



Press release
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First investment of Moringa in Nicafrance, located in Nicaragua

Moringa has invested in Cafetalera Nicafrance SA (“Nicafrance”), a Nicaraguan agroforestry¹ company, specialized in the production of high quality shade-grown coffee and timber for high-end applications. The investment will strengthen the forestry activities of the company and finance the development of a cluster of small and medium-sized coffee farmers.

Nicafrance, founded in 1992 by Mr. Clément Marie Ponçon, has successfully developed one of the largest coffee farms in Central America. It is a unique example of an agroforestry system combining coffee plantations with ten native and precious tree species. The company already benefited from an extensive research program supported by CIRAD, a leading tropical agriculture research institution, to develop highly productive disease-resistant coffee varieties (including resistance to the rust disease, nematodes), well adapted to shade and with superior flavor. This program will be strengthened to allow the company to further develop its technical excellence. Nicafrance is also well placed to benefit from the development of a timber industry, which makes increasing use of native species for use in high-end furniture making, eco-lodges, etc.

The investment by Moringa marks the beginning of a long-term partnership, which will see the development of a program to re-invigorate small and medium scale farms in the Matagalpa region of Nicaragua that have been severely affected by rust and the effects of global warming. This program will build a coffee cluster producing around 5,000 tonnes of specialty coffee per year for high-end roasters in Europe, the US and Asia. Nicafrance already supplies large international roasters and leading coffee brands.

The establishment of 1,700 hectares of agroforestry-based coffee on small and medium scale farms will improve the resilience of an area being affected by global warming. It is estimated that the project will store 127'000 tCO₂. It will also provide higher incomes to growers and reduce poverty, while helping to create up to 6,000 permanent and seasonal jobs.

¹ Agroforestry is the spatial or temporal combination of trees and crops or livestock. It exploits biological and economic synergies to produce better land management, higher productivity, higher and more stable local incomes, reduced project risks and positive environmental and social impacts.

The ONFI (international subsidiary of the French Office National des Forêts, and Moringa's technical partner) will contribute its expertise in forest management to ensure better growth in value of current and future timber assets. ECOM, a leading global coffee trader with a strong presence in Nicaragua, will contribute its network and experience of partnering with coffee growers.

Hervé Bourguignon, partner at Moringa, commented: *“Nicafrance is a perfect example of a financial investment which combines robust financial performance requirements, with a positive and direct environmental impact while also reducing poverty. The financing structure for the agro-forestry farms is innovative, and highly replicable throughout Central America.”*

Clément Ponçon, CEO of Nicafrance, added: *“this transaction builds a bridge between small and medium sustainable farmers in Nicaragua, and socially and environmentally responsible investors such as Moringa. Ahead of COP21, we hope this can serve as a model and platform for further investment in climate smart agro forestry systems in coffee, but also in cocoa and cattle among others.”*

About Moringa

Moringa is a Luxembourg-based investment vehicle which invests in profitable larger scale agroforestry projects with high environmental and social impacts located in Latin America and sub-Saharan Africa. Portfolio projects will generate diversified revenue streams and sources of income such as agricultural, forestry and carbon market revenues. Moringa was initiated by the Groupe Edmond de Rothschild and ONF International and is backed by notable public and private sector investors.

Further information is available at www.moringapartnership.com

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