Indicators	Unit	Baseline, specifying year and data source	Target at end of project	Narrative and assumptions
OP.1.3 Total Technical Assistance support packages approved.	USD	0	1,680,004	Same approval point as OP1.2 and represents the funding which is committed (and ring fenced for no other purpose) at the point of approval.
OP.1.4 Number of companies which fulfil CAFI requirements		0	26	Requirements companies need to fulfil to be considered for assistance: - Proof that own land and large suppliers (50ha+) was not forest in 2020 must be provided prior to investment with CAFI resources (proof that small-holder suppliers was not forest in 2020 can be provided during project implementation) - Contractual commitment to eliminate deforestation from value chain (failure to comply must constitute a breach of contract) - Traceability system must be in place or be included in the project investment.
Output 2: Private sector enterprises access longer-term, repayable capital to expand sustainable land use practices and de-risk businesses for future investors.				
OP.2.1 Total repayable capital opportunities screened	Number of opportunities	0	46	We expect screening of opportunities to begin earliest in Q3 2026, and more likely in Q4 2026. Opportunities may or may not be accepted to proceed to due diligence. We expect opportunities to be screened for both TA and SC potential.
OP.2.2 Total repayable capital opportunities approved	Number of opportunities	0	10	Approved means approved by the TA committee. This is not the same as 'disbursed' which will be subject to legal contracting with the recipient.
OP.2.3 Total repayable capital approved	USD	0	6,180,000	Same approval point as OP2.2 and represents the funding which is committed (and ring fenced for no other purpose) at the point of approval.
OP.2.4 Area of land reported annually under the CAFI spatial guidelines	ha	0	5,949	Area under agroforestry and/or sustainable agricultural practices by supported businesses which has been reported under the CAFI spatial guidelines
Output 3: Finance is leveraged from private companies into PES schemes and from investors into enterprises, while strengthening capacity through shared learning, technical exchange, and multi-stakeholder collaboration.				
OP.3.1 Number of impact investors, philanthropic investors, private sector companies, and local banks/MFIs that have joined the Business & Investment Network	Number	0	25	Relevant organisations will be invited to join the B&I Network to gain early access to investment opportunities identified by the Hub. The target captures those organisations who consent to receiving communication about the Hubs activities and relevant B&I Network events.
OP.3.2 Number of Hub-supported projects that have passed to the screening phase with the members of the Business & Investment network	Number	0	8	Assumes 30% of members engage in screening of Hub recipients and associated projects.

Indicators	Unit	Baseline, specifying year and data source	Target at end of project	Narrative and assumptions
OP.3.3 Number of agreements made with private sector companies to fund PES schemes	Number of agreements	0	4	1 company in Year 1, 4 companies by Year 3. Assumptions: Company 1: 1000ha CSCA, 300ha R-ANR, 500ha FP Company 2: 1500ha CSCA, 1000ha A/F, 500ha R-ANR, 500ha FP Company 3: 1000ha CSCA, 500ha A/F, 700ha R-ANR, 2000ha FP Company 4: 500ha CSCA, 500ha A/F, 500ha R-ANR
Output 4: A private sector PES programme provides direct incentives for farmers to adopt sustainable practices, while SMEs/agribusinesses channel PES to strengthen the resilience and sustainability of their supply chains				
Output 4.1: Eligibility criteria for participation in the PES programme are met				
OP.4.1.1 # of applicants for whom all prerequisites for participation have been met	Number of farmers/community members	0	4,000	The implementation plan is assuming that the project will work with a total of 2000 farmers for individual PES schemes (essentially CSCA PES scheme) and another 2000 beneficiaries spread across 2 community forests and 2 communal forests (500 community members each). These numbers are calculated based on the assumption of 2ha of farms per farmer.
- *Individual*	Number of farmers	0	2,000	
- *Collective*	Number of community members	0	2,000	
OP.4.1.2 Areas (ha) of land secured through the project *(broken down by type of land security (individual or collective)*	Ha	0	11,000	The implementation plan is assuming that the project with a total 4000 ha of CSCA, 2000 ha of A/R, 2000 ha of RST and 300ha of FP. The targets were calculated based on a precise estimation pf the costs to implement each PES scheme.
- *Individual*	Ha	0	4,000	
- *Collective*	Ha	0	7,000	
OP.4.1.3 # of land arrangements registered *(broken down by type (individual/collective, formal/informal))*	Number of land arrangements	0		The numbers of individual land arrangements and collective land arrangements can't be aggregated as these are arrangements of a different nature
- *Individual (informal registration)*	Number of farmers	0	2,000	
- *Collective (informal registration)*	Number of community arrangements	0	7	

Indicators	Unit	Baseline, specifying year and data source	Target at end of project	Narrative and assumptions
OP.4.1.4 # of direct beneficiaries of land tenure security through the project *(broken down by type of security (individual or collective), by type of environmental service provider, by gender, and by vulnerable group (ethnicity including indigenous peoples and migrants))*	Number of beneficiaries	0	4,000	The implementation plan is assuming that the project will work with a total of 2000 farmers for individual PES schemes (essentially CSCA PES scheme) and another 2000 beneficiaries spread across 2 community forests and 2 communal forests (500 community members each). These numbers are calculated based on the assumption of 2ha of farms per farmer.
OP.4.1.5 # of TA and NRM plans **developed** through the project *(broken down by type of administrative level (province, territory, groupement, terroir, etc.))*	Number of TA plans	0	4	NRM plans supported for 2 community forests and 2 communal forests
OP.4.1.6 # of TA and NRM plans **validated** through the project *(broken down by type of administrative level (province, territory, grouping, terroir, etc.))*	Number of TA plans	0	4	NRM plans validated for 2 community forests and 2 communal forests
OP.4.1.7 Area (ha) under TA plans drawn up *(broken down by type of administrative level (province, territory, groupement, terroir, etc.))*	Ha	0	3,000	The 2 communal forests and 2 community forests represent: - CSCA: 1000ha - A/R or ANR: 1000ha - FP: 1000ha These are conservative estimates, as we are not entirely sure of the number of ha under the 2 community forests and 2 communal forests
OP.4.1.8 Areas (ha) under TA plans submitted and validated *(broken down by type of administrative level (province, territory, grouping, terroir, etc.))*	Ha	0	3,000	
Output 4.2: PES Activities are implemented and PES are paid based on performance				
OP.4.2.1 Area (ha) under signed PES Afforestation/Reforestation contract	Ha	0	2,000	See explanations above
OP.4.2.2 Area (ha) under signed PES agroforestry contract	Ha	0	4,000	

Indicators	Unit	Baseline, specifying year and data source	Target at end of project	Narrative and assumptions
OP.4.2.3 Area (ha) under signed PES contract for assisted natural regeneration	Ha	0	2,000	
OP.4.2.4 Area (ha) under signed PES conservation contract	Ha	0	3,000	
OP.4.2.5 Number of environmental service providers who have signed one or more PES contracts *(broken down by type of PES activity, type of environmental service provider, by gender, and by vulnerable group (ethnicity including indigenous peoples and migrants).*	Number of ES providers	0	4,000	See explanations above
- *Farmers*	Number of farmers	0	2,000	
- *Communities*	Number of community members	0	2,000	
OP.4.2.6 Amount (USD) paid in PES to environmental service providers for **afforestation/reforestation** contracts, broken down by i) gender and ii) by vulnerable group (ethnicity including indigenous peoples and migrants)[13]	USD	0	552,632	The cocoa companies are expected to disburse the payment/incentives to environmental service provider at a rate per hectare per year of $ 175 for CSCA, $ 88 for A/R , $44 for RST and $141 for FP. Those targets have assumed a phased implementation of the 4 PES schemes until Year 5. - CSCA, A/R, REST payments per ha were calculated based on a household survey on Farmers' willingness to accept compensation for adopting sustainable farming practices. - Payments for forest protection were calculated based on market value of carbon (15 USD/tCO2e) Note that ES payments will mostly be paid by the private sector, so the level of payment per ha will be discussed with them during the contract negotiations. As payments will depend on the level of changes/activities expected from farmers and communities, they may slightly vary per project. This will be assessed when we assess the baseline of the projects and activities that need to be implemented at fam-level/community level.
OP.4.2.7 Amount (USD) paid in PES to environmental service providers **for agroforestry contracts**, broken down i) by gender and ii) by vulnerable group (ethnicity including indigenous peoples and migrants)	USD	0	2,394,620	
OP.4.2.8 Amount (USD) paid in PES to environmental service providers for **assisted natural regeneration** contracts, broken down i) by gender and ii) by vulnerable group (ethnicity including indigenous peoples and migrants)	USD	0	291,060	

Indicators	Unit	Baseline, specifying year and data source	Target at end of project	Narrative and assumptions
OP.4.2.9 Amount (USD) paid in PES to environmental service providers under conservation contracts, broken down i) by gender and ii) by vulnerable group (ethnicity including indigenous peoples and migrants)	USD	0	1,406,475	
Output 4.3: PES programme is implemented in a transparent, effective and inclusive manner				
OP.4.3.1: % of PES contracts verified by IDH through field visits	%	0	15%	Assumption: 33 farmers visited a day - 500 farmers verified a year
OP.4.3.2: Number of complaints received (for monitoring purposes)	Number of complaints	0	n/a	Mandatory local complaints and appeals management mechanism will be set-up to receive, record and process PES-related complaints. This will be housed within the IDH General Complaints' Mechanism, Speak Up policy Results will be disaggregated by gender / vulnerable groups, etc.
OP.4.3.3: % of complains resolved (for monitoring purposes)	%	0	100%	Results will be disaggregated by gender / vulnerable groups, etc.

b) Letter of Intent milestone fulfilment matrix

The Letter of Intent (LoI) between the Government of Cameroon and CAFI establishes a long-term partnership through 2035 to develop inclusive, competitive, and deforestation-free agricultural, forestry, and mining value chains. Under the LoI, Cameroon commits to mobilising USD 2.5 billion comprising USD 500 million in grants, USD 500 million in sustainability-linked loans, and USD 1.5 billion from the private sector. The partnership is structured in two phases: a start-up phase (2025–2027), followed by a scale-up phase (2027–2035). Progress through the start-up phase is conditional on delivering agreed milestones, enabling independent sectoral progression thereafter.

Under the LoI, three priority areas guide action:

- Multi-level, cross-sectoral governance of natural resources, ensuring coherence between land uses and institutions
- Sustainable intensification within the non-permanent forest domain (DFnP), to increase productivity on existing agricultural land while reducing incentives to deforest
- Preservation and sustainable management of the Permanent Forest Domain (DFP), ensuring long-term ecological integrity and economic benefits from Cameroon's forest assets

This project contributes directly to these LoI priorities by promoting the sustainable intensification and productivity enhancement of existing agricultural lands through investment in climate-smart practices, agroforestry, and forest protection. Its overarching goal is to mobilise private sector finance to accelerate the transition to deforestation-free, low-carbon agricultural production while strengthening the management and protection of Cameroon's permanent and non-permanent forest domain.

Contribution to the LoI Start-up Phase (2025–2027)

The CAFI–Cameroon partnership foresees a two-phase implementation: a start-up phase (2025–2027) followed by a scale-up phase (to 2035). The first phase focuses on achieving enabling conditions and institutional milestones that unlock long-term investment and results-based payments.

Relevant milestone from the start-up phase	Describe how the project intends to contribute to fulfilment of the milestone	Estimated time for milestone fulfilment
Development by 2025 of a joint Cameroon-CAFI plan to mobilise resources (domestic, international, public and private) for the scaling-up phase.	The project will facilitate knowledge sharing and joint planning between CAFI, the Government of Cameroon, and the private sector, including through the Hub's Business & Investment Network. This will inform the resource mobilisation strategy, particularly for private capital and PES-linked finance.	End of programme
Development by 2025 and implementation of a roadmap to promote access to carbon markets in land-use sectors	The project will support carbon market readiness by operationalising and customising CAFI's PES Monitoring System and testing PES schemes that can serve as early models for carbon credit generation and Scope 3 insetting claims.	End of programme
Launch of the FODECC Sustainability/Agroecological Transition "Guichet" to finance the agroecological transition of cocoa and coffee producers and support local advisory services.	The project will create synergies with the FODECC Desk, coordinating support for farmers enrolled in both programmes and accelerating the adoption of agroecological practices in cocoa production through shared extension networks.	End of programme

Awareness-raising and support for the creation or alignment of inter-professional organisations (cocoa, coffee, palm oil, rubber).	The project will raise awareness and build capacity on PES mechanisms, sustainability standards, and corporate climate alignment, sharing lessons via knowledge products and multi-stakeholder dialogues.	End of programme

These interventions contribute directly to the LoI's start-up phase milestones by fostering institutional collaboration, building technical and financial readiness, and creating a credible foundation for scaling private investment in the next phase

Contribution to Medium-Term LoI Objectives

Beyond the start-up phase, the Hub will also contribute to the medium-term objectives defined in the LoI, ensuring that its results feed directly into national climate and development priorities.

Relevant medium-term objectives	Describe how the project intends to contribute to fulfilment of the medium-term objective
Stabilise loss of forest cover by 2026 and significantly reduce it by 2029	Through the pilot PES schemes, the project will contribute to measurable reductions in forest loss across two community forests, one communal forest, and the Mpem & Djim National Park in the Grand Mbam landscape.
Mobilise USD 2.5 billion, including USD 1.5 billion from the private sector, USD 500 million in sustainability-linked loans, and USD 500 million in grants.	The Hub will help establish the enabling conditions and proof of concept for private investment in sustainable agriculture, directly targeting the mobilisation of close to USD 30 million in private commercial, climate, and PES-linked finance, contributing to the broader CAFI private-sector mobilisation goal.
Compensate for the residual loss of forest cover through natural regeneration, afforestation-reforestation and agroforestry.	The project will support natural regeneration and reforestation on degraded lands, contributing to national restoration targets and providing verified removals that strengthen Cameroon's NDC and CAFI results framework.

