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MPTF Office



2023

CAFI ANNUAL REPORT

31 May 2024



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CAFI's Purpose

The forest of the Central African region is the second largest massif of unbroken tropical primary forest after the Amazon, and the most important rainforest carbon sink in the world.

It absorbs 1.1 billion tons of CO₂eq from the atmosphere, or 3% of the world's emissions, harbours 10,000 different species of plants, trees, and animals. Evapotranspiration from tropical forests contributes up to 50% of mean rainfall over the Congo Basin and contribute to regular rains. It is a source of food, energy, shelter and spirituality for over 60 million people living in and around it.

But this forest is also rapidly disappearing, with about 2.2 million hectares of forest lost (half the size of the Netherlands) and over 1.5 million hectares degraded between 2016 and 2020.

Slowing the loss of forests can only be attained through transformational reforms and scaled-up, ambitious investments.

CAFI was created to support these objectives in its six partner countries.

How We Work



6 partner countries

Cameroon, Central African Republic, Democratic Republic of Congo, Equatorial Guinea, Gabon, Republic of Congo



10 donors

Belgium, European Union, France, Germany, Netherlands, Norway, South Korea, Sweden, United Kingdom (current Chair) and United States (2023)



Combining

a multi-donor Trust Fund with a platform for high level political dialogue



Funding towards

National reforms
Rural development projects
Governance and coordination
Monitoring systems & research

2

Impacts

Reducing emissions from deforestation and degradation
Reducing poverty



Supporting actions

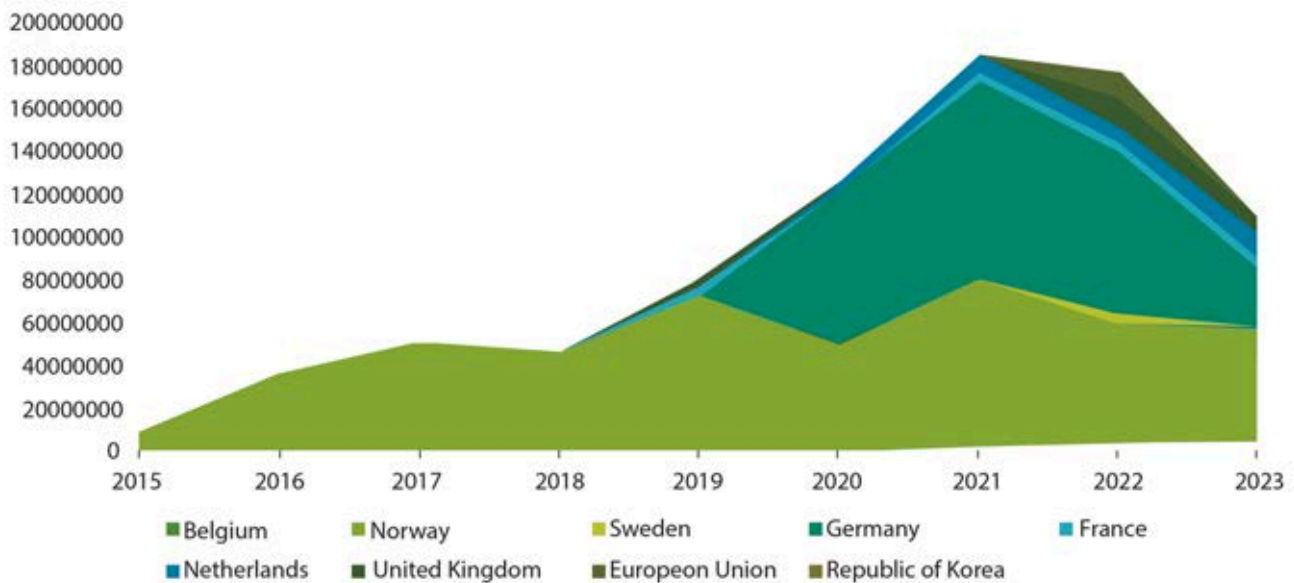
direct/proximate drivers: agriculture, wood energy, forestry and infrastructure/mining
indirect/underlying drivers: land use planning, secure land tenure, governance, demography

A large portfolio with geographical and thematic diversity

In an effort to ensure synergies with other regional actors, a dynamic display of CAFI-funded projects is available on the project platform of the Observatory of Central African Forests (OFAC): https://www.observatoire-comifac.net/analytical_platform/projects.

A table with all CAFI projects, organized by countries, is available in Annex 1.

Donor contributions



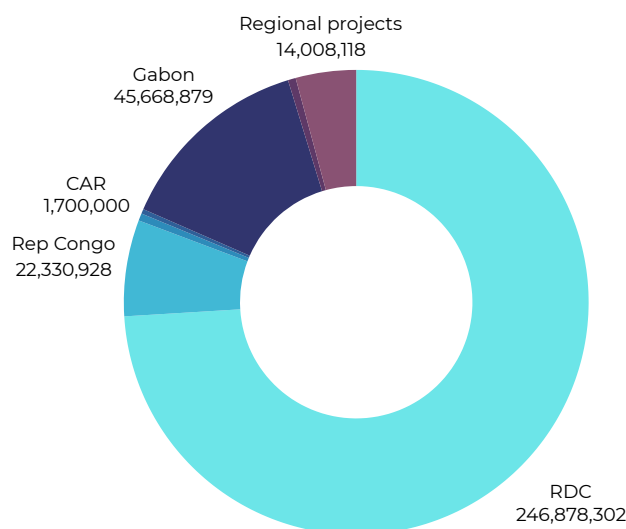
In addition to donor deposits into the CAFI Fund, Norway continued its contribution of two Junior Professional Officers (JPOs) to the CAFI Secretariat, based in Geneva and Kinshasa, enhancing the capacity of the CAFI Secretariat on monitoring and evaluation, gender, and its collaboration with partner countries. France enabled the recruitment of an International Technical Expert to support CAFI in Brazzaville, Republic of Congo.

Total donor commitments
\$896.9 million

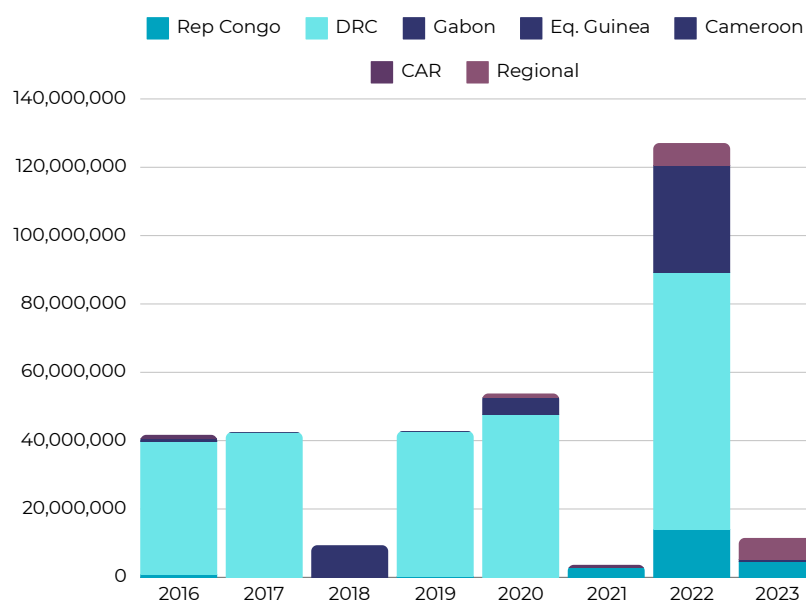
Total deposits into the CAFI Fund
\$758.4 million

All funding figures available in [the Financial Annex](#).

Funding that reaches partner countries



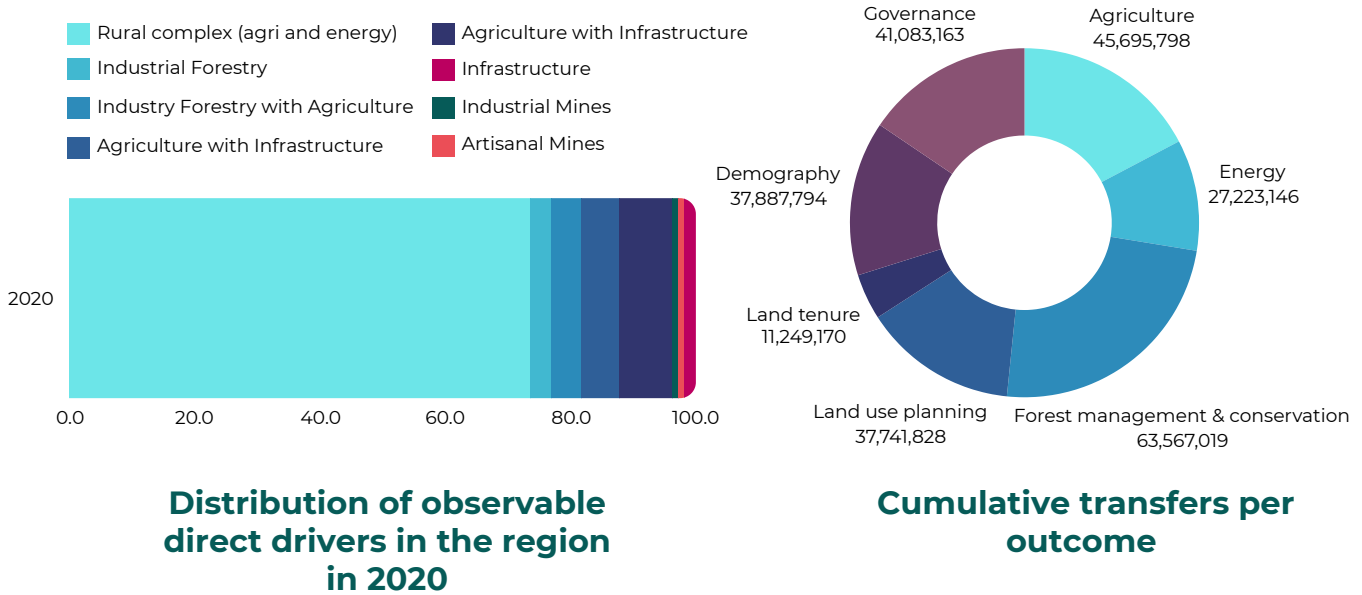
Cumulative transfers (US\$)



Annual transfers (US\$)

In DRC, the CAFI Fund transfers funds to the National REDD+ Fund (FONAREDD), who then, based on decisions of its Steering Committee, transfers funding to implementing organizations. The figure above reflect CAFI transfers to the FONAREDD.

Thematically diverse investments



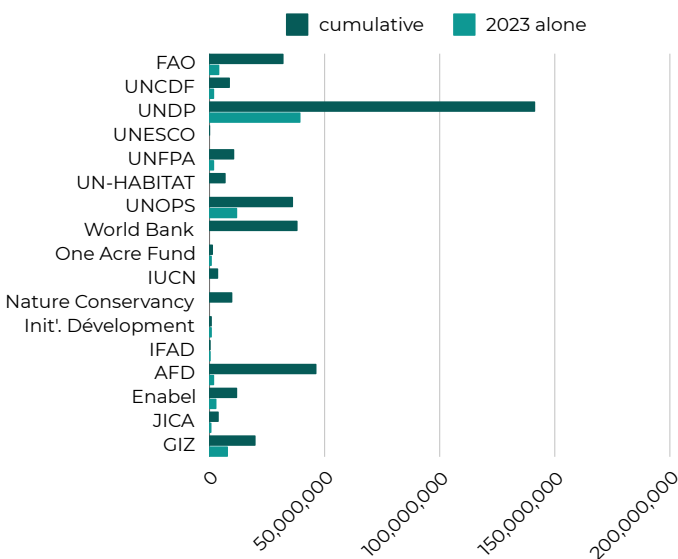
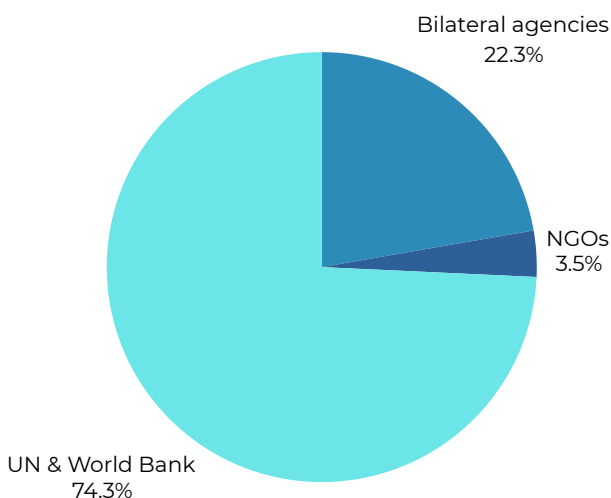
The 7 CAFI Outcomes

- Sustainable agricultural practices lead to less land conversion and increased food security.
- Sustainable alternatives to current wood energy practices are adopted.
- Forestry sector and protected areas institutions and stakeholders have the capacity and the legal framework to promote, monitor and enforce sustainable management of forests.
- Future infrastructure, mining and oil projects minimize their overall footprint on forests.
- Land use planning decisions ensure a balanced representation of sectoral interests and keep forests standing, and better tenure security does not incentivize forest loss by individuals, communities or companies.
- National policies and strategies supported to accelerate the demographic transition through family planning that enhance rights-based access to modern contraceptives in the context of Sexual and Reproductive Health and Rights, contributing to demographic dividend and sustainable development.
- Better inter-ministerial coordination and governance.

Progress and results against the different outcome indicators of CAFI's M&E framework are available [here](#).

A diversifying pool of implementing partners

18 implementing organizations access the CAFI Fund, including UN organizations & the World Bank, bilateral agencies and non-governmental organizations.



Relative funding (transfers) per type

2023 and cumulative funding (transfers) per IO



Transformative approaches:

Scaling up Payments for Environmental Services

Payments for Environmental Services (PES) provide incentives for conservation and restoration of forest ecosystems, encouraging people to use their land in more sustainable ways.

Based on the various PES modalities piloted with governments and partners, and in an effort to focus more on results, CAFI has designed an **ambitious regional PES initiative to be deployed from 2024**. Partner countries expressed interest in this initiative.

In expanding PES pilots, the objective is to **standardize tools, enhance auditing, and ensure steady financial support**. CAFI is defining standardized PES activities, methodologies and tools that can be easily adapted to and deployed in various contexts. CAFI is also building a state-of-the-art **PES management tool** to enable robust while simple data collection and analysis by various stakeholders. This tool is crucial as any performance-based

PES are a financial mechanism to incentivize land users to adopt more sustainable land use practices (agroforestry, deforestation-free agriculture, reforestation, sustainable forest management, forest conservation).

