



Regional Private Sector Facility: Selection of the Common Fund for Commodities as Implementing Organization for the Implementation of the Project “Shaping deforestation-free agricultural value chains in the Congo Basin region by establishing dedicated funds and financing mechanisms to target agri-SMEs of different size and loan absorption capacity”

Adopted by e-mail on 26 October 2023

EB.2023.27

Considering:

- Decision EB.2023.12 approving the launch of the Regional Private Sector Window;
- Decision EB.2023.24 approving launch of the Call for Expressions of Interest for the Regional Private Sector Facility dated 14 September 2023 (2023/09/private);
- The Call for expression of interest (2023/01/CMR) which was launched on 26 May 2023, which was widely advertised and for which an information session was held online on 8 June 2023;
- The complete expression(s) of interest(s) received from eligible organisations; and
- The technical analysis report prepared by the Secretariat and its recommendations.

The Executive Board,

1. Approves the selection of the Common Fund for Commodities, as the Implementing Organization for the project *shaping deforestation-free agricultural value chains in the Congo Basin region by establishing dedicated funds and financing mechanisms to target agri-SMEs of different size and loan absorption capacity*.
2. Requests the CFC to develop a project document for the project *shaping deforestation-free agricultural value chains in the Congo Basin region by establishing dedicated funds and financing mechanisms to target agri-SMEs of different size and loan absorption capacity* with an initial detailed budget of USD\$30 million for a period of 3 to 5 years.
3. Invites CFC to submit a 500,000 USD preparation grant request for consideration by the Secretariat with sufficient detail to provide assurance that CFC will develop a full project proposal providing all

of the elements required for the CAFI Executive Board to make an informed investment decision including: a tentative pipeline with clear “ideal cases” to illustrate impact potential, investment criteria including deforestation-free agriculture commitments, performance metrics to measure performance on no-deforestation standards that will be widely accepted, including those needed to comply with the new European Union Regulation on deforestation-free products, monitoring capacity, and safeguards.

4. Requests that the CFC work closely with the CAFI Secretariat during the preparation of the project document, maintain a strong emphasis on the development impact bond in its full project document proposal, and follow the guidance on performance-based grants provided in the CAFI Private Sector Investment framework. In line with this guidance:

 - a. When relevant the CFC will use same definitions and methodologies used by CAFI’s Payment for Environmental Services (PES) projects and programmes under development in DRC and Cameroun.
 - b. All the relevant information will be reported by CFC through CAFI’s centralized information management system under development for PES.
 - c. The payment level per unit of results, payment calendar and quality requirements including safeguards will be determined based on studies and benchmarking exercises carried out during PRODOC development. It will be set prior to PRODOC signature, the payment calculation methodology will be validated by the independent verification body and included in the performance-based payment agreement between CAFI and the CFC.
5. Recalls that feasibility studies and the design of projects and programmes should place strong emphasis on (i) gender inclusion, including in terms of sex-disaggregated data, (ii) human rights and non-discrimination, (iii) conflict prevention and resolution, in particular with regard to land tenure, (iv) monitoring and learning, while ensuring strong alignment with the CAFI results framework, (v) analysis of the link with forest conservation, (vi) analysis of opportunities for scale-up and means to achieve them , (vii) analysis of risks of corruption and conflicts of interest, as well as the stakeholders likely to gain or lose as a result of the initiative.
6. Reiterates that the present decision does not represent a funding allocation decision. Funding will be approved based on agency submissions and according to the Terms of Reference of the Trust Fund.