Concept Note

Project/Programme Title:	Implementation of Agroforestry
Country(ies):	Democratic Republic of the Congo
National Designated Authority(ies) (NDA):	National Coordination of the Green Climate Fund
Accredited Entity(ies) (AE):	_____
Date of first submission/ version number:	*[YYYY-MM-DD] [V.0]*
Date of current submission/ version number	*[YYYY-MM-DD] [V.0]*

GREEN CLIMATE FUND

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"CN-[Accredited Entity or Country]-YYYYMMDD"

Notes

- The maximum number of pages should **not exceed 12 pages**, excluding annexes. Proposals exceeding the prescribed length will not be assessed within the indicative service standard time of 30 days.
- As per the Information Disclosure Policy, the concept note, and additional documents provided to the Secretariat can be disclosed unless marked by the Accredited Entity(ies) (or NDAs) as confidential.
- The relevant National Designated Authority(ies) will be informed by the Secretariat of the concept note upon receipt.
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A. Project/Programme Summary (max. 1 page)			
A.1. Project or programme	☒ Project ☐ Programme	**A.2. Public or private sector**	☒ Public sector ☐ Private sector
A.3. Is the CN submitted in response to an RFP?	Yes ☐ No ☒ If yes, specify the RFP: _____	**A.4. Confidentiality[1]**	☐ Confidential ☒ Not confidential
A.5. Indicate the result areas for the project/programme	Mitigation: Reduced emissions from: ☐ Energy access and power generation ☐ Low emission transport ☐ Buildings, cities and industries and appliances ☒ Forestry and land use Adaptation: Increased resilience of: ☒ Most vulnerable people and communities ☐ Health and well-being, and food and water security ☐ Infrastructure and built environment ☒ Ecosystem and ecosystem services		
A.6. Estimated mitigation impact (tCO2eq over lifespan)	6.33 million t CO2 eq in 20 years	**A.7. Estimated adaptation impact (number of direct beneficiaries and % of population)**	40,000 direct beneficiaries (0.04% of the population)
A.8. Indicative total project cost (GCF + co-finance)	Amount: USD 38.6 million	**A.9. Indicative GCF funding requested**	Amount: USD 29.32 million
A.10. Mark the type of financial instrument requested for the GCF funding	☒ Grant ☐ Reimbursable grant ☐ Guarantees ☐ Equity ☐ Subordinated loan ☐ Senior Loan ☐ Other: specify_____		
A.11. Estimated duration of project/ programme:	5 years	**A.12. Estimated project/ Programme lifespan**	20 years
A.13. Is funding from the Project Preparation Facility requested?[2]	Yes ☐ No ☒ Other support received ☐ If so, by who:	**A.14. ESS category[3]**	☐ A or I-1 ☐ B or I-2 ☒ C or I-3
A.15. Is the CN aligned with your accreditation standard?	Yes ☒ No ☐	**A.16. Has the CN been shared with the NDA?**	Yes ☒ No ☐
A.17. AMA signed (if submitted by AE)	Yes ☒ No ☐ If no, specify the status of AMA negotiations and expected date of signing:	**A.18. Is the CN included in the Entity Work Programme?**	Yes ☒ No ☐
A.19. Project/Programme rationale, objectives and approach of programme/project (max 100 words)	DRC has been facing deforestation over the decades caused by small-scale clearing for rotational agriculture and fuelwood production. Furthermore, the agriculture sector struggles for the low productivity and the increased demand, resulting in the food insecurity and malnutrition. In this context, DRC identified the promotion of agroforestry as the key initiative for both protecting its forests and leveraging the agricultural productivity in order to achieve its low-carbon development goal. The approach of this project is designed based on the DRC's low-carbon development strategy and financially sustainable scheme established on a robust value chain for agroforestry.		

[1] Concept notes (or sections of) not marked as confidential may be published in accordance with the Information Disclosure Policy (Decision B.12/35) and the Review of the Initial Proposal Approval Process (Decision B.17/18).
[2] See here for access to project preparation support request template and guidelines
[3] Refer to the Fund's environmental and social safeguards (Decision B.07/02)

B. Project/Programme Information (max. 8 pages)

B.1. Context and baseline (max. 2 pages)

1. Democratic Republic of the Congo (DRC) is one of the most fragile states and poorest countries in the world, and thus faces a number of challenges caused by climate change such as intensified rainfall causing soil erosion, flooding, heatwave, and seasonal drought, amongst others. At the same time, DRC has been committed to reducing its greenhouse gas (GHG) emissions by 21% under the Business as Usual (BAU) scenario by 2030 as part of its Nationally Determined Contributions (NDCs).[4]

2. Although DRC contributes a very small amount to the global GHG emissions, its net GHG emissions/removals balance has exacerbated from a net absorption of 80 MtCO2eq in 2000 to a net emission of 37 MtCO2eq in 2010.[5] According to the latest GHG inventory (2014), the Land Use, Land Use Change and Forestry (LULUCF) sector is the largest emitter accounted for about 92% of the emissions (193,055 Gg Eq-CO2) followed by the agriculture (3.8%) and energy (3.4%) sectors.[6] Yet, the forests remain an important carbon sink, with 204,505 Gg Eq-CO2 absorbed. The REDD process in DRC aims to stabilize the forest area extended over 63.5% of the national territory by 2030 and maintain it thereafter.

