



Global Innovation Lab  
for Climate Finance

---

## Amazon Andes Fund



CAPITAL

October 2026

## About the Lab

The Global Innovation Lab for Climate Finance, hosted by the Climate Policy Initiative, identifies, develops, and launches sustainable finance vehicles that can drive billions of dollars into a low-carbon economy. The Lab is an independent, neutral third-party which stress-tests vehicles (design & capital structure, impact framework, implementation plans) to support their development into market-ready solutions.

This Blueprint document is a summary of the analytical results from the rigorous incubation program. The Lab aims to inform the market on the structures and concepts that have been designed to enable innovation to cross-pollinate, implementation to scale, and partnerships to form.

The authors of this blueprint are Guillermo Martinez, Gabriel C Mathias and Maria Ruiz Sierra. Publication date October 2026.

The concept has been proposed and is currently under development by Impaqto Capital. The authors would like to acknowledge Michelle Arevalo-Carpenter, Rick Kellet, and Justin Schwartz for their cooperation and engagement with the Lab program.

The authors would also like to thank Amanda Brasil, Ben Broché, Jen Grosman Fernandez, Michaela Nesson, and Carla Orrego for their advice and internal review; Daniela Chiriac, Liam Maguire, Mudit Kandpal, Amanda Lonsdale, Ricardo Narvaez, Holly Page, and Morgan Richmond for their guidance and subject matter expertise; Daniela Álvarez, Júlio Lubianco, and Annie Woscoboinik for editing; and Pauline Baudry, Elana Fortin, and Angela Woodall for layout and design.

More information at [www.climatefinancelab.org](http://www.climatefinancelab.org).

---

**FUNDERS**

**Bloomberg  
Philanthropies**

**Canada**

 Federal Ministry  
for the Environment, Climate Action,  
Nature Conservation and Nuclear Safety

 Foreign, Commonwealth  
& Development Office

 Department for  
Energy Security  
& Net Zero



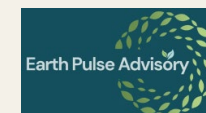
---

**SECRETARIAT**



# Working Group

| Organization             | Name                  | Job Title                                           |
|--------------------------|-----------------------|-----------------------------------------------------|
| Climate Bonds Initiative | Ina Hoxha (Zaloshnja) | Chief Investment Officer & Deputy CEO               |
| CREO                     | Claudia Barrera       | LATAM Lead                                          |
| Cygnum Capital           | Deniz Harut           | CEO & Managing Director                             |
| Earth Pulse Advisory     | Andrea Rodriguez      | Consultant                                          |
| Emergent                 | Francisco Macedo      | Corporate Engagement Manager                        |
| Finance in Motion        | Thomas Samuel         | Investment Manager                                  |
| FMO                      | Thelma Brenes         | Impact Manager                                      |
| GIZ                      | Claudia Cordero       | Regional Advisor                                    |
| Humboldt Institute       | Felipe Garcia         | Director of Economy and Finance Center              |
| IDB                      | Juliana Almeida       | Coordinator, Climate Mainstream Cluster             |
| IDB Invest               | Felipe Romero         | Investment Officer                                  |
| IFAD                     | Carlos Martinez       | Senior Investment Officer                           |
| IFC                      | Basak Odemis          | Global Lead, Carbon Finance                         |
| Ostara Collective        | Jenny McInness        | Senior Fellow                                       |
| SAIL Investments         | Vydia Iyer            | Associate Director                                  |
| UKFCDO                   | Evelyn Amaro          | LATAM Climate & Environment Coordinator             |
|                          | Valeria Cadena        | Head of Environment and Policy (Bolivia)            |
|                          | Alberto Cuba          | Forest and Climate Officer (Ecuador)                |
|                          | Anna Doyle            | Economic Policy and Sustainable Finance Lead (Peru) |



# Table of Contents

1. Executive Summary
2. Team Overview
3. Opportunity
4. Amazon Andes Fund (AAF) Overview and Innovation
5. Capital Structure
6. Investment Strategy
7. Projected Financial Returns
8. Impact and E&S Risks
9. Implementation Pathway
10. References

# 1. Executive Summary

2. Team Overview

3. Opportunity

4. Amazon Andes Fund (AAF) Overview and Innovation

5. Capital Structure

6. Investment Strategy

7. Projected Financial Returns

8. Impact and E&S Risks

9. Implementation Pathway

10. References

# What is the Amazon Andes Fund?

Driving environmental impact by strengthening forest-positive value chains and local livelihoods

Amazon Andes Capital Fund is a private debt fund financing SMEs working on forest-positive value chains in the Andean Amazon.

## Target Fund Size

**USD 30M**

USD 7M junior, 13M senior debt tranches and 10M philanthropic (TA and patient incubation equity)

## Geography

**Andean Amazon**

Bolivia, Colombia, Ecuador, and Peru

## tCO<sub>2</sub> Sequestered or Avoided

**68,000 annually**

Estimated tCO<sub>2</sub> equivalent avoided or sequestered by portfolio SMEs

## Total Amazon Producers Reached

**4200**

Estimated number of Amazonian producers reached through financed value chains

## Target Fund IRR

**7%**

6,5% return for junior and 7,2% return for senior tranche

# Executive Summary

Forest-compatible value chains across the Andean Amazon remain significantly underfinanced despite growing demand for products such as cacao, coffee, açai, and native fruits and nuts. Limited access to growth capital and processing capacity constrains local enterprises from scaling and capturing more value at origin.

The Amazon Andes Fund is a proposed USD 30M vehicle supporting enterprises that strengthen forest-positive value chains, expand local value addition, and contribute to regenerative production, improved livelihoods, and reduced forest conversion.

The vehicle combines a USD 20M Credit Facility, structured with 75% commercial senior capital and 25% junior first-loss capital, with a USD 7.5M philanthropic HoldCo providing patient equity and a USD 2.5M Technical Assistance Facility.

By matching different forms of capital to enterprise needs, the Fund aims to strengthen investable businesses and mobilize additional financing into forest-positive value chains across the Andean Amazon.

- **Innovative:** Combines flexible debt, patient equity, and embedded technical assistance to address distinct financing constraints across forest-positive value chains, while targeting bottlenecks that limit local value creation and enterprise growth.
- **Actionable:** Builds on IMPAQTO's regional experience, Fund I track record, and a mapped pipeline of over 100 enterprises, providing a strong basis for further pipeline development and fundraising.
- **Financially Sustainable:** Concessional first-loss capital is designed to improve the Credit Facility's risk-return profile and enable participation from commercial investors.
- **Catalytic:** The model has potential to scale across additional enterprises and value chains and to be replicated in other Amazon geographies.

The Lab Secretariat recommends endorsing the instrument, as it meets the Lab's criteria

1. Executive Summary

## 2. Team Overview

3. Opportunity

4. Amazon Andes Fund (AAF) Overview and Innovation

5. Capital Structure

6. Investment Strategy

7. Projected Financial Returns

8. Impact and E&S Risks

9. Implementation Pathway

10. References

## Emerging impact investment manager with deep understanding of the Andean innovation space



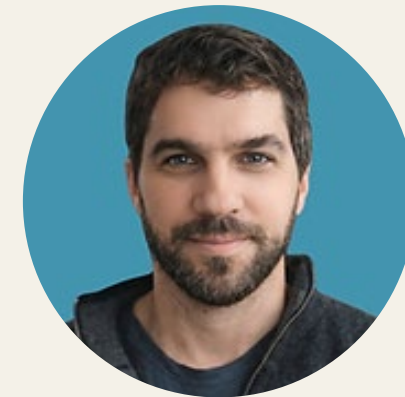
**IMPAQTO Capital, the investment arm of IMPAQTO** (an impact innovation firm with 10+ years accelerating startups in the region), is an Ecuador-based fund manager that launched a \$2.1M first fund providing flexible revenue-based and equity financing to early-stage startups and "missing middle" SMEs in Ecuador, Peru, Colombia, and Bolivia.