They have been tested in 8 CAFI-funded projects since 2016, and are a major component of 5 projects approved in 2023 (4 in DRC and 1 in Cameroon).



[Click and watch](#)



scheme relies on the quality of information provided, which can be particularly challenging in the context of tropical forests in general and the Congo Basin in particular.

In the DRC, **the 2nd Letter of Intent aims to scale up national PES** with support through a dedicated program, pivoting towards a results-driven financial model. CAFI has piloted different PES modalities since 2016 through rural development projects in 10 provinces and 126 million in investments. They tested both the theory that direct or in-kind payments to rural populations could be beneficial, and how different payment modalities functioned in different contexts. In Cameroun, CAFI's support to the **Cocoa and Coffee Development Fund** is based on an existing and successful PES scheme (see *Spotlight: Scaling up zero-deforestation cocoa production by smallholders*). And at the regional level, over a quarter of the expressions of interest received to **engage with the private sector** concern PES.

The current pipeline of projects is foreseen to include, over the next couple of years, at least **USD 150 million of PES for close to 80,000 direct beneficiaries and over 1 million indirect beneficiaries**. These figures are likely to increase, with interest and pipeline ramping up in various countries.

A key feature of PES is that payments are made based on verified performance: e.g., agreed plantation areas have been established according to spatial plans, meeting the quality & safeguards requirements, and maintained over time.

PES can be:

- **direct payments** for reforestation, agroforestry, deforestation-free perennial crops.
- **collective payments** for protection of community forests, their management and regeneration of natural forests.

Spotlight: Cartographic data enhances transparency

The systematic sharing of cartographic layers linked to on the ground activities by projects such as PIREDD Kwilu, now mandatory as per the 2023 CAFI Monitoring and Evaluation Guidelines, enables sample-based verification of results. Such visual verification, that reduces the need for field visits, will become a major component of the CAFI PES initiative.



Wood energy plantations established by the PIREDD Kwilu on previously (2020) degraded area, acting as a buffer between the village settlement (right) and a forested area (left). In total, 3,859 such hectares have been established by the project. Planet images obtained thanks to the Norwegian International Climate and Forest Initiative. Verification performed by CAFI Secretariat based on cartographic layers provided by the project.

Transformative approaches:

Engaging the Private Sector

Collaboration with the private sector helps prevent deforestation by stimulating sustainable practices while leveraging private innovation to increase productivity without destroying forest areas.

CAFI has chosen innovative financing, such as grants and concessional loans, to boost sustainable investments in the region, supporting projects that preserve forests. Its main goal is to make conservation economically feasible and practical to prevent deforestation.

In 2023 the EB approved the &Green Project: [“Scaling-up commercial investment in deforestation-free Central African commodity supply chains”](#) with a total budget of \$51,106,348 focused on scaling-up commercial investment in tropical agricultural supply chains while transforming them to deforestation-free and socially inclusive practices at a landscape level.

CAFI engages with the private sector to create a deforestation-free economy.

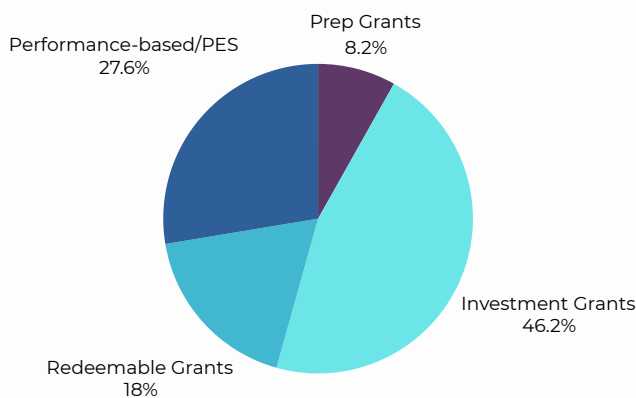
Although CAFI does not directly fund private companies, it facilitates connections with implementing organizations (IOs) to accelerate private sector project development.

CAFI offers investment grants for risk-sharing and below-market rate loans with favorable terms, and performance-based grants that value environmental services, dependent on verified results.

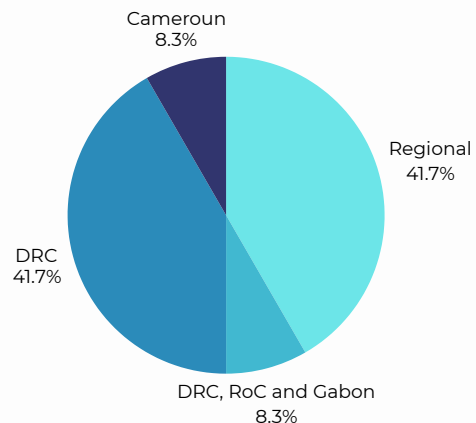
Following a [Call for Expressions of Interest \(EoI\)](#) for the Regional Private Sector Facility in September 2023 and the [CAFI investment and performance framework approved by the CAFI's Executive Board](#), **\$100 million were allocated to the CAFI private sector facility** for project development grants to support early-stage projects, pilot new technologies, and address investment risks and information gaps.

By the end of 2023, CAFI had received 13 expressions of interest from implementing organizations (accredited or potential) and private sector companies, with co-financing reaching \$482.6 million.

Total funding requested from CAFI in 2023 stands at just over \$334 million for a **target pipeline of projects of roughly \$817 million**, which points to a significant 2.4 leverage ratio for the region.



Financial Overview of EoIs



Country Distribution of EoIs

Any CAFI project with the private sector will prioritize gender inclusion, collect sex-disaggregated data, and emphasize human rights, non-discrimination, and conflict resolution, especially those related to land tenure.

These projects are committed to robust monitoring and learning, ensuring they align closely with the [CAFI Results Framework](#) and [CAFI's Theory of Change](#).

Transformative approaches:

Catalyzing political mobilization



In line with the Joint CAFI Declaration signed in September 2016 on the sidelines of the United Nations General Assembly, that enshrined the launch of the Initiative, CAFI has consolidated its partnerships with countries by working at several levels, namely:

- Securing and renewing high-level commitment to forest preservation.
- Supporting the high-level monitoring reforms and engagements made in Letters of Intent.
- Supporting partner coordination in political dialogues with Congo basin countries, and ensuring alignment of measures.

Securing and renewing high-level commitment to forest preservation

The CAFI Joint Declaration aims to ensure that the measures negotiated with CAFI and the projects its funds are effectively aligned with national priorities and appropriate at the highest level. This commitment was again demonstrated in 2023 by several partner countries.

Indeed, **DRC's Government** included support for the “subsistence agriculture” component of the Government's flagship rural investment program covering the whole country (the Local Development Program for the 145 territories) as a priority project under the CAFI-financed investment framework, leading to approval of a \$55 million project document backed by domestic co-financing. This funding seeks to help DRC meet its food security objectives while implementing the guidelines of the Sustainable Agricultural Policy, adopted in 2023, that combines agricultural development and forest preservation.

The **Prime Minister of the Central African Republic** engaged to strengthen the partnership, with firm willingness to pilot the process and make climate change mitigation a central axis of the country's new National Development Plan for 2024-2029.

While **in Cameroon**, the Ministry of Economy, Planning and Regional Development took a strong lead in validating and launching the terms of the CAFI Call for Expressions of Interest, in consultation with the ministries concerned, selecting the bidding agencies through the non-objection of H.E.M. the Minister.

High-level monitoring of reforms and engagements in Letters of Intent

The Letters of Intent specify the mechanisms for monitoring commitments, notably through Annual Partnership Reviews that involve all ministries concerned and whose conclusions are validated at the highest level. In 2023, two Annual Partnership Reviews were held.

In February, in the presence of the UN Resident Coordinator and Ambassadors, the DRC Ministers in charge of Finance and the Environment validated the 2022 Annual Review report, following a week of technical work with the cabinets and CAFI's Executive Board. While the 2022 milestones have been reached --and have seen great progress thanks to the validation of numerous policies in the agriculture, land use planning and land tenure sectors-- the DRC Government called for greater responsiveness from all parties, including the partners in charge of the projects, in order to reach the 2023 milestones. The report of the 2022 annual review was approved on 23 February 2023 and [published on the CAFI website](#).



In the Republic of Congo, in October, H.E.M. the Prime Minister, together with the Ministers in charge of Forest Economy and the Environment, chaired the Partnership Steering Committee meeting, and validated the 2023 Annual Review Report. The Ministers took stock of the partnership's progress and diagnosed needs and proposals for greater national ownership and CAFI-funded projects performance.

Transformative approaches:

Promoting Gender and Inclusion

Mainstreaming gender equality into CAFI programming is part of a human rights-based approach to development. Gender and inclusion efforts recognize vital contributions from women and other marginalized groups such as youth, indigenous and people living with disabilities. It also means they benefit from forest-related investments.

CAFI prioritizes gender and inclusion:

- through the accreditation process of implementing organizations
- at project approval and mid term evaluation stages
- by assessing gender annually across funded projects, and communicating on the outcomes
- by setting annual gender targets.

A “Gender Responsive” project:

- Includes gender issues in its design, including accounts of how women, men and marginalized groups will be affected differently by project activities.
- Budgets gender sensitive activities and mobilizes gender expertise.
- Ensures and reports adequately on the participation of women, men and marginalized groups in project activities and decision-making.

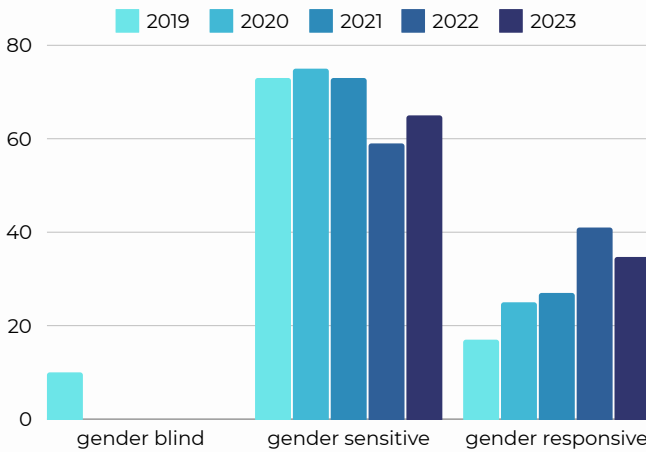
In 2023, 7 projects obtained a full "gender responsive" score (see full 2023 assessment [here](#)).

While no project was deemed gender-blind, the remaining projects assessed displayed levels of sensitivity ranging from some (2 projects) to medium (8 projects) to good (6 projects).

Over the past five years, while the majority of projects display some degree of gender sensitivity (1 to 3 criteria met out of 4), only a quarter on average over the years have reached full gender responsiveness (4 of 4 criteria met). 2023 is on par with previous years but below the record reached in 2022.



2023 gender assessment



Annual evolution of the percentages of gender scores

Béatrice Bolumbu

President of the Women's Association of Bodjifi, PIREDD Equateur

“ Thanks to what we earn when we sell the improved cassava bread, we are now able to take our children to the hospital and send them to school. Before, we did not have the opportunity to save money, because the ordinary cassava bread did not attract as many customers as today.”

Spotlight: Coordinating efforts with major financial partners

To encourage and support governments of partner countries in achieving the policies and measures set out in the Letters of Intent, CAFI works to coordinate its efforts in terms of policy dialogue and alignment of measures with other financial partners.

In DRC, between 2021 and 2023, CAFI continued its **collaboration with the World Bank on budget support measures**. The Government negotiated two Development Policy Operations (DPOs) with the World Bank, concluded in June 2022 (\$250 million) and March 2023 (\$500 million). DPO supports the forest and climate change reform program, aligned with key 2022 milestones of the 2nd Letter of Intent. This DPO series has focused on improved governance in the forestry sector, the development of sustainable agriculture and the mobilization of climate financing. This convergence of commitments strengthens intra-governmental and inter-donor coordination to initiate several key measures and reforms.

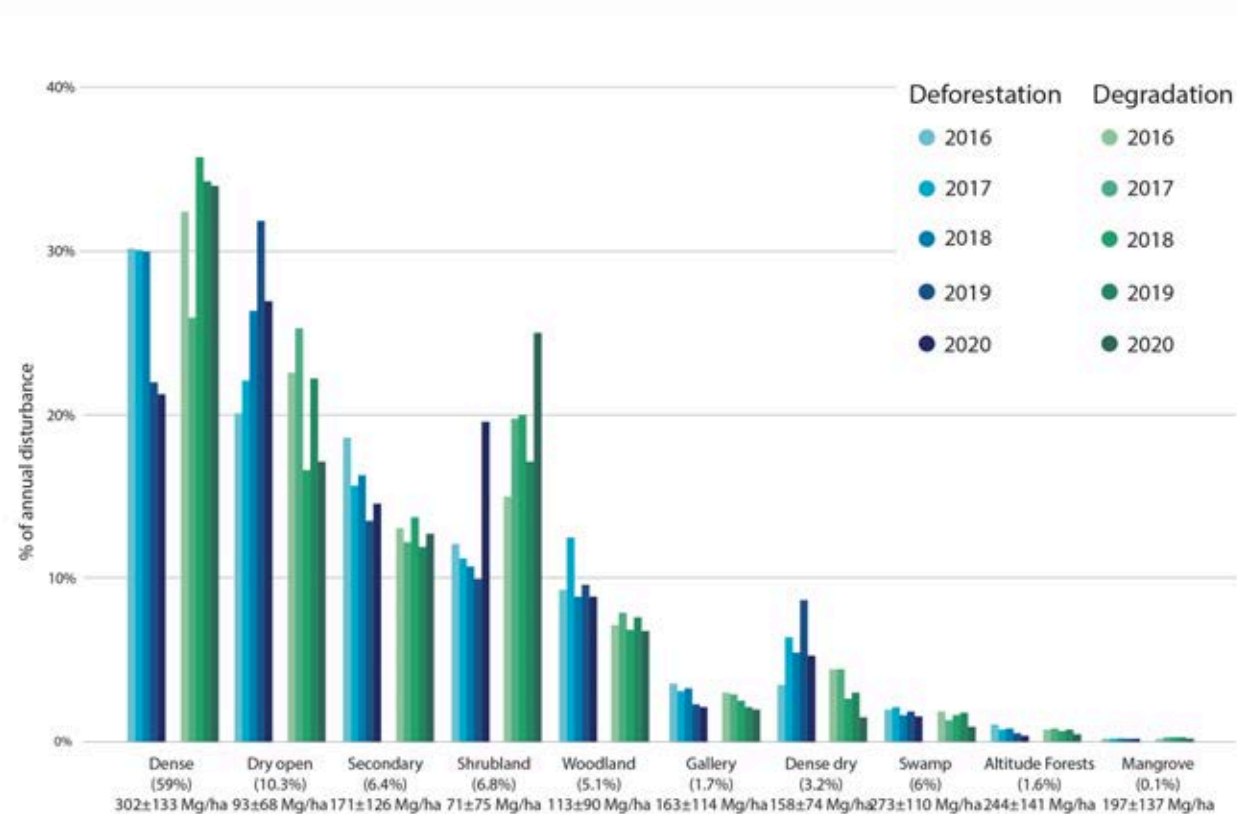
In 2023, **the International Monetary Fund (IMF)** explored the possibility of setting up a 7th Extended Credit Facility, to which would be attached a Resilient and Sustainability Facility covering climate change and additionality commitments. A dialogue was initiated between the IMF and the DRC's Inter-Donor Group on the Environment and Climate (GIBEC), aiming to **integrate reforms that would contribute to achieving the milestones of the 2nd Letter of Intent into a future Resilient and Sustainability Facility**. Negotiations will continue into 2024, with CAFI supporting the GIBEC in its dialogue with the IMF.