5. Coherence and synergies with existing projects

Table 1212. Coherence and synergies with existing projects

Project name	Implementing agency(ies)	Status and implementation period	Service area	Amount of funding	Objective(s) and expected results	Relevance for synergies	Description of proposed operating procedures for relevant and effective synergies
Congo Basin Forest Action (CBFA) UK/FCDO	TBC	Duration: 2024–2031. Programme currently on hold.	Although targeting the Congo Basin region, the programme focuses on Kinshasa (DRC) and Yaoundé (Cameroon).	$83m	The CBFA is a new UK-funded programme addressing one of the main drivers of deforestation across the Congo Basin—small-scale agricultural practices by local communities. It will support transitions to sustainable income sources, strengthen community forestry, improve agricultural efficiency, and promote agroforestry. Component 1 increases participation, transparency, and accountability in forest and land-use planning. Component 2 scales best practices and deploys rapid funding for innovation.	Potential overlap in landscape and community targeting. Coordination needed to ensure complementarity in design and implementation if FCDO selects an implementer active in similar areas.	IDH will organise coordination meetings with the selected implementing organisation once appointed.
Investment in Forests and Sustainable Land Use Phase II (IFSLU2) Programme UK/FCDO	Palladium	Implementation phase (March 2025 – January 2030).	Congo Basin: DRC, Republic of Congo, Cameroon, and Gabon.	$40m	IFSLU2 is a UK commitment of up to GBP 500 million over 10 years to catalyse private investment in forest protection and restoration, address deforestation linked to commodity production, and strengthen livelihoods. Component 3 focuses on business and market development in the Congo Basin, with objectives to: (1) build capacity of local organisations to support sustainable livelihoods, (2) help businesses develop	Strong alignment with the Hub's objectives on sustainable supply chains, access to finance, and SME support	IDH will coordinate with Palladium to identify joint opportunities, including strengthening landscape governance, supporting Mpem & Djim NP protection plans, structuring cocoa cooperatives and identifying SMEs for the Hub pipeline.

Project name	Implementing agency(ies)	Status and implementation period	Service area	Amount of funding	Objective(s) and expected results	Relevance for synergies	Description of proposed operating procedures for relevant and effective synergies
					sustainable supply chains and investment readiness, and (3) improve enabling environments and access to finance.		
Pilot project to support the sustainable intensification of agriculture and the agroecological transition CAFI	IFAD/FODECC	Duration: 2024–2026	Cameroon	$20m	The project strengthens FODECC's capacity to act as the national subsidy instrument for cocoa and coffee producers. It will also enable FODECC's producer desk to expand to other priority agricultural sectors and promote agroecological transition nationwide.	Shared objectives on improving sustainability of cocoa supply chains through incentive mechanisms and access to finance	IDH maintains a formal collaboration with FODECC. We will cross-check beneficiary lists to prevent overlap and ensure technical assistance (TA) is complementary. If farmers are enrolled in the Agro-ecological Guichet programme, we will liaise with FODECC to assess how the Hub could complement the Guichet. This could be through: – interventions that take place off-farm, for example promotion of afforestation/reforestation, restoration or forest protection. – Incentives after year 3 of the FODECC scheme, to ensure high survival rate of tree planted

Project name	Implementing agency(ies)	Status and implementation period	Service area	Amount of funding	Objective(s) and expected results	Relevance for synergies	Description of proposed operating procedures for relevant and effective synergies
							In 2026, we will deepen discussions with FODECC on alignment with incentives provided under FODECC's "Guichet de Transition Agro-écologique."
Implementation of the Capacity Building for Land-use Planning, CAFI	GIZ	Duration: 2025–2031 (Implementation phase).	Democratic Republic of Congo (DRC), with a particular focus on the Kasaï-Oriental and Lomami provinces.	$6m	This land use planning project will consolidate and strengthen the ongoing work of several ministries on participatory land use planning, mapping, and monitoring of land use and change.	This programme will strengthen land use planning in cocoa producing municipalities, which will create an enabling environment for our programme	IDH has already engaged with GIZ on their CAFI programme, and we will continue liaising with them to 1) contribute to the development of PLADDTs and 2) check how and when a PLADDT can support implementation of the PES scheme
PRO-CONGO: Catalytic Private Sector Investment in Congo Basin	UNEP/ UNCDF	Duration: April 2025 – December 2027 (Currently	Cameroon, DRC, Gabon, Republic of Congo.	$15m	PRO-CONGO supports enterprises across Congo Basin countries through technical assistance, reimbursable grants, concessional loans, and guarantees. It aims to generate forest conservation, restoration, carbon emission reductions,	High complementarity with the Hub's private sector approach and PES-linked financing objectives.	IDH will engage with UNCDF during implementation to follow up on progress and assess collaboration

Project name	Implementing agency(ies)	Status and implementation period	Service area	Amount of funding	Objective(s) and expected results	Relevance for synergies	Description of proposed operating procedures for relevant and effective synergies
Natural Capital, CAFI		under preparation)			job creation, and biodiversity benefits, catalysing private investment in natural capital.		opportunities for enterprise financing and PES alignment
The Canopy Trust Project	Catalytic Finance Foundation	Duration: Dec 2025-2030	Cameroon, DRC, Gabon, Republic of Congo, the Central Africa Republic.	$100m	The Canopy Trust Project focuses on financing projects and companies reducing deforestation and promoting sustainable land-use practices across Central Africa. The project includes PES payments and supports private-sector engagement in agriculture and forestry by providing TA and catalytic investments.	Complimentary to the Hub's PES approach and TA/Seed Capital Facility. Synergies in participating in the Business and Investor Network, where IDH's earlier-stage investees can be further scaled by Canopy's investment mechanisms.	IDH will engage in regular check-ins with Canopy Trust as part of its approach to a) sourcing TA/Seed Capital opportunities, and b) ensuring an exit for the investee upfront via the convening of the Business & Investment Network.
Intersectoral and multi-level coordination project Grand Mbam – PGIP-GM, CAFI	KfW	Planned implementation: September 2025 – August 2029 (48 months).	Grand Mbam landscape, Cameroon	$20m	The PGIP-GM aims to pilot replicable approaches to integrated land-use planning at the decentralised level, laying the groundwork for intersectoral coordination and jurisdictional emissions reduction programmes. It will develop incentive mechanisms for the management of High Conservation and High Carbon Stock forests (HCV/HCS) and low-emission value chains.	Strong alignment on landscape governance, PES implementation, and sustainable cocoa supply chain development in Grand Mbam	IDH maintains regular exchanges with KfW on collaboration in Cameroon. Joint planning will be initiated once PGIP-GM moves to implementation, including co-developing an action plan for PES alignment, SME pipeline development, and park protection activities

Project name	Implementing agency(ies)	Status and implementation period	Service area	Amount of funding	Objective(s) and expected results	Relevance for synergies	Description of proposed operating procedures for relevant and effective synergies
Resilient Agriculture for Climate, Investment, Nature, and Equity (RACINE)	MINEPAT, FODECC	Prodoc development phase. Planned implementation: 2025-2035	Cameroon	$247m	RACINE is developed by MINEPAT and aims to leverage additional resources from GCF and CAFI to support Cameroon transition towards deforestation-free agriculture. It will channel its resources to the FODECC Producer Desks (Production, Agro-ecological Transition, Collectivity).	The IDH PES scheme complements the FODECC scheme by engaging with the cocoa buying companies and supply chain actors, ensuring that deforestation-free and climate-smart cocoa is recognized and rewarded by the market.	See section on IFAD/FODECC. Additionally, insights and learning generated by the PES pilot will help identify how to build bridges between sustainability initiatives developed by the private sector (i.e. the ultimate buyers of the commodities), and those led by the public sector (e.g. FODECC).

6. Project governance

a) Governance bodies[10]

Steering Committee

The section that follows describes the role and procedures of the Steering Committee, in accordance with the CAFI Secretariat guidelines.

Roles and responsibilities

The roles of the Steering Committee are as follows:

- Approval of Annual Work Plans and Budgets (AWPB) [11]
- Review and adoption of[12] semi-annual and annual technical and financial reports
- Review of whether the recommendations of the project Steering Committee have been taken into account, including any conditions precedent to the granting of funding
- Examination of (potential) problems in project implementation and adoption of agreements/decisions to improve project implementation and impact
- Analysis of institutional and operational implementation arrangements and revision, if necessary (e.g. request for project extension, revision of targets and budgets, etc.) in accordance with the CAFI Operations Manual
- Approve a compliance plan to ensure compliance with specific regulatory standards (process to identify the risks, compliance monitoring, non-compliance response) and ensure that the project is aligned with national priorities and Letter of Intent milestones, where applicable
- Review of subsequent tranche requests and the formal adoption of verification recommendations.
- Adoption of the final CAFI report
- Ensure that the approved annual reports are submitted to CAFI for public dissemination and potentially posted on a dedicated project website.

Composition

Membership will be as follows:

- The CAFI Secretariat – as donor
- IDH – as implementing organization, and
- MINEPAT – as representative of the Cameroon government.

The Committee will be convened and chaired by IDH as the lead implementing organisation. IDH PMU will bring other parties in observatory capacity, as may be required.

Frequency of Steering Committee meetings and deadlines

The project Steering Committee must meet in ordinary session at least twice a year to approve (i) half-yearly and/or annual reports and (ii) annual work plans and budgets, and as often as necessary. Steering Committee meetings are convened by the Chairman.

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[10] Guidelines for steering committees

[11] View the Annual Work Plan and Budget (AWPB) template

[12] See the reporting templates for projects funded by CAFI: M&E templates - Google Drive

The invitation is sent to each member at least 10 working days (2 calendar weeks) before the meeting is due to take place and must include the terms of reference and all documentation submitted for the Steering Committee's consideration. If the 10-working-day deadline is not met, Steering Committee members are entitled to request a postponement of the Steering Committee meeting.

According to CAFI's Monitoring & Evaluation Guidelines (adopted November 2023), IDH as lead implementing organisation will required to organize a project Steering Committee meeting between January and March of each year at the latest. The procedure for documentation and meeting minutes will be outlined in the Steering Committee ToRs.

Project Management Unit (PMU)

Roles and responsibilities

The Project Management Unit (PMU) will serve as the operational engine of the project. Led by IDH, it will ensure strategic direction, day-to-day coordination, fiduciary management, monitoring, and reporting across all project components. The PMU will be responsible for translating Steering Committee guidance into operational plans, ensuring compliance with CAFI standards and fiduciary procedures. It also acts as the executive and fiduciary body of the programme. It validates and executes all contractual and payment decisions, based on the technical recommendations of the specialised committees and in compliance with CAFI and IDH fiduciary procedures.

The PMU's functions are twofold:

Strategic development

The PMU will lead the programme's overall strategic direction, partnership development, and coordination with governance and technical bodies.

Key functions include:

- Strategic planning: Guide project design, annual planning, and reviews to ensure alignment with CAFI objectives and national priorities.
- Partnerships: Build and maintain strong relationships with government entities, private sector partners, civil society, and development partners.
- Business & Investment Network management: Convene and manage the Network to link investors, companies, and SMEs, ensuring coherence with Seed Capital and PES components.
- Governance coordination: Serve as Secretariat to the Steering Committee, Advisory Board, and Technical Committees, ensuring that all recommendations are properly documented, validated, and translated into operational or fiduciary actions by the PMU.
- Gender and inclusion: Ensure integration of gender equality and inclusion targets across all programme activities.
- Knowledge and communication: Produce and disseminate knowledge products, lessons learned, and communication materials to promote learning and replication.

Operational management

The PMU will oversee the implementation of the programme, ensuring compliance with CAFI and IDH operational standards, and effective coordination between all project components. Within the first year of implementation, the PMU will develop an Operation Manual setting out the coordination between the different project components, outlining the roles of the various actors involved, and the process or methodology for reporting and information flow across the different levels of implementation.

Key functions include:

- Implementation and compliance: Manage daily operations, develop and update the Operational Manual, ensure adherence to CAFI and IDH procedures, and oversee workplans, budgets, and reporting.
- Governance support: Prepare and facilitate meetings of all governance bodies, maintain records of key decisions, and ensure timely implementation of recommendations.
- Component coordination: Supervise the Technical Assistance and Seed Capital Managers, ensuring that the Technical Assistance and Seed Capital portfolios and activities are aligned with project objectives and that cross-component linkages with PES and the Network are maintained.
- PES Management
    - Selection of private sector aggregators using strict selection criteria, including due diligence screening based on IDH's Private Sector Due Diligence process and assessment of the aggregator's capacity to implement PES schemes.
    - Selection of NGO aggregators through a transparent call for tenders in accordance with IDH procurement rules, applying clear and objective evaluation criteria.
    - Selection and validation of Environmental Service (ES) providers
    - Review of contractual arrangements to ensure transparency and fairness in benefit distribution.
    - Technical endorsement for PES payments: Provide the technical validation required for the PMU to unlock PES payments by CAFI, based on verified performance and compliance with eligibility criteria.
    - Participation in national and regional consultations on the CAFI PES Management System, including annual reviews, operational adjustments, national and regional planning, and the exchange of lessons learned.
- Procurement and fiduciary control: verifying and process payment requests to the appropriate fund managers (TA and SF) and to aggregators (for the enabling environment). Oversee procurement and financial management, including fiduciary controls, audits, and application of IDH integrity and conflict-of-interest policies.
- Monitoring, evaluation, and safeguards: Develop indicators, collect and verify data through CAFI's Monitoring System, ensure quality assurance, manage risks, and enforce environmental and social safeguards.
- Reporting and learning: Consolidate technical and financial reports, validate results, and capture lessons learned to inform adaptive management and future scaling.

The PMU retains ultimate responsibility for contractual oversight, financial execution, and reporting to CAFI, ensuring that all recommendations issued by the committees or advisory bodies are duly validated and implemented

Composition

The PMU will consist of the Programme Lead, two Investment Development Managers, a PES Manager, a PES Field Officer, and a Monitoring, Evaluation and Learning (MEL) Officer. The team will receive technical and administrative support from the IDH Cameroon office and relevant staff at IDH headquarters.

Modalities and Frequency of Meetings

The PMU will operate under the joint supervision of the IDH Investment Development Director and IDH Cameroon director and report to the Steering Committee following the established project governance calendar. Internal PMU meetings will be held weekly to review progress, coordinate between components, and address operational issues. Joint coordination meetings with implementing partners will also occur weekly. Ad hoc technical meetings may be convened as needed to address emerging issues or approve operational adjustments

The PMU will act as Secretariat to all governance bodies, preparing meeting documentation, recording decisions, and ensuring dissemination of minutes within two weeks of each meeting.

Advisory Committee to the PMU

Roles and Responsibilities

The Advisory Committee serves as an independent body providing technical and strategic guidance to the Project Management Unit (PMU) and other governance structures.

Key responsibilities include:

- Strategic advice: Provide recommendations on programme implementation, coordination, and alignment with national strategies such as the *Stratégie Nationale de Développement 2030 (SND30)*
- Technical guidance: Review progress on thematic areas (PES, Seed Capital, Technical Assistance) and provide non-binding advice to enhance effectiveness and impact.
- Stakeholder coordination: Promote collaboration among public, private, and civil society partners, ensuring complementarity and knowledge exchange.

All members commit to upholding principles of transparency, neutrality, and shared responsibility, acting in the collective interest of achieving the project's objectives rather than the priorities of their respective institutions.