**Michelle Carpenter**  
General Partner



**Justin Schwartz**  
Managing Partner



**Frederick (Rick) Kellet**  
Principal

1. Executive Summary

2. Team Overview

### 3. Opportunity

4. Amazon Andes Fund (AAF) Overview and Innovation

5. Capital Structure

6. Investment Strategy

7. Projected Financial Returns

8. Impact and E&S Risks

9. Implementation Pathway

10. References

# Capital in the Amazon remains concentrated in sectors closely linked to forest conversion

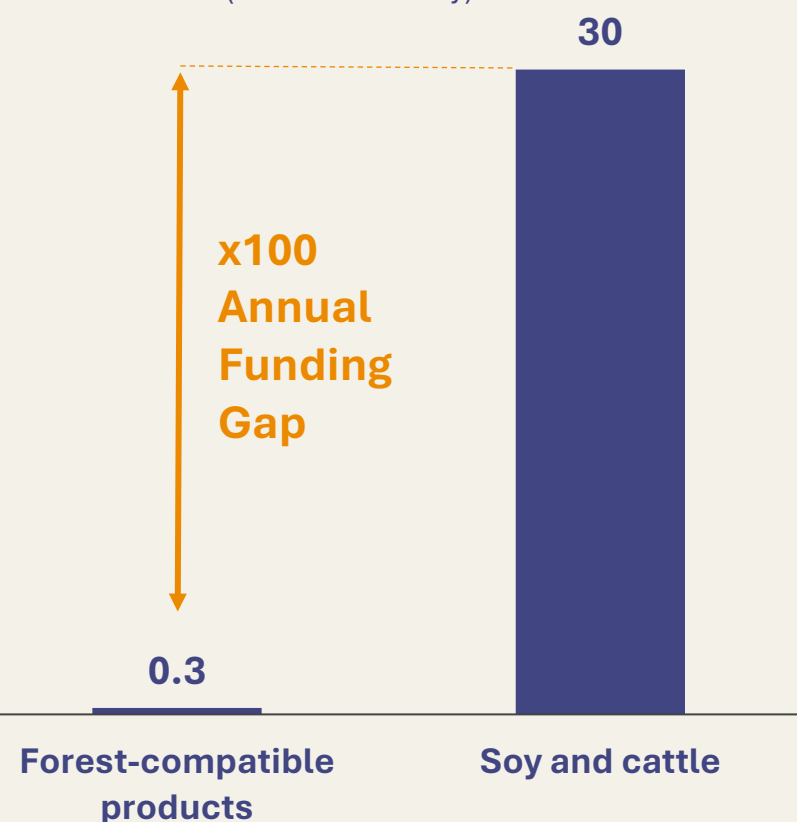
**The Amazon's economic and investment landscape remains dominated by sectors that place pressure on forests.** Agriculture and pasture account for 82% of forest conversion, while mining and related infrastructure account for a further 9%. Across the Amazon regions of Peru, Colombia, and Ecuador, metals received 30% of announced greenfield investment between 2020 and July 2025.

**The Amazon's economic and investment landscape remains dominated by sectors that place pressure on forests.** Agriculture and pasture account for 82% of forest conversion, while mining and related infrastructure account for a further 9%. Across the Amazon regions of Peru, Colombia, and Ecuador, metals received 30% of announced greenfield investment between 2020 and July 2025.

**Financial flows reflect this imbalance.** Soy and cattle receive more than USD 30 billion annually, 100 times the approximately USD 0.3 billion reaching forest-compatible products such as cacao, açai, and Brazil nuts.

**Forest conversion deepens both climate and livelihood vulnerability.** It releases stored carbon, erodes biodiversity, and weakens rainfall and water regulation, undermining agricultural resilience and rural economies that depend on healthy ecosystems.

Financing in Amazon  
(USD Bn annually)



<sup>1</sup> IDB 2026

<sup>2</sup> OCDE 2026

## Brazil's scale signals wider Amazon potential

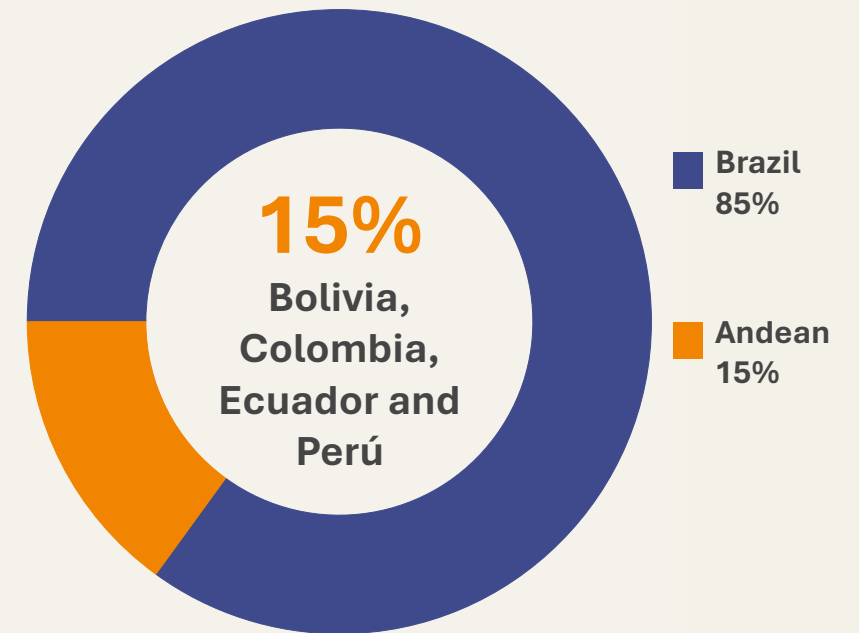
**Brazil demonstrates the scale Amazon markets can reach.** The Brazilian Amazon generated approximately USD 22 billion in agricultural output in 2024.

**Bioeconomy products already have a strong productive foothold.** Açaí, cocoa, cassava, coffee, and related products led agricultural production in more than 75% of the Brazilian Amazon's municipalities.

**The Andean Amazon holds similar potential but attracts less capital.** It attracted 15% of forest direct investing flowing to Amazon regions between 2020 and mid-2025.

**Several structural factors may help explain this gap, including fragmented markets, less integrated value chains, and a thinner pipeline of investment-ready enterprises than in Brazil.** Limited aggregation, processing, logistics, and market access can make it harder for bioeconomy products to reach buyers and scale.

Share of Foreign Direct Investment Amazon  
(2020–mid-2025)



# Nature-positive value chains can serve differentiated markets and retain more value at origin

**Nature-positive production creates value from healthy ecosystems.** Forest fruits depend on standing forests, while coffee and cocoa can grow in diversified agroforestry systems with shade trees, native species, and complementary products.

**Local enterprises can turn demand for nature-positive products into value at origin** by working with growers to meet buyer requirements, aggregating sufficient volumes, and taking on processing, branding, and direct buyer relationships that would otherwise occur further down the value chain.

## Agroforestry System Benefits

|                              |                                                                                                                                   |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Greater carbon storage       | By integrating shade trees, coffee agroforestry systems can store substantially more carbon than unshaded production <sup>1</sup> |
| Restoration of degraded land | Converting degraded pasture to cacao agroforestry can improve soil structure and biological activity <sup>2</sup>                 |
| Climate resilience           | Shade trees moderate temperatures and protect production from increasing heat <sup>3</sup>                                        |
| Stronger farmer economics    | Fruits, and other complementary products generate revenue beyond coffee or cacao and can improve overall returns <sup>4 5</sup>   |

<sup>1</sup> Vallejos-Torres et al. 2024

<sup>2</sup> Brasil et al. 2026

<sup>3</sup> Gomes et al. 2020

<sup>4</sup> Rüegg et al.,2025

<sup>5</sup> Riar et al.,2024

# Demand for Andean products exists, but underdeveloped and fragmented value chains limit their capacity to scale

**Established value chains provide scale; emerging chains provide growth.** Across both, missing aggregation, processing, and market access keep enterprises small and value concentrated abroad.

## ESTABLISHED PRODUCTS

**USD 5bn+**

Annual coffee and cocoa exports across the Andean countries<sup>1</sup>

Cacao, Coffee

Proven production and global demand create a foundation to deepen local processing, branding, and enterprise margins.

## EMERGING PRODUCTS

**USD 2bn+**

Market size across emerging Amazon products<sup>2, 3</sup>

Açaí, Brazil nuts, and other forest fruits

High-value Amazon products serve growing food, wellness, and cosmetics markets, but fragmented supply chains continue to constrain scale.

<sup>1</sup> World Integrated Trade Solution (WITS)

<sup>2</sup> Fapespa 2026

<sup>3</sup> OEC, 2022



## Andean countries provide access to diversified yet complementary value chains



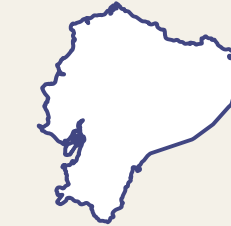
### Bolivia

The **world's largest Brazil nut exporter**, through a value chain based on wild harvesting from standing forests



### Colombia

The world's **third-largest coffee producer** and leading supplier. Amazonian systems already combine cacao with açai and native timber



### Ecuador

The **leading producer and exporter of fine-flavor cacao**, with Amazonian systems combining cacao with açai, timber, and medicinal plants



### Peru

Exports **more organic cacao than any other country**, and coffee export sales reached a record in 2025

1. Executive Summary

2. Team Overview

3. Opportunity

4. Amazon Andes Fund (AAF) Overview and Innovation

5. Capital Structure

6. Investment Strategy

7. Projected Financial Returns

8. Impact and E&S Risks

9. Implementation Pathway

10. References

# AAF combines flexible capital and embedded capabilities to unlock value at origin for forest-positive chains

| Innovative Element            | Description                                                                                                                      |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <b>Flexible Capital</b>       | Matches working capital and equity to enterprise maturity, cash cycles and risk.                                                 |
| <b>Embedded capabilities</b>  | Pairs financing with tailored technical assistance, incubation and market access.                                                |
| <b>Value-chain investing</b>  | Invests in enterprises that source from farmers, and process, brand, sell - or enable these links.                               |
| <b>Forest-positive growth</b> | Strengthens the economics of forest-compatible value chains by capturing more value through processing and market access         |
| <b>Value at origin</b>        | Prioritizes higher-margin activities closer to consumers to retain more value locally and channel premium rates back to farmers. |