At CoP28 in December 2023, DRC, Germany, Norway, the US, France and the Bezos Earth Fund, as well as the Republic of the Congo, France, the EU and the Bezos Earth Fund, signed joint political declarations for country packages. Of \$62 and \$50 million respectively, these packages will help countries carry out activities to meet recent international commitments such as, by 2030, halting the loss of biodiversity and forest cover, and conserving 30% of terrestrial and 30% of maritime areas. These partnership frameworks complement the commitments made through the Letters of Intent signed with CAFI, as they recognize the importance of preserving peatlands and high-value forests, and the need to promote responsible agricultural investments. CAFI supported the high level commitments and declarations.

Climate impact

CAFI's Theory of Change defines the two impacts to which CAFI seeks to contribute. The first is the climate impact: emission reductions and removals from the forest and land use sector, measured in tons of CO₂ equivalent, deforestation and forest degradation. The regional study funded by CAFI points to a relative stabilization of deforestation and degradation since 2016, with differences observed across countries and forest types.

To estimate CAFI's contribution to this impact, the new [CAFI Metrics Hub](#), launched in its beta version, displays the results and estimated CO₂ sequestration (from direct absorption and avoided deforestation) of measurable interventions - such as agroforestry, perennial crops, subsistence agriculture, improved cooking solutions.



**In which type of forests do deforestation and degradation happen?
Excerpt from Shapiro et al, *Journal of Land Use Policy*, 2023.**

This chart shows that dense and dry forests each account for between 20 and 30 percent of all deforestation in the region. Figures for 2021, 2022 and 2023 are expected in 2024.

Climate impact

DRC

Emissions from deforestation alone in DRC were estimated to be 44,210,746.22 ± 6,196,609 tons of CO₂eq in 2020*. This represents a stabilization from 2016 levels; however, it cannot be attributed to CAFI's interventions alone. Estimates of the direct impact of field interventions (summarized in the [CAFI Metrics Hub](#)) point to a contribution, from reported activities only, of **2.7 million tons of CO₂**.

Republic of Congo

Two projects supported by CAFI have quantified their intended impacts concerning CO₂ emissions. The Energy Plantations Project (PROREP) anticipates a reduction of 830,230 tons of CO₂eq over five years. The Improved Cookstoves (Lituka) Project projects a reduction of 214,186 tons of CO₂eq over a decade, with an additional 356,976 tons of CO₂ eq being avoided. In terms of results, a cumulative sequestration of 13,335.38 tons of CO₂ eq has been estimated to date.

Gabon

Gabon was the first country in Africa to receive results-based payments for reduced emissions from deforestation and forest degradation. A first payment was made in 2019 as part of the breakthrough agreement between Gabon and CAFI for a total of \$150 million over ten years. After independent experts verified Gabon's results from reduced deforestation (mainly from forestry activities), the payment of \$17 million rewarded Gabon's reductions of **5 millions tons of CO₂ eq** in 2016 and 2017, compared to annual emission levels from 2006 to 2015. A new results submission is anticipated in 2024.

*Based on data available at the end of 2023.

Development impact



Malipizi Shingomoya

President of Women's Rural Organization "Tujaribu" Mwema, ETD Mulu, Maniema Province, RDC

“ [with the revenues generated], I bought a large pan and the other members bought fish ponds and other goods of their choice. We're no longer waiting for our husbands, because we can now provide for our family needs such as primary health care for our children and so on. We need to be able to diversify our soap production so that, even after this project's support, we can continue to take care of ourselves.”

In DRC, most territorial projects aim to **increase of the median cash income by at least 10 percent for households and farmers.**

To ensure this is effectively measured, conducting socio-economic studies (baseline and results) is now mandatory per the adoption of the CAFI Monitoring and Evaluation Guidelines in November 2023.

In terms of food security, beneficiaries from rural development projects reported **improvement in soil fertility** and optimism about increases in crop yield. Some also reported visibly less erosion of land slanted towards waterways, while others noted the beneficial effect of trees preventing damage caused by high winds, such as blowing off roofs.

Households benefiting from cleaner cooking solutions in the DRC reported **savings ranging from 8% to 15% in their energy spending**, depending on the type of new cooking energy - improved stoves and Liquid Petroleum Gas (LPG) stoves, respectively.

Development impact



Hassan Rajabu

Secretary of Women's Rural Organization 'Tujibebe', Maniema Province, DRC

“ Through this support I bought a set of 4 plates, when I [previously] didn't have the possibility of having any. The organization bought a fish pond. We were also trained on how to organize ourselves into an Village Savings and Credit organization, in order to set up three deposit windows : one for savings, one for solidarity and one for interests to be repaid.”

It has also been estimated that **1.05 million people** will benefit at the local level, directly or indirectly, from the newly formalized local community forest concession. (see [*Spotlight: Community forestry*](#))

And 3,193,965 individuals are direct beneficiaries of contraceptive methods, including **435,441 young women** who benefit from long-acting contraceptive methods in 11 provinces.

The total number of beneficiaries is another proxy marker of CAFI's development impact. Figures reported in 2022 estimated that CAFI-funded projects had reached 142,000 direct beneficiaries and 9 million indirect beneficiaries, per the definition adopted in the CAFI Monitoring and Evaluation guidelines. These figures could not be estimated with confidence for 2023 due to the delayed verification of the figures reported by projects whose oversight is with the DRC National REDD Fund.

Development impact

Concept explained: direct and indirect beneficiaries

The CAFI Monitoring and Evaluation Guidelines, adopted in 2023, clearly define what constitutes a direct and an indirect beneficiary.

Direct beneficiaries are individuals who are targeted by a project, who can be defined by name, location, who receive regular support of high or medium intensity and are cognisant of this support.

By contrast, indirect beneficiaries are untargeted and/or receive one-off support (such as attending an awareness raising event)

Efforts will continue in 2024 to clarify and contextualise these definitions with implementing organizations and national partners.

In the Republic of Congo, CAFI's recent, large investments concern enabling activities for which development or number of direct beneficiaries impact cannot be estimated annually. The first direct 300 local beneficiaries from the wood energy plantations project have been reached, 45% of which are women.

Gabon projects are at different stages of implementation, with most are enabling rather than territorial. One project estimated 36,450 beneficiaries.



Spotlight: Community forestry

Community forestry is an essential part of CAFI's work. Underpinned and enabled by the national legislative contexts, it is key in achieving ambitious global social, climate and biodiversity goals.

CAFI-funded projects work closely with local communities, empowering them to gain legal titles and engaging them in community forestry to promote sustainable use of resources.

CAFI is becoming a major actor in the region, both in the DRC and Gabon

DRC: nearly 600,000 hectares of community forest concessions with new formal titles

In the DRC, CAFI-funded projects represent over 15% of the country's achievements towards formalizing local community forest concessions (CFCL), or nearly 593,000 hectares, out of 4.1 million of CFCL that have gained formal titles in the country.



José Empele,
President of the Ilanga
Sector's Local
Development
Committee

“Now, no one can have access to our forest without going through us to present what they intend to do. If an agreement is reached with our community, access will be given; otherwise, it will not be possible to access the forest by force. We have no more land conflicts with our neighbors.”

The cumulative target of all CAFE-funded projects in DRC has surpassed 1 million hectares, with government commitment of 5 million hectares in the Letter of Intent.

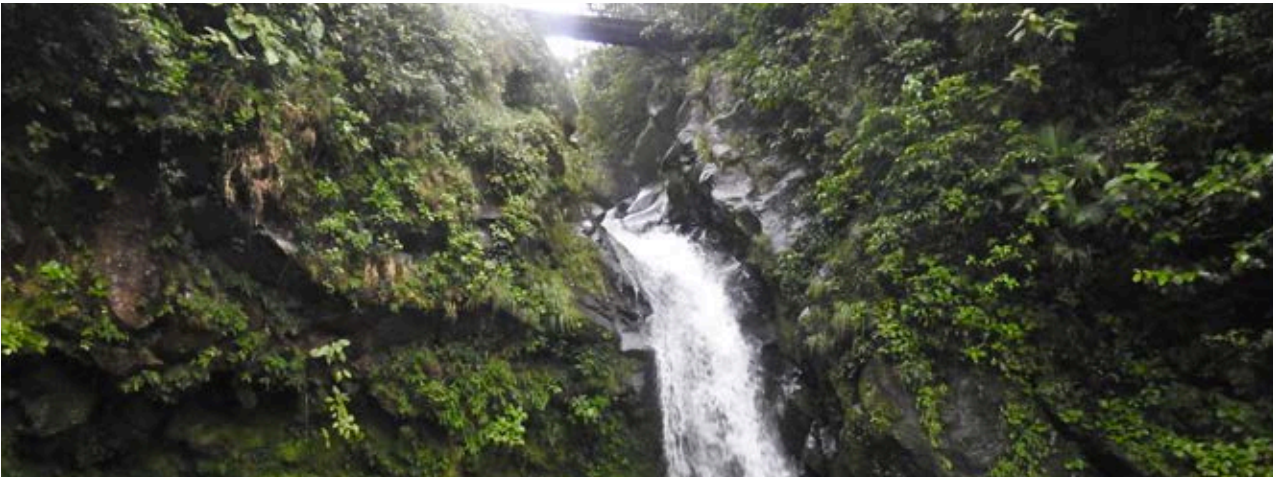
CAFI currently supports such community forestry in three DRC provinces, in which CAFE-funded contributions to results represent between 13 and 100% of the number of hectares of community forestry that have gained formal titles.

Gabon: improving the management of 1.67 million hectares of community forests

Gabon has 48 existing community forests with management plans and 44 provisionally created community forests, totaling 1.67 million hectares.

All 2,560 villages in Gabon have the right to community forests, though not all communities are engaged in community forest management. One of the CAFE results-based funded project focuses on strengthening capacity within the Ministry of Environment and Forests and within communities to develop and implement community management plans. Activities such as timber harvest and wood production, sustainable resource use by communities, marketing of non-timber forest products, management of wildlife for sustainable hunting, and forest protection for recreation or tourism will simultaneously improve livelihoods of local people and reduce deforestation and degradation. Ultimately, this capacity strengthening will help improve the management of 1.67 million hectares of existing community forests.

Charting Progress: CAFI's partnership journeys through milestones

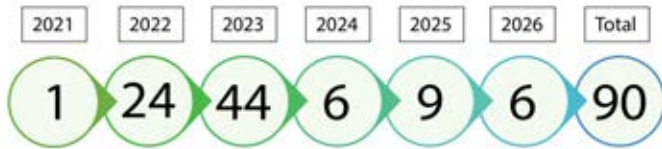


One of CAFI's defining feature is the Letters of Intents, signed by CAFI and partner countries. Letters of Intent (Lol) set the overall ambition of the country. Parties agree on overall objectives and time-bound targets (milestones), both in policy reform and programmatic performance, depending on the country needs and priorities.

Partner countries develop and implement programs to achieve the milestones in the Letter of Intent with the support of implementing organizations. Throughout the process, CAFI maintains a high-level policy dialogue with the Government of partner countries, with annual reviews organized yearly and methodology agreed to while independent verifications are undertaken by third parties as scheduled in the Lol.

In 2023, annual reviews were held with DRC and Republic of Congo to examine results as of the end of 2022.

Democratic Republic of Congo

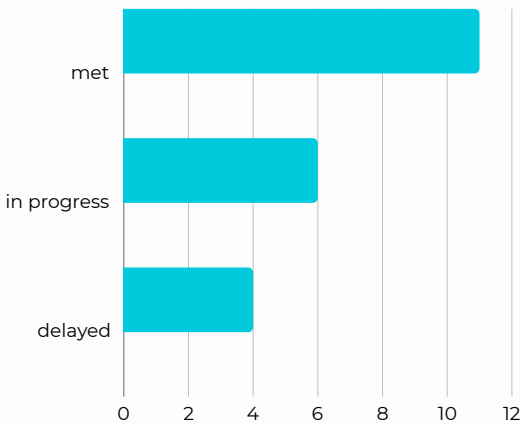


Number of milestones expected each year

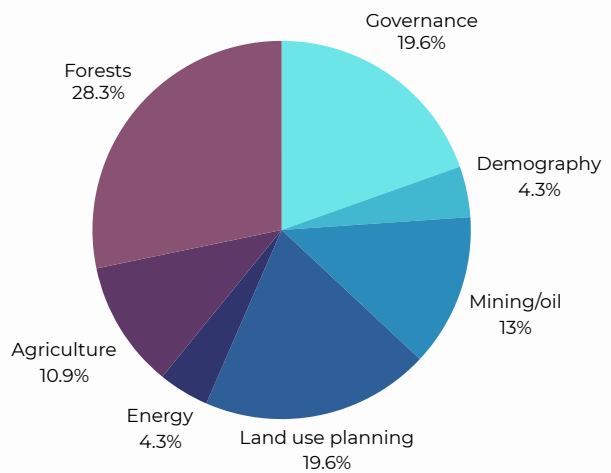
LoI Facts

Signed in 2016 and November 2021.

\$690 million committed



Status of 2021-2022 milestones of the 2nd Letter of Intent



Distribution of milestones by sector in the 2nd Letter of Intent

As stated in the [DRC-CAFI 2021-2022 Milestones Monitoring Report](#) that was approved at high level during the 2023 Annual review, as of December 31, 2023, **81% of the twenty-one 2021-2022 milestones assessed are qualified as achieved or in progress**, with a total of 52% of milestones achieved. Only four of the twenty-one assessed 2021-2022 milestones noted delays in their implementation.

