

Althelia funds

Alineando Economía y Ecología

*2º Foro Internacional de Finanzas
Sostenibles de Paraguay*

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An affiliate of:



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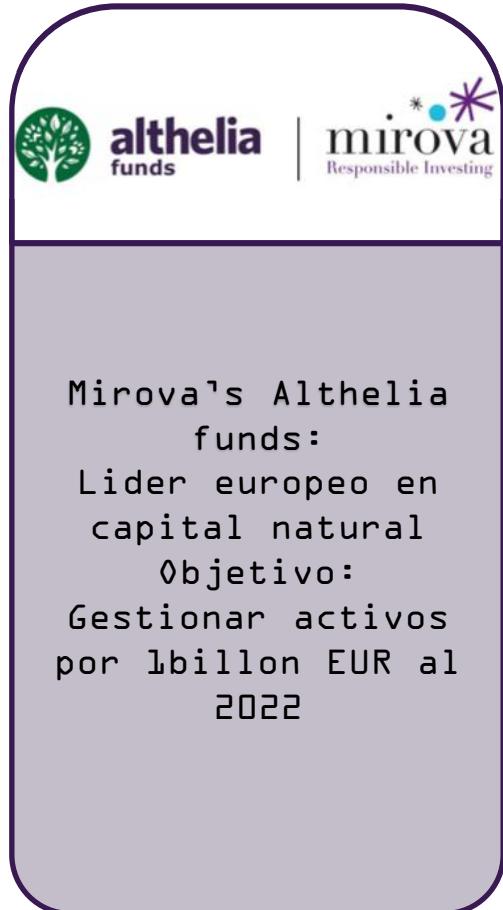
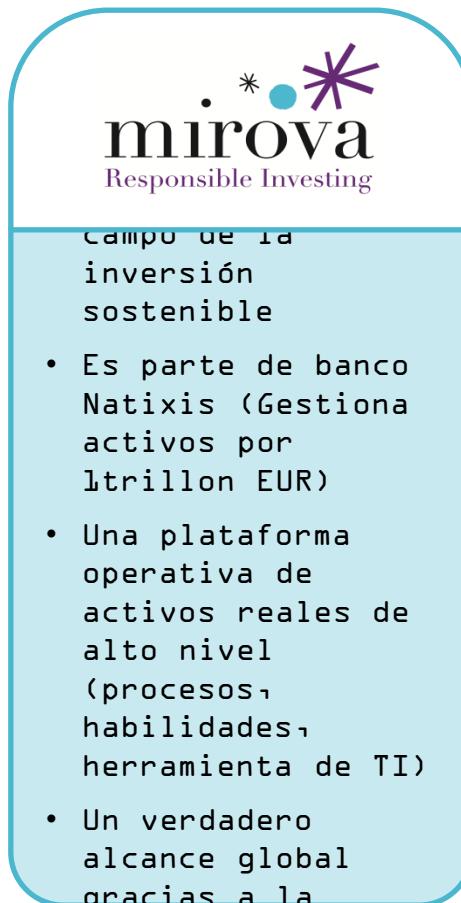
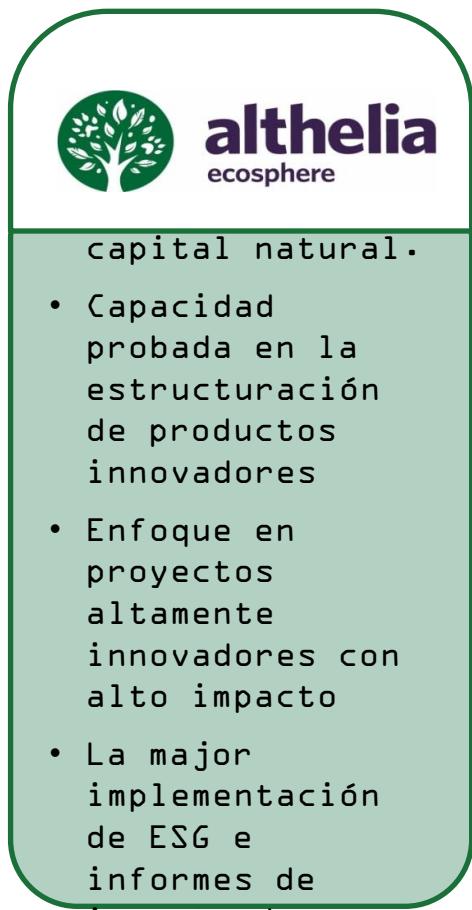
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Sobre el Fondo Althelia – Mirova

