



## Moringa | A Sustainable Agroforestry Fund

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Strictly confidential



EDMOND  
DE ROTHSCHILD



# Agroforestry | improving existing land use

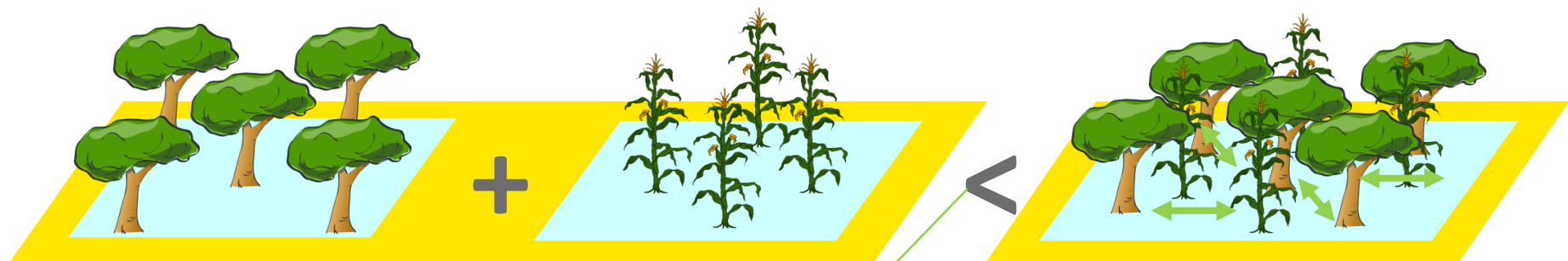


- Forest concessions can play an important role, preserving the social and environmental value of forests
- However this role is not yet fully recognized and concessions are required to substitute for functions of the state. Payment for environmental services are difficult to obtain and concessions may have a limited profitability
- However they may have available land (degraded forest, community land or even idle land) inside the concession or in the outskirt that may offer opportunities
- Agroforestry projects should be considered to enhance land use
  - Such project can provide more timber reserves, cash and staple crops and communities involvement
  - A plantation of 1.000 ha can provide 20.000 m<sup>3</sup>/ year. Processing is less complicated
  - Communities can provide production without having to purchase land



# Agroforestry | developing new and innovative land use solutions

- Agroforestry is the spatial or temporal combination of trees and crops or animals, with biological, social and economic synergies leading to higher productivity, reduced risks, a more stable income for local populations, and positive environmental impacts



Global profitability  
Social benefits  
Environmental impacts

Examples of **biological interactions** :

