

REQUEST FOR PROPOSALS

Projects in the Great Green Wall region contributing to Land Degradation Neutrality seeking support to secure private investment

July 2021

IDH, as manager of the LDN Technical Assistance Facility, in partnership with Mirova, as manager of the LDN Fund, invite eligible companies and organizations to submit project proposals that will support and enable commercially viable Sustainable Land Management (SLM) / land restoration projects in the greater Great Green Wall region to attract private / blended-finance investment for scaling up activities.

This request for proposals (RfP) elaborates on the objectives of the RfP, the concept note and proposal requirements, as well as the project selection and contracting procedure. This RfP includes the submission of a concept note and feedback on the concept note to support and facilitate applicants in the submission of their proposal.

Parties that consider submitting a proposal are requested to carefully read this request for proposals, as deviation can result in exclusion from further participation in the procedure or their submitted proposal not being selected.

A. BACKGROUND

The new United Nation Convention to Combat Desertification (UNCCD) 2018-2030 Strategic Framework is the most comprehensive global commitment to achieve Land Degradation Neutrality (LDN) in order to restore vast expanses of degraded land, improve the livelihoods of more than 1.3 billion people, and reduce the impacts of drought on vulnerable populations to build a future that avoids, minimizes, and reverses desertification/land degradation and mitigates the effects of drought in affected areas at all levels to achieve a land degradation-neutral world consistent with the 2030 Agenda for Sustainable Development.

To achieve the target of a land degradation-neutral world (SDG target 15.3) by 2030, large amounts of financial resources must be mobilized. Public and philanthropic resources alone will not suffice, as acknowledged in the Addis Ababa Action Agenda. New financial instruments and intermediaries, as well as enabling conditions, are needed to catalyze private capital to achieve LDN. Initiated by the UNCCD, and independently managed by Mirova, the LDN Fund brings public and private capital together to provide long-term financing to sustainable land-use projects that will reduce, avoid or reverse land degradation through sustainable agriculture, sustainable forestry and other land-use related sectors.

Project preparedness can be a major bottleneck for SLM and restoration investment. The LDN technical assistance facility (TAF) was established to help alleviate this bottleneck, and link projects to the LDN Fund and LDN impacts. The LDN TAF can provide grants and reimbursable grants to (potential) LDN investment projects, to improve technical quality, and strengthen environmental and social impacts, so that the investment project meets the LDN Fund investment criteria. More information on the LDN TAF can be found on:

<https://www.idhsustainabletrade.com/landscapes/ldn-taf/>

The Great Green Wall Area and neighboring countries

The continuous desertification in the Sahel region needs to be halted and therefore the UNCCD actively supports the Great Green Wall initiative and its objectives¹. The aim of this initiative is to strengthen the resilience of the region's natural systems by supporting business opportunities that ensure sustainable development of land resources and create jobs. Public as well as private financing is needed to achieve the objectives of the GGW initiative.

Main intervention zones for the Great Green Wall, and therefore the focus areas of this RfP, are: Burkina Faso, Chad, Djibouti, Eritrea, Ethiopia, Mali, Mauritania, Niger, Nigeria, Senegal, and Sudan. Recognising that investment is not only necessary in the main intervention areas, but also in neighbouring countries who are increasingly affected by the consequences or desertification, this RfP is also eligible for projects in countries in the proximity the Sahel where desertification meets existing vegetation. In any case, a clear link to the GGW initiative objectives needs to be argued in the proposal.

Mobilizing impactful projects

The recent conference on 'Mobilizing private investment in the GGW region' organised by IUCN demonstrated that there are many innovative and sustainable companies and organizations who are actively greening the Sahel region through their business models, often in collaboration with smallholder farmers and local communities. The LDN TAF seeks to support these companies, organizations or cooperatives on their path towards meeting the investment requirement of commercial impact investors, like the LDN Fund.

The LDN TAF can support commercially viable projects with TA for:

- (i) Enhancing technical, operational and financial design and structures;
- (ii) Project preparedness support related to broader social and environmental impact.

The LDN TAF works with projects that are mature enough to be close to securing private investment at significant scale. The LDN TAF has standard eligibility criteria² for proposal that can be submitted at any time. For this RfP, the LDN TAF applies the same eligibility criteria with the exception of the maturity level/scale of the project. The GGW region being a high priority for the UNCCD and the LDN Fund and recognising the complexity of developing a commercially viable SLM/restoration project at scale in the GGW region, LDN TAF is open to work with projects with a clear concept/business model and significant projected LDN impact but which are too early stage to attract significant private investment, like from the LDN Fund, within a short timeline³.

