

BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL)

Private Sector Engagement
Driving Sustainable Agribusiness
in Orinoquia, Colombia –
an ISFL approach

March 2025



Introduction

In the heart of Colombia's Orinoquia region, a transformative journey is underway, led by the Government of Colombia and supported by the World Bank's BioCarbon Fund's Initiative for Sustainable Forest Landscapes (ISFL). Confronted with severe deforestation and ecosystem degradation largely due to agricultural expansion, ISFL has partnered with Colombia's private sector to promote sustainable farming practices, creating new opportunities for both the environment and local communities.

The challenges in Orinoquia are significant. As agricultural activities expand, balancing economic growth with environmental protection has become critical. Recognizing that public funding alone cannot drive the scale of change needed, ISFL and the Government of Colombia have adopted a multi-tiered approach, engaging the private sector at multiple levels to foster impactful transformation.

The goal is to enable the widespread adoption of sustainable practices among farmers and agribusinesses, demonstrating that these methods are both scalable and financially viable. ISFL's private sector engagement works on three interconnected levels, creating a strong platform for change. This approach drives adoption among both large firms and small producers, establishing sustainable farming as the standard while delivering lasting carbon and non-carbon benefits for communities.

Context

The Orinoquia region of Colombia, known for its rich biodiversity and vast landscapes, faces significant challenges due to deforestation and ecosystem degradation caused by agricultural expansion. As forests, savannas, and wetlands are cleared and modified for farming, environmental and socio-economic impacts emerge, including biodiversity loss, reduced carbon sequestration, and diminishing rural livelihoods. Traditional agricultural practices, particularly in the beef, palm, and rice sectors, have intensified these issues, highlighting the urgent need for sustainable, low-carbon alternatives.

In response, the BioCarbon Fund ISFL, in collaboration with the Government of Colombia, the World Bank's Global Department for Agriculture and Food, Global Department for Environment, and the International Finance Corporation (IFC), is working to promote sustainable land use and farming practices across the region.

Interventions & Approach

The ISFL's multi-faceted approach seeks to transition Orinoquia's agricultural sector toward more sustainable practices, focusing on reducing emissions while improving productivity. This strategy, supported by policy reforms, capacity-building, and financial incentives, operates at the sectoral, supply chain, and firm levels, with each layer managed by distinct partners.

Sector-Level Intervention: Through the Biocarbon Orinoquia Project, led by the Government of Colombia in partnership with ISFL, multi-stakeholder platforms in key industries like livestock, cacao, and palm oil foster collaboration among government entities, NGOs, and private companies. This collaboration drives zero-deforestation policies and sustainable land-use practices. In the livestock sector, regional dialogues have led to deforestation-free policies, significantly shaping national policy reforms. This sectoral approach unites diverse stakeholders under a shared vision for sustainable agriculture.

Supply Chain-Level Intervention: At the supply chain level, ISFL collaborates with the World Bank's Global Department for Agriculture and Food to integrate sustainability into critical agricultural value chains, including cocoa, livestock, palm oil and non-timber forest products (NTFP). The Agriculture Unit has been implementing the project Developing Climate-Smart Agricultural Supply Chains: Opportunities, Challenges, and Emerging Lessons, which has produced a series of analytical studies on climate-smart agriculture, exploring its potential to increase productivity, mitigate climate impacts, and support adaptation efforts.

Firm-Level Intervention: ISFL, with the IFC, supports businesses in the beef and cocoa sectors to adopt and scale sustainable business models. One example is the Meta Sustainable Beef Ordinance, developed by IFC, which institutionalizes sustainable livestock practices across the Meta department. Hacienda San Jose adopted low-carbon livestock management practices following the recommendations of the IFC advisory, which were based on the Life-Cycle-Assessment (LCA) methodology. This GHG assessment tool was used to model specific aspects of the Hacienda San Jose production system and incorporate regional emission factors. In addition, partnerships with companies like Andean Cacao promote climate-smart practices and enhances supply chain traceability, helping farmers integrate sustainable methods from the ground up. This approach demonstrates that environmental responsibility and profitability can coexist, inspiring other firms to follow suit.



