



CAFI Executive Board Decision

Access to Sustainable Trade Initiative (IDH) to CAFI Fund and approval of preparatory grant

Adopted by email on 27.11.2024

EB.2024.41

Considering:

- Decision [EB.2023.12](#) approving the launch of the Regional Private Sector Window.
- Decision [EB.2023.24](#) approving launch of the Call for Expressions of Interest for the Regional Private Sector Facility dated 14 September 2023 (2023/09/private).
- Decision [EB.2024.01](#) inviting IDH to develop a project document for the project “Shaping deforestation-free agricultural value chains in the Congo Basin region by establishing an Investment Development Hub, Catalytic Seed Capital and Finance Network” with a detailed budget of USD 55 million, including USD 25 million from CAFI and 35 million in co-financing for a period of 3 to 5 years; and to submit a 500,000 USD preparation grant request for consideration by the Secretariat.
- The provisions established in CAFI’s Manual of Operations regarding access to the trust fund (Section II) specifically the requirements on HACT and SEAH assessments, which also required by MPTFO’s Policy for “Engaging NGOs, Civil Society and others as fund recipients - NUNO Direct Access”, and the requirements on Social and Environmental Safeguards.
- HACT and SEAH Assessments performed by BDO on 15 August 2024, with registered results of Low Risk for the HACT Micro-assessment, and 6/8 Compliance for the SEAH Assessment, achieving in both the passing marks.
- The risk assessment review issued by MPTFO on 15 October 2024 regarding the HACT Micro-Assessment and audit findings, recommending the CAFI Fund Secretariat to follow up with the NUNO on the HACT findings which the NUNO management agreed to revise and incorporate.
- The preparatory grant document submitted by IDH on 27 August 2024.

The Executive Board,

1. Acknowledges and congratulates the Sustainable Trade Initiative (IDH), (referred here as “implementing organization”) on the completion of the HACT (with result as Low Risk) and SEAH assessments (with result scoring as 6 out of 8), achieving in both the defined eligible result ratings, and performed by BDO as commissioned by the Executive Board.



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2. Grants the access to the CAFI Fund as recipient and implementing organization for both preparatory grants and regular programs/projects.
3. Requests the CAFI Secretariat to work with the implementing organization on the Quality Assurance plan to incorporate the provisions in the Manual of Operations related to HACT, SEAH and SES, which the implementing organization is requested to report on accordingly.
4. Requests IDH to keep the CAFI Secretariat informed on the implementation of the HACT-Audit recommendations.
5. Thanks, the implementing organisation for the submission of a preparatory grant.
6. Approves the preparatory grant for an amount of 499,542 USD, to be used over a period of 8 months, starting from the date of first transfer to the implementing organization.
7. Reiterates that the present decision does not represent a funding allocation decision for the full project. Any funding beyond the preparatory grant will be approved based on the submission of a project document and according to the Terms of Reference of the Trust Fund. When making funding allocations for full projects and programmes, the Executive Board will focus strongly on impact in terms of emission reductions and job creation. Unless the proposals can demonstrate high levels of expected impact, they will not receive CAFI funding. In addition, long-term commercial viability and the level of co-financing will be important.
8. Request that IDH carry out an assessment of lessons learned from past and ongoing IDH projects in Africa to be presented as part of the full PRODOC submission. The CAFI Board will validate the terms of references and deliverables of this assessment.
9. Requests that the feasibility studies supported by this preparatory grant focus on value chains that contribute to deforestation.
10. Recalls that, while respecting its rules and regulations, the implementing organization commits to apply zero tolerance towards fraud, corruption, sexual exploitation and abuse; to protect whistleblowers; to inform the public; to promote gender equality and social inclusion; and to use appropriate complaint mechanisms. In addition, the implementing organization commits to carefully managing all other contextual and programmatic risks identified by the Board and should act proactively in reporting these risks to CAFI's Multi-Partner Trust Fund Office, in accordance with the Terms of Reference of CAFI's Trust Fund.
11. Recalls that feasibility studies and the design of projects and programmes should place strong emphasis on (i) gender inclusion, including in terms of sex-disaggregated data, (ii) human rights and non-discrimination, (iii) conflict prevention and resolution, in particular with regard to land tenure, (iv) monitoring and learning, while ensuring strong alignment with the CAFI results framework, (v) analysis of the link with forest conservation, (vi) analysis of opportunities for scale-up and means to achieve them, (vii) analysis of risks of corruption and conflicts of interest, as well as the stakeholders likely to gain or lose as a result of the initiative, (viii) the use – to the extent possible – of local references and analysis with respect to potential beneficiaries, market opportunities and income opportunities for smallholders



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and economic viability, limitations and risks; (ix) clear integration and interlinkages between the various interventions proposed; (x) a clear exit/sustainability strategy; (xi) a robust analysis and management of risks.

12. Recalls that the implementing organization will have to report on indicators of CAFI's results framework in accordance with CAFI guidelines and templates, as well as information on how their activities are addressing and respecting CAFI social and environmental safeguards.
13. Reminds the implementing organization of its reporting obligations under the current CAFI Operations Manual, in terms of both narrative and financial reports.
14. Instructs the CAFI Secretariat to sign the project documents on its behalf.