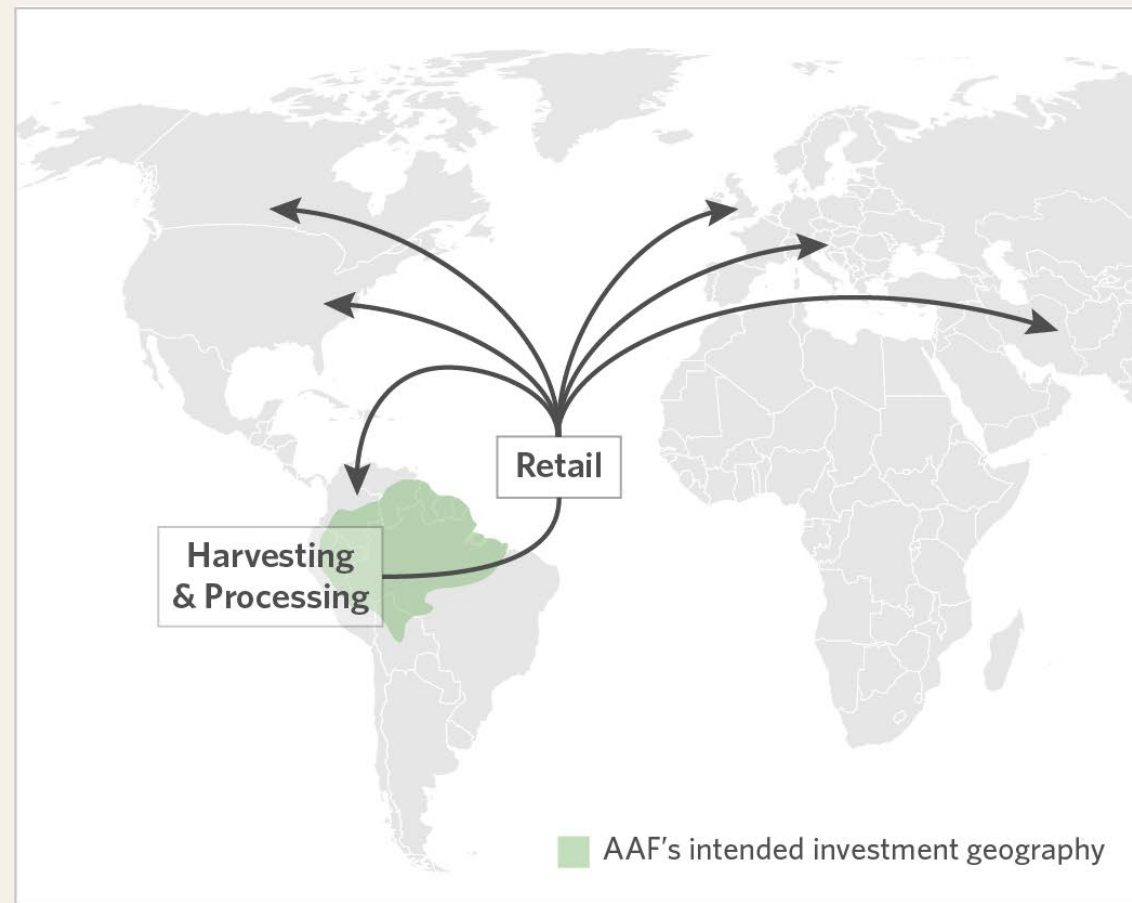
**Capital + Capabilities + Coordination → Forest-positive growth + Local value capture**

# From exporting raw materials to capturing more value in the Andean Amazon

Without AAF

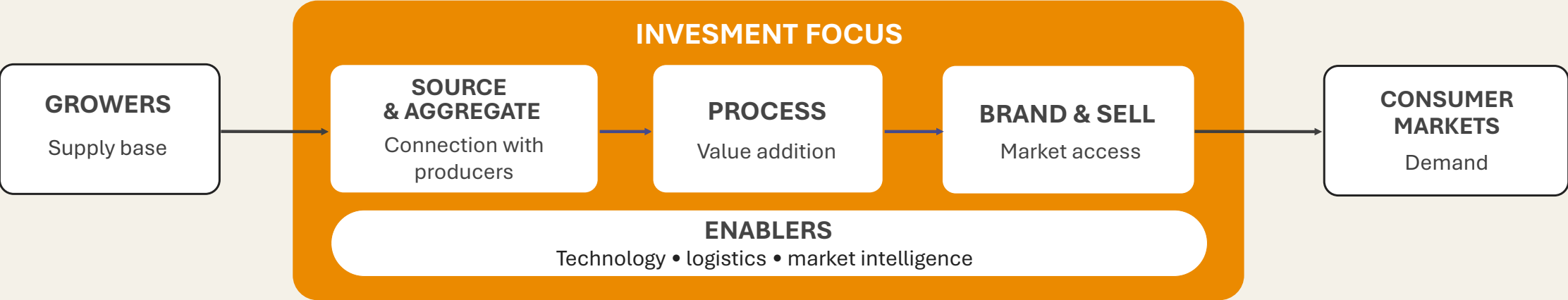


With AAF

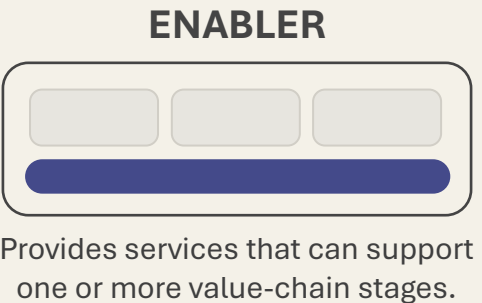
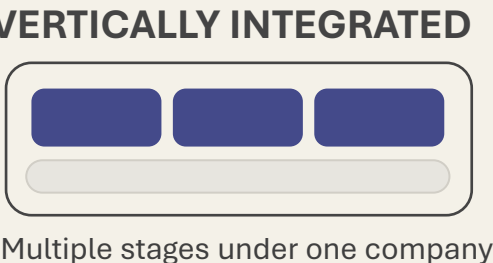
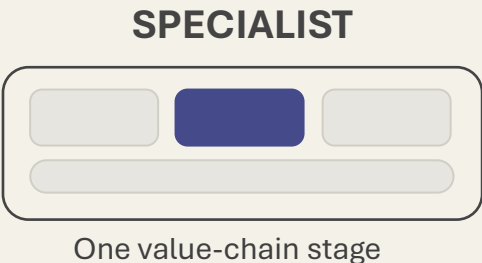


# AAF will invest beyond the farm gate: across businesses that connect growers to markets

Value chain means deploying capital into businesses that source from growers and connect their products to markets, including **specialized companies operating at individual stages, vertically integrated companies, and enabling businesses.**



## THREE BUSINESS MODEL TYPES



# AAF's investment pipeline will build demand for responsibly sourced Amazon products

## AACF Investees

AAF will finance processors and brands that source from Amazon agroforestry producers, expanding local processing capacity, connecting forest-positive products to premium markets that will enable premium rates for producers.

### Responsible Sourcing



### Processing



### Premium Retail



# A fit-for-purpose solution for the Andean Amazon

Amazon Andes Fund (AAF) will deploy flexible capital across the Andean Amazon’s entire value chain, connecting producers to markets and enabling forest-positive enterprises to reach commercial scale.

## BARRIERS

|                                                      |                                                                                                                                                                                |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Capital is poorly matched to enterprise needs     | Forest-positive enterprises often fall between grant support and commercial finance; available capital rarely matching their ticket sizes, risk profiles, or growth timelines. |
| 2. Financing can be siloed across value-chain stages | Financial vehicles often target specific enterprise types or stages, leaving gaps where investment could unlock value across the chain.                                        |
| 3. Mismatch of financing terms                       | Repayment terms often misalign with seasonal revenues, with earlier-stage enterprises lacking the track record and capabilities to attract commercial capital.                 |
| 4. The Andean Amazon is structurally underserved     | Few specialized investors, limited local capacity to originate and structure transactions, and scarce growth capital                                                           |

## Amazon Andes Fund

|                                                                           |
|---------------------------------------------------------------------------|
| Deploys <b>flexible capital</b> across chain nodes                        |
| Targets <b>entire</b> value chains                                        |
| Flexible debt for growth and patient equity + TA for investment readiness |
| Has a dedicated <b>Andean Amazon focus</b>                                |

1. Executive Summary
2. Team Overview
3. Opportunity
4. Amazon Andes Fund (AAF) Overview and Innovation

## 5. Capital Structure

6. Investment Strategy
7. Projected Financial Returns
8. Impact and E&S Risks
9. Implementation Pathway
10. References

# How the Amazon Andes Fund Works



## Capital Providers

- **Commercial investors capitalize the senior tranche of the Main Fund**, providing return-seeking capital for deployment into value chain SMEs.
- **Catalytic and philanthropic funders provide first-loss capital to the Main Fund and grant capital to the HoldCo**, helping de-risk commercial investment while supporting TA and market-building activities.



