

# **CAFI Executive Board Decision**

# Selection of Implementing Organizations for the development of PES projects in the framework of the Kinshasa Supply Basin PES Programme in the DRC

## Adopted during the 26<sup>th</sup> Executive Board Meeting on 25.06.2025 EB.2025.27

## **Considering:**

- The <u>CAFI Declaration</u> and the persisting challenge of forest loss and food security in the Democratic Republic of Congo (DRC).
- The DRC <u>National REDD+ Framework Strategy</u> and the <u>DRC-CAFI 2021-2031 Letter of Intent</u>, which both state that payment for environmental services (PES) are "the heart of the incentive system for REDD+ in the DRC".
- The National roadmap for the deployment of PES in the DRC developed during the International interministerial conference on the deployment of PES in Central Africa, which was held in Kinshasa on 27-29 January 2025.
- The shared willing of CAFI and the DRC Government to initiate a new project financing mechanism based on verified performance and to inform the development of an ambitious portfolio of sustainable land management projects fully integrating the new PES approach and tools.
- The <u>mandate</u> received from the DRC Government to develop a PES Programme for the Kinshasa supply basin.
- Decision <u>EB.2025.20</u> adopted by email on 12.05.2025 for the launch of the Call for Expression of Interest 2025/01/DRC for the selection of implementing organisations for the formulation of projects within the Kinshasa Supply Basin Payments for Environmental Services (PES) Program (PROBAK) in the DRC.
- The Expressions of Interest received on 4 June 2025.
- The opportunity to study and document the impact of PES on (i) reducing deforestation, (ii) agricultural productivity and (iii) income generation and job creation.
- The ongoing land tenure conflicts in the western DRC, and the need to secure, as much as possible, investments made in the form of PES.

### The CAFI Executive Board:

- 1. <u>Approves</u> the selection of (i) the *Commun Fund for Commodities* (CFC), (ii) *Enabel* (the Belgian Development Agency), (iii) the *World Wide Fund for Nature* (WWF) and (iv) *One Acre Fund* (OAF) as implementing organisations for the formulation of projects within the Kinshasa Supply Basin PES Program in the DRC.
- 2. Requests the CFC to develop a project document for an amount of up to 15 MUSD (fifteen million US dollars).
- 3. <u>Requests</u> *Enabel* to develop a project document considering two budget proposals, one for 15 MUSD (fifteen million US dollars) and the other for 25 MUSD (twenty-five million US dollars).
- 4. Requests WWF to develop a project document considering two budget proposals, one for 15 MUSD (fifteen million US dollars) and the other for 25 MUSD (twenty-five million US dollars).
- 5. Requests *OAF* to develop a project document, following orientations that will be provided by the CAFI Secretariat, for an amount of up to 12 MUSD (twelve million US dollars).
- 6. Approves the selection of *J-PAL* (Abdul Latif Jameel Poverty Action Lab a specialized and recognized research partner) to design experimental action research (i.e. Randomized Controlled Trial) in parallel of the PROBAK projects formulation to optimize the effectiveness of PES based on local dynamics; the objective should be to test different combinations of financial incentives and assess their impact on (i) reducing deforestation, (ii) agricultural productivity and (iii) income generation and job creation.
- 7. Requests UNOPS to provide financial support for an amount up to 300,000 USD to *J-PAL* to carry out the above-mentioned activities through a preliminary pilot study, in line with the requirements and procedures of the UNOPS regional technical assistance facility project approved by CAFI. Based on the pilot study, a decision to develop a full RCT proposal will be presented to the EB.
- 8. <u>Approves</u> the selection of *Interpeace* (a specialized and recognized partner for peacebuilding) to develop a cross-cutting support component for all PROBAK projects contributing to prevent and resolve conflicts beyond local levels (e.g., at provincial or national levels).
- 9. Requests UNOPS to provide financial support for an amount up to 1 million USD to Interpeace to carry out the above-mentioned activities in line with the requirements and procedures of the UNOPS regional technical assistance facility project approved by CAFI.
- 10. <u>Requests</u> that the Secretariat works together with *J-PAL*, *Interpeace* and *UNOPS* to prepare terms of references for the above-mentioned activities.
- 11. Requests the implementing organisations to contextualise for DRC the PES mechanism developed by CAFI at regional level, in perfect coordination with the CAFI Secretariat and the duly designated country representatives.

- 12. <u>Requests</u> the implementing organisations to ensure that a minimum of 70% of costs related to technical outputs of the projects are in the form of direct support to farmers and communities (e.g. cash, vouchers, agricultural inputs and materials); when feasible, digital tracking of the support provided to farmers and communities is preferred (e.g. e-voucher, mobile payments).
- 13. <u>Underlines</u> the fact that projects under the CAFI-DRC partnership are executed by implementing organisations on behalf of the government, and that implementing organisations must develop their proposals in close coordination and synergy with the relevant national and local government counterparts.
- 14. Requests the implementing organisations, for the development of the project documents, to:
  - a) Use the updated project document template provided by the CAFI Secretariat;
  - b) Comply with CAFI policies related to programming (incl. Policy on projects budgeting, MEL Guidelines, Independent Verification and the policy for performance-based programming in AFOLU projects, adopted by Decision <u>EB.2025.26</u>);
  - c) Ensure concrete synergies with existing projects and programs in the target area (CAFI-funded as well as other relevant ones);
  - d) Ensure, to the extent possible, a methodological alignment of planned remote assessment of land use changes with the CAFI-funded regional study on the drivers of deforestation and forest degradation, as well as regarding socio-economic studies.
- 15. Recalls that the implementing organisations will have to report on progress toward indicators of CAFI's results framework in accordance with CAFI guidelines and templates. In addition, it 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) and information on how their activities are addressing and respecting CAFI social and environmental safeguards.
- 16. Recalls that the design of projects 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 and (xi) a robust analysis and management of risks (incl. land tenure and fire).
- 17. Recalls that, while respecting their rules and regulations, the implementing organisations commit 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 organizations commit 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.

- 18. <u>Underlines</u> that the present decision does not represent a funding allocation decision. Funding will be approved based on implementing organisations submissions and according to the Terms of Reference of the Trust Fund.
- 19. Recalls that the initial envelope allocated to PROBAK projects is 25 MUSD (twenty-five million US dollars), and <u>underlines</u> that final amounts for individual projects will be considered based on (i) duly identified environmental service providers meeting PES prerequisites, (ii) justified spatial prioritization, (iii) demonstrated economies of scale, (iv) overall efficiency and value for money (incl. unit costs per ha) and (v) possible co-financing (for which it is encouraged to use the same policy for performance-based programming in AFOLU projects, adopted by Decision <u>EB.2025.26</u>).
- 20. <u>Recalls</u> that this decision is subject to the non-objection of the government of DRC, as formally communicated by letter No. 666/CAB/MINETAT/MIN-EDD/EBM/JML/02/2025, dated 4 July 2025.