











## Pre-investment partners

	Fairventures	Ecookim Coop-Ca	OTAGO	African Bamboo
<b>Business model</b>	<p>Fairventures business model revolves around an agroforestry system, bringing timber and cash crops, as well as non-timber forest products (NTFPs) to market. The potential to generate revenue from selling carbon credits is being explored.</p> <p>Local social forestry permit holders (communities) provide the land and have the right to provide the majority of the necessary labor, following free prior and informed consent (FPIC) procedures.</p>	<p>Ecookim Coop-Ca, a cross-country Union of Cooperatives operating in Côte d'Ivoire, aims to support income-generating opportunities for their cooperative members and restoration of degraded lands through large-scale transition towards fit-for-purpose cocoa agroforestry systems. Links to REDD+ are being explored to potentially add revenue options.</p>	<p>OTAGO's current business model is based on the production and sale of eco-friendly charcoal-briquette and renewable biomass options, providing employment opportunities to local communities in Cambodia. To scale up the sustainable charcoal business, OTAGO is exploring the potential to establish a 10,000-hectare (agro)forestry plantation on degraded land and forming a buffer zone to the neighboring national forestry reserves.</p>	<p>African Bamboo's current business model envisages bamboo raw materials being sourced sustainably from natural bamboo forests, community outgrower production sites, and plantation sites. Harvesting from the natural bamboo forest site will be done with low impact (manual/non-mechanical) methods, and the project will seek FSC® certification. The natural bamboo forest operations are operated through participatory forest management agreements with communities.</p>
<b>Investment need</b>	<p>Currently, Fairventures receives blended finance made up of grants, soft loans and patient equity for proof of concept at significant size. Further debt financing to scale community agroforestry models is needed.</p>	<p>Ecookim requires patient capital (US \$10 million) to develop and scale its planned transition towards optimized cocoa agroforestry and to expand its operations to process agroforestry products other than cocoa.</p>	<p>Otago currently receives a mix of grants and patient capital, and initially looks to scale up its current operations with an investment of US \$2.5 million. Following technical assistance, the project is expected to be investment-ready and able to attract a prospected US \$10 million investment.</p>	<p>African Bamboo is looking for up to US \$20 million in investments, mainly for processing capex and development of upstream activities.</p>
<b>Technical Assistance</b>	<ul style="list-style-type: none"> <li>• Improve the agroforestry mix and shorten projected loan repayment period</li> <li>• Cash crop selection based on market study</li> <li>• Soil preparation and agronomic improvement</li> <li>• Field testing to verify growth/yield assumptions</li> <li>• Post-harvesting best practice research</li> <li>• Updating financial modelling to include cash crops</li> </ul>	<ul style="list-style-type: none"> <li>• Establish the business model and feasibility for Ecookim cocoa producing members to transition to an agroforestry system, and determine the investment needed to facilitate this transition at scale</li> <li>• Analysis of the most suitable structure for Ecookim to receive and manage the investment, including assessment of local bank partnership options</li> </ul>	<ul style="list-style-type: none"> <li>• Exploring feasibility of a business model for 10,000-hectare (agro)forestry plantation in Cambodia</li> <li>• Scouting availability of land for plantation establishment</li> <li>• Assessment of the scalability and replicability of the business model, both in Cambodia and internationally</li> </ul>	<ul style="list-style-type: none"> <li>• Independent impact assessment of the proposed operations in the natural bamboo forest and of the cultivation of bamboo by smallholders/communities</li> <li>• Assessment of feasibility to achieve FSC® certification</li> </ul>

