



	8	The technical services are operational and actively contribute to better natural resource management. Number of people receiving support from technical services (training, monitoring, NRM assessments), broken down by gender and vulnerable groups (IPs, young people)	Nb	<u>Audit:</u> Reports The number expressed here is a sub-component of indicator 4, but it also provides a measure of the operability of technical services.	
	9	Local Executing Agencies (LEAs) acquire capacities that enable them to prolong the fulfillment of project results (fiduciary and accounting capacity, technical capacity, capacity to manage funding, to contract PES, to achieve and verify results): · % of funds transferred to local NGOs · LEAs are in charge of all activities from start to finish of the project · LEAs report effectively on their activities · ALEs are responsible for communicating their activities to the general public		<u>Verification:</u> Implementation reports, financial reports on budget transfers to LEAs, activity reports from LEAs and the implementing organization.	Sub-indicators b) c) and d) can be included in an external evaluation
	10	Areas under PES contracts, broken down by FTA and type of PES (sustainable agriculture, perennial crops, agroforestry, regeneration, etc.)	Ha		High importance The project document cannot be approved if this indicator does not appear in the results framework.
Agriculture	11	Annual production from plantations, broken down by type (makala, cassava, coffee, cocoa, palm oil, etc.)	T, L	<u>Audit:</u> LRA and project reports	High importance These results may not be measurable before the end of the project, so postpone the estimate. However, the project document cannot be approved if this indicator does not appear in the results framework.
	12	Household acceptance of the benefits and profitability of promoted crops Survival rate of practices supported by projects		<u>Verification:</u> Opinion questionnaire in annual agro-economic survey (harmonized methodology to be defined)	<u>High importance.</u>
	13	Higher farm incomes Overall income generated by the project from the sale of plantation outputs, broken down by type (makala, cassava, coffee, cocoa, palm oil, etc.)	\$	<u>Verification:</u> Annual agro-economic survey (harmonized methodology to be defined)	



	14	Value chains are operational and ready to absorb production (reasonable marketing margins and attractive prices): Percentage of output purchased from plantations supported by the project (not consumed by households)	%	<u>Verification</u> : Annual agro-economic survey (harmonized methodology to be defined)	
	15	Yields of food crops are improved: Percentage increase in food crop yields	%	At least 20% increase on all speculations <u>Audit</u> : Annual agro-economic study	high importance The project document cannot be approved if this indicator does not appear in the results framework.
Energy	16	Survival rate of plantations and set-asides supported by the project. Areas a) remaining planted b) remaining set-asides by type	ha	Georeferenced. <u>Verification</u> : In-situ survey and remote sensing	High importance The project document cannot be approved if this indicator does not appear in the results framework.
Drills	17	No. and surface area of deforestation alerts in PSAT zones under fencing and/or conservation, broken down by alerts received/monitored/processed			The project document cannot be approved if this indicator does not appear in the results framework.

Impact indicators

Impact indicators					
		Indicators			
Forest cover	<u>1</u>	Average annual area of deforestation and degradation (or, failing that, loss of tree cover) in the project area	ha	If forest cover loss and degradation cannot be provided, it is acceptable to provide tree cover loss using global tools (automated monitoring platform accessible to projects (GFW, Tropical Moist Forests or equivalent), used for PES monitoring. At least annually and on a provincial scale and in areas of direct project intervention (disaggregate)	High importance The project document cannot be approved if this indicator does not appear in the results framework.
	<u>2</u>	Total area of compensation for loss of forest cover, broken down by type: agroforestry, perennial crops, restoration by clearing, planting, etc.	ha	Georeferenced <u>Verification</u> : project reports, independent verification reports	The project document cannot be approved if this indicator does not appear in the results framework.
Development co-benefits	<u>1</u>	Increased direct cash income for direct beneficiaries	\$	<u>Verification</u> : Simplified survey (harmonized methodology, based on sampling, to be defined). Combined with indicator 2 below, and the outcome indicators, food safety is also reported.	The project document cannot be approved if this indicator does not appear in the results framework.



	2	Increase in food production of beneficiary households, <i>broken down by key crop type</i>	T, L	<u>Verification</u> : Simplified survey (harmonized methodology, based on sampling, to be defined).	The project document cannot be approved if this indicator does not appear in the results framework.
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APPENDIX 12. Detailed Annual Work Plan and Budget (AWPB) for year 1

Refer to tab B2 in the Budget

APPENDIX 13. PES Budget: List of cost items included in the PES Scheme budget

PES Scheme 1: Climate-Smart Cocoa Agroforestry

Sub-output	Activities
Sub-Output 4.1	
Eligibility criteria for participation in the PES programme are met	
Activity 4.1.1 - Clear and formal identification of candidates	Carry out remote sensing analysis to identify hot spots for intervention
	Develop criteria and process for screening and inviting potential beneficiaries to participate in either individual or community (local development committee, community forestry committee, agricultural cooperative) PES schemes based on criteria agreed by CAFI and regulator for each category of PES provider.
	Hold community sensitisation meetings to raise awareness of the PES program.
	Organize participatory community workshops to (i) Confirm deforestation/degradation, conflict hotspots identified from remote sensing (ii) identify context specific deforestation/degradation drivers.
	Shortlist potential PES providers (community, and individuals) who will go through the detailed FPIC process
Activity 4.1.2. Carry out Free, Prior and Informed Consent	Carry out detailed FPIC consultations to provide potential PES providers community representatives and individuals with comprehensive information
	Carry out pre consultations within the communities by (i) sharing information about the PES schemes, (ii) identifying potential PES providers and community representatives
	Carry out third party (IDH in case process is led by aggregator) monitoring of the FPIC process to ensure that the FPIC process was effectively carried out
	Develop information and communication/sensitisation materials about each PES schemes tailored to potential CCSA PES providers
	Organise meeting to Finalise and document the FPIC process
	Shortlist potential PES providers (community, and individuals) who will go through the detailed FPIC process
Activity 4.1.3. Clarify land tenure and secure collective and individual land rights of PES applicants	Carry out transects walks to verify and confirm some of the major land uses identified in the participatory mapping exercise.
	Digitalise the information and insert it into the CAFI tool
	Organise village consultation workshops to present and validate the proposed land uses and selected areas for the targeted PES activities.
	Organising participatory mapping of targeted municipalities, villages and community or communal forest lands to highlight specific land cover and land use, and to specify areas that are and are not eligible for the targeted PES scheme
Activity 4.1.4. Carry out land use planning for collective PES schemes	Boundary check: Map the farm of the potential PES provider to verify the exact boundary to avoid disputes
	Carry out dispute check through open discussions with village heads, family heads, family and community intelligence
	Get written and signed document from local authorities and family head confirming ownership of the land by the potential PES provider
Sub-Output 4.2	
PES activities are implemented and PES are paid based on performance	



Sub-output	Activities
4.2.1 - Implement PES activity CSA	carry out farm socio-economic and biophysical characterization
	carry out farmer sensitization and agroforestry planning workshops
	carry out training of trainers workshop (ToT)
	Creating new cocoa farms on Savannah and fallow lands
	Implementation of climate smart cocoa practices on the farms
	Provide material support in the development of nurseries.
	Provision of tree seedlings for supporting agroforestry systems
	Setting up of Fire belts savannah
	Training of farmers in of farmers in net-zero climate smart cocoa practices such as pruning, mulching, optimised fertiliser application, composting of cocoa husks and compost application; and promotion of agroforestry systems
	Training of local partners and implementation of the MRV system (annual for on-farm GAP and sustainable practices and every 2 years for the monitoring of agroforestry practices)
4.2.2 - Pay PES beneficiaries based on performance for CSCA	Assist PES providers to draw agreements to be signed with CAFI /private sector depending on the buyer and facilitate the signing process
	For community PES schemes develop benefit sharing mechanisms including governance structure and how and what the funds will be used for
	Organise meetings to negotiate and agree on the nature (cash or in kind), terms of payment for each PES provider including performance indicators, amounts to be paid and the instalments
	Payment of incentives to the farmers including cash and in-kind payment.
Sub-Output 4.3	
PES programme is implemented in a transparent, effective and inclusive manner	
4.3.1 - Monitoring, reporting and support for independent verification	Project Management costs
	Annual monitoring management
	Developing a carbon accounting and reporting tool
	Gathering primary data on-farm for the establishment of an emissions baseline and getting a better idea of current implementation levels of the interventions and potential impacts (i.e internal Evaluation - including project's baseline, midline and endline)
	Management of certification process - GS and VVB fees
	Project design and strategic planning (Diagnosis of potential stakeholders, eligibility assessment, baseline assessment, Local stakeholder consultation)
4.3.2 - Gender, inclusion of minorities and social and environmental safeguards (including the implementation of (i) a conflict prevention and management mechanism (particularly for land disputes), and (ii) a complaints and appeals mechanism)	Project Management costs
4.3.3 - Communication activities	Project Management costs



PES Scheme 2: Afforestation/Reforestation

Sub-output	Activities
Sub-Output 4.1	
Eligibility criteria for participation in the PES programme are met	
Activity 4.1.1 - Clear and formal identification of candidates	Carry out remote sensing analysis to identify hot spots for intervention
	Develop criteria and process for screening and inviting potential beneficiaries to participate in either individual or community (local development committee, community forestry committee, agricultural cooperative) PES schemes based on criteria agreed by CAFI and regulator for each category of PES provider.
	Hold community sensitisation meetings to raise awareness of the PES program.
	Organize participatory community workshops to (i) Confirm deforestation/degradation, conflict hotspots identified from remote sensing (ii) identify context specific deforestation/degradation drivers.
Activity 4.1.2. Carry out Free, Prior and Informed Consent	Carry out detailed FPIC consultations to provide potential PES providers community representatives and individuals with comprehensive information
	Carry out pre consultations within the communities by (i) sharing information about the PES schemes, (ii) identifying potential PES providers and community representatives including validity of SMP and forest agreement
	Carry out third party (IDH in case process is led by aggregator) monitoring of the FPIC process to ensure that the FPIC process was effectively carried out
	Develop information and communication/sensitisation materials about each PES schemes tailored to potential CCSA PES providers
	Organise meeting to Finalise and document the FPIC process
	Shortlist potential PES providers (community, and individuals) who will go through the detailed FPIC process
Activity 4.1.3. Clarify land tenure and secure collective and individual land rights of PES applicants	Boundary check: Ground truthing to verify the exact boundary of the CF and the specific site/s for AF
	Carry out dispute check through open discussions with village heads, family heads, family and community intelligence
	Get written and signed document from local authorities and family head confirming ownership of the land by the potential PES provider (Community Forest)
Activity 4.1.4. Carry out land use planning for collective PES schemes	Carry out transects walks to verify and confirm some of the major land uses identified in the participatory mapping exercise.
	Digitalise the information and insert it into the CAFI tool
	Organise village consultation workshops to present and validate the proposed land uses and selected areas for the targeted PES activities.
	Organising participatory mapping of targeted municipalities, villages and community or communal forest lands to highlight specific land cover and land use, and to specify areas that are and are not eligible for the targeted PES scheme
Sub-Output 4.2	
PES activities are implemented and PES are paid based on performance	
4.2.1 - Implement PES activity Afforestation / Reforestation	Project management and coordination (implementation activities)
	carry out inventory in CF
	Establishment of reforestation with native species (such as seedlings, distribution, storage, planting the seedlings)
	Maintenance activities
	Organise training on setting up and managing their own nurseries
	Organise training planting and managing the planted trees



Sub-output	Activities
	organise workshop to select /prioritise the kind of trees species to be planted
	Project management and coordination (implementation activities)
	Provide material support in the development of nurseries.
	Setting up of Fire belts savannah
4.2.2 - Pay PES beneficiaries based on performance for Afforestation	Assist PES providers to draw agreements to be signed with CAFI /private sector depending on the buyer and facilitate the signing process
	For community PES schemes develop benefit sharing mechanisms including governance structure and how and what the funds will be used for
	Organise meetings to negotiate and agree on the nature (cash or in kind), terms of payment for each PES provider including performance indicators, amounts to be paid and the instalments
	Payment of incentives to communities including cash and in-kind payment.
Sub-Output 4.3	
PES programme is implemented in a transparent, effective and inclusive manner	
4.3.1 - Monitoring, reporting and support for independent verification	Project Management Costs
	Annual monitoring management
	Management of certification process - GS and VVB fees
	Project design and strategic planning (Diagnosis of potential stakeholders, eligibility assessment, baseline assessment, Local stakeholder consultation)
	Support for asset development - Certification design and validation process; monitoring and verification
4.3.2 - Gender, inclusion of minorities and social and environmental safeguards (including the implementation of (i) a conflict prevention and management mechanism (particularly for land disputes), and (ii) a complaints and appeals mechanism)	Project Management Costs
4.3.3 - Communication activities	Project Management Costs

PES Scheme 3: Restoration – Assisted Natural Regeneration

Sub-output	Activities
Sub-Output 4.1	
Eligibility criteria for participation in the PES programme are met	
Activity 4.1.1 - Clear and formal identification of candidates	Develop criteria and process for screening and inviting potential beneficiaries to participate in either individual or community (local development committee, community forestry committee, agricultural cooperative) PES schemes based on criteria agreed by CAFI and regulator for each category of PES provider.
	Organize participatory community workshops to (i) Confirm deforestation/degradation, conflict hotspots identified from remote sensing (ii) identify context specific deforestation/degradation drivers.
	Carry out remote sensing analysis to identify hot spots for intervention
	Hold community sensitisation meetings to raise awareness of the PES program.