Composition

The Advisory Committee will be composed of representatives from key institutional and non-state partners engaged in project implementation and oversight. Members will be selected through the stakeholder engagement strategy and appointed by the PMU in consultation with MINEPAT and CAFI. Gender and social inclusion are critical to the success of the project. To ensure meaningful participation, representatives of direct beneficiaries such as local organizations, women, and youth will be included in the Advisory Committee

Illustrative composition:

- Government representatives designated by MINEPAT
- FODECC - to ensure coordination with cocoa and coffee sector financing mechanisms
- ONACC - to provide technical input on climate monitoring and the national carbon registry
- Representatives of the Business & Investment Network - to ensure linkage with private sector actors and investors

- Civil society representatives (e.g., NGOs such as CED, FODER, CAFER) - to advise on social inclusion, community engagement, and safeguards
- Project beneficiaries' representatives (e.g., farmers' groups, women's organizations, youth groups, etc.) - to provide feedback on the project's implementation

The Advisory Committee is independent from IDH and does not participate in the day-to-day management of the project. Its recommendations to the PMU are advisory and non-binding in nature.

Modalities and Frequency of meetings

- The Advisory Committee will convene at least once per year, and more frequently as required by the project's progress or at the request of the PMU or Steering Committee. Meetings may be held in person or virtually, depending on logistical considerations and member availability.
- The PMU will act as the secretariat and share agendas, background documentation, technical reports, minutes and recommendations.
- Ad hoc working groups may be formed under the Committee to provide targeted advice on specific technical areas such as PES monitoring, gender, or safeguards.

Technical Committees

Two specialised committees will support the PMU in managing the TA and Seed Capital components which will be outsourced to external partners. The committees are advisory and technical bodies that:

- review proposals and ensure alignment with technical, financial, and social criteria
- issue recommendations or endorsements, not binding instructions
- provide technical assurance or advice on ongoing implementation.

Terms of Reference will be prepared to define the roles and responsibilities of committees within the first year of implementation, clarifying voting procedures, quorum rules, and dispute-resolution mechanisms to reinforce accountability and decision-making transparency.

Technical Assistance Committee (TAC)

Roles and Responsibilities

The Technical Assistance (TA) Committee is responsible for:

- Reviewing and approving new Technical Assistance proposals submitted by the Technical Assistance Manager.
- Ensuring that well-defined TA evaluation criteria are applied consistently during the approval process and that all proposed TA activities align with programme KPIs and the overall mission.
- Ensuring clear and transparent pathways for TA exit with pre-agreed milestones—from TA advisory to Seed Capital—and onward to investors and/or private sector companies (in the case of PES) within the Business & Investment Network.

Composition:

The TA Committee will be composed of:

- One IDH Representatives
- A representative of the Technical Assistance Manager (technical partner appointed by IDH)
- One Independent Member with relevant expertise

The Technical Assistance Manager will be responsible for preparing and presenting all materials to the Committee for review and discussion.

Modalities and Frequency of Meetings

- The TA Committee will meet as necessary, whenever significant new TA proposals are submitted.
- Meetings will be convened and chaired by the PMU, at the request of the Technical Assistance Manager.

Seed Capital Facility Committee (SCFC)

Roles and Responsibilities

The Seed Capital Facility Committee is responsible for:

- Reviewing, appraising, and approving new Seed Capital Facility proposals submitted by the Seed Capital Manager.
- Ensuring alignment between key CAFI KPIs, impact targets, and financial criteria.
- Applying conflict-of-interest safeguards to guarantee impartial and transparent decision-making.

Composition

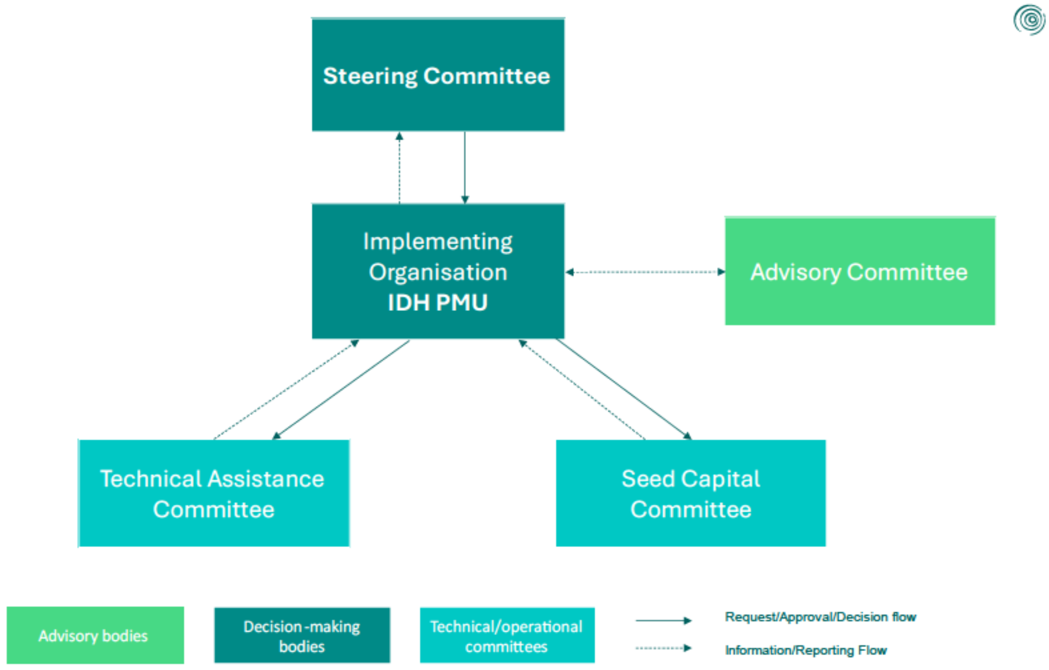
The Seed Capital Facility Committee will include:

- One IDH Representative
- A representative of the Seed Capital Manager (technical partner appointed by IDH)
- At least one Independent Member with relevant financial expertise

Modalities and Frequency of meetings

- The Committee will meet as necessary, whenever new proposals are submitted.
- Meetings will be convened and chaired by the PMU at the request of the Seed Capital Manager.

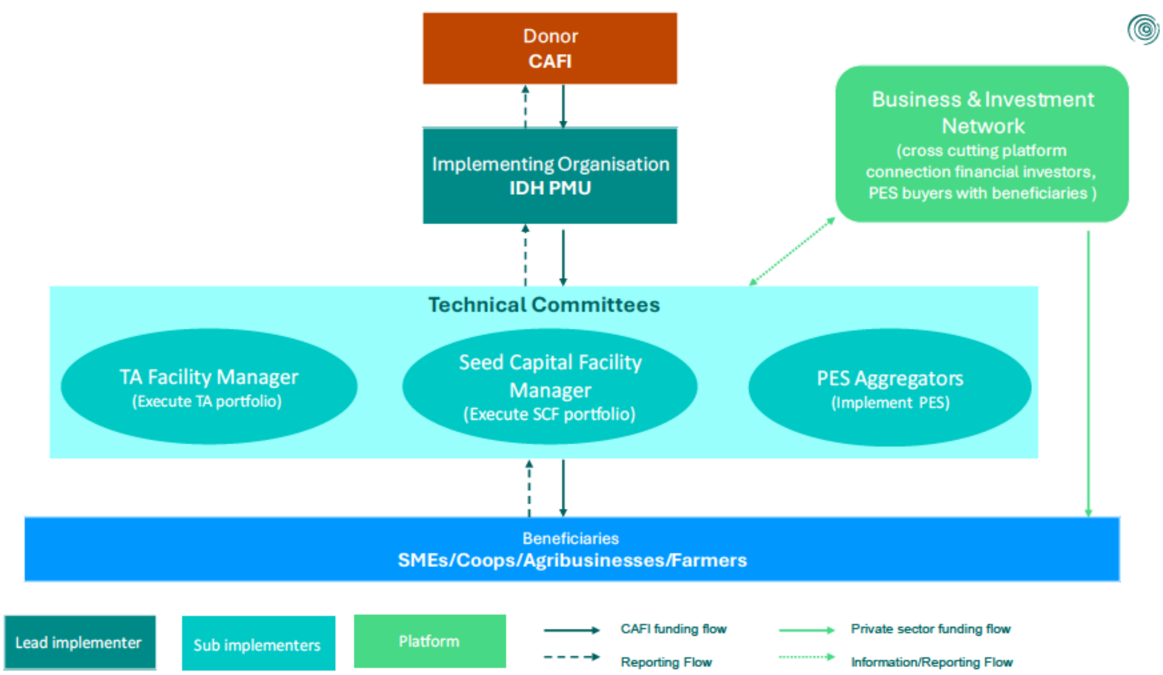
Figure 7. IDH Investment and PES Hub governance structure



b) Project management and capacity of the implementing organization and its partners

i. Delivery chain and Fund flow

Figure 88. Delivery chain and fund flow of the Hub



The project delivery chain is structured to ensure clear accountability and transparent fund flows in line with CAFI fiduciary standards.

CAFI (Level 0) will provide funding through two channels:

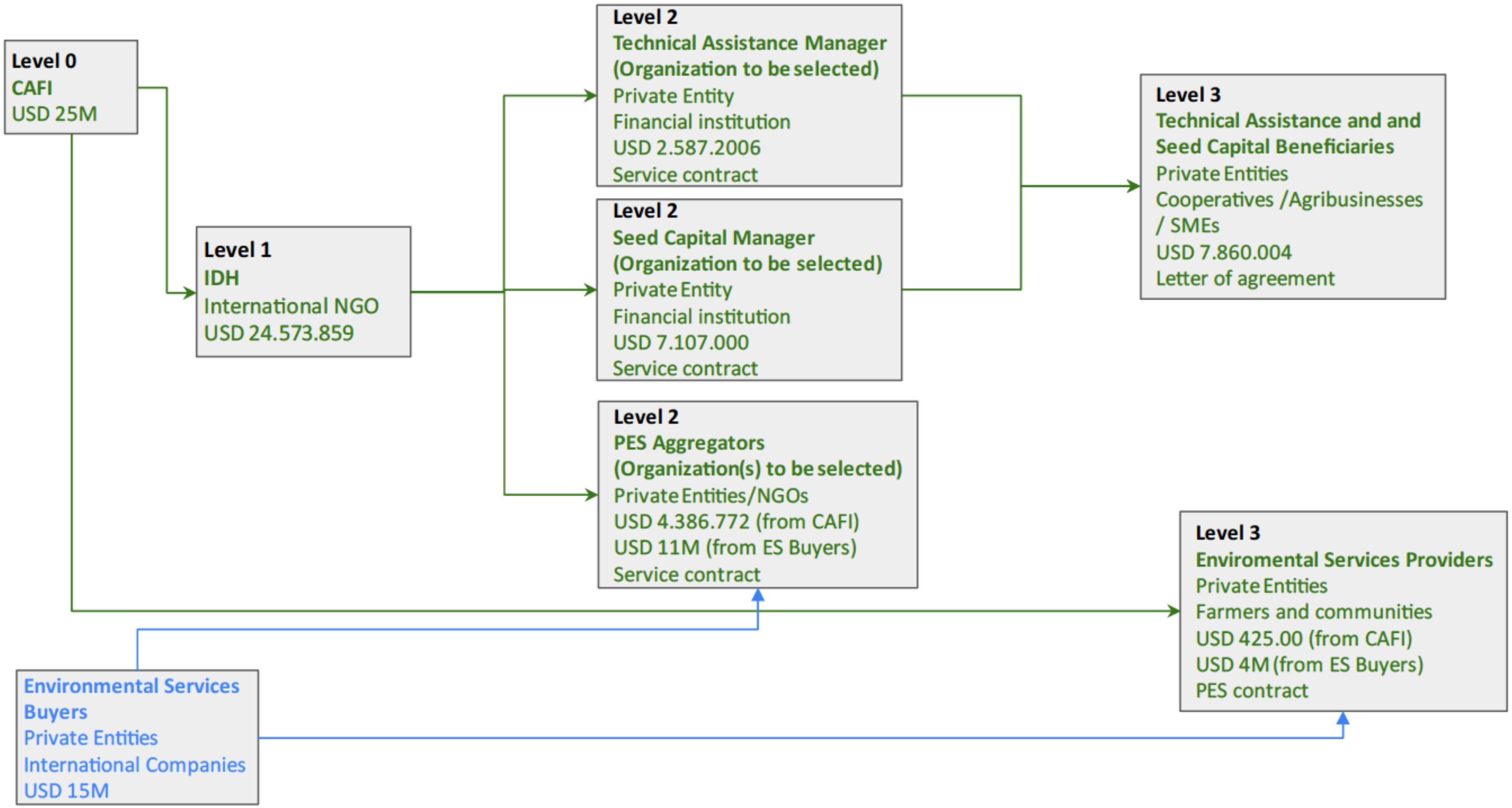
- CAFI → IDH (Implementing Organisation): for all technical assistance, seed capital, coordination, and management costs.
- CAFI → Environmental Service (ES) Providers: for verified performance-based PES payments, managed directly by CAFI through the national PES data management system.

IDH (Level 1) acts as the Implementing Organisation and hosts the Project Management Unit (PMU), responsible for fiduciary oversight, contracting, monitoring, and reporting. IDH will subcontract external Implementing Partners (Level 2) through open competitive processes:

- a Technical Assistance Facility Manager,
- a Seed Capital Facility Manager, and
- PES Aggregators (private sector or NGO).

Each Level 2 partner reports to the PMU, which consolidates all technical and financial information for submission to CAFI. Private co-finance from agribusinesses or investors will complement CAFI resources but is not part of the CAFI fund flow. These partners will deliver activities to final beneficiaries (Level 3): SMEs, cooperatives, agribusinesses, and smallholder farmers.

Figure 99. Delivery chain of the Hub



ii. Implementing organisation – IDH

Roles and responsibilities

IDH will act as the executing agency and implementing organisation for this project, responsible for overall coordination, financial management, and delivery. IDH will establish and host the Project Management Unit (PMU), overseeing day-to-day operations, fiduciary management, and partner coordination. The PMU will supervise external partners (TA Manager, Seed Capital Facility Manager, and PES aggregators) and ensure compliance with CAFI's fiduciary, environmental, and social standards

Human Resources and Organisational capacity

The PMU, led by IDH, will serve as the operational and fiduciary engine of the programme. It will include:

- Programme Lead
- Two Investment Development Managers
- PES Manager
- PES Field Officer
- Monitoring, Evaluation and Learning (MEL) Officer

The team will receive technical and administrative support from the IDH Cameroon office and relevant specialists at IDH Headquarters (finance, procurement, gender, and communications). Staff will be based in both Cameroon and Europe, enabling close engagement with local partners and international investors.

IDH operates through a decentralised structure, with established offices in Africa, Asia, and Latin America, ensuring strong field-level presence and knowledge of local institutional contexts. Its Cameroon office, opened in 2018, serves as the coordination hub for IDH's landscape and commodity programmes in Central Africa.

