverage for an early-stage Fund. The Fund has a 10-year horizon and a regional strategy. The Fund Managers will invest in companies with potential for high growth and international expansion, which may generate sufficient returns to offset potential losses in the event of local currency depreciation.</p>
Financial Risks for NGI projects	Moderate	<p>The Fund Manager has vast experience with similar investments through previous Funds. The portfolio will diversify performance risk. The distribution of the collective performance of the Venture Capital Fund investment portfolio will not follow the typical bell curve distribution, but the power-law curve distribution, where a few companies would drive the performance of the Fund, with several companies contributing little or nothing at all. Hence, the performance of a VC Fund is always skewed by a reduced number of companies in the investment portfolio. Given the size, geographic scope and growth market potential of the Fund, only a handful of companies are expected to drive the performance of the Fund.</p>
Overall Risk Rating	Low	<p>All of the identified Project risks are part of the design and have been considered in the risk management plan. None of the identified risks jeopardize the achievement of the Project goals</p>

## C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Explain how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this. (max. 500 words, approximately 1 page)

The objectives of The Yield Lab Opportunity Fund I and the Outcomes set out in the RF are aligned with multiple GEF Focal Areas and Impact Programs. YLL will deploy investment into a high-impact portfolio promoting sustainable and inclusive development strategies.

**- Climate Change Focal Area.** As explained in other sections above, The Yield Lab Opportunity Fund I investments will mitigate drivers of GHG emissions and deforestation in Latin America's landscape in activities related to food systems. It will include sustainable, climate-smart and regenerative agriculture, livestock, and many other activities related to the food sector. As a result, the investments of the YLL will demonstrate the viability of sustainable business models that contribute to reducing deforestation and provide options for more efficient and environmentally responsible practices, with potential for scaleup, therefore contributing towards GEF's Climate Change Focal Area. In fact, the Project is directly aligned with pillar I, promoting innovation, technology development and transfer, and enabling policies for mitigation options with systemic impacts; and pillar II, fostering enabling conditions to mainstream mitigation concerns into sustainable development strategies. The alignment is mainly through objectives: 1.2. Enable the transition to decarbonized power systems; 1.4. Promote Nature-based Solutions with high mitigation potential; 2.2. Support relevant Convention obligations and enabling activities. The Project will provide an opportunity to foster climate-smart agriculture and sustainable land management while also increasing the prospects for food security for smallholders and communities dependent on farming for their livelihoods. Furthermore, restoring agriculture productivity while reducing GHG emissions is critical for countries to meet their NDC goals. It will also foster a sustainable supply chain regarding production, processing, and demand for essential agriculture products, which is vital to achieving long-term emissions reductions from agriculture, including avoiding deforestation of tropical forests.

**- Land Degradation Focal Area.** The Project aligns with GEF's Land Degradation Focal Area, Objectives 1. Avoiding and reducing land degradation through sustainable land management (SLM), mainly by climate-smart agriculture, is an approach for transforming and reorienting agriculture systems to support food security by responding to climate change trends in rainfall and temperature patterns, to food market disruptions, and to the need for avoiding GHG emissions and sequestering carbon in agriculture land use systems. At the same time, the investment portfolio startups also work towards increasing farmers' adaptive capacity and resilience and improving resource use efficiency in agriculture production systems. The Project will address land degradation challenges in landscapes with a focus on sustainable, regenerative, and nature-positive food production systems for globally essential food crops, commercial commodities, and livestock. It will connect smallholder producers, pastoralists, and small-scale food and agriculture processing enterprises to markets and sustainable supply chains, assist with crop and systems resilience, and create stable revenues with agriculture commodities.

**- Chemicals and Waste Focal Area.** The Fund will seek investments in biological alternatives and technology innovation, enabling the elimination/avoidance and reduction of waste and chemicals use. The use of chemicals accounts for around 60% of the production costs for Small and Medium Farmers and has other significant and profound environmental negative long-term impacts. In the early stages, new biological solutions involving pest-controlling organisms, micronutrients, probiotics, and many other solutions can lower such costs while preventing over-exposure for plants and humans. In addition, investments in this area will help reduce risks to human health and the environment by reducing and eliminating the production, use, and release of Persistent Organic Pollutants and their waste, and by implementing sound management practices for chemicals of global concern. The investments will also indirectly foster the development of healthier food ingredients and processes and the reduction of waste-intensity in food systems. Innovative food ingredients (e.g., plant-based sources of protein and fiber) and more nutritious food processing techniques (e.g., replacing unhealthy flavoring substances) are part of the innovative solutions for the 'food tech' sector. Innovative technology/systems will introduce new forms of food security control and less waste-intensive food packaging. Like Climate Change and Land Degradation, the Chemicals and Waste Focal area is also aligned through an integrated program for Food systems, with a proposal

that seeks to phase out hazardous chemicals while creating and scaling up options for higher productivity and resource efficiency.

**Paris Alignment.** The Fund is aligned with the Paris Agreement and with the priorities and NDCs of the countries where the startups are delivering their services and products. Each objective is applied in food systems through the different portfolio startups, whose business is related to the development of tech-based innovations like smart irrigation, soil diagnosis, biodiversity trackers and traceability, forecasting, monetization of carbon and water savings, genetics, bioenergy and biomaterials, precision farming, traceability, circular economy models, biotechnology, alternative proteins, regenerative agriculture, and more climate-smart innovations. These contributions will be demonstrated indirectly through YLL Outcome Indicators: 1. Mitigate greenhouse gas emissions and increase carbon sequestration in production landscapes. 2. Increase the adoption of innovative technologies and management practices for GHG emission reduction and carbon sequestration. 3. Conserve and enhance carbon stocks in agriculture, forest, and other land use.

**NGI-GEF Alignment -GEF Blended Finance Global Program.** The proposed Project is fully aligned with the Blended Finance Global Program objectives, as the Project demonstrates the implementation of innovative finance models to combat global environmental degradation. The proposal encourages partnerships and approaches that may be scaled up and replicated throughout Latin America and the Caribbean, achieving a high level of co-financing from the private sector, in line with the impact thesis. IDB considers the private sector involved in this Project as a valuable partner for GEF due to its ethical investment management practices and ambitious impact thesis.