Sub-output	Activities
Activity 4.1.2. Carry out Free, Prior and Informed Consent	Carry out detailed FPIC consultations to provide potential PES providers community representatives and individuals with comprehensive information
	Carry out pre consultations within the communities by (i) sharing information about the PES schemes, (ii) identifying potential PES providers and community representatives including validity of SMP and forest agreement
	Carry out third party (IDH in case process is led by aggregator) monitoring of the FPIC process to ensure that the FPIC process was effectively carried out
	Develop information and communication/sensitisation materials about each PES schemes tailored to potential CCSA PES providers
	Organise meeting to Finalise and document the FPIC process
	Shortlist potential PES providers (community, and individuals) who will go through the detailed FPIC process
Activity 4.1.3. Clarify land tenure and secure collective and individual land rights of PES applicants	Carry out transects walks to verify and confirm some of the major land uses identified in the participatory mapping exercise.
	Digitalise the information and insert it into the CAFI tool
	Organise village consultation workshops to present and validate the proposed land uses and selected areas for the targeted PES activities.
	Organising participatory mapping of targeted municipalities, villages and community or communal forest lands to highlight specific land cover and land use, and to specify areas that are and are not eligible for the targeted PES scheme
Activity 4.1.4. Carry out land use planning for collective PES schemes	Boundary check: Ground truthing to verify the exact boundary of the CF and the specific site/s for AF
	Carry out dispute check through open discussions with village heads, family heads, family and community intelligence
	Get written and signed document from local authorities and family head confirming ownership of the land by the potential PES provider (Community Forest)
Sub-Output 4.2	
PES activities are implemented and PES are paid based on performance	
4.2.1 - Implement PES activity for restoration	Organise training workshops to train communities to implement selected activities e.g. pruning, protection of seedlings
	provides material support to carry out selected activities including paints, wire mesh etc
	set up fire belts where necessary to protect the area from fires
	site assessment/inventory of the vegetation, soil and moisture conditions to understand the potential for regeneration including priority species for protection
4.2.2 - Pay PES beneficiaries based on performance for CSCA	Assist PES providers to draw agreements to be signed with CAFI /private sector depending on the buyer and facilitate the signing process
	For community PES schemes develop benefit sharing mechanisms including governance structure and how and what the funds will be used for
	Organise meetings to negotiate and agree on the nature (cash or in kind), terms of payment for each PES provider including performance indicators, amounts to be paid and the instalments
	Payment of incentives to communities including cash and in-kind payment.
Sub-Output 4.3	
PES programme is implemented in a transparent, effective and inclusive manner	
4.3.1 - Monitoring, reporting and support for independent verification	Project Management costs
	Annual monitoring management
	Management of certification process - GS and VVB fees
	Project design and strategic planning (Diagnosis of potential stakeholders, eligibility assessment, baseline assessment, Local stakeholder consultation)



Sub-output	Activities
	Support for asset development - Certification design and validation process; monitoring and verification
4.3.2 - Gender, inclusion of minorities and social and environmental safeguards (including the implementation of (i) a conflict prevention and management mechanism (particularly for land disputes), and (ii) a complaints and appeals mechanism)	Project Management costs
4.3.3 - Communication activities	Project Management costs

PES Scheme 4: Forest Protection

Sub-output	Activities
Sub-Output 4.1	
Eligibility criteria for participation in the PES programme are met	
Activity 4.1.1 - Clear and formal identification of candidates	Develop criteria and process for screening and inviting potential beneficiaries (local development committee, community forestry committee, agricultural cooperative) to participate in community PES on criteria agreed by CAFI and regulator for each category of PES provider.
	Organize participatory community workshops to (i) Confirm deforestation/degradation, conflict hotspots identified from remote sensing (ii) identify context specific deforestation/degradation drivers.
	Carry out remote sensing analysis to identify hot spots for intervention
	Hold community sensitisation meetings to raise awareness of the PES program.
Activity 4.1.2. Carry out Free, Prior and Informed Consent	Carry out detailed FPIC consultations to provide potential PES providers community representatives and individuals with comprehensive information
	Carry out pre consultations within the communities by (i) sharing information about the PES schemes, (ii) identifying potential PES providers and community representatives including governance structures and their Reps Agreements
	Carry out third party (IDH in case process is led by aggregator) monitoring of the FPIC process to ensure that the FPIC process was effectively carried out
	Develop information and communication/sensitisation materials about the PES schemes tailored to collective /community PES providers
	Organise meeting to Finalise and document the FPIC process
	Shortlist potential PES providers (communities and their governance structures) who will go through the detailed FPIC process
Activity 4.1.3. Clarify land tenure and secure collective and individual land rights of PES applicants	Carry out transects walks to verify and confirm some of the major land uses identified in the participatory mapping exercise.
	Digitalise the information and insert it into the CAFI tool
	Organise village consultation workshops to present and validate the proposed land uses and selected areas for the targeted PES activities.
	Organising participatory mapping of targeted municipalities, villages and community or communal forest lands to highlight specific land cover and land use, and to specify areas that are and are not eligible for the targeted PES scheme
Activity 4.1.4. Carry out land use planning for collective PES schemes	Boundary check: Ground truthing to verify the exact boundary of the intervention zone and the specific site/s around the protected area



Sub-output	Activities
	Carry out dispute check through open discussions with village heads, family heads, family and community intelligence
	Get written and signed document from local authorities and family head confirming ownership of the land by the potential PES provider (Community Forest)
Sub-Output 4.2	
PES activities are implemented and PES are paid based on performance	
4.2.1 - Implement PES activity CSA Forest protection	Comprehensive conservation initiatives
	Equip local patrol teams including whistle blowers
	organise special training sessions to educate grazers about bush fire management and park conservation
	organising awareness and education workshop to encourage participants to contribute to park conservation
	set up community conservation committee (patrol teams , alerts, etc)
4.2.2 - Pay PES beneficiaries based on performance for CSCA	Assist PES providers to draw agreements to be signed with CAFI /private sector depending on the buyer and facilitate the signing process
	For community PES schemes develop benefit sharing mechanisms including governance structure and how and what the funds will be used for
	Organise meetings to negotiate and agree on the nature (cash or in kind), terms of payment for each PES provider including performance indicators, amounts to be paid and the instalments
	Payment of incentives to communities including cash and in-kind payment.
Sub-Output 4.3	
PES programme is implemented in a transparent, effective and inclusive manner	
4.3.1 - Monitoring, reporting and support for independent verification	Project Management costs
	Annual monitoring management
	Management of certification process - GS and VVB fees
	Project design and strategic planning (Diagnosis of potential stakeholders, eligibility assessment, baseline assessment, Local stakeholder consultation)
	Support for asset development - Certification design and validation process; monitoring and verification
4.3.2 - Gender, inclusion of minorities and social and environmental safeguards (including the implementation of (i) a conflict prevention and management mechanism (particularly for land disputes), and (ii) a complaints and appeals mechanism)	Project Management costs
4.3.3 - Communication activities	Project Management costs



APPENDIX 14. Regional CAFI PES Programme

1. CAFI's Regional PES Programme

Farmers and local and indigenous communities play a fundamental role in sustainable land management. They often depend on forest resources for their livelihoods and their inclusion in conservation programmes is essential to ensure both environmental sustainability and poverty reduction. Payments for Environmental Services (PES) provide a direct financial incentive for farmers and communities to adopt practices that conserve forests, carbon and biodiversity, while improving their agricultural productivity and income. In this way, they provide an economic safety net for smallholders while reducing the pressure on forests.

To enable the long-term conservation of forests in Central Africa, CAFI's Regional PES Programme aims to transform rural livelihoods in an effective, sustainable and transparent way, by providing direct financial incentives to hundreds of thousands of beneficiaries from local communities for their good land-use practices. PES can also fill an important gap by channelling international incentives for carbon and biodiversity from the national or jurisdictional level to actors on the ground. PES is thus a key mechanism for ensuring that the benefits of environmental protection go directly to the people living in or around forest areas.

CAFI's Regional PES Programme is therefore intended to be a long-term initiative that provides the framework for standardising the implementation of many PES projects, by defining common rules, clear and replicable procedures, and standardised information management tools that can support implementation at scale while reducing transaction costs, fostering continuous improvement in design and operations, offering longer-term perspectives, and reducing risks for stakeholders.

1.1 Definitions

1.1.1. Payment for Environmental Services

PES can be defined as a voluntary transaction in which an "environmental service" - or a proxy such as land use, e.g. agroforestry - that can secure one or more ecosystem services (e.g. carbon sequestration or biodiversity conservation) provided by a "provider" (e.g. local communities and private landowners) is "paid for" by at least one source of finance, if and only if the providers deliver the agreed environmental service.

This conditionality of payments to verification distinguishes PES from traditional subsidy systems.

1.1.2. Environmental services and ecosystem services

In very simple terms, ecosystem services are those provided by nature (carbon sequestration, soil protection, etc.), while environmental services are those provided by man (good management practices) to secure the ecosystem services provided by nature.

Thus, "environmental services" are understood as good land use practices (also referred to in this document as "PES activities"). These good practices include:

1. Agroforestry.
2. Deforestation-free agriculture.
3. Afforestation and reforestation.
4. Forest restoration (savannah or forest).
5. Sustainable forest management.
6. Forest conservation.

These PES activities generate "ecosystem services", such as carbon sequestration and conservation, biodiversity protection and water resource protection. PES involves paying stakeholders for a certain land use that secures one or more of these ecosystem services. Agroforestry, for example, enables both carbon sequestration and the protection of soils and watersheds. Environmental services have the advantage of being very clear and concrete for those involved on the ground, unlike ecosystem services, which are more abstract and difficult to measure.



Some PES activities focus on the production of resources (food, charcoal, timber, etc.) as an alternative to the destruction of natural forests: agroforestry, reforestation, deforestation-free agriculture, or forest regeneration (**PES activities generically referred to as "planting"** in this document).

Other PES activities mainly encourage the preservation of natural forests: conservation and sustainable management of forests ("preservation" PES activities).

All contribute to a greater or lesser extent to both (production and preservation), but combining these two major types of PES maximises their respective impacts in favour of natural forests.

Specific criteria for assessing the quality of results have been developed (mainly at this stage for so-called "plantation" PES), breaches of the contract clearly defined (for example, the presence of fires, charcoal-making or agricultural activities in the area covered by the PES contract), and appropriate means of monitoring (community organisation, aggregator and technological tools). Payment scales and thresholds will need to be defined and adapted to each partner country.

Figure 2121. The various PES activities - A continuum in favour of forests and development



1.1.3. Collective and individual PES

Depending on the national and local context (land tenure in particular), the project's priorities and the type of PES activity under consideration, PES activities can be implemented in a number of ways:

- Collective, for example through PES contracts with organised communities or non-profit associations (ASBL);
- Individual (non-collective), in the context of PES contracts established with individuals or the private sector.

Determining whether the PES activity under consideration is collective or individual depends very much on the national and local contexts (land tenure in particular, individual or collective), but also on the programme's priorities and the type of PES activity under consideration. While in some cases individual PES schemes may have better results because they directly reward the beneficiary making the effort, collective payments remain important to encourage and enable good land management in general rather than just individual efforts. Sufficiently large global amounts can have a considerable effect, by clearly linking the benefits received to the preservation of natural forests.



As an indication, conservation PES activities tend to be collective PES (within the framework of a community zoning plan). However, the distribution of individual or collective PES activities remains flexible (for example, it remains possible to consider - subject to adequate justification - forest regeneration or conservation activities on private land on an individual basis). This is defined with the partner countries and CAFI.

Figure 2222. PES activities, implementation methods, prerequisites and target beneficiaries

Catégories d'Activités PSE	1. Agroforesterie 2. Boisement / Reboisement 3. Agriculture libre de déforestation 4. Régénération forestière (en savane et forêt) 5. Gestion durable des forêts 6. Conservation des forêts
Modalités	☐ PSE Individuels ☐ PSE Collectifs
Prérequis	☐ Identification claire du candidat ☐ Consentement Libre Informé et Préalable ☐ Droits d'usage fonciers reconnus ☐ Zone éligible (y-compris plans AT participatifs) & Sauvegardes
Fournisseurs de Services Environnementaux	☐ Ménages ☐ Fermiers ☐ Secteur privé ☐ ONG ☐ Communautés organisées

Some PES activities can, however, be implemented in a mixed way, with, for example, a PES contract signed with an organised community and plots of land allocated internally to specific households for maintenance (the case of "plantation" PES, for example). It is also possible to combine individual PES activities (e.g. agroforestry) with PES activities implemented collectively, such as forest conservation PES. It's all about context-based justification, integrating relevant governance arrangements and synergies.