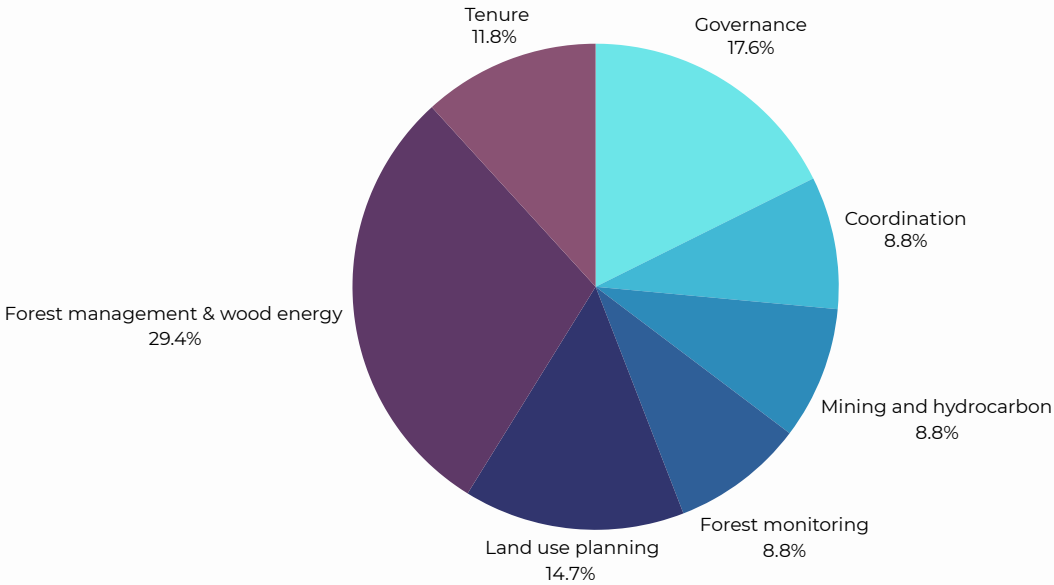
Two major milestones set for 2023 (the [Law on the Protection and Promotion of the Rights of Indigenous Peoples](#)) and 2024 ([revision of the decree on the composition and functioning of the CCNF and its operationalization](#)) were achieved in 2022 and 2023 respectively.

Republic of Congo

LoI Facts

Signed on 3 September 2019.

\$65 million committed

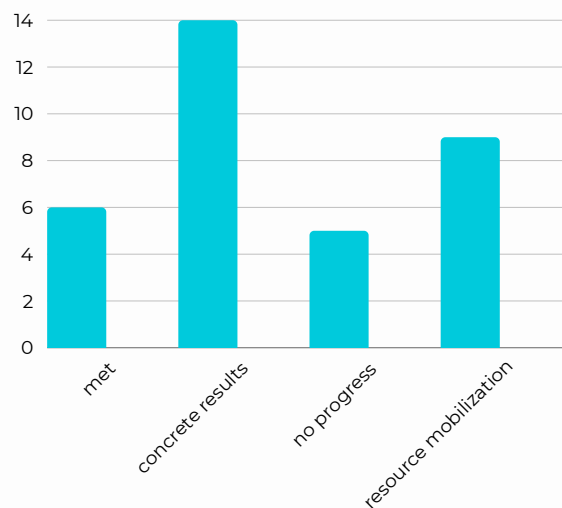


Distribution of milestones by sector

Although a majority of projects are still in a set up phase, **significant progress has been made in implementing the 2019 Letter of Intent with the Republic of Congo:**

- 6 milestones fulfilled (4 more than at the 2022 annual review).
- 14 milestones with concrete intermediate results.
- 9 milestones for which support has been programmed and resources mobilized.
- 5 milestones with no progress.

Additional details on the partnership Annual Review may be found [here](#).



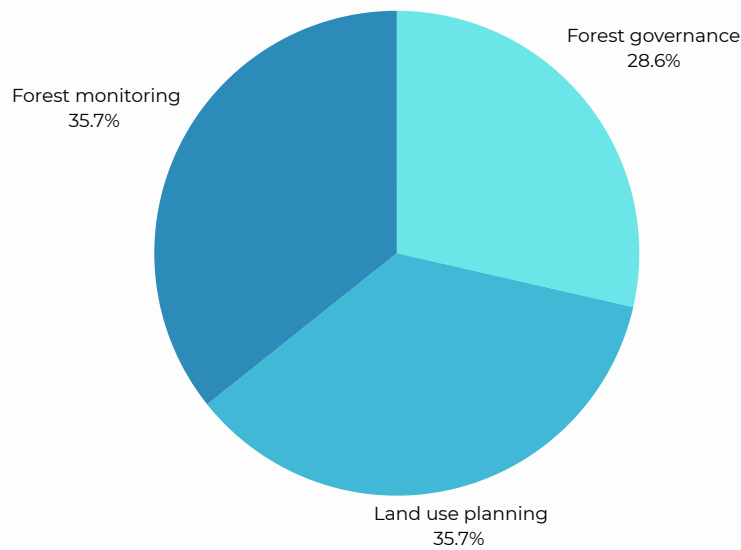
Status of the 2019-2023 milestones of the CAFI-RoC LoI

Gabon



LoI Facts

Signed on [27 June 2017](#)
+ RBP addendum
\$180 million committed



Distribution of milestones by sector in the Letter of Intent

No formal Annual review was held in 2023. Five more milestones of the Letter of intent can be considered as met, compared to 2022, with the most progress made in the forest monitoring and forest governance categories. This results in a total of 16 milestones met since the signing of the Letter of Intent, 8 partially met and 0 not met. Of the 16 milestones achieved to date, 5 were achieved in 2023, 5 in 2020, 3 in 2022, and 3 in 2021.

COUNTRY OVERVIEWS



Democratic Republic of Congo



Forest: 126 million hectares of natural forests (18% world's tropical forests) representing 56% of the country's land area.

Partnership: 2nd Letter of intent signed in 2021 runs through 2031 to stabilize, then reduce, deforestation based on 2014-2018 averages.

Financing: Total funding pledged (signed Letters of Intent): **\$680 million.**

Total funding approved: **\$303 million**

Total transfers from CAFI to FONAREDD:

\$246 million

Total transfers from FONAREDD to projects:

\$223 million

Policy dialogue

2023 saw encouraging political development, at the mid-term of the 1st phase of the renewed partnership 2021-2031.

In line with the monitoring commitments made by partners within the 2nd Letter of Intent (LoI) on coordinated policy dialogue efforts, several high-level meetings were organized throughout 2023.

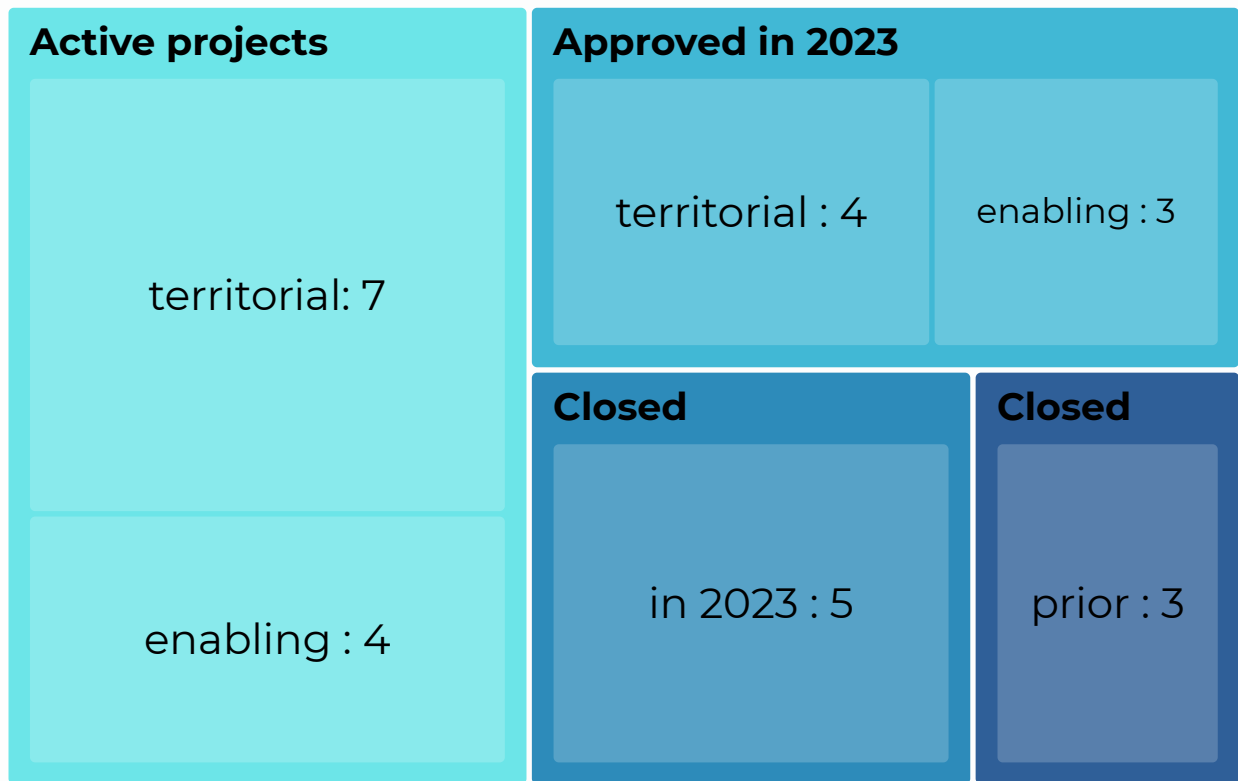
These included the Annual Review of the CAFI-DRC Partnership in February 2023 (*supra pages 19 and 31*), and Ambassadors' meetings with the authorities in March and September 2023.

These high-level meetings, held in Kinshasa, monitor progress made on political engagements, such as commitment to reforms (see *Spotlight: Accelerating major reforms in DRC*), review progress on the milestones of the 2nd Letter of Intent, take stock of the programming progress to secure CAFI funding commitments. They also represent opportunities to discuss specific topics such as accountability of implementing organizations or implementation challenges.

13 national partners under the leadership of the Ministry of Finance

- Ministry of Environment and Sustainable Development
- Ministry of Land Use Planning
- Ministry of Agriculture
- Ministry of Energy and Water Resources
- Ministry of National Economy
- Ministry of Hydrocarbons
- Ministry of Public Health, Hygiene and Prevention
- Ministry of Gender, Family and Children
- Ministry of Planning
- Ministry of Budget
- Ministry of Education
- Ministry of Land Affairs

Portfolio Overview



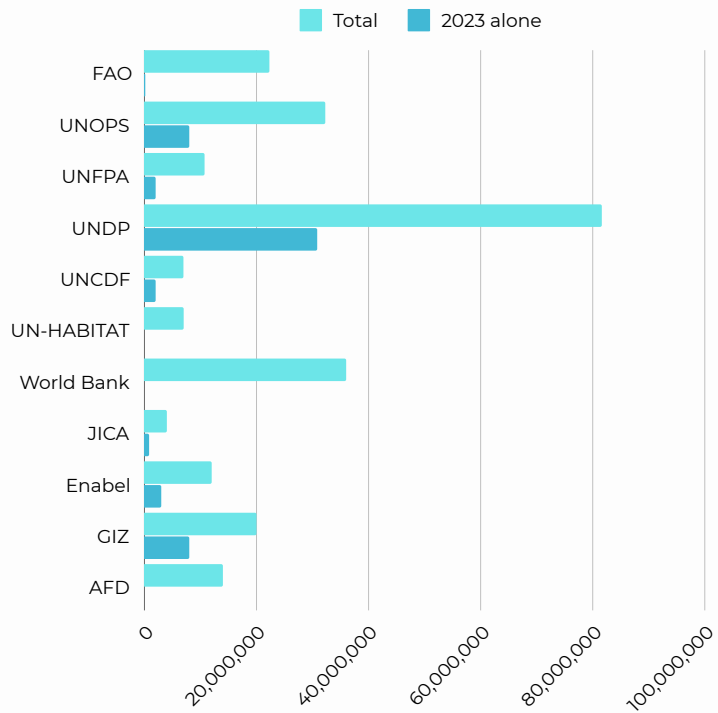
Annex 1 displays the list of all CAFI-funded projects in DRC.

DRC projects funded through FONAREDD (totals):

- \$255 million approved
- \$223 million transferred
- \$179.8 million spent by projects

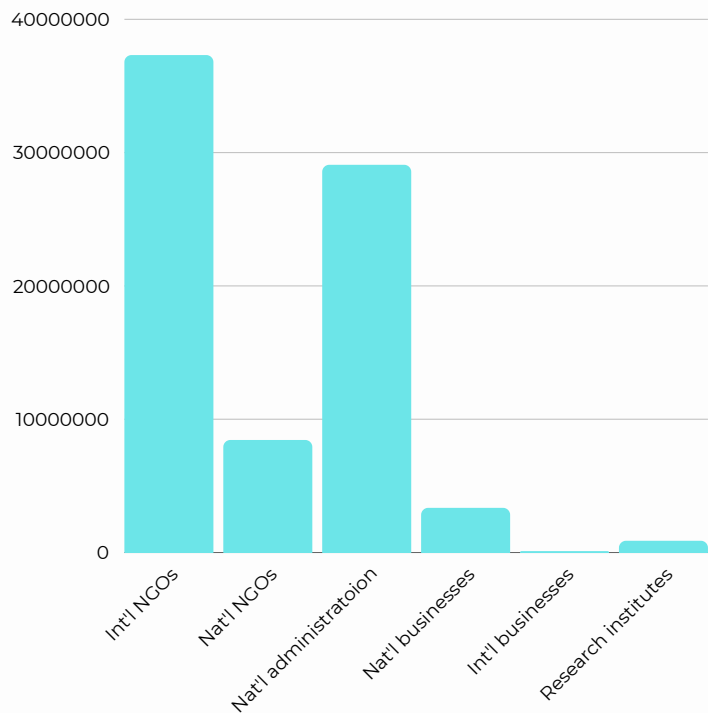
Portfolio Overview

DRC projects funded through FONAREDD are implemented by 11 implementing organizations. Gains in national ownership are facilitated through the managing agent modality.



