

Conclusions

Beka & Bolschare Iberian Agribusiness Fund FCR **INVEU-ICR-0099-2023 – Sustainable Infrastructure Window (SIW)**

Short description of the financing or investment operation and its objectives

Financial Intermediary	Beka & Bolschare Iberian Agribusiness sFund FCR
Type of final recipients	Special purpose vehicle/project company, SMEs (including Micro Enterprises), Midcaps
Countries of implementation	EU countries with focus on Spain and Portugal
Implementing partner	Instituto de Crédito Oficial (“ICO”)

The Fund is focussed on sustainable infrastructure targeting natural resources projects in Spain and Portugal. It aims to create value for its participants by taking temporary stakes in companies it specialises in. It will primarily invest in the acquisition or lease and subsequent exploitation of rural land for the purpose of commercialising the production of such land, including but not limited to avocados, olives, hazelnuts, pistachios and almonds. The Fund's investment strategy is to manage and operate agricultural plantations applying the most advanced tools for measuring agronomic parameters that contribute to and guarantee a sustainable agricultural model in order to achieve the sustainability objectives.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 7 December for the above-mentioned operation.

The investment operation addresses a principal market failure that is at the high end of the spectrum of its prevalence (significance) in the respective market. The Fund promotes equity or quasi-equity investments at the level of each Eligible Equity Final Recipient, which is an essential in facilitating the project financing structure of a capital-intensive infrastructure project, in particular projects in their early phase, and in some cases in the development phase.

The investment would not have been undertaken or would not have been undertaken to the same extent. The use of the InvestEU guarantee will allow ICO to double the amount invested in the proposed Fund than it is through its standard activities alone, considering its high inherent risk. Furthermore, the selection criteria will focus on projects with less technological maturity whose investment strategy has less access to conventional market financing.

Conclusions

The Equity Operation from ICO generates a strong catalytic effect for the Fund, needed to reach a viable Fund size in a timely manner. ICO will be one of the main investors in the Fund thereby providing a strong (i) market validation and (ii) signalling effect and helping the Fund manager attract additional public and private investors.

The Investment Committee welcomed the Fund targeting a challenging agribusiness environment facing difficulties in fundraising.