**Food Systems Integrated Program.** The project aligns with Food Systems IP, supporting its overall objective "to catalyze the transformation to sustainable food systems that are nature positive, resilient, and pollution-reduced, looking to reduce environmental degradation and negative externalities in food production systems (food crops, commercial commodities, livestock, and aquaculture) and on the demand side across supply chains". The Fund's investment thesis aligns with GEF's efforts to mobilize additional financing, through blended finance mechanisms, and increase the program's impact and contribution to transformational change. The project is in line with the expected private sector role encouraging the use of new technologies to help transform agriculture.

The Country OFPs in Argentina, Brazil, Chile, Colombia, Mexico, Uruguay and Costa Rican were informed about the project as there are either companies already in the Portfolio of the Fund in those countries or the Fund expects to invest there in the near future. Once the Fund will reach investment stage in additional countries, the IDB will inform the respective GEF OFP.

## D. POLICY REQUIREMENTS

### Gender Equality and Women's Empowerment

**We confirm that gender dimensions relevant to the project have been addressed during Project Preparation as per GEF Policy and are clearly articulated in the Project Description (Section B).**

Yes

**1) Does the project expect to include any gender-responsive-measures to address gender gaps or promote gender equality and women's empowerment?**

Yes

If the project expects to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment, please indicate in which results area(s) the project is expected to contribute to gender equality:

**Closing gender gaps in access to and control over natural resources;**

**Improving women's participation and decision-making; and/or**

Yes

**Generating socio-economic benefits or services for women.**

Yes

**2) Does the project's results framework or logical framework include gender-sensitive indicators?**

Yes

### Stakeholder Engagement

We confirm that key stakeholders were consulted during Project Preparation as required per GEF policy, their relevant roles to project outcomes has been clearly articulated in the Project Description (Section B) and that a Stakeholder Engagement Plan has been developed before CEO endorsement.

Yes

**Select what role civil society will play in the Project**

Consulted only; No

Member of Advisory Body; Contractor; No

Co-financier;

Member of project steering committee or equivalent decision-making body ;

Executor or co-executor;

Other (Please explain) Yes

### Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in section B project description?

Yes

### Environmental and Social Safeguards

We confirm that we have provided information regarding Environmental and Social risks associated with the proposed project or program, including risk screenings/ assessments and, if applicable, management plans or other measures to address identified risks and impacts (this information should be presented in Annex E).

Yes

Please provide overall Project/Program Risk Classification

## Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
Low	Low		

## E. OTHER REQUIREMENTS

### Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described during Project Preparation in the Project Description and that these activities have been budgeted and an anticipated timeline for delivery of relevant outputs has been provided.

Yes

### Socio-economic Benefits

We confirm that the project design has considered socio-economic benefits to be delivered by the project and these have been clearly described in the Project Description and will be monitored and reported on during project implementation (at MTR and TER).

Yes, socioeconomic benefits are clearly identified in the Project Description.

## ANNEX A: FINANCING TABLES

### GEF Financing Table

#### Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	GEF Project Grant(\$)	Agency Fee(\$)	Total GEF Financing (\$)
IADB	GET	Regional	Climate Change	NGI	Non-Grant	3,000,000.00	285,000.00	3,285,000.00
IADB	GET	Regional	Land Degradation	NGI	Non-Grant	2,000,000.00	190,000.00	2,190,000.00
IADB	GET	Regional	Chemicals and Waste	NGI	Non-Grant	1,000,000.00	95,000.00	1,095,000.00
<b>Total GEF Resources (\$)</b>						<b>6,000,000.00</b>	<b>570,000.00</b>	<b>6,570,000.00</b>

### Project Preparation Grant (PPG)

Was a Project Preparation Grant requested?

false



PPG Amount (\$)

PPG Agency Fee (\$)

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	PPG(\$)	Agency Fee(\$)	Total PPG Funding(\$)
<b>Total PPG Amount (\$)</b>					<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Please provide Justification

### Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total(\$)
<b>Total GEF Resources</b>					<b>0.00</b>

### Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing(\$)	Co-financing(\$)
CCM-1-4	GET	3,000,000.00	13775000
LD-1	GET	2,000,000.00	9000000
CW-2	GET	1,000,000.00	4500000
<b>Total Project Cost</b>		<b>6,000,000.00</b>	<b>27,275,000.00</b>

### Confirmed Co-financing for the project, by name and type

Please include evidence for each co-financing source for this project in the tab of the portal

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Private Sector	YLL E ATG Collaborative S.A.	Equity	Investment mobilized	1300000
Private Sector	Fideicomiso the Yield Lab Latam Acelerador	Equity	Investment mobilized	725000

Private Sector	Opportunity Fund Cayman	Equity	Investment mobilized	21250000
GEF Agency	IDB Lab	Equity	Investment mobilized	4000000
<b>Total Co-financing</b>				<b>27,275,000.00</b>

Please describe the investment mobilized portion of the co-financing

YLL is highly experienced in developing impact investment funds worldwide and has a vast network of contacts that it may tap into for the benefit of fundraising. At this point, the project has USD 27,275,000 of committed co-financing (the estimated co-finance at closing is USD 44M). The investors' single contributions are grouped under the above-mentioned funds (see under "Name of Co-financier"). Adding IDB Lab and GEF to the list of investors is expected to help increase the support from impact investors. Please, refer to the attached document "Investors Committed" for further details and to see the letters of commitment. In the following months, the fund expects to keep raising commitments and achieve the target Fund size. Changes in project co-financing will be reported in the annual GEF Project Implementation Report and annual reflow reporting.

Responding to GEFSEC's request at PIF review stage of calculating and presenting the amount of co-financing that will be provided by the beneficiaries, the Fund made the corresponding calculations. At CEO endorsement stage, the project's indirect co-financing amounts to USD 65,137,000. The indirect co-financing is defined as the total USD amount of the investment rounds that the Fund participated in with the startups invested by October 2023, excluding the Fund's investment ticket.