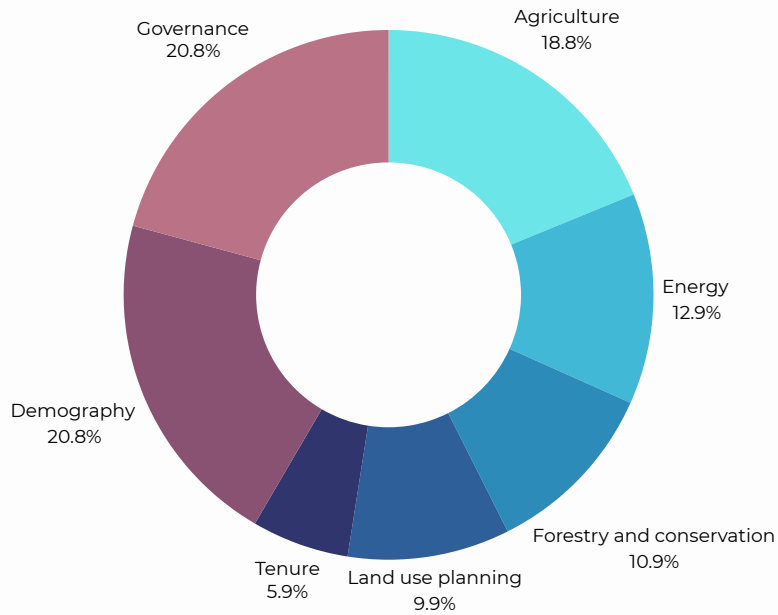
Transfers (\$) per organization

An analysis of contracts above 100,000 dollars, whose disclosure by projects is mandatory, provides a snapshot how funding reaches other entities, excluding management and salaries.

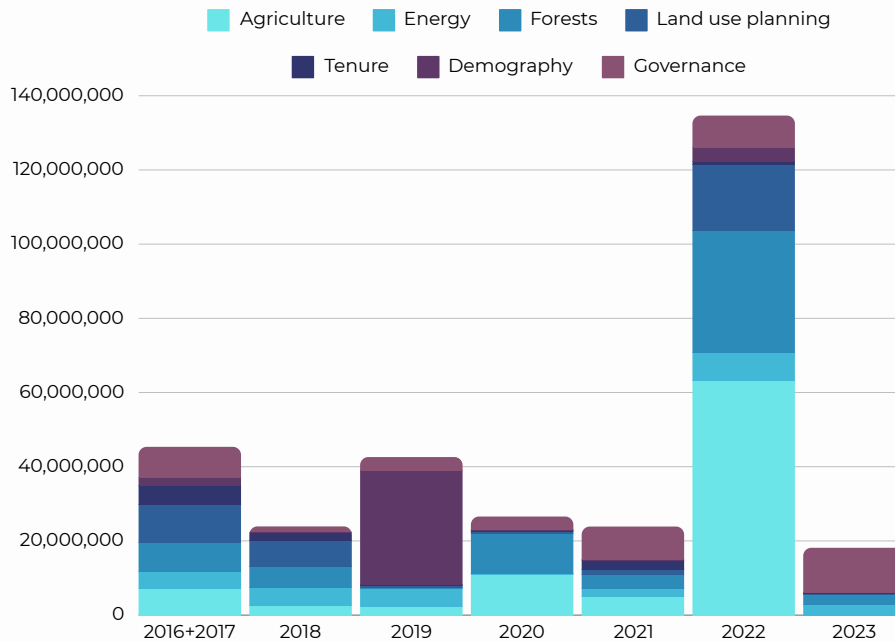


Contracts & agreements with local partners over \$100,000

Funding by outcome



Cumulative funding (transfers) by outcome



Annual funding (transfers) by outcome (\$)

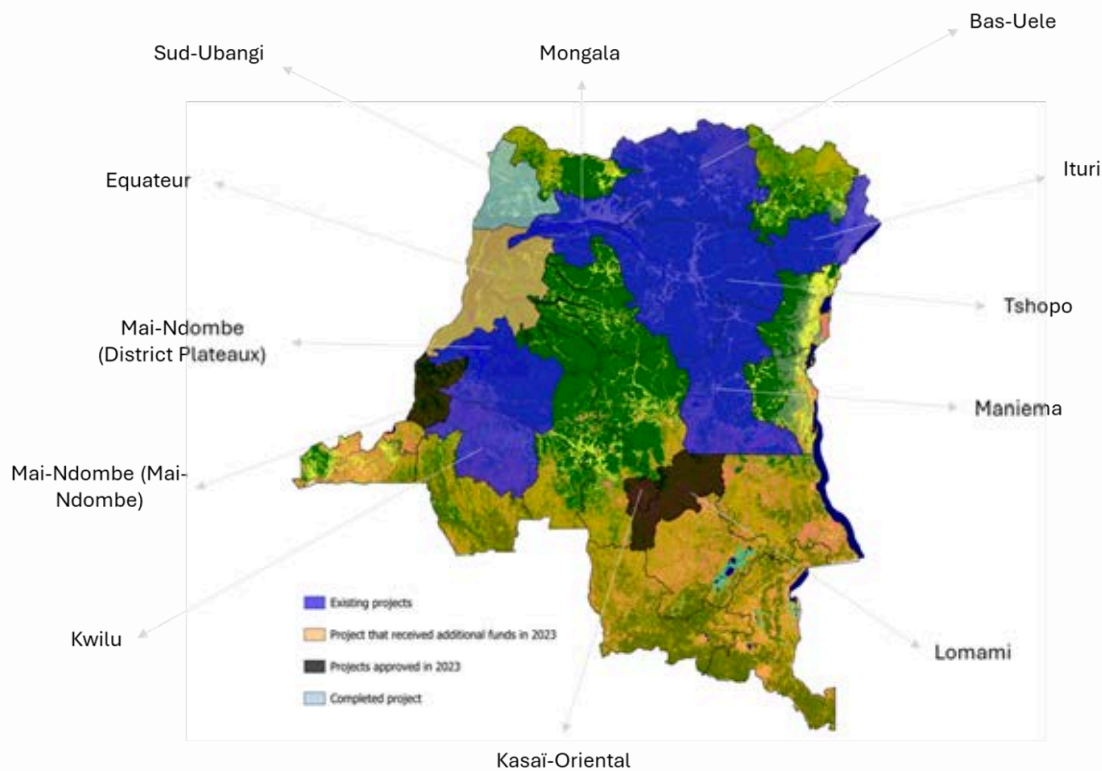
An expanding portfolio

Following the 2022 Call for Expressions of Interest by the DRC Government and CAFI, the pace of programming increased substantially in 2023, resulting in December to the approval of close to \$136 million in new funding – a **major acceleration** comparing to the \$215 million of projects approved during the 2016-2022 period. Of the \$136 million approved, \$13 million were disbursed in 2023.

Funding approved in 2023 include emblematic priorities for CAFI and the DRC government, namely:

- The sustainable agriculture support project (\$55 million with domestic co-financing) of the 145 Territories Local Development Program, which aims to significantly **increase yields for cassava and corn production** – including emergency corn distribution to alleviate famine – while promoting sustainable forest-friendly practices.
- Projects with a territorial approach (PIREDD), representing a total of \$52 million and aiming to **reduce the pressure on 13 million hectares of forests** while significantly improving the livelihoods of rural populations in these territories. The new funding and projects in the Equateur, Kwilu, Plateaux district of Mai-Ndombe, Kasai Oriental and Lomami provinces will benefit from lessons learned from projects supported by CAFI since 2016, with results being consolidated and PES deployed at scale.
- Renewing and extending the **land tenure reform project** (see *Spotlight: Land information system in DRC*).
- Support to **carbon market development** and coordination for **Nationally Determined Contribution**, to lay the foundations for a climate finance architecture that will attract private sector investment in favor of communities.

Results



The map above shows the geographic coverage of multi sectoral, "territorial" (PIREDD) projects in the DRC, overlapped with the land classification used in the CAFI-funded regional study*. The provinces benefiting from such projects are estimated to contain 25 G tons of carbon (56.7% of the DRC overall carbon stocks**). These provinces comprise, among other ecosystems, 59,807,530 hectares of dense forests; 6,192,906 hectares of secondary forests and 9,039,033 hectares of swamp forests.

*European Space Agency. 2020 Biomass data

**Extracted from the database.

Spotlight: Accelerating major reforms in DRC

CAFI has been supporting broad-ranging, multi-sectoral and complementary reforms in the DRC since 2016.

The scope of CAFI-funded projects covers on-the-ground, transformative rural development to political reform at a national level, in addition to regional activities. For CAFI, how these efforts work together in a complementary way is essential to reaching the ambitious goals set forth in the SDGs, the Paris Agreement and the Post-2020 Biodiversity Framework.

As the complex questions around land use planning and land tenure are addressed through reforms and legal frameworks, CAFI is committed to continuing support for the processes necessary to guarantee coherent implementation of public policies on all levels –local, territorial, provincial and national. CAFI’s programs developed under the first Letter of Intent with the DRC Government laid the groundwork for these laws and policies.

CAFI actively supports five political reforms in DRC. It is no small feat, and in fact a significant accomplishment, that these reforms and laws all support and “communicate with” each other in achieving the general objectives of the country’s national plans.



H.E. Nicolas
Kazadi,
DRC Minister of
Finance

“Despite the work still to be done, we can mutually congratulate ourselves on the major advances made by this partnership, such as National land and sustainable agriculture policies approved by the Council of Ministers, and the National Energy Policy awaited by the Council of Ministers.”



Land Use Planning: An updated Land Use Planning Policy was adopted in 2020. The first of its kind in the DRC, a new Law on Land Use Planning was adopted by the National Assembly in October 2023.



Land Tenure: A new Land Tenure Policy in DRC was adopted in 2022, updating this policy for the first time in 30 years. The new Land tenure law in DRC, which promotes spatial planning and zoning, was adopted by the Council of Ministers. The transformative land reform's success is largely attributed to the partnership between civil society and the government, with significant support from CAFI funding.



Agriculture: CAFI supports Agricultural reform in the DRC which aims to improve food security and nutrition, in part by reinforcing infrastructure and farming methods which also reduce pressure on forests. The Sustainable Agriculture policy was promulgated in February 2023.



Energy: A draft Energy policy was finalized and examined in 2022, and approved technically. It is currently undergoing a Strategic Social and Environmental Evaluation in light of the Law on the Environment, prior to its adoption at the Council of Ministers. The Energy policy considers the development of the new Forest policy, as well as concerns addressed in the Agricultural reform processes.



Forestry: The decree on the composition and functioning of the CCNF and its operationalization were issued in 2022 and 2023, respectively.

Local Governance and Land Use Planning results

Transformed community governance

2,602 Local Development Committees created or strengthened and operational. Better, inclusive planning for governance of local natural resources.

Villagers planning how their land will be used

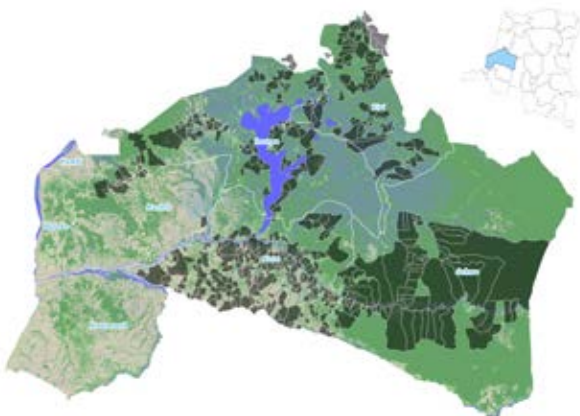
867 local land use plans validated, covering **9,778,635 hectares of land**, a quarter of the size of Germany. Better agricultural practices and community forest protection around villages, and an observed reduction in conflicts.

Local ownership and sustainability

397,186 people directly supported throughout the process.

Policy results translated into concrete actions

See [*Spotlight: Accelerating major reforms in DRC*](#)



This map shows demarcations from the **3.74 million hectares of local land use plans** under sustainable land management, as determined through PIREDD Mai-Ndombe.

Land Tenure results

Securing rural land ownership is crucial to support efforts to decrease deforestation and degradation. In the DRC addressing land issues is challenging due to vastness of the country, difficulty of access to most of it, coexistence of the statutory tenure law with a multitude of customary tenure systems still very prominent and – in some areas – armed conflict, partly based on land. Few people in rural areas have access to official legal documents due to a lack of information, distance to administrative centres, cost and time of processes, etc.

As a result, most communities still rely fully on the traditional land tenure system, which has strong advantages but also limitations, including in terms of security of tenure. In order to **bridge the gap between the national land law and the customary tenure systems**, and better support sustainable land investments, CAFI has partnered with the government of DRC to support its land tenure reform since 2016. The transformative land reform's success is largely attributed to the partnership between civil society and the government, with significant support from CAFI funding.



Spotlight: Land information system in DRC

In rural regions in DRC, many communities occupy land they've inherited, informally acquired, or received from their community without official ownership documents. This mix of traditional customs and statutory land tenure law can create land ownership uncertainties resulting in land disputes, hindering sustainable resource management and local development.

The "Land Information System" (LIS) , supported by CAFI as part of the extension of the project to support land tenure reform, approved in 2023, addresses some of these challenges.

Several elements are designed to better secure local, land rights, both collective and individual, such as:

- Collective titles to secure land for an entire community, aligned with customary practice.
- Individual titles under configuration of collective land tenure, to secure individual investments while aligning community and individual interests.
- A local land charter documenting local land tenure customs specific to the area.
- Community land registers to record local land rights and related transactions, ensuring transparency.
- A customary land cadaster, mapping the various land rights spatially and digitally within the overall collective tenure.

The new LIS marks a significant step for the DRC land reform journey. By emphasizing clear land ownership, it aims to tackle tenure issues that have existed for decades. As the new CAFI-supported Law on Land Use Planning promotes spatial planning and zoning, the LIS brings local and indigenous communities closer to the center of land decisions. This new, clear framework sets the stage for more transparent land negotiations, while ensuring that every stakeholder has a voice.

Clear land ownership and the registration of land rights, especially for indigenous communities:

- safeguards them from land seizures.
- lays the foundation for spatial planning, including mapping the overall village territory to identify collective land rights, mapping existing land types and their uses (agriculture, protection, etc) and other types of land rights (agriculture plots, etc), which are all key inputs for a zoning process.
- incentivizes effective land-use planning necessary for payments for environmental services.
- streamline discussions between communities and external investors, ensuring fair access and benefit-sharing.

As the complex questions around land use planning and land tenure are addressed through reforms, legal frameworks and innovative systems such as the LIS, CAFI is committed to continuing support for the processes necessary to guarantee coherent implementation of public policies on all levels –local, territorial, provincial and national. The 2023 renewal of the project to support the land tenure reform is one example of such commitment.

Official form developed to standardize and formalize the limits, use and ownership of a given, geo-localized field

Agriculture results



Better governance

22 Rural Agricultural Management Councils established.

Accelerated policy reform

See *Spotlight: Accelerating major reforms in DRC*.

Improved food security

34,913.5 hectares of subsistence food crops, often intercropped with wood energy plantations.

