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Amazonia Impact Ventures, London

INNOVATIVE FINANCING CASE STUDIES

IMAGE CREDIT: GUSTAVO FRAZAO

Contents

CASE STUDY IN COLLABORATION WITH:

Innovative Financing Case Studies

Each of the case studies in this series describes a conservation finance mechanism in action. Before diving into a case study, look for the **Key Readiness Factors** - these are conditions or resources you should ideally have in place to successfully implement that model - and the **Best Fit Contexts** suggesting where or when the model is most appropriate. Use these pointers to gauge if a mechanism aligns with your community's situation.

The intent of sharing these financing case studies is to offer an in-depth look into the essential but often unseen inner workings – the "engine room" – of community-led conservation finance mechanisms. While other resources typically highlight funding sources or the ultimate distribution of funds, this series illuminates the critical governance, administration, and management processes at the heart of conservation financing. The case studies demonstrate how robust internal structures can prevent conflict, streamline administration, and ultimately drive enduring environmental and community outcomes.

FOREST IN AMAZONIA. IMAGE CREDIT: GALYNA ANDRUSHKO

CASE STUDY

Amazonia Impact Ventures, London

IMPACT-LINKED DEBT FACILITY

LOCATION
Peru, Ecuador, Colombia, Brazil

Amazonia Impact Ventures (AIV) is an impact investment manager mobilising capital for the Amazon Rainforest, driven by urgency and by the conviction that finance can be a catalyst for meaningful change for nature, and for Indigenous and local communities. Its Amazonia Impact Fund is a USD $25 million loan fund that provides financing to community-led enterprises in the Amazon. The loans help protect and regenerate forests and biodiversity, while supporting livelihoods based on sustainable harvest of non-timber forest products, such as aguaje, açai, Brazil nuts, guayusa, and agroforestry crops like coffee and cacao. Borrowers use the loans to buy supplies, pay smallholder farmers, and invest in equipment. The fund also links loans to environmental and social outcomes so if borrowers meet agreed sustainability targets, they pay a lower interest rate.

Key Readiness Factors:

- **A local team who can connect with community-based borrowers** and check their business plan and cash flow.
- **A way to track nature and social results** (even simple indicators), or a plan to build this with technical assistance.
- **Catalytic funds** (also called concessional or first-loss money) to reduce risk and keep borrower rates affordable.
- **A pipeline of cooperatives/enterprises that can repay** (often supported by buyer contracts or steady demand).
- **Technical assistance on the ground** (business skills, financial management, agroforestry, quality control, traceability), supported by projects.
- **Basic safeguards:** checking land rights, community consent where relevant, and a way complaints to be raised and addressed.

Best Fit Contexts:

- **Remote regions where banks do not lend,** or interest rates are too high for local businesses.
- **Nature-friendly value chains** (e.g., Brazil nuts, cacao, coffee, açaí) which often need working capital during harvest seasons.
- **Places where deforestation pressure is high** and financial incentives can support keeping forests standing.
- **When investors want nature and social outcomes,** and are willing to accept lower returns or higher risk to unlock bigger impact.

Mechanism Overview:

The Fund offers loans to Indigenous Peoples and local communities enterprises engaged in sustainable forest-positive activities, usually ranging between $25k to $500k. Borrowers pay back the loan over time (4 months to 5 years) with interest. However, loan terms (such as interest rate) are adjusted based on their performance against sustainability indicators. The Fund provides debt finance only (i.e. only loans, it doesn't take equity ownership).

How it works:

1. Capital mobilisation. The Fund blends philanthropic first-loss, concessional debt and commercial capital to reduce risk for investors and enable more flexible lending terms for borrowers. This means it mixes different kinds of capital so community-based borrowers can access fairer loan terms. About 30% of the fund is catalytic or first-loss capital, typically from philanthropy or concessional investors (who invest capital at lower rates to achieve environmental or social goals). These funds absorb the first losses if loans can't be repaid. Because of the buffer, more commercially focused investors feel safer and more confident to invest in the fund. This money comes from senior investors, like family offices, who expect higher returns.