Changes in the project co-finance will be reported in the annual GEF PIR and annual reflow reporting.

For further detail on the sources of co-finance please review the annexed files.

## ANNEX B: ENDORSEMENTS

### GEF Agency(ies) Certification

GEF Agency Type	Date	Project Contact Person	Phone	Email
GEF Agency Coordinator	11/1/2023	Gmelina Ramirez		gmelinar@iadb.org
Project Coordinator	11/1/2023	Carolina Hernandez		carolinahe@iadb.org
Project Coordinator		Luis A. Fernandez		luisfer@iadb.org
Project Coordinator		Carolina Lustosa		carolinal@iadb.org

### Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Please attach the Operational Focal Point endorsement letter(s) with this template.

Name of GEF OFP	Position	Ministry	Date (MM/DD/YYYY)

**NGIs** do not require a Letter of Endorsement if beneficiaries are: i) exclusively private sector actors, or ii) public sector entities in more than one country. However, for NGI projects please confirm that the agency has informed the OFP of the project to be submitted for Council Approval

Yes

## ANNEX C: PROJECT RESULTS FRAMEWORK

Please indicate the page number in the Project Document where the project results and M&E frameworks can be found. Please also paste below the Project Results Framework from the Agency document.

The following tables show the project's results framework. The first table shows the GEF impact indicators, and the second table shows the Results Matrix from IDB Lab's own investment in YLL. All impact indicators will be reviewed annually as part of the general monitoring processes carried out by IDB Lab for all operations and IDB will report to GEF the progress and results on the GEF impact indicators within its PIRs, medium-term and final evaluations.

### Results Matrix:

Results	Unit	Year 2	Year 4	Year 7	Year 10	Target at the end of the project.	Source of information
<b>GEF Core Indicators</b>							
Indicator 1. Startups financed, aligning with the investment thesis.	#	4	10	20	20	Minimum 20 startups	YLL
Indicator 2. Knowledge products developed by YLL per year (acceleration programs, innovation challenges, roundtables, whitepapers, events, growth programs, etc.)	#	4	8	14	20	2 per year/ 20 minimum.	YLL
Indicator 3. Chemicals of global concern and their waste reduced, disposed of/destroyed, phased out, avoided or eliminated from the environment, and in process, materials, and products	Metric tons per year	528	1744	9752	15680	15,680 (accumulative)	YLL
Indicator 4. Land under better sustainable practices.	Hectares	1,443,000	2,887,500	8,662,500	11,550,000	11,550,000	YLL
Indicator 5. people benefiting directly from the project.	#	25,000	50,000	150,000	200,000	200,000	YLL
Indicator 6. emissions avoided and mitigated	Metric tons CO2 per year	2,973,224	5,946,448	17,839,334	29,732,240	29,732,240 (this includes 6.1 20-year projection)	YLL
<b>IDB Lab indicators</b>							
<b>Results&gt;</b>							
Indicator 1: Number of micro, small and medium-sized farms/growers estimated to benefit from agtech solutions provided by portfolio companies	#	54,000	108,000	189,000	270,000	270,000	YLL
Indicator 2: Number of direct and indirect net jobs created by portfolio companies*	#	1,426	5,868	7,294	9,465	9,465	YLL
Indicator 3: Number of micro, small and medium-sized farms/growers that adopt productivity-increasing agtech solutions provided by portfolio companies	#	44,550	89,100	155,925	222,750	222,750	YLL
Indicator 4: Number of micro, small and medium-sized farms/growers that adopt solutions that enhance climate resilience provided by portfolio companies	#	22,950	45,900	80,325	114,750	114,750	YLL
Indicator 5: Average annual sales growth (of portfolio companies)	%	152%	113%	102%	99%	99%	YLL
Indicator 6: Number of enterprises that receive funding (seed/Series A and B)	#	16	24	26	26	26	YLL
Indicator 7: Total amount of funding provided to enterprises	USD M	6.9	26.7	38.1	38.1	38.1	YLL
Indicator 8: Amount of funds mobilized by co-investors (other than the fund) in the company investments	USD M	22.3	186	288.8	288.8	288.8	YLL
Indicator 9: Percentage of the portfolio companies that have at least one woman as co-founder / co-owner or C-level*	%	54%	65%	73%	80%	80%	YLL
Indicator 10: Ratio of successful exits (exits with multiples > 1x / Total Exits)	%	exits are expected until the end of the Fund			35%	35%	YLL
Indicator 11: Number of invested portfolio companies with operations in LAC countries other than Brazil and Argentina	#	5	8	9	9	9	YLL
Indicator 12: Share of portfolio companies that provide AgTech solutions that directly improve climate resilience	%	35%	35%	35%	35%	35%	YLL

Indicator 13: Share of portfolio companies that provide AgTech solutions that can be adopted by low-productive micro, small and medium-sized farms/producers	%	35%	35%	35%	35%	35%	YLL
--	---	-----	-----	-----	-----	-----	-----

#### ANNEX D: STATUS OF UTILIZATION OF PROJECT PREPARATION GRANT (PPG)

Provide detailed funding amount of the PPG activities financing status in the table below:

Project Preparation Activities Implemented	GETF/LDCF/SCCF Amount (\$)		
	Budgeted Amount	Amount Spent To date	Amount Committed
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

#### ANNEX E: PROJECT MAP AND COORDINATES

Please provide geo-referenced information and map where the project interventions will take place

Please provide any further geo-referenced information and map where project interventions are taking place as appropriate.

The Yield Lab Latam Fund investment strategy fosters startups throughout the LAC region, from South America to Central America. As of the start of 2023, we cannot provide a detailed geographic location as the formal selection of entities is still pending. Nevertheless, YLL has a pipeline and some startups in line for investment for which it will be able to provide the geographic location in the following months, for the future GEF approval stages.