Mirova y Althelia unieron fuerzas en Septiembre 2017



Founding member · sólida plataforma de distribución

GIIN
GLOBAL IMPACT INVESTING NETWORK

Éxito de Impacto - Althelia Climate Fund

Rendimientos financieros → Impactos Social y Ambiental ...



For more details on ACF impact please see our impact report, available at:
<https://althelia.com/mission/our-impacts-monitoring/>

Más de 3,000 personas se han beneficiado de un mejor acceso a la atención médica

NATIXIS
INVESTMENT MANAGERS

Estrategia de Inversión diferenciada por ámbito geográfico



- **América Central & el Caribe:** *Sistemas agroforestales intensivos de muy alto valor* (cardamo, pimiento negro) con protección de los bosques remanentes que producen *Creditos de Carbono Voluntarios*.
- **Andes Amazónicos:** Protección de grandes áreas naturales protegidas, produciendo *créditos de carbon anidados*, combinado con *commodities certificados* (cocoa, coffee, certified timber).
- **Brazil:** Grandes proyectos de uso sostenible de la tierra basado en *commodities* como carne, ganado, aceites

Contexto: Áreas Naturales Protegidas de Perú en la Amazonía

- Perú: 3^{er} cuenca de bosque tropical más grande después de la RDC y Brasil ~ 70 millones de hectáreas.
- La autoridad peruana de áreas naturales protegidas gestiona más de 16 millones de hectáreas de AP en la Amazonía.
- 177,000 hectáreas de paisajes de áreas protegidas, deforestados durante 2012-16 (de los cuales 26,000 en ANP y c.).



Althelia: un enfoque gradual para proteger la Amazonía

Una estrategia de abajo hacia arriba, basada en las lecciones aprendidas.

2013-2017

1. Inicio

- Implementar estrategias de Producción - Protección en 3 ANPs 7 bosques de comunidades nativas
- Construir alianzas (operadores, coops, compradores, financieras...)
- 2,000,000 hectáreas protegidas; 2,500,000 hectares en ZA