3. One of the causes of this exacerbated net balance of GHG emissions/removals can be attributed to serious deforestation. With 155 million hectares of forests, including 115 million (69%) of dense rain forests, DRC concentrates more than half of the forests of the Congo Basin. At the national level, the forests occupy 66.5% of the territory. However, deforestation is a critical problem. Between 2001 and 2020, DRC has lost an estimated 5.1% of its total area of humid primary forest. In 2020 alone, an estimated 1.31 million hectares of the natural forest was lost, an equivalent of emission of 854 MtCO2eq.[7] Furthermore, a study predicts that the forests in DRC will be all cleared in 2100 if deforestation continues at the current annual pace.[8] Exacerbated deforestation will not only contribute to the increase of GHG emissions, but also worthen the vulnerability of the farmers and forest communities including the indigenous groups and the DRC's rich biodiversity.

4. Agricultural is one of the deforestation drivers due to the widespread small-scale clearing for rotational agriculture that is responsible for more than 90% of all forest loss between 2000 and 2014,[9] followed by the other drivers such as fuel wood collection/charcoal production, road infrastructure developments, industrial logging, and forest fires. Due to the rapid population growth demanding more agricultural production, combined with the very low agricultural productivity, slash-and-burn farming has been intensified and persistent.

5. Yet, the agriculture sector is also an important sector for the overall development of DRC. The sector employs more than 70% of the working population and contributes more than 60% to job creation. It is therefore the essential sector to ensure the country's food security and generate sufficient income and jobs. In addition, DRC has considerable agricultural potential, with 80 million hectares of arable land benefited from more than 8 months of rain season each year, a diversity of climates, a wide river network and enormous potential for fishing and livestock breeding.[10] In 2020, agriculture sector accounted for 20.3% of GDP.[11] In this context, the sustainable agriculture practice such as agroforestry is indispensable to ensure the country's overall development while protecting its forests.

6. Despite the enormous agricultural potential, DRC is classified as a low-income, food-deficit country. The food deficit is estimated between 20 and 32% depending on the province, causing persistent malnutrition. The cultivated area remains at 13% (10 million hectares) of the total arable land (80 million hectares)[12] and only 13,500 hectares are irrigated. Furthermore, the majority of the farmers (4 million of families) is small and subsistence farmers cultivating a plot of 1.6 hectares on average.[13] The small agricultural plots prevent promotion of mechanisation, which leads to the low productivity. Due to the complex land registrations, the famers have difficulty to access to land and secure land tenure, which favours short-cycle agricultural practices while hampering proliferation of long-term and low-emission agricultural practices.

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[4] Democratic Republic of the Congo (2021). Contribution Déterminée à l'échelle Nationale révisée
[5] Democratic Republic of the Congo (2015). Politique, Stratégie et Plan d'Action en matière de changement climatique en République Démocratique du Congo.
[6] Democratic Republic of the Congo (2015). Politique, Stratégie et Plan d'Action en matière de changement climatique en République Démocratique du Congo
[7] Félicien Kengoum et.al., (2021). Infobrief No. 363: From Participation to Inclusive Forest Governance in REDD+ in DRC.
[8] Alexandra Tyukavina et. al., (2018). Congo Basin forest loss dominated by increasing smallholder clearing.
[9] Alexandra Tyukavina et. al., (2018). Congo Basin forest loss dominated by increasing smallholder clearing.
[10] World Food Programme (2020). République Démocratique du Congo: une évaluation du plan stratégique de pays provisoire du PAM 2018-2020.
[11] World Bank, Data. Agriculture, forestry, and fishing, value added (% of GDP)
[12] USAID (2022). Democratic Republic of the Congo, Agriculture and Food Security
[13] World Food Programme (2020). République Démocratique du Congo : une évaluation du plan stratégique de pays provisoire du PAM 2018-2020.

7. The limited financial supports available for the farmers is another obstacle to invest in practices replacing small-scale clearing for rotational agriculture. The Congolese banking sector remains underdeveloped with limited numbers of insufficiently capitalised domestic banks.[14] In addition, the financial services prevent farmers' access due to the high level of required collateral and burdensome procedures.[15] Furthermore, agricultural value chains are poorly developed, due in particular to very limited investment in transport, storage, and agri-food processing capacities.

8. Fuel wood collection and charcoal production are also contributing to deforestation since fuelwood dominates more than 90% of the total energy generation of Congolese households.[16] The high energy consumption tendency also requires the high volume of fuelwood, exacerbating the deforestation.