1.1 Principles

CAFI's Regional PES Programme is based on the following principles:

1. **A performance-based approach**, a central feature of PES. As such, payments will be conditional on the achievement of results in accordance with agreed quality standards, duly documented and subject to periodic independent verification;
2. **PES designed as :**
 - a. **A co-investment**. In other words, an "effort bonus" designed to benefit players actively engaged in a shared effort approach;
 - b. **A lever for change**, by encouraging beneficiaries to change their practices and behaviours, not only in terms of land use but also in terms of the use of new technologies, banking, registration and formalisation, compliance with technical itineraries, etc. This is implemented pragmatically, taking into account the context and customs, but also the aspirations for change;
3. **Conducting ongoing, high-level, multi-sector political dialogue**, bringing together the relevant authorities and the technical and financial partners of the partner countries, to ensure the conditions for the success of CAFI's regional PES Programme;
4. **Respect for the principles of consultation, participation and transparency** in the design of PES activities, tools and the implementation of activities;
5. **The guarantee of a participatory approach to land use**, through the operation of consultation mechanisms involving all the stakeholders concerned in the sectors linked to land use, with a view to respecting the principles of consultation and transparency in the implementation processes, while recognising and respecting the role and responsibility of the State in the final decisions. This also includes respect for the principle of Free, Prior and Informed Consent;

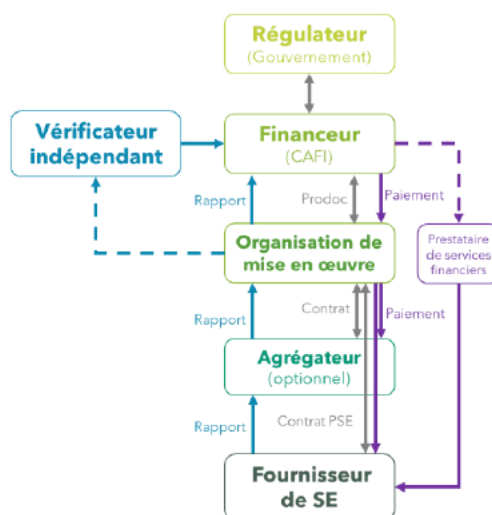


6. **The principle of inclusion of the various land-using stakeholders**, including *through ad hoc* mechanisms where necessary, particularly in the context of standard eligibility criteria that may be difficult to achieve;
7. **The recognition and respect of the rights and aspirations of all stakeholders**, including local communities, indigenous peoples and women, in particular the recognition and respect of customary and modern land rights, which are taken into consideration in the design of CAFI's Regional PES Programme, to contribute to the improvement of people's living conditions, promote gender equality and balanced participation between men and women in all processes supported, in line with international conventions and good practice, and national legal and regulatory frameworks;
8. **The inclusion of the private sector in implementation approaches**, with a view to ensuring the sustainability of interventions and their results, as well as in support for downstream sectors. CAFI's Regional PES Programme therefore aims to build productive partnerships with the private sector in order to create leverage effects and support (outside the framework of this PES project) downstream value chains, with the following players: suppliers of inputs, agricultural equipment and hardware (approved, where possible), banks and microfinance institutions, professional and inter-professional organisations, exporters, millers, etc. ;
9. **Compliance with best practice in terms of social and environmental safeguards**, including REDD+ safeguards developed at country level, based on the national legal framework and the Cancun guidelines;
10. **Support for local production, as part of a professional approach** that creates income and jobs while respecting the forest environment;
11. **Isolation and strict protection of data**, in particular personally identifiable information.

1.2 Players in the implementation chain

Several actors are involved in the implementation chain of CAFI's Regional PES Programme, as illustrated in the figure below.

Figure 2323. PES implementation stakeholder chain



1.3.1. The Regulator: The project host state

The project host country regulates the implementation of the PES project. Together with CAFI, it defines the national PES parameters based on the regional framework and standards defined by CAFI, as well as the specific parameters for each project (including this project).

1.3.2. The funder: CAFI

The CAFI Trust Fund is the financier of environmental services. As a financier, CAFI :



- Defines with the Regulator the national parameters of the regional PES programme and its variations for each specific project (including the present project): geographical areas and types of eligible beneficiaries, methodologies and standardised templates to be used.
- Signs PES agreements with environmental service providers.
- Ensures compliance with the monitoring, reporting and verification procedures required to guarantee that payments are conditional on the provision of environmental services (level 2th quality assurance: programme). To this end, CAFI has created and will maintain, throughout the life of the CAFI Regional PES Programme, a centralised and standardised PES data management system to be used by the actors in the PES implementation chain (see section 1.8 on the monitoring and reporting procedure).
- Contracts the independent verifier (see points 1.3.6 and 1.9) and manages the process, in particular compliance with the timetable for independent verification of PES projects.
- Operates the PES management tool developed by CAFI with the countries on an interim basis.
- Reports consolidated results to the Regulator on results achieved and payments made.

1.3.3. Implementation organisation

The implementation organisation is responsible for managing the environmental service providers (directly and/or through one or more aggregators, see section 1.3.4). More specifically, the roles and responsibilities of the implementing organisation are as follows:

- Provide information to potential environmental service providers and support them in meeting the prerequisites for participation.
- Support the preparation of applications based on the rules defined in the national PES programme.
- Processes applications: checks compliance, sorts and prioritises applications on the basis of the priorities and criteria defined as part of the project.
- Contracts aggregators (if necessary), trains them and assigns them targets tailored to their capacities and risk management.
- Provides technical support to implementing partners (aggregators, technical departments and others) and builds their capacity (methodologies, quality criteria and PSE tools) to ensure standardisation.
- Carries out consolidated procurement to achieve economies of scale, and develops a network of service, input and equipment providers, ensuring quality and timely distribution to beneficiaries, in line with agricultural calendars.
- Carries out fiduciary and accounting control of the aggregators and commissions external financial audits.
- Carries out monitoring and evaluation (1st level quality assurance: project) and regularly validates that the PES provider's PES results comply with requirements, on the basis of reports and data provided by the aggregators and technical services (see below).
- Validates the report on the provision of environmental services, or carries it out if the aggregators do not have the capacity to do so themselves, after quality assurance of the data reported by the aggregators, in particular via the centralised PES information system, using standard tools and processes and the requirements defined by CAFI with the partner government(s).
- Reports on the proper use of PES made in the case of collective payments to communities.
- Ensures compliance with social and environmental safeguards, supervises and manages risks and runs the local complaints and appeals system.
- Reviews and consolidates technical and financial reports and forwards them to the funder (CAFI).
- Consolidates and provides feedback (lessons learned, problems encountered and proposed solutions, etc.).
- Participates periodically in national (or even regional) consultation meetings on the operation of the system (annual review, operational adjustments, national and regional needs planning, lessons learned, etc.).



1.3.4. The aggregator(s)

Depending on the context and capacity, implementing organisations may need technical support to help environmental service providers meet the requirements for participation in PES and reporting obligations. In this way, they can work with an "aggregator". Various types of organisations (including NGOs and private operators) can take on this role within the PES programme.

The main role of an aggregator is to facilitate and supervise applicants/beneficiaries and their activities in the field:

- The aggregator identifies potential environmental service providers.
- The aggregator identifies potential environmental service providers, carries out diagnostics to determine whether these potential environmental service providers meet the eligibility conditions and, if so, helps them to meet them.
- It supports candidates in putting together their applications and then, once the contract has been signed, in implementing the PES activities in accordance with the approved quality criteria and in monitoring and reporting on them.
- It performs the consultation, basic assessment, monitoring and reporting functions required for environmental service providers to participate in PES schemes.

1.3.5. Environmental service providers

Private landowners or long-term tenants, whether they are organised local communities, private individuals or private companies, provide environmental services by adopting specific land uses that enable these services to be provided, in accordance with agreed criteria.

In line with the principle of inclusion and efficiency, and subject to certain key conditions specified in section 1.5, CAFI's Regional PES Programme is potentially open to any type of eligible entity, public or private, national or international, that has a positive impact on forest resources. This includes :

- Non-trading individuals (individuals, households).
- Commercial individuals and companies.
- Non-profit associations (ASBL).
- Community-based organisations.
- Non-governmental organisations (NGOs).

The types of entity actually eligible under this project are defined in agreement with CAFI and the Regulator in section 2.4

1.3.6. The independent verification body

The key principle of any PES scheme is the conditionality of payments. Payments are made if, and only if, PES providers implement the agreed land use practice(s). The reliability of the information (and in particular the results reported and their quality) is therefore essential. Internal monitoring and reporting to the CAFI Trust Fund by implementing organisations alone cannot guarantee full compliance with this principle.

External independent verification by an independent, highly qualified and internationally recognised body is therefore necessary and mandatory (see 1.9 on the independent verification mechanism). This mechanism also aims to ensure the continuous improvement of the PES programme at regional and national level.

1.3 Type of eligible PES activities

As described in section 1.1.2, six types of PES activities are potentially eligible under CAFI's Regional PES Programme:

1. Afforestation and reforestation.
2. Agroforestry
3. Deforestation-free agriculture (excluding agroforestry).
4. Forest restoration (savannah or forest).
5. Sustainable forest management.



6. Forest conservation.

The types of PES activities actually eligible under this project are defined in agreement with the Regulator and CAFI in section .2.4

1.4.1. Guidelines for PES Afforestation/Reforestation, Agroforestry and other types of deforestation-free agriculture

The implementing organisation will have to develop and validate with CAFI a data sheet for each envisaged afforestation/reforestation, agroforestry and deforestation-free agriculture model, with quality criteria (e.g. implementation, maintenance, etc.) and other relevant constraints, as well as payment terms (amounts and payment schedule, duly justified) adapted to the agroforestry system and beneficiary in question (cf. data sheet templates for agricultural, forestry and agroforestry models, provided with the standard templates).

Description: In general, contracts with beneficiaries for "plantation" PES will aim to cover, in one or more uninterrupted contracts depending on existing constraints (project cycle in particular), the period from installation to fruiting (generally in the order of 6 to 12 years, depending on the species considered). The minimum and maximum area eligible per contract will be agreed with CAFI (e.g. from 0.5 to 10 ha), depending on the demonstrated capacity of the type of beneficiary concerned. The use of improved seed should be systematised; to encourage this, a bonus could be applied if the use of certified improved seed is demonstrated.

Quality criteria: The key criteria for validating results are as follows (the implementing organisation should clarify these quality criteria according to the specific needs of the project):

Table 3229. *Quality criteria for PES Afforestation/Reforestation, Agroforestry and other types of deforestation-free agriculture*

Criteria	Comment	
1. Minimum density of healthy trees per hectare	The minimum density depends on : a. The approved average plant spacing (between plants and between rows) b. The authorised survival/removal rate, which may vary according to the age of the plantation. The minimum tree density to be achieved for an eligible result is defined on the basis of the theoretical density based on the spacings multiplied by the survival rate defined for the year in question. A transect survey will be carried out during the visits, accompanied by geo-referenced photos.	Mandatory criteria a. Defined in the contract in agreement with the grower b. Also makes it possible to authorise a certain level of harvesting by the beneficiaries (subsistence strategy and plantation management strategy). In the event of insufficient results, replanting will have to be carried out in order to meet the eligibility threshold.
2. Socio-environmental standards respected	Activities prohibited in protected areas, in forest areas (with exceptions - see below) and on deforested land after December 2020. Possible bonuses for good practice	Mandatory criteria Breach of certain criteria may lead to contract termination proceedings (e.g. planting in a prohibited area).
3. Proper installation and maintenance of the firewall	Objective verification criteria to be agreed, accompanied by geo-referenced photos	Criteria recommended up to and including year 3.
4. Adequate firebreak maintenance	A firebreak at least 3m wide in forested areas and 6m wide in savannah areas and up to 25m wide (depending on environmental conditions) is strongly recommended around the plot.	Optional criterion but recommended up to year 4 (also included in bonuses). Not including it requires adequate justification of low risk.



Agricultural crops within firebreaks are encouraged.

Objective verification criteria to be agreed, accompanied by geo-referenced photos.

The indicative payment schedule is as follows²³ (the implementing organisation must adjust this schedule according to the specific needs of the project, the type of beneficiary and the agroforestry model targeted, in agreement with CAFI):

Table 3330. Indicative payment schedule for PES Afforestation/Reforestation, Agroforestry and other types of deforestation-free agriculture

	Period	Amount (USD/ha)
1	Year 1 - month 3 after planting	50
2	Year 1 - month 9 after planting	25
3	End of year 2	25
4	Annual until end of contract (year 3-X)	50

A breach of the quality criteria and mandatory safeguards requires a proven remediation procedure before payment.

A bonus system could be applied to encourage best agronomic, social or environmental practices (e.g. maintenance of firebreaks, signing of the PSE contract by a woman, use of endogenous species, etc.).

Safeguards and gender: Safeguards are a key element of the regional PES programme and are integrated directly into the applicable methodologies and the PES management tool. See 1.6 for more details.

Unless properly justified and agreed with CAFI and the Regulator, afforestation/reforestation, agroforestry and deforestation-free agriculture PES activities are not allowed in protected areas, in forest areas (except forest regeneration), or on deforested land after December 2020²⁴. PES applications or results located in this type of area will generate an alert in the PES management tool.

In addition, certain parameters can be activated and specified in the PES management tool when defining the PES sub-activities, and can generate alerts or bonuses in the system: species encouraged and discouraged, use of chemical fertilisers, child labour, minimum mix of species, etc. (see also *Table 1*).