## Amazon Andes Fund

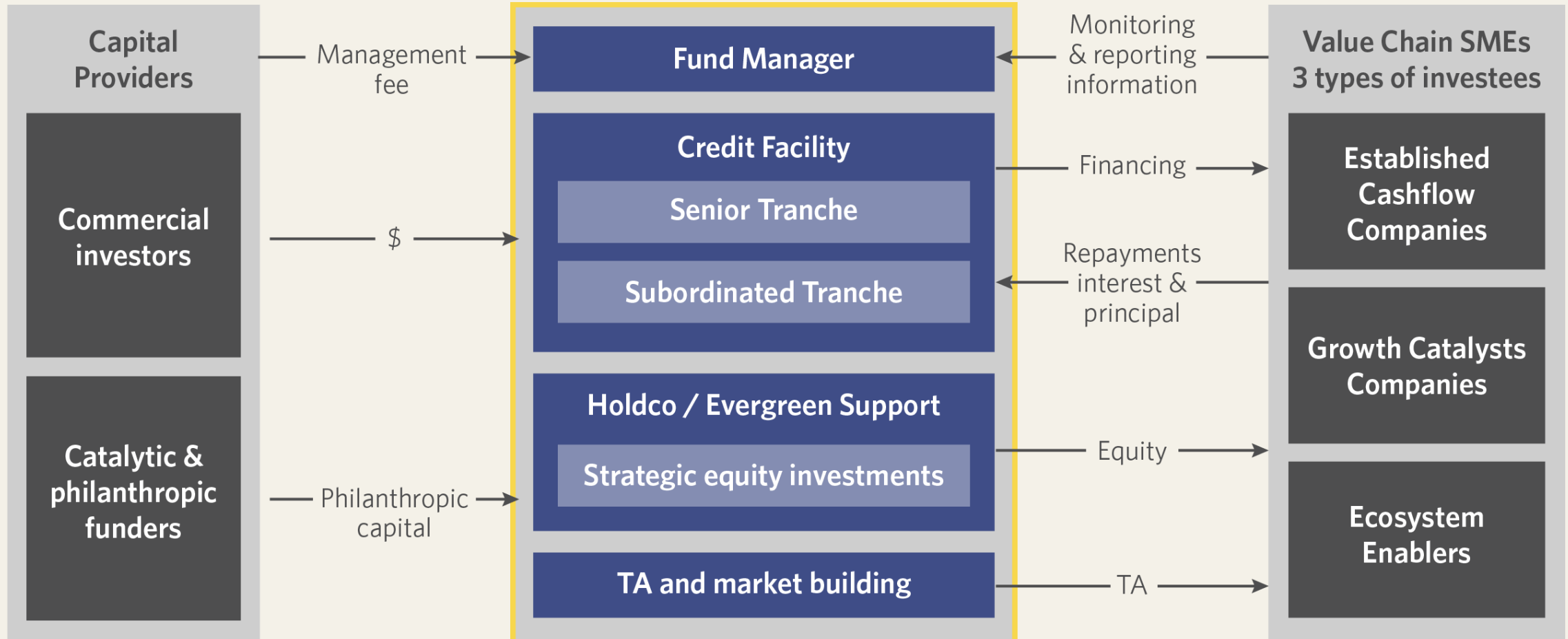
- **IMPAQTO Capital manages the Amazon Andes Fund.**
- **The Main Fund deploys revenue-based financing** with terms depending on enterprise maturity and financing needs.
- **The HoldCo provides TA, market-building support, and repayable grants** to strengthen investment readiness and support earlier-stage enterprises.



## Value Chain SMEs

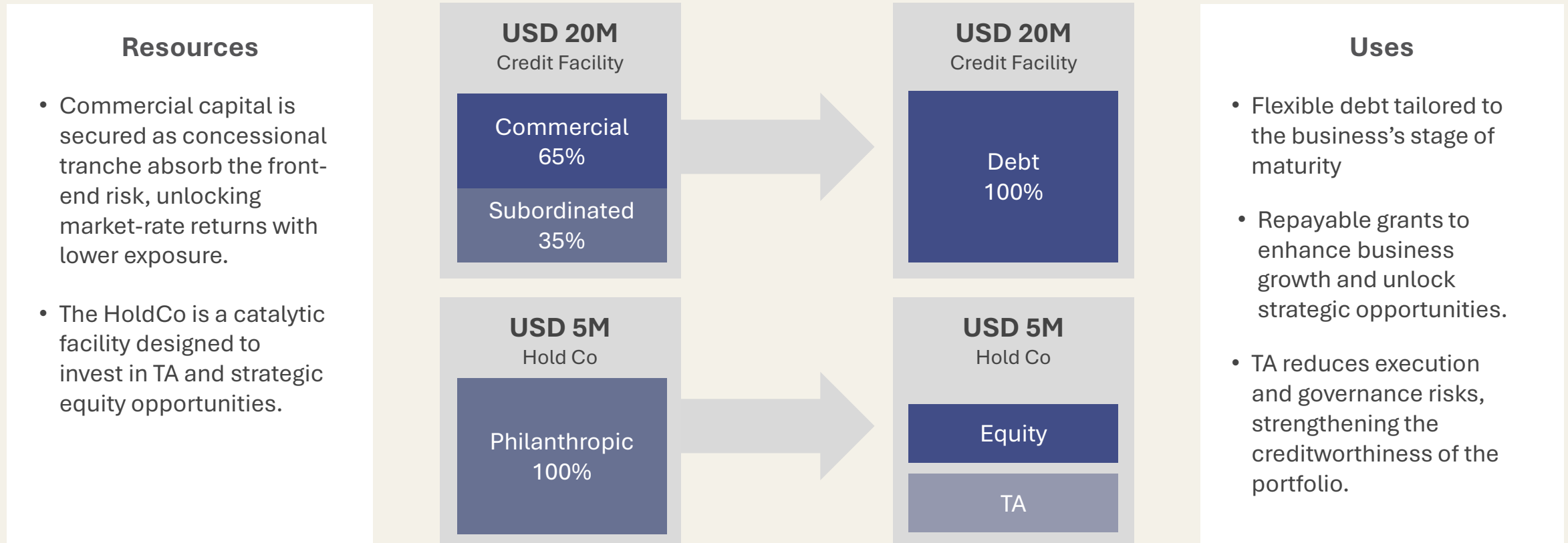
- **Mature operators receive debt on commercial terms**, primarily for working capital and equipment financing.
- **Emerging growth companies receive tailored combinations of concessional debt, and repayable grants**, depending on their stage and financing needs.
- **Ecosystem enablers receive debt or grants to scale solutions that strengthen the broader value chain**, such as technology, traceability, logistics, and other enabling services.

# Flexible capital for regenerative value chains in the Andean Amazon



# AAF is designed to allocate flexible capital to different uses

Different facilities enables flexible deployment across debt, equity, and technical assistance matching each dollar to the company's stage of maturity.



# AAF's role in the Amazon landscape

**IMPAQTO targets (1) entire value chains, (2) deploying flexible capital across stages in the (3) Andean Amazon.** It supports enterprises from growers through midstream to downstream consumer-facing companies, enabling growth while increasing the share of value captured by producers.

## Comparable Approaches

### Pattern #1: Upstream & early-stage focus

Capital concentrated on producers and early enterprise development

Example(s): Conexsus, Fundación Pachamama



### Pattern #2: Deployment of only single instruments

Funds offering other financial products

Example(s): AIV (impact-linked debt). KPTL (venture capital)



### Pattern #3: Brazil-only mandate

Pipeline, capital, and ecosystem coordination tends underemphasize enterprises in neighboring Andean amazon countries.

