

ECOENTERPRISES FUND

FONDO ECOEMPRESAS, S.A.

Agroalegre, C.A.

Located in a depressed rural community in the Ecuadorian Andes, the company grew and processed high-quality dehydrated herbs and vegetables that it sold in Central and South America to large clients, including Nestlé and Sumesa, and in the local retail market under the well-known brand, *Doña Petra*.

Agroalegre worked in the buffer zone of several biological reserves, including the Maquipucuna Reserve, a cloud forest home to over 347 bird species, and the Alto Chocó Reserve, an internationally recognized biodiversity hot spot. Agroalegre's efforts provided an alternative to the main commercial activity, conventional flower production, which compromises the region's environmental integrity given the intense use of pesticides. The Nature Conservancy in Ecuador endorses sustainable development projects like Agroalegre to help protect the surrounding ecosystems.

In 2000, the company initiated operations to rehabilitate a closed plant that had provided income and employment to the local community for over three decades. By developing a new business plan and injecting capital into the facility, the company created jobs and a market for local produce. Agroalegre partnered with 10 families, purchased 100 percent of their harvest at fair and consistent prices and provided training and equipment.

Agroalegre sought to obtain organic certification for itself and the partner families. With organic certification, fair trade certification, and International Organization for Standardization (ISO) 9000 certification obtained in May 2004, Agroalegre planned to export to organic processed food manufacturers in the United States and Europe. Additionally, the company diversified its product lines to include organic teas, packaged fresh herbs for local sale, and herbal oil extracts.

EcoEnterprises Fund co-financed this investment with the project principals.

Date Invested: March 18, 2005

Current Status as of December 2008: Principals closed operations and re-launched an expanded product line under a new company, Terrafertil. Terrafertil assumed EcoEnterprises Fund's investment obligations.