The implementing organisation must identify the additional safeguards and gender measures applicable to the activity, agroforestry model and type of beneficiary(ies) targeted, whether these are practices to be prohibited or restricted, but also those to be encouraged. These elements will be included in the definition sheets for each PES sub-activity and agreed with CAFI and the Regulator.

1.4.2. Guidelines for the protection of savannahs and degraded forests with or without assisted natural regeneration (RN/RNA)

Description: The repeated passage of bush fires, often uncontrolled, caused by hunting or the burning of agricultural plots, as well as the extraction of certain products, degrade wooded savannahs, forest galleries and forests that still exist. Defensing aims to encourage natural regeneration and the restoration of ecosystem services. This activity involves maintaining firebreaks around the area dedicated to regeneration and applying management rules.

²³ Payment scales will also depend on whether a specific "bonus" for firebreak maintenance is included.

²⁴ In the case of certain agroforestry models that are compatible with maintaining the forest cover of natural forests, a derogation from this rule may be considered provided that there is a robust justification in terms of managing the risks to the forest cover and a formal agreement with CAFI and the Regulator.



Simple natural regeneration (RN) has great potential thanks to its moderate costs for potentially very large regeneration areas.

Natural regeneration can be assisted in a number of ways:

- a) Pruning and/or other targeted or systematic silvicultural operations to manage and improve the growth of existing native trees and shrubs
- b) General increase in tree and shrub cover and biomass through afforestation/reforestation or targeted enrichment
- c) Control of natural or artificial mortality (e.g. via grazing) of exceptional trees and seedlings through protection of seedlings.

Area eligibility criteria: The key criteria for including land in a PES contract are as follows:

Table 3431. Area eligibility criteria for PES regeneration contracts

Criteria	Description	Comment
1. Eligible habitat and presence of sufficient initial tree cover	The PES activity of natural regeneration (NR) and assisted natural regeneration (ANR) must be carried out on eligible habitats. These include in particular a) Shrub savannah areas b) Wooded savannah areas c) Degraded primary or secondary forest areas d) Degraded open forest areas In these areas, a minimum initial tree cover of 15% of the land to be contracted with a minimum acceptable density of 50 trees/hectare is strongly recommended. The inclusion of areas below this criterion must be adequately justified and validated in advance by CAFI.	Mandatory criterion
2. Presence of latent natural regeneration stocks	In order to ensure that regeneration is possible in the area under consideration, the presence of mature trees producing seeds, live shoots and/or spontaneous plantlets should be observed. During the survey inventory, the number of mature trees (producing seeds, flowers or with a diameter greater than or equal to 50 cm) and the number of shoots or seedlings of tree or shrub species should be recorded.	Mandatory criterion
3. Presence of one or more degradation factors	The land proposed for regeneration must demonstrate the presence of one or more of the following disturbance factors: a) Unrestricted grazing, b) Uncontrolled fire, c) Illegal logging d) Slash-and-burn agriculture with an impact on regeneration capacity e) Uncontrolled erosion The disturbance factor(s) targeted by the regeneration activity must be clearly indicated.	Mandatory criteria

Quality criteria: The key criteria for validating the results are as follows (the implementing organisation must clarify these quality criteria according to the specific needs of the project):

Table 3532. Quality criteria for regeneration PES

Criteria	Description	Comment
1. Minimum tree density and	Land under natural regeneration or assisted natural regeneration must have a wooded area (corresponding to the 15% minimum tree cover	Initial density estimated by means of a 1 st simple survey inventory, which may be carried out by



minimum basal area increment	defined above) with a minimum acceptable density of 50 trees/hectare. In addition to the tree density, the initial basal area of the area must also be estimated. There is no minimum basal area to be respected. However, during monitoring visits, an increase in basal area should be observed. The minimum basal area increase values to be observed to justify performance are : a) 0.1 m²/ha/year in natural regeneration b) 0.5 m²/ha/year in assisted natural regeneration.	sampling and whose data must be provided at the time of the application. This criterion will be assessed during monitoring visits to ensure that the initial minimum density is either maintained or increased. Estimates of minimum density and basal area concern only trees with a diameter ≥ 5 cm. In a NAS, if the basal area increase criterion is not met, an enrichment of at least 2 viable feet of native species will be considered as an acceptable alternative qualifying the results for payments.
2. Proper installation and maintenance of the firebreak	A firebreak at least 3m wide in forested areas and 6m wide in savannah areas and up to 25m wide (depending on environmental conditions) is strongly recommended around the plot. A 5m firebreak is also recommended along frequently used paths within the plot. Agricultural crops are encouraged within the firebreaks. Objective verification criteria to be defined, accompanied by geo-referenced photos.	Optional criterion but strongly recommended up to year 4 (also included in bonuses). Not including it requires adequate justification of low risk.
3. Management rules respected	The presence of fires, charcoal-making or agricultural activities in the area covered by the PSE contract is prohibited. Firebreaks must be maintained to manage uncontrolled fires (see below). Participatory demarcation accompanied by appropriate signposting of areas under regeneration is also necessary.	Mandatory criteria Regular monitoring visits should be organised to identify and report any breaches of the set-aside rules.
4. Socio-environmental standards respected	Activities prohibited in protected areas and active agricultural zones. Initial tree cover must be maintained. Possibility of bonuses for good practice. RNA: only enrichment with endogenous species is authorised. A mixture of at least 5 different species is required.	Mandatory criteria Breach of certain criteria (e.g. planting in a prohibited area) may lead to termination of the contract.

A breach of mandatory quality criteria and safeguards requires a proven remediation procedure before payment.

A bonus system could be applied to encourage best agronomic, social or environmental practices (e.g. signing of the PES contract by a woman, use of endogenous species, etc.).

In the case of generally collective PES, in the event of a breach of contract, the implementing organisation or aggregator will be required to organise a general consultation of the community to inform it of the breach and its consequences, and to discuss the reasons for the breach and the steps to be taken to remedy it.



The **indicative payment schedule is as follows**²⁵ (the implementing organisation must adjust this schedule according to the specific needs of the project, the type of beneficiary and the model targeted, in agreement with CAFI): A payment per ha, generally annual or semi-annual, will be made for PES contracts for the protection of savannahs and degraded forests.

Table 3633. Indicative payment schedule for regeneration PES contracts

	Period	Amount (USD/ha)
1	RN: 1 year (in one or more payments)	1-5\$/ha/year

Safeguards and gender: Safeguards are a key element of the regional PES programme and are integrated directly into the applicable methodologies and the PES management tool. See 1.6 for more details.

Unless properly justified and agreed by CAFI and the Regulator, regeneration PES activities are not permitted in protected areas or active agricultural zones. PES applications or results located in this type of area will generate an alert in the PES management tool.

In addition, certain parameters can be activated and specified when defining PES sub-activities in the PES management tool, and can generate alerts or bonuses in the system: species encouraged and discouraged, use of chemical fertilisers, child labour, minimum mix of species (see also Table 4).

The implementing organisation must identify the additional safeguards and types of measures applicable to the activity, business model and type of beneficiary(ies) in question, both in terms of practices to be prohibited or restricted and those to be encouraged. These elements will be included in the definition sheets for each PES sub-activity and agreed with CAFI and the Regulator.

1.4.3. Guidelines for sustainable forest management

Description: In the Congo Basin, most of the wood consumed comes from small-scale logging, often illegal, which is still poorly covered by the environmental measures set out in national forest legislation. In addition, almost 100% of the wood produced in the region comes from selective logging focused on a tiny portion of species with timber production potential, and this selective logging causes around 9% of forest biomass loss in the form of collateral damage. The PSE sustainable forest management activity therefore aims to ensure that timber is harvested in a rational manner and to combat forest degradation resulting from illegal logging. The ultimate aim is to help reduce GHG emissions from forestry operations and enhance the social impact of these activities. There are a number of possible implementation methods. They can be grouped into the following two categories:

1. Promotion of low climate impact logging (EFIR-C) in local community forest production areas (for areas managed by communities)
2. Promotion of sustainable forest management certification in industrial logging concessions or forest management units (for areas managed by private companies or public authorities).

The two categories of modalities concern different stakeholders and different areas covered, and are therefore associated with different criteria for assessing performance.

Area eligibility criteria: The key criteria for including land in a PES contract are as follows:

Table 3734. Area eligibility criteria for sustainable forest management PES schemes

Criteria	Description	Comment
1. Presence and maintenance of forest cover	The PES activity of sustainable forest management can only be carried out on forest areas eligible for timber harvesting activities. In this area, any change in land use that tends to permanently convert forested areas into any other land use will be strictly prohibited.	Compulsory criterion

²⁵ Payment scales will also depend on whether a specific 'bonus' for firebreak maintenance is included.



	The initial forest cover will therefore have to be documented by mapping forest vegetation types. The density, basal area and initial species diversity of the area is estimated by means of a 1st simple survey inventory, which may be carried out by sampling and the results of which must be provided with the application.	
2. Five-year management plan and operations plan for the 1st year	A five-year management plan and annual operational plans must be drawn up before any logging operations begin. The area should therefore be subdivided into 3 five-year blocks (community-managed areas) or 5 five-year blocks (privately or government-managed areas) to be logged successively over a total period of 15 or 25 years respectively. Each five-year block should be subdivided into 5 annual cutting areas (AAC) which will be logged successively over 5 years. The rotation cycle from one block to another and from one AAC to another must be clearly specified in the five-year management plan and the annual operations plan respectively.	Mandatory criteria

Quality criteria: The key criteria for validating the results are as follows (the implementing organisation should clarify these quality criteria according to the specific needs of the project):

Table 3835. *Quality criteria for PES for sustainable forest management*

Criteria	Description	Comment
1. Initial tree density, basal area and species diversity maintained or increased	Tree density, basal area and species diversity will be assessed during monitoring visits to ensure that the initial figures for these indicators are maintained or increased. Estimates of these indicators concern only trees with a diameter ≥ 10 cm and are carried out at the scale of the AAC. These estimates are made only at the end of the AAC's exploitation period (i.e. once a year). A reduction in density or basal area of more than 20% will result in the obligation to enrich the area with native species.	Mandatory criterion
2. Compliance with the five-year management plan and annual operational plans	Each five-year block must be subdivided into 5 annual cutting areas (AAC), which will be harvested successively over 5 years. The rotation cycle from one block to another and from one AAC to another must be clearly specified in the five-year management plan and the annual operations plan respectively.	Mandatory criterion
3. Compliance with the rules of reduced impact logging for the climate (EFIR-C)	The EFIR-C rules cover the following three aspects: a) Felling and recovery of logs: To minimise the number of damaged trees (fallen or injured) per tree felled through the application of directional felling, a maximum threshold of 7 damaged trees per tree felled should be observed. The number of trees felled but abandoned in the forest should also be reduced as much as possible through effective planning of felling operations. A maximum threshold of 7% of trees felled but abandoned should be observed. b) Skidding and transport of logs: In order to reduce as much as possible the number of damaged trees along skidding trails and the surface area of forest tracks and roads established for the transport of logs, maximum thresholds	Mandatory criterion



	of 3 damaged trees with a diameter greater than or equal to 20 cm per hectare and 500 m² of open forest area per hectare for the purpose of establishing logging trails and roads must be observed. c) Minimum felling diameter and height and protection of seed trees: The aim here is to comply with the minimum felling diameters defined in national forestry standards and the felling heights that minimise losses. For the latter, a maximum felling height of 50 cm above ground level must be observed. Seed trees must also be clearly identified, marked and protected to prevent felling and other damage.	
4. Closure of established forest tracks and roads at the end of the logging cycle	To ensure that logging operations do not increase the risk of poaching and disturbance, forest tracks and roads must be closed at the end of each annual logging cycle in a CAA.	Mandatory criterion
5. Commitment to the good forest management certification process	In the event of a commitment to certification, a timetable and action plan must be agreed between the environmental services provider and the implementing organisation and monitored by the latter. Failure to comply with the clauses agreed in this action plan will result in the cancellation of payments and the reimbursement of certification op-ups received.	Mandatory criterion for concessions of more than 50,000 ha and optional for the rest.
6. Management rules respected	Logging operations in AACs already logged during the same logging cycle are strictly prohibited. The use of non-native species to enrich harvested areas is strictly prohibited.	Mandatory criteria Regular monitoring visits must be organised to identify and report breaches of the management rules.
7. Socio-environmental standards respected	Activities strictly prohibited in protected areas and active agricultural zones (including fallow land). Tree cover, tree density, basal area and initial species diversity maintained or increased. Possibility of bonuses for good practice (e.g. inclusion of secondary and tertiary species among the species targeted by the operation). It is forbidden to fell trees within 30 m of a spring or watercourse. Hunting is strictly regulated and only permitted in hunting zones and during hunting seasons. Enrichment operations are strongly recommended in harvesting areas. The safeguard measures and principles of integration of the type listed below must also be observed: • Management of felling waste: Evacuation or controlled disposal to avoid the risk of fire or congestion. • Post-exploitation monitoring: Impact assessment and implementation of corrective measures (reforestation, closing of tracks, etc.).	Mandatory criteria Breach of certain criteria (e.g. planting in a prohibited area) may lead to contract termination proceedings.