2017-2020

2. Asegurar y aprender

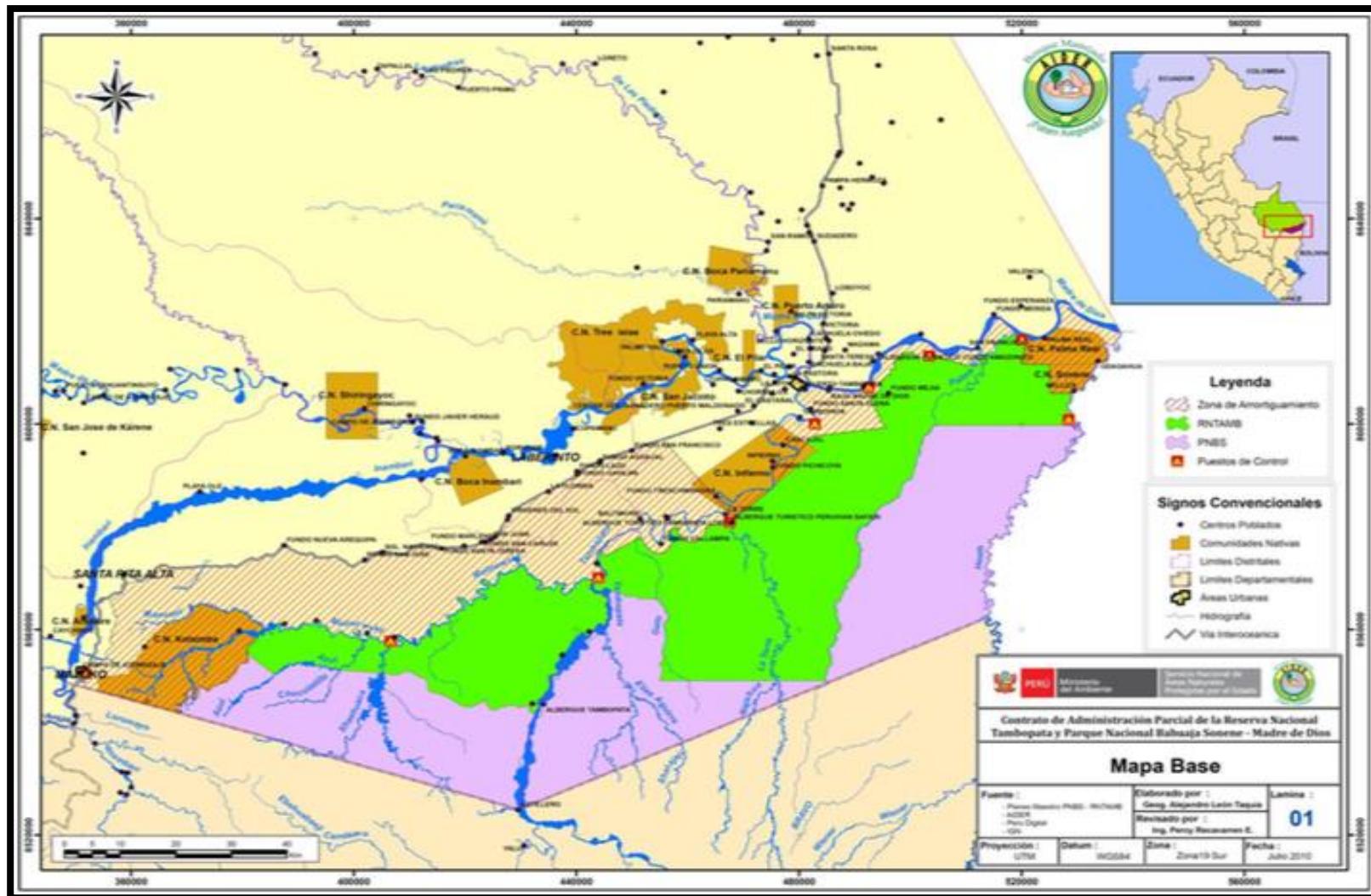
- Monitorear y reportar; difundir las lecciones aprendidas
- Construir mercado para cacao, café y madera certificada FSC sin deforestación
- Construir mercado para créditos REDD + - OTC y a través de instrumentos financieros

2019-2035

3. Replicar a escala (PalaP)

- Seleccionar 5-7 nuevas ANPs
- Diseñar estrategias e implementar alianzas
- Meta: 7,000,000 hectáreas de bosques de alto valor de conservación protegidas; 4,000,000 hectares en ZA
- >35,000,000 tCO₂e evitadas

Proyecto ubicado en márgenes carretera interoceánica que une Brasil y Perú.



Dinámica del uso de la tierra en la zona de amortiguamiento caracterizada por la agricultura de corta y quema



@EcoTierra INC

Deal Summary



Paquete de Financiamiento (Fase - 1)

- EUR5.0m Préstamo respaldado por carbono (VCU), reembolsable en 6.0 años a partir de las ventas de los créditos de carbono.
- 6.5% interés, participación de los beneficios de los



Investee

- Asociacion para la Investigacion y el Desarrollo Integral - AIDER
- Establecida hace 30 años
- Desarrollador del Proyecto, destacada experiencia en



Actividades Clave

- Proyecto REDD+ en ANP + Agroforestería en ZA
- 4,000 has de agroforestería (fase - 1 & fase - 2), Control & Vigilancia, Monitoreo Biológico e

Impactos

- 4.2m t CO₂ evitadas al 2020



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Responsible Investing

2008: AIDER, a Peruvian NGO got an administration contract for 20-years by the Peruvian Government for the National Reserve of Tambopata and National Park Bahuaja-Sonene, in Madre de Dios (570k has of pristine forest)

AIDER is authorized to develop schemes for payment for ecosystem services in order to finance its contract obligations.