- Better use of sun light
- Better use of water
- Biological regulation of pests

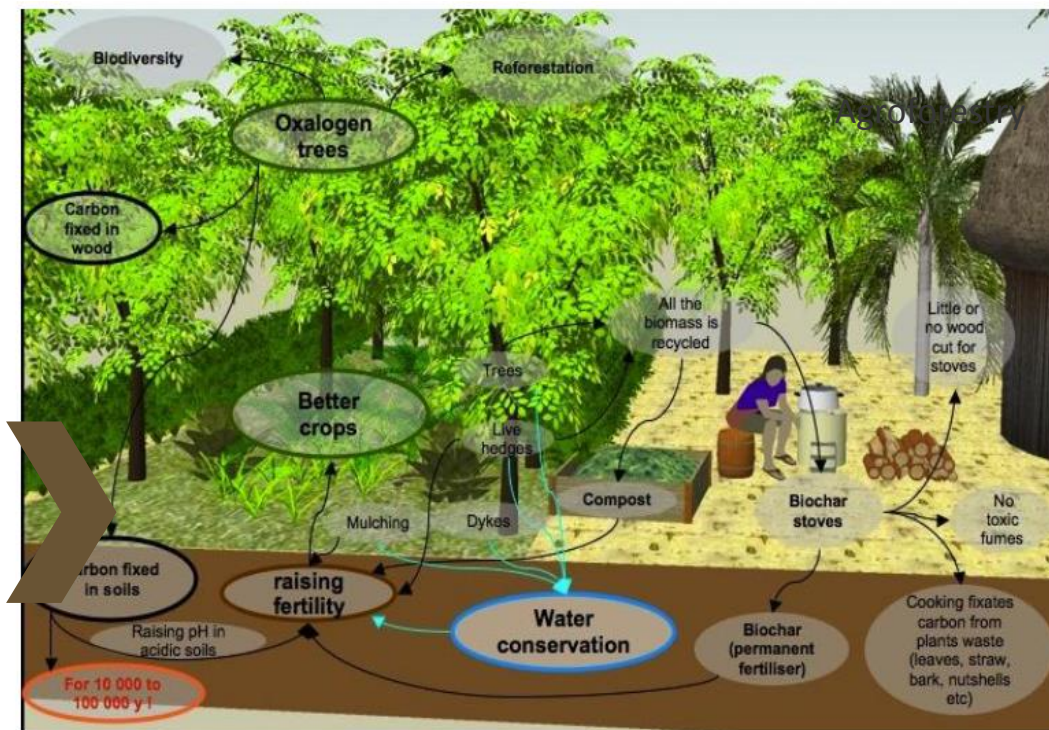
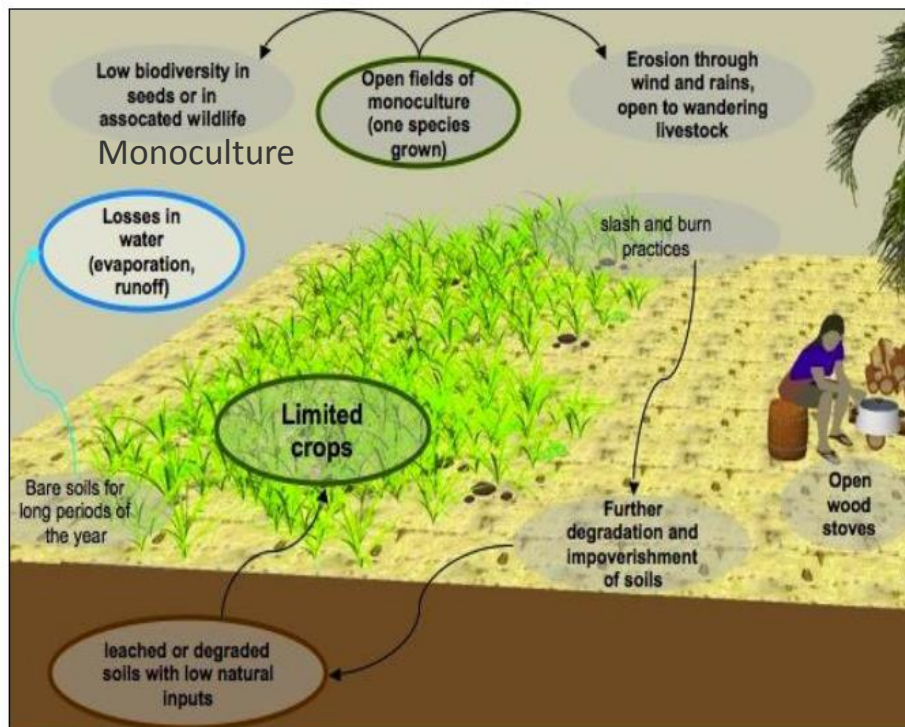