Examples(s): SITAWI, Fundo Vale



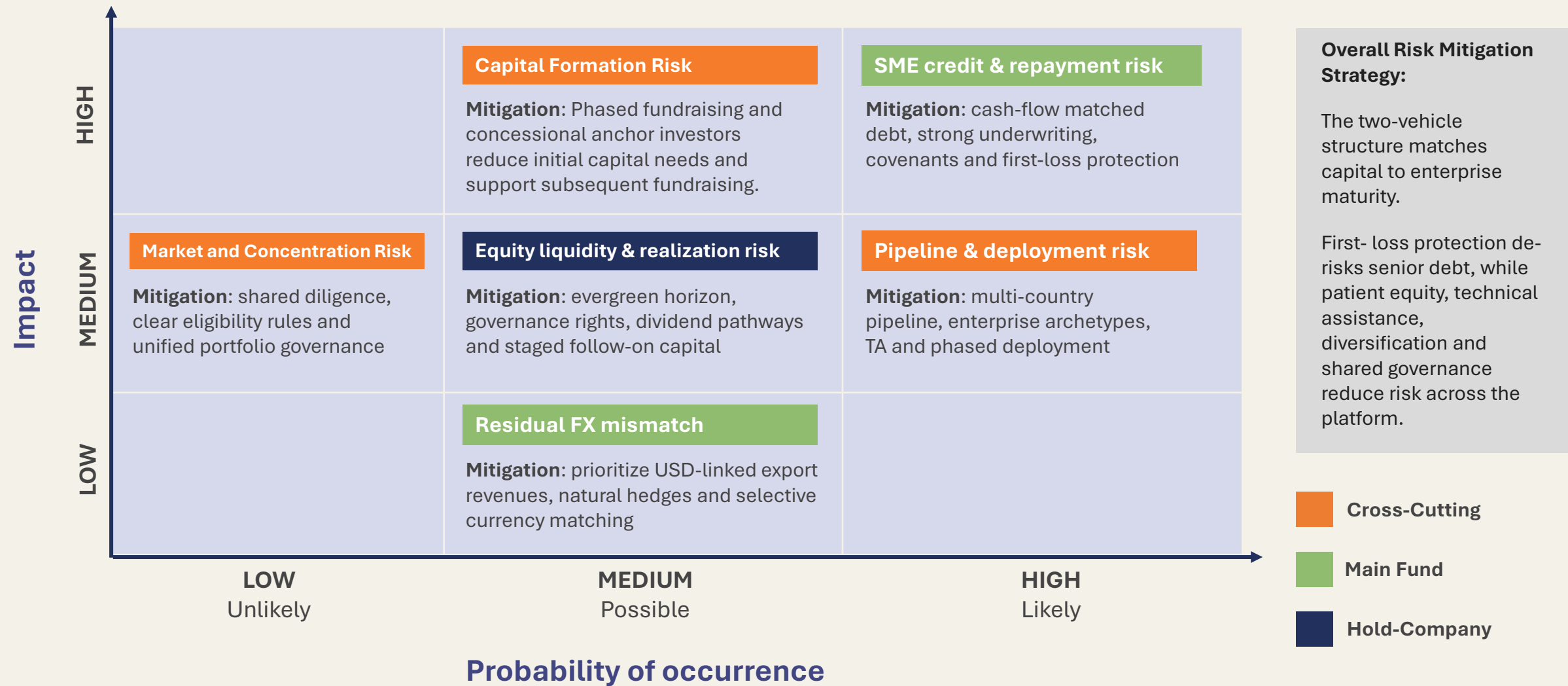
## Amazon Andes Fund

- **Targets entire value chains**, both established and emerging, including enabling technologies and expertise.
- Combines **flexible capital across stages**
- Focused on **Andean Amazon**



CAPITAL

# AAF matches capital and risk mitigation to enterprise needs



1. Executive Summary
2. Team Overview
3. Opportunity
4. Amazon Andes Fund (AAF) Overview and Innovation
5. Capital Structure

## 6. Investment Strategy

7. Projected Financial Returns
8. Impact and E&S Risks
9. Implementation Pathway
10. References



## AAF will focus on specialty markets and emerging forest products to link forest-positive growth to market opportunities

For established value chains such as coffee and cacao, AAF supports a shift from commodity products toward specialty products.<sup>1</sup> For emerging native fruit and nut value chains, AAF focuses on building markets and local value addition around products derived from standing forests.

| Conventional Model                                               | AAF's Value-Driven Model                                                                    | How This Creates Impact                                                                           |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| <b>Commodity</b> coffee and cacao compete on price and volume    | <b>Specialty</b> coffee and cacao compete on quality, origin, traceability                  | <b>Specialty</b> taps into agroforestry, supporting biodiversity, resilience and producer incomes |
| Native fruits and nuts face weak markets and processing capacity | Invest in companies that aggregate, process and commercialize forest products. <sup>2</sup> | Standing forests gain value while communities diversify incomes                                   |

<sup>1</sup> Specialty markets can strengthen the business case for agroforestry by rewarding quality, origin, traceability and production practices that commodity markets often overlook.

<sup>2</sup> These companies may also pay premium rates farmers

# The Fund tailors financing to enterprise maturity and needs

The Main Fund deploys primarily debt on commercial or concessional terms, while the HoldCo provides TA and catalytic support.

## Archetype A

Mature operators

**FINANCING APPROACH**  
Revenue-based financing

### USE & RATIONALE

Working capital and equipment financing to expand sourcing, processing, and sales for established companies with proven revenues and capacity to service debt on commercial terms.

## Archetype B

Emerging growth companies

**FINANCING APPROACH**  
Revenue-based financing, patient equity and TA

### USE & RATIONALE

Growth capital to scale proven business models, expand processing and market access, and overcome collateral or cash-flow constraints that limit access to conventional finance.

## Archetype C

Innovation and Enablers

**FINANCING APPROACH**  
Revenue-based financing and TA, with flexibility for patient equity

### USE & RATIONALE

Financing for technology, traceability, logistics, and other enabling solutions that address value-chain bottlenecks and improve the efficiency, transparency, and scalability of forest-positive businesses.

## Phase zero pipeline study mapped 101 enterprises in four countries and established AAF's initial cacao pipeline

- **Mapping focus:** Cacao value chain, expanded to adjacent and diversified chains (Coffee, Brazil nuts, guayusa, and others)
- **Enterprise profile:** Ranges from small, founder-funded businesses to more established companies with external equity and international sales channels.
- **Markets:** Ecuador, Colombia, Peru, and Bolivia

>100

Enterprises identified in cacao and connected value chains

~25

Interviewed



- **Phase Zero** focused on validating enterprise capital needs and financial profiles.
- **Phase One** will deepen engagement with prospective investees and expand the pipeline across additional value chains.

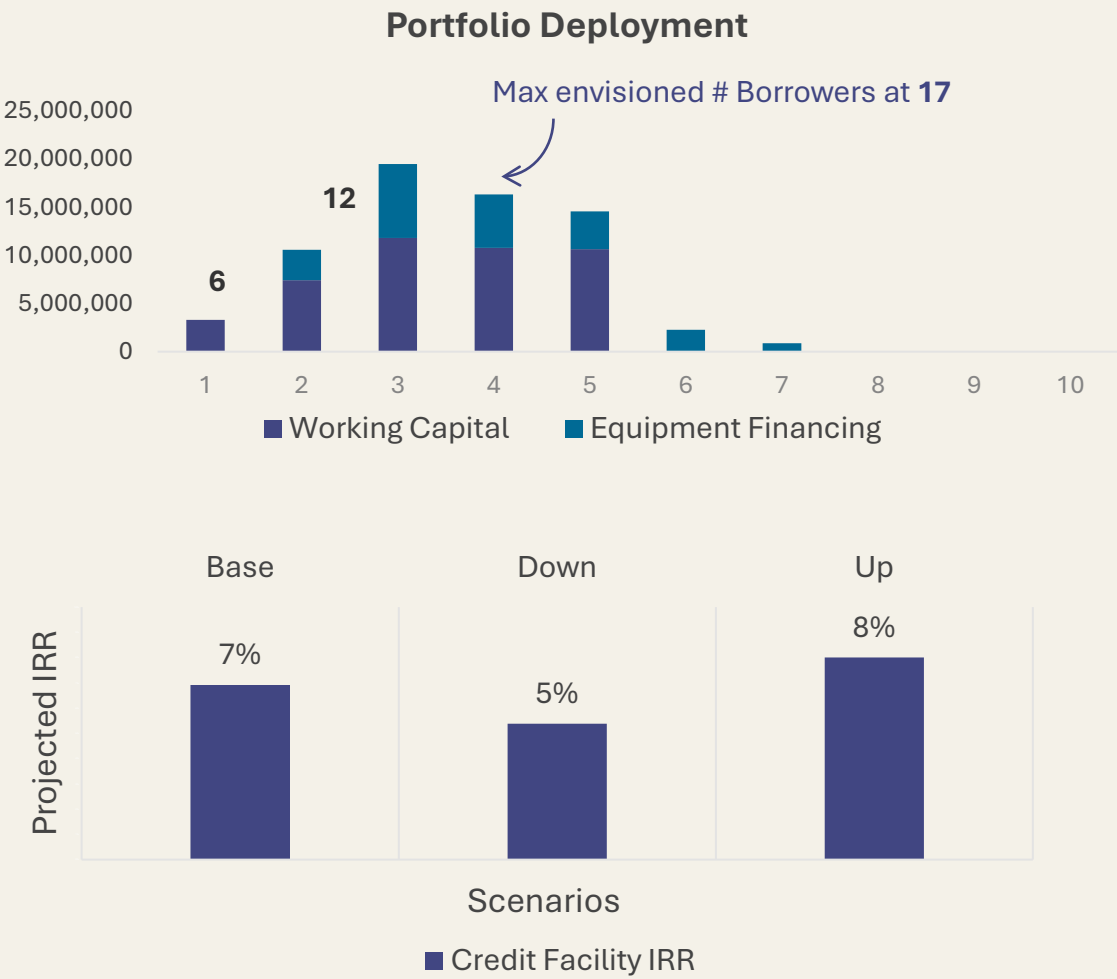
1. Executive Summary
2. Team Overview
3. Opportunity
4. Amazon Andes Fund (AAF) Overview and Innovation
5. Capital Structure
6. Investment Strategy
- 7. Projected Financial Returns**
8. Impact and E&S Risks
9. Implementation Pathway
10. References

