



Restoration Seed Capital Facility

INVESTING IN FOREST RESTORATION, INVESTING IN OUR FUTURE



FINANCING
SUSTAINABLE
LAND USE



Frankfurt School
of Finance & Management

German Excellence. Global Relevance.



Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety



THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG

www.restorationfacility.org

The Restoration Seed Capital Facility

The Restoration Seed Capital Facility is a financing facility aiming to promote private investment in sustainable land use activities aligned with goals of forest landscape restoration.

What does the Facility provide: co-funding for fund development or project pipeline development on a cost-sharing basis.

Who is eligible? Fund managers or investment advisers managing/advising investment funds dedicated to land-use activities with restoration or conservation benefits or interested in developing new funds in this space.

What type of land-use activities are eligible? Forest restoration and protection combined with sustainable land use activities such as: agro-forestry, sustainable forest management, silvopastoral systems, non-timber forest products, generation of carbon credits, payment for ecosystem services, supply chain investments to support restorative land use activities.

Where? ODA-eligible developing countries.



Why is the RSCF needed?

More investment in forest restoration is needed: The scale of the challenge of deforestation and land degradation is daunting. Objectives will not be met without significant investment, public and private.

30% of global forest cover cleared and a further 20% degraded.

Contributing to GHG emissions, soil erosion and lost livelihoods.

Current funding in FLR far below needs: only ~ USD 6bn in mitigation and adaptation in developing countries. Needs estimated at USD 837bn for NY declaration, USD 359bn for the Bonn challenge.



Why is the RSCF needed?

Although there are an increasing number of private sector investors active in FLR, funding is not being deployed at the scale needed.

Main obstacles:

Pre-investment stage resource-intensive and risky.

Fund managers often have limited funding available to cover this resource-intensive stage

Result is reduced pipeline of investment opportunities and, ultimately, reduced levels of investment in FLR.



Support lines provided

Raising new fund

Support Line 1: Fund development

18-24 Months
(Max. USD 750,000)

Conditional grant. Up to 50% of eligible costs.

Type of eligible costs:

- Legal set-up costs
- Travel costs
- Marketing materials

Existing Fund (in investment cycle)

2 – 4 years (Max. USD 2,500,000)

1/3

Support Line 2: Pipeline development

Grant. Up to 50% of eligible costs

Type of eligible costs:

- Travel costs
- Feasibility studies
- Business case development
- Establishment of geographical presence

2/3

Support Line 3: Project development

Conditional grant. Up to 50% of eligible costs

Type of eligible costs:

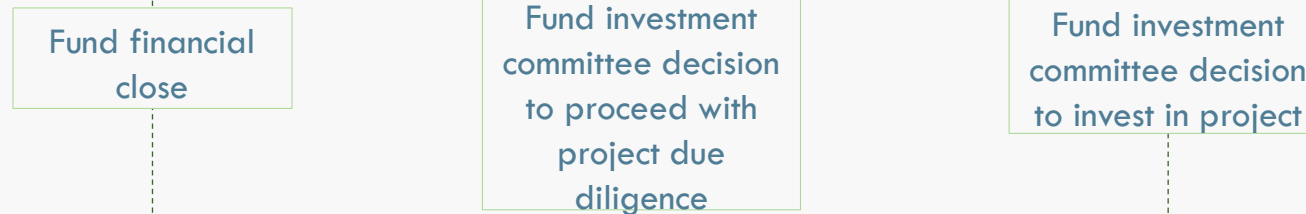
- Legal and fiscal studies
- Due diligence costs
- Travel costs
- Environmental and Social risk and impact monitoring