2. Loan deployment. The Fund then seeks out and screens borrowers (cooperatives, Indigenous/community-led enterprises, small and medium enterprises) working with indigenous organisations, local and international NGOs, government and acceleration programmes. They check basic finances, governance, land-use risks, their ability to repay loans and impact potential aligned with the Fund's Theory of Change. The loan is then designed together with the borrower and tailored to the needs of the enterprise, including its purpose, size, term, and repayment schedule. The structure follows the relevant crop cycle, so financing can be used for working capital, pre-harvest finance, or equipment, with repayments aligned to the timing of production, processing, and sales.

Examples of what loans can pay for include:

- Working-capital loans so cooperatives can trade with international buyers.
- Building or upgrading processing facilities to improve quality and produce value-added products.
- Supporting the transition to regenerative agriculture practices.
- Rejuvenating or renewing farms to improve long-term productivity and resilience.
- Implementing agroforestry systems linked to carbon capture, biodiversity conservation, and diversified farmer income.
- Establishing or expanding organic fertiliser production and circular economy solutions, including the reuse of agricultural by-products and waste streams.

3. Impact-linked pricing. Each loan includes a small number of agreed, measurable impact targets linked to biodiversity, forests, livelihoods, and gender equity outcomes. Borrowers that meet these targets pay a lower interest rate; otherwise, the standard rate applies. Borrowers report progress, which the AIV team verifies through satellite analysis and on-the-ground checks.

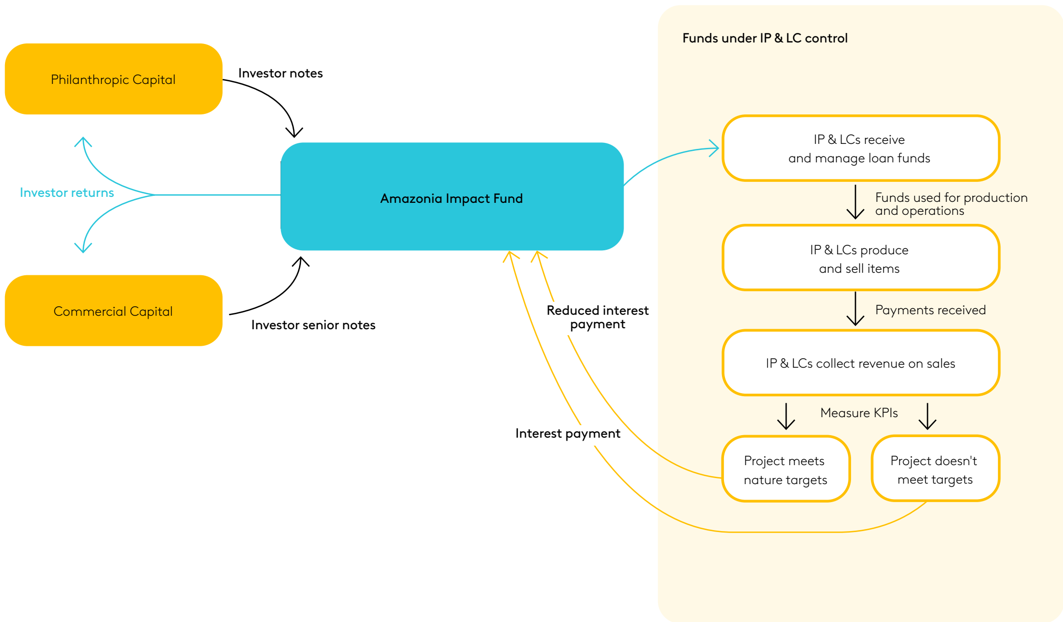
4. Technical assistance. AIV provides technical assistance using grant funding from donors and international governments, including the UK, to deliver specialised support in areas such as financial management and planning, agroforestry training, regenerative agriculture practices, market access, buyer negotiations, impact measurement, and compliance with international sustainability standards. This support helps borrowers strengthen their operations, improve resilience, access better markets, and deliver stronger biodiversity, climate, and livelihood outcomes.

5. Repayment and reinvestment. As the borrower repays the loan, the Fund pays returns to its investors and can reuse (recycle) repaid funds to provide new loans. Operating costs are covered by the interest on the loans and no management fees are charged to investors.

Economic context:

Many Amazon cooperatives and small businesses need working capital, but banks often do not serve remote areas. Even when loans exist, interest rates can be high and the administrative burden can be heavy. In Peru, only 3.7% of financing reaches the Amazon region, despite its critical role in biodiversity, climate resilience, and rural livelihoods.