2010: REDD+ Project submitted for validation. Main drivers of deforestation were extensive agriculture and illegal mining.

2011-2013: Co-building process with Althelia, pre-closing of the fund, an agroforestry component in buffer zone was included and business plan updated.

2013: Q4-2013 screening of the investment.

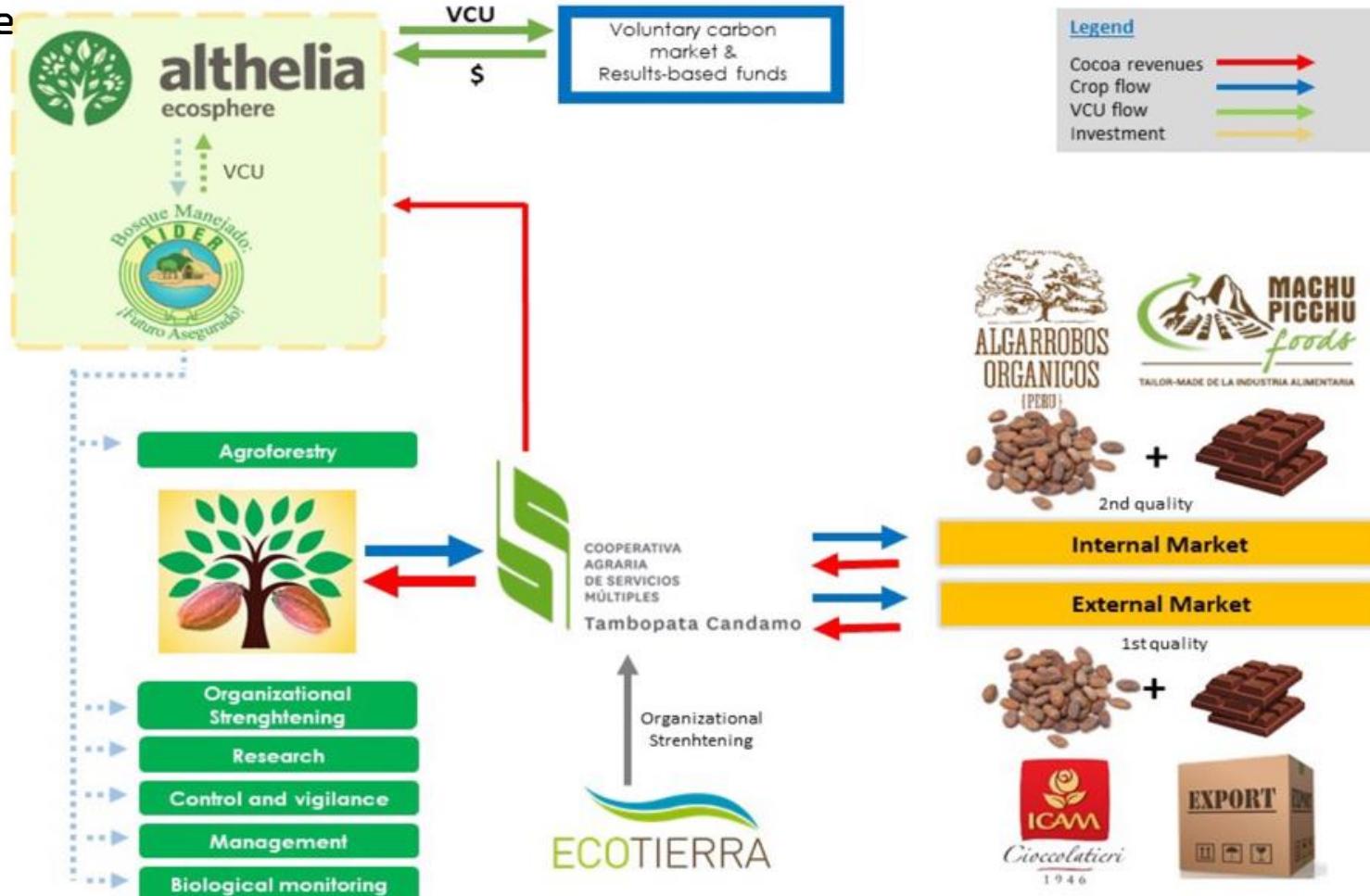
2014: Q3-2014 investment deployment.