	• Equitable participation: Inclusion of women in forest management committees, inventories, planning and monitoring. • Recognition of local knowledge: Valorisation of women's and indigenous peoples' specific knowledge of non-timber forest products (NTFPs), biodiversity and ecosystem health. • Equitable access to resources: Guaranteeing women and indigenous peoples access to forest land, credit, training and markets. • Training and empowerment: Capacity-building programmes targeting women and indigenous peoples to train them in EFIR techniques, forest business management, etc. • Gender-sensitive monitoring: Collection of sex-disaggregated data to assess the impact of forestry activities on women and men.	
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In the case of generally collective PES, in the event of a breach of contract, the implementing organisation or aggregator will be required to organise a general consultation of the community to inform it of the breach and its consequences and to discuss the reasons for the breach and the steps to be taken to remedy it.

The **indicative payment schedule is as follows**²⁶ (the implementing organisation must adjust this schedule according to the specific needs of the project, the type of beneficiary and the model targeted, in agreement with CAFI): One annual or semi-annual payment per ha will be made for sustainable forest management PES contracts.

Table 3936. Indicative payment schedule for PES for sustainable forest management

	Period	Amount (USD/ha)
1	EFIR without commitment to certification	2/ha/year
2	EFIR with commitment to certification	4/ha/year

Safeguards and gender: Safeguards are a key element of the regional PES programme and are integrated directly into the applicable methodologies and the PES management tool. See 1.6 for more details.

Unless properly justified and agreed by CAFI and the Regulator, sustainable forest management PES activities are not permitted in protected areas or active agricultural areas (including fallow land). PES applications or results located in this type of area will generate an alert in the PES management tool.

In addition, certain parameters can be activated and specified when defining PES sub-activities in the PES management tool, which can generate alerts or bonuses in the system: species encouraged, child labour, etc. (see also *Table 3.7*).

The implementing organisation must identify the additional safeguards and gender measures applicable to the activity, management model and type of beneficiary(ies) in question, whether these are practices to be prohibited or restricted, but also those to be encouraged. These elements will be included in the definition sheets for each PES sub-activity and agreed with CAFI and the Regulator.

²⁶ The payment scales will also depend on whether a specific "bonus" for firewood maintenance is included.



1.4.4. Forest conservation guidelines

As mentioned in the theory of change, this PES activity is essential to complement PES activities that replace natural forests (agroforestry, etc.) and have a positive impact on the forest cover of these forests.

Description: conservation PES aim specifically to remunerate communities for maintaining threatened natural forests and the resources they contain (carbon, biodiversity, etc.). In areas under pressure from markets (supply of agricultural products, fuelwood and timber to urban areas), it is particularly important to give a value to standing natural forests, in addition to developing alternatives to forest use. It is therefore considered important in these areas to combine conservation PES with "plantation" PES, which aim to reduce the pressure on natural forests (substitution).

The terms of conservation PES need to be tested through pilot experiments. On the basis of CAFI's framework with the Regulator, it will be useful to pilot various terms in different contexts. Initially, two main options will be tested, which can be applied in a variety of ways:

- **Option 1: Focused on payments linked to forest cover** (X\$/ha/year) for protection contracts within forests that adhere to forest conservation objectives in line with a land use plan.
- **Option 2: Monitoring will be based on the analysis of satellite images to define forest cover statistics. Deforestation alerts (in near-real time) will also be relayed to partners on the ground, for rapid reaction/intervention.**
- **Focused on the simultaneous preservation of biodiversity and forest cover through a proxy indicator linked to an emblematic species.** This model correlates the capacity of a hectare of forest to support a population of a given species (bonobo, elephant, okapi, etc.), making it possible to define a potential population. A payment is defined per unit of this species (existing or potential number) as long as the management rules are strictly respected.

A template for defining the parameters for validation by CAFI and the Regulator is available in the PSE templates folder.

Area eligibility criteria: Eligible forests include in particular (i) primary forests; (ii) mangroves; (iii) secondary forests under regeneration for at least 20 years and not actively managed.

The key criteria to be taken into account when selecting areas for conservation PES are - depending on the context - in particular: (i) the risk of deforestation and (ii) the ecosystem value of the forests (biodiversity, carbon, water services, etc.). Preference will therefore be given to: forests of high value (carbon, biodiversity, etc.) - including Key Biodiversity Areas (KBAs) close to protected areas, ecological corridors, etc. - and at risk of deforestation in the short or medium term (historical deforestation trends).

Table 4037. Area eligibility criteria for conservation PES

Criteria	Description	Comment
1. Risk of deforestation	The analysis of the risks of deforestation will be based on the following parameters: a) Historical deforestation data: recent deforestation rate (last 3 to 5 years), based on national data submitted to the UNFCCC or data produced for CAFI at sub-regional level by the FAO with partner countries. b) Proximity to recently deforested areas. c) Forest fragmentation: moderately fragmented areas will generally be prioritised, as they present a high risk of conversion while retaining potential for restoration or connectivity. Highly fragmented areas will be prioritised for regeneration PES. The inclusion of large blocks of relatively intact primary forest, a priori less at risk, will be considered on the basis of the ecosystem value criterion.	Mandatory criterion



	d) Accessibility: Presence of access roads or tracks, distance to markets or urban centres. Alternatively, the Vieilledent et al (2022) dataset could be used, which analyses the risk of deforestation by considering the deforestation trajectory recorded during the period 2010-2020 and statistically extrapolating this trajectory for the period 2020-2110 in 10-year steps.	
2. Ecosystem value	This criterion will be based on the immediate proximity of protected areas or primary forests, and/or connectivity with other important natural habitats (ecological corridors). The other criteria to be considered are: a) Ecological connectivity: immediate proximity to protected areas or primary forests; important ecological corridor. b) Carbon storage: Carbon stock in biomass and soils; Potential for future sequestration (forest growth). c) Biodiversity: Presence of rare, endemic or threatened species (flora and fauna); Specific richness. d) Hydrological functions: Role in regulating the water cycle (infiltration, recharging of water tables); Protection of catchment areas and drinking water sources; Reducing the risk of flooding or erosion. e) Cultural and social role: Importance for local or indigenous communities (traditional uses that do not damage the forest cover, spirituality). f) Rarity or representativeness of the ecosystem: Ecosystems that are unique or little represented in protected areas; primary or little disturbed forests. g) Ecological resilience: Capacity of the ecosystem to regenerate after disturbance; Functional diversity of species (complementary ecological role). The KBAs defined by the States and subject to the CBD are considered directly eligible for this criterion. Alternatively, data from Grantham et al (2020) may be used.	Mandatory criteria

Quality criteria: The key criteria for validating the results are as follows (the implementing organisation must clarify these quality criteria according to the specific needs of the project):

Table 4138. *Quality criteria for conservation PES*

Criteria	Description	Comment
1. Rate of change of forest cover	Forest cover change statistics will be analysed prior to the contract on the basis of historical data (last 5-10 years). These data will be used to define the historical average rate of forest cover change (R_0) in the area under consideration for PES. • $R_0 = (A_s - A_0) / (t_s - t_0)$ This rate will serve as a reference level for the change in cover and therefore as the maximum acceptable rate of change. Each year, an annual rate of forest cover change will be calculated:	Mandatory criterion



	• $R_f = (A_2 - A_1) / (t_2 - t_1)$ This annual rate will be compared with the historical rate to determine the rate of change in forest cover change (T), which will serve as an "additional" basis for assessing the performance of the conservation activity : • $(R_0 > 0) : T = (R_f / R_0) \times 100\%$. • $(R_0 < 0) : T = (1 - R_f / R_0) \times 100 \%$ This rate of change in the change of cover will be interpreted as follows: • $T > 0$: the full performance payment is due ; • $T < 0$: a penalty is applied to the performance payment, according to the penalty scale below: <table><tr><th>Situation</th><th>Payment</th></tr><tr><td>$T \leq -15$ (deterioration)</td><td>-100% of payment due</td></tr><tr><td>$-1\% < T < -15\%$ (deterioration)</td><td>-50% of payment due</td></tr><tr><td>$-1\% < T < +5\%$ (corridor)</td><td>90% of payment due</td></tr><tr><td>$+5 \% \leq T < +15\%$</td><td>100% of payment due</td></tr><tr><td>$T \geq +15 \%$</td><td>100% of payment due + bonus</td></tr></table> Monitoring will be carried out on the basis of satellite image analysis. Deforestation alerts (in near-real time) will be relayed regularly to partners in the field, for rapid intervention (verification, documentation and remediation where necessary).	Situation	Payment	$T \leq -15$ (deterioration)	-100% of payment due	$-1\% < T < -15\%$ (deterioration)	-50% of payment due	$-1\% < T < +5\%$ (corridor)	90% of payment due	$+5 \% \leq T < +15\%$	100% of payment due	$T \geq +15 \%$	100% of payment due + bonus	
Situation	Payment													
$T \leq -15$ (deterioration)	-100% of payment due													
$-1\% < T < -15\%$ (deterioration)	-50% of payment due													
$-1\% < T < +5\%$ (corridor)	90% of payment due													
$+5 \% \leq T < +15\%$	100% of payment due													
$T \geq +15 \%$	100% of payment due + bonus													
2. Management rules respected	Timber harvesting, charcoal production, farming and other activities that disturb the forest in the area covered by the PES contract are prohibited. Prevention through firebreaks (see below) and active surveillance measures (patrols, remote sensing) are necessary. A community monitoring mechanism and team will have to be set up to monitor the area under conservation. The team's various activity reports should be communicated to ensure proper implementation. Participatory demarcation accompanied by appropriate signposting of the areas under PES conservation is also necessary.	Mandatory criterion Regular monitoring visits should be organised to identify and report any breaches of the rules on set-aside.												
3. Socio-environmental standards respected	Activities prohibited in protected areas and active agricultural zones. The inclusion of KBA areas and in particular wetlands, peatlands and mangroves is strongly encouraged (provided that the other eligibility criteria are met). The hunting of species protected by law in a conservation area will result in the cancellation of all payments for the half-year or year in question.	Mandatory criteria Breach of certain criteria may lead to contract termination proceedings												



A breach of quality criteria and mandatory safeguards requires a proven remediation procedure prior to payment.

The indicative payment schedule is as follows (the implementing organisation must adjust this schedule according to the specific needs of the project, the type of beneficiary and the model targeted, in agreement with CAFI): A payment per ha, annual or semi-annual will be made for conservation PES contracts.

A reference deforestation rate (average over X years) will be used, beyond which payments will be reduced in stages and then suspended. The triggers and calculation methods will have to be proposed and validated by CAFI and the Regulator.

The amount of the payments made must be balanced: sufficient to change the practices of a significant number of beneficiaries but low enough to reach as many people as possible with the resources available.

Table 4239. Indicative payment schedule for PES for sustainable forest management

	Period	Amount (USD/ha) ²⁷
1	PES linked to forest cover: annual or semi-annual	1/ha/year
2	PES linked to a biodiversity proxy: annual or semi-annual	1-50\$/ha/year

Modular payment rates based on the "value" of forests, or incorporating a bonus system for preserving biodiversity, can be proposed.

1.4.5. Special case of firebreaks

The establishment and maintenance of firebreaks is an essential component of risk management strategies for 'plantation' PES activities in Central Africa. It is a demanding task that needs to be carried out periodically.

As PES is based on actual results in terms of planting or regeneration, it may be considered that the construction of a firewall does not need to be paid for, as it is already included in the amount of the targeted PES activities. But it may also be decided, for the sake of better risk management, to make a specific payment for firebreak maintenance, even if this means reducing the overall amount of targeted PES. This option is taken into account in the PES management tool through a bonus mechanism integrated into each relevant PES activity. This should be specified in each project.

The need for a firewall must be defined on the basis of the remote sensing risk assessment. The width of the firebreak required depends on factors such as fuel height, proximity to primary forest or establishment cost.

A firebreak at least 3m wide in forested areas and 6m in savannah areas, and up to 25m (depending on environmental conditions), is strongly recommended around the plot (excluding areas adjacent to primary forest or where there is no fire risk). A 5m firebreak is also recommended along frequently used paths within the plot. These technical parameters will need to be defined and justified. Agricultural crops within the firebreaks are encouraged.

Where applicable, the **indicative payment schedule is as follows** (the implementing organisation must adjust this schedule according to the specific needs of the project, the type of beneficiary and the agroforestry model targeted, in agreement with CAFI):

Table 4340. Indicative payment schedule for PES for sustainable forest management

Period	Amount (USD/ha)
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²⁷ The amount must provide a real incentive for environmental service providers while avoiding overpayment (optimal cost-benefit ratio \$/ha conserved). A differential amount depending on exposure to the risk of deforestation could be considered. A long contract duration is both desirable and necessary, but will require a suitable legal and financial package to be found, which has yet to materialise.



1	Semi-annual or more frequent if necessary and realistic	25-55\$/ha/year
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1.4 PES requirements

CAFI's Regional PES Programme provides for four types of prerequisite, for which guidelines are provided and detailed in this section.

Precise indications are defined or in the process of being defined between each Regulator (partner governments) and CAFI as part of the process of contextualising the regional PES programme to the national context, and can be consulted in Appendix 5. The methodologies and other applicable frameworks can be accessed at the following link: <https://drive.google.com/drive/folders/1K-c46VVbYTOHulcWhcrubxOroRRQSRaK>.

Any necessary deviation from these prescriptions (unforeseen cases, necessary updates, etc.) must be justified and agreed in advance with CAFI and the Regulator.

