



## First closing of the "Agroforestry Technical Assistance Facility" - USD 2.8 million assistance for Poverty Alleviation and Climate Change Resilience

December, 7<sup>th</sup> 2016

The Agroforestry Technical Assistance Facility (ATAF) has achieved a **first closing of USD 2.8 million**. Main contributors are the French Facility for Global Environment (FFEM), the African Development Bank (via the Fund for African Private Sector Assistance - FAPA) and the Investment and Support Fund for Businesses in Africa (FISEA - AFD Group). The Dutch Development Bank (FMO) is supporting a first project in Nicaragua through its Capacity Development Program. USAID is supporting land tenure technical assistance as a part of its Responsible Land-Based Investment Pilot.

**ATAF is a grant based mechanism** parallel to the investments of the Moringa Fund. It is managed by the Common Fund for Commodities (CFC).

ATAF is a unique and innovative tool aimed at adapting agricultural value chains to climate change, increasing farmers' resilience and promoting agroforestry as a sustainable way of land use. **ATAF is a Public and Private Partnership with the Moringa Fund**. It provides technical assistance with the goal to amplify and upscale environmental and social positive impacts triggered through Moringa investments.

Moringa is the first and only investment vehicle specifically dedicated to **promote agroforestry as a catalyst for creating shared value among integrated value chains**. Investing into agroforestry is an opportunity to link agriculture and forestry policies, and to apply an inclusive land management considered to be a promising solution for climate change adaptation and mitigation (e.g. through soil quality improvement, carbon sequestration, water conservation, or biodiversity protection). This holistic approach can be a new way of financing landscapes: bringing public and private actors together for inclusive value chains and triple bottom returns. ATAF will support the Moringa Fund in its innovative and transversal approach. It will especially accommodate the sensitivity of agroforestry to social and environmental effects of investments.

**ATAF will contribute to remove the barriers to the development of viable agroforestry systems and the inclusion of smallholders in pioneering outgrower schemes**. By providing farmers with access to training, by supporting innovative research and development programs and by assisting commercial initiatives, ATAF will create an enabling environment to **increase the resilience of farmers and landscapes** in Latin America and Sub-Saharan Africa.

The first ATAF Committee meeting was held in Paris on 4 November. During this meeting two Technical Assistance projects were approved.

In Nicaragua, the **Matagalpa Agroforest Resilient Landscape program (MATRICE)** will foster entrepreneurial mind-set of smallholders and support the establishment of a coffee outgrower scheme around Cafetalera Nicafrance, in which Moringa and Oikocredit invested in 2015.



Approximately 20,000 trees will be planted to mitigate climate change and 250,000 disease resistant coffee seedlings will be distributed to smallholders who are affected by coffee leaf rust and climate-related issues (jointly responsible for a 40% decline of the Nicaraguan coffee production). It will also pursue innovative and collaborative Public & Private Partnerships for the development of programs that will help the country to meet its 2.8 million hectare Landscape Restoration objectives set within the 20x20 Initiative of the World Resources Institute.

In Belize, the **Sustainable Coconut Residues project (SCR)** will aim at designing viable solutions to process and market coconut by-products and waste of the Moringa investee TexBel and its connected outgrowers. The generated energy and marketed products such as handicrafts will lead to positive social impacts for the communities surrounding TexBel and to a positive environmental impact through a reduction of the carbon imprint of the firm.

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### **Additional information:**

**MORINGA** is a €84m investment vehicle for agroforestry projects with high environmental and social impacts. Moringa invests in Latin America and sub-Saharan Africa. It was initiated by Edmond de Rothschild Private Equity and ONF International. <http://www.moringapartnership.com/>

**FFEM**: The French Facility for Global Environment (FFEM) has been working to promote protection of the global environment in developing countries since it was established by the French government in 1994. Activities that address global environment challenges are inseparable from economic and social development and cultural aspects, in contrast to purely conservationist and protective approaches to the environment.

**FAPA**: FAPA is a multi-donor thematic trust fund that provides grant funding for technical assistance and capacity building to support implementation of the Bank's Private Sector Development Strategy. The Governments of Japan and Austria, and the African Development Bank are active contributors to the fund, which to date has provided over US \$53 Million to 64 projects in over 38 countries across the African continent. The FAPA portfolio includes regional and national projects aimed at improving the business environment, strengthening financial systems, building private sector infrastructure, promotion of trade and development of micro, small and medium enterprises.

**FISEA**: The Investment and Support Fund for Businesses in Africa (FISEA) is an investment fund that makes equity investments in businesses, banks, microfinance institutions and investment funds operating in Sub-Saharan Africa. Held by the Agence Française de Développement (AFD) and advised by PROPARCO, FISEA aims to support economic development and poverty reduction in Sub-Saharan Africa. The fund targets projects which have a strong impact on development and job creation. It particularly focuses on the development of small and medium-sized enterprises (SMEs).

**FMO** is the Dutch development bank. FMO has invested in the private sector in developing countries and emerging markets for more than 46 years. Our mission is to empower entrepreneurs to build a better world. We invest in sectors where we believe our contribution can have the highest long-term impact: financial institutions, energy and agribusiness. Alongside partners, we invest in the infrastructure, manufacturing and services sectors. With an investment portfolio of EUR 8.9 billion spanning over 85 countries, FMO is one of the larger bilateral private sector development banks globally. [www.fmo.nl](http://www.fmo.nl)

**USAID** is the lead U.S. Government agency that works to end extreme global poverty and enable resilient, democratic societies to realize their potential.

**CFC**: The Common Fund for Commodities (CFC) is an autonomous intergovernmental financial institution established within the framework of the United Nations. The Agreement Establishing the Common Fund for Commodities was negotiated in the United Nations Conference on Trade and Development (UNCTAD) from 1976 to 1980 and became effective in 1989. The first commodity development project was approved in 1991.

**Cafetalera Nicafrance** is a Nicaraguan agroforestry company, specialized in the production of high quality shade-grown coffee and timber for high-end applications. <http://lacumplida.com/>

**TexBel** is a Belizean company specialized in the production of high quality and certified coconut water, lime and citrus. <http://www.texbelfarms.com/>