



CAFI Executive Board Decision

“Regional” – Approval of the final project document of “CAFI INVEST” project implemented by Catalytic Finance Foundation

Adopted by email on 20.08.2025
EB.2025.36

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 October 11th for an initial ambition of \$100M including \$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 Finance Foundation on 1 November 2024 for a total budget requested from CAFI of \$10,000,000 USD.
- Decision [EB.2024.42](#) approving the Private Sector Project Document Assessment Criteria *and Performance-based funding allocation process*
- Decision [EB.2024.43](#) and [EB.2024.46](#) requesting changes to the project document submitted by Catalytic Finance Foundation on 1 November 2024.

- The submission of a revised project document by Catalytic Finance Foundation on 7 December 2024 for a total budget requested from CAFI of \$ 9,919,392 USD.
- Decision [EB.2025.26](#) on Policy for performance-based programming in Agriculture, Forestry and Land-Use projects.

The Executive Board:

1. Thanks Catalytic Finance Foundation (referred here as “implementing organisation”) for submitting the revised project proposal.
2. Recognizes that the Participating UN Organizations are not legally in a position to approve the indirect cost structure for this project without the UN Fiduciary, Management and Oversight Group approval, therefore contingent on FMOG giving its approval for the deviation in indirect cost structure approves the project for an amount of 9,919,392 M USD, to be used over a period of 60 months, starting from the date of first transfer to the implementing organization.
3. Decides that the independent verifications referred in paragraph 11-17 below will inform CAFI’s decisions regarding the possible expansion of this project. The amount of this possible expansion will be determined by the amount of results verified in the first verification and the level of payment per unit of results established in the above-mentioned verification methodology.
4. 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 5,548,192 USD,*
 - b) *Tranche 2 of 4,371,200 USD, with the following conditions:*
 - I. Achieve the validation of the performance-based payment methodology by an independent verification body selected by CAFI.
 - II. Make at least 1 investment in at least 2 windows demonstrating full compliance with the CAFI guidance on private sector investments and Guidelines on PES where relevant.
5. Asks the implementing organization to notify the CAFI Secretariat at least 2 months before the date of disbursement of the requested tranche.
6. Requests the implementing organization to conclude the mapping of businesses as well as sector and country diagnostics within the first 6 months of project implementation and to include this information in the first project narrative report.
7. Requests that the implementing organization submit a PRODOC amendment within the first 6 months of project implementation and before launching a request for proposals to select an asset manager and/or investees with the following revisions:
 - a) Revise the project results framework setting performance targets in relation to key performance indicators for emission reductions and job creation ensuring compliance with the relevant CAFI guidelines.
 - b) Amend Annex X on the investment criteria to:

- I. include more specificity on safeguards striving for the highest ambition, and incorporating at a minimum:
 - the seven safeguards, agreed upon for REDD+ at the 16th Conference of the Parties to the United Nations Framework Convention on Climate (COP16) in 2010, also known as the "Cancun safeguards";
 - specific measures to ensure that investments in biomass for energy production do not compete with food production or biodiversity conservation.
 - II. include a feedback and grievance redress mechanisms.
 - III. ensure financial additionality is incorporated as well as climate additionality.
 - IV. ensure full compliance with CAFI guidelines on private sector investments including minimum eligibility requirements to be met by investees.
- c) Revise its internal M&E procedures demonstrating full compliance with the applicable CAFI guidance on M&E, private sector investments and Payments for Environmental Services (PES).
 - d) Specify the activities for which PES payments to the private sector will be eligible, and the conditions relating thereunto.
8. 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).
 9. 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 *and to report to MPTF-O accordingly*. 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 in their narrative reports*, in accordance with the Terms of Reference of CAFI's Trust Fund and [CAFI's Risk Management Strategy](#).
 10. 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.

11. 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.
12. 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.
13. Decides that these verifications will be carried out in accordance with a methodology defined between CAFI and the independent auditor, taking into account ISO 14064 standards. This methodology will 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.
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 1 year of first disbursement.
17. Requests the implementing organisation 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, and any other measures necessary to the proper conduct of these verifications.
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 after the approval by FMOG.