1. Inicio: Carbono como herramienta de inversión para Áreas Protegidas & Producción

en Zonas de Amortiguamiento:

National Reserve of Tambopata - 570,000 hectares of HCV forests under a 20 years conservation concession from the State



Screening and DD

Technical

- **Carbon:** 4.5m ERs over 10 years
- **Deforestation:** avoid 1.2 thousands hectares per year
- **Drivers:** extensive agriculture and illegal mining
- **REDD+ Strategy:** intensify agricultural practices mixing food crops & cash crops (cacao, organic & fairtrade)
- **Business Plan:** investment plan, business assumptions and operations

ESG

- **Target population:** farmers and indigenous communities
- **Activities:** control and surveillance, agroforestry, certifications
- **ESAP:** ESIA, Indigenous Communities communication strategy, grievance mechanism

Findings	Response
<ul style="list-style-type: none">• Cocoa Region: Madre de Dios is not a cocoa region, lacks of genetic material	<ul style="list-style-type: none">• Collaborate with Peru Cocoa Alliance to source genetic material
<ul style="list-style-type: none">• Cocoa Experience: AIDER lacked of experience in cacao and Cooperative creation/management	<ul style="list-style-type: none">• Ecotienda, specialized in coffee and cocoa cooperatives, partnered with AIDER
<ul style="list-style-type: none">• Mining: Illegal mining was a major risk for deforestation and crime involvement	<ul style="list-style-type: none">• Incident reports where implemented and ESG monitoring strengthened
<ul style="list-style-type: none">• Carbon Scheme: PDD was very well developed and assumptions seemed	<ul style="list-style-type: none">• Haircut of +30% on carbon for covering risks

Project Structuring: Contracting

- Loan: EUR5.5m for phase-1 (conservation activities + 1250has of cocoa-based agroforestry & Cooperative).
- Repayment structure: proceeds from sales carbon credits through an agency agreement by which Althelia is the sole authorized party to transact the emissions reductions.
- Cocoa profit sharing: % of cocoa revenues shared with investors (more than 85% to communities) paid through assignment of commercial invoices.
- Collateral: 2.4m Carbon Credits pledged as collateral.
- Securities: pledge over Markit registry, pledge over sales account, mortgage over cooperative assets, promissory note.
- Guaranty: USAID-DCA partial loan losses coverage.

Project Management: deal monitoring

➤ Cooperative fully Incorporated in 2010 over performance +1250 hectares by Q1-2021

Collaborative Approach

- Managed by Investment Officer
- Quarterly visits, annual visit of Managing Partner
- Annual ESG audit on Environmental/Social Action Plan & Impact Assessment
- Annual ERs verifications assed by technical manager
- Project Calendar, Quarterly Report, PREZ and Memo

Findings	Response
<ul style="list-style-type: none">• Deforestation projections were well constructed, and conservative assumptions were verified	<ul style="list-style-type: none">• Annual carbon verifications closely follow up
<ul style="list-style-type: none">• Biological Monitoring and Research gave outstanding results: <i>Althelius</i> (<i>new species to science</i>)	<ul style="list-style-type: none">• Condition AIDER to verify CCB so to strength the biodiversity angle
<ul style="list-style-type: none">• Illegal mining is rapidly expanding, deforesting 450 hectares of Tambopata Reserve	<ul style="list-style-type: none">• Quarterly deforestation monitoring, update of carbon projections. Requirement to update water analysis
<ul style="list-style-type: none">• Agroforestry installation is delayed of few months due to climate conditions	<ul style="list-style-type: none">• Update revenue model in function of phase-1 finalization Q1-1250has

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Project Management: field visits