## Post-investment

	Café Selva Norte	Miro Forestry	Cacao Oro	Mountain Hazelnuts	Komaza
<b>Business model</b>	<p><b>Revenue stream:</b> interest payments of the coop loans, fees of the services provided by the mill, carbon credits, coffee commercialization</p> <p><b>Main value chains and producer income:</b> coffee, agroforestry (timber)</p> <p><b>Cooperative:</b> carbon credits, increased volumes and value</p> <p>Community engagement through local existing coffee cooperatives whose members have secured land rights</p>	<p><b>Revenue stream:</b> timber processing and sales, carbon credits</p> <p><b>Main value chain and producer income:</b> timber</p> <p>Community employment opportunities for existing and new forestry plantations, land lease from local landowners (e.g. chiefdoms), and currently planning an outgrower scheme</p>	<p><b>Revenue stream:</b> coffee and cocoa sales, carbon credits (feasibility study)</p> <p><b>Main value chains and producer income:</b> coffee and cocoa agroforestry</p> <p>Core part of new land development for production, aiming to partner with indigenous community</p>	<p><b>Revenue stream:</b> hazelnut sales, carbon credits (feasibility study)</p> <p><b>Main value chain and producer income:</b> hazelnut production</p> <p>Through partnerships with farmers throughout the country</p>	<p><b>Revenue stream:</b> timber processing and sales, carbon credits (feasibility study)</p> <p><b>Main value chain and producer income:</b> timber</p> <p>Through partnerships with individual smallholder farmers who own the land. Farmers receive inputs and training to plant and manage trees, and a fair profit-sharing at harvest.</p>
<b>LDN Fund investment</b>	<p>Debt financing to transition to agroforestry system, and equity financing to improve coffee-processing capacity and securitize carbon benefits, via a dedicated vehicle (Urapí)</p> <p><b>Duration:</b> 15 years</p>	<p>Quasi-equity financing of US \$8 million to plant on degraded forests</p> <p><b>Duration:</b> 11 years</p>	<p>Debt with profit sharing of US \$15 million for current operations and expansion on degraded land through community partnership</p> <p><b>Duration:</b> 10 years</p>	<p>Profit-sharing loan of US \$9 million to further scale up operations</p> <p><b>Duration:</b> 10 years</p>	<p>Equity (US \$4.5 million) financing to scale up operations</p> <p><b>Duration:</b> 8 years</p>
<b>Technical Assistance and why?</b>	<ul style="list-style-type: none"> <li>Cooperative capacity building to increase management capacity and reduce investment risk</li> <li>Research into coffee hybrid varieties and timber value chain to strengthen business model</li> <li>Setting LDN baseline and impact monitoring for adaptive management</li> </ul>	<ul style="list-style-type: none"> <li>SDM analysis and outgrower pilot to expand operations and strengthen community livelihood opportunities</li> <li>Participatory land use plan to engage with wider landscape, supporting planned outgrower scheme and maximizing environmental and social impact</li> <li>Setting LDN baseline and impact monitoring for adaptive management</li> </ul>	<ul style="list-style-type: none"> <li>Confirmation of the business model potential, safeguarding positive environmental and social returns, and the FPIC process</li> <li>FPIC procedure and participatory land use plan to initiate community partnership</li> <li>Setting LDN baseline and impact monitoring for adaptive management</li> </ul>	<ul style="list-style-type: none"> <li>Support on orchard and yield optimization, rainwater irrigation technologies, and pre- and post-harvesting to reduce risk</li> <li>Zero-interest loans to (young) entrepreneurs to encourage establishment of businesses along the hazelnut value chain.</li> <li>Acceleration of Rainforest Alliance certification.</li> <li>Setting LDN baseline and impact monitoring for adaptive management</li> </ul>	<ul style="list-style-type: none"> <li>Cost analysis of the production cycle, incl. benchmark</li> <li>Feasibility study for expanding the project's operations to new sites, including environmental impact assessment</li> <li>Environmental and social management system expansion support to kick-start ambitious environmental and social action plan</li> <li>Setting LDN baseline and impact monitoring for adaptive management</li> </ul>

## Post-investment

	Café Selva Norte	Miro Forestry	Cacao Oro	Mountain Hazelnuts	Komaza
<b>Projected impact</b>	 <b>8,250*</b> hectares now projected to contribute to LDN	 <b>42,500 hectares</b> now projected to contribute to LDN	 At least <b>2,000 and up to 10,000 hectares</b> now projected to contribute to LDN	 <b>10 million trees</b> planted on land now projected to contribute to LDN	 <b>40,000 hectares</b> now projected to contribute to LDN
	 <b>3,000 farmers</b> engaged in the partnership, of which 20% are women	 <b>1,500 new jobs</b> of which at least 24% are women	 <b>2,100 community members</b> engaged in the partnership of which at least 35% are women	 <b>15,000 farming households</b> projected to be engaged in the partnership of which at least half are women-led households.	 <b>Over 20,000 farmers</b> engaged in the partnership of which 15% are women
	 <b>3.8 million MtCO2eq</b> sequestered	 <b>5 million MtCO2eq</b> sequestered	 Carbon sequestration impact still to be determined	 <b>Between 1.5 and 8 million MtCO2eq</b> sequestered*	 <b>7 million MtCO2eq</b> sequestered

*\*In addition to 8,250 hectares with agroforestry, 20,000 hectares are expected to be conserved. The climate mitigation impact takes into account both activities.*

*\*Based on an FAO EX-ACT model and over lifetime of the project's 10 million hazelnut trees planted across 13,500 hectares in Bhutan*