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CAFI Annual report **2016**



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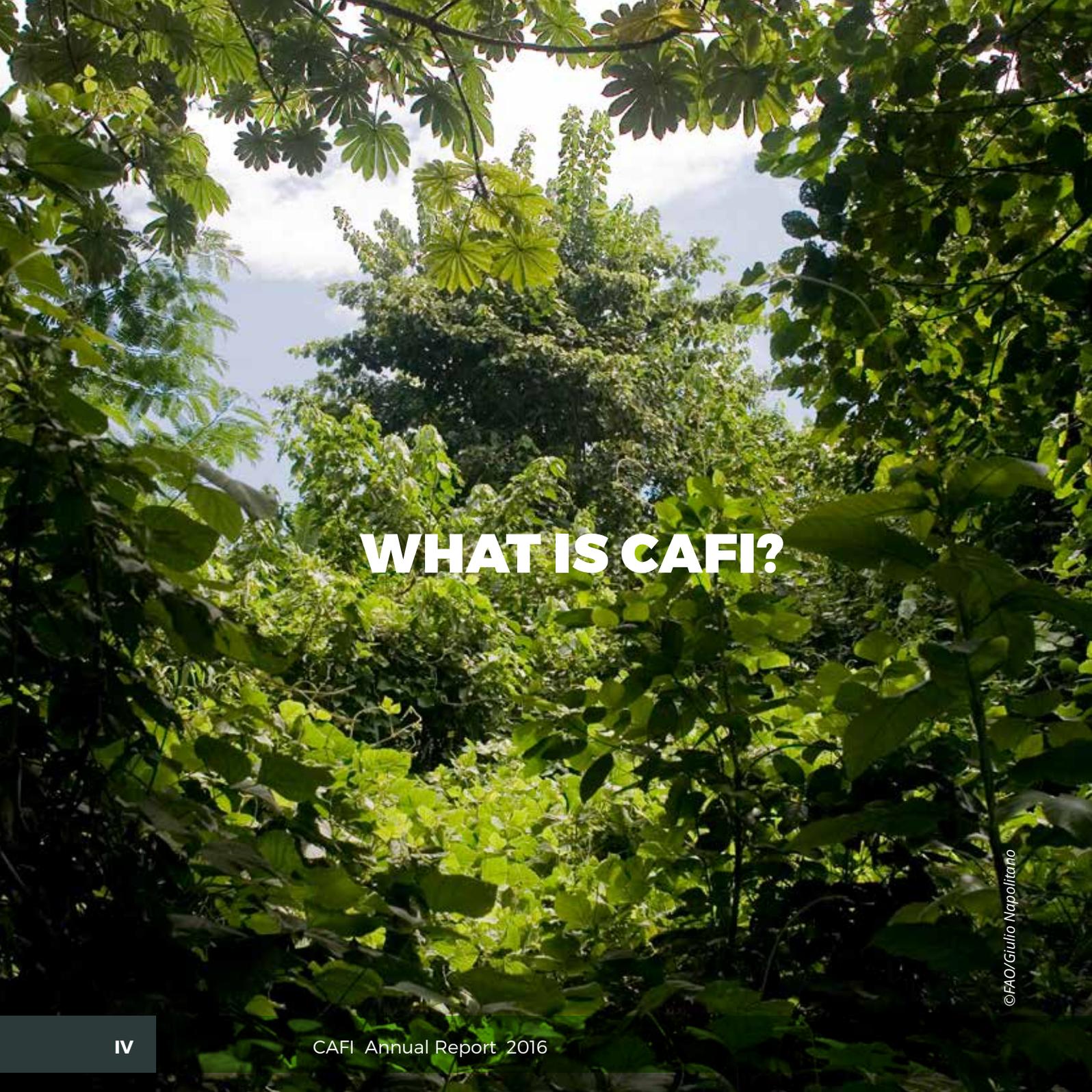
CAFI
ANNUAL REPORT
2016

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WHAT IS CAFI?

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CAFI is as a collaborative partnership that gathers:

- Central African partner countries: [Cameroon](#) ¹, [Central African Republic](#) ², [Republic of Congo](#) ³, [the Democratic Republic of the Congo](#) ⁴, [Equatorial Guinea](#) ⁵ and [Gabon](#) ⁶
- A coalition of donors: the European Union, France, Germany, the Netherlands, Norway, South Korea and the United Kingdom
- Brazil as South-South partner.

Partner commitments are formalized through the signature of the [CAFI Declaration](#)⁷.

CAFI is the only initiative that supports strategic, holistic and country-level REDD+ and Low Emission Development investments while focusing on Central African high-forest cover countries. Its objective is to recognize and preserve the value of the forests in the region to mitigate climate change, reduce poverty and contribute to sustainable development. This objective will be attained through substantially scaled-up international support to transformational reforms and ambitious investments on the ground. Thus CAFI's support focuses on :

- developing and implementing **National Investment Frameworks (NIFs)**, endorsed at the highest level by national institutions with cross-sectoral mandates
- providing funding based on the achievement of policy and programmatic **milestones** that are spelled out in letters of intent
- encouraging **donor coordination and alignment of bilateral assistance** based on NIFs
- promoting **inclusive participation** of all stakeholders, including the private sector.

To support this process, management is carried out at three levels:

- The [Executive Board](#)⁸, supported by a lean Secretariat, is responsible for overall coordination with CAFI Partner Countries and decisions regarding the allocation of resources from the CAFI Fund
- UNDP's [Multi-Partner Trust Fund Office](#)⁹ is responsible for administering the CAFI [Trust Fund](#)¹⁰
- UN agencies (including FAO, UNDP), the World Bank and bilateral cooperation agencies (such as the French Development Agency) serve as [implementing organizations](#)¹¹ to access funding from the Trust Fund and assist CAFI Partner Countries.

1 <http://bit.ly/2tsRz6S>

2 <http://bit.ly/2t8iiTR>

3 <http://bit.ly/2sYvhsS>

4 <http://bit.ly/2twP8Rs>

5 <http://bit.ly/2ttfPpe>

6 <http://bit.ly/2trPQ21>

7 <http://bit.ly/2t7Y9gV>

8 <http://bit.ly/2tsRwbc>

9 <http://mptf.undp.org/>

10 <http://mptf.undp.org/factsheet/fund/AFI00>

11 <http://bit.ly/2uqFagQ>

LIST OF MAIN ACRONYMS

CAFI	Central African Forest Initiative
CBFP	Congo Basin Forest Partnership
COP-22	Conference of the Parties to the United Nations Framework Convention on Climate Change
DRC	Democratic Republic of the Congo
EB	(CAFI) Executive Board
Eoi	expression of interest
FONAREDD	REDD+ National Fund (DRC)
M&E	Monitoring and Evaluation
(I)NGO	(International) Non-Governmental Organizations
REDD+	Reducing Emissions from Deforestation, forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries
ToR	Terms of Reference
UNFCCC	United Nations Framework Convention on Climate Change

SUMMARY : A FIRST FULL YEAR OF MAJOR ACHIEVEMENTS

Following its launch in September 2015, the Central African Forest Initiative (CAFI) moved forward with its goal of supporting country-owned, holistic, comprehensive National REDD+ Investment Frameworks in high forest-cover countries of the Congo basin. Amongst the major milestones were:

A Letter of Intent and commitment of US \$190 million to the Democratic Republic of the Congo (DRC) to implement its National REDD+ Investment Plan, followed by the approval of the first four programmes aimed at provincial investments, the completion of the National Forest Monitoring system and support to civil society and Indigenous peoples

- Preparatory funds granted, totaling US\$

3,698,000, to Cameroon, Central African Republic, Republic of Congo, and Equatorial Guinea to develop ambitious, cross-cutting National Investment Plans or Frameworks

- The Netherlands joined the Initiative, and France finalized its funding commitment
- Increased visibility through events and communication efforts, allowing CAFI to become known actor in the area of Climate, Forest and Development efforts in Central Africa, as shown through articles in major international media.

CAFI's unique vision, demonstrated efficiency and complementary approaches is now recognized and highly sought.



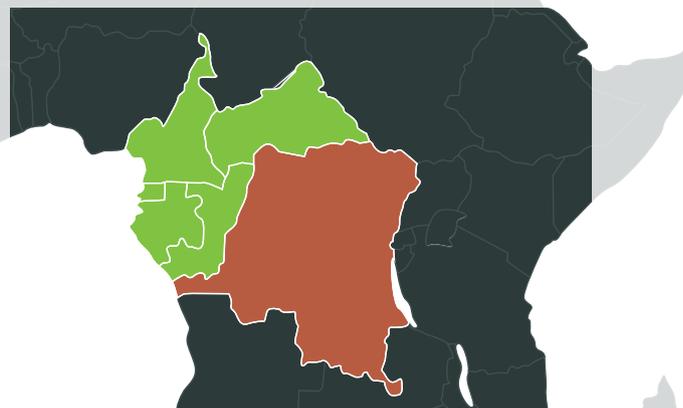
I. COUNTRY PORTFOLIO

1. DRC receives major funding, sets up governance system and moves promptly on programming

The Democratic Republic of Congo has been engaged in the process of Reducing Emissions from Deforestation and Forest Degradation (REDD +) since 2009. In November 2012, the Government approved the REDD+ National Framework Strategy as a development strategy that promotes sustainable land management and use in order to address in an integrated way all the drivers of deforestation.

1.1 Letter of Intent Signed

Following two months of negotiations, a [Letter of Intent \(LOI\)](#) was signed on 22 April 2016 between the Democratic Republic of Congo (DRC) and CAFI¹². The LOI aims to finance the priorities identified in the [REDD + Investment Plan of the DRC](#)¹³. It covers the period of 2016-2020 with a financial commitment of 200 million USD from CAFI, of which 190 million USD through the REDD+ National Fund of the DRC (FONAREDD), as well as commitments on policies and measures on the part of the DRC.



High-level engagement

The Letter of Intent between the Government of the Democratic Republic of the Congo and the Central African Forest Initiative (CAFI), establishes a “cooperative partnership for the implementation of the DRC’s National REDD+ Framework Strategy and REDD+ Investment Plan over the 2016-2020 period”. For DRC, the LOI was signed by the Minister of Finance, H.E Henri Yav Mulang who is in charge of inter-sectorial coordination and supervises the implementation of the country’s Economic Governance Matrix (Box 1). For CAFI, the LOI was co-signed by H.E Vidar Helgesen, Norway’s Minister of Climate and the Environment, and Jennifer Topping, Executive Coordinator of the Multi Partner Trust Fund Office of UNDP.

