



## CAFI Executive Board Decision

### Regional Private Sector Facility: Selection of Société de Biomasse du Congo (SOBICO)

EB.2024.30

Approved by email on the 16.08.2024

#### 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) which was 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 and job creation, and co-financing;
- The complete expression of interest received from Société de Biomasse du Congo (SOBICO) and in alignment with the goals articulated in the call for EOIs, a comprehensive evaluation of SOBICO's submission has been conducted.
- The technical analysis report on Société de Biomasse du Congo (SOBICO), prepared by the Secretariat and its recommendations shared with the Executive Board on the 2<sup>nd</sup> of August.

## The Executive Board,

1. Invites Société de Biomasse du Congo (SOBICO) to develop a project document for the project "Integration of Sustainable Forestry, Agroforestry, and Renewable Energy in the Congo Basin" with a detailed budget of USD 8,138,500, including USD 5,003,100 from CAFI and USD 3,135,400 in co-financing.
2. Invites SOBICO to submit a USD 300,000 preparation grant request for consideration by the Secretariat. This preparation grant request must include a feasibility study to produce all the information referred to in paragraph 4 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 sustainable forestry and agroforestry commitments, performance metrics to measure compliance with no-deforestation standards, monitoring capacity, and safeguards.
3. Requests that UNOPS act as implementing organization channeling the preparatory grant resources to SOBICO in the context of the UNOPS regional technical assistance project approved by CAFI.
4. Requests the Secretariat to work together with UNOPS to prepare terms of references for the above-mentioned feasibility study. The terms of reference of this feasibility study should contain sufficient detail to provide assurance that full project proposals provide all the elements required for the CAFI Executive Board to make an informed investment decision. This includes at a minimum:
  - The expected emissions reductions 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 in the form of a thorough financial analysis;
  - A clear fund management strategy, remuneration policy, finance mobilisation expectations, and sources;
  - A risk management plan.
5. 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, particularly concerning 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; and (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 project, nor does it constitute an approval of the project document. Funding will be approved based

on the submission 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.