COOPERATIVA
AGRARIA
DE SERVICIOS
MULTIPLES
Tambopata Candamo

Project Management: field visits



Results

- 355 farmers involved in the project (287 members of the cooperative)
- COOPASER created with formalized legal, accounting and administrative documentation
- 1,254 hectares of cocoa-based agroforestry systems installed
- 1,000 hectares grafted with fine & flavor aromatic clones (45% TSH 565, 25% ICS-95/10% ICS-39, 10% IMC-67) and 10% native cacao (chuncho de Madre de Dios)
- 345 family nurseries installed.
- 1 post-harvest processing facility of constructed with capacity to process 150 Tn of wet cocoa / month
- 90 producers in process of conversion of conventional to organic farming
- COOPASER is fully certified Fairtrade

Project Management: certifications



Certificado Fairtrade

Cooperativa Agraria de Servicios Múltiples Tambopata Candamo

FLO ID 36101

cumple los criterios Fairtrade y los criterios de certificación FLOCERT de acuerdo con el alcance abajo:

Producto(s) Cacao

Para los detalles sobre el tipo de producto específico véase anexo 2.

Alcance Los anexos forman parte del certificado:

Anexo 1: Lista de los criterios Fairtrade y los criterios de certificación FLOCERT

Anexo 2: Alcance de producto

Válido hasta 09 oct 2021

Dirección Jirón Puno N° 1313 - 1307, Puerto Maldonado, Madre de Dios, Perú

Project Impact: climate benefits

ERs Projections			
Verification Period	Estimated / Actual Units	Verification Date	Comments
01 July 2010 - 30 June 2015	1,387,363	-	Verified
01 July 2015 - 30 June 2017	957,055	15/12/2018	Undergoing Monitoring Report
1 July 2017 - 30 June 2018	494,745		
1 July 2018 - 31 December 2018	309,357	5/07/2019	
Total	3,148,520		

- Between nearly 100% performance over planned.
- First world official forest carbon Emissions Reductions under a national REDD+ framework.
- Potential 1.0 million additional credits

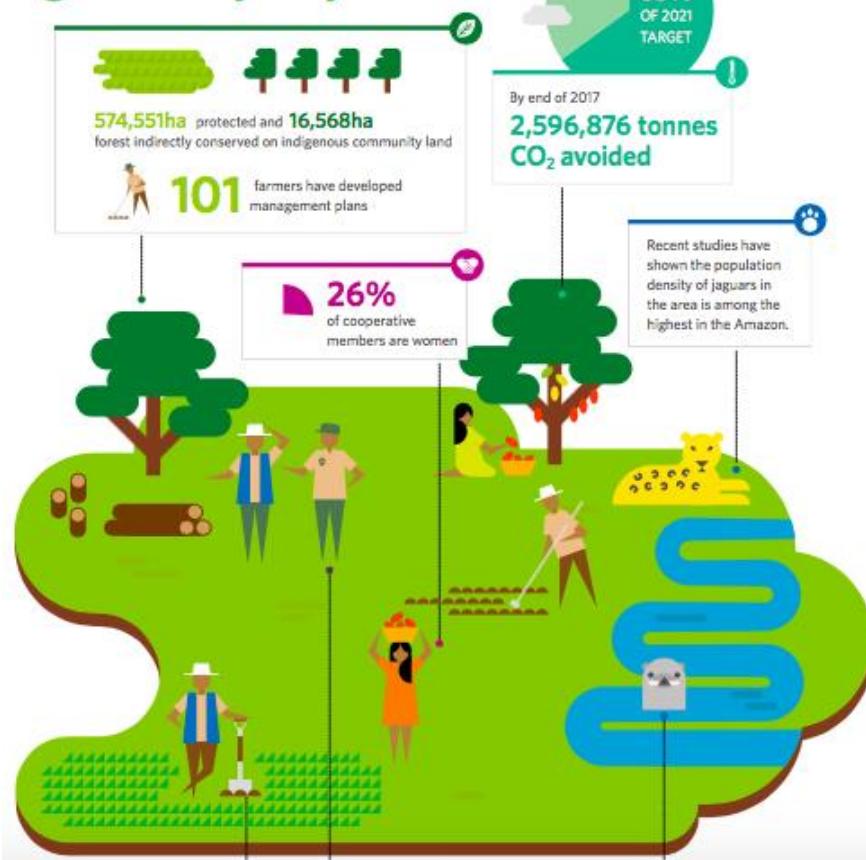
Project Impact: Social inclusiveness



Mr. Garate, founder of COOPASER, passed away and remains a key figure of the sustainability movement in Coopaser