12 <http://www.cafi.org/content/cafi/en/home/partner-countries/democratic-republic-of-the-congo/the-letter-of-intent-between-cafi-and-the-drc.html>

13 <http://www.cafi.org/content/cafi/en/home/partner-countries/democratic-republic-of-the-congo/drc-redd--investment-plan-test.html>

Box 1: The DRC Economic Governance Matrix

In 2010, as part of the Initiative for Heavily Indebted Countries and the Multilateral Debt Relief Initiative, the Government of DRC, in partnership with the World Bank and the IMF, defined an “Economic Governance Matrix” to improve natural resource management. It is a key tool for the government to monitor economic governance reforms through time-bound targets in key sectors. It includes relevant REDD+ measures that were also incorporated in the REDD+ Investment plan:

- Adopt a land use master plan
- Define tenure reforms needed to support economic development zones and REDD+ pilots
- Adopt REDD+ standards for mining and oil investments in forest lands

A historical day

To highlight the importance of REDD+ in achieving ambitions under the UNFCCC, the LOI was signed during an official high level ceremony, in the presence of embassies and several media, on 22 April 2016, the very day the Paris Agreement opened for signature. This ceremony concluded an intense negotiation process initiated in January 2016 according to a roadmap agreed to by both parties.

Ambitious objectives – funding at scale conditioned on results

With the general objective of reducing emissions from deforestation and forest degradation, the letter of Intent lays out principles and respective commitments of the parties. On the one hand, the DRC government commits to eight policy objectives addressing all direct and indirect drivers of forest loss across different sectors. These objectives reflect the eight outcomes of the DRC REDD+ Investment Plan, with particular emphasis on their transparent and participatory implementation. On the other hand, CAFI pledges a financial commitment of US\$ 190 million in two tranches. The first tranche (US\$ 120 million) is available as programming needs are demonstrated, while the second tranche (US\$ 70 million) is only triggered if “intermediate milestones”, to be reached by December 2018, are satisfactorily met.

Eight policy objectives for a comprehensive response to drivers

Agriculture



Develop and implement an agricultural policy that contributes to rural development and national food security while limiting the current and future impact on forests

Energy



Develop and implement an energy policy of sustainable management of wood energy and its partial substitution

Forests



Develop and implement a forest policy for sustainable management of forest resources by multiple stakeholders in the sector, including local and indigenous communities, with particular emphasis on forest law enforcement, governance and various local and community management models. DRC commits to strengthen oversight capacity in existing forest exploitation areas, and in areas where potential new concessions will be attributed

Mining & Oil



Develop and implement REDD+ standards for mining and oil investments in forest areas in order to prevent, reduce and otherwise offset their impacts on forests

Land-Use Planning



Develop and implement a land-use policy that organizes and optimizes the use of land and forest resources by the various national economic sectors, in respect of rights recognized in the DRC legal system, to reduce the impact thereof on forests, reduce conflicts and ensure sustainable development at national and local level

Land tenure



Develop and implement a land-tenure policy that is equitable, including with regard to gender, vulnerable people, local communities and indigenous peoples, and that could ensure sustainable and non-confrontational management of land and clarification of tenure rights, with the goal of limiting the conversion of forest lands

Population



Support the participatory implementation of the 2014–2020 National Multi-sector Strategic Plan on Family Planning

Governance



Promote the alignment of interventions in the country by the national public sector and the national and international private sector on REDD+ objectives; ensure transparency and consolidation of information as well as law enforcement in sectors relevant to REDD+.

Policy objectives translated into concrete and measurable milestones

The eight objectives of the Letter of Intent are broken down into **concrete and measurable milestones**: 29 intermediate ones for 2018, and 18 for 2020. For example, Objective 1 (agriculture) contains two 2020 milestones and three intermediate milestones:

- A draft agricultural policy (with various quality criteria elaborated in the LOI)
- A system of satellite monitoring of the spatial development of commercial plantations
- A system of agricultural guidance and input production/distribution in place in each REDD+ Integrated Programme by the end of year 2 of implementation

Verifying milestones independently

The 2018 milestones will be verified independently. As per article 10 of the LOI, the modalities for this verification will be defined in a methodological document, jointly elaborated by the DRC government and CAFI.

The Letter of Intent is a public document and is available in [French](#)¹⁴ and [English](#)¹⁵.

14 <http://www.cafi.org/content/cafi/fr/home/partner-countries/democratic-republic-of-the-congo/the-letter-of-intent-between-cafi-and-the-drc.html>

15 <http://www.cafi.org/content/cafi/en/home/partner-countries/democratic-republic-of-the-congo/the-letter-of-intent-between-cafi-and-the-drc.html>

1.2. Launch of the DRC REDD+ programming cycle

In an effort to reach the intended results in 2018, the Government of the DRC launched the programming cycle of the REDD+ National Fund (FONAREDD) as soon as the Letter of Intent was signed. The Minister of Finance and the Minister of the Environment, Nature Conservation and Sustainable Development, in their respective capacity as Chairman and Vice-Chairman of the FONAREDD Steering Committee, validated a roadmap for the Operationalization of the REDD + National Fund and the launch of the programming cycle.

At its first meeting on 9 May 2016, the FONAREDD Steering Committee took note of this Roadmap and validated the scoping note of the Calls for Expression of Interest (EoI) for 2016. Two sets of calls for EoI, were initially planned in 2016, covering the entire portfolio of the Fund financed by CAFI, in order to select program proposals.

In accordance with the guidance given by the FONAREDD Steering Committee, the Interim Executive Secretariat published on 1 June 2016 eight calls for expressions of interest [listed here](#)¹⁶, for a total amount of \$ 122 million US and a ninth one on 2 November 2016. The second set of EoI is scheduled for 2017.

On 4 July 2016, the FONAREDD Secretariat had received submissions (programme documents and/or idea notes) for all EoI, as shown in **Table 1**.

16 <http://www.cafi.org/content/cafi/en/home/events/drc-call-for-proposals-redd.html>

Table 1 Submissions received following the first call for DRC Expressions of Interest

Expression of Interest	Programmes	Objectives in the letter of intent	Submitting organization	Format	Number of pages
Eol 01	Integrated programme Mai Ndombe	Cross cutting	World Bank	PRODOC	100
	Integrated programme Kwilu	Cross cutting	FAO	PRODOC	88
	Integrated programme Ituri	Cross cutting			
	Integrated programme Bas Uele	Cross cutting	UNDP	PRODOC	127
	Integrated programme Tshopo	Cross cutting			
	Integrated programme Sud Ubangi (re-issued on 2 November as Eol09)	Cross cutting	World Bank	PIN	25
			SNV	PIN	20
			FAO	PIN	20
	Integrated programme Mongala	Cross cutting	SNV	PIN	20
			FAO	PIN	20
Integrated programme Equateur	Cross cutting	SNV	PIN	20	
		FAO	PIN	20	
Eol 02	Sustainable management of agriculture	Agriculture	FAO	PIN	15
Eol 03	National Forest Monitoring System	Cross cutting	FAO	PRODOC	85
Eol 04	Sustainable management of forests	Forests	AFD	PIN	45
			FAO	PRODOC	86
Eol 05	Land use planning reform	Land use planning	UNDP	PRODOC	62

Expression of Interest	Programmes	Objectives in the letter of intent	Submitting organization	Format	Number of pages
Eol 06	Tenure reform	Tenure	UN Habitat	PIN	24
			World Bank	PIN	32
Eol 07	Civil society	Governance	UNDP	PRODOC	45
Eol 08	Indigenous peoples	Governance	World Bank	PRODOC	60

These totaled 17 program proposals, including 8 program documents (PRODOC) and 9 program idea notes (PIN) with varying degree of details (between 15 and 45 pages).

In accordance with the Operations Manual, the FONAREDD Secretariat established a pool of independent experts, recruiting national and international consultants on a competitive basis (UNDP). Each program proposal was independently evaluated by an international evaluator and a national evaluator. This in total represented 34 reports.

The Technical Committee met four times in 2016. Agenda and resolutions are available [here](#)¹⁷.

17 <http://www.cafi.org/content/cafi/en/home/partner-countries/democratic-republic-of-the-congo/the-drc-redd-national-fund/meetings-of-the-fonaredd-governing-bodies.html>

1.3. Four programmes approved

The Steering Committee met twice in 2016 (agendas and decisions [here](#)¹⁸), leading on 20 October 2016 to the approval of 4 programmes, summarized in **Table 2**.

Table 2 DRC programs approved in October 2016

Eol	Programme	Expected results	Amount (US\$)	Implementing organization
01	<p>Mai - Ndombé Integrated programme</p> <p>Download the programme document (French) http://bit.ly/2stkmr</p>	<p>Living conditions and incomes improved by 20%, especially those of farmers, while ensuring the sustainable management of resources and land;</p> <p>Sustainable rural development promoted by increasing agricultural productivity through improved practices, developing perennial crops and strengthening local governance around a holistic vision centered on land use planning and</p> <p>Deforestation and forest degradation stabilized in the former Mai-Ndombé District</p>	<p>30 millions (in two tranches : 20 +10)</p> <p>More financial information http://bit.ly/2tRg4Hz</p>	World Bank
03	<p>Finalization and operationalization of the National Forest Monitoring System</p> <p>Download the programme document (French) http://bit.ly/2sEAHaS</p>	<p>Monitoring of the changes in forest cover</p> <p>Proactive monitoring of major deforestation events</p> <p>Meet UNFCCC criteria to allow access to results-based payments related to reduction in deforestation</p>	<p>10 millions (in two tranches : 6 + 4)</p> <p>More financial information http://bit.ly/2rFCMIr</p>	FAO

18 <http://www.cafi.org/content/cafi/en/home/partner-countries/democratic-republic-of-the-congo/the-drc-redd-national-fund/meetings-of-the-fonaredd-governing-bodies.html>

Eol	Programme	Expected results	Amount (US\$)	Implementing organization
07	Support to Civil society Download the programme document (French) http://bit.ly/2sEx1Wr	GTCR-R fully functional (national coordination and governance and oversight bodies) Organization expanded and new partnerships sought Active provincial and territorial coordination, especially for REDD+ intervention areas Training programmes implemented	2 millions More financial information http://bit.ly/2rUaffX	UNDP
08	Sustainable management of forests by Indigenous Peoples (Pygmees) Download the programme document (French) http://bit.ly/2rYv3OG	Develop national capacity to : Identify models of sustainable natural resource management by Indigenous peoples Experiment these models in order to disseminate them more widely	2 millions More financial information http://bit.ly/2rYhTRP	World Bank

1.4. Illegal concessions cancelled

In July 2016, [Greenpeace and a coalition of international NGOs alerted the CAFE Executive Board](#)¹⁹ that three logging concessions of a total of 650.000 hectares had been granted in Equateur, Tshuapa Provinces in Tshopo Province in 2015 in breach of the current moratorium. Further investigations and numerous discussions ensued between the CAFE Secretariat, CAFE Executive Board members and the DRC government, which facilitated the prompt cancellation of illegal concessions on August 12, 2016 by ministerial arrêté.

