

 Early Warning System

FMO-58450
Arbaro Fund SLP



Quick Facts

Countries	Ecuador, Paraguay, Peru
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Proposed
Bank Risk Rating	A
Borrower	Arbaro Fund SLP
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	\$ 8.00 million



Project Description

WHO IS OUR PROSPECTIVE CLIENT?

Arbaro Fund will provide effective climate change mitigation outcome through investing in sustainable plantation forestry projects in emerging forestry markets of Latin America and Sub Saharan Africa, while also bringing adaptation co-benefits. This investment approach provides developing countries and their rural communities with a solution to increase carbon sinks by producing wood in a sustainable manner and conserving natural forests, whilst contributing to reduction of illegal logging.

WHAT IS THE FUNDING OBJECTIVE?

The Arbaro Fund will identify and execute projects, focused on sustainable timber production based on the establishment of Greenfield projects and on the expansion, upscaling and technical improvement of Brownfield projects. Arbaro's average investment size will be between USD 10 to 25 million per project, with a final portfolio of 8 to 12 underlying investments / portfolio companies. In Latin America, initially Arbaro contemplates investments in Ecuador, Paraguay and Peru; in Sub-Saharan Africa in Ethiopia, Ghana, Sierra Leone and Uganda.

WHY DO WE WANT TO FUND THIS PROJECT?

The Arbaro Fund fits well with FMO Investment Strategy.

ENVIRONMENTAL AND SOCIAL RATIONALE

Arbaro potentially invests in higher risk (cat A) forestry projects. The fund manager has good systems and processes in place to address and mitigate environmental and social (E&S) impacts, and experienced staff to execute and monitor these policies and procedures. Additionally, Arbaro makes use of external independent E&S consultants to advise and support the fund on complex E&S topics.



Investment Description

- Netherlands Development Finance Company (FMO)



Contact Information

ACCESS TO INFORMATION

As part of FMO's "ex-ante disclosure" (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>