9. Although the detailed impact is unclear due to the insufficient data, the Covid-19 outbreak has been pushing millions of smallholder farmers further into poverty. DRC also suffered for a cumulative inflation rate of nearly 16% in 2020 against 4.6% for the previous year.[17] The inflation is considered as being responsible for an increase in poverty of 7% points.[18] Low income, limited goods import, and limited access to markets have led to an increase of food insecurity and hunger. The fiscal measure for addressing Covid-19 has been prioritised over an investment in the forest and agriculture sector, suggesting the need of accelerating investment in those sectors to achieve the climate change objectives.

10. In light with the critical importance of its forest, DRC has been promoting sustainable forest management that can coexist with other related sectors including agriculture. In this context, promotion of agroforestry has been identified in several DRC's climate strategies. For instance, the **National REDD+ Framework Strategy** aims to support private sector development for medium- and large- scale agroforestry projects to supplement the demand of agricultural products in the urban cities. In its **REDD+ Investment Plan**, agroforestry is also identified as one of the important interventions that will be a key in the sustainable development nexus of forest management and agriculture.[19] The plan also identified the DRC's successful approaches of agroforestry in the mountain areas and in the savanna areas. The country's low-carbon development plan "**Plan national stratégique de développement (PNSD) 2019-2023**" recognises agroforestry as a catalysation for achieving the low-carbon development. For instance, agroforestry can contribute to the agriculture sector development, prevention of forest exploitation, protection and conservation of the environment, and generation of new tourism services.[20] Referring to the Country Programme submitted to GCF, the **National Adaptation Plan to Climate Change (2022 - 2026)** identifies the need of investment totalling USD 25 million to support the promotion of agroforestry and to develop and promote agroforestry technologies.[21]

11. In DRC, several projects relating to agroforestry have been implemented by different actors. For instance, the Central African Forest Initiative (CAFI) and DRC singed on a 10-year agreement (2021-2031) to protect the Congo Basin's tropical forests with USD 500 million investment. The agreed initiative includes promotion of agroforestry to achieve the objective of restoring eight (8) million hectares of degraded forests by 2030.[22] Supported by the World Bank, the CAFI, and the Global Environment Facility (GEF), the Congolese Ministry of the Environment and Sustainable Development has been implementing a six (6)-year project (2018-2024) known as PIREDD/Mai-Ndombe to tackle deforestation and improve agricultural production through several initiatives including agroforestry.[23] The World Wildlife Fund for Nature (WWF) has also implemented a project of agroforestry and sustainable energy production at the north of Lake Kivu in the eastern DRC.[24] With the support from the International Union for Conservation of Nature and Natural Resources (IUCN), Food and Agriculture Organization, and the United Nations Environment Programme (UNEP), the Restoration Initiative is specifically supporting the indigenous groups in DRC to promote sustainable livelihood including agroforestry.[25] Therefore, this project will be well aligned in those previous or current initiatives as well as the DRC's REDD+ strategy, while learning good practices and lessons of those initiatives to optimise the project impacts.

[14] BTI (2022). Country Report Congo, DR
[15] BTI (2022). Country Report Congo, DR
[16] Central African Forest Initiative. Background paper Complex and Nuanced: DRC forestry and forest loss in context
[17] Yele Batana, Alexandra Jarotschkin and Mervy Ever Viboudoulou Vilpoux (2021). Reversing the adverse effects of the COVID-19 pandemic in the Democratic Republic of Congo
[18] Yele Batana, Alexandra Jarotschkin and Mervy Ever Viboudoulou Vilpoux (2021). Reversing the adverse effects of the COVID-19 pandemic in the Democratic Republic of Congo
[19] Democratic Republic of Congo (2015). REDD+ Investment Plan (2015-2020)
[20] Democratic Republic of Congo. Plan national stratégique de développement (PNSD) 2019-2023
[21] Democratic Republic of Congo (2021). National Adaptation Plan to Climate Change (2022-2026)
[22] Central African Forest Initiative (2021). Decision of the CAFI Executive Board Meeting EB.2021.18, Democratic Republic of the Congo, Letter of Intent and Country Allocation.
[23] World Bank (2022). Feature Story "In the Democratic Republic of Congo, People-Centered Solutions to Forest Degradation"
[24] World Wildlife Fund for Nature (2019). "Agroforestry and Sustainable Energy Production at the Heart of WWF's Success Story in Eastern DRC."
[25] IUCN, FAO and UNEP (2022). The Restoration Initiative: 2021 Year in Review.

B.2. Project/Programme description (max. 3 pages)

The overall objective of the project is to promote agroforestry practices and alternative income-generating activities in DRC, in order to prevent deforestation and forest degradation caused by slash-and-burn agriculture and enhance climate resilience and livelihoods of vulnerable communities. The agroforestry project will be implemented in the target communities where deforestation and forest degradation are evident.

The theory of change is expressed as follows:

IF agroforestry practice is established and sustained in DRC, **THEN** deforestation and forest degradation are minimised as well as leading to enhanced livelihoods, **BECAUSE** agroforestry will be practiced while supported by sustainable business model and enabling environment.

The diagram of the Theory of Change is provided in Annex.