19 <http://www.greenpeace-africa.africa-newsroom.com/press/how-the-drc-government-has-secretly-breached-its-own-logging-moratorium>

The arrêté (**Figure 1**) was published in the Official Journal of the Republic on 15 September 2016.

1.5. Events

On 15 November 2016, the DRC with support from the CAFE secretariat organized [an event](#)²⁰, hosted in the UNDP Pavilion at COP 22 to present the areas of the DRC REDD+ Investment Plan where implementation had begun, and how this aligned with existing initiatives in the country. It also showcased how cross-sectoral and multi-stakeholder coordination for REDD+ works in practice in DRC

20 <http://www.cafi.org/content/caf/en/home/events/drc-high-level-event-at-cop-22.html>

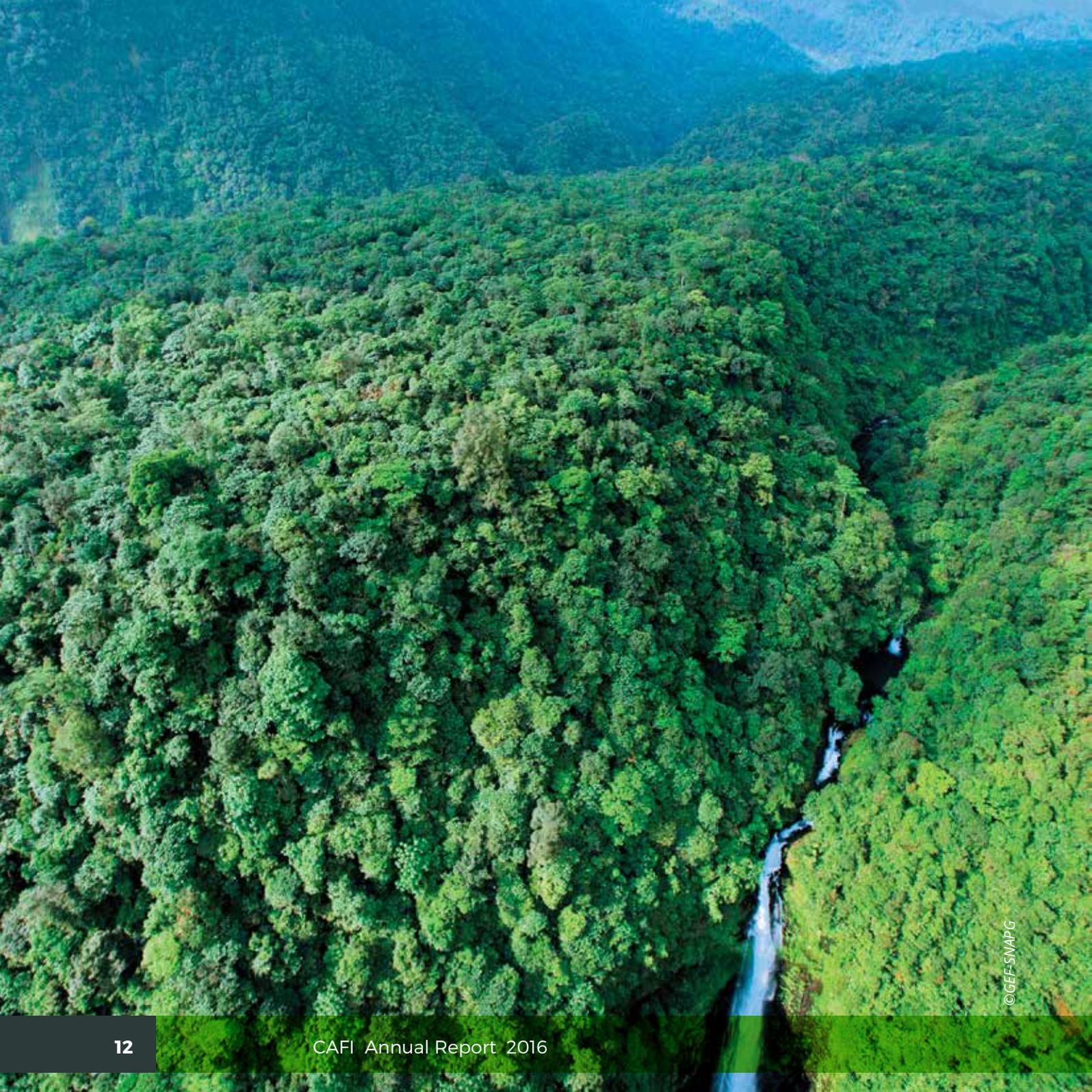
through the National REDD+ Fund, and was an opportunity to discuss how the momentum created by signing of the DRC - CAFI Letter of Intent could be leveraged to scale up funding for the DRC National Fund for REDD+, from further investments to results-based payments. The strong national ownership demonstrated by DRC for a national approach to REDD+ and for a nationally coordinated programmatic approach for receiving GCF REDD+ investments was then discussed by international and national experts including Karsten Sach, member of the GCF Board, Per Fredrik Ilsaas Pharo, Director of the Norwegian International Climate and Forest Initiative; Jean Luc François, Director of Rural Development and Biodiversity at Agence Française de Développement ; Benoit Bosquet Practice Manager of the Environment and Natural Resources Global Practice at the World Bank, Adriana Dinu, Executive Coordinator at the Bureau for Policy and Programme Support of UNDP ; and Issa Lingbelu Tiapele of the Groupe de Travail Climat- REDD Rénové of DRC.

1.6. Technical and policy support

Throughout 2016 the CAFI Secretariat funded technical assistance to DRC, notably to support the Government in its negotiations on the Letter of Intent; during the meetings of the Technical Committee of the DRC FONAREDD (analyzing programme and supporting ministerial decisions, in addition to independent reviews and national expertise); support the development of the DRC GCF concept note (drafting, translation and dissemination). The CAFI Secretariat also funded support to civil society in DRC during the negotiation of the Letter of Intent

Figure 1 Excerpt from the Official Journal of the DRC

57 ^e année		Première partie	n° 18
 JOURNAL OFFICIEL de la République Démocratique du Congo			
Cabinet de Président de la République Kinshasa - 15 septembre 2016			
SOMMAIRE GOVERNEMENT <i>Ministère du Commerce,</i> <i>et</i> <i>Ministère des Finances</i>		13 juillet 2016 - Arrêté ministériel n°112/CAB/MIN.AFF.FONC/2016 portant affectation des Conservateurs des titres immobiliers et des Chefs de division du cadastre dans les Circonscriptions foncières de la Province du Haut-Uélé, col. 19.	
29 juillet 2016 - Arrêté interministériel n°012/CAB/MIN.COM/2016 et 098/CAB/MIN. FINANCES/2016 portant mise en œuvre du Régime Commercial Simplifié des COMESA, «RECOSS» en sigle, col. 7.		13 juillet 2016 - Arrêté ministériel n° 113/CAB/MIN.AFF.FONC/2016 portant affectation des Conservateurs des titres immobiliers et des Chefs de division du cadastre dans les Circonscriptions foncières de la Province d'Ituri, col. 21.	
<i>Ministère de la Justice, Garde des Sceaux et Droits Humains</i>		13 juillet 2016 - Arrêté ministériel n°114 /CAB/MIN.AFF.FONC/2016 du 13 juillet 2016 portant affectation des Conservateurs des titres immobiliers et des Chefs de division du cadastre dans les Circonscriptions foncières de la Province du Bas-Uélé, col. 23.	
09 septembre 2016 - Arrêté ministériel n° 103/CAB/MIN/JGS&DH/2016 2016 relatif à l'exécution de la Loi n° 14/006 du 11 février 2014 portant amnistie pour faits insurrectionnels, faits de guerre et infractions politiques, col. 11.		13 juillet 2016 - Arrêté ministériel n° 115/CAB/MIN.AFF.FONC/2016 portant affectation des Conservateurs des Titres Immobiliers et des Chefs de Division du Cadastre dans les Circonscriptions Foncières de la Province de Tshopo, col. 25.	
<i>Ministère de l'Environnement, Conservation de la Nature et Développement Durable</i>		<i>Ministère de l'Energie et Ressources Hydrauliques.</i>	
12 août 2016 - Arrêté ministériel n°062/CAB/MIN/ECN-DD/04/09/RBM/2016 portant annulation de trois contrats des concessions forestières n°s 001, 002 et 003/15 du 16 août 2015 conclus entre le Ministre de l'Environnement, Conservation de la Nature et Développement durable et la Société la Milénaire Forestière Sarl (SOMIFOR Sarl) ainsi que la Société Forestière pour le Développement du Congo (FODECO Sarl), col. 15.		29 mars 2016 - Arrêté ministériel n°025/CAB. MIN.ERH/2016 modifiant et complétant l'Arrêté n° 069/CAB.MIN.ENER/04 du 09 décembre 2006 portant réglementation des activités d'importation et de commercialisation ou de stockage de carbure de calcium et des gaz, col. 27.	
<i>Ministère des Affaires Foncières</i>		<i>Ministère de l'Aménagement du Territoire, Urbanisme et Habitat</i>	
04 juillet 2016 - Arrêté ministériel n° 101/CAB/MIN.AFF.FONC/2016 portant nomination des membres du Cabinet du Ministre des Affaires Foncières, col. 16.		20 mars 2015 - Arrêté ministériel n°/CAB/MIN. ATUH/0008/2015 portant désaffectation et mise à disposition d'un espace vide du domaine privé de l'Etat dans la ville de Kinshasa, col. 32.	



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2. Four countries receive grants to elaborate National Investment Frameworks

2.1 Equatorial Guinea

On 7 November 2016 the CAFI Executive Board allocated 1 million US\$ to support Equatorial Guinea²¹, through FAO, to develop a REDD+ National Investment Plan (REDD+ NIP). This plan will guide and support initiatives with multiple partners and sectors needed to tackle deforestation.