The countries that the portfolio will probably cover are Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, and Uruguay. The impacted territories are primarily rural areas, where most of the food production and activities are located. The Fund contemplates the following geographic distribution of capital investment:

- Brazil: 35%
- Southern cone (Argentina, Uruguay, Paraguay, Bolivia): 25%
- Andean Region (Chile, Peru, Colombia, Ecuador): 25%
- Central America and the Caribbean: 15%

**The project locations will be entered in the GEF Portal system during the investment period, at the Mid Term Evaluation Report.**

## ANNEX F: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

Attach agency safeguard datasheet/assessment report(s), including ratings of risk types and overall project/program risk classification as well as any management plans or measures to address identified risks and impacts (as applicable).

Title

Environmental and Social Assessment and Risk Management

## ANNEX G: BUDGET TABLE

Please upload the budget table here.

Please explain any aspects of the budget as needed here

Expenditure Category	Description	Component 1 ( Outcome 1,2,3 4 )			PMC Project Financing	Sub-Total Project Financing	M&E (IDB Agency Fee)	KM (IDB Agency Fee)	Total (US\$)	Responsible Entity
		GEF finance	IDB Lab Finance	Other Cofinance						
Works	n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Goods	n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Vehicles	n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Grants/ Sub-grants	n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Revolving funds/ Seed funds / Equity	The Yield Lab Opportunity Fund (Equity investment) / including management fee (*)	\$ 6,000,000	\$ 4,000,000	\$ 40,000,000	\$ -	\$ 50,000,000	\$ -	\$ -	\$ 50,000,000	The Yield Lab (Fund Managers)
Sub-contract to executing partner/entity	n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Contractual Services – Individual or company	External Consultant contracted to carry out MidTerm and Final	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000	IDB Lab with support from IDB-GEF Coordination team
Contractual Services – Company	External analytical services, graphic services or event coordination for knowledge management activities. (**)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	IDB Lab
International Consultants	n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Local Consultants	n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Salary and benefits / Staff	n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Trainings, Workshops, Meetings	Knowledge sharing activity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	IDB Lab
Travel	travels for monitoring results in person	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000	IDB Lab
Office Supplies	n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Other Operating Costs	n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
<b>Grand Total</b>		\$ 6,000,000	\$ 4,000,000	\$ 40,000,000		\$ 50,000,000	\$ 80,000	\$ 50,000	\$ 50,130,000	
		GEF financing	IDB Lab financing	Cofinance		Project Financing	IDB Agency Fee	IDB Agency Fee	All financing	

(\*) during the investment period, the Fund Manager will receive an annual remuneration of 2.5% of the total committed capital of the fund. Once the investment period is over, the annual remuneration will be 1.25% of capital invested, deducting exits write-offs, and write-downs,

(\*\*) Specific knowledge management objectives and activities are specified in document and are directed to develop specialized knowledge about context, the results, the innovation advance in the sector, and to support emergent innovation ecosystem development.

For further details, refer to Annex H.1.Term Sheet.

## ANNEX H: NGI RELEVANT ANNEXES

Please use the most up to date templates per the most recent call for proposals.

### ANNEX H.1: Template for Indicative Financial Termsheet

Instructions. This termsheet to be submitted with the PIF/PFD should include sufficient details to allow a financial expert to understand and judge the financial viability of the proposed investments. Indicative terms and conditions should be used when specific details are not yet available. An equivalent termsheet used for internal Agency purposes is acceptable but must include sections on Currency Risk, Co-financing Ratio and Financial Additionality.

<b>Project Program Title</b>	Yield Lab Opportunity Fund I
<b>Project/Program Number</b>	11066
<b>Project Objective</b>	To support a transition towards resilient, decarbonized, and sustainable food systems through the acceleration and scalation of catalyst agrotechnological tech-based solutions in Latin America and the Caribbean
<b>Countries</b>	Argentina, Chile, Paraguay, Uruguay, Bolivia, Brazil, Peru, Ecuador, Colombia, Central America, Mexico, Panama, and the Caribbean.
<b>Agency Presenting the project</b>	IADB
<b>Project Financing</b>	<p><u>Fund expected size: USD 50M</u></p> <p><u>Private co-finance: The estimated co-financing at closing is USD 44M (USD 27.275M co-financing confirmed at CEO Endorsement)</u></p> <p>GEF NGI finance: USD 6M</p>
<b>Currency</b>	US Dollar
<b>Currency risk</b>	The Fund will be established and operated in US dollars, but part of the income generated by the portfolio companies may be denominated in local currency, which creates a currency mismatch between the investment and repayments. Considerations: This risk cannot be fully mitigated due to the high cost of currency risk coverage for an early-stage Fund. The Fund has a 10-year horizon and a regional strategy. The Fund Managers will invest in companies with potential for high growth and international expansion, which may generate sufficient returns to offset potential losses in the event of local currency depreciation.
<b>Co-financing ratio</b>	The expected co-finance mobilization is USD 44M at closing, and \$27.275M is the confirmed co-finance mobilization at CEO endorsement. Therefore, the co-financing ratio as of now is (1:4.55) and with the expected increase in the co-finance the fund aims a ratio of 1:7.
<b>Financial additionality and minimum concessionaly of GEF resources</b>	<p>GEF's investment will be fundamental in leveraging additional co-financing from other investors. By joining forces with the GEF, private investors increase their appetite to invest in the region through the Yield Lab Latam Fund. As an investor, the GEF is highly valuable, as it promotes opportunities for more significant and long-term financing aligned with the impact thesis, which results in scalability and expands the scope of the Fund and of the companies that are part of the Fund.</p> <p>The GEF investment requirements and measurement methodologies to capture GEBs impact supports the identification of startups that best contribute to the impact objectives. GEF promotes both professionalization and maturation in the Fund to deliver the estimated impact.</p>
<b>Use of proceeds</b>	<p>The GEF financing of USD 6M will be directed to Focal Areas of Climate Change, Land Degradation, and Chemicals and Waste. The Fund investment will target twelve innovation verticals, (1)Crop Genomics, Protection &amp; Nutrition, Animal Welfare; (2) Farm Management, Information &amp; Education Services; (3) Farm Mechanization &amp; Automation; (4) Big Data &amp; Precision Farming; (5) Ag Platforms for Trading, Outsourcing &amp; Finance; (6)Supply Chain Tech; (7) Novel Farming Systems; (8) Bioenergy, Biomaterials, Other Renewables; (9) Food Processing Technologies; (10) Innovative Feed, Food &amp; Beverages; (11) Tech for Restaurants, Food Retail, Stores &amp; Home Cooking; (12) New Sales Channels. Under these innovation verticals, the Fund's portfolio will target GEB #6 metric tons of GHG emissions mitigated, GEB #4 area of landscapes under improved practices, GEB #9 chemicals of global concern and their waste reduced/avoided/ destroyed/ phased out or eliminated from the environment, GEB #11 people benefitting directly from the project.</p> <p>The following table shows a general description of the alignment between the innovation verticals, the GEBs and the Focal areas. As explained in the project description and annexed ToC document, the following 6 verticals are the ones where the highest impact with GEBs is expected and hence they are</p>