# USD 20M facility deploying USD 600k average tickets across 17 revenue-based investments, targeting an 7% IRR

| Debt Facility Assumptions      | Reference Value                                             |
|--------------------------------|-------------------------------------------------------------|
| Total capital size             | USD 20M Credit Facility                                     |
| Credit Facility structure      | 65% Senior<br>35% Subordinated                              |
| Average investment ticket size | USD 550k working capital<br>USD 800k equipment finance      |
| Portfolio loan term            | 1 year for working capital<br>5 years for equipment finance |
| Management Fee                 | 2% of total AUM                                             |

**USD 53M**  
Total Credit deployed to amazon SMEs

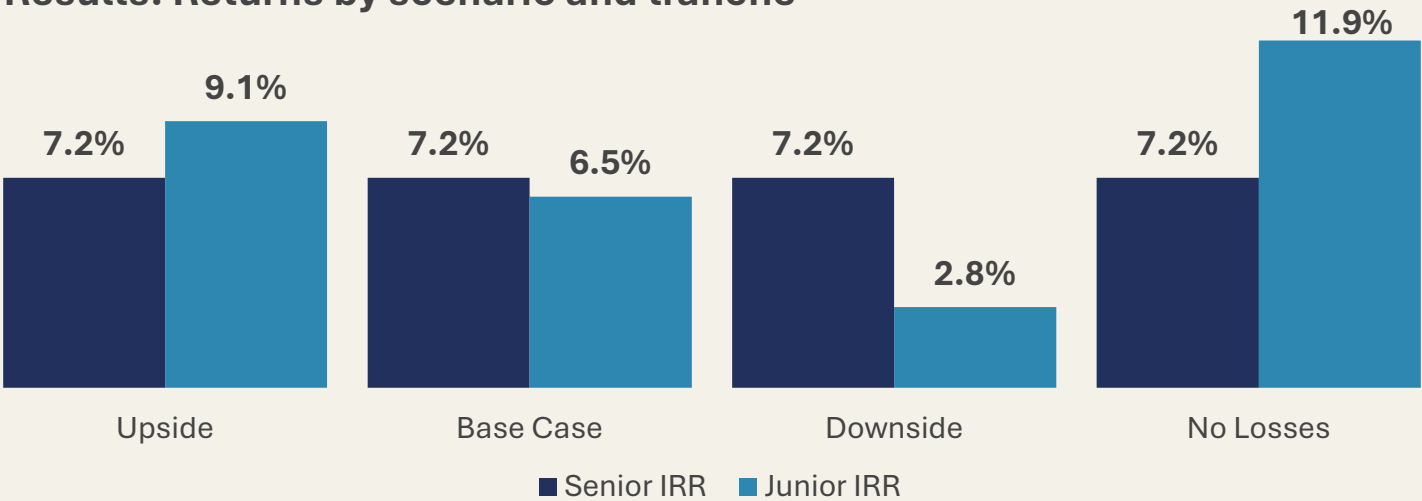
**USD 25M**  
In income to investors over the fund’s life



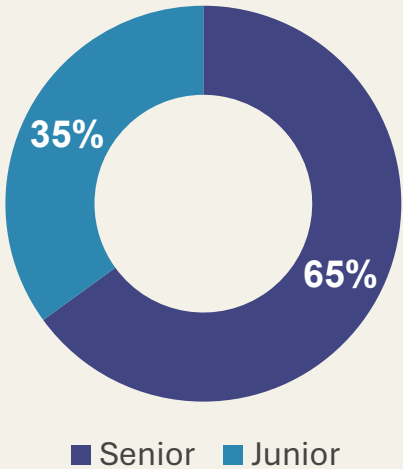
# The financial model projects a senior return of 7.2%

Senior tranche delivers a 7.2% return across all market scenarios, protected by a 35% subordinated junior tranche that absorbs initial portfolio losses

Results: Returns by scenario and tranche



Capital stack composition



|                        | Upside | Base Case | Downside | No Losses |
|------------------------|--------|-----------|----------|-----------|
| Default (%)            | 5,5%   | 11,0%     | 22,0%    | 0,0%      |
| Senior Cash Paid (USD) | 15.7M  | 15.7M     | 15.7M    | 15.7M     |
| Junior Cash Paid (USD) | 9.7M   | 8.8M      | 7.6M     | 10.8M     |

# The structure preserves junior principal while offering meaningful upside

JUNIOR IRR, BASE CASE

| Senior share \ senior pref | 5,0%   | 6,0%  | 7,0%  | 8,0%  | 9,0%  |
|----------------------------|--------|-------|-------|-------|-------|
| 50,0%                      | 7,70%  | 7,07% | 6,52% | 6,51% | 5,71% |
| 55,0%                      | 8,03%  | 7,25% | 6,52% | 6,38% | 5,38% |
| 60,0%                      | 8,42%  | 7,47% | 6,51% | 6,21% | 4,97% |
| 65,0%                      | 8,92%  | 7,76% | 6,54% | 5,99% | 4,43% |
| 70,0%                      | 9,56%  | 8,12% | 6,61% | 5,69% | 3,70% |
| 75,0%                      | 10,41% | 8,53% | 6,64% | 5,21% | 2,67% |

SCENARIO RANGE AT SELECTED COMBINATIONS

| Combination<br>(Senior Share & Return) | Junior upside<br>5,5% Default | Junior base<br>11,0% Default | Junior downside<br>22,0% Default | Senior, all cases |
|----------------------------------------|-------------------------------|------------------------------|----------------------------------|-------------------|
| 60% senior at 6%                       | 9,70%                         | 7,47%                        | 4,47%                            | 6,14%             |
| 65% senior at 7%                       | 9,13%                         | 6,54%                        | 2,76%                            | 7,19%             |
| 70% senior at 6%                       | 10,96%                        | 8,12%                        | 4,01%                            | 6,14%             |
| 75% senior at 5%                       | 13,54%                        | 10,41%                       | 5,94%                            | 5,09%             |

## Junior Sensitivity to Senior Return

Junior IRR is highly sensitive to the senior preferred return, rates between 5% and 7% preserve attractive returns, while 8% to 9% materially compress upside for subordinated capital.

## Subordinated risk-return dynamics

Junior principal is preserved in every scenario. Senior returns consistently match coupon levels (5.09%-7.19%), while junior performance fluctuates across structures, providing 2.76% to 5.94% downside and up to 13.54% upside.

1. Executive Summary
2. Team Overview
3. Opportunity
4. Amazon Andes Fund (AAF) Overview and Innovation
5. Capital Structure
6. Investment Strategy
7. Projected Financial Returns
- 8. Impact and E&S Risks**
9. Implementation Pathway
10. References

# AAF builds specialty markets that make forest-positive value chains economically competitive

## HOW AAF CREATES IMPACT

AAF supports downstream enterprises, conditional on **increasing traceable sourcing from producers meeting defined forest-positive criteria.**

## WHERE IMPACT OCCURS

At enterprises through **local value addition**; at farms and communities **through improved incomes and agroforestry practices**; and across sourcing landscapes through **standing forests and reduced conversion pressure.**

## HOW IMPACT IS MEASURED

**AAF will have to trace eligible volumes, producers reached, value returned to producers,** hectares under verified practices, and changes in forest cover and agroforestry conditions