Proposed outputs and activities are described below:

Component 1: Strengthened enabling environment for implementing and sustaining agroforestry

Output 1: Policy instruments to implement agroforestry practices established

Although several climate strategies identify agroforestry as the key intervention, the current policy and institutional environment in DRC is insufficient in facilitating and sustaining agroforestry practices, as well as engaging relevant stakeholders including the private sector. Establishing an enabling environment for agroforestry practices through the proposed activities is essential to achieve the objectives of the components 2 and 3.

Activity 1.1 Institutional capacity building: This activity aims at strengthening the capacities of relevant government institutions in the forestry and agriculture sectors. This activity will enable them to make informed decisions to design the required policies such as regulations, standards, fiscal instruments, and incentives, among others, to support the implementation of agroforestry projects and the market opportunities for agroforestry products in DRC.

Activity 1.2 Technical capacity building of government institutions on agroforestry: This activity aims to enhance the technical capacity of relevant government institutions responsible for forest management and agricultural and rural development. This would allow them to build technical know-how, to better implement agroforestry and other related policies and activities.

Activity 1.3 Review and formulate development plans and land use plans in the target areas: Once capacities of key government institutions are enhanced, they will be well-informed to develop clear policy framework to guide the sector. DRC has several forest management initiatives and strategies, while the complex land use laws existed. Therefore, the first step of this activity is to review past, on-going, and future initiatives, strategies and policies related to agroforestry practice, followed by developing a policy framework on establishing agroforestry practice that clearly indicates the roles and responsibilities of each institution along various levels (national, local, and community), sector-specific goals and targets, as well as proposed actions and implementation plans. This overall policy framework can support in mainstreaming agroforestry and its practices among different elements of society.

Activity 1.4 Develop coordination mechanism that includes the private sector: A coordination mechanism that incorporates private sector stakeholders will be established to ensure the exchange of information and collaboration among stakeholders. This mechanism is necessary for the activities related to agroforestry practices and the creation of effective value chain for agroforestry products.

Output 2: Agroforestry projects at target communities prepared and secured

A successful implementation of agroforestry projects relies on land tenure access and security of rights. To this end, the activities will be implemented to ensure project environment for agroforestry.

Activity 2.1 Awareness raising of communities on climate impacts, forestry system and agroforestry practices: This activity aims at raising awareness of relevant stakeholders and communities on climate impacts on and by the forest and agriculture sectors, forestry system and agroforestry practices. Awareness raising can be achieved through; i) dissemination of information regarding benefits of implementing agroforestry practices, ii) suggestion of a new income portfolio for the farmers, iii) presentation of alternative income-generating business opportunities for the forest communities, v) dissemination of information on how these new livelihoods can alleviate environmental, social, economic, and development issues.

Activity 2.2 Conduct participatory mapping: This activity aims at conducting participatory mapping with the communities so that they will be able to use the map as an essential planning tool to implement and manage agroforestry practices. The mapping process will also allow the communities to examine local conditions, such as soil conditions, precipitation, vegetations, locations of water sources, and topography, which will be baseline information to design an agroforestry project and workplan.

Activity 2.3 Identify and select potential beneficiaries and landowners: This activity aims at identifying and selecting both potential beneficiaries (the implementors of agroforestry) and landowners who are willing to partner with the agroforestry project, in a transparent and inclusive manner. The identification process will include a public call of interests, pre-examination of potential beneficiaries and landowners, followed by the selection process based on criteria defined by local multi stakeholders. A careful consideration will be made for minority groups (e.g., women, female-headed households, youth, and indigenous people) during the processes to ensure their equity and provide equal opportunity for them.

Activity 2.4 Formulate formal agreements between beneficiaries and landowners to secure tenure rights: This activity will support formulation of formal agreements between beneficiaries and landowners as well as between beneficiaries and the project. In so doing, the project will aim to secure access to land and tenure rights for a successful and sustainable implementation of agroforestry over the project period.

Component 2: Implemented agroforestry projects, contributing to forest conservation

Output 3: Agroforestry practices through participatory learning and action established and sustained

Based on the previous activities, the Component 2 focuses on actual implementation of agroforestry practices with local farmers, followed by monitoring and evaluation as well as establishment of sustaining mechanism among the communities to maintain and mainstream agroforestry.

Activity 3.1 Technical capacity building of relevant stakeholders on agroforestry practices: This activity aims to enhance the technical capacity of the selected beneficiaries on agroforestry practices through participatory learning and action. The activity will be organised at community level or smaller unite of beneficiaries so that they can actively learn and accumulate necessary knowledge, skills, and techniques.

Activity 3.2 Create community-based project work plan with identified beneficiaries: Once capacities of the beneficiaries are enhanced, they will be well-informed to develop work and land use plans based on their needs and interests. The development of work plan will clearly present technical and resource needs for each farmer and/or communities. Furthermore, it will enable a goal-oriented implementation that will prevent inactivation or abandon of the project.