Domaine Expertise and Track record

Global experience

IDH is a not-for-profit global foundation established to drive sustainable trade through the development of inclusive, climate-resilient, and economically viable agricultural and land use models. Founded in 2008, IDH supports public and private actors in achieving their sustainability goals by co-designing and financing interventions that create systemic change across supply chains and landscapes. IDH has worked globally with over 500 companies, CSOs, financial institutions, producer organizations and governments, in over 50 countries, with programmatic activity in 12 agro-commodity sectors and 20 sourcing landscapes. IDH combines the functions of a convening platform, technical assistance provider, and investment ecosystem builder. IDH has significant experience in securing and managing donor funding.

Investment and Blended Finance experience

IDH Invest is the IDH's investment arm, represented by IDH Investment Management and IDH Investment Development.

- IDH Investment Development has managed Technical Assistance Facilities (TAFs) for several blended finance vehicles including the Land Degradation Neutrality Fund (LDN), AGRI3 Fund, &Green Fund, and the Farmfit Fund. These facilities are designed to mobilize private investment into sustainable land use, agriculture, and smallholder-inclusive business models, by de-risking capital and supporting investment readiness. Since 2019, IDH TAFs have managed > USD15mn, across 40 projects, mobilising $130mn investments.

- IDH Investment Management houses the €100 million Farmfit Fund focused on catalysing capital to demonstrate the viability of farmer-related investments and is an Advisor to the investment vehicle One Acre Ventures, investing in African agri-businesses (current size $8m – target of $50m). IDH IM will provide oversight to the project on the management of the Seed Capital Facility.

Additionally, IDH also established the Investment Development Hubs in Colombia and East Africa, to demonstrate that with specialised and localised TA and the right capital mix, more projects can become investment-ready, enabling sustainable land-use, forest protection and improved smallholder farmer farmers livelihood. The Hubs provide TA to SMEs, project developers, cooperatives, aggregators and financial institutions working with and on-lending to SHF, land restoration and sustainable agriculture. We convene a local and international finance network to scale investment. IDH has developed a Blueprint for investment readiness TA and engagement with investors in the AFOLU sector that is being applied to the Investment & PES Hub in Cameroon.

Landscape level convening and implementation experience

In addition to financial and operational expertise, IDH brings deep experience in landscape-level implementation through its Production-Protection-Inclusion (PPI) model. This model supports sustainable and inclusive growth by integrating commercial and subsistence agriculture (Production), ecosystem conservation (Protection), and livelihood and rights enhancement for local communities, particularly women (Inclusion). To operationalize the PPI model, IDH facilitates multi-stakeholder "Compacts"—formal agreements that align diverse actors such as government authorities, companies, producer organizations, and communities around shared sustainability and development goals. To date, IDH has facilitated more than twenty such Compacts in African landscapes, demonstrating its capacity to work in complex governance environments.

Experience in Cameroon

Specifically in Cameroon, IDH began its activities in 2018 with the signing of a Letter of Intent in Douala, bringing together private sector, government, and civil society to launch the *Green Commodity Landscape Program*. Since then, IDH has developed two complementary approaches. At the national level, IDH convenes the *Roadmap to Deforestation-Free Cocoa (RDFC)*, a multi-stakeholder partnership that addresses cocoa-driven deforestation through new policy instruments, guidelines, and action plans. This work builds on lessons from the Cocoa & Forests Initiative and is funded by the Dutch Ministry of Foreign Affairs and the Swiss State Secretariat for Economic Affairs. It led to the setting up of a National Sustainable Cocoa Committee hosted by the Cameroon government. At the landscape level, IDH convenes the *Green Commodity Landscape Program (GCLP)* in the Grand Mbam area of the Centre region. The GCLP promotes sustainable commodity production, forest protection and restoration, and improved community livelihoods. It also serves as a pilot ground for the national-level reforms under the RDFC. It also includes an EUDR pilot project (2025-2026) that aims to generate insights on how to support bottom-up EUDR compliance, working with Unions of Cocoa Cooperatives in the Brand Mbam landscape. The GCLP is funded by the Dutch Ministry of Foreign Affairs through the Initiative for Sustainable Landscapes (ISLA) program.

Financial Capacity

IDH manages an annual global portfolio exceeding €50 million in 2025, combining public and private funding sources. It maintains robust fiduciary systems, including internal audits, risk management frameworks, and annual independent financial audits, all of which have received clean audit opinions. IDH has a proven track record in managing donor funds from the Dutch MFA, SECO, NORAD, FCDO, EU, and leading foundations (IKEA, Mastercard, Gates, Laudes, etc.).

Through its investment arm, IDH also manages and advises blended finance vehicles with cumulative assets exceeding USD 200 million, ensuring the financial and operational robustness necessary to deliver CAFI-funded projects.

iii. External implementing partners (to be recruited)

Technical Assistance Manager

Type: External partner (firm or NGO) based in Cameroon, to be recruited through an open and competitive tender.

Role:

The Technical Assistance (TA) Facility Manager will be contracted by IDH to deliver activities under the Technical Assistance component of the programme. The Manager will be responsible for providing investment-preparation support to enterprises, cooperatives, and agribusinesses, helping them strengthen their operational, financial, and governance systems to improve investment readiness and adapt more sustainable land use practices. The TA support will facilitate progression toward accessing finance from the Seed Capital Facility or directly from investors through the Business & Investment Network (B&I Network). Based on the result of the tender, IDH may choose to retain direct responsibility to implement technical assistance activities specific to sustainable land use practices and PES capacity building.

The Technical Assistance Facility Manager will operate under the supervision of IDH and in full alignment with CAFI objectives, IDH policies and safeguards, and the guidance of the Technical Assistance Committee, which holds ultimate decision-making authority on the deployment of TA resources.

This arrangement aims to maximise implementation efficiency, reduce administrative costs, and leverage the Manager's existing local footprint and networks to accelerate delivery.

Responsibilities

The Technical Assistance Facility Manager's key tasks will include:

- Origination and appraisal of TA opportunities, including diagnosis of investment readiness and sustainability gaps;
- Definition of TA portfolio allocation, focus, and alignment with overall programme goals;
- Direct delivery and management of TA support packages;
- Maintenance of a TA service provider network for subcontracting specialised services to project recipients;
- Liaison with the Business & Investment Network to ensure coordination between TA, investment, and PES components;

- Disbursement and monitoring of TA funds;
- Management of ongoing TA assignments, including collection of standardised M&E data for each package; and
- Reporting to the PMU on progress, portfolio composition, fund use, and risks.

The TA Facility Manager will be directly responsible for providing and coordinating technical assistance to local SMEs, large cooperatives, and agribusinesses targeted by the Hub.

Eligibility Conditions:

The selected organisation must demonstrate:

- Proven experience in enterprise development and technical assistance delivery to SMEs or cooperatives, ideally in the agricultural or land-use sectors in Cameroon;
- Demonstrated financial and administrative management capacity to manage CAFI-funded activities;
- A network of qualified TA providers, including expertise in business structuring, investment facilitation, and cooperative strengthening;

Pre-identified Candidates:

Potential partners with relevant expertise have been identified during the feasibility phase. Examples include:

- Fako Capital, one of Cameroon's first impact investment funds dedicated to financing start-ups and high-potential SMEs. Fako Capital combines investment experience with hands-on TA delivery through capacity-building and know-how transfer to portfolio companies.
- Elesyste, a Cameroonian enterprise established in 2005 that supports cooperatives and SMEs in improving value-chain organisation, digitalisation, and access to finance. Elesyste also facilitates investor relationships and transaction brokerage for agribusinesses.

The Technical Assistance Facility Manager will be engaged under a Service Contract in accordance with IDH procurement policy. The agreement will define performance milestones, fiduciary obligations, and reporting requirements consistent with CAFI's operational and financial standards. During the inception phase, Terms of Reference for the role will be developed. The position will then be recruited through an open and competitive tender, and the selected candidate will be chosen based on the evaluation criteria and their capacity to implement the activities in line with the Technical Assistance Facility's ToR. If capacity gaps are identified within the chosen implementer(s), a tailored capacity-building plan tailored to their specific roles will be developed.

Seed Capital Facility Manager

Type: External partner (locally based financial intermediary or fund manager in Cameroon), to be recruited through an open and competitive tender.

Role:

To ensure efficiency and transparency in delivering the Seed Capital component of the programme, IDH will contract an independent Seed Capital Facility Manager (SCFM).

The Facility Manager will be responsible for administering the Seed Capital Facility, which provides returnable, catalytic capital to small and medium enterprises (SMEs), cooperatives, and agribusinesses engaged in sustainable land-use and deforestation-free value chains.

The role of the SCFM may vary from basic fund administration—acting as a legally registered entity capable of contracting, disbursing, and collecting repayments—to comprehensive portfolio allocation and investment management. The exact scope will depend on the quality, experience, and cost competitiveness of proposals received through the tender process.

The Facility Manager will operate under the supervision of IDH, with ultimate strategic and fiduciary oversight retained by IDH Investment Management (IDH IM). IDH IM will manage the Seed Capital Facility funds and contractually delegate day-to-day operational functions—including investment execution, disbursement, and monitoring—to the selected Manager, while maintaining full accountability for portfolio strategy, performance, risk management, consolidated reporting, and audits in line with CAFI's operational and financial standards.

Responsibilities:

The Seed Capital Facility Manager will perform the following core functions:

- Originate, evaluate, and execute Seed Capital investment opportunities;
- Conduct due diligence, structure and execute investment documentation, disburse funds, and monitor portfolio performance;
- Define and make recommendations on portfolio allocation and investment strategy;
- Prepare investment proposals and materials for review and approval by the Seed Capital Committee;
- Review due-diligence outcomes, contracting decisions, and disbursement plans for proposed investments;
- Report quarterly on investment and impact performance, fund utilisation, currency deviations, and risk management measures;
- Ensure and advise on governance and fiduciary safeguards for Seed Capital deployment;
- Liaise closely with the Technical Assistance Facility Manager and the Business & Investment Network to align TA support with investee performance and manage entry and exit strategies;
- Report regularly to the PMU and IDH IM on portfolio composition, risks, and fund use, contributing to consolidated project reporting.

Eligibility Conditions:

The selected organisation must demonstrate:

- Proven experience in impact investment, blended finance, or SME fund management in Cameroon or the Central Africa region;
- Strong financial management, risk assessment, and due-diligence capacity, including at least three years of audited financial statements;
- An operational presence in Cameroon with the ability to manage returnable capital instruments in compliance with national regulations; and
- Alignment with IDH's Environmental and Social Safeguards, integrity policies, and CAFI fiduciary procedures.

Pre-identified Candidate:

A potential partner identified during the feasibility phase is Fako Capital, one of the first impact investment funds dedicated to financing start-ups and high-potential SMEs in Cameroon.

Fako Capital is affiliated with the investment group Investisseurs & Partenaires (I&P), which has over 20 years of experience financing and supporting Pan-African SMEs. Fako Capital provides flexible early-stage financing. Its strong local presence and investment management capacity position it well to act as the Seed Capital Facility Manager.

The Seed Capital Facility Manager will be engaged under a Service Agreement in accordance with IDH procurement policy. The contract will specify performance indicators, fiduciary obligations, reporting requirements, and compliance with CAFI's operational, audit, and integrity standards. During the inception phase, Terms of Reference for the role will be developed. The position will then be recruited through an open and competitive tender, and the selected candidate will be chosen based on the evaluation criteria and their capacity to implement the activities in line with the Seed Capital Facility's ToR. If capacity gaps are identified within the chosen implementer(s), a tailored capacity-building plan tailored to their specific roles will be developed.

PES aggregators

Type: External partners (private sector companies and international or national NGOs) with local presence in Cameroon. Private-sector aggregators will be contracted through partnership agreements under IDH oversight, while NGOs will be selected through public tenders or subcontracted by private sector partners according to IDH procurement policies and CAFI safeguards.

<u>Role</u>

IDH will seek the technical support of "aggregators" to help Environmental Service (ES) Providers meet the requirements for participation in PES schemes and their reporting obligations.

Aggregators will facilitate and supervise ES Providers—farmers, cooperatives and community-based organisations—and their activities in the field. They will bridge the gap between IDH and local actors, ensuring that implementation meets CAFI criteria, reporting standards, and social inclusion principles. If capacity gaps are identified within the aggregators, a tailored capacity-building plan tailored to their specific roles will be developed on the basis of the PES implementation guidelines developed during the inception phase.

Two categories of aggregators will be engaged:

- Private-sector companies operating or sourcing from CAFI-supported value chains—typically international commodity traders or exporters such as cocoa, palm oil or agroforestry companies but in some cases also local enterprises. These firms will co-fund and co-implement PES schemes using their in-country experience, field networks and staff. Acting also as Environmental Service Buyers, they will make performance-based payments to ES Providers for the environmental services generated, either from their own corporate sustainability targets or on behalf of their clients (e.g. international brands). They will take a leading role in PES design, working with IDH and the CAFI Secretariat within a common framework and criteria to ensure schemes contribute to both their commercial sustainability goals and CAFI impact targets. Selection will be conditional on a Partner Due-Diligence Assessment covering financial, governance and reputational risks.
- International and national NGOs that may act as direct aggregators or as sub-contractors to companies. Depending on their field capacity, these NGOs will implement part or all of the PES scheme under Terms of Reference co-developed with IDH and the companies. They must demonstrate experience in (i) climate-smart cocoa agroforestry and zero deforestation; (ii) forest conservation/protection; (iii) afforestation, reforestation and restoration; (iv) community mobilisation; (v) cooperative and financial management; (vi) soil and land

restoration; and (vii) monitoring, reporting and verification (MRV), including carbon monitoring.

<u>Responsibilities</u>
Aggregators will:

- Provide information to potential ES Providers on PES schemes;
- Carry out diagnostics to determine eligibility;
- Support ES applicants in completing applications and, once contracts are signed, in implementing PES activities in line with IDH requirements and quality criteria;
- Support consultation, assessment, monitoring and reporting functions required for ES participation;
- Organise community capacity-building sessions and quarterly stakeholder meetings;
- Recruit and manage field agents to provide day-to-day technical back-stopping;
- Establish or support local committees to manage resources and benefits, ensuring equity and environmental effectiveness;
- Strengthen local governance structures—particularly around protected areas such as Mpem et Djim National Park—for community-based forest management; and
- Report data and progress to IDH PMU through the CAFI PES Monitoring System.