RSCF Support in the Project Cycle

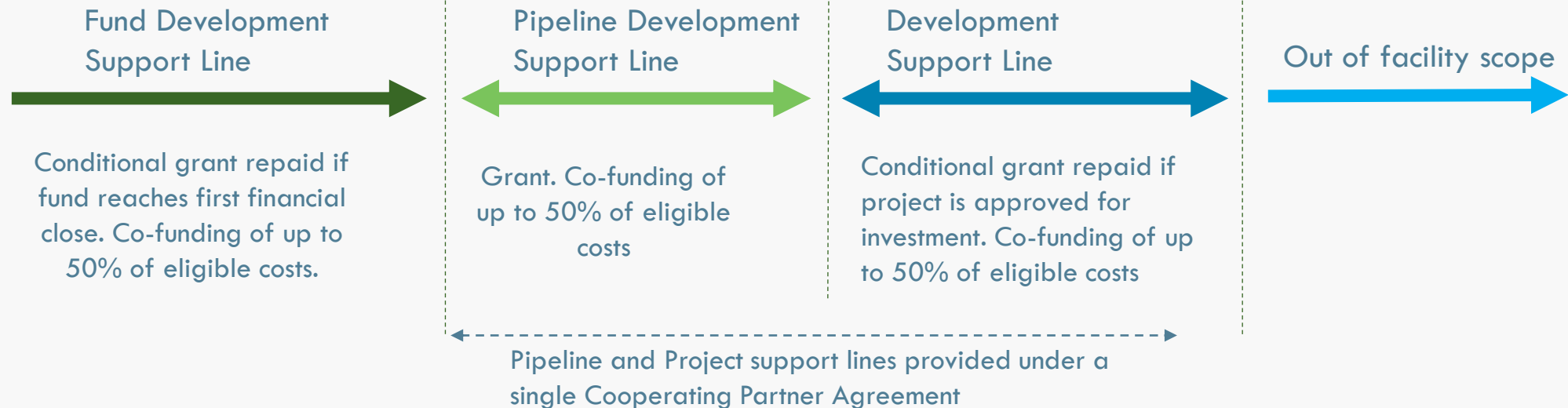
Cooperating Partner activities



Cooperating Partner milestones



Facility support



Selection criteria

Eligibility Criteria:

- **Entity Type:** Fund managers or investment advisers
- **Geographical scope:** Developing countries only
- **Activities:** Aligned with goals of Forest Landscape Restoration (agroforestry, sustainable forestry, NTFP, Carbon credits, etc.)
- **Environmental and Social Risk Management:** Robust E&S management policies in place (incl. climate change-related risk mgmt.)
- **Environmental and Social Impact Reporting:** Robust reporting framework in place.

Evaluation Criteria:

- **Capacity:** Experience, technical competence, geographical focus, integrity.
- **Financial Additionality:** Ability to demonstrate how support will enable activities beyond business as usual.
- **Impact additionality:** Ability to demonstrate how investment strategy translates into positive social and environmental impacts.
- **Innovation:** Novel strategies, business models or geographies. Potential for replication and scalability.