shown below. The results may vary according to the specific startups chosen for the portfolio. For more detail, please refer to ToC Annex.

The startups incorporating *animal welfare and education* would be cross-cutting to other innovation verticals or activities and no startup will be financed that only focuses on animal welfare or education. All startups to be financed will align with the Fund Theory of Change described in this project and will be expected to generate Global Environmental Benefits (GEBs).

Global Environmental Benefits	Focal areas	innovation verticals				
		I) Crop Genomics, Protection & Nutrition. Animal Welfare	(II) Farm Management, Information & Education Services	(III) Farm Mechanization & Automation	(IV) Big Data & Precision Farming	(V) Ag Platforms for Trading, Outsourcing & Finance
GEB #6	Climate Change	X	X	X	X	X
GEB #4	Sustainable Land Management	X	X	X	X	
GEB #9	Chemicals and Waste	X		X	X	
GEB #11		X	X	X	X	X

**Terms and conditions for the financing instruments from GEF**

**Investment Period** The Fund will have a duration of ten years from the raising closing date. This period may be extended up to two times for one extra year, subject to the approval of the qualified majority of the investors. Therefore, the Project has a duration of 12 years, starting effectively in 2022 and ending in 2034. The investment period will be five years from the first closing date, which means from 2022 to 2027. GEF will have the same rights and conditions as the other Limited Partner investors. GEF will be one of the main investors.

**Instrument** Equity investment into the Fund

**Manager Commitment** The Fund Manager will invest 1% of capitalization expected from the Fund.

**Structure of remunerations and operating expenses** Manager Remuneration: During the investment period, the Manager will receive an annual remuneration equivalent to 2.5% of the amount of the total committed capital of the Fund. Once the investment period is over, the annual remuneration will be 1.25% of capital invested, deducting outputs, write-offs, and write-downs. The Salary will be paid semi-annually. Pre-operational and organization expenses: Organization expenses of the Fund will not exceed 1% of the Fund's total commitments. If the maximum amount is exceeded, the Manager will bear the excess. Operating Expenses: The Fund's operating expenses — such as transaction costs related to the acquisition or exit of investments; custody and administration commissions; taxes and other public fees; preparation of financial statements, reports, and tax declarations; audits, legal services or professional advice, litigation— will be borne by the Fund.

**Fund cascade distribution** As the Fund liquidates its investments, net earnings, together with dividends and interest derived from the investment, will be distributed according to the following priority:

- (i) 100% to investors in proportion to their participation until they recover all their contributions to the Fund.
- (ii) Second, until the cumulative amounts distributed to each Limited Partner (including the General Partner in respect of its Capital Commitment) hereunder is equal to an annual rate of return of 8% calculated on the capital contributions made by each Limited Partner, from the date of receipt of such capital contribution by the Partnership and accrual until distribution;
- (iii) Third, 80% to the General Partner and 20% to the Limited Partners until the General Partner has received cumulative distributions under this paragraph (iii) equal to 20% of the sum of distributions made or being made to the Limited Partners pursuant to the preceding paragraph (ii); and
- (iv) Fourth, with respect of any balance, 20% to the General Partner and 80% to all of the Limited Partners (including the General Partner in respect of its Capital Commitment)

<b>Legal structure</b>	The YLL Opportunity Fund I is an entity of limited liability ('Limited Partnership') incorporated in the Cayman Islands and managed by the Fund Manager through The Yield Lab Latam Opportunity Fund LP, an entity incorporated in the Cayman Islands.
<b>Exposure limits</b>	No more than 35% of the committed capital of the Fund will be invested in a single country. No more than 10% of the investor's committed capital will be invested in a single company. No more than 5% of committed investor capital will be invested in a single round of financing for a company
<b>Removal of the Fund Manager</b>	The Manager may be removed in the event of intent, gross negligence, or substantial breach of the Fund's regulations, including IDB integrity policies, with the vote of 66% of the Investors.
<b>Key People and staff dedication</b>	The Key Persons are Tomas Peña, Santiago Murtaugh, and Roberto Viton. In case one of the YLL Key Persons ceases their functions in the Fund for any reason or does not dedicate the minimum time committed to it, the Fund shall not make new investments or capital calls to Fund investments other than a portfolio company, until such new investment professionals have been appointed, to the satisfaction of the Committee Advisor. Tomas Peña and Santiago Murtaugh will dedicate 100% of their professional time to Yield Lab Latam Opportunity Fund I, while Roberto Viton will have a dedication of 50%.
<b>Advisory Board.</b>	An Advisory Board (the 'Advisory Board') will be established for the Fund. The Advisory Board shall be comprised of a representative of the General Partner, as a non-voting member and the chairman, and between three (3) and five (5) representatives of the Limited Partners and of the limited partners of the parallel funds, in each case who are designated from time to time by the General Partner at its own discretion and who are not Affiliates of the General Partner.
<b>Capital calls</b>	Disbursements to the Fund will be in accordance with each investor's established percentage of participation in relation to its share of the total committed capital.
<b>Capital structure</b>	100% equity from the Fund's investors (Limited Partners)
<b>Co-investment rights</b>	The Manager must offer Fund Investors the opportunity to co-invest, on a pro rata basis according to their capital commitments, in any investment opportunity identified, whether it is a new investment or a subsequent investment in one of the Fund's portfolio companies that presents outstanding returns, before offering said opportunity for co-investment to outsiders.
<b>Liquidation of the Fund</b>	The Fund will be dissolved by any of the following causes, (i) expiration of the term set for its duration, or (ii) with the consent of 75% of the votes of the Fund Investors.
<b>Reporting</b>	The GP will provide unaudited financial statements and performance information for each of the Fund's investees on a quarterly basis and audited financial statements on an annual basis
<b>Targeted IRR</b>	In accordance with the base scenario carried out by the Fund Manager, assuming a fund capitalization of USD 50M, and including 50% of the companies invested with loss of capital (write-offs), 21% of the companies with multiples of (1-2x), 21% with exit multiples between 3 and 5, and the rest (8%) with output multiples of at least 10, it is expected to generate a Net Internal Rate of Return (IRR) of 22.8%. According to internal IDB Lab Project team sensitivity analysis exercises on the financial model and considering the most conservative scenarios as the base case, assuming a Fund capitalization of USD 20M, including 54% of the companies invested with loss of capital (write-offs), 18% of companies with multiples of (1-2x), 23% with output multiples between 3 and 5 and the rest (5%) with output multiples of at least 10, a Net Internal Rate of Return (IRR) of 13% is expected to be generated, which is still acceptable, bearing in mind the risk level of the investments.