This multi-sectorial REDD+ NIP will:

- contribute to the objectives of the national “Horizon 2020 Social and Economic Development Plan”
- be based on updated studies and data
- be developed through a consultative process that fosters broad consensus
- aspire to achieve results on a large scale
- allow the mobilization and coordination of possible funding sources (CAFI, GCF, GEF, FIP, national funds, etc.) under a single framework.

The REDD + NIP will include pilot projects to test frameworks, concepts and strategic options at a sub-national level before adapting and applying them nationally.

The Ministry of Economic Affairs, Planning and Investment leads the preparation of the REDD+



NIP, thus ensuring coordination between various ministerial departments and promoting approval at the highest levels of the government.

Following receipt of funds on 9 December 2016, the elaboration of the REDD+ NIP was launched through a multi-stakeholders workshop on 13 and 14 December 2016. Opened by the Eucario Bakale, Minister of Economy, Planning and Public Investment; Francisco Mba Oló Bahamonde, Minister of Forests and Environment; and Olman Serrano, FAO Representative, the launch workshop was attended by 60 participants (22 women and 38 men) from the government, the academic sector, the civil society, the private sector and UN agencies.

21 <http://bit.ly/2sTSdKn>

The workshop sessions raised awareness on CAFI, the REDD+ process in Equatorial Guinea, and created consensus around the project work plan for the next eighteen months, which will lead to the elaboration of the REDD+ National Investment Plan.

The workshop was also taken as an opportunity to hold the first meeting of the National Steering Committee for the REDD+ NIP. This committee, who will guide and monitor the development of the REDD+ NIP, includes over 10 ministerial departments: Fisheries and Environment (Vice-Chair); Agriculture and Forests (Secretariat); Finance and Budget; Public works and Infrastructure; Mining, Industry and Energy; Interior and local authorities; Information, Press and Radio; Social Affairs and Women's rights; National Security; Foreign Affairs and cooperation; as well as representatives of the Senate and the Parliament, and of civil society, community leaders, the private sector, and academia.

The launch was considered a significant milestone in building national consensus around REDD+ implementation and future investments, and in

strengthening the country's efforts towards low-carbon development. Participants particularly welcomed the opportunity given by CAFI to reinforce joint planning and work across multiple sectors and actors.

The launch was made internationally visible through articles posted on the FAO and CAFI web site²².

■ ■ *The support from CAFI is a priority for the Government of Equatorial Guinea: it aligns with the national economic and social development policy articulated in "Horizon 2020", reflecting the engagement of the Government to protect the environment in general, and conserve and protect forests in particular".*

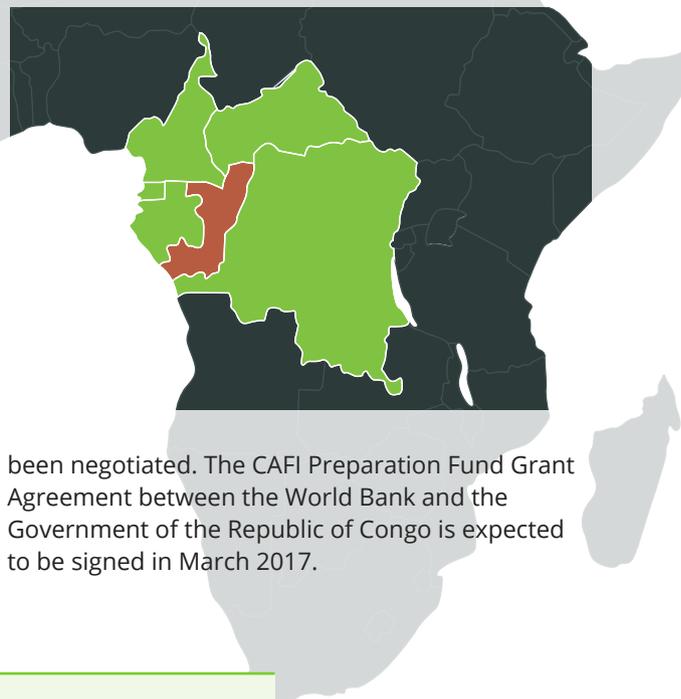
**H.E. Eucario Bakale Angue Oyana,
Minister of Economy, Planning and
Public Investments**

22 <http://www.fao.org/guinea-ecuatorial/noticias/detail-events/es/c/461171/>
<http://www.fao.org/africa/news/detail-news/en/c/461167/>
<http://www.fao.org/forestry/news/92790/en/>

2.2. Republic of Congo

To complement the National REDD+ Strategy, the CAFI Executive Board approved on 8 February 2016 a preparatory grant²³ of 698,000 US\$ to support the Republic of Congo **to develop a comprehensive REDD+ National Investment Framework (REDD+ NIF)**. The REDD+ NIF will be **designed to accommodate existing and future additional resources for implementation of the National REDD+ Strategy**, such as funding from the Forest Investment Program (FIP), the Global Environment Facility (GEF), the Green Climate Fund (GCF), and other multilateral and bilateral donors, in addition to CAFI funding.

In the Republic of Congo, the investment planning process for CAFI and FIP is being jointly prepared. Diagnoses on agroforestry value chain, fuel wood production, legal and political context, and co-benefits have been underway since October 2016 and are currently being finalized. They will serve to inform the investment plan, and consultations were held across five departments in December 2016. The contract with the international firm in charge of drafting the investment plan has



been negotiated. The CAFI Preparation Fund Grant Agreement between the World Bank and the Government of the Republic of Congo is expected to be signed in March 2017.

“The Congo is engaged in the REDD+ process in the context of the fight against climate change ; however, REDD+ in Congo is also a tool to fight poverty and promote green economy, and hence a development tool, for which CAFI support will be welcome.”

**Ministry of Forest Economy,
Sustainable Development and
Environment**

23 <http://bit.ly/2sXlIFh>

Box 2: CAFI support leads to governance gains

The newly adopted CAFI monitoring framework includes four governance indicators, related to civil society participation, anchoring of the REDD+ investment plan within climate and development frameworks, transparency and anti-corruption. It is too early to fully assess these indicators quantitatively across all CAFI partner countries, since activities in the 4 countries that received CAFI preparatory grants have not yet or just started. However, anecdotal evidence can already point to some governance gains:

Transparency

In DRC, activities around the REDD+ investment plan are now more transparent through regular and timely updates conveyed through the [DRC page of the CAFI web site](#)¹³. In Equatorial Guinea a number of public communications were made

on the occasion of the NIF inception workshop

Civil society participation

Civil society engagement in the REDD+ Investment plan remains high in DRC, where civil society are part of both the technical and the decision-making bodies of the National REDD+ Fund. Civil society representatives fully participated in the elaboration of the matrix of risk management, during a first [workshop](#)¹⁴ in December.

High level anchoring

In Equatorial Guinea, Gabon and DRC, the REDD+ investment plan is led by a Ministry with a cross-sectoral mandate (Ministry of Economy or Finance). In all countries an inter-ministerial committee is either active (DRC), formed or planned.



24 <http://www.cafi.org/content/cafi/en/home/events/rdcongo---les-risques-a-gerer.html>

25 <http://www.cafi.org/content/cafi/en/home/partner-countries/democratic-republic-of-the-congo.html>

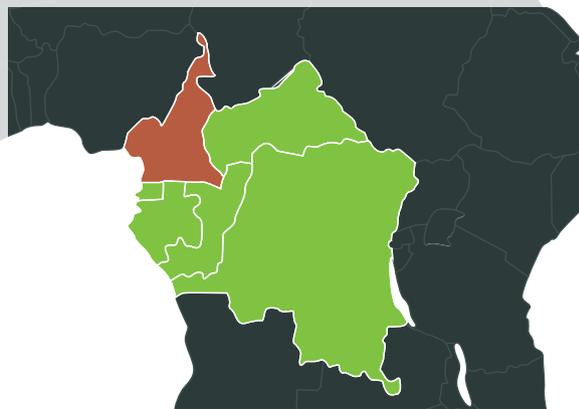
2.3. Cameroon

On 12 August 2016 the CAFI Executive Board provided a grant of 1 million US\$²⁶ to support Cameroon to develop its National Investment Framework for REDD+ (REDD+ NIF). This grant will complement a 250,000 US\$ grant from the Forest Investment Programme (FIP). This support is provided jointly by the World Bank and AFD.

The result will be a comprehensive, multi-sector REDD+ NIF, together with an accompanying financial mechanism that will enable funds to be channeled for its implementation.

Developing the REDD+ NIF will emphasize stakeholder consultations and communications – in order to both collect and disseminate information, and continuous capacity building of members of the National REDD+ Steering Committee, the National Climate Change Observatory, the Technical Secretariat and key staff in sectoral ministries. A safeguards companion document will also be developed.

The Grant Agreement package of the World Bank was prepared in 2016 and signing is expected during the first quarter of 2017. A mission is being planned in 2017-Q1 to clarify and help advance the process.



■ ***Cameroon has the ambition to contribute to the global efforts to reduce greenhouse gas emissions through investments in the forest sector that improve livelihoods and promote participation and inclusiveness; most importantly, respect for the rights of the local population, women and indigenous peoples shall guide the elaboration and implementation of the REDD+ NIF.***

H.E Pierre HELE, Minister of Environment, Protection of Nature and Sustainable Development.

26 <http://bit.ly/2rUxfMb>

2.4. Central African Republic

The CAFI Executive Board approved a grant of 1 million US\$²⁷ to support the Central African Republic in developing a comprehensive multi-sector National Investment Framework for REDD+ (NIF) that consolidates national financing priorities through a broad consultative process.

In the Central African Republic (CAR), the political transition process that began in 2014 coupled with several delays in the presidential elections have led to delays in the implementation of CAR's

REDD+ Readiness Plan (RPP). As a result of this emerging political instability, some financial issues impeded the Government from signing a Grant Agreement with the WB in such a way that would allow the grant to be disbursed effectively. The Agreement is expected to be signed within the second quarter of 2017.

■ ■ *REDD+ in the Central African Republic is a genuine sustainable development tool, led at the highest level. The support from CAFI to prepare a national investment framework for REDD+, that we want robust and inclusive, is a strategic opportunity to strengthen efforts, capacities and the sustainable and democratic management of forests, despite our recent political and security challenges."*

H.E. Arlette SOMBO-DIBELE, Minister of Environment, Sustainable Development, Water, Forests, Hunting and Fisheries

27 <http://bit.ly/2sExBDG>

3. Gabon

The CAFI Secretariat funded time and mission of a technical advisor to support the development of the National Investment Framework of Gabon. A second version of the NIF was elaborated at the beginning of 2016 based on the EB during its 2nd meeting. This version went under various cycles of revisions and consultations.