<u>Eligibility Conditions</u>
Aggregators must show:

- Proven experience in Cameroon or Central/West Africa in sustainable land management, cocoa agroforestry, forest conservation or restoration;
- Technical capacity for MRV and carbon monitoring;
- Experience in community mobilisation and work with Indigenous Peoples;
- Adequate financial and administrative systems compliant with IDH and CAFI fiduciary standards;
- Commitment to IDH policies on environmental and social safeguards, gender inclusion and anti-corruption; and
- For private-sector companies: clear commitment to co-fund PES implementation costs and/or act as Environmental Service Buyers, providing performance-based payments to ES Providers either directly or on behalf of their clients.

<u>Pre-identified Candidates</u>

Private-sector companies (commodity traders/exporters also acting as ES Buyers)

Companies operating or sourcing from CAFI-supported value chains that could act as lead PES aggregators—co-funding schemes and purchasing verified environmental services either to meet their own corporate targets or on behalf of brand clients—include:

- Olam Food Ingredients (OFI) – established cocoa sourcing presence in Cameroon with sustainability and traceability programmes that can integrate PES activities into existing supplier engagement.
- Barry Callebaut – multinational cocoa and chocolate actor with field operations and established monitoring systems suited to PES co-implementation and ES purchasing.
- ECOM – major trader active in Cameroon; already co-funding a related project with IDH and CIFOR-ICRAF in community forests (Mbangassina and Ngoro), positioning it well for future PES integration.
- Puratos – cocoa/chocolate supply-chain actor with sustainability initiatives that can dovetail with PES delivery and result purchasing.

International NGOs (technical aggregators / subcontracted implementers)

A number of international non-governmental organisations have been identified as potential technical aggregators or subcontracted implementers. They combine expertise in conservation, sustainable land use, and community mobilisation and are already active in the target region.

The Wildlife Conservation Society (WCS) is a global NGO headquartered in New York that collaborates closely with the Ministry of Forests and Wildlife (MINFOF) to strengthen protection and management of Cameroon's national parks and surrounding forests. WCS provides technical and financial support, including field equipment (GPS units, drones, vehicles, and camping tools) and training for conservation services. It is active in the Mbam and Djerem National Park, where it implements REDD+ activities, ecological monitoring and patrols, anti-poaching operations, and community conservation initiatives. WCS also supports the development of strategies for transhumance corridors and bushfire management. WCS has been identified by KfW as a key partner for the CAFI-funded Grand Mbam Project and is in the process of receiving multi-million USD funding from BMZ for the protection of Mpem et Djim National Park. This background makes WCS particularly well placed to act as a technical aggregator for PES schemes focused on community forest protection, reforestation, and monitoring.

The Rainforest Alliance (RA) is an international non-profit organisation promoting sustainable land use, biodiversity conservation, and improved livelihoods for rural and forest communities. Although RA has not yet implemented PES projects in Cameroon, it operates several sustainability programmes with similar incentive structures. Its certification standards are applied by companies such as Cargill, Telcar, Barry Callebaut, ECOM-AMS, and Olam and include environmental criteria related to climate-resilient agriculture, biodiversity conservation, and zero deforestation. Through its traceability and assurance systems, RA ensures that sustainability premiums reach producers, reinforcing incentives for good practices. RA has extensive experience working with cocoa producers in the Grand Mbam and plays a central role in sustainability assurance for the sector. The organisation has expressed a strong interest in participating in PES and could contribute by identifying ES Providers, tracking benefit flows, delivering training through its network of trainers and cooperatives, and supporting PES contract establishment and compliance.

The Center for International Forestry Research and World Agroforestry (CIFOR-ICRAF) is a global science-for-development institution that addresses deforestation, biodiversity loss, and rural poverty through research and innovation in sustainable land use. With more than 70 years of combined experience, CIFOR-ICRAF applies a multidisciplinary approach to improve livelihoods, promote climate-smart agriculture, and restore ecosystems. In the Congo Basin, it has shaped both policy and field-level solutions for sustainable forest management. In Cameroon, CIFOR-ICRAF's long-standing engagement has improved the livelihoods of thousands of smallholder farmers through participatory tree domestication, community forestry, and agroforestry value-chain development. Its work has reduced pressure on natural forests by establishing local nurseries, integrating trees into farming systems, and promoting sustainable woodfuel and artisanal timber practices. CIFOR-ICRAF contributed to the development of this project through a detailed feasibility study and is currently implementing a related initiative in community forests in Mbangassina and Ngoro, co-funded by IDH and ECOM. This experience positions CIFOR-ICRAF to serve as a technical aggregator for PES schemes focused on climate-smart cocoa agroforestry and deforestation-free agriculture, and to help build the capacity of private-sector partners in PES design and implementation

National NGOs (community implementation partners and technical aggregators)

Several national NGOs are also potential partners for PES implementation, particularly where additional expertise in community engagement, Indigenous inclusion, or local monitoring is needed.

These organisations bring field experience, established local networks, and credibility among community stakeholders.

The Centre for Environment and Development (CED) is an independent, apolitical organisation founded in 1994. It focuses on illegal logging monitoring, Indigenous rights, participatory mapping, and advocacy for land laws that protect community interests. CED implemented Central Africa's first pilot PES project, funded by DFID, in the Nkolenyeng (South) and Nomedjoh (East) community forests. These pilots demonstrated how forest communities could derive income from conservation rather than logging. CED trained communities in direct, simple carbon measurement methods (tree counts, maps, and field data) and used monitoring to verify compliance, determining whether communities received the full five million CFA or a reduced amount. Participatory mapping was also applied to resolve land-use disputes with farmers, migrants, and pastoralists. Given this experience, CED could support community mobilisation, FPIC facilitation, and Indigenous engagement within PES schemes.

The Centre d'Appui aux Femmes et aux Ruraux (CAFER) is a support centre for women and rural communities with a mission to combat poverty through environmentally friendly livelihood alternatives. CAFER has extensive experience working with Indigenous Peoples, particularly the Bedzang (Tikar Pygmies) and the Tikar in the Grand Mbam region. Its activities have focused on tree planting, agroforestry, reforestation of degraded lands, and advocacy for Indigenous land access. CAFER led the Project for the Improvement of Bedzang Livelihoods (PAMSU), which prioritised agroforestry, community nurseries, and reforestation. In 2013, CAFER collaborated with Bororo pastoralist communities on awareness raising, training in agroecological practices, and climate change mitigation. CAFER could therefore contribute to gender inclusion, community engagement, and FPIC facilitation, particularly among Indigenous and marginalised groups.

Forests and Rural Development (FODER) is a Cameroonian non-profit organisation with experience in ecosystem restoration, conservation, and sustainable land management. FODER has worked with local communities, farmers, pastoralists, and municipal authorities to promote reforestation, forest protection, and improved forest governance. It has implemented anti-poaching and governance projects in the Mbam et Djerem National Park with IUCN support and collaborated with GIZ in the Yoko municipality. FODER has also conducted external monitoring of forestry operations to ensure compliance with national regulations. Given this experience, FODER could serve as a community implementation partner, supporting forest management, reforestation, and community-led conservation activities under PES scheme.

Together, these private-sector, international, and national organisations represent a strong network of potential PES aggregators and technical partners. Their combined expertise in sustainable production, conservation, community engagement, and monitoring provides a robust foundation for implementing effective, inclusive, and high-integrity PES schemes across the Grand Mbam landscape and surrounding areas.

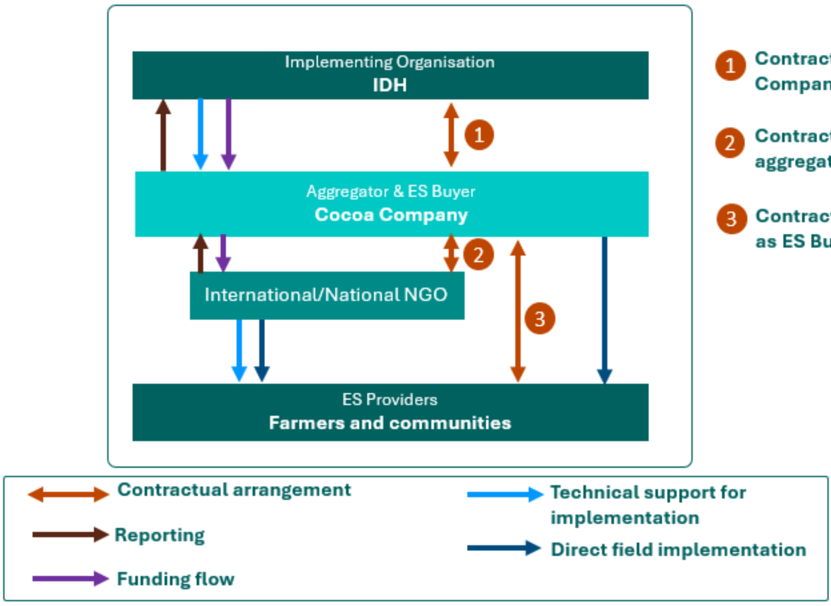
Aggregators will be contracted through Grant or Service Agreements consistent with IDH procurement and fiduciary rules.

- Private-sector aggregators, acting as co-funders and ES Buyers, will enter agreements with IDH, defining co-financing arrangements, risk-sharing and MRV protocols.
- NGO aggregators and technical partners will be engaged through service or grant agreements, with Terms of Reference co-developed by IDH and private companies to ensure transparency and quality assurance.

Each contract will detail deliverables, monitoring and reporting requirements, and adherence to CAFI environmental, social and gender safeguards.

Contractual arrangements between IDH and the aggregators will be as follows:

Figure 10. Contractual arrangements between IDH and the aggregators



iv. ES buyers

CAFI will act as one of the buyers of environmental services and will provide performance-based payments to local communities and individuals who will implement the selected environmental services. CAFI will:

- Define with the Regulator the specific variations of this project: including geographical areas and types of eligible beneficiaries, methodologies and standardised templates to be used.
- Sign PES agreements with environmental service providers.
- Ensure compliance with the monitoring, reporting and verification (MRV) procedures required to guarantee that payments are conditional on the provision of environmental services. The CAFI centralised and standardised PES data management system will be used by the actors in the PES implementation chain.
- Make the ES payments to the ES Providers, as per the terms specified in the PES agreements
- Contract the independent verifier and manage the process, in particular compliance with the timetable for independent verification of PES projects.
- Operate its PES data management system in close collaboration with IDH.
- Share consolidated reports with the Regulator on results achieved and payments made.

In addition to traders and exporter already acting as PES aggregators, other private sector companies (e.g. brands) will also act as buyers of environmental services and provide performance-based payments to local communities and individuals who will implement the selected environmental services. The private sector will:

- Contribute to the selection of the geographical area and to the identification of the ES Providers, working closely with the PES aggregators and other technical partners.
- Make the ES payments to the ES Providers, as per the terms specified in the PES agreements

7. Conditionality in disbursements and payments for PES

a) PES design and implementation costs

The total costs of each PES scheme have been calculated based on a list of activities that need to be implemented to achieve project sub-output #4.1 (*Eligibility criteria for participation in the PES programme are met*), output #4.2 (*PES activities are implemented and PES are paid based on performance*) and output #4.3 (*PES programme is implemented in a transparent, effective and inclusive manner*). The full list of activities budgeted under each sub-output can be consulted in Appendix 13. Costs were estimated based on the experience and expertise of the consultancies that were commissioned to do the feasibility study: CIFOR-ICRAF estimated costs of all field-related activities, including monitoring, while South Pole estimated costs of all carbon monitoring activities. The costs were then spit between CAFI, Companies and Farmers (corresponding to farmers' in-kind contribution).

The split between CAFI, funding vs. company and farmers funding was defined based on the following assumptions:

- **CAFI will fund a broad set of activities to support the successful implementation of the PES schemes**, including both the inception activities and monitoring, reporting, and verification (MRV).
    - → Inception activities: the subsidy covers efforts to identify potential PES providers, individuals and communities, through sensitisation meetings, remote sensing, and tailored communication. It also funds screening processes, participatory workshops, FPIC consultations, boundary mapping, dispute resolution, and land ownership verification. Additionally, CAFI funding will support land use planning through participatory mapping, transect walks, and village consultations, with all data integrated into CAFI's digital tools.
    - → MRV: the CAFI PES monitoring system will be used to gather and verify data for PES payments and carbon monitoring. We estimated costs related to IDH field verification, as well as consultancy support that would be needed to work with the CAFI Secretariat on the customization of the CAFI PES monitoring System so that it is also used for carbon monitoring. Note however that our cost estimates do not include the CAFI Secretariat costs related to the operation of the CAFI PES system nor of its customization to support carbon monitoring.
- **Companies will be responsible for covering the costs associated with field implementation of the PES schemes.**
    - → These include direct implementation activities tailored to each scheme. Costs involve farmer and community training, nursery development, provision of materials and seedlings, site assessments, maintenance, and fire prevention measures. Companies will also support project coordination and management throughout the implementation phase.
    - → In addition, companies will fund payments to ES providers. This includes negotiating and agreeing on payment terms, setting performance indicators, and establishing benefit-sharing mechanisms for community schemes.
    - → Some MRV costs were also included corresponding to companies' field project monitoring costs, collection of primary data for emission baseline, management of carbon certification process and certification itself.
- **Farmers in-kind support was calculated based on an estimation of the labour required to implement the key farm-related activities** of the Climate Smart Cocoa Agroforestry scheme (e.g. pruning, composting, mulching, cost of agroforestry trees planting and maintenance etc.).

We took a relatively high hourly rate (USD 1.8/hour), corresponding to the hourly living wage rate for Cameroon, to take into account the benchmark of how labour should be remunerated in Cameroon[13].

Based on our calculations, companies would pay approximately 65% of the PES scheme's costs. This based on the assumption that there is a solid business case for companies to fund a comprehensive PES scheme in return for carbon benefits that can be claimed under their SBTi Net Zero targets. However, as we are still early in the stage of company engagement and despite having received positive feedback from the companies we've met, we haven't yet received a confirmation on the exact sharing of costs between CAFI and companies. To ensure we are able to further incentivize companies funding into the scheme, we have set aside 425,000 USD of CAFI Budget, which could be used to subsidize the ES payments to farmers and communities in the first years of the project, as the scheme is being piloted with a limited number of companies. Any further adjustment will be submitted to the CAFI Secretariat for approval.