Money flow schematic:



Timeline & Key Dates:

Year	Milestone
2020-2021	• AIV founded • First loans deployed with founders capital
2022	• Initial investor commitments and partnerships formed. • Scaling up loan deployment to Indigenous agriculture and community cooperatives begins
2024	• Won Catalytic Climate Finance Facility (a joint initiative of Convergence and Climate Policy Initiative) award which supported structuring the vehicle, improving impact monitoring and management framework and fundraising. • Launched a fundraising round aiming to raise US $25m
2026	• US $12m deployed, 5,000+ producers reached, ~200,000 ha influenced

AIV TEAM WORKING ON THE BUSINESS MODEL CANVAS WITH AN INDIGENOUS COOPERATIVE IN THE PERUVIAN AMAZON. IMAGE CREDIT: AMAZONIA IMPACT FUND

Partners/Beneficiaries:

- **Fund manager:** Amazonia Impact Ventures (AIV). Lending operations are based in London. Impact operations based in Lima, Peru.
- **Borrowers:** cooperatives, Indigenous/community enterprises, farmer associations, and small and medium businesses working in forest-positive value chains.
- **Technical assistance:** AIV in collaboration with local NGOs
- **Market partners (buyers):** Ethical buyers such as GoodSam Foods, Ressources Bio, and Imlak'esh Organics can provide longer-term contracts that support smaller repayments.
- **Investors:** Senior investors (e.g. family offices) plus catalytic capital providers (often philanthropy or concessional investors).

Impacts/Outcomes:

- By May 2026, US$12m deployed
- 48 loans with no defaults
- 5,000 producers
- 20,000 ha influenced.

AMAZON NUT HARVEST IN PERU. IMAGE CREDIT: AMAZONIA IMPACT FUND

Community Readiness Questions:

- Are we a legally registered cooperative/enterprise with clear leadership and basic accounts?
- Do we have a predictable way to earn money (for example: buyer contracts, regular sales) so we can repay a loan?
- Are land and resource rights clear? If community consent is needed, do we have a clear process?
- Can we track the indicators the loan requires (or can a partner support us to build capacity to do that)?
- What technical help do we need (business skills, production, quality, traceability), and who will provide it?
- What risks could stop repayment (price changes, climate shocks, currency changes), and how will we mitigate those risks?

Key Risks to Consider:

Risk	Mitigation/What to plan
Market and buyer risk	Use more than one buyer where possible; prefer longer-term contracts; align repayment dates with income periods.
Climate and production risk	Use climate-smart practices; diversify products;
Safeguards and rights risk	Check for land conflicts; ensure FPIC implemented where relevant; provide a safe way to raise grievances / complaints.

SUSTAINABLE CACAO CULTIVATION IN THE AMAZON FLOODPLAINS. IMAGE CREDIT: HELDER, ADOBESTOCK

Checklist:

- ○ **Purpose & Scope:** Define the target places, borrower types, and value chains (and why loans are the right tool).
- ○ **Governance Instruments:** Establish cooperative/shareholder rules on voting, dividends, and reinvestment.
- ○ **Market readiness:** Confirm buyer standards, traceability, food safety, and minimum order requirements.
- ○ **Financial readiness:** Ensure cash flow, governance, market access, and safeguards checks.
- ○ **Impact targets:** Define the impact-linked targets and how the interest discount is calculated (KPIs, baseline, monitoring).
- ○ **Set up technical assistance:** budget, partners, and how technical assistance links to loan performance.
- ○ **Establish safeguards:** screening, consent where needed, and grievance/complaints process.
- ○ **Plan monitoring and reporting:** for investors and for communities/borrowers.
- ○ **Stress-test risks:** climate shocks, prices, currency, legal/regulatory changes.

FRESH RAW COCOA FRUIT FROM A CACAO TREE. IMAGE CREDIT: NARONG, ADOBESTOCK

Further reading:

- Amazonia Impact Ventures.
- 2025 Impact report.
- Catalytic Climate Finance Facility (CC Facility).

BRAZIL NUT FROM VER-O-PESO MARKET, BELÉM. IMAGE CREDIT: ANTONIO SALAVERRY

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