



Regional Private Sector Facility: Selection of Expressions of interests

Adopted by email on 25.01.2024

EB.2024.01

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) which was launched on 19/09/2023, which was widely advertised;
- The complete expression(s) of interest(s) received from eligible organisations; and
- 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 and job creation, and co-financing;
- Decision [EB.2023.27](#) approving the 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”;
- The technical analysis report prepared by the Secretariat and its recommendations shared with the Executive Board on January 10th 2024.

The Executive Board,

1. Invites IDH to develop a project document for the project “Shaping deforestation-free agricultural value chains in the Congo Basin region by establishing an Investment Development Hub, Catalytic Seed Capital and Finance Network” with a detailed budget of USD 55 million, including USD 25 million from CAFI and 35 million in co-financing for a period of 3 to 5 years.

2. Invites IDH to submit a 500,000 USD preparation grant request for consideration by the Secretariat. This preparation grant request should include a feasibility study to produce all the information referred to in paragraph 14 of the present decision. Additionally, the full project proposal should include 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.
3. Invites the KfW to develop a project document for the project “Implementing the PAMOL Plantations PLC Master Plan 2025-2035 within the Korup Rainforest Biosphere Reserve Landscape to supporting the sustainable intensification of palm oil production through a jurisdictional approach” with a detailed budget of up to USD 65 million with CAFI funding of up to USD 20 million and at least 15 million co-financing from PAMOL for a period of 3 to 5 years. This project document should include a feasibility study providing all the information referred to in paragraph 14 of the present decision.
4. Invites the Common Fund for Commodities (CFC) to expand the scope of the project under development to include the forestry sector in partnership with the International Tropical Timber Trade Association and to expand the scale of the same project to include CAFI funding of up to USD 60 million while maintaining a strong budgetary emphasis on the use of performance-based instruments.
5. Invites the CFC to adjust the content of its 500,000 USD preparation grant request under development for consideration by the Secretariat to include a feasibility study to produce all the information referred to in paragraph 14 of the present decision.
6. Invites ATIBT to develop a project document for a project on innovative approaches to sustainable forest management reducing its proposal’s scale to a maximum of USD 5 million as well as reducing its scope to focus on the actions that will lead to the greatest emission reductions and leverage the largest amount of private co-finance from ATIBT member companies.
7. Invites ATIBT to submit a 100,000 USD preparation grant request for consideration by the Secretariat. This preparation grant request should include a feasibility study to produce all the information referred to in paragraph 14 of the present decision.
8. Invites INTERHOLCO to conduct a feasibility study for an amount of up to USD 500,000 for a project to expand its forest industries, which create added value and jobs through a transformation of timber and other byproducts from its sustainably managed forest concessions in the Republic of Congo. This feasibility study should produce all the information referred to in paragraph 14 of the present decision.
9. Invites ARISE Integrated Industrial Platforms (ARISE IIP) to conduct a feasibility study for an amount of up to USD 500,000 for a large-scale investment programme based on the special economic zones of DRC, Gabon and the Republic of Congo in line with the objectives of the CAFI Letters of Intent. This feasibility study should produce all the information referred to in paragraph 14 of the present decision.
10. Invites Mushiete et Compagnie (Mushiete & Co) to conduct a feasibility study for an amount of up

to USD 300,000 for a project to expand its agroforestry industries, which create added value and jobs through the increased plantation area, as well as sustainable production and transformation of cassava flour near Kinshasa, DRC. This feasibility study should produce all the information referred to in paragraph 14 of the present decision.

11. Encourages Mushiete & Co and CAP to exchange information and work together as appropriate to assess the feasibility of using excess energy from the planned CAP charcoal factories to process agricultural goods.
12. Invites *GoCongo* to conduct a feasibility study for an amount of up to USD 500,000 for a project to expand its industries to enable the deforestation-free production and local transformation of agro-commodities, including cashew, rice, cassava, and bean, amongst other crops as well as the plantation of commercial timber and the conservation and restoration of forest ecosystems in Katanga, DRC. This feasibility study should produce all the information referred to in paragraph 14 of the present decision.
13. Requests that UNOPS provide financial support to INTERHOLCO, ARISE IIP, Mushiete & Co, et GoCongo in carrying out these feasibility studies in line with the requirements and procedures of the UNOPS regional technical assistance facility project approved by CAFI.
14. Requests that the Secretariat work together with IDH, KfW, CFC, ATIBT and UNOPS to prepare terms of references for the above-mentioned feasibility studies. The terms of reference of these feasibility studies should contain sufficient detail to provide assurance that full project proposals provide all of 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:
 - a. the expected emissions reductions potential as well as the associated detailed estimation methodology;
 - b. the job creation potential;
 - c. the theory of change to be used that aligns with CAFI objectives and the CAFI Letters of Intent;
 - d. lessons learned from past projects;
 - e. evidence that grants are necessary to unlock the co-financing and make the projects viable in the form of a thorough financial analysis;
 - f. a clear fund management strategy, remuneration policy, finance mobilisation expectations and sources;
 - g. a risk management plan.
15. Recalls that feasibility studies and 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.

16. 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.