B. REQUEST FOR PROPOSALS

Key project criteria

This RfP is aimed at entrepreneurs, companies, green and social business, which are at an early scaling stage or already mature, in the GGW region that are looking to further scale up and strengthen their business model / business idea. For a project to be eligible for this RfP the proposed/implemented business model needs to:

¹ <https://www.unccd.int/actions/great-green-wall-initiative>

² www.idhsustainabletrade.com/publication/ldn-taf-eligibility-criteria

³ Normally the LDN TAF works with projects that aim to secure private investment at scale within 12-24 months. For this RfP the LDN TAF is open to work with projects that are projected to reach investment readiness within 3-4 years.

- contribute to the target of a land degradation neutral world⁴;
- be or have the potential to become commercially viable / income generating and have the potential to become investible;
- contribute to the objective of the Great Green Wall initiative;
- have the potential to scale (with private investment) and generate significant positive environment and social impact.

The business may be in any sector (e.g. agricultural including dryland products, agroforestry, farmer-managed natural regeneration, eco-tourism). It is expected to integrate both the landscape dimension and the supply chain one. Preference will be given to projects significantly contributing to the following topics:

- smallholder inclusion;
- gender equality and empowerment;
- engagement of youth / opportunities creation for youth;
- (local) food security;
- creation of decent, official employment;
- strengthening of local markets;
- climate adaptation/mitigation;
- restoration/protection of remaining natural ecosystems.

The RFP has been directly shared with a few organizations active in SLM/land restoration in the GW region but any other interested parties that meet the eligibility criteria also encouraged to respond.

Eligible TA support

- Examples of the type of activities that will be eligible for funding of the LDN TAF include⁵:
 - Enhancing operational and financial structures:
 - Establish a robust business plan;
 - Design and roll out of financing structure, overall contractual scheme and risk management process of the project;
 - Capacity building to improve operational processes.
 - Project preparation support:
 - Site/project-specific land tenure analysis;
 - Analysis, of project-specific opportunities to optimize social and environmental impact within the investment, including on climate change adaptation, sustainable land and water management, biodiversity, community development, smallholder income and gender;
 - Market access.
 - Project implementation support;
 - Capacity building and pilot project implementation to strengthen proof of concept
- The LDN TAF co-funding that can be applied for can range from 50.000 to 100.000 EURO⁶.

⁴ Building on the UNCCD's LDN Scientific Conceptual Framework, LDN looks at three sub-indicators: land cover, land productivity, and carbon stock (measured as Soil Organic Carbon (SOC)). Based on a one-out-all-out principle (each of the three LDN sub-indicators needs to showcase either a stabilization or improvement), a positive overall change indicates land increasing in productivity and health, and land degradation being reversed. For more information go to <https://knowledge.unccd.int/topics/land-degradation-neutrality>

⁵ These are examples. The support the LDN TAF is not limited to these examples. Other projects that have been supported by the LDN TAF can be found at: www.ldninsights.org

⁶ Administrative coordination costs (including all administrative personnel) should not exceed 10% of the total project cost. Projects with a LDN TAF contribution exceeding 75.000 EUR need to include a financial project audit. All personnel/audit costs associated with administrative coordination and activities must be included within the 10% threshold. The LDN TAF can not finance fixed assets.

- The maximum length of TA support is 24 months.

Company / organization requirements

- The applicant is a private sector operator, has an established partnership with a private sector operator or aims to establish a private sector operation (e.g. being a civil society organization intending to spin-off a commercial activity)
- The project partner is financially sound or will formulate its need for support through the LDN TAF to become financially sound.
- The project partner has, or partners with an implementing partner that has, the appropriate technical and financial capacity and expertise to implement the TA project successfully and deliver technical and financial reporting as requested by IDH.
- The project partner needs the contribution of the TA project with co-funding. LDN TAF's total contribution to the project shall be proportionate to and dependent on the total private sector contribution to the project, in line with the ratio of minimal 1:1 (LDN TAF : private co-funding).
- The project partner, as well as possible Implementing partners, explicitly commit and agree to share information (other than commercial/confidential information), methodologies and lessons learned with IDH. Where appropriate, partners who developed such materials will be acknowledged.
- The project partner confirms compliance and signs the Statement of Integrity, attached hereto as Annex 1.