Improved agricultural revenues

22,321 hectares of pilot perennial crops (cocoa, coconut, coffee, oil palm and fruit trees) planted in savannah zones and degraded forests.

Béatrice Bolumbu

President of the Women's Association of Bodjifi

“ Thanks to what we earn when we sell the improved cassava bread, we are now able to take our children to the hospital and send them to school. Before, we did not have the opportunity to save money, because the ordinary cassava bread did not attract as many customers as today.”

Project Spotlight

PIREDD Kwilu: A success story of land restoration



The Multisectoral Programme in the Kwilu Province encourages smallholder and concession farmers to invest in sustainable fuelwood and fruit agroforestry production.

In doing so, it focuses on restoring degraded forest lands, that could have been completely deforested without the project's interventions, and on commitments by villagers to avoid degrading forest patches around their settlements.

National partners: This programme is part of the DRC National REDD+ Fund portfolio, and is led by Provincial Ministry of Environment and Sustainable Development, Provincial Ministry of Agriculture.

Implementing organization: The Japan International Cooperation Agency (JICA)

Approved: **\$7 million**

Transferred*: **\$4 million**

Spent*: **\$3.8 million**

*as of 31 December 2023

Key achievements in Kwilu

The project has thus far resulted in an estimated reduction of 355,270 tons of CO₂, aiming for 391,500 tonnes by the end of year seven (see our [CAFI Metrics Hub](#)).

Enhancing living conditions for the community, with an anticipated minimum 10% increase in median income for households and farmers involved. Baseline data collected in 2023 across 123 villages indicated an average annual agriculture revenue of \$258 and cattle revenue of \$37.

Local Governance: Establishment or reinvigoration of 63 Local Development Committees, empowering villagers to safeguard their land and environment.

Land Use Planning: Approved Local Land Use Plans cover 155,057 hectares.

Agriculture: Establishment and georeferencing of 4,228 hectares of agroforestry plantations.

Energy: Establishment of 3,859 hectares of acacia and maesopsis trees and allocation of 29.9k hectares for natural wood energy regeneration.

Community Forest Conservation: Protection of 9,875 hectares of forest patches surrounding 147 villages, a commitment identified through joint decisions by local committees and outlined in the Land Use Plans.

Capacity Building: Strengthening the provincial government's ability to provide the necessary oversight, including on georeferencing and GPS use.

Gender Responsiveness: The project is recognized as fully gender-responsive, promoting women involvement in local management plans at the village level.

Sustainable Energy results



Reduced consumption

545,207 tons of CO2 offset.

7% reduction in charcoal consumption in Kinshasa, 3% in Goma and 4% in Bukavu between 2020 and 2023.

160,189 clean cooking solutions sold (improved cookstoves, liquid gas petroleum stoves and briquettes).

Social benefits

1,055 jobs created (412 full time and 643 part time), including 331 women and 429 young people, **85%** job satisfaction rate.

8 to 15% of reduction in household spending on cooking energy of users of improved stoves and Liquid Petroleum Gas (LPG) stoves, respectively.

Accelerated policy reform

National Energy policy validated on 9 December 2022, to be submitted to the Council of Ministers.

Sustainable production

13,426 hectares of fast-growing wood energy plantations.

41,113 hectares of savannah lands set aside for natural regeneration.

Forest Management and Conservation results



Enhanced knowledge to inform land use planning

4 major studies finalized on forest capital:

- [Challenges and opportunities](#)
- [26 cartographic atlases](#)
- [Biodiversity](#)
- [Economic potential](#)

Social benefits

1,048,501 people in communities benefiting from newly acquired community concessions titles.

Better governance

Decree establishing the multi-stakeholder National Consultative Council on Forests signed in March 2023.

DRC forest policy roadmap drafted.

Community forestry

592,808 hectares of local community forest concessions established with titles by three projects (see [Spotlight: Community forestry](#)).

Demography results



Enhanced reproductive health

13,571 health care providers (including more than 10,000 community providers) trained in the provision of contraceptive methods based on informed choice and quality of service.

7,089,427 of Couple-Years of Protection (CYP) offered.

3,193,965 direct beneficiaries of contraceptive methods including 435,441 beneficiaries of long-acting contraceptive methods in 11 provinces.

Policy acceleration

Adoption of the National Strategic Family Planning Plan in April 2022.

Republic of Congo



Forest: (2019) 24.37 million hectares of forest, extending over 70.85% of its land area.

Partnership: Letter of intent signed in 2019 to prevent drying and drainage of peatlands & cap deforestation.

Financing:

Total funding pledged (from Letter of Intent): **\$65 million**

Total funding approved: **\$47 million**

Total funding transferred: **\$22 million**

Policy dialogue



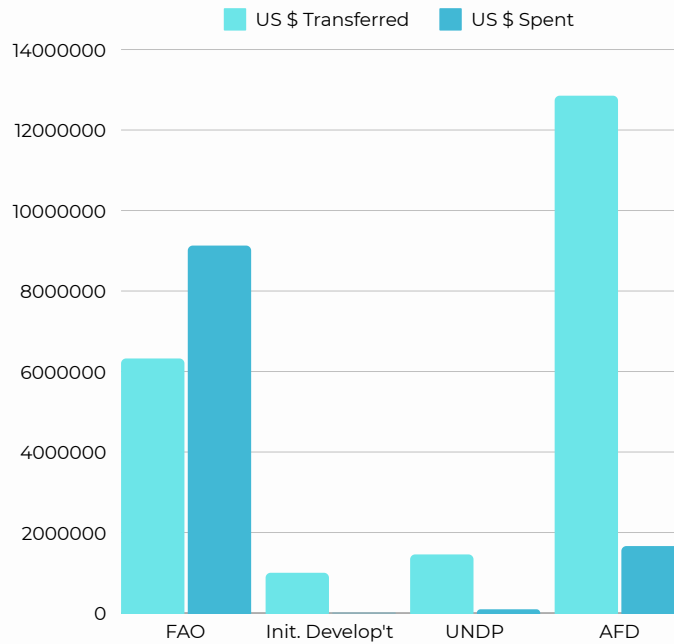
High levels of policy dialogue characterize the CAFI RoC partnership. Led from the on-start by the presidential signatures of the Letter of Intent, close ministerial level involvement continues, in a way that is unique for the CAFI initiative overall.

The Prime Minister chairs both the Interministerial and the Steering Committees. The Ministers of Forest Economy and the Minister of Environment are not only members of the Interministerial Committee but also of the Steering Committee. As such, they are particularly closely involved in monitoring the implementation of the Letter of Intent. In addition, Minister of land planning, infrastructure and road maintenance is entrusted with the management of the two land use planning projects.

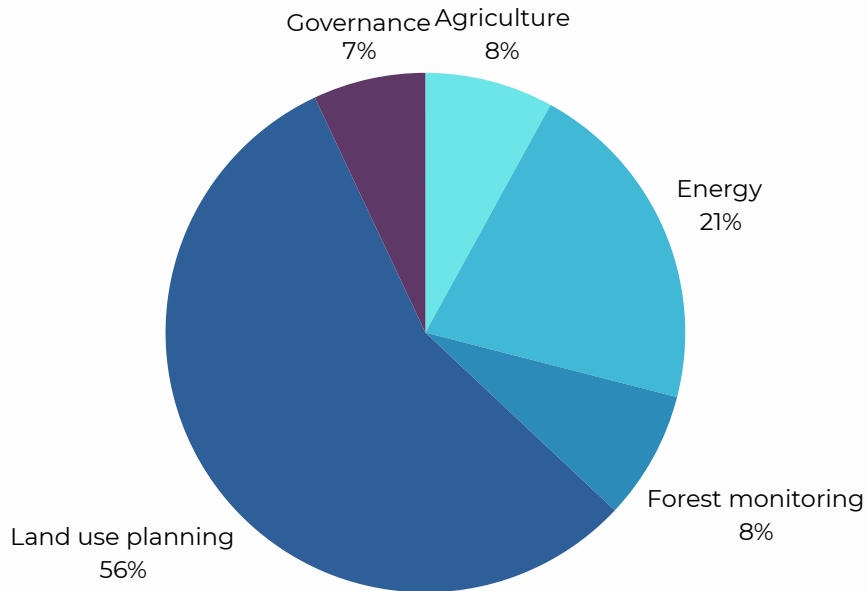
5 National partners

- Prime Minister of the Republic of Congo
- Ministry of Environment, Sustainable Development and the Congo Basin
- Ministry of Forest Economy
- Ministry of Agriculture, Livestock and Fisheries
- Ministry of Land Planning, Infrastructure and Road Maintenance

Portfolio overview



Transfers and expenditures per implementing organization



Cumulative funding per outcome (\$)

A project by project overview of the portfolio, with links to financial data, is presented [here](#).

Results



Coordination enhanced

Prime Minister supported to oversee and coordinate the implementation of the partnership.

Monitoring forests

Revision of the Reference Emission Level for Forests that Congo submitted to the UNFCCC in January 2024.

Wood Energy Plantations

The first 472 hectares of wood energy plantations established 300 beneficiaries identified among the local population to receive agroforestry techniques trainings and benefit from secure access to land, 45% of whom are women (see *Spotlight: Wood energy plantations*).

Stane Okemba,

one of the 300 beneficiaries of the Wood energy plantations project:

“ For us, it’s all new. The project explained to us that the acacia would be exploited every 6-7 years and that a tree could produce fire wood and up to 3 or 4 bags of charcoal, which, sold on the roadside, is worth up to 4,000 FCFA per bag [6.6 dollars]. If planting trees can guarantee a better future for my family, I'm interested! Selling charcoal allows me to diversify my activities and earn money to pay for my children's school, care for the family, and buy clothes and food.”

Project Spotlight:

Wood energy plantations



The "Project to Strengthen the Sustainable Wood Energy Potential in the Republic of Congo" aims to strengthen the sustainable wood energy potential of Brazzaville through the establishment of 2,700 hectares of quick-start agroforestry plantations to produce sustainable charcoal production by end 2028.

The project is anticipating an estimated reduction of 830,230 tons of CO₂ eq by the end of 2028.

In DRC and Republic of Congo, CAFI supports close to 29,000 hectares of wood energy plantations.

National partner: Ministry of Forest Economy

Implementing organization: Food and Agriculture Organization of the United Nations (FAO), with technical support from GRET

Approved: **\$7 million** (CAFI)
Co-financing: **\$29 million** (Green Climate Fund)
Transferred*: **\$4.5 million**
Spent*: **\$2.3 million**

* as of 31 December 2023

Key achievements

472 hectares were planted with acacia on land located in Oniamva, Plateaux Department, Ngo sub-prefecture. These quick-start plantations are being set up to enable a sustainable supply of energy wood in Brazzaville, in order to reduce pressure on natural forests while improving livelihoods of the local population.

These plantations fuel the development of various current land-use planning instruments, in particular the Brazzaville Sustainable Energy Supply Scheme and the Departmental integrated land management plans also financed by CAFI.

300 beneficiaries were selected, to have the right of access to secure land and receive regular support - new equipment, seedlings, and capacity building throughout the duration of the project. This support will help farmers establish and manage plantation plots of an average area of 1 hectare following a 7-year rotation. It includes training on how to prepare and plant the fields and especially how to maintain them by taking care of the acacia plants and introduce intercropping food crops that enhance nutrition and food security. The marketing of products is also supported through business plans, where farmers select the succession of crops and set objectives to optimize their income.

While still young, the project was assessed as fully gender responsive, and on track to meet its goal of 30% women beneficiaries by 2025.

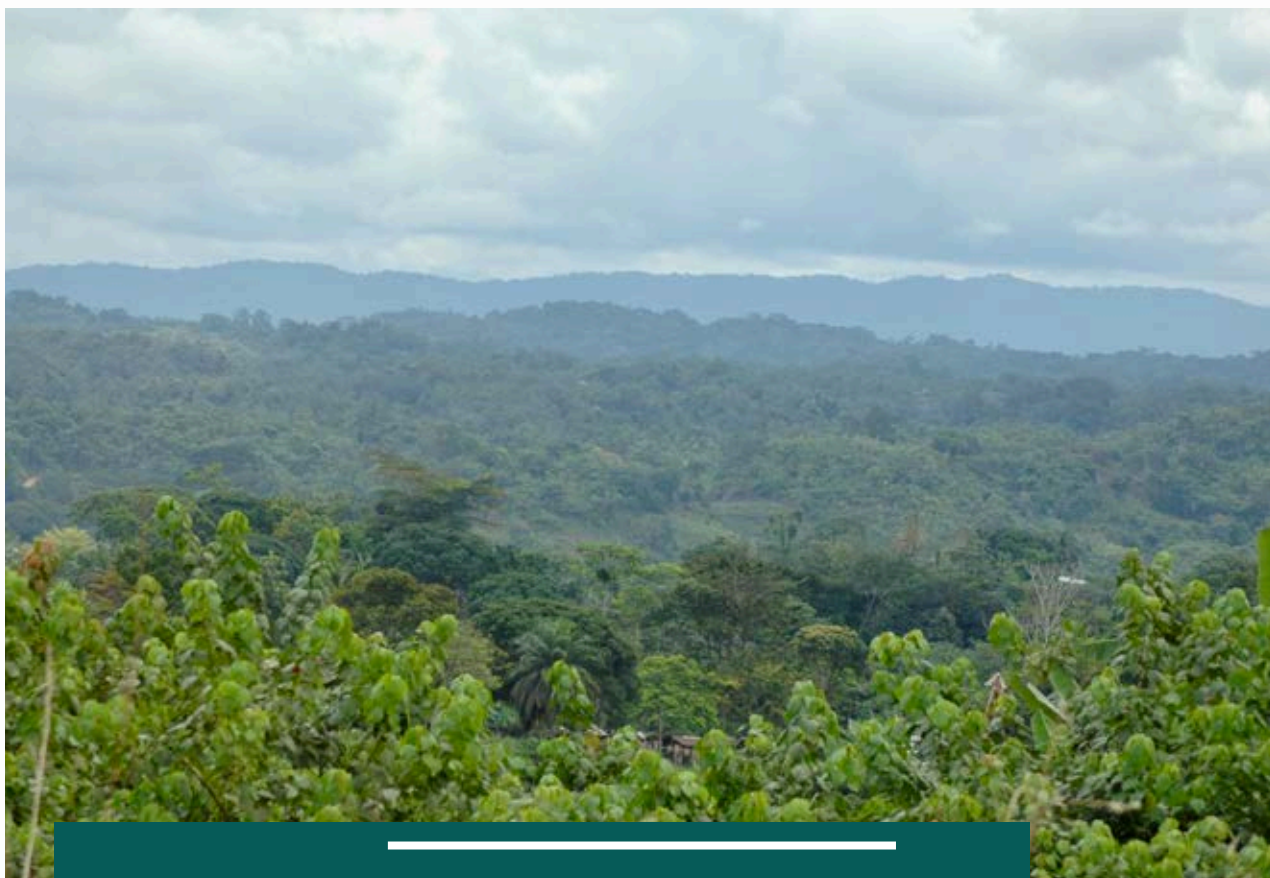
To ensure accountability, the complaints and grievance mechanism system has been largely disseminated through meetings and posters.