Supporting Pillars

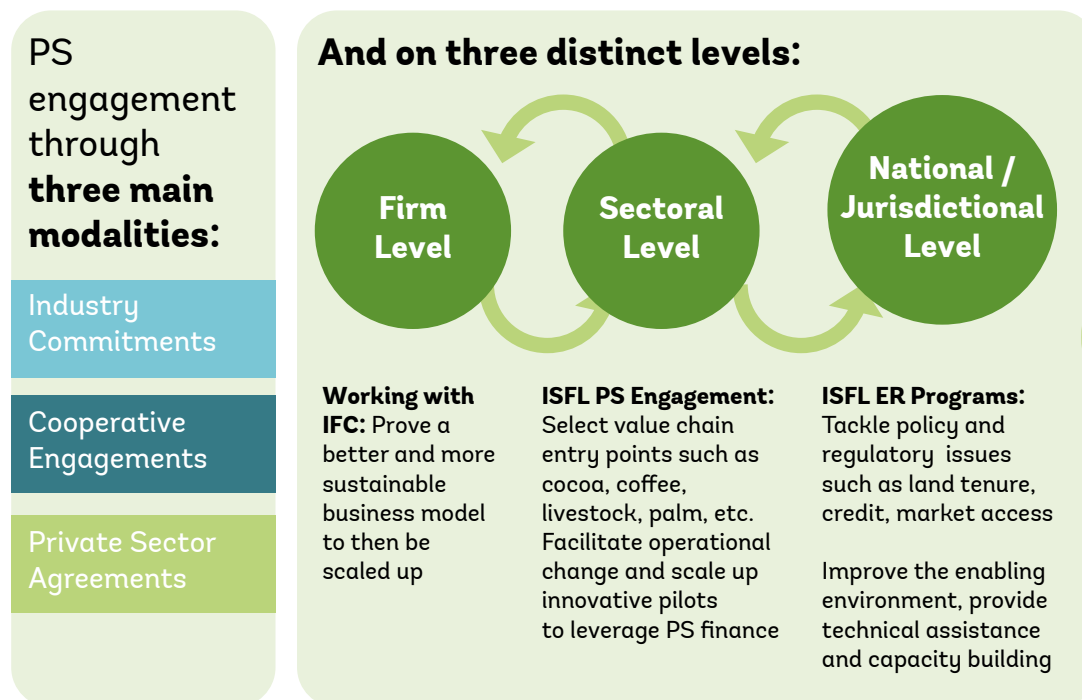
- 1. Enabling Environment:** Policies like the Meta Sustainable Beef Ordinance establish a regulatory foundation for sustainable practices, ensuring firms and value chains adhere to environmental standards.
- 2. Capacity Building:** ISFL's training initiatives, such as farmer field schools and demonstration farms, have trained more than 1,000 farmers (36% women) in climate-smart practices, equipping them with the skills to increase productivity while safeguarding natural resources.
- 3. Financial Incentives:** Financial mechanisms like Payments for Environmental Services (PES) and the FINAGRO Green Economy Credit Line provide farmers with critical financial support to invest in climate-smart technologies, making sustainable practices accessible to both large agribusinesses and smallholder farmers.

By engaging the private sector across these levels, ISFL illustrates that environmental sustainability and economic viability can reinforce each other. This multi-level approach drives significant change among both large firms and small-scale producers, fostering a long-term shift toward environmentally responsible practices across Colombia's agricultural sector. As sustainable farming becomes the norm, the Orinoquia region benefits from lasting carbon and non-carbon gains, setting a model for sustainable agribusiness in Colombia and beyond.

Lessons Learned

- 1. Private Sector Engagement Drives Scale:** Collaborating with companies such as Andean Cacao, Casa Luker, Cialta, Hacienda San José and Grupo Bios has been crucial to scaling sustainability efforts. These businesses integrated low-carbon practices into their supply chains, setting a precedent for others in the region. Additionally, the Biocarbon project has worked with La Catira, Fénix del Ariari, and Gomarlac SAS to introduce sustainable practices into their supplier networks and train farmers. This framework has been central to the efforts of companies which have adopted low-carbon management practices across the Orinoquia.
- 2. Regulatory Support Ensures Longevity:** The establishment of the Meta Sustainable Beef Ordinance, supported by the IFC, has provided a solid regulatory foundation for deforestation-free cattle ranching. This ordinance is now seen as a model that can be replicated in other regions and sectors to sustain low-carbon agricultural practices.
- 3. Financial Incentives Facilitate Adoption:** Financial incentives have been essential in making sustainable farming practices accessible. Programs like PES reward farmers for maintaining forest cover or adopting sustainable land management techniques, while the FINAGRO Green Economy Credit Line provides low-interest financing for investments in technologies like silvopastoral systems and water-efficient irrigation. These financial tools help reduce upfront costs lower costs and ease the transition to climate-smart agriculture.

Private sector engagement approach for ISFL



- 4. Capacity Building Ensures Sustainability:** ISFL's training programs, including farmer field schools, have trained more than 1,000 farmers (36% women) to adopt sustainable practices that boost productivity and income.
- 5. Sustainable agriculture delivers dual benefits:** Sustainable practices has shown economic and environmental returns. Farmers in the beef sector partnering with Cialta increased their average yield from 112 kg sold per hectare per year to 154 kg in 2023 and 174 kg in 2024, while cacao production from smallholder farmers has increased x16 (or 1600%) since 2020 to 2024. These results underscore the potential for sustainability to enhance productivity while protecting natural resources.

Looking Forward

The transition to sustainable practices in Orinoquia highlights how responsible agriculture not only boosts productivity but also strengthens supply chain resilience. As more land shifts to sustainable management, the region is laying a foundation for long-term environmental and economic gains. Of course, the journey in Orinoquia is far from over. While climate-smart practices have already led to impressive gains—much work remains.

Looking ahead, the experiences from Orinoquia underscore the need for continued innovation, robust regulatory frameworks, and sustained investment in climate-smart technologies. These elements are crucial for achieving widespread adoption among Colombia's agricultural producers, maximizing both carbon and non-carbon benefits, and contributing to Colombia's emission reduction targets. With these continued efforts, Orinoquia can serve as a model for integrating sustainability into agribusiness, ensuring the long-term resilience of both the region's ecosystems and local livelihoods.

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