Activity 3.3 Implement the projects with technical assistance: This activity aims to implement and establish agroforestry project based on the workplan developed in the previous activity. The project will support approximately total 64,000 hectare of micro and small agroforestry systems in the target communities. Each agroforestry system will aim to reduce pressure on natural forests by fuelwood, charcoal and crop production. Throughout the implementation, technical assistance will be provided by international and/or local experts when necessary. The variety of tree seedlings, crops and livestock and their combination portfolio to be applied will be determined based on the results of the activity 2.1 and 3.2.

Activity 3.4 Monitor and evaluate the projects: Each agroforestry project will be evaluated based on performance. A holistic Monitoring & Evaluation sheet will be created to carry out overall monitoring throughout the project lifetime by the beneficiaries themselves. As a supplement, independent evaluators will be also contracted for the interim and final evaluation.

Activity 3.5 Establish community-based groups for monitoring and sustaining agroforestry practices: This activity aims to establish a mechanism for sustaining agroforestry. To this end, this activity aims to establish a community-based groups and routine meeting schemes so that each farmer can raise any issues and consult each other. These groups will provide a knowledge sharing plat form too.

Component 3: Identified market opportunities for agroforestry products and alternative business opportunities for forest communities

Output 4: A robust value chain for agroforestry products developed

The Component 3 aims to address some of the main barriers for implementing agroforestry by strengthening and expanding market for agroforestry products, financially supporting smallholder farmers implementing agroforestry, and by incentivising private financial providers to support agroforestry.

Activity 4.1 Conducting market analysis: This activity aims to identify needs and issues of market and customer in the local agriculture context, that will be a baseline data for creating business model for agroforestry farms. Agroforestry farmers are supported to conduct this activity by themselves.

Activity 4.2 Awareness raising of consumers: Given the main driver of deforestation is production of fuelwood for households, this activity will address raising awareness of general population in the target areas by providing information of alternative energy resources produced by agroforestry. In so doing, this activity will increase consumer's demand for agroforestry products while reducing consumption of fuelwood made from natural forests.

Activity 4.3 Identify and create robust value chain and business model for agroforestry products: This activity will support agroforestry farmers to create a business plan to ensure them to be familiar with own cost/profit. A business plan to be created will support the famers to when accessing to necessary investment to establish or sustain agroforestry

system. The tools such as RuralInvest created by FAO will be utilised for this activity. This activity also aims to identify off-takers and industrial enterprises who are interested in agreeing on purchasing agroforestry products from the farmers in long-term with faire price.

Activity 4.4 Capacity building of domestic financial institutions on investing in agroforestry: This activity aims at strengthening the capacities of domestic financial institutions who are expected to invest in the forestry and agriculture sectors after the end of this project. This activity will enable them to make informed decisions to design financial products and investing scheme for smallholders, off-takers, and industry enterprises in the agroforestry value chain in order to support the implementation of agroforestry projects and the market opportunities for agroforestry products in DRC.

Activity 4.5 Identify and develop potential financial products for agroforestry implementors: This activity aims at conducting in-depth analysis of potential micro-finance products and services that are suitable for local context with local financial stakeholders. Based on the findings of the analysis, this activity will also aim at developing and mainstreaming new financial products and credit lines that take into account of harvest cycles, adaptation and mitigation impacts by agroforestry practices, carbon sink produced by agroforestry, and agroforestry value chains.

Rationale for *XX* *[Name of an Accredited Entity to be inserted* **as Accredited Entity**

[To be added]

Implementation arrangements

XX [Name of an Accredited Entity to be inserted] will act as the Accredited Entity for the proposed project. The executing entity will be the Ministry of the Environment and Sustainable Development (MESD). MESD will take direct responsibility for the execution of project activities and report to *XX [Name of an Accredited Entity to be inserted]* in accordance with standard procedures. There will also be involvement of Ministry of Land Management (MLM), Ministry of Rural Development (MRD), Ministry of Agriculture, Fisheries and Livestock (MAFL), and Directorate for the Integration of Women in Development (DIWD) in order to disseminate inclusive planning and implementation of agroforestry. A Project Coordination Committee (PCC) will be established to oversee the progress of the project and to ensure the implementation of the project. The PCC will be comprised of a National Project Coordinator, Assistant Project Coordinator, Monitoring and Evaluation Officer, Administrative and Financial Officer, Technical Officer, Support Staff, among others. The PCC will include representatives from MESD, MLM, MRD, MAFL, DIWD, Ministry of Mining, Ministry of National Economy, Private Sector, and Civil Society. The PCC will be mainly responsible for leading the overall management of the project, supporting local units in achieving the project's objectives, and facilitating communication among stakeholders. The PCC will report to *XX [Name of an Accredited Entity to be inserted]* on a regular basis.

