



# REGENERA VENTURES FUND

**SECTORS:** LAND USE / AFOLU, SUSTAINABLE AGRICULTURE, CLIMATE RESILIENCE

**REGION:** LATIN AMERICA

**INVESTMENT TYPE:** CONCESSIONAL CAPITAL

**ATTRIBUTE:** FOOD SYSTEMS, GENDER EQUALITY, NATURE-BASED SOLUTIONS

**SDGs:**



**PROPONENT:** SVX MÉXICO

Mexico's agricultural sector is increasingly vulnerable to climate change, with rising temperatures, unpredictable rainfall, and extreme weather events threatening rural livelihoods. This sector is crucial for neighboring countries and global trade, supplying 22.8% of US

Regenera Ventures invests, mainly through redeemable equity, in companies within the agriculture, forestry, ecotourism, rural management and food systems sector in Mexico. Supplementing their financial offering with technical support, the fund provides the tools for companies to plan, implement, and scale regenerative management, helping increase climate resilience.

agricultural imports in 2022. Mexico is also Canada's third-largest trading partner and a key exporter to Japan and Europe.

Companies planning to implement and scale regenerative management across the agricultural sector in Mexico face several challenges, including inadequate access to financing, misaligned timelines and type of available financing, and the absence of technical support to shift production strategies. As a result, these companies end up either taking unfavorable debt financing available to them to try and fund the necessary changes or perpetuating existing unsustainable practices.

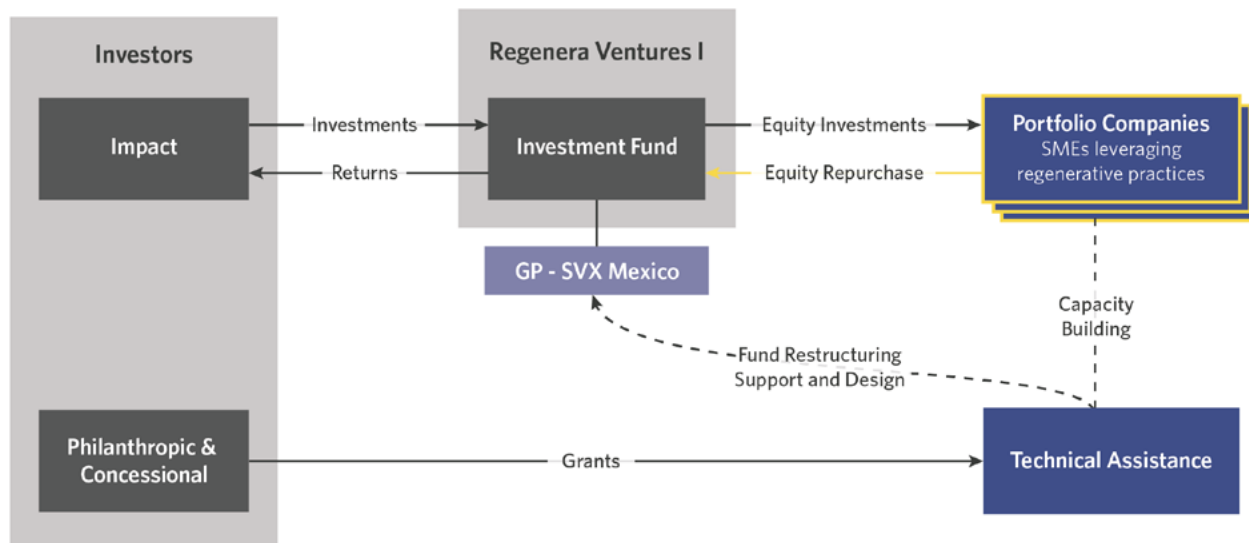
## INNOVATION

Regenera Ventures seeks to mainstream regenerative management in Mexico's agricultural sector, enhancing rural resilience, securing financial returns, and building regenerative capacity of the ecosystem. By investing in regenerative management, SMEs can reduce input costs, increase yields, diversify revenue streams, and secure long-term sustainability.

Regenera Ventures invests mainly through redeemable equity, in ticket sizes that are aligned with each company's needs. The funding timeline is also aligned with the timing of potential cash flows, allowing companies to make their investments and start to benefit from them before starting the repurchase period. Finally, the tailored technical assistance enables effective implementation and impact monitoring of regenerative management interventions.

## IMPACT

Regenera's first fund will target exclusively Mexico, testing the concept of redeemable equity in the context of its agricultural sector. After the launch of the first fund, the concept can be scaled to include other Latin American countries, particularly Colombia.



Regenera Ventures transforms landscape management practices by investing in businesses that adopt regenerative management that restores soil health, conserves water, reduces harmful chemical usage, and increases the resilience of ecosystems to deal with extreme climate conditions. At the same time, it creates economic opportunities, supports social equity, and enhances community resilience through investments in companies that support livelihood improvement of rural communities.

## DESIGN

Regenera Ventures is a 10-year fund, with a two-year extension option structured in a typical LP-GP setup/arrangement common to private equity and venture capital funds. The fund will have limited partners such

as development finance institutions and impact investors, and will invest through (i) pure equity investments and (ii) mezzanine and quasi-equity redeemable into companies operating in Mexico.

Most of the portfolio will be structured through redeemable equity, a type of results-based financing where the companies receive an equity-like investment with a mutually agreed timeline for share repurchase by the company. A smaller part of the portfolio that will be dedicated to startups will have a pure equity play to guarantee the fund has exposure to higher upside potential.

Regenera Ventures will also provide technical assistance to businesses across its portfolio, supporting both the technical needs for the implementation of regenerative management and business-related matters to support the growth of portfolio companies.

Regenera Ventures was launched thanks to the support of the Sustainable Landscapes Ventures Program funded by USAID and implemented by Conservation International Mexico.

## TEAM



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## INVESTMENT OPPORTUNITIES

TYPE	ROLE OF CAPITAL	AMOUNT
EQUITY	Fund capitalization	USD 20-30M

The Lab identifies, develops, and launches sustainable finance instruments that can drive billions to a low-carbon economy. The 2024 Lab cycle targets three thematic areas (adaptation, high-integrity forests, and sustainable agriculture and food systems) and five geographic regions (Brazil, India, East and Southern Africa, Latin America and the Caribbean, and the Philippines). Bloomberg Philanthropies, the United Nations Development Programme, and the governments of Canada, Germany, the United Kingdom, and the United States have funded the Lab's 2024 programs. Climate Policy Initiative (CPI) serves as the Secretariat and analytical provider.