Table 1313. PES costs split between CAFI and Companies for the duration of the project (5 years)

PES scheme	Targeted area (ha)	Total costs (USD)	Disaggregated costs (USD)			Cost per ha (USD/ha)	
			CAFI funding	Cocoa Company funding	Farmers in - kind contribution	Total cost over 5 years	Cost per year
Climate Smart Cocoa Agroforestry	4,000	10,038,061	2,692,644	5,626,517	1,718,900	2,510	502
Afforestation/ Reforestation	2,000	5,869,395	1,466,480	4,402,915	-	2,935	587
Restoration - ANR	2,000	3,164,297	1,255,335	1,908,962	-	1,582	316
Forest protection	3,000	5,125,188	1,286,781	3,838,407	-	1,708	342
	TOTAL COSTS	**24,196,941**	**6,701,240**	**15,776,801**	**1,718,900**		
	Share	**100%**	**28%**	**65%**	**7%**		

- **Targeted Area:** The area over which each scheme will be implemented, expressed in hectares.
- **Total Cost per Area:** The total cost of implementing the scheme across the full project area, divided by the number of hectares, expressed in USD/ha. This cost doesn't include the monitoring costs from Year 5 until Year 20 that will be borne by companies, which have been estimated at about $5.7 million.
- **Annual Cost per Area:** The expected cost per hectare in each year of implementation, based on the project timeline of five years.

The table that follows summarizes the key parameters of the PES budget and assumptions made in terms of the field activities to be implemented for each scheme, and how we have split costs between CAFI, Cocoa Companies and Farmers (in-kind contribution).

[13] Source: https://globallivingwage.org/wp-content/uploads/2021/01/Rural-Cameroon-LI-Reference-Value.pdf

Table 14 14. Summary of costs, ES payments and carbon benefits for each PES scheme

PES scheme	Targeted area (ha)	ES Provider	ES Payments	Field activity related costs	
				Summary of budget assumptions	Additional narrative
Climate Smart Cocoa Agroforestry	4,000	Individual farmers, through coops and their Union of coops.	**USD 175/ha/Year** Initial estimate calculated based on a household survey on farmers' willingness to accept compensation for adopting sustainable farming practices.	Activities focus on: 1- **Diversification of income from timber species and fruit trees on of existing cocoa farms** (exotic trees & indigenous, NTFPs): **2800ha** - Assumptions in terms of baseline canopy cover: 40% -Targeted canopy cover of 60% (bote that this % will slightly vary per farm depending on the farm diagnosis) - Assumptions in terms of tree planted/ha: 20-25 tree/ha 2- **Intensification of existing cocoa farms in savannah:** 400ha (currently 30 non cocoa trees/ha to 60 non-cocoa trees/ha) 3- **Creation of new diversified cocoa farms on savannah:** 400ha (from 0 tree/ha to 1000 cocoa trees and 45-60 non- cocoa trees/ha) 4- **Creation of new diversified cocoa farms on young fallows:** 400ha (from 0 tree/ha to 1000 cocoa trees and 45-60 non- cocoa trees/ha) 4- **GAP training** (pruning, optimized fertilizer use, biochar, IPM) on 4000 ha, 2000 farmers 5- **Creation of fire belts** in savannah and young fallows: around 1200ha x 0,63 land to be cleared: 756ha of grassland vegetation cleared. Unit cost 87,71USD/ha	Seeks to maintain and boost yields despite changing climatic conditions while reducing greenhouse gas emissions and promoting carbon sequestration. Calculations were based on land size of 2ha/farmer.

PES scheme	Targeted area (ha)	ES Provider	ES Payments	Field activity related costs	
				Summary of budget assumptions	Additional narrative
Afforestation/ Reforestation	2,000	– Collective: focus on community and communal forests – Individual farmers with customary land right setting up afforestation plot adjacent to a cocoa farm can be considered	**USD 88/ha/Year** Initial estimate calculated based on a household survey on farmers' willingness to accept compensation for afforestation/reforestation on savannah/fallow land/degraded community or communal forest	Activities focus on: 1- **Enrichment planting:** 300 trees/ha on 1500ha 2- **Boundary planting** for demarcating boundaries of protected areas within community & communal forests (with exotic tree species such as teak): 1,111 trees/ha (equivalent to 67 double rows of 100 m long with trees spaced by 3 m) on 500ha 3- **Creation of fire belts in savannah areas:** 2000ha x 0,63 = 1260ha of vegetation cleared	Assumptions for land selection: - Afforestation: land without forest cover for more than 10 years. Essentially on degraded savannahs - Reforestation: land deforested within the past 10 years - To qualify, tree cover must not exceed 15%, with a maximum density of 50 trees per hectare. Higher tree densities would fall under restauration or forest protection schemes
Restoration - ANR	2,000	– Collective: focus on community and communal forests – Individual: farmers with customary land right setting up afforestation plot adjacent to a cocoa farm can be considered	**USD 44/ha/Year** Initial estimate calculated based on a household survey on farmers' willingness to accept compensation for protection, assisted natural regeneration on savannah/ degraded community or communal forests.	Activities focus on: 1- **Creation of fire belts** in savannah areas: 2000ha x 0,63 = 1260ha of vegetation cleared 2- **Protection of naturally occurring tree seedlings** and proactive maintenance of tree cover (identification of trees, markage, pruning and maintenance)	Restoration focuses on regenerating degraded lands through natural and assisted natural regeneration, differing from afforestation and reforestation primarily in eligible land types. It applies to areas that already contain some tree cover and soil seed banks to allow for the regeneration. Creates additionality by introducing deliberate interventions that allow nature to take over when business as usual would fail.

PES scheme	Targeted area (ha)	ES Provider	ES Payments	Field activity related costs	
				Summary of budget assumptions	Additional narrative
Forest protection	3,000	– Collective: Community forest management committees (e.g., CPF), local communities	**USD 141/ha/Year** Initial estimate calculated based on market value of carbon (15 USD/tCO2e)	Activities focus on: 1- **Sensitisation of communities,** creation of management committees 2- **Establishing village-based eco-guard teams** (10 ecoguards per village, total of 30 ecoguards) 3- **Patrolling activities:** (cost of patrol: 25,000CFA/ha, part of it 20% as remuneration of eco-guards), also preventing illegal logging and hunting 4- **Demarcating boundaries** using trees (note that the costs are covered under A/R) 5- **Satellite surveillance** of the forest (30USD/ha)	Calculations were made based on protection activities around national parks - 3 villages, which are identified as most vulnerable. The hectares counted as protected are the ones near these 3 villages. We form local forest management committees that act as local ecoguards monitoring these forests.

b) Payment modalities and triggers for PES

The PES schemes will operate under a unified payment system that balances practicality for farmers and communities with technical rigor and accountability for funders. Payments are implementation-based. They are done on an annual basis and are triggered by verified adoption of agreed practices and complemented by results such as the absence of deforestation and avoidance of prohibited activities.

- **PES #1: Climate Smart Cocoa Agroforestry (CSCA):** Payments to individual farmers will be triggered by planting shade trees to achieve 40–60% canopy cover, adoption of good agricultural practices (fertiliser optimisation, pruning, residue composting, pest management), and verification of no deforestation by IDH.
- **PES #2: Afforestation/Reforestation (A/R):** Payments will be made to individuals or communities based on verified tree planting and the establishment of fire protection measures (firebreaks and patrols).
- **PES #3: Restoration (ANR):** Payments to individuals or communities will be triggered by compliance with fire protection and observed basal area increases of 0.1–0.5 m^2/ha/year, depending on whether natural or assisted regeneration is implemented.
- **PES #4: Forest Protection:** Collective payments will be made to communities that maintain effective patrols, enforce protection measures, and ensure no grazing, agricultural expansion, or fire occurs within designated areas.

Payment Frequency and Form
Payments will be made **annually**. They will be cash-based performance payments once compliance is verified.

Payment Recipients

- **Individual farmers (Individual PES)**: Direct recipients in CSCA and, where applicable, in A/R and Restoration-ANR schemes. Farmers will be tied to individual cocoa companies acting as ES buyers sponsoring their participation into the PES scheme in order to avoid any double counting of the carbon impact across the companies. Sponsoring farmers entails supporting them to implement all the required PES activities (trainings, seedlings, agri-inputs, and payment).
- **Communities (Collective PES)**: Payments will be made through recognised structures (e.g., cooperatives, forest committees) for collective PES schemes, notably in forest protection, and in some A/R and Restoration-ANR projects. The payments will be linked to the cocoa companies' investment to the communities' project area where the cocoa companies will support the communities to implement all the required PES activities (trainings, seedlings, patrol support, and payments). The exact modalities of the collective payments will be developed during Phase 1 of the PES project (pilot phase), considering existing community structures established in the targeted intervention areas (e.g. community forest, vicinity of communal forest and national parks).

The payment modalities will be further detailed in the PES implementation guidelines, covering the deadlines, verification process and mobile payment procedures.

c) PES Verification and Disbursement Process

The monitoring and verification process will be sequenced as follows:

- The company and NGO aggregators will be in charge of monitoring ES providers activities and reporting back on it using the CAFI PES monitoring system. They will also report back to IDH with a narrative, financial and KPI report.
- The IDH PES Manager and Field Officer will review the aggregators report and will carry out field verification on a sample of the PES contracts, to verify implementation and ensure accuracy of the results.
- Only once compliance is confirmed and field verification complete, the IDH PES Manager will inform CAFI, for the payment to be processed. Disbursement will occur through the CAFI PES **mobile-based systems** (and possibly companies' mobile systems when they already exist and are preferred by companies), ensuring efficiency, transparency, and accessibility for rural participants. Failure to comply with scheme requirements will result in payments being withheld, providing a clear safeguard against non-performance.
    - Private companies are expected to invest in selected schemes as part of their sustainability and climate strategies. However, all payments to environmental service providers should flow through CAFI's system to maintain alignment with national frameworks and ensure consistency in verification and disbursement. If necessary, companies who already have established payment systems may be used after approvals through CAFI's MRV system, though this would not be the preferred approach and may complicate payments.

The detailed procedure for field verification by IDH will be described in the PES Implementation Guidelines and the MEL plan. The verification procedure will be regularly updated based on learnings collected along the way, to ensure we learn from the cases of non-compliance we will have identified along the way.

Independent verification

In the fourth quarter of the 3rd year of implementation, the CAFI Secretariat will commission an independent verification to verify results of the 2.5 years of implementation of the Investment & PES Hub. This will not only help confirm the programme results have been achieved, to release the 3rd tranche of funding, but will also help identify any areas for improvement. Specifically, the independent verifier will:

- Organise and participate in kick-off meetings with CAFI and IDH (stage 1);
- Carry out review of project reports with focus on indicators and plan interviews and field visits (stage 2);
- Carry out primary data collection through interviews and field visits (stage 3);
- Analysis findings and evidence (stage 4)
- Produce the verification report (stage 5).

A more detailed description of this process is included in section 10. c)

Timetable of Payments

Disbursements under the PES schemes are structured to align with the local agricultural calendar and the specific needs of participating farmers and communities. In-kind support, such as seedlings, agricultural inputs, and materials for firebreaks, will be provided at the start of the rainy season, ensuring farmers can implement activities at the optimal time for growth and survival of trees and crops. Annual performance-based payments, which reward the successful implementation of agreed practices and compliance with PES rules (e.g., canopy cover, fire protection, basal area growth, forest patrols), will be made at the end of the cocoa season. This timing is strategic: it coincides with a period when cash liquidity is typically low, children are preparing to return to school, and farmers need resources for the upcoming cocoa production cycle. This ensures that payments provide maximum social and economic impact for participating households and communities.

The disbursement schedule is designed to maximize participation, compliance, and effectiveness of the PES schemes. Early provision of in-kind support enables farmers to implement practices without financial barriers, directly supporting tree planting, agroforestry enrichment, and protection measures. End-of-season performance payments act as incentives for adherence to scheme rules, such as avoiding deforestation, maintaining tree cover, and observing fire protection protocols. By linking payments to tangible implementation and outcomes, the system ensures both environmental and socio-economic objectives are achieved. This approach also supports broader community resilience and food security, as farmers can invest in materials, labour, and inputs at times of greatest need.

Separation of Roles

To safeguard the integrity and transparency of disbursements, roles are clearly separated among project stakeholders:

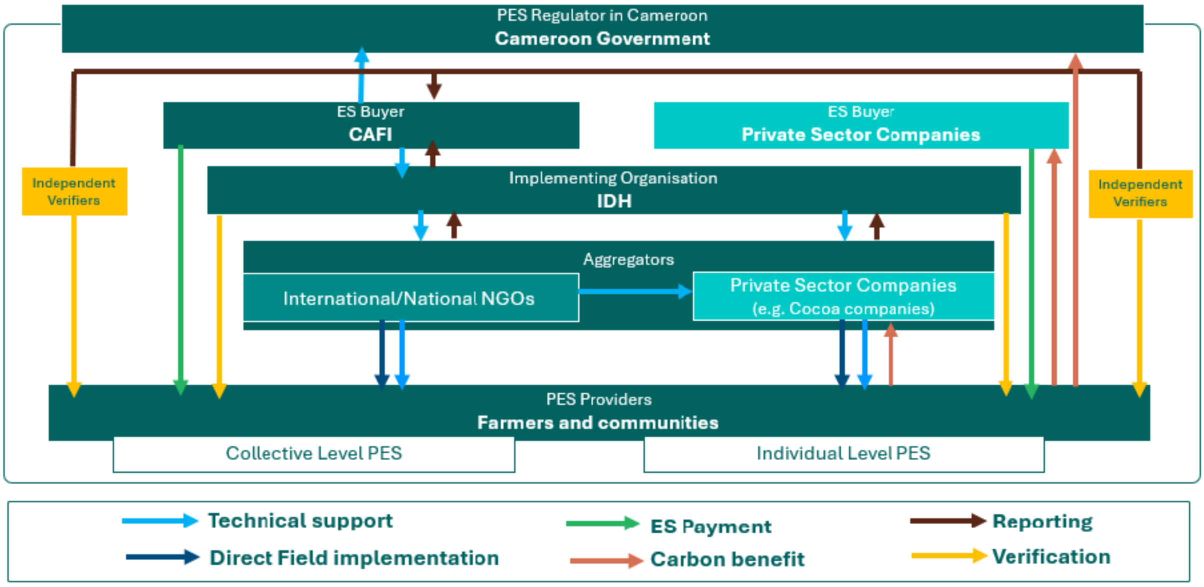
- **Company aggregators:** Monitors and checks implementation of field activities and reports back to IDH.
- **IDH:** Conducts a first level of verification activities, including ground-truthing, field inspections, and sample checks, in coordination with community representatives where applicable. Ensures compliance with CAFI reporting and accountability standards. IDH will continuously analyse stakeholders' roles and responsibilities in the PES projects to identify conflicts of interests that could lead to fraud and corruption.
- **CAFI Secretariat**: Manages the payment platform, authorizes transfers based on verified MRV data.
- **Farmers and Communities**: Receive payments directly, either as individuals (e.g., for CSCA and individual A/R plots) or collectively through community representative bodies (e.g., for Restoration and Forest Protection schemes). Performance payments are contingent on meeting the defined criteria for each scheme.

