

CASE STUDY

Fondaction and EcoTierra: Working with small farmers on responsible land use and sustainable agriculture in Peru and Colombia

Name of Organization/s:
ECOTIERRA

Name of Project:
Urapi Sustainable Land Use Fund

Type of Investment:
Debt and Equity

Region:
Latin America

Sector/s:
Agroforestry, Coffee and Cocoa, and others

Key Impact Focus and Primary Metrics:
Number of producers involved
Number of converted hectares
Number of hectares conserved
Tonnes of CO2 sequestered



ECOTIERRA is an agroforestry project developer and operator. Its mission is to work the deforestation and poverty cycle of many forest frontier areas dominated by smallholder agriculture.

ECOTIERRA created the Urapi Sustainable Land Use Fund to break the deforestation and poverty cycle of many forest frontier areas dominated by smallholder agriculture.

Urapi Sustainable Land Use Fund was created to work over the long-term with producers and cooperatives as equal partners versus working with beneficiaries in the context of a 3-5 year project that goes beyond certification to integrate multiple solutions at all stages of the value chain from financing for farmers, production of inputs, technical assistance to increase quality and productivity, diversification of revenues, accessing carbon finance by cooperatives, and commercialization of products with higher value.

The fund will invest in four projects designed and operated by ECOTIERRA. There are currently two active projects in Peru and Colombia.

The projects combine diversified activities and revenue streams, including:

- Micro-credit for land use transition to sustainable agroforestry
- Value-chain reinforcement (infrastructure and sales of commodities)
- Carbon impact monitoring through VCS certified projects

CASE STUDY



FUND STRUCTURE:

Urapi is the investment vehicle, i.e., a fund structured as a limited partnership (L.P.) that channels the investment of various L.P.s such as Fondation. To date, the fund has reached US\$ 40 million in commitments. Fondation's commitment is US\$5 million.

The General Partnership (G.P.) is co-owned by ECOTIERRA and Fondation, and ECOTIERRA manages the day-to-day activities of the fund. ECOTIERRA is therefore responsible for managing the G.P., including selecting and managing the various investments on behalf of the fund.

Deal Size (\$):

Currently at US\$40.2 million with a target of US\$50 million for the second closing

Instrument Used:

Debt and equity

Expected Impact:

- 300% income increase for coffee producers
- 25,000 hectares reforested
- 400,000 hectares conserved
- 7,300,000 tonnes of CO2

Investment Term:

15-year fund