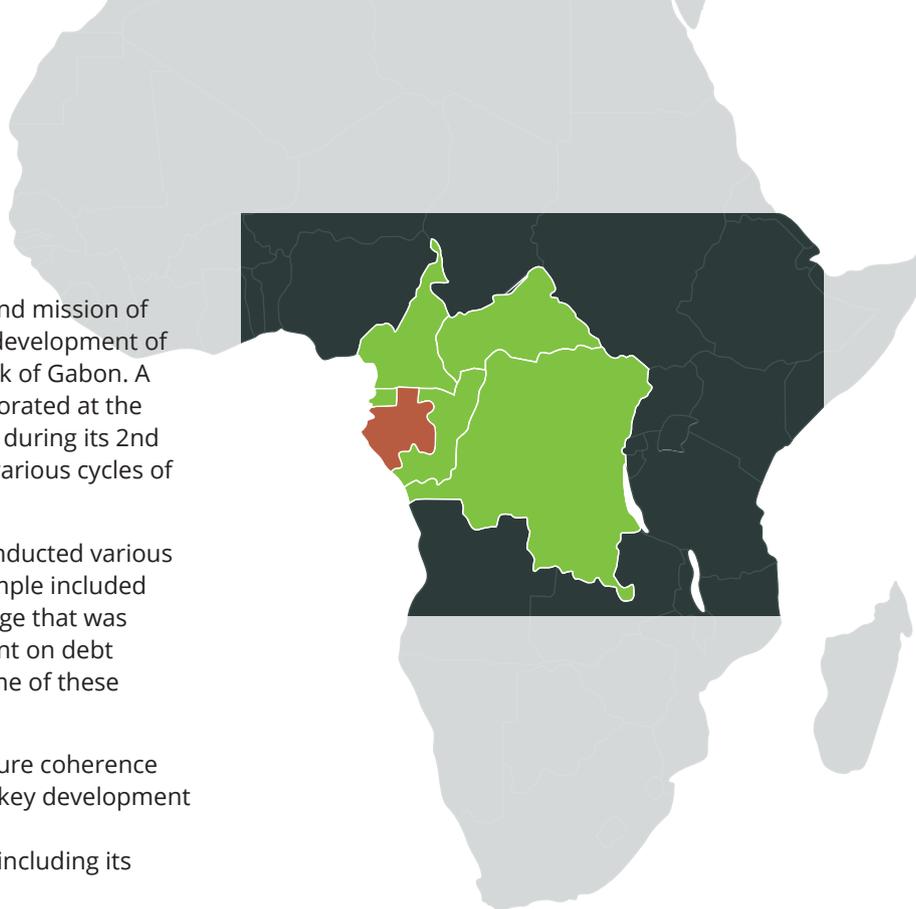
The Government of Gabon also conducted various analyses to enrich the NIF, for example included a map of historical land cover change that was presented at CoP-22. The agreement on debt conversion with France funded some of these analyses and consultations.

The country also proceeded to ensure coherence and full integration of the NIF with key development strategies including:

- Emerging Gabon Strategic Plan, including its Green Gabon pillar
- National Climate Plan
- Intended Nationally Determined Contribution (submitted to the UNFCCC on 1 April 2015)

The development of the NIF coincided with an important reform of the institutional framework for sustainable development following the adoption of the Law on Sustainable development in 2014 and the setting up of the National Council for Sustainable Development.

This preparatory work resulted in the submission of the revised National Investment Framework to the CAFI Executive Board in early January 2017.



Box 2: Integrating gender considerations in CFI programming

The [CFI Fund terms of Reference](#) explicitly refer to a cross-cutting gender perspective that recognizes the “important potential for women empowerment and improvement of women’s living conditions through REDD+ activities”. How has CFI performed after one year of operations? Three types of documents have been examined to assess the level of gender sensitivity:

The 28 CFI outcome indicators, adopted in July 2016, contain **two sex-disaggregated indicators** – namely indicator 2.1 (wood energy produced) and indicator 6.2 (migration), and **three indicators that directly relate to women’s empowerment**, namely 6.1 (modern contraceptive prevalence rate), 6.3 (percentage of girls attending high school), and 5.2 (existence of instruments to promote the rights of communities, with due regard given to gender, among other quality elements).

In the CFI preparatory grants programme documents, Cameroon, Central African Republic, R Congo show no gender analysis nor gender-disaggregated indicators. The document of Equatorial Guinea, however, identifies the lack of a gender strategy as a weakness of the country’s REDD+ readiness work and has made a gender strategy part of the first result. In addition, a gender expert is planned to be deployed to mitigate certain risks; the Ministry of Social Affairs and Gender Equality is represented in the Steering committee; the role of women emphasized in the

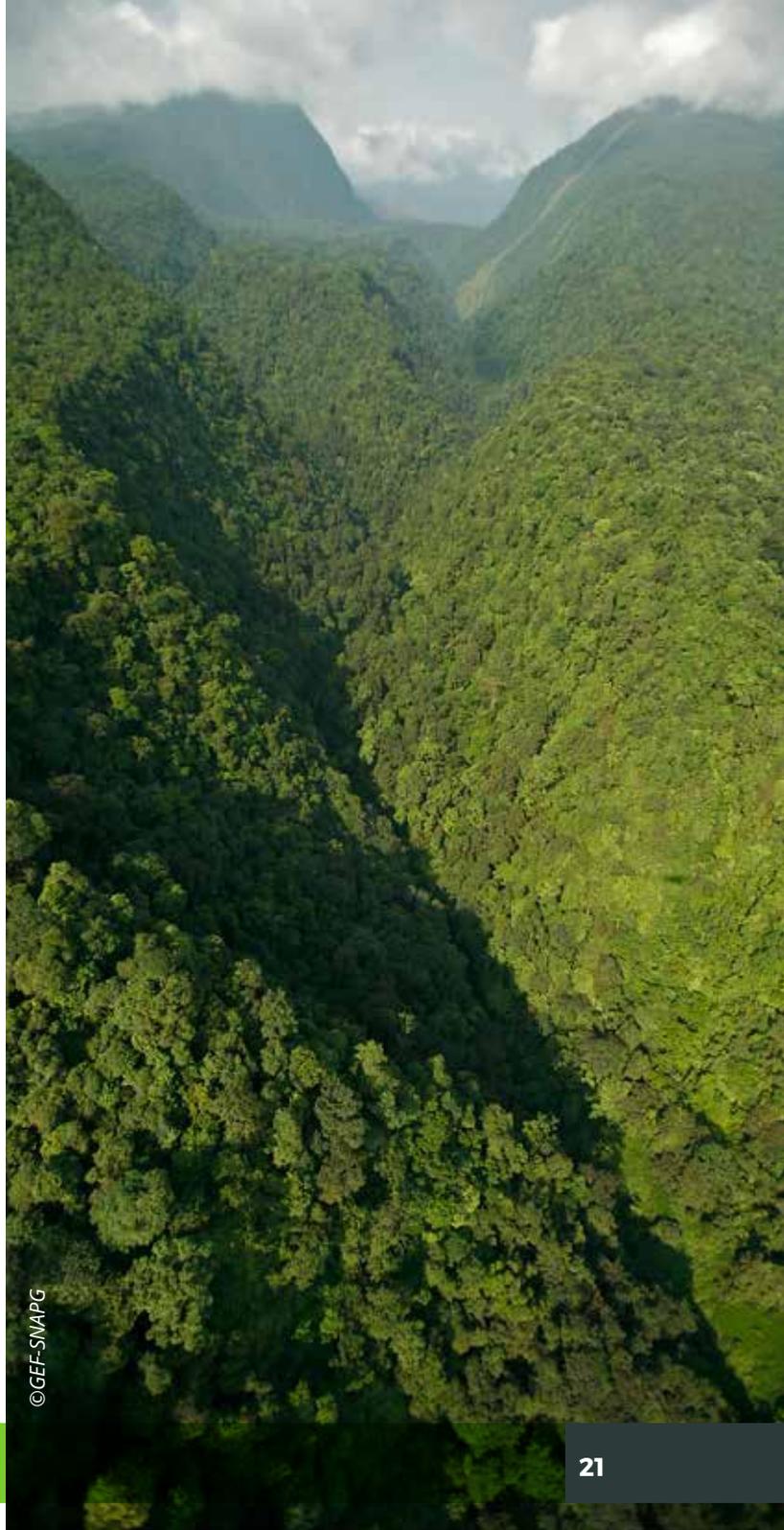
upcoming analysis of drivers, strategic actions and prioritization of pilot projects. The first report from Equatorial Guinea for 2016) has shown a willingness to report on gender, with a first workshop totaling 22 women out of 60 participants (36%).

In DRC, guidance from the National REDD+ Fund has detailed through a roadmap on Participatory and Transparent Management of FONAREDD programmes (validated by the Steering Committee in November 2016), the need to identify and engage women and youth organizations, especially during the design and monitoring phases. Implementation for the four DRC- approved programmes has not started, and activity reports will demonstrate the level of gender responsiveness. A rapid analysis of the programme documents shows that

- The **Mai Ndombe Integrated programme** (World Bank) defines gender as part of the intervention strategy to reach its seven objectives, recognizing the central role of women in planning as well as in revenue-generating activities, targeting them for such programmes. To promote their adherence to changes in agricultural techniques, taking into account women’s possible aversion to risks, women’s organizations will be created in each village, and their president members of the local Steering committees. In addition, 10 % (mandatory minimum) of contracts of payments

for environmental services will be dedicated to women and their priorities. Youth will also benefit from the same two measures. The Mai Ndombe integrated programme contains two sex-disaggregated indicators and associated targets, at both the impact level (75,000 women with better livelihoods out of 150,000 total) and the outcome level (governance outcome): 15,000 women (out of 40,000 total) consulted during the implementation phase.

- The results framework of the **Support to civil society programme** (UNDP) has one sex-disaggregated indicator, with a target of 50% of women (and 30% youth) trained on issues identified in the capacity-strengthening plan.
- The **Programme to support Indigenous Peoples' sustainable management of forests** (World Bank) contains gender-sensitive target in the increase in the number of communities supported to implement community forestry, where each site will receive a mark in which equitable representation of women represents 3 points out of a possible total of 25. Economic empowerment of women is also part of the support to small and medium-size Pygmee enterprises.



