



CAFI Executive Board Decision

“Regional” – Approval of the project “PRO-CONGO: Catalytic Private Sector Investment in Congo Basin Natural Capital” implemented by UNEP and UNCDF

Adopted by email on 11.02.2025
EB.2025.03

Considering:

- Decision [EB.2023.12](#) approving the launch of the Regional Private Sector Window;
- Decision [EB.2023.24](#) approving the Call for Expressions of Interest for the Private Sector Facility and the [CAFI Private Sector Investment Framework](#) (2023/09);
- The Call for expression of interest (2023/01/CMR) which was launched on 19 September 2023, widely advertised and for which an information session was held online on 12 June 2023;
- The expressions of interest received from UNEP and UNCDF ;
- The technical analysis report of the expressions of interest prepared by the Secretariat and its recommendations.
- Decision [EB.2023.34](#) adopted in November 2023 inviting UNEP and UNCDF to develop a project document for “Private Sector Nature-Based Solutions in Central Africa ” with a budget of up to US\$ 30 million for a period of 5 years.
- Decision [EB.2024.01](#) clarifying investment criteria for private sector full project proposals;
- Decision [EB.2024.13](#) on taking into account the track records of implementing organisations on reporting compliance to inform project approvals, and UNCDF compliance to such requirements;
- 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 UNEP and UNCDF on September 22nd for a total budget requested from CAFI of \$42,774,665 USD.

- Decision [EB.2024.42](#) approving the Private Sector Project Document Assessment Criteria and Performance-based funding allocation process.
- The submission of a complete revised project document by UNEP and UNCDF on January 27th for a total budget of \$29,568,320.

The Executive Board:

1. Thanks UNEP and UNCDF (referred here as “implementing organizations”) for submitting the project proposal.
2. Approves the project document for a limited amount of \$14,996,738, to be used over a period of 48 months, starting from the date of first transfer to the implementing organization.
3. Requests that the total amount will be disbursed in tranches as follows: the disbursements are conditional and subject to the following conditions:
 - a) *Tranche 1 of 12,000,000 USD,*
 - b) *Tranche 2 of 2,996,738, USD, with the following conditions:*
 - i. Achieve the validation of the performance-based payment methodology by an independent verification body selected by CAFI;
4. Signals to the implementing organisation that, in accordance with the *performance-based funding allocation approach* adopted in Decision [EB.2024.42](#), CAFI may invite the implementing organisation to submit an amended project document increasing funding based on results achieved.
5. Decides that the implementing organisations will have to meet the following conditions before the CAFI EB invites them to submit a project amendment:
 - a) Mobilise co-financing;
 - b) Make at least 4 investments in bankable companies within the target sectors demonstrating full compliance with the CAFI guidance on private sector investments;
 - c) Report on the effective leverage ratios from the first investments under outcome 4;
 - d) Demonstrate an additional viable pipeline of bankable companies within the target sectors demonstrating full compliance with the CAFI guidance on private sector investments.
6. Decides that the independent verifications referred in paragraph 10-17 below will inform CAFI’s decisions regarding the possible amendment of this projects to increase funding. The amount of funding that could be added to the project budget through such an amendment will be determined by the amount of results verified through the independent verification of project results and the level of payment per unit of results established in the independent verification methodology for a total amount funded by CAFI of up to \$29,568,320 and conditional to the availability of funding.
7. 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 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 (incl. land tenure and fire).

8. 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 and [CAFI's Risk Management Strategy](#)
9. Recalls that the implementing organizations will have to report on progress towards the indicators of CAFI's results framework in accordance with CAFI policies, guidelines and templates. In addition, the implementing organization will have to provide CAFI with all reports and data (raw and analysed) from household's surveys and other field studies including spatial information (i.e. GPS coordinates), as well as information on how its activities address and respect CAFI social and environmental safeguards requirements.
10. Recalls that as per Decision [EB.2024.33](#) this project will be subject to periodic independent verification of a sample of the results reported. The cost of independent verifications will be borne by CAFI.
11. Stresses that this verification is intended to guarantee the accuracy and quality of the results reported and to ensure the overall integrity of the project monitoring and evaluation system, and hence of CAFI, to identify opportunities for improvement and to make the chain of stakeholders responsible for results fulfilment more accountable.
12. Decides that these verifications will be carried out in accordance with a methodology defined between CAFI, the implementing organisations and an independent auditor. This methodology will take into account ISO 14064 standards and include at a minimum: performance indicator(s), methodology for monitoring, reporting and verifying the results, the periodicity of verification and the recommended level of payment per unit of results.
13. Recalls that the project results framework will be revised based on this verification methodology, during the first 6 months following the start of the project.
14. Instructs the CAFI Secretariat to prepare a schedule for carrying out these independent verifications in discussion with the implementing organisations.
15. Instructs the Secretariat of CAFI to commission and instruct these independent verifications.
16. Requests implementing organisations to include these requirements in the monitoring and evaluation section of an amended project document for approval within 6 months of first disbursement.

17. Requests implementing organisations to anticipate and facilitate the conduct of these verifications by the independent verifier. This includes, in particular, making information available, answering questions raised, supporting verifications in the field, etc.
18. Emphasises that, in accordance with decision EB.2023.21, an analysis of compliance with social and environmental safeguards will be carried out jointly, also commissioned by CAFI.
19. Reminds the implementing organisations of their reporting obligations under the current CAFI Operations Manual, in terms of both narrative and financial reports.
20. Instructs the CAFI Secretariat to sign the project document on its behalf.