Contingencies and Safeguards

In cases where internal verification carried out by IDH is delayed or compliance issues arise, disbursements may be postponed until MRV confirms adherence to scheme requirements. Non-compliance, including failure to implement practices, deforestation, or encroachment into protected areas, results in withholding of payments. This ensures that incentives remain aligned with environmental outcomes while maintaining transparency and trust with both private sector investors and participating communities.

During the inception phase, IDH will develop a more **detailed PES Verification Procedure as part of the PES Implementation Guidelines**, which will define for each scheme how the verification will be performed (e.g. sampling methodology, field data to be collected, satellite-based data verification etc), and what will happen in case of non-compliance (e.g. corrective measures and timeline, timeline of the verification of the corrective measures implementation etc). Thie IDH internal Verification Procedure will be improved overtime as we learn from our first PES pilot implementation.

Figure 11. PES implementation stakeholder chain



8. Stakeholder commitment strategy [14]

During the development phase of the Prodoc, we identified several key stakeholders critical to the success of the programme and established the following strategy. To ensure continued relevance, we will review and update the stakeholder mapping regularly, at least once a year, and incorporate any new stakeholders as they emerge.

Government

The Government of Cameroon, in particular the **Ministry of Economy, Planning and Regional Development (MINEPAT)**, will be a core partner. MINEPAT will serve as the government's representative on the Project Steering Committee, ensuring strong national ownership and alignment with Cameroon's *Stratégie Nationale de Développement (SND30)*. Sub-national administrations in the Grand Mbam region and beyond will be engaged where relevant. Government participation will be closely coordinated through CAFI's existing political dialogue structures to ensure coherence with the Letter of Intent signed between CAFI and Cameroon.

The **Cocoa and Coffee Sector Development Fund (FODECC)** is a public financial institution responsible for providing financial support to the cocoa and coffee sectors. Since 2020, FODECC has developed the 'Producers' Desk', whose resources come from a share of the royalties paid on exports and at the factory gate for cocoa and coffee: the Producers' Desk, the Collectivities Deks and the Agroecological Transition Desk. IDH will work closely with FODECC to verify whether beneficiaries of the PES programme are already enrolled in one of the FODECC Desks. If so, an analysis of the producer's situation will be carried out in order to reduce any duplication that may arise in terms of, for example, producer training, input subsidies, etc. Producers who are beneficiaries of the FODECC programme will not be excluded but will instead be able to benefit from the additional support provided by the PES programme. It is envisaged that CAFI's PES monitoring system will ensure the traceability of

[14] Aside from the stakeholders listed here, as the project progresses, we will regularly include additional organizations that we identify and assess as relevant to the project's implementation.

interventions and subsidies provided by the FODECC programme and IDH's Investment & PES Hub programme respectively.

The **National Observatory on Climate Change (ONACC)** in Cameroon collects and centralises environmental data in the form of indicators for biomonitoring, environmental monitoring and management, and the development and evaluation of environmental policies. ONACC plays a central institutional role in Cameroon's climate governance. It is responsible for conducting greenhouse gas inventories across sectors, including agriculture, forestry, and other land use (AFOLU). Emissions reporting follows a high-level IPCC Tier 3 methodology, which may not provide sufficient detail for project-level initiatives such as the IDH/CAFI PES scheme. ONACC is also legally mandated to manage the national carbon registry, which remains under development. This creates an important opportunity for PES projects to collaborate closely with ONACC, potentially formalising relationships through memoranda of understanding to ensure robust carbon impact claims. ONACC could be appointed to play the role of a member in of PMU Advisory Committee (see section 6).

The **Sustainable Cocoa Committee**, established by Joint Decision No. 0390/MINADER/MINCOMMERCE (November 2022), coordinates efforts among public and private partners toward a sustainable and deforestation-free cocoa sector. Co-chaired by the Ministers of Agriculture and Commerce and facilitated by the National Cocoa and Coffee Board (ONCC) with IDH as co-facilitator, the Committee provides a strategic platform to disseminate information about the PES scheme, engage private sector actors aligned with the Roadmap to Deforestation-Free Cocoa, and share lessons learned with other initiatives.

CAPEF, the Chamber of Agriculture, Livestock, Fisheries and Forest of Cameroon, The Chamber acts as an advisory and representative body for the interests of professionals in agriculture, fisheries, livestock farming, forestry and wildlife. CAPEF is a representative body that defends the interests of the agricultural and rural ecosystem through its legally recognized missions: advisory, representation, professional training. CAPEF could be a strategic partner to disseminate information about the investment development and PES hub to the rural SMEs and cooperatives.

PES Regulator

The Government of Cameroon will regulate the implementation of the PES project in collaboration with partner Government ministries. Together with CAFI, the regulator will define the national PES parameters based on the regional framework and standards defined by CAFI, as well as the specific parameters for this project. These specific parameters may include:

Rural municipalities and landscape coalitions

Through their communal development plans and their interactions with all stakeholders within their municipalities, rural municipalities are at the heart of the decentralisation process in Cameroon. The municipalities are the managers of communal forests and as decentralised local authorities, rural municipalities play a key role in promoting consultation and integrating the skills of communities and the government in the development and implementation of the simple management plans of communities' forests. Their roles are instrumental for the implementation of the PES scheme particularly for the FPIC process and collective. In the municipalities where multistakeholder landscape coalitions have been set-up (e.g. in Mbangassina, Ntui, Ngoro), we will leverage these platforms to engage with landscape stakeholders and disseminate information on the project design and implementation.

Private sector

Private sector engagement will be channelled primarily through the Business & Investment Network The Network will serve as the key platform to connect capital providers, including local financial institutions, impact investors, or development finance institutions, with companies and cooperatives seeking investment for sustainable, deforestation-free business models. In parallel, the Network will engage agribusinesses and corporate off-takers as potential buyers of verified environmental services through PES schemes enabling them to contribute to CAFI's emission reduction and forest conservation objectives while advancing their own Scope 3 and net-zero targets. More information on the Network is available in Section 3 b.

Donors and development partners

IDH will maintain continuous liaison with the CAFI Secretariat throughout the lifetime of the programme. As a member of the Steering Committee, the CAFI Secretariat will provide input into the approval of annual work plans and budgets, review reports, and issue recommendations. Besides regular oral and written updates to the CAFI Secretariat, the secretariat will be involved as well in key topics such supporting the adaptation of the MRV system to integrated carbon accounting and monitoring as part of its functionalities of the system.

The programme will also establish operational linkages with development partners and donors active in the same regions and sectors (see section 5 for a list of the relevant programmes). Collaboration will focus on finding synergies, enhancing leverage, sharing lesson learned, and reducing duplication.

Civil society

During the feasibility phase, several national civil society organisations were consulted, including CED, and FODER. Their potential roles and expertise are described in Section 6. Of particular relevance is CED, with prior experience implementing PES schemes in Cameroon and extensive engagement on land tenure and community rights around protected areas.

Other: Educational and/or research organization

In addition to the CIFOR-ICRAF mentioned above, other educational and research institutions operate in the Grand Mbam region. The University of Dschang has a branch in Bafia, as does the National Institute of Research. These educational and research organisations can provide useful, area-specific research results and also take part in research activities. IDH is also working closely with international research institutions such as KIT or Wageningen University & Research on research programmes on landscape approaches (e.g. Transformative change for biodiversity and equity) and cocoa sustainability (e.g. Alliance on Living Income in Cocoa).

9. Risk management and safeguards

a) Risks and mitigation measures

The risk matrix identifies high risks and mitigation measures indicated in column 6 have been integrated in the program strategy in the relevant section (projects activities, governance, M&E etc.). In line with IDH's adaptive management approach, the risk matrix will be updated on a regular basis, reflecting the CAFI Risk Strategy, UNDP risk categories, and insights from the E&S screening and grievance mechanism outlined below.

Table 1515. Project risk management matrix

Risk	Detailed description of the risk	Probability (score)	Impact (description and score)	Risk score	Project mitigation strategy	Hypothesis	Responsible Parties
Socio-environmental and governance risks							
Climate events impacting the agricultural sector, leading to failure of projects developers and ES providers to meet their commitments, and making them less attractive to potential investors.	Climate change in Cameroon is leading to more frequent and intense extreme weather events, such as floods and droughts. These events can directly destroy crops, leading to food insecurity, loss of income, and the displacement of farmers. This could undermine the economic stability of the beneficiaries and failure to meet their commitments and lead to a new wave of deforestation as communities seek	Possible (3)	Major (4) Some support recipients[15] could lose their supply and breach their commitment to customers.	High (12)	Include climate risk assessment in the selection criteria for potential support recipients. Provide TA support to recipients to strengthen their capacity to mitigate climate-related risks.	The project will gain trust with the finance network by having a robust screening process and providing effective TA to lower risks of support recipients 'operations.	IDH PMU in collaboration with its implementing partners (TA manager, Seed Capital Manager and PES aggregators)

15 Support recipients include SMEs, large cooperatives and climate agribusinesses, as defined in Section 2 b of this document (target recipients).

Risk	Detailed description of the risk	Probability (score)	Impact (description and score)	Risk score	Project mitigation strategy	Hypothesis	Responsible Parties
	alternative land for farming.						
Displacement of traditional farmers or land use conflicts.	Intensification and high-yield farming may inadvertently lead to a **displacement of traditional farmers** or create land use conflicts, especially with local and indigenous communities.	Unlikely (2)	Major (4) Displacement of traditional farmers and/or land use conflict will result in damage to the reputation of the project, loss of legitimacy, and reduced commitment by key stakeholders.	Medium (8)	Actively engage with communities through FPIC processes. Establish clear land tenure rights and a benefit-sharing mechanism that ensures local communities benefit directly from the project. Communicate this potential risk to all implementing partners so they are aware and track any potential impact.	The type of support provided is unlikely to result in displacement or land use conflict. However, all having this risk explicitly listed will allow the implementation partners to look out for potential impacts on this matter.	IDH PMU and PES aggregators
Protest or other industrial actions (e.g. strikes) by producers in our target supply chains.	Relevant stakeholders might show discontent regarding current practices or ways of working from this project's beneficiaries or other companies, preventing normal operations from happening by protesting,	Possible (3)	Moderate (3)	High (9)	Toughen the screening procedures for potential support recipients to avoid selecting ones with questionable practices. Establish a grievance mechanism for the project that allows the	Working with highly respected support recipients in the region will slightly shield the project. However, they might also suffer from other companies' activities so	IDH PMU in collaboration with its implementing partners (TA manager, Seed Capital Manager and PES aggregators)

Risk	Detailed description of the risk	Probability (score)	Impact (description and score)	Risk score	Project mitigation strategy	Hypothesis	Responsible Parties
	blocking roads, or labour strike.				implementing entities to become aware of potential community discontent (see complaints management in section 9 b). Jointly work with selected support recipients to closely monitor the social environment and keep open communication channels to understand any discontent and how it may affect the project. Establish mitigation measures according to the source of discontent.	closely working with them will ensure an early understanding of potential unrest.	
Clearing of new forest areas	Pressure to expand agricultural land due to population growth or increasing market demand could lead to farmers clearing new forest areas, undermining the project's core goal.	Very likely (5)	Moderate (3)	High (15)	Robust M&E combining satellite imagery and on-the-ground checks. Condition all support, including grants and loans, on verifiable non-deforestation.	Although underperformance by this project could have a negative impact in terms of deforestation, the deforestation rates will not be expected to	IDH – PES Technical Lead and M&E lead in coordination with all implementing partners

Risk	Detailed description of the risk	Probability (score)	Impact (description and score)	Risk score	Project mitigation strategy	Hypothesis	Responsible Parties
					Promote **agroforestry** and other sustainable intensification techniques that don't require land expansion.	immediately reduce once the project begins, and the potential clearing of new forests are directly and exclusively related to this project's performance.	
Exacerbate social inequalities within cooperatives and communities. Powerful individuals might capture the benefits of technical assistance and financing, leaving smallholder farmers and marginalized groups behind.	A lack of female participation and the marginalization of minority groups in the cocoa farming industry pose a significant risk to the effectiveness of environmental initiatives. Since men primarily dominate cocoa farming and communal forest activities, women may not benefit from individual payment for environmental services (PES) schemes. The minority Bedzang and Mboro communities are also at risk of exclusion. The Bedzang often feel they aren't integrated	Likely (4)	Moderate (3) This exclusion and marginalization have a negative impact on environmental management and social equity. The lack of women's involvement can hinder the success of PES programs, which rely on broad participation to achieve their goals. For the Mboro minority, this exclusion leads to them being unfairly	High (12)	Ensure governance structures within supported cooperatives are transparent and inclusive. Establish specific quotas or targeted support for women and youth. Conduct regular social audits to assess the distribution of project benefits.		IDH PMU in collaboration with its implementing partners (TA manager, Seed Capital Manager and PES aggregators)

Risk	Detailed description of the risk	Probability (score)	Impact (description and score)	Risk score	Project mitigation strategy	Hypothesis	Responsible Parties
	and may not be invited to meetings, and even if they are, they don't have active roles.		blamed for bushfires. Instead of collaboratively finding solutions to manage both their cattle and the fires, the focus shifts to combating them, ignoring potential root causes and creating social tension. This lack of integration prevents a holistic and inclusive approach to addressing environmental challenges within the community.				
Abuse of influence/corruption	Public officials or contractor might intent to use their power or position for private gain.	Unlikely (2)	Minor (2) If this risk materialises it will translate to increased costs, delays, poor-quality and substandard work, ultimately	Low (4)	Establish an anti-corruption policy. Include this risk on the screening and due diligence process. Ensure transparency in all processes of the project strategy and governance structure.	Project development has considered the risk of abuse of influence and corruption and has included its position on the section of Fraud, embezzlement below.	IDH PMU in collaboration with its implementing partners (TA manager, Seed Capital Manager and PES aggregators)

Risk	Detailed description of the risk	Probability (score)	Impact (description and score)	Risk score	Project mitigation strategy	Hypothesis	Responsible Parties
			undermining public trust.		Create safe channels for reporting potential misconduct.		
Sexual harassment and abuse of power	Power imbalance, gender inequality and organizational structure may create an environment that tolerates unwanted behaviour. This risk can present itself at the project level (Investment & PES Hub) or at the support recipient level.	Possible (3)	Major (4) Sexual harassment and abuse of power could result in harm to individuals and groups and will most likely translate into damaging reputation for the project as well as direct or indirect legal consequences.	High (12)	Establish a robust policy with clear definitions and consequences (further details in the sexual exploitation, harassment and abuse section). Provide comprehensive training on identifying and reporting incidents. Foster a culture of respect and accountability ensuring leadership demonstrate a visible commitment to these principles. Include this risk in the screening and due diligence of potential support recipients. Establish a clear, safe, and confidential reporting mechanism.	Project development has considered the risk of sexual exploitation, harassment and abuse during project implementation and has identified mitigation measures which can be reviewed in detail in the corresponding section of this ProDoc.	IDH PMU, HR and SEAH focal point in collaboration with its implementing partners (TA manager, Seed Capital Manager and PES aggregators)
Gender-blind or insensitive programming	Gender-blind programming fails to consider the different	Possible (3)	Moderate (3)	High (9)	Conduct a gender action plan for the project (see details in	The project development stage includes the	IDH PMU and Gender team in