Stane Okemba,
Farmer

“The fact that the project makes this land available is very interesting. This saves us from paying on average 30,000 FCFA per hectare [50 dollars] just to have access to land. In addition, the land has already been grubbed, plowed and harrowed. The project also encourages us to consider crops other than cassava, such as peanuts, which yield much more but require a greater initial investment.”
More in the [project newsletter](#).

Gabon



Forest: High Forest, low deforestation country with 88% forest coverage.

Partnership: Letters of intent signed in 2017 to cap deforestation and reduce emissions. Results based payments included as addendum.

Financing:

Total funding pledged (Letter of Intent):

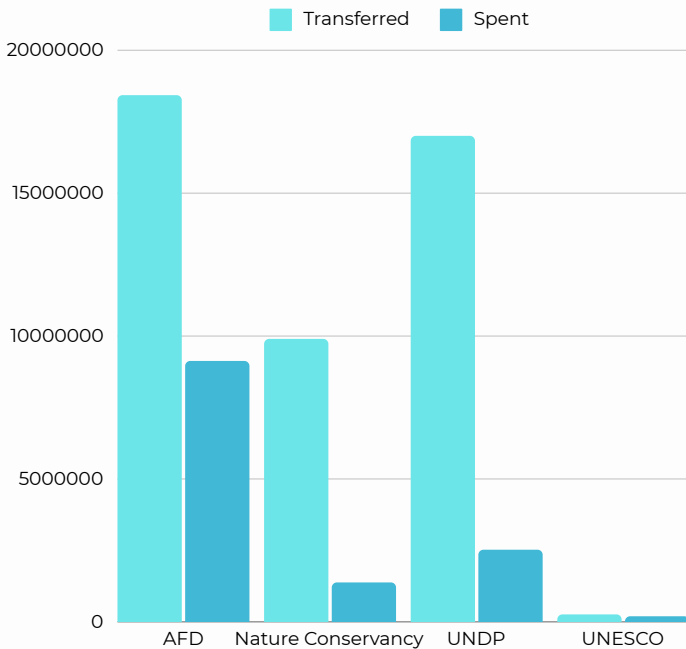
\$184 million

Total funding approved: **\$48 million**

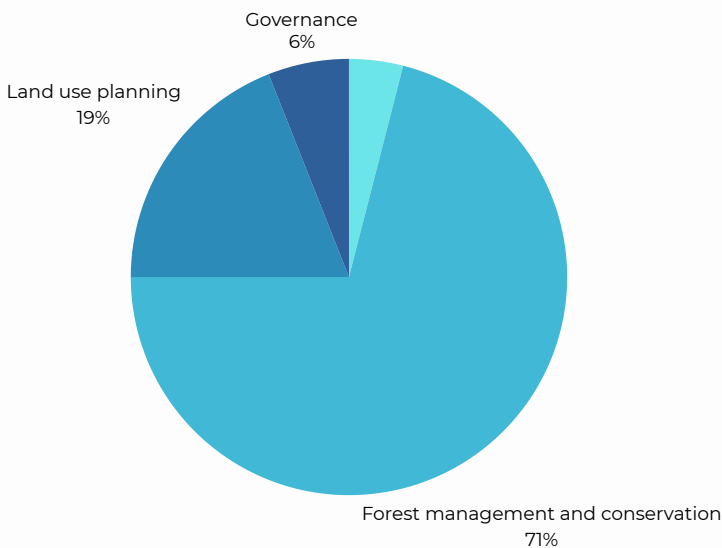
Total funding transferred: **\$45 million**

Portfolio overview

A project by project overview of the portfolio, with links to financial data, is presented [here](#).



Transfers and expenditures per implementing organization



Cumulative funding (transfers) per outcome

7 National partners

- National Climate Council
- Ministry of Economy
- Ministry of Agriculture
- Ministry of Waters, Forests, Sea and Environment
- Agency for Spatial Studies and Observations
- Agricultural Development Agency
- Gabon National Parks Agency
- Gabon Normalisation Agency

Results

Reducing land conflicts

295 cases of land-use conflicts identified by the National Land Use Commission, impacting **4,546,732.5 hectares of land**.

Existing conflicts are evaluated and resolved by the Committee legal team.

Law on the management of land-use conflicts drafted in 2023.

Mapping the spatial extent of villages

468 villages mapped in a participatory manner for land-use planning.

637 additional village areas mapped with satellite data.

Informing stakeholders

New CNC/CNAT website, launched in 2023 on the land use planning process, including a digital platform to receive feedback.

5 land use planning information centers established.

Improving protected areas

932,438 hectares mapped in transborder areas.

69 field missions supported by CAFI in National Parks, undertaken by agents trained, to monitor and mitigate encroachment and illegal activities such as illegal hunting, fishing, gold mining, and logging.

Researching and monitoring forests health

1,488 species and subspecies of native trees now registered.

65,146 real time deforestation and degradation alerts, triggering 498 field operations.

316 national forest monitoring plots and biodiversity transects established as part of the Natural Resource & Forest Inventory.

Construction of the Geographic Information System and soil analysis lab (photo below)

completed in 2023 - allows local analysis of soil samples collected in the land use planning process, that were previously sent abroad.



Cameroon



Forest: 20 million hectares (FRA 2020).

Partnership: Ongoing negotiation of letter of intent.

Financing: two active preparatory grants
Pilot phase with first investments:
\$60 million

CAFI and Cameroon have entered into 3-year start-up phase, to prepare the ground for the negotiation and signing of a long-term partnership (Letter of Intent) as a basis for broader CAFI commitment.

The partnership between Cameroon and CAFI will be implemented in three phases.

Start-up phase (2023-2026) to strengthen the capacities of national and local authorities and communities to ensure a robust and inclusive intersectoral coordination; with strategic and spatial planning necessary for the development of a “Green Economy” in line with the objectives of the national development strategy. A series of projects will be implemented during this phase (see next page).

Engagement phase (2026-2030) in which the Government of Cameroon defines policy commitments in line with the National Development Strategy, with milestones on deforestation and forest degradation.

A budgeted programming pipeline is prepared. CAFI’s Executive Board makes funding pledges based on Cameroon political commitments and presented budgets.

Expansion phase (Beyond 2027) Partners will seek a gradual increase in funding and actions to achieve milestones over time. Additional funding could be allocated on the basis of demonstrated needs to strengthen projects that have obtained significant results.

11 national partners under the leadership of the Ministry of Economy, Planning and Land Use planning

- Ministry of Decentralization & Local Development
- Ministry of Agriculture & Rural Development
- Ministry of the Environment, Nature Protection & Sustainable Development
- Ministry of Forests & Wildlife
- Ministry of Land Affairs
- Ministry of Mines, Industry & Technological Development
- Ministry of Commerce
- Ministry of Finance
- Ministry of Research & Innovation
- Ministry of Housing & Urban Development

Portfolio development

A Call for Expressions of Interest (EOI) was launched between May 26 and June 23, 2023 following the non-objection of the MINEPAT, representative of the Cameroon Government, in order to select implementing organizations for pre-identified projects. Three agencies were selected, upon receipt of a non-objection notice from the Minister of Planning, to develop :

- A pilot project to support sustainable agricultural intensification and agro-ecological transition (International Fund for Agricultural Development (IFAD), \$20 million). Dialogue and mobilization of international funding structures are underway to strengthen the national funding mechanism established by the Government of Cameroon through the Cameroon Coffee and Cocoa Development Fund (FODECC) (see *Project Spotlight: Scaling up zero-deforestation cocoa production by smallholders*).
- A project for integrated management of the Grand Mbam landscape and surrounding area (KfW, \$20 million).
- A project to support inter-sectoral and multi-level coordination within the framework of the partnership between Cameroon and CAFI (GIZ, \$13.6 million).
- Spatial planning capacity-building project (GIZ, \$6.26 million).

In addition, two preparatory grants were approved and funds transferred in 2023:

- A \$295,005 preparatory grant to support coordination by the MINEPAT, with support from UNDP.
- A \$499,315.50 preparatory grant to develop the FODECC project, with support from IFAD.

Project Spotlight

Scaling up zero-deforestation cocoa production by smallholders



CAFI provides a small grant aiming to prepare support to the Cameroon Coffee and Cocoa Development Fund (FODECC) with 20 million US\$ over the next 3 years, combining forces with significant domestic resources and EU funding. The country aims to scale enrolment of small producers from the current 130,000 up to 300,000 producers by 2025.

National partners:

Ministry of Economy, Planning and Regional Development

Implementing organization:

International Fund for Agricultural Development (IFAD)

Preparatory grant approved and transferred in 2023: \$499,316

As the world's 5th largest cocoa producer and a major coffee grower, Cameroon is firmly committed to the production of sustainable cocoa and to supporting its producers in complying with the requirements of the European regulation on deforestation-free products (EUDR).

Cameroon's 700,000 coffee and cocoa producers, the majority of whom are smallholders, face major challenges in complying with the EUDR. For example, geolocation transparency requirements are a challenge for smallholders, putting them at a disadvantage compared to larger farms.

To support small-scale producers in their **agro-ecological coffee and cocoa production**, Cameroon has developed a unique funding tool, the Coffee and Cocoa Development Fund, (in French '*Fonds de Développement des Filières Café et Cacao*', or FODECC).

FODECC already manages a direct funding mechanism for cocoa and coffee producers called "Guichet Producteurs". Funded to the tune of **12 million euros/year by national resources** through a levy on cocoa and coffee exports, the FODECC has enabled the geolocation of plots and the opening of accounts for the 130,000 small-scale producers in Cameroon who benefit from subsidies for the sustainable intensification of their production.

The establishment of this system has received support from the European Union as part of the 2023 sector reform contracts. **The Cameroon government's objective is to scale up the scheme to support all 700,000 Cameroonian** households dependent on these 2 export sectors to Europe, and ultimately to support the 2.7 million Cameroonian households dependent on agriculture in their transition to deforestation-free agroecological practices.

CAFI aims to support FODECC with 20 million dollars over the next 3 years, which represents the budget for approximately one year of FODECC operations. FODECC's objective, with its domestic resources and the support of CAFI, is to reach 300,000 producers by 2025.

Central African Republic



Forest: 28.3 million hectares of forest, 47 % of the national territory.

Partnership: Pilot phase with 1st investments (\$10 million) and negotiation of Letter of intent to start.

Financing:

Total funding approved: **\$1.7 million**

Total funding transferred: **\$1.7 million**

Meetings were held with the Minister of Environment at the margins of the Three Basin Summit in Libreville on October 2023 and with the Prime Minister in Geneva on December 2023, to exchange on the opportunities to consolidate the partnership. The Prime Minister asked CAFI in a letter from December 2023 to provide support for the integration of climate concerns in the development of the National Development Plan 2024-2029 and explore the possibility to pilot investments in the country. Positive developments are expected early 2024.

National partners

- Prime Minister
- Ministry of Economy
- Ministry of Environment and Sustainable Development



H.E. the Prime Minister of the Central African Republic meets with the CAFI Secretariat during his visit to Geneva

Equatorial Guinea



Forest: 2.6 million hectares representing 94% of land mass

Financing:

Total funding approved: **\$1.1 million**

Total funding transferred: **\$1.1 million**

Portfolio development

Based on the EB decision of June 2022, a proposal for a preparatory grant was developed by AFD and submitted in September 2023 to the CAFI Secretariat.

The proposal is planning to support the production and collection of data on the forestry and timber industry and adherence to the ITTO; map forest/timber actors and potential evolution towards sustainability; identify the actions to which CAFI could contribute with a significant impact on land use planning; explore options for integrated local programs.

Regional projects



Financing

Total funding approved: **\$24 million**

Total funding transferred: **\$14 million**

Total funding spent: **\$6 million**

Six projects (see Annex 1) ranging from preparatory grants to large scale investments in zero deforestation agriculture and implemented by investment funds, NGOs or UN partners, constitute the CAFI regional portfolio.

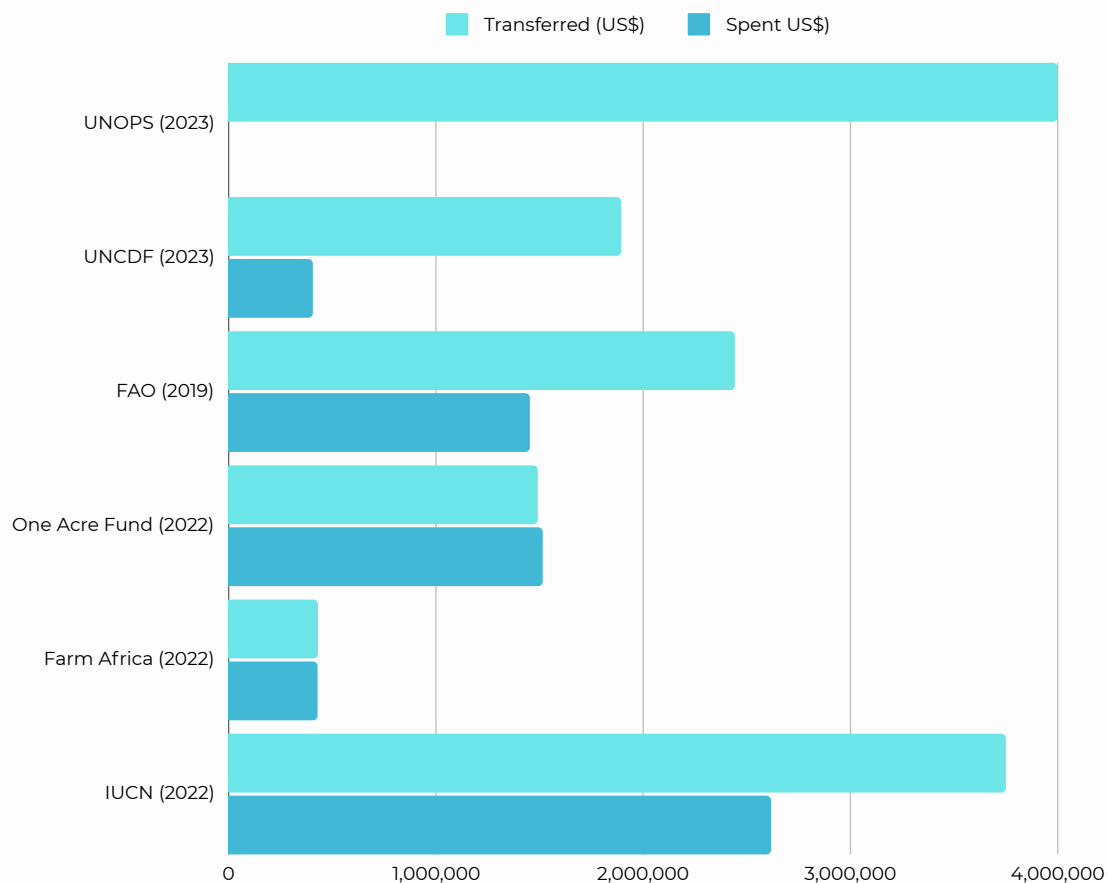
6 Implementing partners

- One Acre Fund
- Farm Africa
- IUCN
- UNCDF
- UNOPS
- FAO

Portfolio overview

In 2023 the Executive Board approved the &Green Project titled “Scaling up commercial investment in deforestation-free Central African commodity supply chains” with a total budget of \$51,106,348 for &Green, whose accreditation is ongoing. The project focuses on scaling-up commercial investment in tropical agricultural supply chains while transforming them to deforestation-free and socially inclusive practices at a landscape level.

