



**SUPPORT TO THE ELABORATION OF A PALM TREE REFORESTATION, TRANSFORMATION AND MARKETING PROJECT FOR THE FIP SET  
ASIDE FUND IN DR CONGO**

**Ref.**  
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Expert(s)	Country	Volume (md)	Amount (€)	Beneficiary	Funding	Start date	End date	Partner(s)	Reference
Maden LE CROM, Olivier BOUYER et Jérôme MAURICE	DR Congo	15	12,900 €	Gecotra / FIP	AfDB	Jun. 2013	Jul. 2013	n/a	Mafalda DUARTE <a href="mailto:m.duarte@afdb.org">m.duarte@afdb.org</a> Mob : + 216 98 70 54 38

Detailed description of the project	Services provided
<p>The <i>Forest Investment Program (FIP)</i> – part of the <i>Climate Investment Funds (CIF) family</i> – aims to mobilize substantial funds to reduce the greenhouse gas emissions due to deforestation and degradation (REDD+). Eight pilot countries have been selected worldwide, including three in Africa: Ghana, Burkina Faso and DR Congo. The World Bank and the African Development Bank (AfDB) coordinate the program's implementation in these three countries (with a total budget of 130 M USD) in close collaboration with national authorities. The congolese FIP Investment Plan has been approved by the FIP Sub-Committee in June 2011, whereas those of Burkina Faso and Ghana have been approved in November 2012. Besides specific supports to the Governments, 50 M USD of concessional loans have been reserved to finance REDD+ projects involving private operators in the 8 pilot countries (<i>FIP Set-aside Fund</i>). These projects have been presented to the FIP Sub-Committee in August 2013 for competitive selection and award. The African Development Bank mandated SalvaTerra to support the Bank in identifying and structuring potential projects in Ghana, Burkina Faso and DR Congo.</p> <p>The project developer identified in DR Congo is GECOTRA, a congolese company specialised in palm nuts production, oil transformation, fluvial transport and marketing of palm products. The project aims to plant 2 000 ha of acacia trees and 2 000 of palm trees on degraded lands in the region of Bandundu, managed with the support of local farmers. The total budget is 10 M USD including 3 M USD of FIP concessional loans.</p> <p>The project will restore 4 000 ha of degraded lands, produce 65 235 tons of palm oil, reduce GHG emissions (cerca 9,2 M tCO<sub>2</sub>e), improve the revenues of thousands of producers by more than 1 215 USD/household/year and create direct and indirect jobs.</p>	<p>Taking into account the FIP general objective, the respective FIP Investment Plan of each country and the <i>FIP Private sector Set-aside fund</i> guidelines, the team of experts (i) identified promising project ideas and credible developers in each country, (ii) worked in close collaboration with the project developers, national authorities in charge of the FIP and the REDD+ national strategies as well as AfDB's FIP team, in order to prepare three concept notes to be submitted in August 2013.</p> <p>In DR Congo, GECOTRA has been rapidly identified as potential project developer to be supported by the FIP in spite of (i) the company's reputation in the fluvial transport of goods, and (ii) its technical capacities given the fact that the company already exploits 1 000 ha of palm tree plantations in the project area. Important efforts have been made to work on specific REDD+ aspects (like Monitoring, Reporting and Verification measures) to make sure that the project contributes well to local development and the fight against deforestation and degradation.</p> <p>The concept note was prepared with two distinct sections: (i) Respect of the FIP investment criteria (carbon sequestration potential, replication potential, cost/benefit ratio in USD/tCO<sub>2</sub>e, technical feasibility, environmental and social co-benefits, respect of the FIP/AfDB safeguards), (ii) Practical modalities of engagement: description of activities and their innovative nature, palm oil market study, business plan and cashflows, potential risks and mitigation measures.</p> <p>After submission to and examination by the FIP Sub-Committee, the concept note has been judged good and ranked 5th over the 11 concept notes presented for competitive selection. This ranking could have been better, but the project suffered from a lack of notoriety of DR Congo in terms of private investment risk management.</p>