C. PROPOSAL FORMAT

The proposal must include:

- Current status of the project and the envisioned impact that could be achieved through scaling with private investment.
- Description of activities for which TA support is requested, key milestones and budget per milestone.
- Plan for data collection and monitoring compliant with the IDH Guidelines for Planning & Reporting (attached hereto as Annex 2). Specific indicators on which Project partners/Implementing partners will report the progress of the TA support.
- Proposed budget. The budget must be sufficient to successfully implement the project, and needs to be cost efficient. Where applicable, efficiency can be measured in terms of total project cost per farmer reached and/or total project cost per hectare planted.

As part of the application process, the applicant must submit four documents:

- The Concept Note (template see annex 3)
- The Technical Proposal (template see annex 4)
- The Financial Proposal (template see annex 5)
- Signed Statement of Integrity (template see annex 1)

The Concept Note and the Full proposal can be submitted in English or French. The French documents can be shared upon request.

D. PROJECT SELECTION

Project proposals will be evaluated by the LDN TAF, in close consultation with the LDN Fund, based on the RfP specific criteria mentioned above and the general LDN TAF project selection criteria (annex 4).

IDH aims to select up to 5 projects to be presented to the LDN TAF Project Selection Committee for approval.

E. TIMELINE

Deliverable	Due date
Publication of RFP	Week 27
Submitting a concept note (annex 3) to IDH for feedback	Deadline: 26 July 2021
Feedback on concept note	Week 30/31
Submission of full proposal	Deadline: 6 September 2021
Selection	September 2021
LDN TAF Project Selection Committee	September/October 2021
Contracting	October/November 2021
Start implementation of project	October/November 2021

The dates specified for submitting the concept note and the full proposal in the schedule above are considered deadlines. Concept Notes and proposals not submitted in time will not be considered. The other dates are indicative and not binding. IDH reserves the right to change all dates and will inform applicants in a timely manner in case of such changes.

F. TERMS AND CONDITIONS

By participating in this procedure, the applicant declares to unconditionally agree to the contents of this RfP and its annexes. IDH is not obliged in this procedure to make an award decision or to conclude a contract with an applicant.

IDH reiterates its right to update, change, extend, postpone, withdraw or suspend the RfP, the time schedule, or any decision related to the selection, contract award decision or contract. IDH also reserves the right to make any decision subject to conditions.

No claim for compensation can be made towards IDH, its employers, Mirova, the LDN Fund or third parties acting on their behalf, or affiliated entities.

This RfP does not constitute an offer or a commitment from Mirova or the LDN Fund to finance directly or indirectly any projects submitted and/or selected under this RfP. Any such commitment shall be subject to inter alia, a detailed technical, financial and legal due diligence of the proposed project/program, as well as all required committees' approval, including Know Your Customer verifications.

The applicant will inform IDH, without delay, if at any time during the course of the procedure, or during the execution of the contract, it can no longer comply with the criteria set in the request for proposals. Please note that this could lead to exclusion from further participation in the procedure.

G. GROUNDS FOR EXCLUSION

Service Providers shall be excluded from participation in a procurement procedure if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata;
- c) they have been guilty of grave professional misconduct proven by any means which the IDH can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established, or with those of the Netherlands or those of the country where the contract is to be performed;
- e) they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization, money laundering or any other illegal activity, where such illegal activity is detrimental to the MFA's financial interests.
- f) Tenderers shall not make use of child labor or forced labor and/or practice discrimination and they shall respect the right to freedom of association and the right to organize and engage in collective bargaining, in accordance with the core conventions of the International Labor Organization (ILO).

Service Providers must confirm in writing that they are not in one of the situations as listed above (see Statement of Integrity – Annex 1).

IDH will reject offers if any illegal or corrupt practices have taken place in connection to the award or the RfP procedure.

H. CONTACT INFORMATION

Annabel Bol, Program Officer

bol@idhtrade.org

I. ANNEXES

- Annex 1: Statement of Integrity
- Annex 2: IDH Guidelines for Planning & Reporting
- Annex 3: Concept Note - template
- Annex 4: Technical Proposal - template
- Annex 5: Financial Proposal - template

About IDH Sustainable Trade Initiative

IDH, The Sustainable Trade Initiative, convenes companies, governments, financiers and others in public-private partnerships. Together we drive the design, co-funding and prototyping of new economically viable business models to delink tropical commodity production from deforestation and create shared value for all stakeholders. IDH has a network of over 400 companies, CSOs, financial institutions, producer organizations and governments. IDH works in 12 agricultural sectors and 12 landscapes in over 40 countries to achieve scalable impact on the Sustainable Development Goals. IDH's approaches are designed to drive sustainability from niche to norm in mainstream markets. IDH focuses on creating positive impact on deforestation, living incomes and living wages, working conditions, toxic loading and gender.