Risk and Mitigation measures

Risk description	Mitigation measures
Risk 1: Inadequate coordination among stakeholders, especially with land-owners, in implementing the project	Participatory stakeholder consultations will be held during the project development and implementation phases to ensure alignment between the project, national priorities and local needs. Monthly or bi-monthly meetings among stakeholders will also be conducted throughout the project implementation.
Risk 2: Insufficient capacity of institutions to implement the activities	Capacity building activities are incorporated throughout the project activities, and as necessary, these institutions will be supported by international experts.
Risk 3: Lack of necessary data in developing the project	Participatory mapping and stakeholder consultations will be conducted to obtain necessary data.
Risk 4: Local communities including women may feel that the project developers are not adequately addressing their needs	Local communities including women and the indigenous groups will be prioritized in the project development by involving them in the decision-making processes. Furthermore, the implementing partners will request to project developers to ensure the inclusion of women, female-headed households and indigenous people in the implementation phase.
Risk 5: Limited interest of the private sector to participate in agroforestry value chain	The project will develop a policy framework that encourages the participation of the private sector, including the use of targeted subsidized financing of capital investment. It will also present clear business models of agroforestry farmers so

that the private sector stakeholders can understand risks and benefits of being involved in the value chain.

B.3. Expected project results aligned with the GCF investment criteria (max. 3 pages)

The expected impacts of this project are aligned with the GCF investment criteria:

Impact potential: The main objective of this project is mitigation by reducing GHG emissions from LULUCF that is the largest GHG emitter in DRC. This objective will be achieved through the deployment of agroforestry including forest protection and regeneration to substitute small-scale clearing for rotational agriculture, which was responsible for 84 % of all forest loss during 2000 to 2014[26]. In so doing, this project will potentially result in a reduction of 6.33 million tCO2eq of GHG emissions over 20 years. Furthermore, this project will reduce the climate and financial vulnerability of 40,000 of the Congolese farmers and forestry communities by the deployment of climate-resilient agroforestry practices and the establishment of value chain of agroforestry products. The agroforestry practices deployed in the project will provide innovative agricultural practices under the changing climate (e.g., increased temperatures and the chaining rainfall patterns) while improving ecosystems (e.g., improving soil health and promoting biodiversity), which will all lead to the increased resilience of the farmers and the forests communities.

Paradigm shift: This project seeks to achieve the DRC's low-carbon development goals and objects beyond a one-off project investment by embedding a systemic change in the agriculture and forest sector that will improve the farmers' quality of life and prevent deforestation and forest degradation in DRC.

i) **Scaling-up, replication and overall contribution to global low-carbon development**: The GHG emissions from the LULUCF sector is responsible for 92% of the country's emission, while the forest sector remains an important carbon sink for DRC.[27] As a responsible global partner, DRC has been continuously and activity committing to suppressing GHG emissions, and this project will support its commitment by reducing GHG emission with expected amount of 6.33 million tCO2eq over 20 years.

ii) **Knowledge and learning:** Throughout the implementation process of this project, there will be full of opportunities to develop and promote knowledge among various stakeholders including the farmers, officials of the central, provincial and municipal governments, civil organizations and the private sector. The knowledge and learning will be expected to range from agroforestry techniques at each farm, climate and ecological knowledge, management of agroforestry farms, to market and commercial strategy for agroforestry products. Those learning opportunities will support implementation of similar project in other communities in DRC and in other African countries, which will support replication and scaling-up. Given that women play significant role in the agricultural labour force of DRC, the project will include gender-responsive extension service on agroforestry practices.

iii) **Contribution to the creation of an enabling environment including the regulatory framework and policies:** This project will contribute to create an enabling environment of agroforestry mainly through two approaches. First approach is creating enabling environment in the private sector through identifying a robust value chain and developing adequate financial support scheme for the stakeholders. The other approach is creating enabling environment in the public sector through mainstreaming agroforestry in land use and development policies. The two approaches will be strengthened through awareness raising activities for the farmers and the general public who will be supplier and consumer of agroforestry products. Those approaches will benefit other future projects in the sectors.

iv) **Contribution to climate-resilient development pathways consistent with DRC's climate change mitigation and adaptation strategies:** Agroforestry has been identified in the National Strategic Plan of Development (Plan national stratégique de développement (PNSD) 2019-2023) with a specified action that is development of agroforestry to promote the sustainability of agricultural production and wood energy.

Sustainable Development: The following co-benefits are expected to be attained from this project.

i) **Environmental co-benefits:** The woods and trees planted in agroforestry system can improve soil health and degraded land through fallen leaves and soil conservation. The supply of firewood from agroforestry practices can be an alternative energy source and will mitigate pressure on the natural forests that are currently under increasing pressure due to demand from the fast-growing population.

ii) **Social co-benefits:** This project will create co-benefits in diversifying income source for the farmers, improving the quality of life of the marginalised farmers and indigenous groups and ensuring energy and food security for the farmers and overall population. It will also benefit the farmers to stabilise their income flow throughout the year by diversifying their product portfolio which will lead to overcome the threat of financial losses due to crop failures in an increasingly erratic seasonal cycle.

iii) **Economic co-benefits:** The expected economic co-benefit of this project will extend to generation of new market and job opportunities in the agriculture and forest sectors, increased market value of products produced with

[26] Alexandra Tyukavina et. al., (2018). Congo Basin forest loss dominated by increasing smallholder clearing

[27] Democratic Republic of the Congo (2015). Politique, Stratégie et Plan d'Action en matière de changement climatique en République Démocratique du Congo

agroforestry practices and techniques, establishment of value chain for agroforestry, improved famer's income and savings, and financial stability for stakeholders involved in agroforestry value chain.

iv) **Gender-sensitive development impact:** A gender action plan will be developed based on a gender assessment that will be conducted to identify detailed needs to be realised during the project. The project will promote women's empowerment by enhancing their capacities for managing agroforestry farms and strengthening their access to the value chain of agroforestry.

