

Success Story – LAGreen Fund

Green Bonds Gaining Ground in Brazil



Country: Brazil

Theme: Sustainable Agricultural Production, more specifically low impact agriculture

Investee: Gencau

Date of investment: 2025

SDGs supported: 1, 2, 8*

Project summary: In 2025, LAGreen entered the Brazilian market with an investment of BRL 20.8 million (USD 3.8 million) in a Green CRA issued by Gencau, as part of a broader BRL 80 million transaction. Gencau, a family-owned cocoa processing company based in Brazil, focuses on sustainable sourcing and processing of cocoa, and plans to expand its processing capacity and contribute to sustainable cocoa practices.

The Green CRA is therefore designed to assist cocoa producers in advancing low-environmental impact agriculture, while responding to growing global expectations around sustainability and traceability. In doing so, it helps strengthen supply chain transparency in line with evolving requirements such as the EU's deforestation-free regulation.

Leveraging Local Instruments

At the core of this transaction is the use of a Green CRA, which is a local market securitized green instrument known as an Agribusiness Receivables Certificates

(CRA), that channels capital directly into the agricultural sector. CRAs are internationally recognized as equivalent to green bonds, by actors such as Climate Bonds Initiative and ICMA. By working through a local currency instrument, the investment allows the fund to connect more effectively with domestic markets while supporting the access of middle market players to local capital markets.

This approach reflects a broader strategy: entering new markets not by imposing external structures, but by leveraging what already works locally and scaling it toward new actors and seeking more sustainable outcomes.

Expanding Sustainable Finance in Latin America

Against this backdrop, the investment marks our first step into Brazil and broadens our use of thematic bonds across Latin America. The focus on cocoa is deliberate. It is a value chain where pressure is mounting, from regulators, buyers, and consumers alike, to demonstrate sustainable land use and clear traceability.

Through the partnership with Gencau, the bond supports more responsible sourcing by ensuring cocoa is produced in line with environmental and social standards. At the same time, it improves traceability, allowing buyers to better understand where products come from and how they are produced.

Crucially, the financing reaches beyond systems and standards. It assists farmers directly, many of whom are family-run operations, helping to sustain livelihoods while encouraging production methods that reduce environmental impact without compromising productivity.

“At Gencau, we believe that sustainable growth goes hand in hand with farmer prosperity and biodiversity conservation. This partnership with LAGreen Fund allows us to expand agroforestry, strengthen traceability, and offer fairer opportunities for hundreds of family farmers. Together, we are setting a new standard for responsible cocoa production.”

Adriano Pedroso, CEO, Gencau

Beyond Capital: Supporting Market Development

The investment also sits within a broader effort to strengthen Brazil’s sustainable finance ecosystem. In parallel, we contributed to the State of the Sustainable Debt Market Report for Brazil, developed alongside Climate Bonds Initiative and ERM, and engaged with local issuers through targeted events and training.

These efforts go beyond individual transactions. They help build the foundations to expand the market, where thematic bonds are better understood, more widely adopted, and increasingly positioned to scale the transition to a low carbon, resilient economy.

*SDG's supported are defined at framework level.

Source <https://lagreen.lu/es/green-bonds-gaining-ground-in-brazil/>