## ANNEX H.2: Reflows table

Instructions. Any financial returns, gains, interest or other earnings and remaining principal will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. and the GEF Non-Grant Instrument Policy.

Item	Data
<b>GEF Project Number</b>	11066
<b>Estimated Agency Board approval date</b>	The Yield Lab Opportunity Fund I received eligibility and formal approval from IADB/IDB Lab for an investment of USD 4M in December 2021. It received eligibility from IDB for applying to GEF in February 2023, and it is estimated that this GEF operation can obtain IDB approval in Q1 2024, depending on the CEO endorsement date.
<b>Investment type description</b>	Equity investment into the Fund
<b>Expected date to start of investment</b>	2022
<b>Amount of investment (USD GEF funds) (include technical assistance and non-grant portions)</b>	GEF Non-Grant: USD 6,000,000

	The expected co-finance mobilization is USD 44M at closing, and \$27.275M is the confirmed co-finance mobilization at CEO endorsement. Therefore, the co-financing ratio as of now is (1:4.55) and with the expected increase in the co-finance the fund aims a ratio of 1:7.
<b>Maturity</b>	12 years
<b>First repayment date</b>	No earlier than 2029, which is the estimated start of the divestment period.
<b>Final repayment date</b>	Not later than the closing date of the Project.
<b>Repayment method description</b>	See Termsheet Cascade Distribution item.
<b>Frequency of reflow payments</b>	Cannot be predicted.  The Fund expects to make investments in the first 5 years, and the last 7 will be the divestment period. The Fund will return any available capital and gains to LP's on a quarterly basis as the Fund exits from its portfolio companies. The estimated disbursement period will be from 2027 to 2034.
<b>(A) Total principal amount to be paid-reflowed to the GEF Trust Fund</b>	USD 6M*
<b>B. Total interest/earnings/premiums amount to be paid-reflowed to the GEF Trust Fund (Please provide actual amount with assumption of exchange rate if applicable) in whole USD</b>	Based on the scenarios provided in the term-sheet, and the GEF ticket (USD 6 M), we can estimate the following:  Worst Scenario: USD 0M.  Base Scenario: USD 3,8M*.  Best Case Scenario: USD 7,6M*.
<b>Total interest/earnings/premiums amount to be paid-reflowed to the GEF Trust Fund. (A+B)</b>	Based on the scenarios provided in the term-sheet, and the GEF ticket (USD 6 M), we can estimate the following:  Worst Scenario: USD 0M.  Base Scenario: USD 9.8M*.  Best Scenario: USD 13,6M*.

\*It's important to keep in mind that these are only estimated numbers based on projections. The actual results may vary depending on the performance of the Venture Capital Fund, the market, and other variables.

### ANNEX H.3: GEF Agency Eligibility to Administer Concessional Finance

Instructions. The GEF Agency submitting the PIF or PFD will demonstrate its capacity and eligibility to administer NGI resources as noted in the NGI Policy, summarized below:

The GEF Agency submitting the PIF or PFD will demonstrate its capacity and eligibility to administer NGI resources as noted in the NGI Policy, summarized below:

- a) **Ability to accept financial returns and transfer from the GEF Agency to the GEF Trust Fund.** The IDB Group, as a Multilateral Development Bank with a solid private sector arm, not only has the ability to accept financial returns and manage reflow to the GEF Trust Fund, but it has also already transferred over USD 2.5M in reflows to the GEF Trust Fund (corresponding to the first divestments from VC equity Funds seeded with GEF NGI resources). IDB Lab is currently managing several GEF Non-grant Instrument operations.
- b) **Ability to monitor compliance with non-grant instrument repayment terms.** Within the IDB Group, the GEF-NGI projects are supervised and monitored by specialists with ample experience in private sector projects, including