Needs of recipients: Given that DRC has been facing 20 to 32% of food deficit depending on the provinces, improving food security is crucial. At the same time, the country has been experiencing deforestation due to small-scale clearing for rotational agriculture, which contributed more than 90% of all forest loss during 2000 to 2014[28]. The agriculture sector accounted for 20.3% of GDP in 2020[29], while employing more than 70% of the working population. DRC is among the five poorest nations in the world, where more than 60% of the population lived on less than USD 2.15 a day in 2021.[30] Therefore, the proliferation of agroforestry will directly address to social, economic and climate issues by improving the agricultural productivity and famer's income.

Country ownership: Agroforestry is one of the target technologies prioritized by the diverse Congolese stakeholders through the technical needs assessment (TNA). Agroforestry and this project are well aligned with the national and sectoral development and climate priorities as detailed in Section B.1. The stakeholders are and will be involved in designing this concept note and developing a funding proposal, implementation and monitoring of the project to ensure their ownership. In so doing, the TNA committee established in the process of TNA will be a strong focal point.

Efficiency and effectiveness: The amount of co-financing is expected to be 24% of the total investment. The detailed economic and financial analyses of this project will be conducted during the funding proposal development. For the analyses, the indictors for the expected rate of return will be applied in order to highlight replicability and scaling-up of this project. Furthermore, the analysis will be designed to identify the most cost-effective and low-carbon agroforestry system (such as development of financially optimized supply chain for agroforestry products).

B.4. Engagement among the NDA, AE, and/or other relevant stakeholders in the country (max ½ page)

TNA committee as a focal point of the project development:

The TNA committee established during the TNA process supported by the GCF, UNIDO and CTCN will be a focal point for the development of this project. The TNA committee is suitable for inclusive project development as it is consisted of diverse stakeholders from the public and private sectors and civil society organizations including the National Coordination of the Green Climate Fund as the National Designated Authority (NDA) as well as the KITSISA Center for Study and Research on Renewable Energy of the Higher Institutions of Applied Techniques (Centre d'Études et de Recherches sur les Énergies Renouvelables kitsisa de L'institut Supérieur des Techniques Appliquées-ISTA) as the National Designated Entity for the CTCN. The committee will play as the project design team, and it provides guidance and advisory. The TNA committee has been supervising and advising the development of this Concept Note (CN). Once the CN is approved by GCF, the TNA Committee will likely continue to supervise preparation of the funding proposal and feasibility studies as necessary. In the implementation phase, a Project Coordination Committee (PCC) will lead the overall management of the project and will liaise with the AE as well as the TNA committee periodically.

C. Indicative Financing/Cost Information (max. 3 pages)

C.1. Financing by components (max ½ page)

The cost of the project is estimated to reach approximately USD 38.6 million. GCF financing request is estimated to be 29.32 million, which will be leveraged mainly for activities that are related to technical and institutional capacity building, as well as for developing a value chain and financial support schemes for the smallholder farmers. Co-financing estimates will be subject to further discussions with the stakeholders during project design.

Component/Output	Indicative cost (USD)	GCF financing		Co-financing		
		Amount (USD)	Financial Instrument	Amount (USD)	Financial Instrument	Name of Institutions
Component 1: Strengthened enabling environment for	2,520,000	2,520,000	Grants	0	NA	NA

[28] Democratic Republic of the Congo (2015). Politique, Stratégie et Plan d'Action en matière de changement climatique en République Démocratique du Congo
[29] World Bank, Data. Agriculture, forestry, and fishing, value added (% of GDP)
[30] World Bank, Democratic Republic of Congo Overview

implementing and sustaining agroforestry						
Component 2: Implemented agroforestry projects, contributing to forest conservation	31,870,000	24,150,000	Grants	7,720,000	Grant/ Loan/Equity	TBD
Component 3: Identified market opportunities for agroforestry products and alternative business opportunities for forest communities	4,213,000	2,652,000	Grants	1,561,000	Grant/ Loan/Equity	TBD
Indicative total cost (USD)	38,603,000	29,322,000		9,281,000		

C.2. Justification of GCF funding request (max. 1 page)