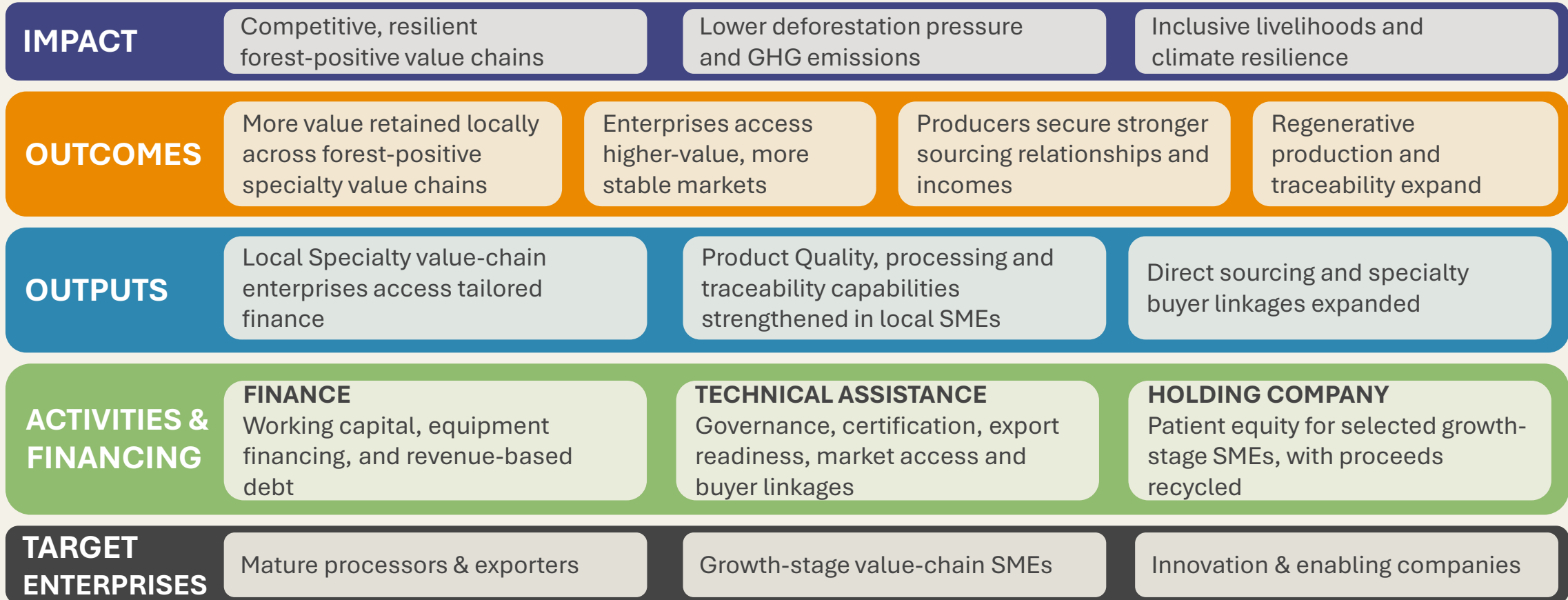
## Projected Impacts

4,400 producers in the Amazon benefited by enterprises financed

15,000 ha under agro-forestry management

685k tCO<sub>2</sub>e avoided or sequestered

# AAF scales specialty forest-positive value chains to strengthen local economies and protect standing forests



# Territorial rights, and supply-chain integrity risks require strong local governance and traceability

| Priority E&S risk                                                                                                    | Why it matters                                                                                                                                                      | Mitigation actions                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1</b><br><b>Deforestation and sourcing integrity</b><br><b>LIKELIHOOD: MEDIUM   IMPACT: HIGH</b>                  | Poorly traced sourcing can expose investees to indirect forest conversion, undermine the Fund's climate claims, and create regulatory and reputational risks.       | <ul style="list-style-type: none"> <li>• No-deforestation eligibility criteria</li> <li>• Traceability and supplier screening</li> <li>• Land-use monitoring where feasible</li> </ul>                                             |
| <b>2</b><br><b>Indigenous rights, discrimination and benefit sharing</b><br><b>LIKELIHOOD: MEDIUM / IMPACT: HIGH</b> | Investee sourcing may involve Indigenous or other vulnerable communities. Weak consultation, discrimination, or unequal benefit sharing can create adverse impacts. | <ul style="list-style-type: none"> <li>• Land and rights due diligence</li> <li>• FPIC where applicable</li> <li>• Grievance and benefit-sharing mechanisms</li> </ul>                                                             |
| <b>3</b><br><b>Biodiversity and ecosystem impacts</b><br><b>LIKELIHOOD: MEDIUM / IMPACT: HIGH</b>                    | If expansion affects sensitive habitats, encourages unsustainable intensification, or increases pressure on soil and water resources.                               | <ul style="list-style-type: none"> <li>• Biodiversity and habitat screening</li> <li>• Exclusion of conversion of critical ecosystems</li> <li>• Regenerative/agroforestry criteria</li> <li>• Environmental monitoring</li> </ul> |
| <b>4</b><br><b>Corruption and weak governance</b><br><b>LIKELIHOOD: MEDIUM/ IMPACT: MEDIUM</b>                       | Weak controls around procurement, permits, sourcing, or supplier relationships can create fraud, bribery, and misreporting risks                                    | <ul style="list-style-type: none"> <li>• Integrity and beneficial-ownership checks</li> <li>• Anti-bribery and procurement controls</li> <li>• Governance requirements and periodic audits</li> </ul>                              |

# Diversified sourcing and resilient enterprise operations can reduce climate-driven supply disruptions

Physical climate risk sensitivities across the value chain

|                             | Production & Sourcing                                 | Aggregation & storage                         | Processing & logistics                                         |
|-----------------------------|-------------------------------------------------------|-----------------------------------------------|----------------------------------------------------------------|
| Extreme heat and drought    | High<br>Yield and quality losses; water stress        | Medium<br>Spoilage risk and energy stress     | Medium<br>Disruption to energy supply, water availability risk |
| Heavy rainfall and flooding | High<br>Crop loss, disease, and harvesting disruption | High<br>Inventory damage and disrupted access | High<br>Asset and inventory loss                               |
| Wildfires                   | Medium<br>Farm, forest, and livelihood losses         | Medium<br>Asset and inventory loss            | Medium<br>Shutdowns and route disruption                       |

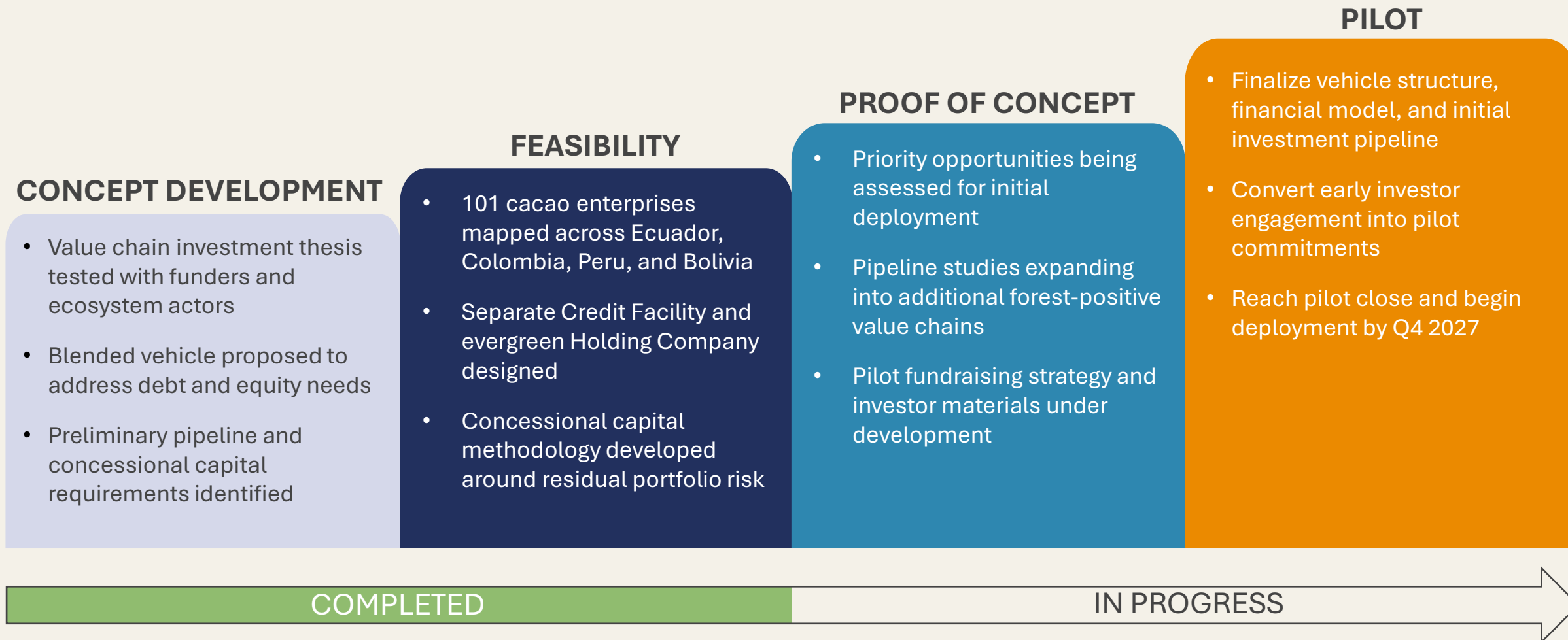
Risk mitigants

- Diversify across crops, geographies, and investees to reduce portfolio concentration.
- Promote regenerative production practices that strengthen shade, soil quality, and water retention.
- Require fire prevention and emergency-response plans where exposure is material.
- Strengthen storage, drainage, inventory buffers, and alternate logistics routes.
- Integrate physical climate risk into due diligence, portfolio monitoring, and insurance decisions.
- Exclude investees with unmanageable exposure.

Preliminary portfolio-level assessment; exposure should be refined by geography, crop, facility location, and investee sourcing model.

