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## CAFI Executive Board Decision “Regional” – Project “CAFI INVEST” implemented by Catalytic Finance Foundation

Adopted at EB25 on 5 December 2024  
EB.2024.43

### Considering:

- Decision [EB.2023.24](#) approving the [CAFI Private Sector Investment Framework](#) (2023/09);
- Decision [EB.2024.01](#) clarifying investment criteria for private sector full project proposals;
- The [Call for Expressions of Interest](#) for Capital Acceleration Providers (2024/02/CAP) launched by the CAFI Secretariat on 4 July 2024, selecting implementing organisation to identify new partnerships and innovative blended finance solutions to guide private sector investments toward CAFI’s goals;
- The Expression of Interest received on 2 August 2024 by Catalytic Finance Foundation;
- The review and recommendation provided by the UN technical review committee composed of experts from UNDP, UNOPS and UNCDF, as well as members from the CAFI Secretariat;
- Decision [EB.2024.32](#) requesting the development of a project document by Catalytic Finance Foundation by 11 October 2024 for an initial ambition of US \$100M including US \$10M in funding from the CAFI MPTF;
- Decision [EB.2024.33](#) on the independent verification of projects;
- CAFI’s [Monitoring and Evaluation and Guidelines](#) which include standard indicators for AFOLU projects and their [Spatial Reporting Guidelines](#);
- *CAFI Private Sector Facility Guidelines for Project Development*, including specific *Guidelines for Estimating Ex-ante the GHG Reduction of Investments in Project Documents* and the associated excel based GHG emission reduction calculation tool.
- The submission of a complete project document by Catalytic Foundation on 1 November 2024 for a total budget requested from CAFI of US \$10,000,000.
- Decision EB.2024.42 approving the Private Sector Project Document Assessment Criteria *and Performance-based funding allocation process*

## **The Executive Board:**

1. Thanks Catalytic Finance Foundation (referred here as “implementing organisation”) for submitting the project proposal;
2. Asks the implementing organisation to resubmit the project document by Saturday 7 December 2024 at 16:00 with the following changes:
  - a) Submission of a revised budget eliminating indirect costs and capping direct operating costs of the implementing organization at maximum 10%,
  - b) Clarification that the name “CAFI invest” is tentative and may be revised by the program Steering committee based on a branding analysis to be done by the implementing organization,
  - c) Clarification on who owns the equity invested,
  - d) Develop two co-financing scenarios providing, for each, the prioritization of funding across windows with a priority to window 2 in lower co-financing scenario,
  - e) Specify that there will be flexibility in ticket sizes for window 2 investments,
  - f) Specify that there will be detailed mapping of the potential pipeline under window 2,
  - g) As to window 3, specify that there will be a dedicated process to structure resource mobilisation, co-finance and mapping of existing funds before final decisions are made on set-up,
  - h) Propose the establishment of an interim Steering committee of donors, private sector and philanthropies,
  - i) Specify that the permanent governance and decision-making arrangements will be decided by the interim Steering committee unanimously,
  - j) Clarify that when assessing potential investments, the implementing organisation will refrain from considering revenues from REDD+ carbon markets until CAFI adopts a policy on carbon market investments,
  - k) Specify the provisions and conditions for closing investment windows,
  - l) Any additional comments that will be shared by CAFI Board members by 5 December 2024.
3. Decides that the independent verifications referred to in the Preamble of this decision will inform CAFI’s decisions regarding the possible expansion of this project. The amount of this possible expansion will be determined by the volume of results verified in the first verification and the level of payment per unit of results established in the above-mentioned verification methodology;
4. Decides that the second disbursement will be made with the following conditions:
  - a) The validation of the performance-based payment methodology by an independent verification body selected by CAFI is achieved;
  - b) Approval of an amendment to the project document to include the performance-based payment methodology is obtained;

- c) At least 1 investment in at least 2 windows demonstrating full compliance is made, with the CAFI guidance on private sector investments and Guidelines on PES where relevant.