1.5.1. Clear and formal identification of candidates

Objective: Applicants for PES must be identified in a certain and formal manner, demonstrating the legal capacity to contract, individually or collectively, through a formally mandated legitimate representative.

Principles: The definition of eligible documents for each category of stakeholder will be aligned as far as possible with the existing national legal and regulatory framework.

Requirements: To be eligible, the documents must be recognised by the government and be usable in both the legal system (enforceability of contracts) and the financial system (payment methods).

1.5.2. Free, prior and informed consent (FPIC)

Objective: The PES applicant has given free, informed and prior consent (FPIC) prior to contractualisation.

Principles: The basis of the PES is a voluntary contract between two parties, which implies that sufficient prior information is required before it is signed to ensure that the respective commitments and their implications are made with full knowledge of the facts. This information must be provided in a manner adapted to the type of candidate in question.

Description: To this end, a FPIC process is required. It should follow the methodology and quality criteria defined at regional or national level, aligned with national and international good practice, while being pragmatic. The results of this dialogue should be reflected in the FPIC minutes, which are a key part of the application.

In the context of community-based organisations, in order to respect the rights of local communities to autonomy and self-determination, the PES programme must also ensure that :

- These organisations are representative of all members (i.e. the community as a whole in the case of community-based organisations);
- The decision to participate in the programme is taken on the basis of a clear understanding of the implications and enjoys broad community support.

The FPIC methodological framework suggested at regional level comprises two stages:

- A first step on PES in general and its implementation in the target community;
- A second step specific to the PES activity and the terms of the corresponding contract.

Requirements: Step a) (General FPIC) is mandatory for all collective PES (organized communities) but optional for individual PES (households, commercial companies) on their private land (duly documented and including a certificate/attestation from the customary chief - see section 1.5.3), unless otherwise decided in a specific national context. Step b) (specific FPIC) is mandatory in all cases and with all types of beneficiary.



The proposed model is based on on-site information to those concerned (except in the case of commercial companies), in the local language, by the implementing partners. This information should cover all the terms of the PES contract and the underlying implications in terms of both positive and negative impacts. It should be recorded in a PV, including (i) the observations, comments and suggestions of those concerned, as well as (ii) the answers to the questions and concerns expressed. The content of the minutes should be read out at the end of the public meeting, to ensure that the content of the minutes reflects the discussions. On this basis, consent can be recorded by the signature of the authorised representatives.

Synergies exist with other processes, in particular :

1. A mandatory local complaints and appeals management mechanism to receive, record and process PES-related complaints (- see section 2.10.2).
2. A conflict prevention mechanism (particularly for land disputes), depending on the context.
3. Termination clauses (within the PES contract) allowing either party to terminate the contract according to a clearly defined procedure and conditions.

1.5.3. Recognized and conflict-free land use rights

Objective: The PES applicant has clear land rights, recognized by the land tenure system and free from conflict, enabling him to validly commit and pledge land in a PES contract over several years.

Principles : This objective must be based on the following main principles: (i) inclusion of farmers and local communities without land title, using a pragmatic approach; (ii) prevention of land-related conflicts; (iii) securing the efforts made and the results achieved.

Description: Clear, recognised and conflict-free land rights are essential to the viability of PES activities. They must make it possible to: (i) ensure, on the one hand, the legitimacy of the candidate to enter into a PES contract; and this, for the entire duration of the contract, and, on the other hand, (ii) guarantee that the candidate will be able to benefit from his efforts (PES and possible products of the PES activity: timber, wood-energy, etc.). Recognised land rights are therefore an essential prerequisite for PES contracts. As a matter of principle, no PES contract should be signed on disputed land.

Given the duality of land law in Central Africa, which combines positive and customary law and recognises both individual and collective tenure, the land issue is particularly complex and sensitive, often the source of a large number of conflicts. It is therefore essential to approach it with caution. In this context, it is generally observed, particularly in rural areas, that the majority of land rights holders targeted by the PES programme do not have access to any formal land title (positive law) and only have usage rights on a customary basis, with little or no security. There are also many cases where holders of formal land titles have acquired them fraudulently, to the detriment of the rights and interests of entitled communities.

Requirements: the implementing organisation must ensure that land tenure issues are dealt with by means of an appropriate procedure for establishing legal and customary land rights that are clear and uncontested, whether in the context of collective or individual PES. This procedure is reinforced by FPIC.

In all cases, formal land titles attesting to land rights may be presented, but they will be required for certain categories of stakeholder (private sector companies in particular). A certificate or attestation issued by the customary (and/or local) authorities will be required in all cases where the land is located on rural land claimed by local or indigenous communities, including cases where land titles exist. In the absence of an existing regular procedure for obtaining such a certificate or attestation of rights, an *ad hoc* procedure will be set up with the national authorities to guarantee the non-conflictuality of the land. This procedure and the conditions that may be attached to it (methodologies and supporting documents) have been - or will be - defined for each partner country between CAFI and the national authorities. Failing this, an adapted procedure may be proposed by the partner for validation by CAFI and the Regulator.



1.5.4. Compliance with eligible areas

Objective: The area proposed for a given PES activity is located in an eligible area for the type of activity in question.

Principle: The area proposed for a given PES activity does not contravene the legal and regulatory framework in force, nor the social and environmental safeguard criteria and other requirements defined within the framework of the programme.

Description: To be eligible, an area proposed for PES contracting must meet at least the following requirements:

- Be located in the priority deployment zone** of the PES programme (see section 2.2).
- Comply with the national legal and regulatory framework** for the proposed PES activity. This includes sectoral legislation in areas such as agriculture, land use planning, environment and nature protection, forestry, etc. For example, afforestation/reforestation activities and deforestation-free perennial crops are not permitted in most protected areas.
- Respect national social and environmental safeguards**, as well as those defined for the PES programme and taking into account international best practice (see section 2.10.2). For example, CAFI wishes to limit "plantation" PES (afforestation/reforestation, agroforestry, deforestation-free agriculture) to areas without forest cover before December 2020, in order to avoid perverse incentives to deforest beforehand, and in alignment with the criteria of the European Union's Regulation against Deforestation and Forest Degradation (RDUE)²⁸.
- Be consistent with the biophysical characteristics of the environment.**
For example, the conservation or sustainable management of forests is not possible in savannahs, but forest regeneration is possible in both savannahs and forests.

Figure 24. Criteria for defining eligible areas for the various PES activities

1. Cadre légal & réglementaire national	2. Potentialités biophysiques	3. Sauvegardes sociales & environnementales
→ Restrictions liées aux législations sectorielles • Aires protégées (sauf exceptions prévues par la loi) • Concessions forestières • Etc. → Schémas d'aménagement • SNAT, PPAT, PLAT, PSAT, etc.	→ Occupation du sol propice à l'activité PSE • GDF uniquement forêts • Agroforesterie en savanes et non en forêt • Etc.	→ Sauvegardes nationales / internationales • RDUE • Etc. → Grandes priorités nationales: • Carbone (tourbières, etc.) • Biodiversité • Etc.

A matrix of the various land uses and the authorised or prohibited nature of each PES activity for each of its categories has been or will be defined by CAFI and the Regulator. This matrix - initially defined mainly at macro level - will be enriched at micro level by the gradual integration of all zoning plans validated by the authorities, which will have to be supplied to CAFI in GIS format in accordance with the required quality standards (see Guidelines for reporting cartographic data). This matrix is integrated into the PES management tool, enabling automatic alerts to be generated in the event of an application or result being included in an area that is not a priori authorised for this type of activity (see below and section 1.8).

Requirements: The spatial eligibility of any PES application or result must be demonstrated and documented by providing CAFI, as part of the reporting obligations (see section 2.11), with the following information:

- Macro level:** Geographical information enabling automatic verification in the PES management system:

²⁸ The EUDR covers cocoa, coffee, palm oil, rubber, cattle, soya and wood, as well as by-products such as chocolate, furniture and paper. These raw materials and their derivatives may only be placed on the EU market or exported outside the EU if they have not been produced on land that has been deforested after 2020 or, more generally, if they are not associated with forest degradation.



- **PES application:** at least one GPS point to locate the area proposed for PES contractualisation. In certain cases, a complete polygon of the area may be required (.shp format), particularly in the case of large areas or areas close to sensitive zones (protected areas, peat bogs, etc.).
- **PSE result:** a complete polygon of the area for which payments have been made (.shp format). This is important in the event that certain results may be partial or achieved outside the agreed (contracted) area.

NB: Using CAFI's PSE management tool with the countries will make it easy to satisfy this criterion.

b) Elements to better contextualise spatial eligibility at micro level :

- **A land development or management plan** (at least for collective PES). Cross-sectoral (land use planning) and sectoral (forestry in particular) laws and regulations put in place useful management plans and instruments. These instruments may be accepted as proof of the existence of community land management instruments, provided that they are sufficiently aligned with the social and environmental safeguard criteria of the PES programme.

In the context of collective PES (and in particular sustainable management and forest conservation PES), a validated, up-to-date land management plan, accompanied by clear management rules and complying with the minimum quality standards (to come) defined by CAFI in terms of participatory methodology and final product, is mandatory. Collective PES are implemented over areas that are generally large and involve a whole group of people or even the entire community; the process of drawing up the management plan thus helps to reach an overall consensus on the purpose of the various zones of the land and to document it.

In forested areas, the quality of the plans and the processes for achieving them must be particularly high, whether for collective or individual PES, with a very clear link established between the support given and the preservation of the forests (support thanks to the forests). In savannah areas, where the risks of a rebound effect on forest areas are more limited, lighter methodologies (such as simple management plans) may be adopted.

The plans must be supplied to CAFI in a format that can be integrated into a Geographic Information System. For each entity, three map files are expected, namely (i) a shapefile showing the location of the CLD office, (ii) a shapefile showing the entity's boundaries and (iii) a shapefile showing land use within the entity. These shapefiles must be produced in strict compliance with spatial reporting guidelines.

- **A completed local social and environmental characterisation matrix.**

All PES applications and results must demonstrate compliance with social and environmental safeguards (at macro and micro levels). A template has been or will be developed by CAFI and the Regulator. Failing this, or if different needs are demonstrated, a specific template may be proposed by the partner for validation by CAFI and the Regulator.

NB: Preliminary "no-regrets" PES activities: These requirements should not prevent small-scale (pilot) PES activities from being launched in "no-regrets" areas, in parallel with the development of local land-use plans with communities. This will ensure faster, tangible results for the communities and the project (lessons learned). Particular care will be taken in the choice of areas, through compliance with very strict social and environmental safeguard criteria.

1.5 Compliance with social and environmental safeguards

Safeguards are a key element of the regional PES programme, in line with the Cancun Safeguards Guidelines. They are directly integrated into the applicable methodologies (PES prerequisites, see section 1.5 ; outline of application and activity monitoring forms, etc.) as well as into the PES management tool.

As part of the PES prerequisites, authorised or prohibited zones are integrated into the tool for each type of PES activity, defined on the basis of safeguard measures (protection of sensitive ecosystems, etc.). PES applications or results located in areas that are a priori ineligible for a given type of PES activity will generate an automatic



alert in the PES management tool. This mechanism is supplemented locally by a diagnosis of the safeguards (see section). 1.5.4

Standard parameters have also been predefined, which can be activated and specified in the PES management tool when the exact parameters of each sub-activity are defined between the implementing organisation and CAFI. These parameters are automatically included in (i) the definition sheets for the specific PES sub-activities, (ii) the application forms, (iii) the PES contracts with the beneficiaries, and (iv) the monitoring forms: use of certain species discouraged or encouraged, use of chemical fertilisers, child labour, distance from watercourses for certain species, maintenance of the initial tree cover, etc. This list may be amended. This list may be amended. To facilitate risk management, inadequate data are subject to alerts in the PES management tool, for verification, justification and - where appropriate - remediation.

On the contrary, certain encouraged practices may be subject to bonuses integrated into the payments provided: signing of the PES contract by a woman, use of endogenous species, maintenance of firebreaks, etc. For the full list, please refer to the PES management tool.

1.6 Payment for environmental services contracts

Contracts with environmental service providers are signed by CAFI, using standard contract templates tailored to each PES activity, which can be accessed in the PES template folder (see hyperlink in section).1.5

PES contracts are :

- a. **Signed voluntarily, which is** ensured in particular through Free, Prior and Informed Consent (FPIC);
- b. **Established for a sufficiently long period**, to guarantee the permanence of the results and avoid interruptions in funding;
- c. **Based on clear instructions and requirements** (geographical & temporal): expected land use, quality criteria, social & environmental safeguards;
- d. **Always honoured by the parties, including the funder (CAFI), who will ensure in particular that the requirements of the agricultural calendar are respected and that there are no interruptions**, to guarantee the confidence of the environmental services provider and the permanence of the results over the established period;
- e. **Managed through the** digital, centralised and transparent **PES management tool developed by CAFI with the countries**, incorporating spatial information;
- f. **Incorporate transparent mechanisms for reinvesting payments**, particularly in the case of community PES;

PES contracts will be signed by beneficiaries with CAFI (in that order).