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	needs, roles, power dynamics, and experiences of men, women, and other genders.		As a result, the project could lead to unintended harm and the reinforcement of existing gender inequalities.		the section below – Gender mainstreaming). Review and adopt gender standards for implementing organisations and partners. Develop specific gender mainstreaming guidelines for the project. Include adaptive management in the project design as to make timely adjustments to the project if needed.	design of a gender mainstreaming strategy which will significantly reduce this risk during project implementation.	collaboration with its implementing partners (TA manager, Seed Capital Manager and PES aggregators)
Risks associated with land conflicts	Land conflicts include dispute over land ownership, inheritance and boundaries, as well as clashes over overlapping land uses, conflict between herders and farmers, and land appropriation.	Unlikely (2)	Major (4) The project's reputation can be highly affected if it becomes associated with land conflict. It could seriously damage its reputation resulting in losing trust in the project	Medium (8)	Screening and due diligence of potential support recipients must include an assessment of land tenure and potential land conflicts. Include participation of key stakeholders including local chiels, family heads in the governance structure to obtain insights on	Land conflicts are unlikely to happen as there will be a strong screening process in place for any potential opportunity.	IDH PMU in collaboration with its implementing partners (TA manager, Seed Capital Manager and PES aggregators)

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			objectives among stakeholders.		potential land conflicts present for screened opportunities.		
Political and regulatory risks							
Political instability (beyond the 2025 elections)	Political instability, characterized by uncertainty and disruption in governance, is a significant risk. This can manifest as challenges to the distribution of power, frequent changes in government, and civil unrest. The upcoming presidential election in Cameroon on October 12, 2025, presents a specific risk. A new elected president may lead to policy instability, as the new government's priorities might not align with a project's objectives, such as halting deforestation. This political shift could jeopardize the continuity and support needed for long-term initiatives.	(3) Possible	(3) Moderate The negative impact of this risk is the potential for the project's objectives to be undermined or completely halted. If the new government doesn't prioritize environmental conservation or forestry, the project could lose crucial political support. This could result in changes to regulations that hinder progress, or even the outright cancellation of the project. The	Medium (9)	Work closely with CAFI and government entities to continuously assess the political environment and establish any mitigation measures. Work closely with CAFI to early engage with new government officials and measure their interest in sponsoring this project. IDH will also use its engagement with Ministries through its core programme of work to assess the situation and make recommendations of mitigation measures. The use of local and international partners who master national context and are used to	CAFI has an LoI signed with the Government of Cameroon. To continue their work CAFI must engage with the new government and promote the current initiatives. CAFI will be a key channel in conversations with the new government. Both CAFI and IDH have an interest in handling a good and smooth communication with government entities.	IDH PMU, in coordination with CAFI Secretariat and Government of Cameroon (MINEPAT and relevant ministries)

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			disruption would not only waste resources but also reverse any progress made, ultimately failing to achieve the desired environmental outcomes.		working in hostile environment may ensure continuity provided donor funds continue to flow.		
Financial risks							
Non-repayment of repayable grants and/or loans.	Support recipients might not achieve their expected revenues due to various reasons (e.g., market instability, reduced yields), preventing them from repaying the grants as agreed, putting at risk the financial sustainability of the project.	Possible (3)	Moderate (3) Resources provided through grants are not as high and will not have a major impact on the project's finances. However, default from payment might raise distrust in the project and could affect the cash flow and sustainability of the project.	High (9)	Strengthen the selection criteria to avoid support recipients that have a higher probability of defaulting. Include this risk in the financial planning of the project so that it doesn't highly depend on reflows.	Support recipients largely depend on the financial sector and are very sensitive to having a negative track record. Therefore, careful screening, together with adding buffers to the expected repayments will safeguard the project.	IDH PMU, IDH Investment Management (IM) and Seed Capital Manager
Overspend on operational costs and implementation partner services.	Activities outlined in the project strategy are not comprehensive and/or	Possible (3)	Moderate (3)	High (9)	Streamline processes and procedures so that they're as effective as	Continuous oversight of the project will allow	IDH PMU

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	the budget is underestimated due to unforeseen activities and costs.		Overspend on activities would affect the cash flow and sustainability of the project if uncontained and unmitigated.		possible and share with project partners. Feasibility work has identified expected costs based on potential service provider candidates feedback and general expectations on delivery costs. Contractual agreements will be put in place to govern the rights and obligations of the service providers, including performance-based payments.	for immediate corrective actions if needed.	
Shifts in market conditions	Shifts in market conditions, including cocoa price volatility, may result in reduced financial contributions from the private sector to co-finance the PES program	Possible (3)	Major (4) Lower co-financing would impact project delivery and expected results related to the PES schemes	High (12)	Develop contingency scenarios during the project inception, including scenarios for reduced private-sector co-financing and cocoa price fluctuations, and adjusting activities, targets, and sequencing. Use tranche-based funding tied to milestones on co-	Contingency planning is feasible and will be implemented during project execution, including adaptive adjustments to activities, targets, and sequencing based on market conditions.	IDH PMU

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					financing to validate progress and recalibrate if assumptions fail.		
Operational (including project processes and adaptability), strategic (including reputational), and organizational risks (including fiduciary risks)							
Lack of Investment & PES Hub pipeline.	Potential support recipients present in the regions of interest do not comply with the selection criteria established to guarantee they can mobilize additional finance in the future.	Very likely (5)	Major (4) The pipeline is the main gateway to attracting potential partners for the finance network. If not present, there will be a gap between the expected results for this project.	Very high (20)	Build selection criteria with the participation of potential partners and investors. Continuous engagement with relevant stakeholders to source potential support recipients. Explore synergies with current projects or initiatives that might provide pipeline input.	This is one of the main risks for this project. The design team has clarity and is proposing to work closely with other stakeholders to build a strong pipeline early in the implementation stage.	IDH PMU in collaboration with its implementing partners (TA manager, Seed Capital Manager and PES aggregators)
Lack of interest in the Finance Network by FIs and impact investors	The project assumes that the Finance Network will be a good source of potential support recipients to include in the pipeline, and at the same time, that participating FIs will be clients for the project. However, this model still needs to be put to the test.	Possible (3)	Major (4) If the Finance Network does not actively participate in the project, one of the main assumptions of its design will need to change, and a deep adaptive measure will need to be implemented.	High (12)	Engage with partners for the Business and Investment Network early in the process and understand their conditions to participate in the process. Allow sufficient time at the early stage of the project to conduct awareness, sensitization, and	Strong engagement activities are needed at an early stage of the project implementation to build interest of the FIs to participate in this project.	IDH PMU and Technical Leads

Risk	Detailed description of the risk	Probability (score)	Impact (description and score)	Risk score	Project mitigation strategy	Hypothesis	Responsible Parties
					capacity building activities with potential partners of the Business and Investment Network		
Use of Seed Capital Funds by target enterprises outside of agreed activities	Recipient businesses receiving project funds from the seed capital facility are used for purposes other than those originally agreed.	Possible (3)	Moderate (3) Funds may be used for adjacent purposes or otherwise in less effective ways than originally planned, causing some loss of impact or additionality of the project.	High (9)	Seed capital funding can be structured in tranches and performance based. Seed capital funding will be accompanied by oversight presence (e.g. board seat) to maintain visibility over company performance, activities and financial reporting. Recipients will be expected to report on use of funds consistently and regularly, and such reporting will be open to auditing where any doubt exists.	The agreements with support recipients must include stringent terms and conditions for the use of funds and potential actions taken by the service manager if this is not the case.	IDH PMU and Technical Lead, Seed Capital Manager and Investment Committee
Identification of material deforestation undertaken by supported enterprises during our engagement with them.	Support recipients do not comply with the terms and conditions of the TA, grants, loans, or other types of support, establishing that they need to put into practice	Possible (3)	Major (4) If a support recipient is connected to deforestation in any way, it will	High (12)	Strengthen risk screening to avoid working with potential support recipients that might fall under wrongful practices.	A high dedication must be invested in the Investment & PES Hub's screening process to avoid supporting	IDH PMU in collaboration with its implementing partners (TA manager, Seed Capital

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	a zero-deforestation commitment (through a policy or other mechanisms).		weaken the trust in this project.		Ensure a deep understanding of the support recipients' practices during screening. Maintain a close oversight of the support recipients during support implementation. Build capacity of support recipients regarding deforestation and forest degradation.	organizations that might have unhealthy ESG practices.	Manager and PES aggregators)
Turnover of staff allocated to key roles on the project.	Staff turnover is a common risk as the project has limited resources, and positions have limited room to grow. Losing staff means losing some of the knowledge and capacity that has been gained during the implementation process and dedicating effort into onboarding new staff in the project, affecting effectiveness in the use of resources.	Very likely (5)	Insignificant (1) Staff turnover can result in a less effective use of resources.	Medium (5)	Establish staff rates within the market range and include an annual increase for staff costs. Assess other non-economic benefits for project staff, such as leave, training opportunities and work flexibility. Assess the work environment and take action if the results aren't as expected.	With new sustainability programs being set-up in Cameroon, NGOs are currently competing for staff with similar skills and expertise. Staff turnover cannot be completely avoided during project implementation, so the project	IDH PMU and HR

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					Have clear communication channels that allow identification of potential risks of personnel leaving the project. Establish clear profiles and hiring procedures that speed up the process if a replacement is needed. Establish standard operating procedures and other material that will facilitate the onboarding of new staff members.	must develop materials to speed up the onboarding of new personnel.	
Lack of effective partnership bodies between the project and the country, resulting in insufficient involvement/participation of national players in the development and implementation of the project.	If relevant national stakeholders are not mapped during the project development stage, the project risks not understanding their role in the project and their capacity to participate as expected during the implementation. If the project does not receive the support from	Possible (3)	Major (4) The lack of active participation from national players in the design and implementation stage of the projects could result in hampering the successful	High (12)	Conduct a comprehensive stakeholder analysis, identifying their potential role in the project. Closely engage with CAFI to follow up on the level of interest of national government entities in project implementation and	The Letter of Intent between CAFI and the Government of Cameroon already sets a propitious environment for participation. However, the project will establish a governance structure that	IDH – PMU, in coordination with CAFI Secretariat and Government of Cameroon (MINEPAT and relevant ministries)

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	government entities it will most likely not succeed in achieving its overall objective.		implementation of project activities and achievement of project outputs.		establish additional promoting strategies if needed. Establish a governance structure that guarantees active participation by key national stakeholders in the project. Develop a communications strategy and plan that allows for clear and effective channel with government officials. Align the project strategy to the Letter of Intent with the Government of Cameroon to improve participation from its national government entities.	promotes participation of key stakeholders in project implementation.	
Poor communication and coordination between project stakeholders and other players	Miscommunication between the project and other stakeholders can lead to serious problems. It creates misaligned expectations, which often results in	Unlikely (2)	Moderate (3) The effects of this poor communication may include missed deadlines,	Medium (6)	Develop a communications plan that allows for clear and effective communications channels with project stakeholders.	The project will design a communications plan to engage with all types of stakeholders.	IDH PMU in coordination with IDH communication team and the implementing partners.

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	dissatisfaction and, ultimately, project failure.		budget overruns, and conflicts. These issues cause decreased productivity and leave stakeholders feeling disengaged.				
Poorly designed interventions (e.g. geographical bias)	Poorly designed interventions examples include focusing solely on increasing yield without addressing sustainability, ignoring socio-economic factors, mandating specific high-input practices that may not be suitable locally, providing insufficient technical support or market access, and failing to involve local communities and agribusinesses in the design of the intervention. Other examples include promoting problematic monocultures and disregarding the importance of local	Rare (1)	Major (4) Poorly designed project interventions lead to project failures through issues like cost overruns, schedule delays, scope creep, resource mismanagement, reduced quality, and stakeholder dissatisfaction.	Medium (4)	Incorporate monitoring and evaluation activities that allow the project to identify if any of the designed interventions have failures. Include adaptation management measures within the project that allow it to quickly react and adjust to the circumstances. Establish a solid governance structure that allows oversight activities that inform of any potential deviations.	The project design team has considered key aspects for the project interventions and addressed these issues through the project design.	IDH – PMU and Technical Leads (PES, Investment Hub, Safeguards & MEL)

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	biodiversity and ecosystems.						
Misunderstanding of CAFI requirements / expectations	Misunderstanding of CAFI's requirements or expectations could arise if they are not clearly articulated or when assumptions are made about its goals.	Unlikely (2)	Moderate (3) Although a misalignment could result in serious damage to the project, the design team has carefully reviewed all CAFI guidelines and engaged closely with CAFI on any clarification needed. CAFI has also shown it is flexible enough to allow a project to adjust during implementation if needed.	Medium (6)	Continuously engage with CAFI during project design to make sure the project aligns to CAFI's interests and goals, to foster open communication, build a collaborative framework, and establish clear and realistic expectations. Foster collaboration through inclusive decision-making during project implementation by establishing a collaborative governance structure. Incorporate adaptive management practices, evaluating and adjusting strategies when needed.	CAFI has made its expectations and requirements clear through its guidelines and frameworks. The design team has reviewed all guidelines and reached out to CAFI when additional clarity is needed.	IDH – PMU, in close coordination with CAFI Secretariat
Robust administrative and financial procedures by CAFI and IDH may	Perceived Complexity of CAFI and IDH admin and financial procedures by aggregators and other partners may delay	Likely (3)	Moderate (3)	High (9)	Project implementation should select aggregators that have experience with their procedures and have		IDH PMU in coordination with CAFI secretariat and

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delay overall project achievements	budget disbursement and overall project achievements especially that some activities are tight to seasons				the capacity to prefinance some activities. Besides IDH will ensure that they explain their procedures to partners and the consequences on project implementation.		implementing partners
Ineffective management of project operations and coordination units	A lack of proper planning in the project design may lead to ineffective management of project operations and coordination which can result in delays, miscommunication, and missed goals.	Unlikely (2)	Major (4) The achievement of goals could be put at risk, and the project could lose the trust from key stakeholders.	Medium (8)	Establish and validate a clear goal and objectives for the project under realistic expectations, including a defined scope and detailed work plans, and a risk management plan. Define clear roles and responsibilities within the project implementation team. Allocate the resources needed for effective management. Establish a quality management system that allows for good communication, effective leadership and	The Project design team has this in mind and has proposed a project structure that meets all the requirements to minimize this risk.	IDH PMU, Project Director and HQ Directors