II. CAFI PARTNERHIP GROWS

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1. New donors and strengthened commitments

On 16 November, during an event at COP22 in Marrakesh, the Netherlands signed the [CAFI Declaration](#)²⁸ and thus became the 6th CAFI member. "CAFI has the potential to trigger action against deforestation by linking this problem to the investment in Central Africa for sustainable development. As developed nations, we need to work together with the private sector to combat negative impacts from the supply chain of agricultural products which we buy in the supermarkets in the Netherlands and elsewhere", declared Pieter Terpstra, Climate Policy Coordinator at the Dutch Ministry of Foreign Affairs. With their signature, the Netherlands have joined the five other organizations that have "committed to better coordination and harmonization with other donors in the Central African region, and to mobilizing resources for the implementation of national investment frameworks developed by Central African countries."

During that same event, France formalized its funding agreement of EUR 3 million to the CAFI Fund. "We are facing two challenges", declared Anne-Marie Descotes of the French Ministry of Foreign Affairs and International Development. "The challenge of mobilizing all stakeholders - the state, territorial entities, the private sector, NGOS and forest communities

- and the challenge of mobilizing finance for REDD+". "The Central African Forest Initiative", she added, "is growing step by step, and will always be supported and encouraged by France. Our financial contribution today is living proof of our commitment."

28 <http://www.cafi.org/content/cafi/en/home/our-work/the-cafi-declaration.html>

2. New and strengthened partnerships

In terms of new partnership, CAFI supported partner countries to sign the Marrakesh Declaration on Sustainable Palm Oil in Africa. On the basis of the findings of the mapping of sustainability-focused investment funds interested in the Central African region, the CAFI Secretariat, accompanied by Norway, met with selected investors in Geneva and Zurich, Switzerland. These discussions provided input into the private sector engagement strategy that is expected to be developed in 2017.

Outreach to civil society continued with the organization of a meeting in Geneva with International NGOs on the topic of the Letter of Intent with DRC and the Investment Plan, at their request. This allowed clarification of number of issues, and a clear understanding of their position on certain issues. The CAFI Secretariat continued regular dialogues with the Rainforest Foundation Norway, FERN and Transparency International on an ad-hoc basis to clarify matters or be alerted on concerns. One specific example was the alert from a coalition of international NGOs about concessions granted in DRC in direct breach of the country's moratorium. This alert triggered numerous discussions between the CAFI Secretariat, EB members and the DRC government, that facilitated the prompt cancellation of these illegal concessions.

© GEF-SNAPG





A photograph of two elephants in a savanna landscape. The elephants are dark grey and are surrounded by tall, green and yellow grass. In the background, there are several trees with thin trunks and green foliage. The scene is brightly lit, suggesting a sunny day. The text is overlaid on the lower half of the image.

III. THREE SUCCESSFUL EXECUTIVE BOARD MEETINGS WITH MORE FOCUS ON COUNTRIES

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The CAFI Secretariat organized three meetings of the CAFI Executive Board (EB). The highlight of the April 21-22 meeting in Geneva was the adoption of the revised [CAFI Fund Terms of reference](#)²⁹, and the agreement on the DRC funding allocation that allowed the signature of the [Letter of Intent between CAFI and the DRC](#)³⁰. Thanks to a technical meeting of the EB in January and a technical workshop with donors and implementing agencies in February, the CAFI Secretariat completed [the list of 28 indicators across the seven outcomes of the CAFI Theory of Change](#)³¹. This monitoring approach was agreed upon by the Executive Board in June, and the list of indicators finalized in July. The approach is based on ensuring that M&E occurs primarily at the country level, through programmes and consolidation by national bodies, but with requirements to choose from the list of CAFI indicators. This approach was tested in DRC. An initial analysis shows that the application in DRC of the EB decisions on M&E has mixed results. Efforts and dialogues will continue with the FONAREDD Secretariat to ensure coherence, to allow CAFI to monitor its impact at a regional level.

In October in Geneva, the EB recommended the

29 <http://www.cafi.org/content/dam/cafi/docs/Our-work/CAFI%20Terms%20of%20Reference%202016%2005%2006.pdf>

30 <http://www.cafi.org/content/cafi/en/home/partner-countries/democratic-republic-of-the-congo/the-letter-of-intent-between-cafi-and-the-drc.html>

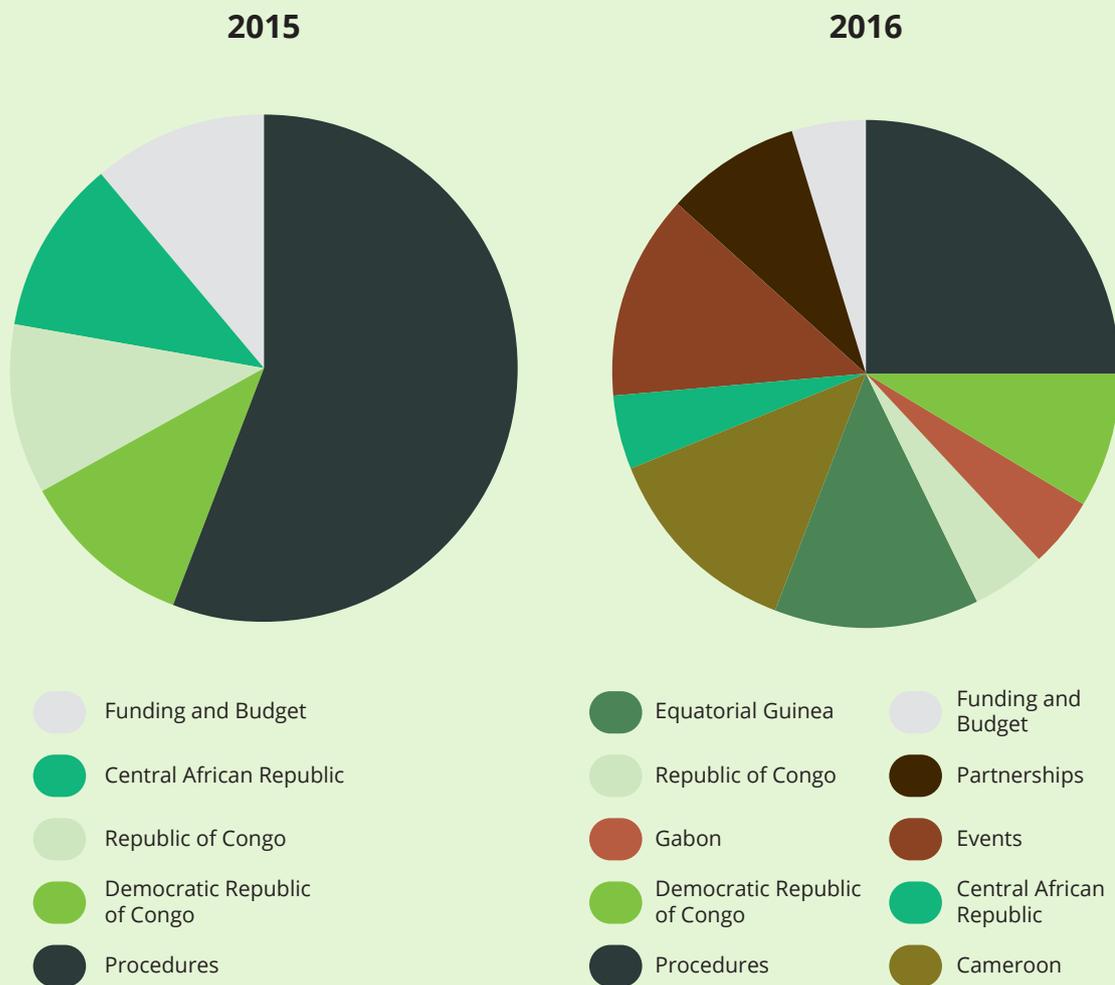
31 <http://www.cafi.org/content/dam/cafi/docs/Our-work/CAFI%20outcome%20indicators%20-%20July%202016.pdf>

approval of the Mai Ndombé integrated program (World Bank), the National Forest Monitoring System (FAO), Support to civil society (UNDP), Support to indigenous peoples (World Bank).

All-together, the EB made 22 decisions in 2016, listed in **Figure 2**. These decisions focused more on countries (45%) than on procedures (27%), in contrast with 2015 where procedural decisions represented 55% of EB decisions. In an effort towards transparency, the EB agreed to make these decisions public and posted online on the CAFI web site³².

32 <http://www.cafi.org/content/cafi/en/home/events/cafi-executive-board-meetings-.html>

Figure 2 Type of decisions taken by the CAFI Executive Board in 2015 and 2016



Between EB meetings, information exchange between Board members was facilitated by monthly calls organized by the CAFI Secretariat.

The CAFI Secretariat also facilitated connectivity during the meetings of the Technical Committee of the DRC National REDD+ Fund and chaired the biweekly calls between the FONAREDD Secretariat, the CAFI Secretariat and the Norwegian members of the CAFI EB.

A full report on the activities of the CAFI Secretariat in 2016 may be found [here](#)³³.



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33 <http://mptf.undp.org/factsheet/project/00097460>

Table 3 List and hyperlinks of CAFI EB decisions in 2016

2016 DECISIONS					
EB.2016.01	08/02/2016	R. Congo preparatory grant	French	English	Intersessional, 8 February 2016
EB.2016.02	22/02/2016	CAR preparatory grant	French	English	Intersessional, 22 February 2016
EB.2016.03	22/ 04/2016	Terms of reference, Rules and procedures, M&E approach	French	English	EB3, Geneva
EB.2016.04	22/ 04/2016	Parallel funding		English	EB3, Geneva
EB.2016.05	22/ 04/2016	DRC funding allocation	French	English	EB3, Geneva
EB.2016.06	22/ 04/2016	Annual Forum	French	English	EB3, Geneva
EB.2016.07	22/ 04/2016	CBFP and COMIFAC observers	French	English	EB3, Geneva
EB.2016.08	22/ 04/2016	Planning	French	English	EB3, Geneva
EB.2016.09	22/ 04/2016	Cameroon preparatory grant (1)	French	English	EB3, Geneva
EB.2016.10	17/06/2016	Amendment to EB Rules and Procedures	French	English	EB4, Oslo
EB.2016.11	17/06/2016	M&E Framework	French	English	EB4, Oslo

2016 DECISIONS

EB.2016.12	17/06/2016	Annual report	French	English	EB5, Oslo
EB.2016.13	17/06/2016	Funding framework	French	English	EB4, Oslo
EB.2016.14	17/06/2016	INGO letter	French	English	EB4, Oslo
EB.2016.15	17/06/2016	Scheduling of next meetings		English	EB4, Oslo
EB.2016.16	17/06/2016	Cameroon preparatory grant (2)	French	English	EB4, Oslo
EB.2016.17	17/06/2016	Equ. Guinea preparatory grant		English	EB4, Oslo
EB.2016.18	12/08/2016	Cameroon preparatory grant (final)	French	English	Intersessional, 12 August 2016
EB.2016.19	27/10/2016	Special fiduciary measures of implementing agencies	French	English	Intersessional, 27 October 2016
EB.2016.20	12/08/2016	Equ. Guinea preparatory grant (2)	French	English	Intersessional 12 August 2016
EB.2016.21	12/09/2016	DRC programs batch 1	French	English	EB5, Geneva
EB.2016.22	07/11/2016	Equ. Guinea preparatory grant - FINAL	French	English	Intersessional, 7 November 2016

IV. EVENTS AND COMMUNICATIONS INCREASE CAFI PROFILE



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In 2016 the CAFI Secretariat led, co-organized or participated in five major public events, highlighting the novelty and efficiency of the CAFI approach and its early successes.

