



DEFORESTATION-FREE COCOA | PERU

The Althelia Climate Fund is participating in a USD 12 million investment program in the Tambopata REDD+ Project in Madre de Dios, Peru, which will empower 1,100 farmers to produce sustainable cocoa while protecting the biologically diverse Tambopata National Reserve and Bahuaha-Sonene National Park. The [Deforestation-free Cocoa](#) project is a 'payment for performance' model: farmers receive financing on the condition that they won't deforest further, will restore 4,000 hectares of degraded land in the buffer zone with cocoa-based agroforestry systems, and that a share of revenues from cocoa sales will go to investors. The project will work with farmers to gain Fairtrade and Organic certification, which ensures fair labor and organic practices and establishes a floor price of USD 2,000 per tonne of cocoa, plus premiums of USD 500 per tonne.

Key facts

- The project protects 570,000 hectares of rainforest, ensuring that emissions of 4.5 million tonnes of CO₂ equivalent are avoided by 2020
- Althelia Climate Fund's carbon asset-backed loan of USD 7 million is fully collateralized by the project's emission reduction units (carbon credits). This means additional carbon finance is leveraged to support the protection of standing forest and the restoration of degraded lands, benefitting small farmers who otherwise lack finance
- The Peru-U.S. debt swap fund, FONDAM, provides USD 2 million grant co-financing towards this project
- The investment aims to produce at least 3,200 tonnes per year of certified deforestation-free organic and Fairtrade cocoa. This cocoa will be sold through a farmer's cooperative, which will secure higher prices for members and full traceability of the product

More information

Digital assets are available for download at: <http://bit.ly/1MExrNR>

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