



Approval of the UNCDF-&Green Project : “Scaling-up commercial investment in deforestation-free Central African commodity supply chains” Adopted Monday 7th of November 2022

EB.2022.26

Considering:

- The proposals for structuring private investments in deforestation-free agriculture on a regional scale submitted by the &Green Fund and UNCDF before August 31st 2022 in the context of the [DRC call for expression of interest](#) which also welcomed regional proposals.
- The proposal presented by the CAFI Secretariat to the Board on September 27th that &Green and UNCDF work together and prepare a project document for consideration by the Board with a view of providing rapid approval for a quick roll out in 2023.
- The non-objection provided by the CAFI Board to the CAFI Secretariat’s proposal on the 30th of September and the 18th of October, with related recommendations:
 - UNCDF will act as the investment agent with no direct implementation responsibility given the technical capacity and the experience of &Green, unless &Green has specific requests to UNCDF on technical inputs.
 - Take into account CAFI potential future ability to issue debt and accreditation of &Green, the arrangement will allow for the full transfer of the concessional debt back from UNCDF to CAFI under the same terms and conditions.
 - Include the necessary design and structuring activities for the Forest Performance Bond Proposal.
- The project document submitted by UNCDF and &Green on October 24th for the project “Scaling-up Commercial investment in Deforestation-Free Central African Commodity Supply Chains”

The Executive Board,

1. Thanks, UNCDF and &Green for agreeing to work together and for rapidly preparing a thorough project document for consideration by the Board.
2. Approves the project document “Scaling-up Commercial investment in Deforestation-Free Central African Commodity Supply Chains” including its budget allocation of USD 53 million and Instructs the MPTF to transfer this amount to UNCDF.
3. Decides that failure to comply with the following conditions may lead to project cancellation:
 - a. UNCDF shall contract &Green and transfer fund to &Green by March 30th 2023.
 - b. UNCDF in its contract with &Green shall take into account the possibility of relinquishing any role in this project and transferring the loan to CAFI in the event of:
 - i. &Green accreditation with CAFI; and
 - ii. The legal possibility for the CAFI Fund to directly manage loans.
 - c. &Green to provide UNCDF and CAFI with the detailed monitoring, reporting and verification protocol to be used in the context of this CAFI funded programme in a form and substance satisfactory to CAFI by March 30th 2023.
4. Recalls that, while respecting its rules and regulations, the executing agency undertakes to apply zero tolerance towards fraud, corruption, sexual exploitation and abuse; to protect whistleblowers; to inform the public; to promote gender equality and social inclusion; and to use appropriate complaint mechanisms. In addition, the UNCDF commits to carefully managing all other contextual and programmatic risks identified by the Board and should act proactively in reporting these risks to CAFI’s Multi-Partner Trust Fund Office, in accordance with the Terms of Reference of CAFI’s Trust Fund.
5. Reminds UNCDF of its reporting obligations under CAFI’s Manual of Operations, both in terms of narrative and financial reporting.
6. Instructs the CAFI Secretariat to sign the Program document on its behalf.