



Regional Private Sector Facility: Selection of FAJA LOBI

EB.2024.07

Approved by email on the 22.03.2024

Considering:

- [Decision EB.2023.12](#) approving the launch of the Regional Private Sector Facility;
- [Decision EB.2023.24](#) approving the Call for Expressions of Interest for the Private Sector Facility (2023/09);
- The Call for expression of interest (2023//03/PRIVATE SECTOR), launched on 19/09/2023, which was widely advertised;
- That for-profit organisations do not have direct access to CAFI funds but have nonetheless been invited to submit expressions of interest to accelerate the development of a project pipeline.
- That CAFI through the Regional Private Sector Facility is seeking to identify commercially viable projects and proposals with the highest possible levels of impact, in terms of emission reductions, job creation, and co-financing.
- The complete expression of interest received from FAJA LOBI; and in alignment with the goals articulated in the call for EOIs, a comprehensive evaluation of FAJA LOBI's submission has been conducted.
- The technical analysis report prepared by the Secretariat and its recommendations shared with the Executive Board on March 6th 2024.

The Executive Board,

- 1) Invites FAJA LOBI to develop a project document for "*deforestation-free agro-industrial zone*" with a budget of USD 22,397,000 for a period of 3-5 years. The level of CAFI co-finance will take account of

expected impact and be aligned with comparable CAFI investment grants to other projects of this sector.

- 2) Invites FAJA LOBI to submit a 440,000 USD preparation grant request for consideration by the Secretariat with sufficient detail to provide assurance that FAJA LOBI will develop a full project proposal providing all the elements required for the CAFI Executive Board to make an informed investment decision in a format that can be compared across projects. This includes at a minimum:
 - the expected emissions reduction potential as well as the associated detailed estimation methodology.
 - the job creation potential.
 - the theory of change to be used that aligns with CAFI objectives and the CAFI Letters of Intent.
 - lessons learned from past projects.
 - evidence that grants are necessary to unlock the co-financing and make the projects viable.
 - a clear fund management strategy, remuneration policy, finance mobilisation expectations and sources.
 - a risk management plan.
- 3) Requests that UNOPS act as implementing organization channelling the preparatory grant resources to FAJA LOBI in the context of the UNOPS regional technical assistance project approved by CAFI.
- 4) Requests that the Secretariat work together with UNOPS to prepare terms of references for the above-mentioned prep. grant.
- 5) Recalls that the design of projects and programmes should place strong emphasis on (i) gender equality and social inclusion, including in terms of sex-disaggregated data, impact and how the project will support development objectives (ii) human rights and non-discrimination, (iii) conflict prevention and resolution, in particular with regards to land tenure, (iv) monitoring and learning, while ensuring strong alignment with the CAFI results framework and the CAFI Letters of Intent, (v) analysis of the link with forest conservation, (vi) analysis of opportunities for scale-up and means to achieve them, (vii) analysis of risks, including 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 for the full projects and programmes. Funding will be approved based on the submissions of project documents and according to the Terms of Reference of the Trust Fund. When making funding allocations for full projects and programmes, the Board will focus strongly on impact in terms of emission reductions and job creation. Unless the proposals can demonstrate high levels of expected impact, they will not receive CAFI funding. In addition, long-term commercial viability and the level of co-financing will be important.