



Accelerating Your Regenerative Transition Through Alternative Funding Sources

December 13th, 2023

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Connecting Industry Peers, Amplifying Solutions, and Achieving Breakthroughs



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Connecting Industry Peers, Amplifying Solutions, and Achieving Breakthroughs



SPEAKERS



Courtney Pineau
Executive Director,
Climate Collaborative



Andy Thornton
Founder and Managing Partner,
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Andrew Vrbas
Co-Founder and CEO,
Pacha Soap Co.



Mahmud Johnson
Founder and CEO,
J-Palm Liberia



A dark olive green background with a faint, stylized globe on the left side. The globe shows the continents of North and South America in a lighter shade of green.

OUR VISION = OUR WHY

Many small moments can change the world. At Pacha we believe simple experiences like a bath, a shower, or a routine in the home can bring healing to ourselves, one another, and the world.



OUR MISSION = OUR HOW

We start with world-changing ingredients, create an unforgettable product experience, and deliver moments of healing through everyday routines.

We've come a long way since 2010



Direct Sourcing at Pacha

Pacha has always cared about sourcing responsibly, but 5 years ago we embarked on the journey of *direct sourcing* because:

- We can have 10x impact with our supply chain than philanthropy alone
- It further integrates impact into our products and core business

50-80% of our annual COGS is spent on vegetable oil and essential oil/scent, so we started with these ingredients

We've found supply chain partnerships that prioritize people and planet:

- Regenerative agriculture: Better soils/ecosystems make better ingredients, better ingredients make better products.
- Source local, Pacha is based in the Heartland of America and its agricultural product, we source locally when we can. Where we can't go local we support small farmers: Small farmers (<10 hectares of farmland) represent the largest group (1.5 billion people) of impoverished workers globally (fao.org). By going directly to producers we are cutting out the margins we currently pay to intermediaries in the supply chain and creating shared value with farmers.



Direct Sourcing Producer Partnerships

Who



What

Works with 10,000 smallholder farmers to produce wild harvested, organic palm kernel oil in Liberia.

Works with 350 smallholder farmers to produce organic palm oil in Ghana.

The Iowas Tribe of Kansas and Nebraska uses pioneering regenerative farming practices on tribal land, growing sunflower oil for Pacha.

Produces essential oils with local farmers as part of a reforestation program in the Peruvian Amazon.

Progress

Funding raised into project from partners like USAID and World Bank. Certified organic and regenerative oil being exported.

Partnership with USAID. Organic certification of mill complete and oil being exported.

Pacha contracted sunflower oil growing under regenerative certification for the 2023 season.

Pacha purchased the first oils from the project and is now working to incorporate them into our bar soaps.

The Future: Regenerative Agriculture

- Pacha is inspired by the regenerative agriculture movement and currently has regenerative certification in 3 of our direct supply chains
- We're in R&D to change our base oil formula in order that we could launch a regenerative certified bar soap line in 2024



J-Palm Liberia's Context: No-Deforestation, Organic and Regenerative Palm Oil



Liberian smallholders are completely cut out from the high-end market for sustainable natural ingredients due to immense infrastructural and technical challenges



Partnership with Pacha required taking a long-term view, patience, and a real commitment to the mission, despite the immense challenges of doing business in one of the world's least developed countries



January 2019



December 2023

6 Recipes for Successful Collaboration

1. Mission/ Vision Alignment: Business as a tool for freedom
2. A clear map and pathway to success
3. Collaboration in sourcing financing
4. Technical assistance
5. Trust and openness
6. Very regular check-ins



Introduction

- Personal Background
- Working with Pacha
- Founding Silvan



Types of funding

- Biodiversity
 - Example funders: Partnerships for forests
 - <https://partnershipsforforests.com/financingnature/>
 - c. \$50 – 250k
- Export/Job Growth
 - Example funders: USAID, World Bank
 - c. \$200k – 2m
- Tech innovation
 - Example funders: GSMA
 - c. \$100 – 250k



Process of funding

- Concept note
 - Initial due diligence
 - Detailed application and supporting documents
 - Detailed due diligence, including site visit
 - Milestone/Budget negotiation
 - Contracting
 - Execution
-
- Expect 6-8 months for initial review
 - Expect 12-24 months for full process



Likelihood of funding

- To date we have applied for \$24m in funding for 19 partners across 14 countries
- \$13m in process, \$5m secure
- Expect a 25-40% success rate



What makes a good funding proposal

- Good core economics
 - Strong partnerships
 - Innovation (sometimes)
 - Clear understanding of funder's goals and requirements (esp what they will and won't fund)
 - Good existing systems to pass DD
 - Networking/relationships
 - Negotiating skills
 - An understanding of where funding is flexible and where it is not
 - Other funding/leverage
-
- The ability to walk away/say no
 - Execution! Most grants are milestone based!



J-Palm's experience

- 2019 – Pacha's first field visit to J-Palm
- 2020 – USADF, business scale up – 7 month process
- 2021 - WATIH USAID – dual applicant with Ghanaian partner, export focus – 1 year process
- 2022 – GSMA – mobile innovation – 1 year process
- 2023 – GIZ – processing equipment – 6 month process
- 2023 – World Bank – business growth – 17 month process
- 2023 – USAID – business growth – 9 month process
- \$1.25m received to date



J-Palm's achievements

- Certifications: organic and regenerative
- Supply chain expansion 20MT to 200MT, 400 smallholders to 12,500 smallholders
- Exports
- A new factory
- Plans to expand sales across new ECOWAS countries
- Blockchain traceability in supply chain



DISCUSSION



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