1. Executive Summary
2. Team Overview
3. Opportunity
4. Amazon Andes Fund (AAF) Overview and Innovation
5. Capital Structure
6. Investment Strategy
7. Projected Financial Returns
8. Impact and E&S Risks
- 9. Implementation Pathway**
10. References

# IMPAQTO has converted its Andean Amazon thesis into a defined vehicle with an evidence-based path to deployment



# IMPAQTO's path to pilot deployment requires progress across capital raising, pipeline readiness, vehicle structuring, and execution capacity

## Challenge

**Securing capital for a new vehicle**

**Maintaining execution capacity through launch**

**Converting pipeline into pilot-ready investments**

## Amazon Andes Fund's Strategy

- Leverage Fund I's repayment performance and IMPAQTO Capital's track record
- Position a pilot transaction as a phased entry point ahead of the full USD 30 million raise
- Activate the Amazon Investor Coalition, Lab, and existing funder relationships

- Use operational grants support to cover dedicated senior team time
- Engage targeted consultants for pipeline, legal, and structuring work
- Add an investment associate once capital is available for deployment

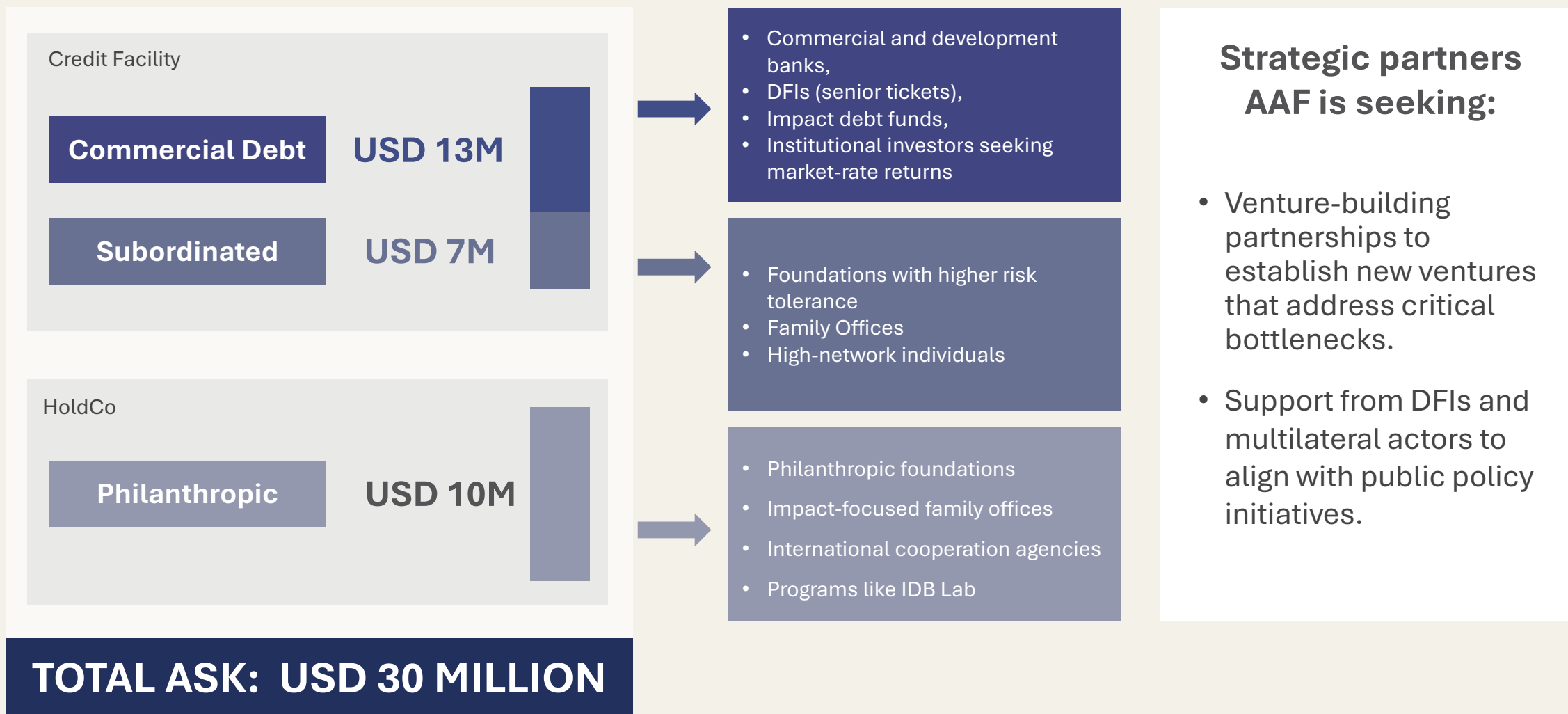
- Prioritize enterprises with validated demand, audited financials, and clear uses of proceeds
- Match each enterprise with debt, equity, or incubation based on its cash flow and readiness
- Use technical assistance to address remaining investment-readiness gaps

# A step-by-step approach to implementing Amazon Andes Fund

|                                                   | 2027 |    | 2028 |    | 2029 |    |
|---------------------------------------------------|------|----|------|----|------|----|
|                                                   | H1   | H2 | H1   | H2 | H1   | H2 |
| Phase I: AAF Pilot (\$2.5M)                       |      |    |      |    |      |    |
| Phase 2: AAF Credit Facility First Close (\$10M)  |      |    |      |    |      |    |
| Phase 3: AAF Credit Facility Final Close (~\$20M) |      |    |      |    |      |    |
| AAF Holding Company Raising Grant Capital         |      |    |      |    |      |    |



# IMPAQTO is raising USD 30M to invest in the Andean Amazon



1. Executive Summary
2. Team Overview
3. Opportunity
4. Amazon Andes Fund (AAF) Overview and Innovation
5. Capital Structure
6. Investment Strategy
7. Projected Financial Returns
8. Impact and E&S Risks
9. Implementation Pathway
- 10. References**

---

## References

Brasil, N.M. de Q.X., Noronha, N.C., Farias, V.D. da S., Brasil Neto, A.B., Carvalho, E.J.M., Silveira, J.M. de Q.X. and Silva, S.A.S. da.2026. Conversion of degraded pasture to cocoa agroforestry in the Brazilian Amazon: Improvements in soil physical and biological properties. Agriculture, Ecosystems & Environment.  
<https://www.sciencedirect.com/science/article/pii/S0167880926000551>

FUNDAÇÃO AMAZÔNIA DE AMPARO A ESTUDOS E PESQUISAS (FAPESPA) and Chaves, M. 2026.  
<https://www.fapespa.pa.gov.br/wp-content/uploads/2026/03/Nota-Tecnica-O-CONTEXTO-ECONOMICO-E-AM>

Gomes Benevenuto, R., Galindo Andrade, A.J., Giles Alvarez, L. and Gonzalez, E.S. 2026. *Unlocking Inclusive and Innovative Finance for Amazonia's Local Economies*.IDB. <https://www.iadb.org/en/blog/economic-analysis/unlocking-inclusive-and-innovative-finance-amazonias-local-economies>

Gomes, L.C, Bianchi, F.J.J.A, Cardoso, I.M, Fernandes, R.B.A, Filho, Fernandes E.I and Schulte, R.P.O.2020. Agroforestry systems can mitigate the impacts of climate change on coffee production: A spatially explicit assessment in Brazil. Agriculture, Ecosystems and Environment.  
<https://agris.fao.org/search/en/providers/122575/records/669f736c00eb85b7d72d1945>

OECD. 2026. Bioeconomy could be a game changer for the Amazon region: Production Transformation Policy Review. [https://www.oecd.org/en/publications/production-transformation-policy-review\\_5965206f-en/full-report/bioeconomy-could-be-a-game-changer-for-the-amazon-region\\_59384f85.html](https://www.oecd.org/en/publications/production-transformation-policy-review_5965206f-en/full-report/bioeconomy-could-be-a-game-changer-for-the-amazon-region_59384f85.html)

Pan-Amazon Network for Bioeconomy .2025. Financing the Pan-Amazon Bioeconomy: Mapping financial mechanisms, success factors and recommendations. São Paulo: Pan-Amazon Network for Bioeconomy.  
<https://amzbio.org/>

---

## References

Riar, A., Goldmann, E., Bautze, D., Rüegg, J., Bhullar, G.S., Adamtey, N., Schneider, M., Huber, B. and Armengot, L. 2024. Farm gate profitability of organic and conventional farming systems in the tropics. International Journal of Agricultural Sustainability. <https://www.tandfonline.com/doi/full/10.1080/14735903.2024.2318933>

Rüegg, J., Saj, S., Schneidewind, U., Milz, J., Schneider, M. and Armengot, L. 2025. Competitive yields in organic and agroforestry cacao cropping systems: results from 15 years of a long-term systems comparison trial in Bolivia. Agronomy for Sustainable Development. <https://link.springer.com/article/10.1007/s13593-025-01073-8>

The Observatory of Economic Complexity. 2022. Fresh/Dried Brazil Nuts (HS: 080120) Product Trade, Exporters and Importers, The Observatory of Economic Complexity. <https://oec.world/en/profile/hs/freshdried-brazil-nuts>

Vallejos-Torres G, Gaona-Jimenez N, Pichis-García R, Ordoñez L, García-Gonzales P, Quinteros A, Lozano A, Saavedra-Ramírez J, Tuesta-Hidalgo JC, Reategui K, Macedo-Córdova W, Baselly-Villanueva JR, Marín C. 2024. Carbon reserves in coffee agroforestry in the Peruvian Amazon. <https://pmc.ncbi.nlm.nih.gov/articles/PMC11670197/>