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Tambopata-Bahuaja REDD+ and Agroforestry Project



Project Impact: Biodiversity



Rana terrestre

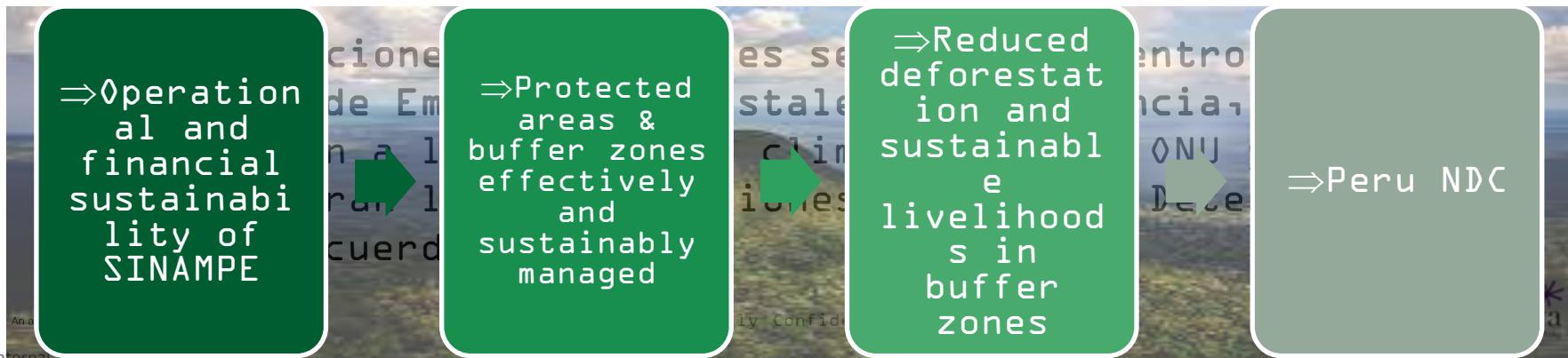
Lagartija sin patas, Género sólo conocido para Brasil, Paraguay, Uruguay y Argentina.
Grupo de Reptil muy raro

2. Secure and learn: Building up commodities and carbon markets

- **Aprender hacienda**
 - Mejora continua de las operaciones, monitoreo estricto, participación de nuevos aliados en la expansión del programa
- **Construyendo mercados de cero deforestación:**
 - Los compradores de cacao y café ahora entienden el modelo y se alinean para la compra de productos de deforestación cero.
 - Prima limitada hasta ahora pero compra directa
- **Construyendo los mercados de carbono:**
 - Operaciones voluntarias: el volumen y el precio limitados están por debajo de las expectativas
 - Reconocimiento del enfoque de protección de la producción por parte del gobierno de Perú: primeros "créditos anidados" en virtud del Acuerdo de París
 - Lanzamiento de un Carbon Note respaldado por los créditos de carbono de los Parques Nacionales 2015-2020, que se incluirán en la lista (es decir,

3. Replicar a escala: Peruvian Amazon Landscapes & Protected Areas Program (PalaP)

- **Replicar los Contratos de Administración a varias áreas protegidas en la Amazonía peruana (~ 5-7 millones de hectáreas) con otras ONG, con el mandato de establecer los sistemas e implementar las actividades operacionales según los requisitos del SERNANP (es decir, control y vigilancia, monitoreo biológico, investigación, etc.).**
- **Generar actividades productivas sostenibles en las zonas de amortiguamiento en beneficio de las poblaciones locales (agroforestería basada en comunidades, productos forestales no maderables como castañas, frutas, pesquerías, manejo forestal sostenible certificado por la comunidad, energía renovable ...) (~ 4,000,000 hectáreas).**



The collage consists of four photographs: top left shows a man working in a field of green crops; top right shows a dense forest of tall trees; bottom left shows several people working in a field of large green plants; bottom right shows a close-up of fallen logs and branches on the ground.

Thanks

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