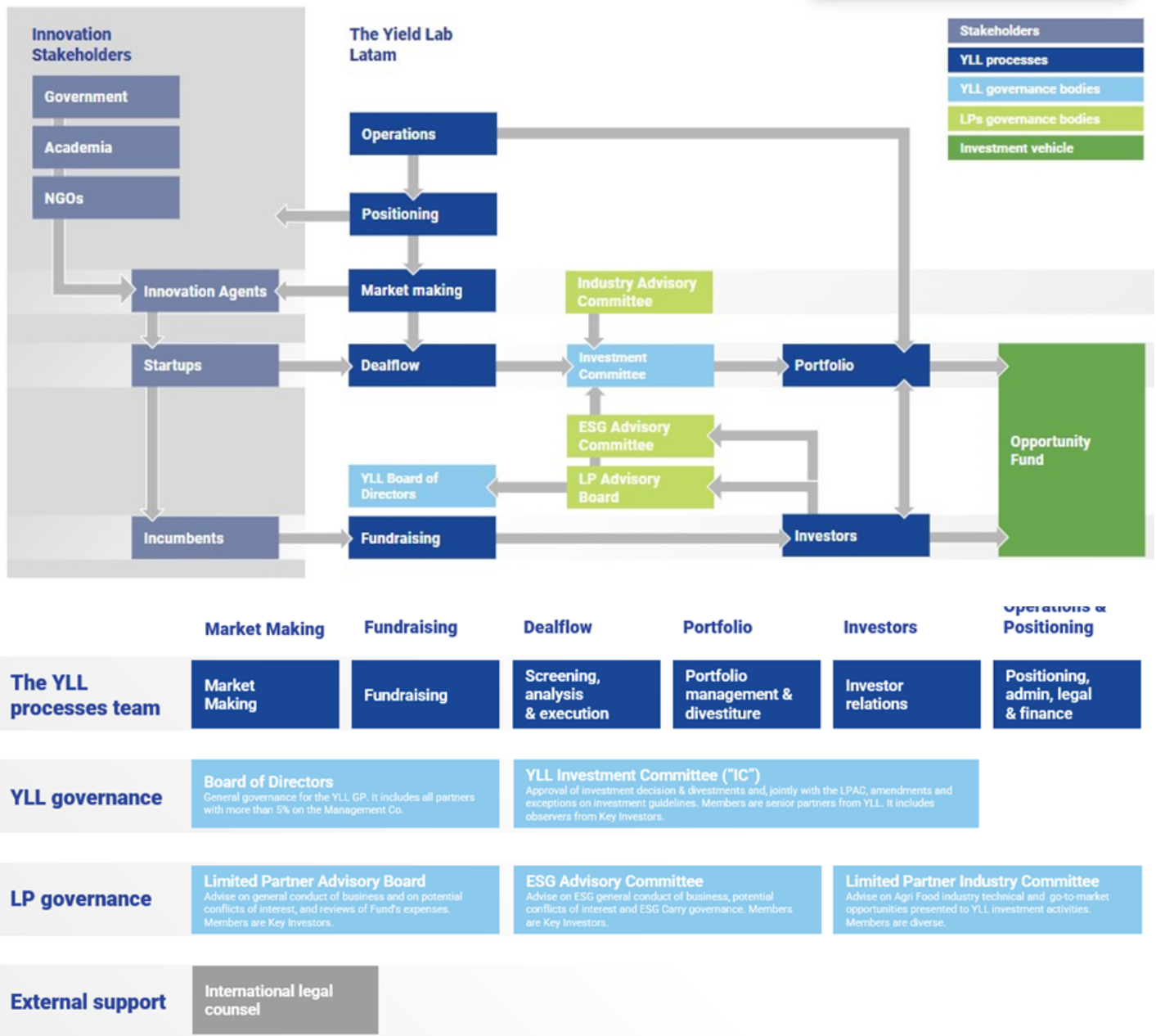
projects leveraging Venture Capital Funds, guarantees, and concessional loans/blended finance to promote private sector investments that generate positive environmental and social impacts. In the case of VC Funds with GEF-NGI investments, IDB, as the GEF Agency, participates actively in the Fund's Limited Partner Advisory Committee and monitors the activities and progress of the Fund, including acquisitions, divestments and the timing and amounts of reflows, through regular contact with the respective Fund Manager. In the case of concessional loans/ blended finance and guarantees, IDBG has a direct contractual relationship with the private sector entity, and the assigned portfolio manager/ private sector specialist monitors compliance with repayment terms and all other contractual conditions as part of regular supervision.

- c) **Capacity to track financial returns (semester billing and receiving) within its normal lending operations and for transactions across trust Funds.** The IDB Group has a Grants and Co-financing Management Unit (GCM) that is exclusively dedicated to managing all transactions related to trust Funds, including transactions related to financial returns from trust Fund-support projects aimed at private sector entities. The Fund Coordinator responsible for fiduciary matters related to GEF has a strong background in multilateral and bilateral donor funding of non-grant instruments. Moreover, to comply with all applicable fiduciary responsibilities, GCM coordinates with the responsible technical areas (in the case of GEF-NGI projects, the divisions leading private sector projects), the IDB's Finance department, and the IDBG-GEF Technical Coordination team. IDBG has a strong capacity to track financial returns from GEF-NGI projects.
- d) **Commitment to transfer reflows twice a year to the GEF Trust Fund.** The IDBG is fully committed to providing regular reflows and complying with the reflows indicated in the NGI proposals once the Project enters execution. Due to the nature of the NGI projects IDBG manages, it is not possible to guarantee twice-yearly reflows for every year in execution. Specifically, reflows tend to materialize for VC Funds once the divestment period commences (generally after six years of operations).
- e) **Track-record of repaid principal and financial returns from private sector beneficiaries to the GEF Agency.** Given the maturity of GEF-NGI projects managed by IDBG as the Partner Agency, most have yet to reach the stage during execution where reflows are generated. However, GEF has already received over USD 2.5M in reflows from the EcoEnterprises II VC Fund, which only recently entered its divestment phase (compared to an invested capital of USD 5M). Likewise, the Clean Tech Fund and the Sustainable Energy Fund have entered their divestment phases and are expected to generate positive returns on investment (with reflows being transferred to the GEF Fund and reported in the IDBG-GEF Quarterly Reports as they materialize).

#### **ANNEX H.4: Management Capacity of Executing Agency and Governance Structure**

Instructions. For projects requesting equity instrument, structured finance, or SPVs please provide following information

The Yield Lab Latam Opportunity Fund LP (Yield Lab Latam, YLL or the fund manager), and Yield Lab Latam Opportunity Fund I (the Fund).