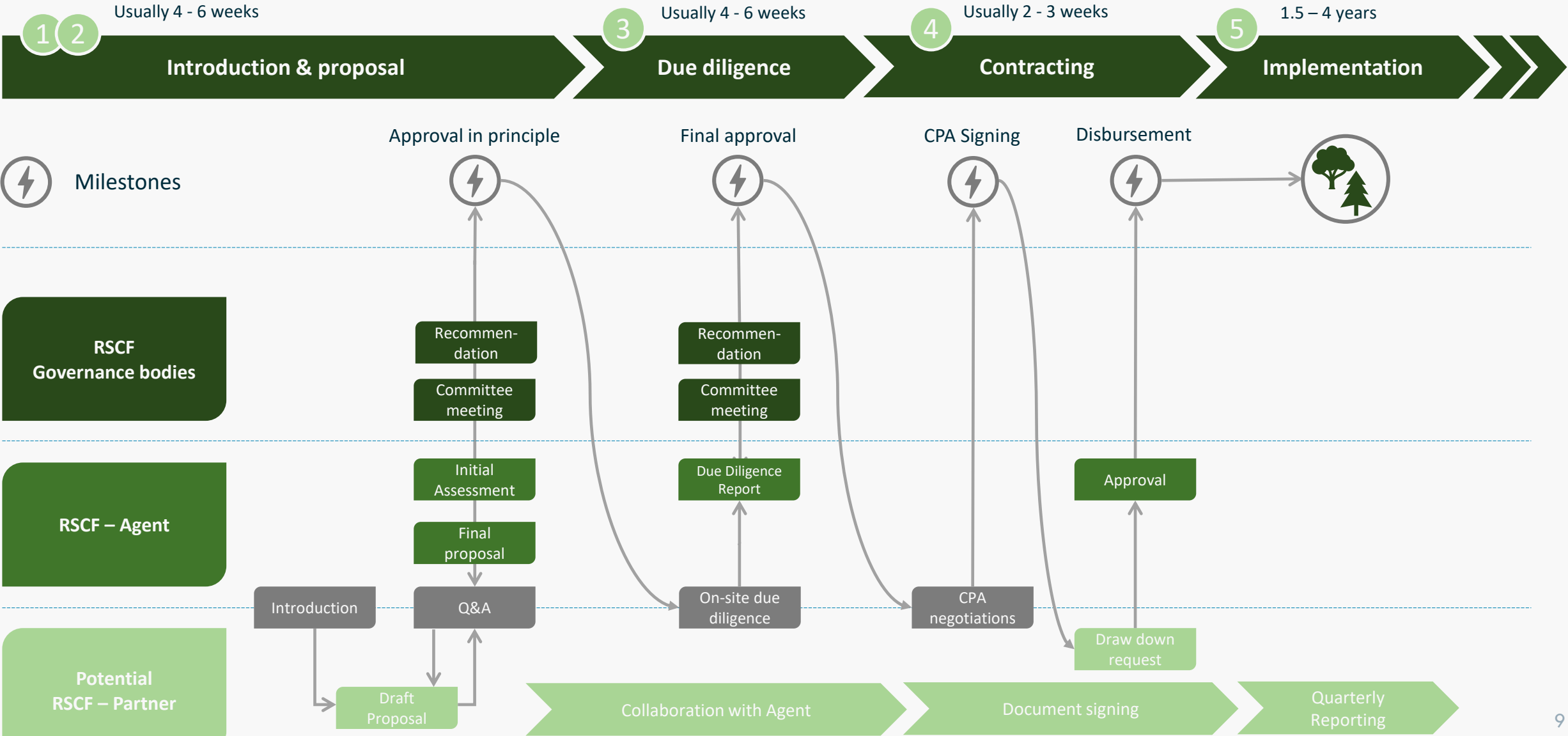


Application process

1 st	Contact through info@restorationfacility.org	At the point of interest
2 nd	Schedule and hold 1 st virtual meeting/ discussion	1-2 weeks
3 rd	Invitation for proposal submission	Proposal preparation 3 - 6 weeks
4 th	Internal processing/ approval process	DD and co-financing decision 6 - 8 weeks



Application process timeline



Impact outcomes of the RSCF

Climate change mitigation: promotion of sustainable land use practices that reduce deforestation and land degradation impacts.

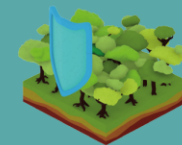
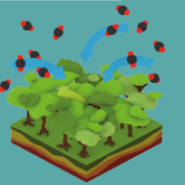
Climate change adaptation: more sustainable land use practices are more resilient to climate change and its effects

Conservation and biodiversity: direct and positive impact on biodiversity and other ecosystem benefits.

Sustainable development: better and more resilient livelihoods for smallholders, producers, and communities.

FOREST RESTORED AT SCALE, LEADING TO:

CLIMATE CHANGE
MITIGATION



RESILIENCE TO
CLIMATE CHANGE

BIODIVERSITY
CONSERVATION



IMPROVED
LIVELIHOODS



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