1.7 Monitoring and reporting

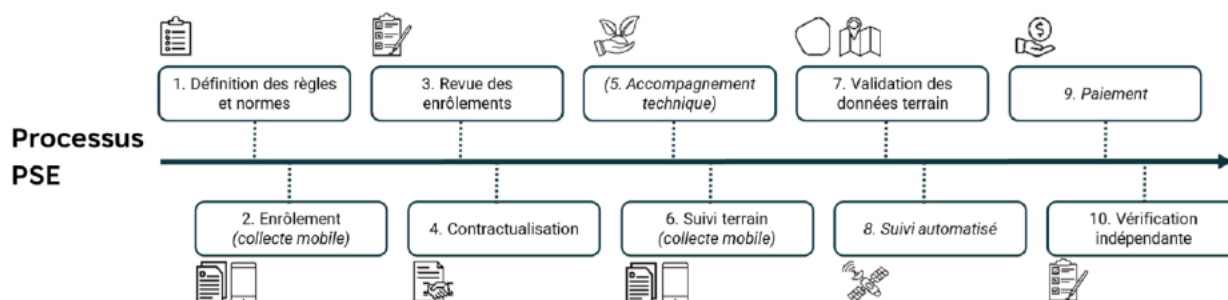
1.8.1. PES management tool

CAFI has developed with partner countries a digital platform to streamline the management of PES implementation in the region. The aim of this tool is to facilitate the collection, analysis and storage of data in order to help achieve high-quality, well-documented PES results (transparency and credibility).

This modular digital platform makes it possible to manage:

- The entire PES lifecycle: from the application process to contracting, monitoring in the field and reporting on results achieved, right through to payment decisions and (future) implementation and monitoring;
- And this throughout the PES implementation and supervision chain: field agents, M&E agents and managers, both from aggregators and implementing organisations. This is to facilitate consistency and rapid, robust processing of information.

Figure 2525. The PES project cycle and the chain of actors managed using the PES management tool developed by CAFI with the countries



Chaîne d'acteurs PSE



This tool provides a simple response to the various requirements of the PES programme in terms of the provision of spatial and non-spatial information (including compliance with quality criteria for PES activities) and geo-referenced photos. It also ensures the individual accountability of each player in the PES management chain. Easy to use, it also aims to make it easier for local and national organisations to take charge.

The system assigns specific profiles to the various actors in the PES implementation chain. These profiles determine what users can do in the system according to their specific role (see *Table 13*), as well as the sequencing of the information processing chain.

Table 4441. Profiles and respective roles of the various players in the PES information processing chain²⁹

System profile	Role
Aggregator (optional)	
1. Field agent	Collects data in the field using the mobile data collection application and supports environmental service providers in complying with the requirements of the PES project (implementation of prerequisites, compilation of application files, support for the implementation of PES activities, monitoring and reporting in the system). As such, he/she is the direct contact for environmental service providers for the project.
2. Monitoring and evaluation officer	Receives the data collected by the various field agents and carries out quality control, then sends the ready and complete data to the Manager for validation.
3. Manager	Recommends or does not recommend the application and payment data to the implementing organisation that contracts his organisation. In this capacity, he commits himself and his organisation to the quality and accuracy of the data transmitted. He creates and manages his team's access to the system.
Implementation organisation	
(4. Field agent)	In the absence of an aggregator, he has the same role as the aggregator's field agent, described above. In the case of aggregator(s), he/she carries out data collection missions for quality control.

²⁹ At this stage, environmental service providers (beneficiaries) do not have access to the system, but the development of a specific module for them is planned, so that those with the capacity to do so can contribute information directly (application and monitoring data).



- | | |
|--------------------------------------|--|
| 5. Monitoring and evaluation officer | Receives the data collected by the aggregator(s) and its field agents and carries out quality control, then transmits the ready and complete data to its manager (called "data-admin" in the system) for validation. |
| 6. Data admin | Takes the final decision on contracting and paying candidates. As such, he/she commits him/herself and his/her organisation to the quality and accuracy of the data transmitted and decisions taken. He/she creates and manages his/her team's access to the system. |

The monitoring and a large part of the reporting of PES results is done through the PES management tool developed by CAFI with the countries. The centralised database gathers and stores all the information and supporting documents on PES beneficiaries, their applications and contracts, the results achieved and payments made, as well as (in the future) the use of payments where applicable (collective PES in particular).

The PES management tool currently consists of three main elements:

- a) A mobile data collection tool on a smartphone or tablet (KoboCollect), facilitating the collection and transfer of 'rich' information (text and numerical data enhanced with spatial data and geo-referenced photos). The application enables all this data to be collected in the field, even without an internet connection. The data stored in memory can be transmitted as soon as the internet is available.
- b) An online database for centralising and saving all the data;
- c) A Web application for managing data and the PSE process.

Additional components are currently being developed, including (d) a platform for monitoring forest cover and land use, and (e) a mobile payment tool.

The web application is divided into four modules:

1. Administration module: to create and manage PES projects, partner organisations, system users and define PES activities.
2. Admissions module: to manage candidates/beneficiaries and their PSE applications.
3. Monitoring module: to monitor and evaluate results, and inform and record decisions on payments.
4. PES map module: to view key geographical information, including the location of PES contracts, areas eligible for various PES activities, and other key features.

The system incorporates a number of automated functions designed to facilitate the management of the PES process and ensure its quality, including automatic detection of the eligibility of proposed areas, possible contract overlaps, automatic calculation of payments on the basis of results documented as part of the monitoring process. Other types of automatic alerts will be added as experience is gained.

A user guide for the PSE system is currently being developed and will be made available to users.

The implementing organisation is responsible for monitoring the implementation of PES contracts and reporting to CAFI, through i) the PES management tool for indicators set out in the results framework and ii) through narrative reports for contextualisation and explanation of target achievement levels.

It provides CAFI, *at least* once a year, with all the data, information, technical analyses, methodologies as well as all the photos and videos generated by the project. This includes all raw and processed data from surveys and studies (household surveys, studies of the drivers of deforestation, commodity chain studies, etc.), data from the monitoring and evaluation of activities, including *associated* spatial information (*i.e.* GPS coordinates).

The implementing organisation and aggregators (where applicable) must have the human, logistical and technical resources to comply with monitoring and reporting requirements. This includes, in particular, field agents and monitoring and evaluation officers with sufficient knowledge in the use of GPS and mobile data collection tools (KoboToolbox) and/or their training. This will require at least the following equipment:

1. *Smartphones or tablets suitable for collecting data in the field.*
2. *GPS with Bluetooth connection.*
3. *Portable batteries, or solar recharging equipment.*
4. *Portable internet modem (if relevant).*



In addition, standard equipment for foresters, such as a tape measure and clinometer.

1.8.2. Reporting requirements

The standard contractual obligations defined in CAFI's agreements and Operations Manual apply. These obligations relate to the frequency of submission of narrative (2 times per year) and financial reports (variable depending on the type of implementing organisation), as well as the templates to be used.

As part of CAFI's regional PES programme, simplified narrative report templates specific to PES projects will be provided in advance of the reporting period, so as to take into account the information already provided through the use of the PES management tool. As the figures are consolidated and justified using this tool, the narrative reports will focus on explaining these figures, and in particular any deviations from targets and proven results.

1.8.3. Data protection

Although international organisations are not affected by the EU's General Data Protection Regulation (GDPR) and can comply with their own rules, the latter remains a legal reference for the protection of personal data, and the main international principles incorporate its main rules. The internal policies of the United Nations System Chief Executives Board for Coordination (UNSCB) and the UNDP, for example, are based on the GDPR when drawing up their internal rules on the protection of personal data. CAFI has thus aligned itself with best practice in the sector.

As part of the regional PSE programme, CAFI and all the players involved will be collecting and using a large volume of personal data. This is information relating to an identified or identifiable natural person, directly or indirectly, either from a single item of data (e.g. a name or a photo) or from the cross-referencing of a set of data. This personal data includes in particular: identity data, geolocation data, contact data, bank/financial details.

This data is collected for the following purposes:

1. To verify the identity of the signatories and the accuracy of the information about their plots.
2. To be able to draw up and sign contracts as part of the PES.
3. To monitor the mutual obligations of the co-signatories.

The data collected may be consulted by: (i) implementation partners and aggregators; (ii) partner governments; (iii) CAFI (authorised agents); (iv) the independent auditor; (v) certain subcontractors for the operation and maintenance of the PSE tool (KoboToolbox, IT developers).

As part of the development of the PSE tool, CAFI has complied with robust security standards, in line with the main cybersecurity standards, and in particular :

- Data compartmentalisation (e.g. one aggregator does not have access to the data of another aggregator, including within the same project, nor to the data of another project implemented by the same organisation).
- A contractual framework with all CAFI data subcontractors.
- Management of different rights for different accounts.
- Data encryption and secure communications.
- A logging system.
- Regular automatic back-ups.
- An internal data breach procedure.

The personal data collected is kept for the duration of the PSE contract and then for a period of 10 years after the end of the contract, for audit purposes.

The legal basis is a "contractual relationship", since without the use of the data, the contractual relationship cannot be concluded. However, the people whose personal data is collected must be informed of the conditions under which their data is used and of their rights:

- The information includes (i) the purposes for which the data will be used; (ii) the categories of data collected; (iii) the recipients or categories of recipients who may have access to the data; (iv) the period for which the data will be kept or the criteria for determining this period; (v) the existence of other rights (right of rectification, erasure, restriction, objection); (vi) the possibilities for writing to the data



controller and the supervisory authority ; (vii) information about the source of the data collected if it has not been collected directly from the individual; (viii) the existence of automated decision-making, including profiling, and the consequences of such a decision for the individual; (ix) any international transfers of data to a third country or to an international organisation.

- Data subjects may exercise the following rights: right of access, right of rectification, right of opposition, right of erasure; right to portability, right to limitation.

CAFI has developed a range of tools for this purpose, which will be made available to implementing partners: confidentiality policy, contractual clauses (this project document, PSE contract with beneficiaries, ToR and contracts with service providers), training materials for implementing partners and beneficiaries, standard forms, etc.

1.8 Independent verification

In accordance with CAFI Board Decision [EB.2024.33](#), an independent verification mechanism has been set up to ensure the integrity of all projects under CAFI's Regional PES Programme and to identify any areas for improvement. To this end, the CAFI Secretariat has contracted an independent verification body to carry out the independent verification.

1.9.1. Presentation of the mechanism

This section provides an overview of the mechanism.

The independent verification mechanism comprises five main stages, as detailed below.

Stage 1. Kick-off meeting and submission of documents

The independent verification begins with a kick-off meeting between CAFI, the implementing organisation, the aggregators (if any) and the independent verifier. This meeting is an opportunity to introduce oneself and ensure that all parties involved are fully briefed on the basic parameters of the verification engagement (e.g. scope, criteria, materiality threshold, level of assurance) and to clarify expectations regarding its timing.

It is good practice to submit all findings and documentation to the independent auditor prior to the kick-off meeting, so that the next stage can begin.

Stage 2. Document review and field visit planning

During this stage, the independent verifier conducts a desk review of the results reported for the indicators concerned by the independent verification, as agreed, and any other supporting documentation and evidence available relating to the reporting on the achievement of the results for the indicators concerned. The documentary review provides an initial verification of the achievement of results for the indicators concerned by the independent verification. It is supplemented by analysis of the data and information contained in the PES management tool.

Where additional information is required to determine, on a preliminary basis, whether the announced results have been achieved, the implementing organisation is asked to provide these documents as soon as possible, before moving on to the next stage of the independent verification.

After the initial review of the results and documentation, the independent auditor prepares an inception report, which serves as an audit plan to guide the rest of the audit process. This inception report clarifies the standard and project-specific methodological elements that will be considered during the verification. The Inception Report is developed in accordance with section 4.4.2 of ISO 14064-3:2019 and submitted to CAFI and the implementing organisation for review. It will include the following:

- Audit objectives
- Scope of the verification (including sampling plan)
- Verification indicators and criteria
- Materiality level
- Level of assurance
- Verification activities and schedules



- Logistics of the field visit, including a proposed schedule/agenda
- The schedule provides the following details, with as much clarity as the verifier deems possible:
 - The sites or areas to be visited ;
 - A list of individuals or groups to be interviewed, if known in advance;
 - A list of documents to be prepared for the field audit;
 - Any topics or issues of particular interest for discussion at the office meetings;
 - Any special requests for office meetings or field visits.

The implementing organisation should assist the verifier in planning the logistics to achieve the objectives of the inception report in the most efficient way possible.

Step 3: Field visit and interviews: primary data collection

Following the desk review and the development of the verification plan, the verifier conducts a field visit to gather the additional evidence necessary to reach a conclusion on the issues identified in the desk review. The purpose of the field visit and interviews is to assess the project's performance against the results framework indicators.

The field visit includes the following activities:

- On-site assessment to carry out site reconnaissance;
- Review of project activities against the results framework indicators;
- Interviews with a sample of stakeholders (PES programme participants, aggregators) across the project area;
- Interviews with relevant staff in the implementing organisation;
- Assessment of documentary evidence, including databases, quality assurance procedures, documents and reports;
- Ground-truthing data where remotely sensed imagery or GPS was used to estimate areas;
- Interviews with third parties involved in the project (e.g. local authorities, NGOs, banks, etc.);
- Closing meeting.

The purpose of this closing meeting, held at the end of the field visit, is to allow the independent verifier to present his general observations, as well as the next steps in the process.