The UNOPS Regional Technical Assistance Facility Project was approved and funds transferred in December 2023 to provide technical assistance to milestone implementation, and targeted and results-focused capacity building to national entities.



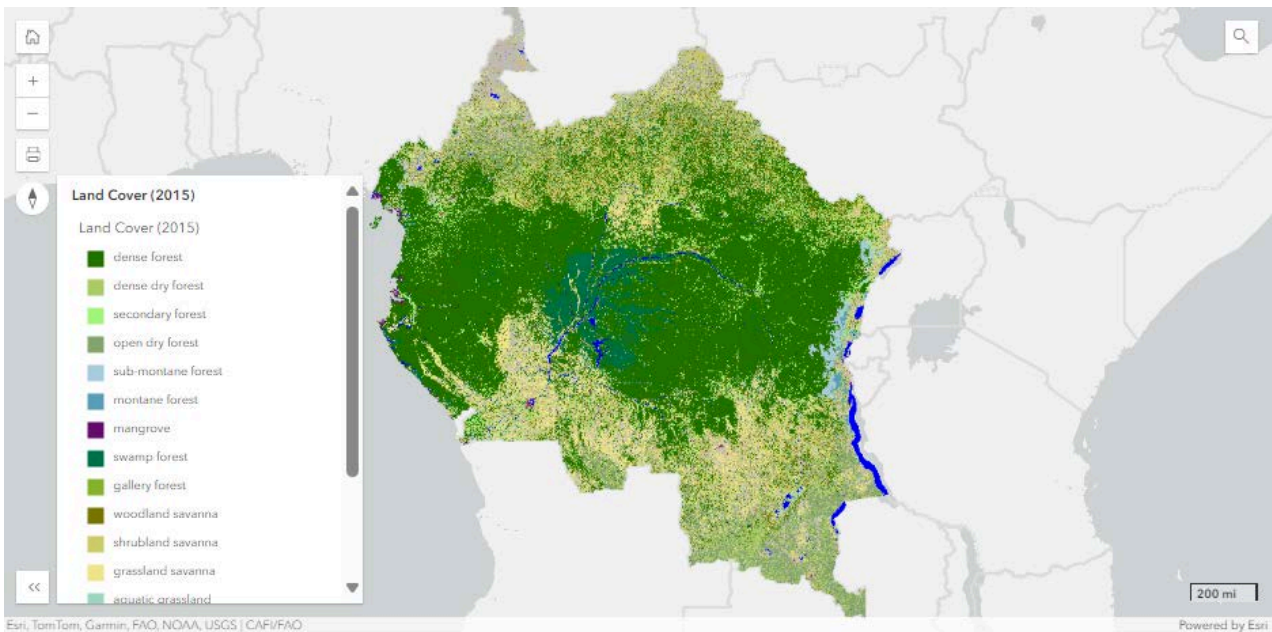
Transfers and expenditures for regional projects (\$)
Date of first fund transfer is indicated in parentheses

Major results

Forest monitoring

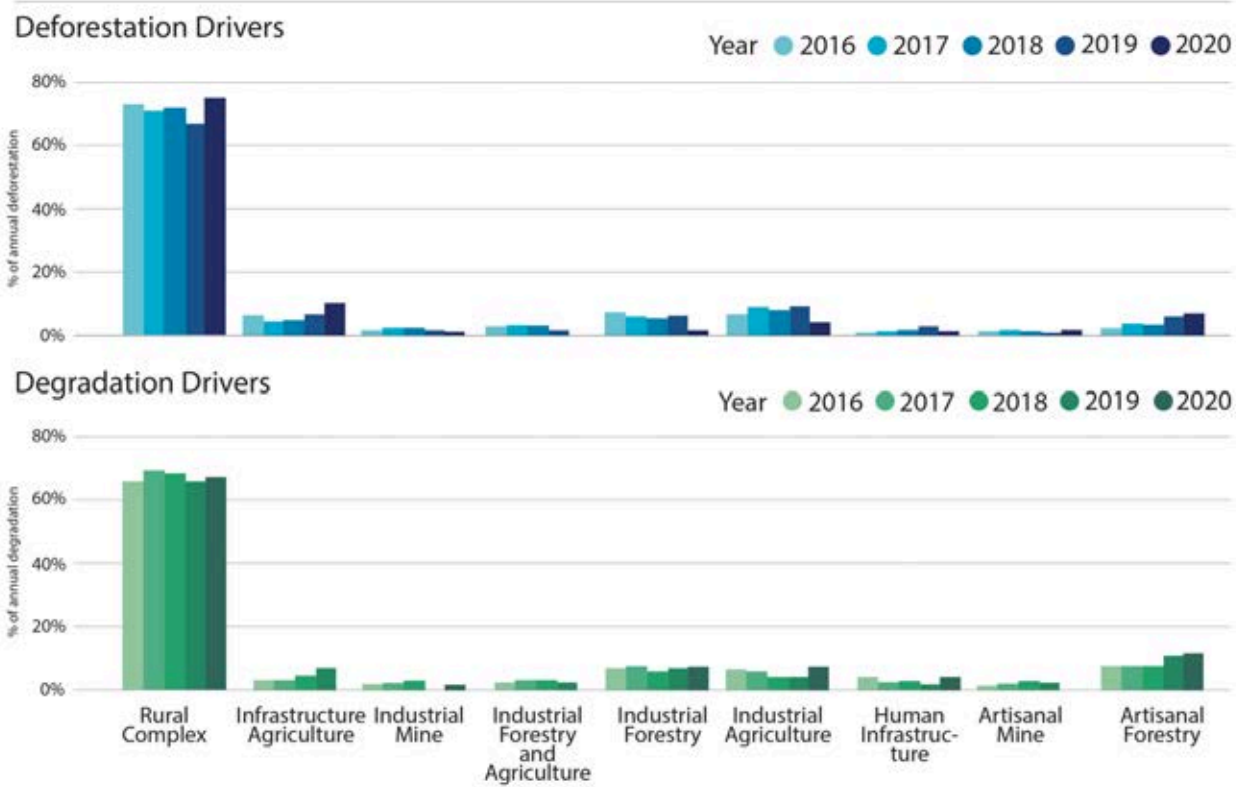
The FAO Regional study on deforestation project has piloted a new sample-based approach resulting in significant advances in forest monitoring and identification of drivers. The method is entirely open-source, executed in the cloud through FAO's SEPAL platform. It promotes a transparent approach to forest monitoring, and aligns to national monitoring initiatives, notably in Congo, Gabon and the DRC.

The project is generating national-scale estimates of forest cover change for 2016-2023 in all six CAFI partner countries. It has actively engaged governmental experts from these countries, providing extensive capacity development through bilateral technical meetings and webinars. Public information on the project, including an open database is [available online](#) along with regular information and updates on the new [project website](#), available in three languages.

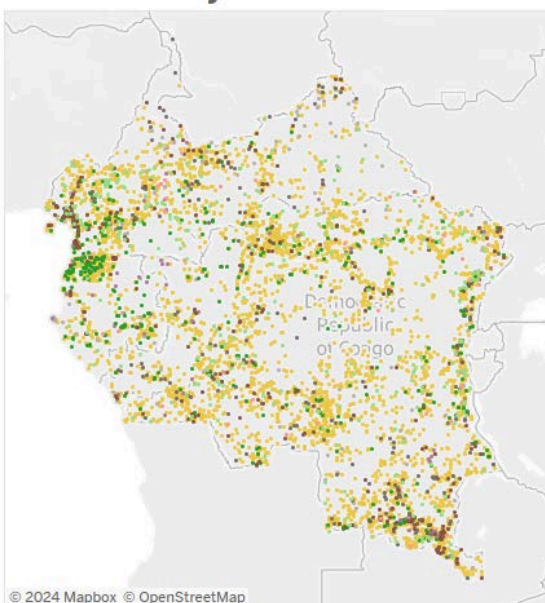


Land cover classification based on harmonized definitions tailored to the Central African contexts

Results of the first phase of the project, covering 2016 to 2020, were published in 2023 in the *Land Use Policy journal*, with excerpts reproduced below. Results from the 2nd phase will be available [here](#).



Region-wide, small scale agriculture continues to drive deforestation and degradation in fragmented forests in the Congo Basin (2015–2020). The greatest proportion of deforestation and degradation remains associated with the rural complex. Large variations are observed across countries.



Grouped Drivers

- artisanal forestry
- artisanal mining
- industrial agriculture
- industrial forestry
- industrial forestry and agriculture
- industrial mining
- infrastructure agriculture
- other
- rural complex

Which drivers and where: Results from the regional drivers of deforestation study

Conclusion

2023 was largely devoted to turning the success of the Glasgow Forest pledges into approved projects that can deliver fast, long-term and sustainable results. This was notable with the new funding approved in DRC; the effective launch of activities for large scale projects in the Republic of Congo. The partnership with Cameroon entered a new phase in 2023, is expected to grow in 2024 with Central African Republic, while CAFI continues, at a more modest pace, to explore the partnership with Equatorial Guinea with new, tailored opportunities.

Country ownership remains a strong focus of CAFI's support. As a political dialogue platform, CAFI maintains a high level of dialogue, at ministerial level and above, with its partner countries, and welcomed the United States as the 10th donor member of the CAFI Executive Board.

CAFI is also entering a new era of transparency: through defining the tools needed to deploy Payments for Environmental Services at scale, through enhanced efforts in collecting and analysing cartographic data, through the deployment of the new [CAFI Metrics Hub](#) to showcase and adjust results as their reliability improve. With information needs on the rise, internally and externally, new platforms for data information and project management systems should start facilitating, in 2024, the sharing of information and flagging of risks.

Joint efforts must continue to protect a forest that is possibly the last significant land-based tropical carbon sink in the world. The unprecedented floodings of agricultural lands and resulting famines in DRC serve as reminders of the urgent needs of the people who depend upon these forests.

Annex: project portfolio

DRC Territorial projects active in 2023

IO	Short name and link to financial information	\$ approved
UNDP	<u>PIREDD Orientale</u>	33M
JICA	<u>PIREDD Kwilu</u>	9M
Enabel	<u>PIREDD Mongala</u>	12M
FAO	<u>PIREDD Equateur</u>	10M
GIZ	<u>PIREDD Maniema</u>	20M
IBDR	<u>PIREDD Mai Ndombe</u>	30M
AFD	<u>Agriculture in Savannahs and Degraded Forests</u>	15M

DRC Enabling projects active in 2023

IO	Short name and link to financial information	\$ approved
AFD	<u>Sustainable Management of Forests</u>	12M
UNDP	<u>Support to Land Use Planning Reform</u>	8M
UNCDF UNDP	<u>Sustainable Wood Energy</u>	7M
UNDP	<u>FONAREDD Secretariat</u>	10M

DRC projects closed in 2023

IO	Short name and link to financial information	\$ Final amount
UN-Habitat	Land Tenure Reform	7M
WB	Support to Indigenous Peoples	2M
UNFPA UNOPS	Scaling Up Family Planning	11M
UNDP	Support to Civil Society	3.3 M
UNDP	NDC support (non FONAREDD)	0.5 M

DRC projects closed prior to 2023

FAO	National Forest Monitoring System (closed in 2021)	10M
FAO	Sustainable Agriculture Reform (closed in 2022)	3M
WB	PIREDD Sud Ubangui (closed in 2021)	7M

Cameroon projects active in 2023

IO	Short name and link to financial information	\$ approved
IFAD	Cocoa and Coffee Sectors Development Fund Support (preparatory grant) .	0.5M
UNDP	Coordination (preparatory grant) .	0.3M

Closed Cameroon projects

IO	Short name and link to financial information	\$ Final amount
WB	Preparatory grant to develop Nat. Inv. Framework (closed in 2019) .	0.5M

Gabon projects active in 2023

IO	Short name and link to financial information	\$ approved
AFD	Land Use Planning and Monitoring (CAFI 1)	18.5M
UNDP	Expansion of Protected Areas (CAFI 2)	5M
UNDP	Coordination	1.5M
UNDP	Protected Areas	9M
TNC	Certification and Legality (CAFI 2)	7M
TNC	Community Forest Management	3M
TNC	Research & Monitoring	2.5M
UNESCO UNDP	Urban Greening	1.7M

Rep. of Congo projects active in 2023

IO	Short name and link to financial information	\$ approved
AFD	<u>Sustainable Land Use Planning Governance</u>	18.4M
AFD	<u>Sustainable Land Use Investment</u>	16.5M
FAO	<u>Operationalization of the National MRV System</u>	2M
UNDP	<u>Coordination</u>	1.4M
FAO	<u>Sustainable Wood Energy Plantations</u>	7M
ID	<u>Improved Cookstoves</u>	1M

Closed projects

FAO	Preparatory grant for GCF Proposal	0.3M
IBRD	Preparatory grant to Prepare NIF	0.7M

Regional projects active in 2023

IO	Short name and link to financial information	\$ approved
OAF	Innovative Agriculture \ (preparatory_grant)	1.5M
UNCDF	Scaling Up Investments in Deforestation-free Supply Chains	1.9M
FAO	Regional Study on Deforestation	2.4M
IUCN	CPIC Conservation Initiative	7.5M
UNOPS	Technical Assistance	10M

Projects closed in 2023

Farm Africa	Innovative Agriculture (preparatory_grant)	0.4M
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