The components and activities foreseen under this project cannot be financed by the host government and private sector alone. Given the country's fragile political and financial status and the limited domestic resource mobilization, the DRC government has limited fiscal capacity to expand investment in the agriculture and forest sectors, despite the enormous development potential of the agriculture sector. The fragility also causes the reluctance of the private sector to invest in the DRC's agriculture and forest sectors. Some of the key barriers include but not limited to the government's limited financial capacity, the political insecurity, are the limited regulatory framework. Those circumstances have been limiting the Congolese government's ability in providing significant investment towards climate-related projects including agroforestry. The situation has been further exacerbated by COVID-19 pandemic, resulting a sharp decrease of exports of about 27% and requiring the Congolese government to conduct an extensive fiscal adjustment and limit public investments.[31]

According to the country programme submitted to the GCF, the DRC government identified the need of investment totalling USD 25 million to support the promotion of agroforestry and to develop and promote agroforestry technologies. [32] Given the fact that the small-holder farmers dominate the agriculture sector, it is challenging for them to access to financial resources to initiate agroforestry practices due to the limited availability of small financial tools such as loans. Furthermore, immature value chains for agroforestry products need a sustainable business model to be tested in order to invite private sector investors. In this light, the GCF finance is indispensable to fill the financial gap for the small-holder farmers. Once the agroforestry practice and the new cash flow established, the farmers will be able to generate profit to cover the initial investment and sustain their agroforestry practices.

Moreover, many of the activities identified for this project involve technical and institutional capacity building, as well as awareness building activities. In this regard, there are no potential funding sources for these activities in the country. Furthermore, private investment is in decline, with limited private sector participation in the agroforestry value chain overall in DRC. GCF grant financing will de-risk investments and help mobilise private investment at scale in the value chain. In the long-term, this can lead to sustained financing from private sources and consequently a sustainable business model centred around the local agroforestry practices.

Thus, GCF involvement is necessary in catalysing sustainable agroforestry practices in DRC. There are no alternative sources to finance this agroforestry project including capacity building and awareness raising activities due to the financial climate in DRC. In particular, the need to create an enable environment and lack of private sector participation in the agroforestry value chain, and the scale of financing required for the agroforestry project and the tenor required, emphasize the importance of accessing GCF grant financing.

C.3. Sustainability and replicability of the project (exit strategy) (max. 1 page)

[31] BTI (2022). Country Report: Congo, DR 2022

[32] Democratic Republic of Congo (2019). Country Programme

Sustainability: The project's sustainability and exit strategy are ensured and rooted in the key elements of the project's design and implementation. Long-term sustainability beyond the project implementation period is assured through the following areas:

i. **Technical:** Through the capacity building and raising awareness activities, the project aims to enhance the resources and knowledge of all actors along the value chain of agroforestry. The project will ensure that agroforestry practices are mainstreamed in DRC's national and sectoral policies, so that agroforestry practices are integrated within relevant institutions and society. Technical expertise necessary for farmers will be provided by both national and international experts, and technical information and knowledge will later be summarized in a written document, which can be shared for a broader audience.

ii. **Institutional:** As part of the project's activities, a sustaining mechanism will be formed to not only ensure sustaining agroforestry among the stakeholders, but also to mainstream agroforestry products including new wood fuels. Along with this, institutional capacity building of relevant stakeholders will be able to develop further agroforestry projects in the future.

iii. **Financial and economic:** Financial and economic sustainability will be assured by diversifying the revenue streams of agroforestry implementors and by identifying market opportunities for the private sector. In the implementation of the Component 3, there will be an emphasis on identifying additional revenue generation activities such as obtaining an internationally recognised green certification for products produced by agroforestry practices (such as Rainforest Alliance certification). Collaboration with potential off-takers and industrial buyers of agroforestry products is also encouraged in this project, which can lead to securing sustainable revenue for the agroforestry farmers.

iv. **Behavioural change:** Implementing the proposed activities will lead to institutional and behavioural change to mainstream climate-resilient agroforestry practices, which will also lead to the reduction of the pressure on the natural forests and the mainstreaming of agroforestry products in the local contexts.

Replicability and exit strategy

A majority of countries around the Congo Basin, not only limited to DRC, are experiencing similar challenges in the forest and agriculture sectors such as deforestation and forest degradation. Therefore, the proposed project can be considered as a reference and role model for other countries to implement agroforestry practices with a robust value chain for agroforestry.

D. Supporting documents submitted (OPTIONAL)

- ☐ Map indicating the location of the project/programme
- ☒ Diagram of the theory of change
- ☐ Economic and financial model with key assumptions and potential stressed scenarios
- ☐ Pre-feasibility study
- ☐ Evaluation report of previous project
- ☐ Results of environmental and social risk screening

Self-awareness check boxes

Are you aware that the full Funding Proposal and Annexes will require these documents? Yes ☒ No ☐

- Feasibility Study
- Environmental and social impact assessment or environmental and social management framework
- Stakeholder consultations at national and project level implementation including with indigenous people if relevant
- Gender assessment and action plan
- Operations and maintenance plan if relevant
- Loan or grant operation manual as appropriate
- Co-financing commitment letters

Are you aware that a funding proposal from an accredited entity without a signed AMA will be reviewed but not sent to the Board for consideration? Yes ☒ No ☐