**Management and Governance Structure:** The fund has diverse governance groups to deliver and execute the expected daily activities and responsibilities, as well as deliver the expected project results indicators. as described in the diagram, some of the most important governance bodies are: (i) Board of Directors, the General governance for the YLL GP, t includes all partners with more than 5% on the Management Co. (ii) the investment committee, the body in charge of Approval of investment decision & divestments and, jointly with the LPAC, amendments and exceptions on investment guidelines. Members are senior partners from YLL. It includes observers from Key Investors. (iii) limited Partner advisory Committee, Advise on general conduct of business and on potential conflicts of interest, and reviews of Fund's expenses. Members are Key Investors. (iv) ESG Advisory Committee, advisory group on ESG general conduct of business, potential conflicts of interest and ESG Carry governance. Members are Key Investors. (v) Limited Partner Industry Committee, Group advising on Agri Food industry technical and go-to-market opportunities presented to YLL investment activities. Members are diverse.

**YLL Background.** Although individually dedicated to the agrotechnology sector since 2012, the management team formally constituted in 2017 has a regional mapping of more than 1,000 agtech ventures, of which it has analyzed more than 360 and has invested in 13 of them. In 2018, it launched its first acceleration fund



specialized in investing in companies in the early stages of the agrifood sector (called The YLL Accelerator), which invested USD 2.4M of seed capital in 12 companies, including companies based in Argentina, Brazil, Chile, and Peru. In 2020, YLL launched its second Fund, named YLL Warehousing Fund, through which it has invested USD 2.5M in seed capital, pre-Series A, and Series A, in 6 companies. Some prominent companies in the YLL's investment portfolio include Kilimo22, Botanical Solutions23, Terramagna, Space Ag, Circular, Polynatural, among others. This last Fund has just completed its investment period.

The Fund Manager's investment team has been significantly strengthened in recent years with a view to supporting the YLL Opportunity Fund I. The Manager's team is made up of 9 professionals with extensive experience in venture capital investments and the agri-food sector, including five managing partners: Tomas Peña, Roberto Viton, Camila Petignat, Kieran Gartlan, and Santiago Murtagh, who have more than 60 years of experience as private equity and venture capital investors, and as business operators in the agriculture sector. Tomas, Roberto, and Camila have been working together since 2017, while Kieran joined in 2018 and Santiago in 2020 to support the implementation of the third Fund. They are supported by a multidisciplinary team with thorough experience that combines financial, investment, operational and business skills, as well as comprehensive industry expertise that enables them to support portfolio companies on a technical level and offer them business-specific advice. The Fund will be managed by 5 partners, of which 4 will be full-time:

- Tomas Peña. Partner director. Based in Buenos Aires. Economist with more than 20 years of experience in private banking (Banco Galicia), as well as Entrepreneurial experience in one of the first agtech startups in the region (S4), digital transformation and innovation, and business development. Experience as a VC fund manager with a track record of 13 investments in early-stage businesses, all in agtech companies in LAC.
- Santiago Murtagh. Partner director. Based in Buenos Aires. Degree with an MBA from MIT, extensive experience in corporations (water treatment company), corporate finance, and private equity (JP Morgan, Bank of Boston). Experience as president and director of several companies, councils, and NGOs focused on innovation, competitiveness, and management tools.
- Kieran Gartlán. Partner director. Based in São Paulo. Master in econometrics with MBA, an expert in agriculture products with 25 years of Southern Cone experience. He directed the Office of CME Group in Brazil, leading a team to develop business in the region. Extensive experience in commercial and corporate business development.
- Roberto Viton. Partner director. Based in Luxembourg. Economist, Master's degree in financial markets, with vast experience in investments in agri-food. He is the founder and director of Valoral Advisors, a global investment advisory firm specializing in agrifood with more than USD 500M in transactions advised. He is also experienced in business analysis (Mckinsey & Company) in the private capital market and the corporate sector.

The expertise of the management team will be reinforced by a group of professionals with comprehensive experience and diverse profiles: Camila Petignat (recently appointed managing partner), Master's degree in molecular biology and biotechnology with experience in agtech startups (Kilimo, Neogram), corporations (Syngenta) and national organizations (INTA); Adriana Coderch (based in Santiago de Chile), with expertise in food science, with an MBA and an MPA, and experience as an entrepreneur in the food-tech sector, focused on the agriculture and food industry. Former CEO of Via Company Wines Group in Chile; and Graciela Budinich (Principal based in Rancagua, Chile), a commercial engineer with a Master of Science in Innovation and Design, experience in corporate innovation and open innovation in various industries (new materials, mining, creative industries). This last office was opened thanks to the local support of INIA O'Higgins in a model of public-private articulation of alliances with leaders of local ecosystems that YLL is seeking to replicate in Central America by 2022.



Added value and monitoring of the portfolio: The YLL team has a very active role in providing strategic and business advice to the companies in its portfolio. YLL works closely with the founders. This approach builds on the skills developed by YLL from its experience as an accelerator. Building on that legacy, YLL supports its companies in improving their sets of management tools to become future leaders in their markets while gaining visibility that goes beyond just monitoring or metric performance.

Completeness Review: The Project team, with the assistance of OII, conducted an integrity due diligence on the Executing Agency according to the Integrity Due Diligence Guidelines (OP-474-1). This review included examining the Fund Manager's Anti-Money Laundering and Combating the Financing of the Terrorism (AML/CFT) controls. Based on this due diligence, the Project team and OII found that the Project presents high integrity and reputation risks because (i) the Fund is in the process of being created and some key parties - such as the other investors or Limited Partners - have not yet been defined, and (ii) the Fund Manager's AML/CFT controls present some weaknesses that need to be addressed (for example, lack of monitoring of the portfolio, lack of specificity regarding what persons and entities are subject to the applicable checks).

Integrity Risk Management Program: To mitigate these risks, the Fund Manager will adopt an Integrity Risk Management Program that will (i) incorporate integrity checks on incoming investors, (ii) maintain the integrity and AML/CFT standards for portfolio companies of funds, and (iii) ensure that IDB Lab has the appropriate tools to react in the event of possible misconduct by the Administrator of the Background. Based on these considerations, the Project team considers that the integrity and reputation risks posed by this Project are high. That is, they need to be disclosed, but they are within the tolerance threshold of IDB Lab for such threats. OII agrees with this assessment.

## ANNEX I: RESPONSES TO PROJECT REVIEWS

From GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF.