Central African Forest Initiative
MPTF TRUST FUND
MANUAL OF OPERATIONS

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Acronyms

AA – administrative agent

AA – administrative agreement signed between MPTF and the World Bank

CAFI – Central African Forest Initiative

EB – Executive Board

FAO – Food and Agriculture Organization

FTR – Fund Transfer Request

HACT – Harmonized Approach to Cash Transfers

INGO – International Non-Governmental Organization

LOI – Letter of Intent

MOP – Manual of Operations

MOU – Memorandum of Understanding

MPTF(-O) – Multi-Partner Trust Fund (Office)

NIF – National Investment Framework

NUNO – Non-UN Participating Organization

PUNO – Participating UN Organization

TOR – Terms of Reference

UN – United Nations

UNDP – United Nations Development Programme

WB – World Bank
1. Introduction and purpose of the MOP

The Central African Forest Initiative (CAFI) was created in 2015 during the United Nations General Assembly through the signature of the CAFI declaration by the Ministers of partner and donor countries. A UN Multi-Partner Trust Fund was also set up at the same time.

The purpose of this MOP is to summarize relevant operational rules and guidelines of the Trust Fund. The MOP complements the Terms of Reference of the Trust Fund and is approved and modified by the EB. In case of contradiction between the provisions of the TORs and the MOP, the text of the Terms of Reference prevails.

The provisions on programming cycle apply to funds managed without a national fund (i.e. under the direct responsibility of the CAFI Secretariat and the EB) unless the MOP states that they apply to funds managed through a national fund explicitly.
2. Rules concerning Trust Fund Governance

The Terms of Reference of the CAFI Trust Fund state that:

The management of the CAFI MPTF is carried out at three levels: partnership coordination & fund operations (Executive Board and Secretariat) serving the overall CAFI initiative, fund design and administration (MPTF Office), and fund implementation (implementing organizations and national governments). In order to ensure flexibility, the governance arrangements combine nimble oversight by an Executive Board with country-specific arrangements, either through the existing relevant MPTF-administered National Fund or directly national coordination structures. A small secretariat ensures the operational support for the CAFI MPTF. The CAFI MPTF is administered by the MPTF Office. The fund’s Implementing Organizations are the World Bank, International Cooperation Agencies (ICAs), UN agencies and other international non-governmental organizations.

2.1. Executive Board rules and procedures

The CAFI Terms of Reference describe the functions of the Executive Board (EB), the rights of its members and observers and other relevant issues. These Rules and Procedures below complement the provisions on the Executive Board in the CAFI Terms of Reference.

Membership

On membership the CAFI Terms of Reference state:

The Contributors signatories of the Joint Declaration are eligible to be members of the Executive Board. In addition, UNDP on behalf of Participating UN Organizations is a member of the Executive Board. A rotational system will be in place if there is more than one Participating UN Organization willing to participate as a member. The MPTF Office is an ex-officio member.

Only board members that have directly contributed to the CAFI MPTF and the UN board member will be granted voting right for decisions concerning the Trust Fund and in particular on its financial allocations. In case a contributor who is an Executive Board member has earmarked its contribution to one or several specific partner countries of CAFI, this contributor would sit without voting rights when financial allocation decisions relating to other partner countries are made by the Executive Board.

Observers

Permanent observers are invited automatically, while for the invitation of ad-hoc observers, a decision by the Chair of the Executive Board is necessary.

The Executive Board may decide to invite on a meeting-by-meeting basis, potential contributors who have expressed interest in signing the Joint Declaration to attend the Executive Board meeting(s) as ad-hoc observers.

The Executive Board may invite on a meeting-by-meeting basis, partner countries, implementing organizations or other entities to attend the Executive Board meeting(s) or some of its sessions (ad-hoc observers).

Nominations and attendance
Members, Partners countries and observers communicate their representatives to the Secretariat by email. Members and observers may nominate alternate representatives by email at least five working days prior to the EB meeting.

Members, Partners countries and observer representatives may attend Executive Board meetings in person or remotely (by video/teleconference).

Convening of meetings

The meetings of the Executive Board will be convened by the Secretariat by sending the proposed agenda:

1. For the date decided during the preceding meeting
2. Or for a reasonable date if requested by any of the Members of the EB and agreed by the Chair of the EB to discuss an urgent and outstanding matter.

The Secretariat makes the meeting agenda and documents available two weeks before the date of the Executive Board Meeting, or as soon as they are available in the case of an extraordinary meeting, as described in point 2 above.

Quorum

The minimum number of Board Members required to be present (in person or remotely) to conduct the meeting and make decisions (quorum) is half of the Board Members plus one Board Member. The same rule applies mutatis mutandis for funding allocation decisions when not every Board Member has a vote. The quorum is verified at the beginning of each meeting.

Decision-making

The Executive Board may decide to make decisions by email. This can be decided during an Executive Board meeting or requested by a Member of the Executive Board or the Secretariat between Executive Board meetings. In either case, the Secretariat will send the document(s) requiring an Executive Board decision by email two weeks before the deadline before which Executive Board Members can approve the decision or request a meeting to discuss the document(s). In case of non-objection, the decision is considered to be approved by the Executive Board member.

Executive Board decisions that allocate funds are signed by the UN Board member and the EB Chair after their adoption.

The Secretariat ensures that the decisions taken by the Executive Board are duly recorded and promptly communicated to the members and observers of the EB.

Conflict of Interest

Prior to the consideration by the Executive Board of a national investment framework or a program of a Partner Country, if an Executive Board member, observer or its affiliate or employee is engaging in the following activities, the Executive Board member or observer shall disclose such involvement to the Secretariat through an email or other written means and the Secretariat will accordingly inform other EB members and observers:

1. direct support to the preparation and/or implementation of the national investment framework or program which is under consideration by the EB
2. **direct support to the consultation process leading up to the endorsement of the national investment framework or national program by the Partner Country.**

If the EB member or observer fails to disclose the relevant involvement, the EB will determine what appropriate action to take.

The EB determines whether the involvement of the EB member and/or observer referred to above is such that the EB member and/or observer making the disclosure should recuse itself from the deliberation, discussion and/or decision by the EB with respect to the national investment framework or national program concerned, and will advise such EB member and/or observer accordingly.

Before each meeting of the Executive Board, the Secretariat will circulate a form to all participating EB members to clarify their potential conflict of interest in relation to specific sessions.
2.1. **Secretariat terms of reference**

As per the Terms of Reference of the Central African Forest Initiative, a Secretariat supports the CAFI Trust Fund based in Geneva. It is be composed of staff specifically recruited for this purpose by the UN MPTF-Office and it will draw on the expertise of the implementing organizations (World Bank, FAO or International Cooperation Agencies etc.) on a case-by-case basis.

**Roles and responsibilities**

The Secretariat provides the following support functions:

1. **Support the programming cycle**
   
   1.1. Support the development, revision and submission of National Investment Frameworks (NIFs) including the facilitation of dialogue between the country, the Executive Board (EB) members and observers.
   
   1.2. Organize independent reviews of NIFs.

   1.3. Support strategic dialogue between the country and the CAFI EB, including for example:

      1.1.1. to support the development of the Letter of Intent (LoI);

      1.1.2. to support other means of collaboration among the countries that are signatories to the Joint Declaration, as well as organizations relevant in the Central African region.

   1.2. Support the development and submission of program documents and program portfolio documents for countries for funding channeled directly from CAFI to the implementing organizations including

      1.2.1. the facilitation of dialogue between the countries and the CAFI EB and

      1.2.2. the completeness check of submitted documents.

   1.3. Support the assessment and approval of the program documents funded through an MPTF-administered national fund by participating in the decision-making bodies as appropriate and decided by the Executive Board

   1.4. Organize independent evaluation of investment programs for funding channeled directly from CAFI to the implementing organizations

   1.5. Organize the evaluation of the access of international non-governmental organizations to the fund together with the MPTF-O

   1.6. Prepare the Investment Strategy of the CAFI Fund and update the EB regularly including co-financing by GCF, blended model or other co-financing and result based payment etc.

   1.7. Develop a Fundraising strategy and support implementation

   1.8. Prepare the Annual cash management\(^1\) plan

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\(^1\) Based on the Trust Fund balance, commitments signed and the pipeline
1.9. Approve Fund Transfer Requests (FTR) and sign approved program document on behalf of CAFI EB after its approval by the EB

1.10. Approve project preparation grants as per the Trust Fund Terms of reference and the relevant EB decision approving the terms of reference of the call for expressions of interest or call for ideas and report back to the EB on approved grants.

2. **Support Monitoring and Evaluation**

2.1. Support the EB in monitoring and evaluation of the achievement of the milestones in the LOI

2.2. Participate in the monitoring of the portfolio for programs funded through an MPTF-administered national fund

2.3. Organize and implement the assurance plans under the Harmonized Approach to Cash Transfer (HACT) framework for cash transfers to other implementing organizations

2.4. Prepare progress reporting (annual, provisional and final) by consolidating Implementing Organization reports through the M&E scorecards and other tasks specified in the M&E framework.

2.5. Review financial reporting (annual and final) by Implementing Organization reports through the M&E scorecards.

2.6. Monitoring program delivery rate and report back to the Executive Board on program performance.

2.7. Review and approve project budgetary revision requested by agencies below 25%.

2.8. Submit to the EB budgetary revision above 25% over the allocated total budget or if there are substantial changes in the program document as described under Program and budget revisions section of the MOP below

2.9. Approve installments\(^2\) of payment based on agency performance, program document and annual workplans approved by the EB (see section on Reporting)

2.10. Coordinate programmatic closure of Fund and potential request for program extension with the MPTF-O, the EB and implementing organizations.

2.11. Monitoring and risk management through the risk management dashboard.

2.12. Gender monitoring

2.13. Coordinate with the implementing organizations on reporting related to sexual exploitation, abuse and harassment by consolidating information in the reports provided by the implementing organizations and by preparing quarterly updates to the Executive Board based on feedback received from the implementing organizations\(^3\).

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\(^2\) Installments are annual payments released from the Trust Fund to the implementing organizations based on program documents and annual workplans approved by the Executive Board.

\(^3\) See details under section Reporting for points 2.13 – 2.16
2.14. Coordinate with the implementing organizations on misuse of fund allegation reporting as per the Legal framework of the Trust Fund\(^4\) and consolidate information at the fund level from the reports provided by the implementing organizations and by preparing quarterly updates to the Executive Board based on feedback received from the implementing organizations.

2.15. Consolidate Cancun Safeguards reporting at the fund level as per the TORs of the Trust Fund

2.16. Oversee the complaints management mechanism of the fund

2.17. Consolidate information on complaints management mechanisms and whistleblower protection mechanisms of the implementing organizations

2.18. Organize mid-term and end-term independent evaluations of the Fund’s performance.

3. **Support the EB and organize EB meetings including the annual meetings to be held in Partner Countries specifically:**
   
   3.1. Prepare documents
   
   3.2. Organize logistics
   
   3.3. Prepare EB meeting reports
   
   3.4. Document EB decisions
   
   3.5. Other support to EB as requested by the EB Chair (strategic advice, preparing notes, briefings for communication, fund-raising, board decision or other purposes).

4. **Other support tasks**

   4.1. Support MPTF-Office in the preparation and update of agreements between implementing agencies and CAFI.

   4.2. When called upon by the EB, represent CAFI (attend meetings, side-events, regional fora)

   4.3. Support fund-raising efforts of the CAFI MPTF with the MPTF-Office and the Executive Board

5. **Communications and Knowledge Management**

   5.1. Liaise with:

      5.1.1. EB members

      5.1.2. Countries affiliated to the Joint Declaration

      5.1.3. Potential partners

      5.1.4. Civil society and non-governmental stakeholders in Congo Basin countries

      5.1.5. Implementing organizations

      5.1.6. Other relevant stakeholders and interested parties

   5.2. Maintain website and other communication tools.

\(^4\) Legal arrangements described in the MOU, SAA and AA and the NUNO financing agreement.
5.3. Support knowledge management and South-South cooperation as set out in the Joint Declaration.

6. **Contract necessary service providers and vendors.**

7. **Adaptive management: continuously update any tools and processes based on internal and external evaluations and requests from the EB.**

## 3. Access to the Trust Fund

### 3.1. General provisions

According to the Terms of Reference, the Fund is implemented through four types of fund implementation modalities, namely:

1. Participating UN Organizations
2. The World Bank
3. International Cooperation Agencies (ICAs)
4. International Non-Governmental Organizations invited by the Executive Board to sign an administrative support services agreement with MPTF-O”.

For international non-governmental organizations, the access process is described below.

### 3.2. Access modalities for international non-governmental organizations

International Non-Governmental Organizations can become direct implementing organizations only after having been granted access to the Trust Fund by the EB.

The process of granting access is made up of the following steps:

1. Identification of implementing organization and programmatic capacity assessment
2. Fiduciary and safeguards assessments (the allocation of feasibility grants requires only fiduciary assessments)
3. Assurance plan development
4. Approval of access by the EB
5. Approval of program document
6. Signature of program document
7. Signature of Financing agreement by MPTF-O
8. Transfer of funds

Detailed description of the process:

1. **Identification of the implementing organization and programmatic capacity assessment**

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5 Including research institutions
According to the Terms of Reference of the CAFI Trust Fund implementing organizations can be identified through:

**Expressions of interest modality**: after the successful completion of the call for expressions of interest, an INGO can only be requested to engage in program development after the Executive Board has concluded its assessment and granted it access to the Trust Fund.

**Direct Selection modality**: as described in the terms of reference the Executive Board may decide to invite an implementing organization to develop a program without a call for expressions of interest. In this case the assessment of the INGO will happen after the Executive Board decision that identifies the INGO as a potential implementing organization to develop the program. The INGO can only be requested to engage in program development after the Executive Board has concluded its assessment and granted access to the Trust Fund for the INGO.

In addition, accreditation can be requested by an MPTF administered national fund or the national coordination structure if funds are channeled through this fund or in case of results-based payments. After completion of the preliminary selection process and decision by the appropriate decision-making body of the national fund or national coordination structure will be submitted to CAFI requesting the initiation of the assessment and accreditation process and before the development of a proposal by the entity in question.

2. **Assessments**

   2.1. **Financial risk assessment**

      2.1.1. The Executive Board identifies the entity as a potential implementing organization using either the calls for expressions of interest or the direct selection modality as described above. In its decision the Executive Board instructs the Secretariat to conduct an assessment.

      2.1.2. The assessment will be based on the micro assessment of the Harmonized Approach to Cash Transfer (HACT) methodology and the assessment will be performed by a qualified third party contracted by the Secretariat to ensure independence and technical expertise.

      2.1.3. If there is a valid HACT assessment available for the entity in the UN database, the results of that valid assessment can be used to grant access.

      2.1.4. If the result of the assessment is low risk, the entity can be granted access.

      2.1.5. If the organization holds a valid HACT assessment that is sufficient to access CAFI funds and the next call for expressions of interest, direct selection and the implementation of a new program falls within the validity of the HACT assessment, there is no need for a new assessment for the entity to access funds from the Trust Fund. The assessment is valid unless there is a change in the entity's management structure or processes and procedures. If significant changes to the organizational management structure or processes and procedures with respect to the program are observed, a new micro assessment may be deemed necessary during the program cycle.
2.2. Assessment of conformity with CAFI's environmental and social procedures, according to the steps laid out in Annex 7. This assessment will be undertaken by implementing organizations (self-reporting) and followed by quality assurance undertaken by the CAFI Secretariat.

2.2.1. The environmental and social safeguards conformity assessment will be conducted in parallel with the HACT risk assessment.

2.3. Proof of accreditation and recommendations of the accreditation board of the following funds may result in an accelerated process of access. The results of such evaluation will be shared with the UNDP MPTF HACT Specialist who will prepare conformity analysis to ensure that the assessed entities fall into the low risk category according to HACT:

- GCF
- GEF
- Adaptation Fund
- Global Fund against malaria, HIV and TB
- EU Pillar assessments and other EB donor assessments

3. Development of assurance plan:

The HACT methodology will equally apply for the development and implementation of assurance activities undertaken by the CAFI Secretariat.

4. Approval of access and assurance plan by Executive Board and invitation to develop a program

5. Program approved by the Executive Board as per standard CAFI procedures described in the TORS of the Trust Fund

6. Signature of program/project document as per standard CAFI procedures.

7. The Executive Coordinator of MPTF-O signs "Financing Agreement" with entity.

8. Cash transfers from MPTF-O to the entity based on HACT methodology.

Figure 1: Access to funds for "INGOs"
4. Programming cycle

4.1. Investment phase program cycle

Advances
As per SAA Section III para 7 implementing organizations can use their own funds to start implementation or prepare feasibility studies with the approval of the Executive Board. Such advances can be approved in the decision identifying the implementing organization to develop the program (before the actual approval of the program itself by the Executive Board) and by non-objection before the first transfer of funds.

Program approval
The following elements are incorporated in the CAFI project document templates and their annexes to be assessed before their approval:

1. A table according to Section 2 of the SAA on separate ledger account with annual breakdown per UNDG category,
2. Clarification of the final destination of equipment
3. Information on socio-environmental safeguards, financial regulations regarding agency audits as well as implementing partners’ audit
4. Procurement plan for a value for more than 100 000 US$ and process used to identify provider

Program operationalization
CAFI Programs will become operational after following the steps below:

1. When the CAFI EB has approved a country/regional program, the MPTFO creates a project in the MPTFO system (GATEWAY), recording EB approved allocations. A specific project factsheet webpage is generated in the GATEWAY and populated using the project cover page.
2. The Program document as approved by the CAFI EB is signed by the government representative, the agency and the Head of the Secretariat (each with 5 working days after the approval of the program). If the program document is not signed within 5 days, the Secretariat can initiate the reallocation of the funding by the EB to another country (if the government has not signed it) or to another agency (if the agency has not signed it).
3. To transfer funds to implementing organizations MPTFO must have on file countersigned MOU, WB AA or the financing agreement by the implementing organization.
4. Based on the CAFI EB instructions, the AA transfers the initial allocation to each agency as specified in the Fund Transfer Request (FTR).
5. A payment notification is sent to the implementing organization by email once the transfer is processed by the MPTFO. It includes transferred amount and the MPTFO project identification number assigned to each specific project for the entire duration of the Fund.
6. To implement CAFI project each implementing organization follows the approved program document in accordance with its internal rules and procedures as per the MOU, WB AA or financing agreements.
7. The implementing organizations establish a Separate Ledger account for the receipt and administration of the funds disbursed to it by the AA from the CAFI account. The MPTFO project identification number must be referenced in the implementing organizations’ system to ensure correct reporting of expenditure as per reporting guidelines. There must be a one-to-one mapping of expenditures between the MPTFO project and the project to avoid co-mingling funds with other projects.

8. To ensure accurate mapping and future expenditure recording/reporting, the implementing organizations follow UNDG budget cost breakdown of the CAFI EB approved country/regional Program when establishing a project budget in their Enterprise Resource Planning (ERP) system.

9. When the project is established in the ERP system of the implementing organization, they notify the Secretariat and share the UNDG budget cost breakdown to verify accurate mapping with approved project document and MPTF data.

10. When the cumulative expenditure reaches 70% of the disbursed CAFI funds per program the implementing organization may request the next instalment by submitting provisional narrative and financial reports as well as annual (or for the period for which the next disbursement is requested) work plans to the CAFI Secretariat and MPTFO accompanied by a note by the Secretariat on meeting the conditions for disbursement:
   a) Respect of annual workplans
   b) Respect of reporting obligations

11. If the implementing organization requests next installment and according the assessment of the Secretariat the criteria have not been met, the agency will resubmit a new request and report (30 days after reception of comments) and present it to the next EB meeting or call. The EB can then make a decision on disbursement.

12. MPTFO will disburse subsequent installments to all CAFI EB approved Programs in line with the CAFI Secretariat’s instructions specified in the FTR, subject to the cumulative reported expenditure (see above) and funds availability in the CAFI account.

Program implementation
CAFI is represented in the program steering committees either through the Secretariat or a donor representative. The representative reports back to the secretariat after such meeting, and the secretariat consolidates the information received in a written update to be shared with the EB

Reporting
Overview

The provisions below complement the Terms of Reference (TOR), Memorandum of Understanding (MOU), signed between the UN, the AA with the World Bank and the financing agreements with ICAs and other implementing organizations and MPTFO and donor contribution agreements (SAAs).

According to the agreements listed above each implementing organization assumes full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent (AA).
Implementing organizations are accountable to CAFI for results achieved and must report on their activities and expenditure in line with the EB approved country/regional Program and signed MOU.

To ensure accurate mapping and expenditure reporting, all financial reports from agencies must be aligned with the correct MPTFO project identification number and follow UNDG budget structure of the CAFI approved country/regional Program - present expenditure using the same lines as set out in the approved Budget.

All costs must meet “eligibility” criteria. For the costs to be considered eligible for the CAFI funding they must be legally incurred within the Implementation Period, identifiable and verifiable, and within the approved program document, including its workplan and budget. The cost must also be reasonable, justified and in line with sound financial management. Agencies need to ensure that a sufficient level of information is provided in the financial reporting (as per EB approved Program) and to assure the eligibility of costs can subsequently be demonstrated. Costs that do not meet the eligibility conditions will be declared ineligible and disallowed.

All consolidated reports and related documents will be posted and become public on the MPTFO GATEWAY.

Any deviations from the approved Program during its implementation must follow the established CAFI Program/Budget revision procedures (see section on Program revisions).

The indirect cost of the Program cannot exceed 7 % of the approved Program cost.

**Reporting Requirements**

Once the program is operational, all agencies must comply with the following standard and provisional reporting cycles, all reports are to be provided and consolidated via UNEX uploading and based on agreed templates. There are 4 types of reports for the CAFI Programs:

1. **Financial reports**: shall be submitted as follows:

   1.1. **Financial progress reports**, in line with the MOU, shall be provided twice a year (expenditure as of 30 June; and of 31 December)

   1.1.1. via AA web-interface reporting tool system UNEX for the financial update. This should be done per UNDG category and provide information on the use of financial resources against the outputs and outcomes in the agreed upon results framework as per the relevant provisions of the SAA, MOU, AA and financing agreements\(^6\). The Secretariat will compare this with the approved budget and report back to the EB

   1.1.2. and via the Secretariat for the narrative update;

   1.2. In line with the MOU signed between implementing organizations and the AA (Sec. IV), the **Annual financial report** (expenditure as of 31 December) shall be submitted via UNEX by the 30 of April by implementing organizations with respect to CAFI disbursed funds;

\(^6\) SAA Section VI para 2, MOU Section V. para 3.
1.3. The UNEX submission is to be made by implementing agencies HQs, by referencing the MPTFO project identification and following UNDG budget structure in accordance with the EB approved country/regional program;

1.4. Additionally, to the Annual financial report via UNEX, an e-copy of the expenditures reports of the agency’s approved contribution must be submitted to the MPTFO and Secretariat. This report is to be signed by the agency's responsible representative in the country/region;

2. **Annual narrative progress reports: to be submitted** no later than three months (31 March) after the end of the calendar year to the CAFI Secretariat and MPTFO focal points.

3. **Provisional reports:** (triggers disbursement of subsequent installments and/or upon CAFI Secretariat request):

   3.1. When a Program has reached a 70% delivery rate (70% of expenditure of the amount disbursed by CAFI) including expenditure and hard commitments of the previously provided payment (plus 100% of any earlier ones where applicable), the implementing organization may request the next instalment by submitting provisional narrative and financial reports to the CAFI Secretariat and MPTFO;

   3.2. The disbursement request must be accompanied by an annual workplan (or workplan covering the period for which the disbursement is requested) and the disbursement amount will be based on that workplan. Workplans are approved by project/program steering committees. In case the approval is not granted by the steering committee before the request for disbursement request, a draft workplan in conformity with the approved project/program document can be used.

4. **Final reports:**

   4.1. Submit final financial report to the CAFI Secretariat and MPTFO focal points no later than five months (31 May) after the end of the calendar year in which the financial closure of the approved Program activities occur;

   4.2. Submit final narrative report no later than four months (30 April) after the end of the calendar year to the CAFI Secretariat and MPTFO focal points

**Safeguards**

In addition to the provisions of the Terms of Reference of the Trust Fund on reporting on safeguards, transparency and integrity and in line with the terms of reference of the Secretariat (specifically points 2.13 – 2.16) and the different safeguarding policies of the Trust Fund annexed to the Terms of Reference and to the Manual of Operations, the Secretariat regularly reaches out to implementing organizations on whether any cases / investigations on fraud, misuse of funds, corruption, sexual exploitation, abuse and harassment, the Cancun safeguards or any other issues raised by the complaints management systems of the implementing organizations are ongoing and how they have been dealt with so far. This communication from the safeguards officer to implementing organizations on this subject will happen every three months, with information shared with the EB two weeks before
an EB call. This ensures the EB is kept up to date on any issues that have been raised, and how they have been addressed, by implementing agencies every three months.

For INGOs, a specific reporting template is provided in Annex 7 to summarize information on safeguards.

**Procurement**

Implementing organizations are to provide procurement updates on contracts whose value exceeds 100 000 US$. This update is incorporated in the reporting template.

**Non-compliance with reporting requirements**

In addition to the consequences identified in the legal agreements, if an implementing organization does not follow the reporting requirements, the following process can be used to improve the quality of reporting:

1. The head of the agency is given the opportunity to report back to the program Steering Committee and the CAFI EB

2. If the report is not satisfactory (misses the deadlines, leaves sections in the template empty or not in compliance with the SAA, MOU, AA or the financing agreements relevant provision7) the CAFI EB can decide to
   2.1. not approve the next tranche of payment
   2.2. terminate the program and
   2.3. require the reimbursement of the balance.

**Unspent balances and interest**

Unspent balances at the end of the project are to be refunded to the MPTF Office CAFI account. The transfer notification should be sent to the MPTFO, no later than six months (30 June) after the end of the calendar year following the completion of the activities.

Agency transfers the interest for prior and current year, if any, to the MPTF Bank Account and sends notification to the MPTF Office to identify the interest. If the implementing organization have an agreement under which the transfer of interest is not required, this should be indicated by marking the box on the Certified Final Financial Statement and Report.

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7 Annual and final reporting will be results-oriented and evidence based. Annual and final narrative reports will compare actual results with expected results at the output and outcome level and explain the reasons for over or underachievement. The final narrative report will also contain an analysis of how the outputs and outcomes have contributed to the overall impact of the Fund. The financial reports will provide information on the use of financial resources against the outputs and outcomes in the agreed upon results framework.
Recovery of funds

In line with Section IX. Paragraph 4 of the SAA, in case of proven improper use of funds, and after the information provided in the reports or whenever the event is reported (whichever is earlier) a draft decision will be presented to the Board on the use of recovered funds.

Program and budget revisions

Scenario 1: Revisions below 25% and not significant changes

In this category, budget revisions are made between UNDG budget lines that cumulatively amount to 25% or less of the total approved Budget per agency per program or programmatic revisions that do not significantly change the scope, objectives, expected results, strategy or priorities, as determined by the program steering committee.

Revisions will be presented in a cumulative way to the program steering committee described in the approved project document for endorsement. The implementing organization will subsequently submit the Program Revisions to the CAFI Secretariat for non-objection and to the AA for information only.

When CAFI is a member of the program steering committee (i.e. has a voting right) the non-objection is evidenced by the approval of the program steering committee.

Scenario 2: revisions above 25% or significant changes

Under this scenario revisions are made between UNDG budget lines that cumulatively exceed 25% of the total approved Budget per agency per program or programmatic revisions that significantly change the scope, objectives, expected results, strategy or priorities as determined by the program steering committee.

As part of the Annual Work Plan process, the agency should submit the Program Revision request, to the CAFI Secretariat to be presented to the CAFI Executive Board. When CAFI is a member of the program steering committee (i.e. has a voting right), the CAFI representative ensures that approval of the Executive Board is obtained before the program steering committee approval.

Carry-over of funds from one year to the next can be done through the regular AWP process at program level. Adjustments to the annual split of funds in the AWP are not considered a program revision.

Scenario 3: budget revision to increase overall project amount

In line with Section III paragraph 6 of the SAA, it is possible to increase the overall amount of a program if additional funding is available in the Trust Fund or there are additional funds and the Executive Board so decides.

Program closure requirements

Procedures for the Project closure follow the agencies’ own internal rules and regulations, unless otherwise agreed in the program documents. As outlined in the MOU, each agency determines when it has completed all approved activities within the timeframe approved by the EB specified in the project.

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25% calculation: If an implementing organization has a total country budget of $1 million, then the sum of the changes between UNDG budget lines should not exceed $250,000. Only budget increases will count towards the 25% threshold calculation (not the off-setting reductions).
document cover page. The agency communicates the completion of all approved Program activities through a final narrative report to the CAFI Secretariat and the AA, and followed by agency’s submission of the Certified Final Financial Statement and the final financial Report to the AA.

The final narrative reports shall be submitted to the AA by 30 April of the year following financial closing of the project. The Certified Final Financial Statement and final financial report are to be provided to the AA by 30 June of the same year.

Operational Closure Steps

For Programs to be accepted as ‘Operationally Closed’ the following steps are necessary:

1. The implementing organization informs the CAFI Secretariat and the AA that Program has been operationally closed;

2. The implementing organization submits the final “End of Project Narrative Report” including final destination of equipment to the CAFI Secretariat and the MPTF Office for posting on the GATEWAY page.

3. If no project activity has been undertaken or funds spent, the EB makes a decision to confirm operational closure of the project and there is no need to submit an “End of Project Narrative Report”

4. Upon the CAFI Secretariat’s confirmation, the MPTF Office proceed with the Program Operational closure in the MPTF Office system.

Financial Closure Steps

For projects to be accepted as “Financially Closed” the following steps are necessary:

1. Agency submits Certified Final Financial Statement and final financial Report for each program separately.

2. All expenditure reports must provide a breakdown by UNDG categories in accordance with the approved UNDG breakdown budget for the program.

3. Agency refunds any Unspent Balance and sends notification to the MPTF Office to enable the MPTF Office to identify the refund.

4. Agency transfers the interest for prior and current year, if any, to the MPTF Bank Account and sends notification to the MPTF Office to identify the interest. If the agency’s regulations do not require the transfer of interest, this should be indicated by marking the box on the Certified Final Financial Statement and Report.

5. No expenditure in excess of funds transferred should be reported on Certified Final Financial Statement and Report submitted to the MPTF Office.

For FAO: the operational closure step happens after the submission of the “end of project narrative report” – step 2 above.
6. The indirect cost should not exceed the approved percentage of project cost (7%).

7. Upon review, the MPTF Office proceed with the Program Financial closure in the MPTF Office system and will notify the agency accordingly that all financial procedures are satisfied.

**Notification of Closure**

Notification for all transfer of interest earnings and refunds of unutilized funds, including reference to the nature of the refund, amount of refund and project number, should be sent to the portfolio manager at the MPTF Office.

### 4.2 Monitoring and Evaluation

The Secretariat develops performance criteria for implementing agencies and programs to justify decision on disbursement of subsequent tranches to agencies.

The Secretariat develops and operates (or contracts a partner to develop and operate) spatially explicit M&E.
Annex 1 - Information Disclosure Policy

I. Objective and scope

1. The Central African Forest Initiative (CAFI) recognizes the importance of and reaffirms its commitment to transparency and accountability in all aspects of its operations in fulfilling its mandate. Through the implementation of this Information Disclosure Policy (the Policy), CAFI recognizes the need to ensure public access and stakeholder participation in fulfilling its role. CAFI will ensure the highest standard of transparency in all its activities through the effective dissemination of information to stakeholders and the public at large.

2. CAFI’s Terms of Reference provide that Trust Fund will operate in a transparent and accountable manner guided by the principles of efficiency and effectiveness.

3. This annex sets out CAFI’s Policy regarding the information that it makes available to the public either as a routine matter or upon request.

4. This Policy applies to all information produced by or in the possession of CAFI.

II. Principles

5. This Policy is based on the following principles:

(a) **Principle 1: Maximize access to information.** CAFI reaffirms its commitment to transparency in all of its activities and therefore seeks to maximize access to any documents and information that it produces and to information in its possession that is not on the list of exceptions as set out in Chapter IV of this Policy.

(b) **Principle 2: Limited exceptions.** Any exceptions to disclosure will be predicated upon the possibility, narrowly and clearly defined, that the potential harm to interests, entities or parties arising from the disclosure of information would outweigh the benefits, that CAFI is legally obligated to non-disclosure or has received information from third parties clearly marked as confidential. CAFI may, in exceptional circumstances, decide not to disclose or delay dissemination of information that would normally be accessible if it determines that the harm that might occur by doing so will outweigh the benefits of access. CAFI may also, in exceptional circumstances, make available to the public information ordinarily excluded from disclosure when it determines that the benefit would outweigh the potential harm, except where CAFI is legally obligated to confidentiality.

(c) **Principle 3: Simple and broad access to information.** CAFI will employ all practical means to facilitate access to information, maximize access to such information, and use clear and cost-effective procedures and timelines for processing requests.

III. Standard of disclosure

6. CAFI seeks to maximize access to information that it produces and/or possesses and will therefore disclose any information not contained in the list of exceptions set out in Chapter IV of this
Policy. This Policy is predicated not on a list of information that it chooses to disclose but rather on a clear definition of the information that it will not disclose. All documents in CAFI’s possession subject to disclosure as per this Policy, will be released on the CAFI website or through other appropriate means, or will be provided upon request, to provide the public with a clear picture of CAFI’s work and the way it administers financial resources received from public, private and other sources.

7. The timing of disclosure of the different types of information may vary, based on the nature of the information as further set out in Section VIII of this Policy.

IV. Exceptions to presumed disclosure

8. While CAFI is committed to disclosing as much information as possible, its effective functioning requires protection of certain types of information by identifying the harm that disclosure of the relevant information could cause to the interests protected by the exceptions.

9. The exceptions to CAFI’s presumption in favor of disclosure of information are set forth below. The following categories of information/documents will not be accessible because the potential harm caused by their disclosure outweighs the benefit to be derived from accessibility. Subject to paragraphs 10 and 11 below, the Secretariat will determine whether documents or portions thereof will be disclosed:

(a) **Personal information.**

CAFI will not disclose information relating to:

(i) personal information of any person, including members of the Board, advisers, the CAFI Secretariat staff and consultants and other persons connected with CAFI; and

(ii) Staff appointment and selection processes, the disclosure of which would affect the legitimate privacy interest of the person(s) concerned.

(b) **Legal, disciplinary or investigative matters.**

(i) CAFI will not disclose information subject to legal professional privilege, matters in legal dispute or under negotiation, information relating to any investigation of alleged fraud, corruption or misconduct or disciplinary proceedings, except to the extent specifically permitted by and in accordance with CAFI’s or the implementing organizations’ rules on such investigations, or any information that, if disclosed, would or would be likely to materially prejudice an investigation or the administration of justice or violate applicable law;

(ii) CAFI will not disclose information, documents, reports or communications in circumstances where disclosure would violate applicable law or contractual obligations, or could subject it to undue litigation risk; and

(iii) CAFI will not provide access to or release information relating to proceedings of internal grievance and appeals mechanisms except to the extent expressly permitted under the rules of these mechanisms;

(c) **Communications involving members of the Board and advisers.** CAFI will not disclose communications between members of the Board, advisers and the Secretariat.
(d) **Safety and security.** CAFI will not disclose information that would or would be likely to compromise the security, safety or health of its staff and their families, consultants, experts and contractors, CAFI assets or any other individual;

(e) **Information provided in confidence.**

(i) Information provided to the Board or the Secretariat in confidence or with restrictions on disclosure, will not be disclosed without the explicit authorization of the provider of such information, such as information covered by a confidentiality agreement or non-disclosure agreement that CAFI had entered into with other parties.

(ii) Financial, business or proprietary and non-public information in CAFI’s possession and belonging to a party outside of CAFI will not be disclosed, without the explicit permission of such a party; and

(iii) CAFI will not disclose information provided to it in confidence, alleging fraud, corruption, or violation of any of CAFI’s policies, or misconduct, except to the extent specifically permitted by and in accordance with the applicable rules on investigations, as well as the identity of the party making the allegation, unless such a person consents to the disclosure of his or her identity;

(f) **Deliberative information.** Deliberative information exchanged, prepared for or derived from the exchanges between CAFI and its implementing organizations or third parties as well as information pertaining to CAFI’s own internal deliberative processes, will not be disclosed if it would damage the free flow of information and ideas. Therefore; while it will, subject to the exceptions set out in Chapter V of this Policy, make public the agreements or decisions reached at the conclusion of such a deliberative process, it will not provide access to the following information:

(i) Information (including inter-office or intra-office e-mails, notes, letters, memoranda, draft documents or reports) prepared for or exchanged during its deliberations with implementing organizations, countries, other entities or persons with whom CAFI is involved;

(ii) Information (including e-mails, letters, memoranda, reports or other documents) prepared for, or exchanged during its own internal deliberations, including those issued or prepared by CAFI’s staff, consultants, experts, or agents; and

(iii) Studies, audit reports, assessments, evaluations or analyses prepared by or on behalf of the Secretariat to inform CAFI’s internal decision-making and assessment processes that include sensitive information;

(g) **Certain financial information.** CAFI will not provide access to any financial information that, if disclosed, would prejudice the financial or commercial interests of CAFI and any of its activities;

(h) **Board proceedings.** CAFI will not disclose Board documents including, pre-meeting documents, that are deemed confidential pursuant to this Policy of which distribution will be
limited to members of the Board. CAFI will not webcast, or provide video recordings of Executive Board meetings;

(i) **Information relating to Committees, Panels and Groups.** Before disclosing any information, CAFI will redact any portion of reports, information, decisions, recommendations or proceedings of any of the Committees, Panels and Groups, which contains confidential information which, if disclosed, may cause prejudice to CAFI, any persons associated with it or other related parties;

(j) **Trust Fund reports.** CAFI will not disclose information contained in the Trustee reports to the extent that it contains confidential information which, if disclosed, may cause prejudice to CAFI or related parties; and

V. Overrides

10. As described in paragraph 6 above (Principle 2: Limited exceptions), CAFI may decide to provide access to certain specified types of information normally subject to one of this Policy’s exceptions, in extraordinary circumstances, if it determines that the benefit to be derived from doing so would outweigh the potential harm that the application of this Policy might otherwise entail, and so long as CAFI is not legally or otherwise obligated to confidentiality. Any decision to provide access to information via the override would require the Board’s concurrence for any Board document, the Head of the Secretariat’s concurrence for any other document produced, commissioned or under the purview of the Secretariat, as well as the written consent of any third party that had provided information to CAFI in confidence for any such information that CAFI wishes to disclose.

11. CAFI also reserves the right not to disclose, by means of a ‘negative’ override, normally available information if it determines that the potential harm that the application of this Policy might otherwise entail would outweigh the potential benefit of disclosing such information. Any decision to not disclose information via this override would require the Board’s concurrence for any Board document, the Head of the Secretariat’s concurrence for any other documents produced, commissioned or under the purview of the Secretariat.

VI. Language of Disclosure

12. English and French are CAFI’s working languages. Ordinarily, documents will be disclosed in the original language; however, any documents CAFI discloses that it considers to be of significant public interest will be published in the other language on the CAFI website.

VII. Implementation aspects of this Policy

8.1 Procedures for accessing information

13. **CAFI’s website.** CAFI routinely discloses a wide range of information and documents through its website - www.cafi.org These include, but are not limited to, Board decisions, policy papers, partnership agreements and investment plans, as well as project-related public information that provides details on all types of CAFI-funded projects and programs without duplicating what is to be published by accredited entities and/or executing entities on their websites. CAFI’s website may also provide links to the websites of its accredited entities. In addition, CAFI will use other means of dissemination as may be required to reach its intended audiences, including social media.
14. **MPTF Gateway.** The Executive Board and the Administrative Agent will ensure that the Fund's operations are disseminated on the web site of the Administrative Agent (http://mptf.undp.org). Information posted on the web site will include: contributions received and from whom, funds transferred, annual expenditures, summaries of proposed and approved programmes, the work plan and Fund progress reports, including relevant information on Fund operations.

15. **Board decisions.** Board documents will be available on CAFI’s website as soon as these are adopted, unless such information is not subject to disclosure under paragraph 9.

16. **Public consultation.** An annual forum with all stakeholders will be organized to update progress, share experiences and obtain inputs. The annual forum will also be an opportunity to explore further collaboration with other Central Africa regional initiatives such as COMIFAC, ECCAS and CBFP.

17. **Any information concerning CAFI-funded projects, programs, policies, strategies and general operations held by CAFI for more than 20 years from the date such information was produced by, or provided to, CAFI, will be considered historical information. Historical information, other than Board documents, shall be disclosed upon request, except for information that falls with the exceptions listed in paragraph 9.**

8.2 **Information upon request**

18. **Anyone may contact the Secretariat to request any document or information which is not accessible on CAFI’s website. The Secretariat will entertain external requests for information or documents that are made in writing.**

Requests for information may be submitted in writing or via e-mail, as needed, addressed as follows:

(a) In writing: CAFI Secretariat, United Nations Development Programme, International Environment House, 7th floor, 11-13 chemin des anemones, Châtelaine CH 1219, Switzerland; or

(b) Via e-mail: <secretariatcafi@gmail.com>.

All requests for information are processed by the Secretariat. Requests should indicate with reasonable specificity the information that is being sought to enable the Secretariat, within a reasonable period, to locate the information.

19. **Requests for information will be submitted in English or French, which are the working languages of CAFI, and the response will be provided in one of the two languages.**

20. **In responding to external queries, the Secretariat will either provide the requested information or document, referring the requester to the relevant link on the CAFI website whenever possible, or a legitimate reason as to why the information cannot be given, based on the exceptions to disclosure defined by CAFI or on the fact that such information does not exist or cannot be found.**

**VIII. Timelines for responding to requests**

21. **The Secretariat shall endeavor to respond to requests for information within 30 working days of receipt of a written request for information, unless additional time is required because of the scope or complexity of the information requested. In its response, CAFI shall either provide the requested information or provide a reason why the information cannot be given.**

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information or the reasons why the request has been denied, indicating the particular provision(s) in this Policy that justifies the refusal.

22. The Secretariat may partially or wholly deny a request on the following grounds:
   (a) In accordance with the limitations set out or referred to in this Policy; and
   (b) If the request is deemed to be an excessive demand on the Secretariat's resources.

23. CAFI shall not be required to comply with, or respond to, repeated or unreasonable requests for information on the same subject from the same person, organization, or group if the Secretariat has provided such information after a previous request or has given reasons why it cannot provide information. CAFI shall not be required to respond to anonymous or those submitted under pseudonyms.

IX. Miscellaneous

24. Information disclosed under this Policy is provided as is. CAFI will take all reasonable steps to conspicuously disclaim any loss or liability, either directly or indirectly because of using the disclosed information.
Annex 2 – Complaint management mechanism

Principles of the complaint management mechanism

Subsidiarity

To empower and reinforce national processes and respect the rules and regulations of implementing agencies, action at CAFI level should not be taken except in cases where CAFI has exclusive competence (such as an EB decision).

When complainants exhausted procedures offered by the implementing organizations, they can address a complaint to the EB.

Legitimacy

The mechanism based on the Fund’s governance structure and connected with national legal and administrative dispute resolution mechanisms.

It is independent of but connected to that of implementing agencies.

Accessibility

The mechanism offers diversity of communication channels for complaints

It uses the means of communication chosen by the complainant

Any person affected by the programme may lodge a complaint

The contact details and communication channels for complaints shall feature on multiple document

Foreseeability

The MOP, including the annex on complaint management, shall be accessible on the Fund website.

The Secretariat shall inform the complainants of the anticipated procedure following receipt of the complaint, the reasons behind the decision made and of any modification to the expected time frames

Transparency

The MOP, including the annex on complaint management, shall be accessible on the Fund website

The Secretariat shall inform the complainants of the anticipated procedure following receipt of the complaint and the reasons behind the decision made

The rules of implementing agencies on the management of complaints is summarized with contacts to agencies provided on the CAFI website

A registry of complaints is maintained by the Secretariat

Description of the mechanism

1. Any person negatively affected or impacted by a program financed by the Fund may lodge a complaint. Where a complaint is lodged in the name of another person or in the name of a community, the rules of the country of nationality of the complainant shall apply. However, even if the eligibility criteria have not been met, the Executive Board (on the Secretariat’s
recommendation) may agree to process a complaint if it considers that the gravity of the complaint so requires.

2. Receipt and registration of complaints: The secretariat receives complaints:
   2.1. By telephone, email or post: contact details for the Fund’s complaint management system shall be made available on the Fund’s website and
   2.2. During meetings: including those of the Executive Board, annual fora, annual reviews or CAFI country missions
   2.3. Active outreach: During program monitoring procedures, the Secretariat can contact the stakeholders contacted during the pre-feasibility and feasibility phases of the programs to sound their opinions. If any concerns are voiced, the Secretariat shall inform the stakeholders that they have the possibility to lodge a complaint. Actions taken shall be included in program monitoring reports.
   2.4. Other: if the secretariat learns that local populations or program stakeholders have concerns, the secretariat shall contact them and inform the EB on the discussions even if the parties concerned decide not to register an official complaint with the Fund.

3. Reception and evaluation
   3.1. Following receipt of the complaint, the Secretariat shall acknowledge receipt via the same means of communication as the complainant and write it up as a report. Oral communications shall be supplemented by written communications (in the same time frames as for written communications). Verbal notice of receipt shall be given immediately (via telephone or in person), within three working days of receipt of an electronic message, and two weeks for a letter.
   3.2. In the notice of receipt, the Secretariat shall explain briefly how the complaint will be processed.
   3.3. The Secretariat will inform the complainant that he/she can request confidentiality.
   3.4. Following receipt of the complaint, the Secretariat shall assess whether the complaint concerns a decision of the Fund or the Fund’s program(s). Other aspects, such as the complainant’s capacity to lodge a complaint, shall be examined during preparation of the response. The Secretariat shall have two weeks from reception of the complaint to assess its eligibility. It may extend this time frame by two weeks by informing the complainant using the habitual communication channel (see point 2).
   3.5. Two weeks after receipt of the complaint, the Secretariat shall inform the EB of receipt of the complaint and its eligibility.

4. Response to the complaint:
   4.1. The secretariat may propose various types of response measures to the EB within 30 days of receipt of the complaint. It may extend this time frame by one additional month, once the complainant has been informed. It may also request additional information if that provided by the complainant was insufficient to establish the facts and propose a response.
   4.1.1. Direct Response/action of the Fund: this might range from changing the dates or locations of consultations to making information available, notifying implementation bodies, or the frequency of monitoring measures (reports, visits, etc.), to suspending or ceasing financing.
   4.1.2. Dialogue with the complainant and the other stakeholders: during the complaint resolution, the secretariat shall engage in dialogue in order to reveal the main facts. This dialogue could prove sufficient if by this means a solution is found to the dispute. If
during this process the secretariat finds that there is no need to take other actions in order to respond to the complaint or, where this is not possible, it may conclude the dialogue and inform the Steering Committee accordingly. The complainant may contest this decision as with the other responses.

4.1.3. Referral to another mechanism: if the complaint requires a response beyond that which the Fund is able to provide above (4.1.1 and 4.1.2), and especially if the request needs to be addressed to a judge, tribunal or other dispute resolution mechanism in the country or if it should be channeled through the implementing agencies procedures, the Secretariat shall propose that the EB refer the complaint.

4.1.4. Complaints are non-eligible if, after evaluation:
   4.1.4.1. no negative impact is detected,
   4.1.4.2. there is no causal link between the impact and the program
   4.1.4.3. the complainant has not been directly impacted or the complainant cannot represent the injured parties under the law of complainant’s nationality or registration
   4.1.4.4. the complaint has already been adequately addressed
   4.1.4.5. it is submitted anonymously or under a pseudonym
   4.1.4.6. or it is unfounded for other reasons.

4.2. The Secretariat shall inform the EB accordingly.

4.3. The EB shall examine the response proposal during its next ordinary meeting. If the Secretariat finds that the complaint necessitates immediate action, it shall convene an extraordinary meeting.

4.4. The EB shall decide whether it approves the proposed response, or another response is adopted, the Secretariat shall communicate the decision to the complainant within one week. If the EB needs more information before making its decision, it may refer back once to the Secretariat, which shall have two weeks to reformulate its response.

4.5. The Secretariat shall communicate the response to the complainant by the habitual means of communication and in writing, in English or French. The response must include the following elements:
   4.5.1. The response
   4.5.2. The reasoning
   4.5.3. Rights of appeal
   4.5.4. The time frames

4.6. The response is considered accepted if the complainant expressly accepts it or if they do not contest it within 30 days of communication of the response.

5. Implementation of the response:
   5.1. The response approved by the EB is implemented (monitoring measures, for example)
   5.2. If the implementation of the response resolves the dispute and following verification, the Secretariat may close the complaint and inform the EB accordingly.
   5.3. Despite implementation of the response, the problem may persist. If, following verification, the Secretariat realizes that the response has not resolved the problem, it shall propose that the EB revise the response.

6. If the EB decides to revise the response following the recommendation of the Secretariat (if the response is not accepted or following the procedure described under point 5.3 [complaint
unresolved)), it shall request that the Secretariat propose a new response. In this case, the secretariat shall follow the procedure described in point 3.

7. The complaint may be closed if
   7.1. it is referred to another mechanism and the Secretariat shall inform the complainant (habitual means of communication)
   7.2. If the complaint has been deemed non-eligible and the Secretariat shall inform the complainant accordingly (habitual means of communication)

8. Emergency procedure
   8.1. Following receipt of the complaint, the Secretariat may accelerate the complaint management procedure if respecting the time frames may lead to serious and irreparable losses and damage.
   8.2. The Secretariat shall inform the EB accordingly and present it with an emergency complaint management plan including time frames and potential mitigation measures.

9. If the complainant so requests, the complaint will be treated confidentially. In this case, the Secretariat informs the EB of the confidential nature of the request.
Annex 3 – Whistle-blower protection

It is the policy of CAFI that retaliation against individuals who have, in good faith, properly reported allegations of misconduct, or who have cooperated with a duly authorized audit or investigation, is strictly prohibited. Such retaliation violates the fundamental obligation of CAFI partners to uphold the highest standards of efficiency, competence and integrity as required under the Terms of Reference of Trust Fund and legal agreements. In order to protect whistle-blowers, the Secretariat informs the complainant of the process described in annex 2 of this Manual of Operations at the beginning of the process that he/she can request confidentiality that cannot be refused.

The CAFI website summarizes the whistle-blower protection mechanisms available at the implementing organizations and other members of the Executive Board.
Annex 4 – Zero tolerance for fraud and corruption
https://www.undp.org/content/dam/undp/documents/about/transparencydocs/UNDP_Anti-fraud_Policy_English_FINAL.pdf
Annex 5 – Program/project document templates

Available here (please request access to the CAFI Secretariat if needed)
https://drive.google.com/drive/folders/1YndKt5KEULfKU0hCkr9FkY6l99cczf5T?usp=sharing.

- Full document with budget tables
- Simplified document for feasibility studies and preparatory grants
Annex 6 - Reporting templates
Available here (please request access to the CAFI Secretariat if needed)
https://drive.google.com/drive/folders/1YndKt5KEULfKU0hCkr9FkY6i99cczf5T?usp=sharing.

- Annual and semi-annual report
- Provisional report (modified Annual Work Plan table)
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1. Introduction

This document presents the Assessment Tool that CAFI uses to evaluate an Implementing Partner’s approach to dealing with the possible environmental and social risks of projects. The Tool focuses on a Partner’s formal environmental and social safeguards policies, procedures and guidelines, along with an evaluation of the agency’s experience with implementation of the safeguards approach.

It should be noted that this Tool is the first step in a two-step environmental and social safeguards process, that aims to ensure that Implementing Partners have appropriate safeguard procedures in place, and that applications for project funding are adequately assessed. The steps are as follows:

**Step 1:** The Assessment Tool assesses an Implementing Partner’s safeguard framework and implementation practice against CAFI’s requirements.

**Step 2:** CAFI undertakes an annual safeguards performance reporting exercise to ensure that an Assessed Implementing Partner’s safeguards framework and implementation experience is meeting CAFI’s requirements.

This document presents the Step 1 Assessment Tool. Procedures for Step 2 are outlined in a separate document.

This document consists of five additional sections:

- Section 2 discusses how the Assessment Tool should be applied to different categories of Implementing Partner.
- Section 3 consists of a brief background to the Assessment Tool for Standard Implementing Partners.
- Section 4 presents Part I of the Assessment Tool, which focuses on the approach that CAFI will take to assess a proposed Standard Implementing Partner’s formal safeguards policies and procedures.
- Section 5 presents Part II of the Assessment Tool, which focuses on the approach that CAFI will take to assess a proposed Standard Implementing Partner’s experience with implementation of its environmental and social safeguards procedures.
- Section 6 presents guidance for the CAFI Secretariat on the roles and procedures required to implement the Assessment Tool.
2. Implementing Partner Status: Standard vs Fast Track

The Assessment Tool applies to all Implementing Partners, whether existing or proposed. The Tool is structured to distinguish between two different types of Implementing Partner: Standard, and Fast Track.

2.1 Standard

These are Implementing Partners that are not accredited with either the GCF, GEF, Adaptation Fund, or the Directorate-General Development and Cooperation – EuropeAid of the European Commission (EU DEVCO). These Partners will need to follow the assessment procedure as outlined in Section 4 and Section 5.

2.2 Fast Track

These are Implementing Partners that are accredited with one or more of the GCF, GEF, Adaptation Fund, or EU-DEVCO. These Partners will not need to undertake the assessment procedure as outlined in Section 4 and Section 5. However, potential Fast Track Implementing Partners will need to provide CAFI with the following information:

(i) A letter of confirmation from the relevant funding source/s mentioned above, as to the current status of accreditation;

(ii) With regard to the funding source that the Implementing Partner is accredited to ... an indication of the timing of the next re-accreditation, and a commitment to provide CAFI with re-accreditation documentation;

(iii) An indication of the Implementing Partner’s safeguard implementation record, as presented to one or more of the funding sources indicated above, during either initial accreditation or re-accreditation; and,

(iv) An indication of the conditions or limitations placed on the Implementing Partner by the funding sources to which it is accredited.

With regard to point (iv), the conditions placed on the Implementing Partner by its accredited funding source will be reflected in the Assessment Agreement between CAFI and the Partner.
3. **Background to the Assessment Tool for Standard Implementing Partners**

The purpose of the Assessment Tool for Standard Implementing Partners is to provide an approach that will enable CAFI to ensure that the Partners meet best practice environmental and social safeguard requirements. Because CAFI is a programme managed by UNDP, the Assessment Tool is based on the requirements of UNDP’s Social and Environmental Standards (SES).

The Assessment Tool evaluates two aspects of an Implementing Partner’s eligibility to receive funds from CAFI. The first aspect is the agency’s environmental and social safeguards framework ... meaning the formal written set of policies and procedures that outline how a potential Implementing Partner currently goes about ensuring that the risks associated with its own projects and programmes are adequately identified, assessed, mitigated, and managed. The second aspect that needs to be integrated into the Assessment Tool is a method for reviewing an agency’s experience with the implementation of its safeguards framework.

The Assessment Tool is guided by the following principles:

a. **Impartiality**: All agencies are assessed in a balanced and unbiased manner. CAFI Secretariat safeguards officer will undertake the assessment of a potential Implementing Partner’s eligibility to receive funds from CAFI. The assessment will be based on the evidence provided by applicants in Sections 4.3 to 4.6, and Section 5 of this Tool. Additional experts may be contracted who will be chosen based on their experience with the implementation of environmental and social safeguard frameworks, and their judgments will be provided to applicants as a basis for discussion on the content of required gap filling measures.

b. **Transparency**: The assessment process will be carried out in a transparent manner, with clear communication, timely responses to queries, and – to the extent feasible – based on public and easily accessible evidence, with due protection of information shared in confidence.

c. **Reasonable assurance of effectiveness**: The assessment considers an Implementing Partner’s relevant policies, procedures, guidelines, and systems, and evidence of their effective implementation. With respect to implementation, the assessment seeks reasonable assurance of effectiveness based on a sample of implementation experience, rather than a comprehensive review of the Implementing Partner’s operations.

d. **Comparability**: The assessment aims to ascertain whether the Implementing Partner’s policies, procedures, and systems are comparable and equivalent to the set of assessment criteria presented in Section 4.

4.1 Structure of the Assessment Tool

The Assessment Tool is based on the sustainability framework model designed by the UN Environment Management Group in its UN Environmental and Social Sustainability Framework produced in 2012. This was followed by an “Interim Guide” in 2014. Together, this guidance indicates that there are five “minimum essential building blocks” that an agency’s environmental and social safeguards framework should have. These are: corporate commitment; performance/quality Standards; operational procedures; mechanisms for ensuring accountability and transparency; and monitoring, reporting, and evaluation systems. This ‘ideal-typical’ framework model is presented in Figure 1.

Each Implementing Partner is required to provide evidence that it has these elements in place. The evaluation criteria for each element are specified in the following sections.

4.2 Evaluation Criterion: Environmental and Social Policy

The Implementing Partner needs to provide evidence of corporate commitment to address environmental and social sustainability issues across all activities. This sets the basis for what the organization will be held accountable for. It drives operational procedures and review processes.
The relevant assessment question for the Implementing Partner is:

Does the Implementing Partner have an Environmental and Social Policy in place, that is consistent with UNDP’s SES?

4.3 Evaluation Criterion: Environmental and Social Performance Standards

The purpose of environmental and social standards is to further support implementation of an Implementing Partner’s commitments, as presented in its overall corporate environmental and social safeguards policy. Performance or quality standards define the criteria that must be met/achieved with respect to environmental and social sustainability. Typically, these would define the threshold values and/or benchmarks against which proposed projects or activities would be measured. Implementing Partners will need to demonstrate consistency with UNDP’s Social and Environmental Standards (SES).

The relevant assessment task for the Implementing Partner is:

Complete the Environmental and Social Principles and Standards table by addressing each of the review indicators

<table>
<thead>
<tr>
<th>Environmental and Social Principles and Standards</th>
<th>Implementing Partner’s relevant policy or procedure</th>
<th>Expert’s assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leave No One Behind</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Key objectives:</strong></td>
<td><strong>Review indicators:</strong></td>
<td></td>
</tr>
<tr>
<td>Support actions and decisions that improve the lives of poor, excluded and marginalized groups</td>
<td>▪ Measures in place to target the poor, marginalized and disadvantaged</td>
<td></td>
</tr>
<tr>
<td><strong>Human Rights</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Key objectives:</strong></td>
<td><strong>Review indicators:</strong></td>
<td></td>
</tr>
</tbody>
</table>
| Support universal respect for, and observance of, human rights and fundamental freedoms of all | ▪ Measures in place to uphold human rights principles of accountability and rule of law, participation and inclusion, and equality and non-discrimination  
  ▪ No activities undertaken that may contribute to violations of a State’s human rights obligations and the core international human rights treaties |                     |
<p>| <strong>Gender Equality and Women’s Empowerment</strong>      |                                                  |                     |</p>
<table>
<thead>
<tr>
<th>Environmental and Social Principles and Standards</th>
<th>Implementing Partner’s relevant policy or procedure</th>
<th>Expert’s assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key objectives:</strong></td>
<td><strong>Review indicators:</strong></td>
<td></td>
</tr>
</tbody>
</table>
| Promote gender equality and women’s empowerment | • Activities do not discriminate against women or girls or reinforce gender-based discrimination  
• Activities are designed in a gender responsive manner (e.g. address both women’s and men’s needs, interests and concerns)  
• Equitable access to opportunities, benefits, and resources  
• Meaningful and equitable participation of women and men | | |
| Address risks of gender-based violence and sexual exploitation, abuse, and harassment | • Protocols/measures in place to respond to and prevent GBV and SEAH  
• Confidential reporting processes in place  
• Codes of conduct adopted for project workers  
• Provision of training on prevention and response to GBV  
• Referrals for safe and confidential survivor assistance  
• Prompt investigation of allegations of GBV related to project activities | | |
| **Social and Environmental Assessment and Management** | **Key objectives:**                             | **Review indicators:** |
| **Key objectives:**                             | **Review indicators:**                          |                    |
| Potential social and environmental risks and impacts are identified, assessed, managed, and monitored | • Systematic process in place to identify, assess, mitigate and manage potential social and environmental risks and impacts  
• Assessment and management conducted in manner proportionate to significance of risks  
• Impact mitigation measures follow mitigation hierarchy  
• Mitigation measures monitored in manner proportionate to risks and corrective actions are taken as required | | |
<p>| <strong>Stakeholder Engagement</strong>                     | <strong>Key objectives:</strong>                             | <strong>Review indicators:</strong> |
| <strong>Key objectives:</strong>                             | <strong>Review indicators:</strong>                          |                    |</p>
<table>
<thead>
<tr>
<th>Environmental and Social Principles and Standards</th>
<th>Implementing Partner’s relevant policy or procedure</th>
<th>Expert’s assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote effective stakeholder engagement throughout the proposal-cycle</td>
<td>Stakeholders and engagement process identified</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stakeholders, in particular proposal-affected groups, involved in planning, implementation, monitoring</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vulnerable or disadvantaged groups identified and consulted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stakeholder views taken into account and considered in proposal design and implementation</td>
<td></td>
</tr>
<tr>
<td>Ensure stakeholders have access to relevant and timely information</td>
<td>Information on proposal opportunities and risks disclosed in timely, accessible, appropriate manner, language, form</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Environmental/social reviews and assessments disclosed</td>
<td></td>
</tr>
<tr>
<td>Ensure stakeholders may communicate proposal concerns</td>
<td>Stakeholders have access to effective grievance redress mechanism or process</td>
<td></td>
</tr>
<tr>
<td>Biodiversity and Sustainable Natural Resource Management</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Key objectives**

**Review indicators:**

<p>| Conserve biodiversity | Adverse impacts (direct and indirect) to natural resources, biodiversity, ecosystem services identified, assessed, mitigated and managed |  |
| Maintain and enhance benefits of ecosystem services | No conversion of natural forests  |  |
| | No measurable adverse impacts to critical habitats  |  |
| | Adverse impacts to other habitat types avoided, minimized and managed  |  |
| | No reduction in endangered species  |  |
| | No introduction of known invasive species  |  |
| Promote sustainable management of living natural resources (e.g. forestry, agriculture, livestock, fisheries) | Ensure sustainable resource management that protects biodiversity and ecosystem services  |  |
| | Appropriate industry-specific sustainable resource production/management practices applied, including credible certification systems where appropriate |  |</p>
<table>
<thead>
<tr>
<th>Environmental and Social Principles and Standards</th>
<th>Implementing Partner’s relevant policy or procedure</th>
<th>Expert’s assessment</th>
</tr>
</thead>
</table>
| ▪ Sustainable practices supported for small-scale producers  
  ▪ Equitable benefit sharing arrangements reached for utilization of genetic resources | | |
| Climate Change and Disaster Risks | | |
| **Key objectives:** | **Review indicators:** | |
| Ensure proposals are sensitive to climate change risks | | |
| ▪ Proposal components reviewed for sensitivity and vulnerability to potential climate change  
  ▪ Social and gender risks and differentiated impacts related to climate change addressed | | |
| Reduce proposal-related GHG emissions | | |
| ▪ Feasible alternatives considered and adopted for reducing proposal-related greenhouse gas emissions (GHGs) | | |
| Ensure proposals take account of disaster risks | | |
| ▪ Proposals are screened for disaster risk  
  ▪ Disaster risk management plans are in place | | |
| Community Health, Safety Security | | |
| **Key objectives:** | **Review indicators:** | |
| Avoid adverse health and safety impacts | | |
| ▪ Risks to communities and workers from construction and other interventions prevented or minimized and managed  
  ▪ Measures adopted to prevent or minimize health risks and spread of infectious disease | | |
<p>| Avoid risks of water-borne or other vector-borne diseases | | |
| ▪ Measures in place to identify and deal with risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health | | |
| Emergency preparedness plans developed | | |
| ▪ Emergency preparedness plans implemented and monitored in collaboration with stakeholders and relevant authorities, where relevant | | |</p>
<table>
<thead>
<tr>
<th>Environmental and Social Principles and Standards</th>
<th>Implementing Partner’s relevant policy or procedure</th>
<th>Expert’s assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide for adequate supervision of security personnel</td>
<td>• Any security arrangements to safeguard personnel or property are proportional and consistent with applicable national laws and good international industry practice</td>
<td></td>
</tr>
</tbody>
</table>
| Avoid threats of sexual violence and harassment | • Activities are designed to prevent and address potential exposure of project-affected people to GBV risks  
• Screening of personnel  
• Provision of training on prevention and response to GBV  
• Development of effective reporting and response protocols  
• Development of referrals for safe and confidential survivor assistance  
• Prompt investigation of allegations of GBV related to project activities | |

### Cultural Heritage

**Key objectives:**
- Review indicators:

**Protect, manage, and conserve cultural heritage**
- Cultural heritage protected from adverse risks and impacts  
- Qualified experts utilized for risk management and conservation  
- Chance find procedures in place

**Promote equitable benefit sharing from utilization of cultural heritage**
- Inform affected communities of rights and proceed only if good faith negotiations provide for fair and equitable benefit sharing

### Displacement and Resettlement

**Key objectives:**
- Review indicators:

**Avoid adverse impacts from land or resource acquisition or restrictions on land/resource use. Minimize adverse impacts where avoidance not possible**
- Measures in place to avoid, and where avoidance is not possible, minimize and mitigate physical or economic displacement from land or resource acquisition or restrictions on land or resource use  
- Any displacement activities carried out in fully participatory manner

**Recognize and respect the**
- No forced evictions, allowing evictions only in exceptional
<table>
<thead>
<tr>
<th>Environmental and Social Principles and Standards</th>
<th>Implementing Partner’s relevant policy or procedure</th>
<th>Expert’s assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>prohibition on forced evictions</td>
<td>circumstances meeting lawful criteria</td>
<td></td>
</tr>
<tr>
<td>Enhance or at least restore livelihoods of all displaced persons, and improve living standards of displaced poor and other displaced groups</td>
<td>▪ Livelihoods of any displaced persons enhanced or at least restored through compensation at full replacement costs and other assistance</td>
<td></td>
</tr>
</tbody>
</table>

**Indigenous Peoples**

**Key objectives:**

**Review indicators:**

- Recognize and foster full respect for indigenous peoples’ human rights
  - Indigenous peoples are clearly defined and identified
  - Indigenous peoples’ rights recognized and protected
  - No actions supported that violate indigenous peoples’ rights

- Ensure proposals designed in partnership with full, effective indigenous peoples’ participation, and securing FPIC where IP rights, lands, resources, territories of traditional livelihoods affected
  - Culturally appropriate meaningful participation undertaken for all activities that affect indigenous peoples
  - Free Prior and Informed Consent (FPIC) obtained for activities that affect the rights, interests, lands, resources, territories, traditional livelihoods of affected indigenous peoples
  - No relocation of indigenous peoples without FPIC and only after just and fair compensation, with option of return where possible

- Promote greater indigenous peoples’ control and management of developments affecting their lands and resource, aligning with their visions and priorities
  - Measures recognize indigenous peoples’ collective rights to own, use, develop, control lands, resources, territories they have traditionally owned, occupied, otherwise used or acquired

- Avoid adverse impacts, mitigate residual impacts, ensure just equitable benefits and
  - Adverse impacts on indigenous peoples are avoided, and where avoidance is not possible, minimized and mitigated
  - Measures in place to ensure equitable benefit sharing from
<table>
<thead>
<tr>
<th>Environmental and Social Principles and Standards</th>
<th>Implementing Partner’s relevant policy or procedure</th>
<th>Expert’s assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>opportunities in a culturally appropriate manner</td>
<td>proposal activities in culturally appropriate manner</td>
<td></td>
</tr>
<tr>
<td><strong>Labour and Working Conditions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Respect and promote workers’ rights</td>
<td>Measures in place to promote non-discrimination, equal opportunity and fair treatment of workers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No use of forced labour or child labour, consistent with relevant ILO conventions</td>
<td></td>
</tr>
<tr>
<td>Provide safe and healthy working conditions</td>
<td>Measures adopted to ensure healthy and safe working conditions</td>
<td></td>
</tr>
<tr>
<td>Respect the right to freedom of association</td>
<td>Measures in place to recognize the right to freedom of association and collective bargaining</td>
<td></td>
</tr>
<tr>
<td>Prevent child labour</td>
<td>Measures in place to define child labour and to ensure that projects do not use child labour</td>
<td></td>
</tr>
<tr>
<td>Eliminate all forms of forced labour</td>
<td>Measures in place to ensure that projects to not employ forced labour</td>
<td></td>
</tr>
<tr>
<td>Ensure that working conditions meet national regulatory requirements</td>
<td>National regulatory requirements for labour and working conditions outlined in project proposals</td>
<td></td>
</tr>
<tr>
<td><strong>Pollution Prevention and Resource Efficiency</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key objectives:</td>
<td>Review indicators:</td>
<td></td>
</tr>
<tr>
<td>Avoid/minimize adverse impacts on human health and environment from pollution</td>
<td>Measures in place to avoid, minimize and mitigate risks posed to human health and the environment from pollutants, wastes, and hazardous materials</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Integrated Pest Management (IPM) approaches utilized to reduce reliance on synthetic pesticides.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Least toxic effective pesticides utilized and pesticides handled per FAO Code of Conduct</td>
<td></td>
</tr>
<tr>
<td>Promote more sustainable use of</td>
<td>Feasible measures implemented to improve efficiency in</td>
<td></td>
</tr>
</tbody>
</table>
Environmental and Social Principles and Standards | Implementing Partner’s relevant policy or procedure | Expert’s assessment
--- | --- | ---
resources, incl energy, land and water | consumption of inputs (e.g. raw materials, energy, water)  - Use of water resources does not adversely impact others or sensitive ecosystems |  

4.4 Evaluation Criterion: Operational Procedures

Operational procedures are the specific processes used to implement the environmental and social standards. They are crucial because they define the framework within which environmental and social safeguard measures will be implemented, and they include the overall management structures needed for implementation. Specific procedures include management tools, templates, workflow management systems, project screening approaches, environmental and social assessment studies, and supporting technical guidance material.

For the identification and management of environmental and social risks/impacts, the fundamental operational procedures required are a screening and risk categorization procedure, and environmental and social assessment and management planning guidance.

The relevant assessment task for the Implementing Partner is:

Complete the Operational Procedures table by addressing each of the review indicators

<table>
<thead>
<tr>
<th>Operational Procedures</th>
<th>Implementing Partner’s relevant policy or procedure</th>
<th>Expert’s assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Screening and Risk Categorization</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Key objectives:</strong></td>
<td><strong>Review indicators:</strong></td>
<td></td>
</tr>
<tr>
<td>Screen projects for environmental and social risk</td>
<td>▪ Social and environmental risk screening procedure in place</td>
<td></td>
</tr>
<tr>
<td>Projects classified according to level of risk</td>
<td>▪ Projects and programs are classified based on the level and magnitude of potential risks and impacts, including considerations of:  - Direct, indirect, cumulative, and transboundary Environmental and Social Risks and potential Impacts, and the risks and impacts of Associated Facilities;  - (Physical, biological, socio-economic (including livelihoods), other social</td>
<td></td>
</tr>
<tr>
<td>Operational Procedures</td>
<td>Implementing Partner’s relevant policy or procedure</td>
<td>Expert’s assessment</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>(including on social organization, health and human safety), and cultural resources; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Applicable national and local laws as well as directly relevant provisions of international treaties and agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Risk categories designed on either a 4-point or 3-point significance scale</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental and Social Assessment</th>
<th>Review indicators:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key objectives:</td>
<td></td>
</tr>
<tr>
<td>Appropriate levels of environmental and social assessment undertaken</td>
<td></td>
</tr>
<tr>
<td>▪ Projects are assessed, designed and implemented consistent with the mitigation hierarchy</td>
<td></td>
</tr>
<tr>
<td>▪ Depending on the nature and scale of Environmental and Social Risks and potential Impacts identified, appropriate assessments are carried out</td>
<td></td>
</tr>
<tr>
<td>▪ Alternatives are assessed, including the no-action scenario</td>
<td></td>
</tr>
<tr>
<td>▪ Independent expertise is used in the assessment of Environmental and Social Risks and Impacts, where appropriate</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental and Social Management Planning</th>
<th>Review indicators:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key objectives:</td>
<td></td>
</tr>
<tr>
<td>Produce appropriate environmental and social management plans</td>
<td></td>
</tr>
<tr>
<td>▪ In response to the findings of the relevant environmental and social assessments, an appropriately-scaled and adequately budgeted management plan – such as an Environmental and Social Management Plan or another appropriate instrument – should be developed</td>
<td></td>
</tr>
<tr>
<td>▪ Environmental and social impact mitigation measures scaled to potential risks/impact and follow mitigation hierarchy</td>
<td></td>
</tr>
<tr>
<td>▪ Assessment completed and management measures/plans in place prior to construction/activities that may cause harm to people or the environment</td>
<td></td>
</tr>
</tbody>
</table>
4.5 Evaluation Criterion: Accountability and Transparency Measures

An Implementing Partner’s environmental and social safeguards framework needs to be supported by internal compliance and accountability oversight and incentives, including audits. The notion here is that an organisation should be held to account for complying with its own operational procedures and performance standards. Accountability should be thought of as being both internal (to internal stakeholders and governing bodies), as well as external (to donors, partners, the general public, and beneficiaries, etc.) and is usually facilitated/reinforced by/through regular engagement with key stakeholders.

An access to information policy and/or other public information mechanism needs to be designed, along with an independent evaluation and oversight mechanism. Internal and/or external complaints mechanisms and processes need to be in place.

The relevant assessment task for the Implementing Partner is:

Complete the Accountability and Transparency Measures table by addressing each of the review indicators

<table>
<thead>
<tr>
<th>Accountability and Transparency Measures</th>
<th>Implementing Partner’s relevant policy or procedure</th>
<th>Expert’s assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal Accountability and Oversight</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Key objectives:</strong></td>
<td><strong>Review indicators:</strong></td>
<td></td>
</tr>
</tbody>
</table>
| Undertake regular auditing of environmental and social performance | ▪ A corporate audit policy is in place  
▪ The audit policy is accompanied by an auditing procedures manual  
▪ Environmental and social performance indicators are based on commitments made in monitoring plans |                     |
| **Access to Information and Public Disclosure** |                                                  |                     |
| **Key objectives:**                      | **Review indicators:**                           |                     |
| Provide clear methods for public access to environmental and social performance information | ▪ An Access to Information policy is in place  
▪ Stakeholders have access to timely, relevant and understandable information about project activities, and clear procedures to request information. |                     |
4.6 Monitoring, Reporting and Evaluation Systems

Monitoring and reporting on results of actions taken to address environmental and social sustainability considerations are an important part of ensuring accountability and transparency. For an environmental and social safeguards framework to operate effectively, an Implementing Partner needs to have a monitoring, reporting and evaluation system in place that includes clear and measurable environmental and social sustainability targets and indicators.

The relevant assessment task for the Implementing Partner is:

Complete the Monitoring, Reporting and Evaluation Systems table by addressing each of the review indicators

<table>
<thead>
<tr>
<th>Monitoring, Reporting and Evaluation Systems</th>
<th>Implementing Partner’s relevant policy or procedure</th>
<th>Expert’s assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key objectives: Review indicators:
<table>
<thead>
<tr>
<th>Monitoring, Reporting and Evaluation Systems</th>
<th>Implementing Partner’s relevant policy or procedure</th>
<th>Expert’s assessment</th>
</tr>
</thead>
</table>
| Undertake regular monitoring of environmental and social performance | - Regular monitoring of environmental and social performance against indicators based on commitments made in monitoring plans  
- Environmental and social performance monitoring plans are part of management plans | |
| Reporting | | |
| Key objectives: | Review indicators: | |
| Provide regular reports on environmental and social performance | - Publicly available monitoring reports produced on a regular basis | |
| Independent Evaluation and Oversight Mechanism | | |
| Key objectives: | Review indicators: | |
| Provide for independent evaluation of environmental and social performance | - Project evaluation procedures are in place  
- End-of-project evaluation takes place for every project  
- Mid-term evaluation takes place for moderate and high risk projects | |
5. Assessment Tool as Applied to Standard Implementing Partners, Part II: Reviewing a Partner’s Experience with the Implementation of its Safeguards Framework

As part of the overall CAFI assessment, the Implementing Partner is required to show evidence of effective implementation of its environmental and social safeguards framework. In general, “track record” evidence includes providing actual project documents at the project preparation and approval stages, and during project implementation, which would demonstrate compliance with the Implementing Partner’s environmental and social framework, along with use of relevant systems/procedures, and would provide evidence of organisational competence to undertake/oversee/integrate these requirements. Specific evidentiary requirements are listed in the following table.

<table>
<thead>
<tr>
<th>Evidentiary Requirement</th>
<th>Detail</th>
<th>Link to Implementing Partner Evidence</th>
<th>Expert’s assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Design Document</td>
<td>▪ Evidence provided from three Project Design Documents, showing how environmental and social risks have been dealt with at the design stage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project impact assessment</td>
<td>▪ Evidence provided from three projects of environmental and social impact assessment studies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>document</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project management plan</td>
<td>▪ Evidence provided from three projects of environmental and social management plan documents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project monitoring report</td>
<td>▪ Provision of environmental and social monitoring reports from three projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-term and final evaluation</td>
<td>▪ Mid-term or final evaluations from three projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate organogram</td>
<td>▪ Organisational chart that identifies key units, departments, senior and line management personnel who are responsible for implementing the safeguards framework, along with their authority and reporting lines</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staffing</td>
<td>▪ Evidence of adequate technical staff with direct responsibility for the the safeguards procedure as applied to projects/programmes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grievance log</td>
<td>▪ Provision of grievance logs from the grievance redress or complaints mechanisms of three projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safeguard budget</td>
<td>▪ Evidence of budget allocations for environmental and social safeguards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safeguard Training programmes</td>
<td>▪ Description of training and development programs for E&amp;S and other relevant staff</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. Roles and Procedures Required to Implement the Assessment Tool

The CAFI Secretariat is responsible for overseeing the implementation of the Assessment Tool. Relevant roles and procedures are outlined here:

1. **Agencies’ self-assessment**: Potential Implementing Partners compile evidence of their compliance and submit such evidence to the CAFI Secretariat.

2. **CAFI Secretariat’s screening**: The CAFI Secretariat screens the evidence provided by the potential Implementing Partners for clarity, completeness, and relevance. The Secretariat requests potential Partners to amend or complement their submissions to enable a complete assessment, if necessary.

3. **Expert assessment**: CAFI’s safeguards specialist will assess whether potential Implementing Partners meet the requirements of the Assessment Tool. Should the expert assessment find that a potential Implementing Partner does not meet one or more of the requirements, the expert or experts may make recommendations on how the Partner could achieve compliance.

4. **Preparation of plans for dealing with safeguard gaps as part of the Assurance Plan**: If the assessment finds that a potential Implementing Partner does not meet one or more of the assessment requirements, the Partner develops and submits to the CAFI Secretariat a concrete, time-bound plan to achieve compliance, taking into account any expert recommendations. Should a potential Implementing Partner be required to present a time-bound plan, the Partner would be reassessed against the relevant assessment requirements, at a later date consistent with the agreed plan.

5. **Report to the Executive Board**: The CAFI Secretariat prepares, for Executive Board review and decision, a report on the findings of the assessment, including any potential Implementing Partner plans.

It should be noted that these five steps should be integrated into the Assurance Plan for INGO access modalities, as outlined in sub-section 3 (“Assurance plan”) under Section 3.2 of the Manual of Operations.
Annex 7A: Quality Assurance Framework for Approved INGO Implementing Partners

1. Introduction

Once an Implementing Partner has been positively assessed (phase I) and has an Assurance Plan (including section on safeguards) in place, then transfers of funds can be made, and projects can begin implementation. It is at this point that CAFI will introduce a QA approach to track the performance of funded projects against the environmental and social criteria specified in the Assessment Tool.

CAFI has an existing reporting, monitoring, and evaluation requirement as outlined in Section 10.3 of the CAFI ToR, which requires Implementing Partners to provide annual evidence based reports for each programme approved for funding.¹⁰ Section 4.1 of the Manual of Operations elaborates on this, stating that Implementing Organizations will need to report on safeguards.¹¹

To ensure that ‘approved’ Implementing Partners comply with CAFI’s policies and procedures, an annual safeguards performance reporting template has been developed to be integrated with the reporting requirements specified in Section 10.3 of the ToR, and Section 4.1 of the Manual of Operations. This template is based on the the environmental and social criteria specified in the assessment tool, in line with UNDP SES.

In addition to safeguards quality assurance due diligence taking place on a yearly basis at the level of funded projects and programmes, QA will also be undertaken at an institutional level every 5 years. This will aim to address any changes and/or updates to environmental and social standards and overall frameworks of Implementing Partners during the course of engagement with CAFI. As a consequence, it may be necessary to undertake occasional reassessment exercises. The annual safeguards performance reporting template will allow Implementing Partners to self-report any such changes, and a course of action will be agreed with CAFI.

Guidance for CAFI on roles and procedures for the implementation of the QA framework

6. Implementing Partner reporting: Based on the safeguard assurance plan agreed with CAFI, potential implementing partner complete the Annual Safeguards Performance Reporting template, with evidence of compliance, and submit to the CAFI Secretariat.

7. CAFI Secretariat’s review: The CAFI Secretariat reviews the reporting template provided by the Implementing Partner for clarity, completeness, and relevance. The Secretariat requests Implementing Partner to amend or complement their submissions to enable a complete assessment, if necessary.

¹⁰ Section 10.3 of CAFI ToR: “For each programme approved for funding, each Implementing Organization will provide the Secretariat and the Administrative Agent with narrative progress reports and financial annual statements, as agreed upon in the legal agreements signed with the Administrative Agent. The annual and final reports will be results and evidence based. The reports will give a summary of results and achievements compared to the expected result in the programme document.”

¹¹ Section 4.1 of CAFI Manual of Operations: “The Secretariat regularly reaches out to implementing organizations on whether any cases / investigations on fraud, misuse of funds, corruption, sexual exploitation, abuse and harassment, the Cancun safeguards or any other issues raised by the complaints management systems of the implementing organizations are ongoing and how they have been dealt with so far. This communication from the safeguards officer to implementing organizations on this subject will happen every three months, with information shared with the EB two weeks before an EB call. This ensures the EB is kept up to date on any issues that have been raised, and how they have been addressed, by implementing agencies every three months.”
8. **Corrective action**: If, as a consequence of its review, the CAFI Secretariat determines that the Implementing Partner’s project(s) are not in compliance with CAFI’s safeguard requirements, the Implementing Partner will be required to complete a corrective action plan, and submit to the Secretariat within one month of receiving a corrective action notice.

2. **Annual Safeguards Performance Reporting Template**

This Annual Performance Reporting template should be completed by the Implementing Partner. It will be assessed by the CAFI Secretariat, and returned to the Partner with questions and comments for clarifications, as needed.

<table>
<thead>
<tr>
<th>1. GENERAL INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing Partner</td>
</tr>
<tr>
<td>Project Number:</td>
</tr>
<tr>
<td>Date of Board approval</td>
</tr>
<tr>
<td>Focal Point of the Accredited Entity for this Project:</td>
</tr>
<tr>
<td>Current year of Implementation:</td>
</tr>
<tr>
<td>Date of Submission of the Report:</td>
</tr>
<tr>
<td>Annual Reporting period covered in this report:</td>
</tr>
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<table>
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<tr>
<th>2. IMPLEMENTING ORGANISATION SAFEGUARDS FRAMEWORK</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Please provide a brief overview of your organisation’s safeguard framework and results of the assessment, including any identified gaps and/or agreed measures to address gaps;</td>
</tr>
<tr>
<td>(2) If applicable, please mention any change and/or update made to the environmental and social standards and/or overall framework during the course of engagement with CAFI. Please indicate if this would likely require a reassessment of your organisation’s framework by CAFI.</td>
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<tr>
<th>3. IMPLEMENTATION OF ENVIRONMENTAL AND SOCIAL SAFEGUARDS</th>
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<tbody>
<tr>
<td>Please provide Project or Programme information on the following: (1) key risks and impacts as identified; (2) compliance with applicable laws and regulations including any conditions agreed in the Assurance Plan; and (3) progress in the implementation of environmental and social management plans and programs including monitoring activities undertaken during the implementation of the funded activity.</td>
</tr>
<tr>
<td>(1) The information includes description on any changes in the key environmental and social risks and impacts as identified and arising from the implementation including any unanticipated risks and impacts (ex. from changes in laws and regulations) and, based on these if any change in the Project’s environmental and social risk category. In case of a change in the E&amp;S risk category for the Project, please provide an explanation.</td>
</tr>
<tr>
<td>(2) The information should include status of compliance with applicable laws and regulations of the country as well as the</td>
</tr>
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</table>

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relevant conditions or covenants in the financing agreement with CAFI. This can be captured in the table below:

<table>
<thead>
<tr>
<th>Applicable laws and regulations/ conditions</th>
<th>Status of compliance</th>
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</table>

(3) Provide a report on the progress made in implementing environmental and social management plans (ESMPs) and frameworks (ESMFs), or equivalents, describing achievements, and specifying details outlined in the tables below.

<table>
<thead>
<tr>
<th>(i) activities implemented during the reporting period, including monitoring</th>
<th>(ii) outputs during the reporting period</th>
<th>(iii) key environmental, social and gender issues, risks and impacts addressed during implementation</th>
<th>(iv) any pending key environmental, social and gender issues needing attention</th>
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Additionally, include a description of the actions undertaken towards increasing the relevant stakeholders’ engagement in the Project environmental, social and gender elements, and a list on the grievances received in the reporting period that will include at least the description of the grievance, the date the grievance was received, and the resolution of the grievance.

Implementation of any agreed stakeholder engagement plan:

<table>
<thead>
<tr>
<th>(i) activities implemented during the reporting period</th>
<th>(ii) dates and venues of engagement activities</th>
<th>(iii) information shared with stakeholders</th>
<th>(iv) outputs including issues addressed during the reporting period</th>
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Implementation of any agreed grievance redress mechanism

<table>
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<tr>
<th>(i) description of issues/complaints received during the reporting period</th>
<th>(ii) status of addressing issues/complaints</th>
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</table>
4. PLANNED ACTIVITIES ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS

Please describe any planned activities