The first major event, in April, [was the high-level signature ceremony for the Letter of Intent with DRC³⁴](#). This event, was attended by the DRC Minister of Finance, the Head of the UNDP Geneva Office and ambassadors of the six CAFI partner countries. With support from UNDP, the event received excellent media coverage, with over 200 citations including major articles in the Financial Times and Le Monde and mentions on the web sites of numerous partner initiatives (World Bank, Congo Basin Forest Partnership, UN-REDD, Relief web etc).

On 12 October, the CAFI Secretariat participated in a panel on [Ensuring Integrity in REDD+ and Forest Climate Finance³⁵](#), organized by Transparency International and hosted by Members of the European Parliament Catherine Bearder, Benedek Javor and Eva Joly.

At COP-22 in Marrakesh, the CAFI Secretariat [co-organized an event with DRC on the national approach to REDD+ including a nationally coordinated programmatic approach for receiving GCF REDD+ funds, and an event marking the funding](#)

34 <http://www.europe.undp.org/content/geneva/en/home/presscenter/pressreleases/2016/04/22/major-agreement-between-cafi-and-the-drc-sets-best-practices-to-prevent-tree-loss-and-ensure-sustainable-development.html>

35 <http://transparencyinternational.eu/wp-content/uploads/2016/09/draft-agenda-REDD-event-002.pdf>

[agreement with France and the Netherlands joining the Initiative³⁶](#).

The CAFI Secretariat facilitated the contribution of EB members and observers during an event at the UNFCCC meeting in Bonn (May 2016) and at the [CBFP meeting³⁷](#) (23 November 2016) in Kigali, Rwanda.

With regards to communications, CAFI has been present on social networks, tweeting at least weekly from the UNDP REDD+ Twitter account (UNDP-REDD+). The [CAFI web site³⁸](#), previously a few pages only, was fully redesigned and populated. Fully bilingual (English-French), optimized for computers, tablets and phones, it was launched on 8 November during COP 22, with the objective of serving as both a communication and a transparency tool for CAFI. In addition, it will serve, on an interim basis, as the main online communication tool for the DRC National REDD+ Fund. Information from Google analytics showed, for the month of December 2016:

- There were 307 users, 1279 page views and an average of 3 pages viewed per session
- On average users stayed 3.5 minutes on the web site
- 16% of sessions occurred from the United States, 15% from Switzerland, 7% from France and Norway, 5% from the UK and the Netherlands,

36 <http://www.cafi.org/content/cafi/en/home/events/drc-high-level-event-at-cop-22.html>

37 <http://www.cafi.org/content/cafi/en/home/events/cafi-session-at-cbfp-climate-stream.html>

38 <http://www.cafi.org>

4 % from Belgium. Equatorial Guinea and DRC represented 4% and 3% of sessions respectively. This data shows good readership in EB member countries and organizations, but fewer visits from CAFI partner countries. Efforts will be made in 2017 to ensure more readership from CAFI partner countries.

- The web site was mainly consulted by English-speakers (55%)

The web site features news article on the home page and each country page, with a goal of one new article per week.

The CAFI brochure³⁹ (for printing) and CAFI poster⁴⁰ (for online posting) were produced in English and French. Electronically, they fed a Twitter campaign about Central African Forest facts. In print, they were distributed at the Oslo REDD+ Exchange in June and to Executive Board members. In November, the brochure was complemented by 11 informative leaflets⁴¹ (in English and French), distributed at COP-22, that summarized the progress of each of the six partner country with particular emphasis on DRC, with five leaflets on the National Investment Plan, the Letter of Intent between the DRC and CAFI, the National REDD+ Fund, the Mai Ndombé programme and engagement with civil society.

39 <http://www.cafi.org/content/dam/cafi/docs/cafi-brochure-EN-2016.pdf>

40 <http://www.cafi.org/content/dam/cafi/docs/CAFI%20Poster%20for%20online%20posting.pdf>

41 <http://www.cafi.org/content/cafi/en/home/events/cafi-leaflets-launched-at-cop-22.html>



©FAO/Giulio Napolitano





V. FINANCIAL REPORT

This Consolidated Annual Financial Report of the **Central African Forest Initiative Fund** is prepared by the United Nations Development Programme (UNDP) Multi-Partner Trust Fund Office (MPTF Office) in fulfillment of its obligations as Administrative Agent, as per the terms of Reference (TOR), the Memorandum of Understanding (MOU) signed between the UNDP MPTF Office and the Participating Organizations, and the Standard Administrative Arrangement (SAA) signed with contributors.

The MPTF Office, as Administrative Agent, is responsible for concluding an MOU with Participating Organizations and SAAs with contributors. It receives, administers and manages contributions, and disburses these funds to the Participating Organizations. The Administrative Agent prepares and submits annual consolidated financial reports, as well as regular financial statements, for transmission to contributors.

This consolidated financial report covers the period 1 January to 31 December **2016** and provides financial data on progress made in the implementation of projects of the **Central African Forest Initiative Fund**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/AFI00>).

The financial data in the report is recorded in US Dollars and due to rounding off of numbers, the totals may not add up.

This chapter presents financial data and analysis of the Central African Forest Initiative Fund using the pass-through funding modality as of 31 December 2016. Financial information for this Fund is also available on the MPTF Office

GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/AFI00>.

1. Sources and uses of funds

As of 31 December **2016**, **2** contributors deposited US\$ **49,238,858** in contributions and US\$ **51,079** was earned in interest. The cumulative source of funds was US\$ **49,289,937** (see respectively, Tables 2 and 3). Of this amount, US\$ **42,240,000** was transferred to **2** Participating Organizations and the DRC REDD+ National Fund, of which US\$ **85,744** was reported as expenditure. The Administrative Agent fee was charged at the approved rate of 1%

on deposits and amounts to US\$ **492,389**. Direct cost expenditure of US\$ 2,940,000 was incurred for the operation of the CAFI Secretariat as per the budget approved by the Executive Board during its first meeting in 2015. **Table 4** provides an overview of the overall sources, uses, and balance of the **Central African Forest Initiative Fund** as of 31 December 2016.

Table 4 Financial Overview, as of 31 December 2016 (in US Dollars)

	Annual 2015	Annual 2016	Cumulative
Sources of Funds			
Contributions from donors	9,389,671	39,849,187	49,238,858
Fund Earned Interest and Investment Income	2,910	48,169	51,079
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	9,392,582	39,897,355	49,289,937
Use of Funds			

	Annual 2015	Annual 2016	Cumulative
Transfers to Participating Organizations	-	3,240,000	3,240,000
Transfers to the DRC REDD+ National Fund	-	39,000,000	39,000,000
Refunds received from Participating Organizations	-	-	-
Net Funded Amount	-	42,240,000	42,240,000
Administrative Agent Fees	93,897	398,492	492,389
Direct Costs: (Steering Committee, Secretariat...etc.)	1,740,000	1,200,000	2,940,000
Bank Charges	84	284	368
Other Expenditures	-	-	-
Total: Uses of Funds	1,833,981	43,838,776	45,672,757
Change in Fund cash balance with Administrative Agent	7,558,601	(3,941,420)	3,617,180
Opening Fund balance (1 January)	-	7,558,601	-
Closing Fund balance (31 December)	7,558,601	3,617,180	3,617,180
Net Funded Amount	-	42,240,000	42,240,000
Participating Organizations' Expenditure	-	85,744	85,744
Balance of Funds with Participating Organizations			42,154,256

2. Partner contributions

The table below includes commitments made through Standard Administrative Agreements signed up to 31 December **2016**, that were deposited in **2016** or not yet deposited as of the date of this report; it does not include future years commitments.

Table 5 provides information on cumulative contributions received from all contributors to this Fund as of 31 December **2016**.

The **Central African Forest Initiative Fund** is currently being financed by **2** contributors, as listed in the table below.

Figure 3 Deposits by contributor, cumulative as of 31 December 2016

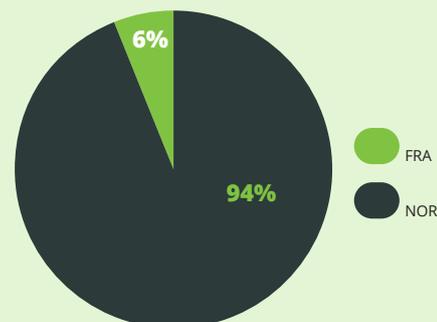


Table 5 Contributors' Commitments and Deposits, as of 31 December 2016

Contributors	Total Commitments	Prior Years as of 31-Dec-2015 Deposits	Current Year Jan-Dec-2016 Deposits	Total Deposits
FRANCE, Government of	3,112,800	-	3,112,800	3,112,800
NORWAY, Government of	56,758,130	9,389,671	36,736,387	46,126,058
Grand Total	59,870,930	9,389,671	39,849,187	49,238,858

3. Interest earned

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent ('Fund earned interest'), and 2) on the balance of funds held by the Participating Organizations ('Agency earned interest'), where their Financial Regulations and Rules allow return of interest to the AA. As of 31 December 2016, Fund earned interest amounts to US\$ 51,079. Details are provided in **Table 6**.

Table 6 Sources of Interest and Investment Income, as of 31 December 2016

Interest Earned	Prior Years as of 31-Dec-2015	Current Year Jan-Dec-2016	Total
Administrative Agent			
Fund Earned Interest and Investment Income	2,910	48,169	51,079
Total: Fund Earned Interest	2,910	48,169	51,079
Participating Organization			
Total: Agency earned interest			
Grand Total	2,910	48,169	51,079

4. Transfer of funds

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2016, the AA has transferred US\$ 42,240,000 to 2 Participating Organizations and the DRC REDD+ National Fund (see list below).