# Agroforestry | multiple benefits ES + more revenues

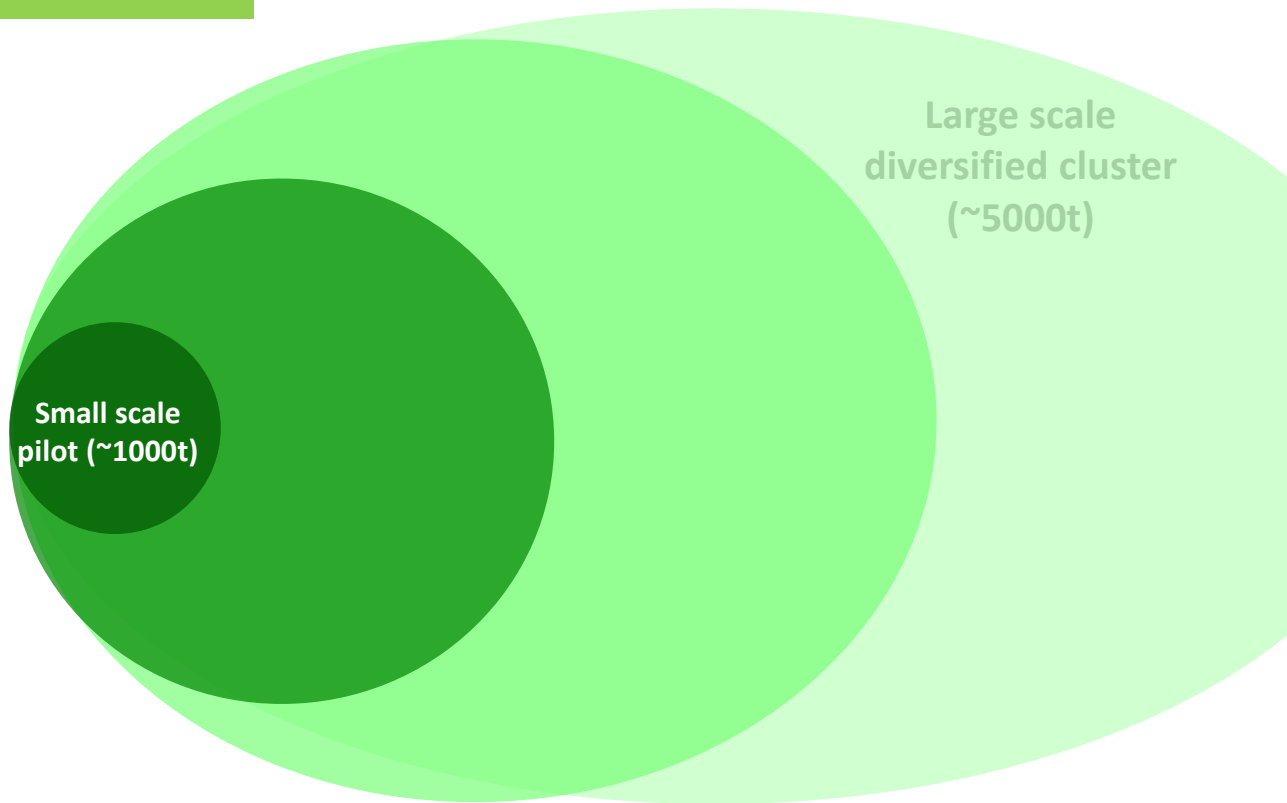


- Cocoa, tea, coffee under shade
- Hevea- cocoa
- Cocoa- teak - banana
- Acacia – cassava
- Pepper

- Craze on new crops attributed with health benefits: coconut water, acai, moringa, Guayusa, ginger, shea .... Although chinese growth is reduced; N
- Price volatility ? hedging
- Minimum volume required ... offtake agreement



# Positioning | scaling up expertise and building up clusters



## Outgrowing scheme

- No land purchasing
- Less capital intensive
  - Distributing seeds/seedlings
  - Fertilizers
  - Technical advise
- Increases the visibility and the volume
- Increases the value of the nucleus for a marginal cost
- Western consumers are fond of a nice “story”
- Gives a supportive environment

Financing:  
Cooperation &  
philanthropy

Bridging the gap  
with development  
capital

Financing:  
Debt & equity  
markets

# Moringa | objectives and benefits



## Economical return

- Develop sound agroforestry projects providing a reasonable commercial return to its investors
- Development capital : scale up successful agroforestry initiatives
- Clear and positive market trends
- €4-10m per investment, mostly in equity
- 5-7 years with clear exit strategy

## Environmental return

- Have a positive environmental impact
- Restoration of degraded lands
- Climate Change mitigation & adaptation
- Biodiversity conservation
- Promotion of highest standards (FSC, IFC PS, Rainforest Alliance, etc.) and quantification through relevant impact methodologies

## Social return

- Have a positive social impact
- Development of sound outgrowing programs with a fair benefit sharing between companies and farmers
- Jobs creations, increase of revenues of farmers
- Promotion of highest standards and quantification through methodologies

# Moringa | what we bring to projects

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- Long term equity capital (5-10 M€)
- Strong support from a qualified team: patient capital and not quick money
- Relation with institutional investors (DFIs) that can leverage on project investment
- Strong technical added value from partners : ONFI, research institutes (ICRAF, CIRAD, CATIE, IRD), etc.
- Strategic partners that can be mobilized through the Rothschild's world wide network
- ATAF a Technical Assistance facility (grant money) to reinforce the viability of projects
- Clear positive environmental & social objectives quantified by specific methodologies and discussed with major NGOs