Stage 4: Analysis of the site visit

The independent auditor carries out the final verification of the achievement of the expected results indicators. One of the steps in this process is to draw up an exhaustive list of all the outstanding questions or findings identified as part of the verification process. The independent verifier applies the findings process (described in the independent verification methodology) and submits their findings to CAFI and the implementing organisation following completion of the site visit analysis.

The independent verifier works with CAFI and the implementing organisation to answer any remaining questions and seek clarification through emails or conference calls.

Stage 5: Drafting the verification report

The verification report is the main output of the verification process. In the verification report, the independent verifier documents how the completeness and accuracy of the reported results for each objectively verifiable indicator have been assessed. The verification report shall be produced in English and French and shall include the following conclusions:

- Quantification of (i) the results achieved and (ii) the extent to which the criteria were not met;
- Quantification of the level (in percentage terms) of achievement of the results verified for each indicator and for the project as a whole;
- An assurance opinion on compliance with the verification criteria;
- Recommendations to CAFI of necessary actions to be taken by CAFI and/or the implementing organisation to improve project performance. Subsequent payments will be made on the basis of this proportion of results achieved (see section 1.10.4 disbursement to the implementing organisation and independent verification) and in accordance with the payment conditions defined in the PRODOC (see Appendix 7);



- Recommendations concerning potential areas for improvement for the implementing organisation in terms of implementation of activities, monitoring and reporting of results;
- Mission report for each field visit.

Once the independent auditor has finalised the audit report, a draft report is submitted to CAFI and the implementing organisation for review. Following this review, the verification report is published.

CAFI will consider the Auditor's recommendation and, within 15 days of receipt of the recommendation, will inform the Implementing Organisation and the Project Steering Committee of its decision regarding payment.

If the Implementing Organisation accepts CAFI's decision, CAFI will make the payment within 21 days.

This process is repeated each time the Implementing Organisation requests a disbursement from CAFI.

1.9.2. Challenging the findings of the independent verification

If the Implementing Organisation disputes the Auditor's recommendation which has been confirmed by CAFI's decision, it must notify the Auditor within 15 days that it disputes the recommendation sent to CAFI. The Auditor will then have 15 days to examine the dispute, correct its calculations if necessary, and submit its decision to the Implementing Body. The Implementing Entity will be required to respond within a further 15 days to indicate whether it accepts the Auditor's revised calculations/recommendations.

In the event that, following the process described in the previous paragraph, the Implementing Entity still disputes the auditor's calculations/recommendations, the Implementing Entity may send a dispute notification to the CAFI Secretariat which will refer the matter to the CAFI Board for resolution. The Board of Directors may, if it deems necessary, call upon the services of an Independent Mediator with expertise in the matter, acceptable to all Parties, the costs being borne by the disputing Party. The Mediator will carry out the calculations again, using the same data and the initial Validation Methodology. The Mediation officer will undertake in good faith to resolve the dispute quickly. The Mediator's decision shall be final and binding. The Parties waive any subsequent recourse regarding the payment issue decided by the Mediation officer.

1.9 Budgeting, disbursements and payments

The CAFI Regional PES Programme adheres to the principle of conditionality of payments, i.e. payments are made on the basis of verified results. In the context of the CAFI Regional PES Programme, it is important to distinguish between disbursements to the implementing partner and payments to environmental service providers.

1.10.1 Standard costs and amounts for PES

CAFI does not set amounts for PES, recognising that these may vary according to various characteristics, including: (i) geographical location and climate; (ii) type of crops; (iii) scale of operations (small, medium or large farms); (iv) type of farming (organic, conventional, mechanised, etc.).

A detailed analysis will have to be carried out by the implementing organisation, which will be reviewed by CAFI for final validation, in order to ensure overall consistency between different areas and partners.

To carry out this comparative analysis, projects must meet the following minimum requirements during the development of the PRODOC:

- 1. Collect and present data on:**
 - a. Fixed costs of the implementing organisation and its aggregators: infrastructure, heavy equipment, staff, etc. ;
 - b. Variable costs of the implementing organisation and its aggregators (e.g. fuel, training, materials);
 - c. Fixed costs of environmental service providers (e.g. land);
 - d. Variable costs of environmental service providers: seed, fertiliser, labour.
- 2. Calculate the cost per hectare for each type of PES activity.** To determine the economic/environmental efficiency of each project, the production cost per hectare for each type of PES activity included in the



project should be calculated according to the following formula (Total cost ÷ Total number of hectares)
;

3. **Standardise the data.** To enable fair comparisons, costs must be standardised according to timeframe. Projects must therefore present **annualised costs** and environmental benefits (in terms of hectares) for each of the targeted PES activities.

A clear distinction must be made between :

- Amounts provided directly to beneficiaries, in cash or in kind, (i) ex-ante (not directly performance-based) and (ii) ex-post (performance-based).
- Amounts intended for supervision.

The table below provides indicative costs per hectare to carry out the 6 PES activities based on CAFI's experience in the west of the Democratic Republic of Congo. Deviations from these unit cost ranges may be justified on the basis of the specific characteristics of the project.

Table 4542. Indicative costs per hectare for carrying out the 6 PES activities based on CAFI's experience in the Kinshasa supply basin area

1. Agroforestry activity (e.g. Acacia-Manioc)			
PES providers: Agroforestry plantations with households and communities (with inputs)	\$585 - \$715	Ha	Project
PES providers: Agroforestry plantations under farm conditions (with inputs)	\$700 - \$850	Ha	Project
Implementing organisation and/or PES Aggregators: field coaching	\$385 - \$470	Ha	Project
2. Afforestation/reforestation activity			
PES providers: A/R with households and communities	\$585 - \$715	Ha	Project
PES providers: A/R under operational conditions	\$700 - \$850	Ha	Project
Implementing organisation and/or PES Aggregators: field supervision	\$385 - \$470	Ha	Project
3. Deforestation-free agriculture (e.g. oil palm in savannah)			
PES providers: farming with households and communities	\$720 - \$880	Ha	Project
PES providers: farming under operational conditions	\$900 - \$1 100	Ha	Project
PES Implementers and/or Aggregators: on-the-ground coaching	\$710 - \$870	Ha	Project
4. Protection of degraded savannahs and forests by fencing, with or without assisted natural regeneration activities			
PES providers: fencing for forest regeneration	\$45 - \$55	Ha	Project
PES aggregators: supervision in the field	\$27-\$33	Ha	Project
5. Sustainable management of community forests			
1 per ha up to a maximum of XXX ha, pending clarification of terms and conditions, on a pilot basis	\$0,9 - \$1,1	Ha	Project
6. Protection of collectively managed forests Activity			
1 per hectare up to a maximum of XX hectares, pending clarification of terms and conditions, on a pilot basis	\$0,9 - \$1,1	Ha	Project



1.10.2. Terms and conditions for payments to environmental service providers

CAFI would like to be able to implement the most direct, rapid, transparent and efficient payment arrangements possible for environmental service providers under the regional PES programme. Given the wide range of contexts and types of beneficiaries involved, this will require a broad range of expertise.

To this end, CAFI is in the process of creating the tools to link these various payment options directly to the PES management tool, starting in particular with mobile payments.

For reasons of cost-effectiveness, these payments will be implemented directly by CAFI, on the basis of payment decisions made by the implementing organisation through the mobile payment mechanism.

Table 4643. Advantages and disadvantages of the various possible payment methods

Payment method	Advantages	Disadvantages
1. Bank transfers	- Secure and traceable - Suitable for larger amounts - Strengthens financial inclusion in the long term	- Low bank penetration rate in rural areas - Limited access to bank branches - Processing times can be long
2. Mobile payments	- Very widespread in Central Africa (especially in urban and peri-urban areas) - Direct, very fast and low-cost transfers to a large number of beneficiaries at the same time, even for small amounts - Fast and easy to use - Can operate without a bank account	- Requires a telephone (even a simple one) - Dependent on mobile network and electricity (even partial) - Transaction fees (cash-in/cash-out) - Risk of fraud or technical error
3. Digital coupons (vouchers)	- Can be targeted for specific goods/services (agricultural inputs, etc.) - Reduce risk of misuse of funds	- Less flexibility for beneficiaries - Limited acceptance by merchants - Require a reliable digital infrastructure
4. Cash payments	- Immediately accessible - Understood and accepted by all, even without technology	- High risk of theft or corruption - Logistical difficulties (transport, security) - Less traceability

Bank transfers

Bank transfers are still suitable for beneficiaries who have or can have a bank account. These include community groups (such as local development committees, cooperatives, etc.), NGOs and certain households. Bank transfers enable higher amounts to be transferred, which is more appropriate for collective PES. However, this method is not available everywhere or for all types of stakeholder, and needs to be supplemented.

Mobile payments

Wherever payment by bank transfer is not possible or cost-effective, CAFI would like to extend the use of mobile payments for PES.



Subject to sufficient mobile network coverage, payments to environmental service providers (farmers, local communities) will be made via a centralised mobile payment system managed by CAFI. Indeed, the direct transfer of PES via mobile payment is a strategic way to improve the efficiency, transparency and impact of CAFI's Regional PES Programme. This mechanism is aligned with the principles of good governance, measurable results and empowerment of local populations.

Implementing organisations will work with CAFI to enrol, sensitise and support beneficiaries in mobile payments, with the support of specialised service providers recruited by CAFI. As part of this, CAFI will set up, through a specialist partner, a "hotline" mechanism enabling beneficiaries to get help, as well as a dedicated complaints and appeals mechanism, which will be piloted by the end of 2025.

Digital vouchers

This method is particularly interesting for allocating payments to certain uses: (i) access to goods (improved seeds, agricultural tools); (ii) access to services (payment of school fees, purchase and maintenance of solar panels, etc.); or to limit the risks of certain specific purchases (e.g. chainsaws). However, this requires a network of identified, reliable partners and appropriate tools for managing electronic coupons. This method may take longer to develop and integrate into CAFI's PSE tool. Partners with this capacity could be authorised to implement this service instead of CAFI.

Cash payments via a financial service provider

In cases where mobile network coverage is insufficient in the geographical areas targeted by the project, and no other option is available, payment of environmental service providers (farmers, local communities) in cash could be authorised as a last resort. However, this would have to be done via a financial service provider hired by CAFI.

1.10.3. Monitoring the use of PES

As a general rule, collective PES should be used to finance collective investments in line with the green development plan included in regional development plans, in basic infrastructure such as road maintenance, water, sanitation, etc., and in the provision of environmental services.

The implementing organisations will be responsible for monitoring and reporting on the use of the PES.

1.10.4. Disbursements to the implementing organisation and verification of results

The fixed and variable costs of the implementing organisation and its aggregators will be disbursed, in instalments, to the implementing organisation.

The first disbursement to the implementing organisation will cover its fixed and variable costs and those of its aggregators until the first independent verification of results. **However, this disbursement may not exceed 40% of the total project budget.**

The second and subsequent disbursements will be subject to the results of the independent verification. These results may lead to one of the 4 possible conclusions below. These conclusions affect the decision on the next tranche of the project in the following ways:

1. Poor performance: less than 30% of verified results

In the event of poor performance, the project may either be halted immediately, or benefit from a second tranche to honour ongoing contracts with environmental service providers who have demonstrated verified results.

2. Average performance: 30 - 50% of verified results

In the case of average performance, the project continues but the project targets are revised downwards, depending on the overall proportion of verified results. This means, for example, that for a project whose cumulative targets over the period covered by the independent verification (e.g. 3 years) were to establish 2000ha of agroforestry plantations and 500ha of natural regeneration, if the results of the independent verification indicate an overall proportion of 50% of the results achieved, the recalculated targets to be



considered for the second payment instalment will be 1000ha of agroforestry plantations and 250ha of natural regeneration. This allows the project to be rescheduled according to the capacity of the implementing organisation. In this case, the amount of the second instalment will be equal to the amount needed to continue the payments planned to honour the contracts constituting the 50% of the verified results, plus the amount for the implementation of activities for the new redefined targets.

3. Strong performance: 50 - 90% of verified results

In the event of strong performance, the project continues with the targets that have been defined or revised by the project as it sees fit. However, a remediation procedure must be put in place to correct the non-performance by tackling the causes of the non-performance. The agency must therefore commit to implementing the necessary corrective actions. For example, in cases where one of the causes of non-performance is the presence of a fire that has burnt part of the trees in an agroforestry plantation due to the insufficient size of the firebreaks, the agency must undertake to increase the size of these firebreaks in all areas where the firebreaks are smaller than the minimum required. The list of remedial measures, based on the independent verification report, will be provided by CAFI to the implementing agency and must form part of the project addendum. In this case, the amount of the second instalment will be equal to the amount requested by the agency and calculated based on the targets set or revised. However, the project will have one year to report on the effectiveness of the remedial measures taken. Failing this, the project runs the risk of being interrupted.

4. Excellent performance: more than 90% of results verified

In the event of excellent performance, the project continues, and the second instalment requested by the agency is approved in accordance with the approval procedure for second instalments of funded projects. A project achieving excellent performance will be prioritised for extension.

APPENDIX 15. Feasibility studies

See the Investment & PES Hub- Feasibility Study and Carbon PES Program Design - Feasibility Study, shared as individual documents.