4.1 Transfer by participating organization

Table 7 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

Figure 4 Transfers amount by Participating organization for the period of 1 January to 31 December 2016

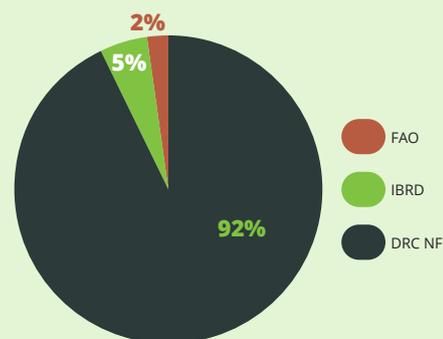


Table 7 Transfer, Refund, and Net Funded Amount by Participating Organization, as of 31 December 2016

Participating Organization	Prior Years as of 31-Dec-2015			Prior Years as of 31-Dec-2015			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
DRC NF				39,000,000		39,000,000	39,000,000		39,000,000
FAO				1,000,000		1,000,000	1,000,000		1,000,000
IBRD				2,240,000		2,240,000	2,240,000		2,240,000
Grand Total				42,240,000		42,240,000	42,240,000		42,240,000

5. Expenditure and financial delivery rates

All final expenditures reported for the year 2016 were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

Project expenditures are incurred and monitored by each Participating Organization, and are reported as per the agreed upon categories for inter-agency harmonized reporting. The reported expenditures were submitted via the MPTF Office's online expenditure reporting tool. The 2016 expenditure data has been posted on the MPTF Office GATEWAY at <http://mptf.undp.org/factsheet/fund/AFI00>.

5.1 Expenditure reported by participating organization

In 2016, US\$ **42,240,000** was net funded to Participating Organizations including a transfer amounting US\$ **39,000,000** to the DRC National Fund REDD+, and US\$ **85,744** was reported in expenditure.

As shown in **Table 8**, the cumulative net funded amount is US\$ **42,240,000** and cumulative expenditures reported by the Participating Organizations amount to US\$ **85,744**. This equates to an overall Fund expenditure delivery rate of **0.20** percent. The funds were transferred at the end of the year thus not allowing their expenditure by the participating organizations (see last column for release of funds from the trust fund to the participating organization).

Table 8 Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2016

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %	Transfer dates
			Prior years as of 31 December 2015	Current Year Jan-Dec-2016	Cumulative		
DRC NF	39,000,000	39,000,000				0	December 16, 2016
FAO	1,000,000	1,000,000				0	December 8, 2016
IBRD	2,240,000	2,240,000		85,744	85,744	3.83	September 23, 2016
Grand Total	42,240,000	42,240,000		85,744	85,744	0.20	

5.2. Expenditure by project

Table 9, Table 10 and **Table 11** display the net funded amounts, expenditures reported and the financial delivery rates by Participating Organization.

Out of the US\$ 39,000,000 transferred to the DRC

REDD+ National Fund, US\$ 12,000,003 have been allocated by the DRC Steering Committee to two projects implemented by FAO and UNDP as reflected in **Table 10**. No expenditures have been reported so far. For full details, kindly refer to the 2016 DRC REDD+ National Fund financial annual report.

Table 9 Expenditure by Project for the DRC investment plan, as of 31 December 2016

Sector / Project No. and Project Title	Participating Organization	Project Status	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %
Disbursement Investment Prog.						
00103702	Disbursement to DRC National F	DRC NF	On Going	39,000,000	39,000,000	0
Disbursement Investment Prog.: Total			39,000,000	39,000,000		0

Table 10 DRC REDD+ National Fund's expenditure by Project within Sector, as of 31 December 2016

Sector / Project No. and Project Title	Participating Organization	Project Status	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %
CAFI Investment						
00103789	Finalisation et mise en œuvre	FAO	On Going	10,000,003	6,001,241	0
00103801	Programme d'appui à la Société	UNDP	On Going	2,000,000	1,101,970	0
CAFI Investment: Total			12,000,003	7,103,211		0
Grand Total			12,000,003	7,103,211		0

Table 11 Expenditure by Project for Preparatory Grants, as of 31 December 2016

Preparatory Funding Grants							
00102120	CONGO/ World Bank- CAFI Preparat	IBRD	On Going	698,000	698,000	31,744	4.55
00102121	CAR/World Bank-CAFI Preparator	IBRD	On Going	1,000,000	1,000,000	35,000	3.50
00102312	CAMEROON/ World Bank- AFD: CAFI	IBRD	On Going	542,000	542,000	19,000	3.51
00103594	EQ. GUINEA/ FAO- Desarrollo del	FAO	On Going	1,000,000	1,000,000		0
Preparatory Funding Grants: Total				3,240,000	3,240,000	85,744	2.65
Grand Total				42,240,000	42,240,000	85,744	0.20

5.3. Expenditure by project

Table 12 displays the net funded amounts, expenditures reported and the financial delivery rates by Participating Organization.

Table 12 Expenditure by Project within Country, as of 31 December 2016

Country / Project No. and Project Title	Participating Organization	Approved Amount	Net Funded Amount	Expenditure	Delivery Rate %
Cameroon					
00102312 CAMEROON/World Bank-AFD: CAFI	IBRD	542,000	542,000	19,000	3.51
Cameroon Total		542,000	542,000	19,000	3.51
Central African Republic					
00102121 CAR/World Bank-CAFI Preparator	IBRD	1,000,000	1,000,000	35,000	3.50
Central African Republic Total		1,000,000	1,000,000	35,000	3.50
Congo					
00102120 CONGO/World Bank-CAFI Preparat	IBRD	698,000	698,000	31,744	4.55
Congo Total		698,000	698,000	31,744	4.55
Congo, The Democratic Republic					
00103702 Disbursement to DRC National F	DRC NF	39,000,000	39,000,000		0
Congo, The Democratic Republic Total		39,000,000	39,000,000		0
Equatorial Guinea					
00103594 EQ. GUINEA/FAO-Desarrollo del	FAO	1,000,000	1,000,000		0
Equatorial Guinea Total		1,000,000	1,000,000		0
Grand Total		42,240,000	42,240,000	85,744	0.20

5.4. Expenditure reported by category

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed categories for inter-agency harmonized reporting. In 2006 the UN Development Group (UNDG) established six categories against which UN entities must report inter-agency project expenditures. Effective 1 January 2012, the UN Chief Executive Board (CEB) modified these categories as a result of IPSAS adoption to comprise eight categories. All expenditure incurred prior to 1 January 2012 have been reported in the old categories; post 1 January 2012 all expenditure are reported in the new eight categories. The old and new categories are noted to

the right. **Table 13** reflects expenditure reported in the UNDG expense categories. Where the Fund has been operational pre and post 1 January 2012, the expenditures are reported using both categories. Where a Fund became operational post 1 January 2012, only the new categories are used.

2012 CEB Expense Categories

1. Staff and personnel costs
2. Supplies, commodities and materials
3. Equipment, vehicles, furniture and depreciation
4. Contractual services
5. Travel
6. Transfers and grants
7. General operating expenses
8. Indirect costs

Table 13 Expenditure by UNDG Budget Category, as of 31 December 2016

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2015	Current Year Jan-Dec-2016	Total	
Staff & Personnel Cost (New)	-	-	-	
Suppl, Comm, Materials (New)	-	-	-	
Equip, Veh, Furn, Depn (New)	-	-	-	
Contractual Services (New)	-	744	744	100.00
Travel (New)	-	-	-	
Transfers and Grants (New)	-	-	-	
General Operating (New)	-	-	-	
Programme Costs Total	-	744	744	100.00
Indirect Support Costs Total*	-	85,000	85,000	11427.50
Total	-	85,744	85,744	

***Indirect Support Costs** charged by Participating Organization, based on their financial regulations, can be deducted upfront or at a later stage during implementation. The percentage may therefore appear to exceed the 7% agreed-upon for on-going projects. Once projects are financially closed, this number is not to exceed 7%.

6. Cost recovery

Cost recovery policies for the Fund are guided by the applicable provisions of the Terms of Reference, the MOU concluded between the Administrative Agent and Participating Organizations, and the SAAs concluded between the Administrative Agent and Contributors, based on rates approved by UNDG.

The policies in place as of 31 December **2016**, were as follows:

The Administrative Agent (AA) fee: 1% is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. In the reporting period US\$ **398,492** was deducted in AA-fees. Cumulatively, as of 31 December **2016**, US\$ **492,389** has been charged in AA-fees.

Indirect Costs of Participating Organizations: Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **85,000** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **85,000** as of 31 December **2016**.

7. Accountability and transparency

In order to effectively provide fund administration services and facilitate monitoring and reporting to the UN system and its partners, the MPTF Office has developed a public website, the MPTF Office Gateway (<http://mptf.undp.org>). Refreshed in real time every two hours from an internal enterprise resource planning system, the MPTF Office Gateway has become a standard setter for providing transparent and accountable trust fund administration services.

The Gateway provides financial information including: contributor commitments and deposits, approved programme budgets, transfers to and expenditures reported by Participating Organizations, interest income and other expenses. In addition, the Gateway provides an overview of the MPTF Office portfolio and extensive information on individual Funds, including their purpose, governance structure and key documents. By providing easy access to the growing number of narrative and financial reports, as well as related project documents, the Gateway collects and preserves important institutional knowledge and facilitates knowledge sharing and management among UN Organizations and their development partners, thereby contributing to UN coherence and development effectiveness.

8. Direct costs

The Fund governance mechanism may approve an allocation to a Participating Organization to cover costs associated with Secretariat services and overall coordination, as well as Fund level reviews and evaluations. These allocations are referred to as 'direct costs'. In reporting period, direct costs amounting to US\$ **1,200,000**. Cumulatively, as of 31 December **2016**, US\$ **2,940,000** has been charged as Direct Costs.

Table 14 Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, for the direct cost, as of 31 December 2016

Project title	Participating Agent	Approved amount	Net Funded Amount	Expenditure	Delivery Rate %
CAFI: Direct Cost – Technical Secretariat	UNDP	2,940,000	2,940,000	595,987	20.3
Grand Total		2,940,000	2,940,000	595,987	20.3

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CAFI was established in 2015 to accelerate reforms so that forests in the Central African region are recognized and preserved for their positive impact on the fight against climate change, poverty reduction and sustainable development.

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