

Livelihoods Funds

Critical transitions:



Innovation:

Paying for nature

Geographic focus:

Africa, South-East Asia, Latin America

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L3F: €120 million (\$142 million) over 10 years
 LCF: €40 million (\$47 million) invested in Fund #1,
 €100 million (\$119 million) targeted in Fund #2



Homestead Farmer, Tilahun Gelaye, a beneficiary of The Debre Jacob Watershed Learning Restoration Project in Bahir Dar, Ethiopia. Abbie Traylor-Smith for Panos Pictures/Watershed Restoration and smallholders Bahir Dar.

The Livelihoods Funds are investment vehicles tackling environmental degradation while addressing rural poverty. The funds rely on the support of private companies committed to promoting sustainable development while reducing their carbon footprints or transforming their supply chains, as well as engagement with public organisations, NGOs and civil society to ensure maximum impact. The funds are advised by Livelihoods Ventures.

Livelihoods currently operates two investment funds:

1. The **Livelihoods Fund for Family Farming (L3F)** finances large-scale sustainable agriculture projects that deliver positive environmental impacts across landscapes and improve livelihoods for local rural communities. The financial return for the fund is provided by results-based payments from private and public off-takers that commit to paying for the raw materials, public goods and environmental services generated. Launched in 2015, the fund is committed to investing €120 million over 10 years.
2. The **Livelihoods Carbon Funds (LCF)** finance carbon sequestration projects such as agroforestry, ecosystem restoration and rural energy projects with high social impact, including improved market resilience, higher incomes and better health for vulnerable rural communities. Fund investors receive carbon credits in exchange for their contribution, which they can also use to offset their unavoidable emissions.^{192, 193} The Livelihoods Carbon Fund #1 has invested €40 million in 9 projects across Africa, Asia and Latin America, planted 130 million trees – benefiting 1 million people – provided 120,000 households with efficient cookstoves and sequestered 10 million tonnes of CO₂ over 20 years.¹⁹⁴ The Livelihoods Carbon Fund #2, launched in 2017, plans to invest €100 million in carbon sequestration projects, achieving 12 million tonnes of CO₂ over 20 years.¹⁹⁵

Stakeholders:

Livelihoods Venture;
 Danone; Mars;
 Firmenich; Michelin;
 Hermes; Schneider Electric; SAP; Voyageurs du Monde; Groupe Caisse des Dépôts; La Poste; Crédit Agricole; Veolia

Status:

● Operational