

ANNEX 2: FEASIBILITY STUDY FOR THE RESILIENT AGRICULTURE FOR CLIMATE, INVESTMENT, NATURE, AND EQUITY (RACINE) INITIATIVE

Executive Summary

The RACINE Initiative (Resilient Agriculture for Climate, Investment, Nature, and Equity) aims to support the sustainable transformation of the cocoa and coffee sectors in Cameroon through an integrated model of sustainable intensification, agroecological transition, territorial governance, traceability and climate finance. The initiative is based on a combination of concessional financing from the Green Climate Fund, performance-based financing via CAFI, and domestic co-financing provided in particular by the FODECC levy. The updated detailed budget amounts to €214,890,000, comprising €78,300,000 in GCF loans, €8,700,000 in GCF grants, €39,150,000 in CAFI grants and €88,741,300 in FODECC levies.

Through its design, RACINE simultaneously contributes to reducing deforestation, improving climate resilience, sustainably increasing rural incomes, formalising value chains, and promoting the social and financial inclusion of producer households. Estimates indicate a potential for direct impact on 227,000 households and 1,405,000 individuals by 2031, and indirect impact on 1,395,000 individuals across the hundred or so rural municipalities involved, with significant effects on orchard areas, restored agroforestry areas and preserved natural forests.

Context and challenges

Cameroon's cocoa, coffee and food crop regions are facing growing global demand and demographic pressure which, in the absence of corrective measures, are leading to an expansion of cultivated land into fallow areas and, locally, into natural forests, resulting in high GHG emissions and increased vulnerability for rural households. Production systems remain low-intensity and lack resilience to climate hazards, with insufficient incomes for smallholders and local governance still ill-equipped to plan land use and landscape restoration.

Theory of change and project approach

The **RACINE** Initiative proposes to scale up a climate-smart agricultural intensification model that has been tested by FODECC (national funding from cocoa/coffee export levies) and PAIDATA (CAFI funding), which enables a significant increase in production and household incomes without converting natural forests, whilst strengthening their resilience. The project combines i) innovative financial instruments (degressive grant schemes, agroecological transition contracts at farm level), ii) municipal spatial planning (PLADDT, landscape restoration) and iii) a monitoring, evaluation, data, traceability and climate-forest MRV system aligned with national and international requirements (NDCs, CAFI, FVC, RDUE).

Strategic alignment (NDCs, FVC, CAFI)

RACINE contributes directly to the implementation of Cameroon's NDCs regarding avoided deforestation, carbon sequestration and the adaptation of agricultural systems, as well as to national priorities for the cocoa, coffee and food crop sectors. It is fully aligned with the FVC and CAFI investment priorities on deforestation-free agriculture, strengthening forest governance and the transition to sustainable financing models, building on the FODECC Producers' Window and the PAIDATA pilot project already supported by CAFI.

Key components and operational model

The project is organised around windows G1 (Production), G2 (Local Authorities and Agroecological Transition) and G3 (Agroecological Transition and Advisory Services), implemented via a secure digital platform managing degressive grants and electronic vouchers issued by microfinance institutions for the

purchase of inputs from approved agro-dealers. Agroecological Transition Advisors co-develop and monitor three-year Agroecological Transition Plans at farm level, whilst local authorities develop and implement PLADDTs and green investments for landscape restoration, with targeted support for capacity building.

Expected climate and environmental outcomes

The project scenario is based on the systematic geolocation of plots, the exclusion of the Permanent Forest Reserve, a contractual ban on expansion into primary or naturally regenerated forests, and the promotion of diversified agroforestry systems. This results in measurable avoided deforestation, an increase in carbon stocks in agricultural landscapes, a reduction in the risks of biodiversity degradation, and improved farm resilience to climate shocks, monitored via a climate-forest MRV system integrated into the national framework.

Economic and financial sustainability

The updated economic and financial analysis confirms the project's robustness over the 2026–2046 period, with a positive financial net present value, a positive economic net present value, a benefit-cost ratio greater than 1, high leverage and strong repayment capacity. The justification for concessional financing remains based on the need to cover activities with significant positive externalities but low short-term profitability, such as spatial planning, green investments, MRV monitoring mechanisms, environmental and social safeguards, and support for producers in the agroecological transition.

Justification for GCF/CAFI concessional financing

Highly concessional financing from the Green Climate Fund, combining a sovereign loan of €78.3 million and a grant of €8.7 million (interest rate of 0.75%, 10-year grace period, 20-year maturity), is required to finance activities that are not profitable in the short term for the private sector. This enables extensive support for smallholders, advisory services, spatial planning, MRV and safeguard systems, whilst maintaining the sustainability of public debt and catalysing significant domestic (FODECC levy, national budget) and private (farms, local financial institutions), and international contributions, with an additional grant of USD 45 million from CAFI based on measured results.

Environmental and social safeguards

Implementation is underpinned by a comprehensive Environmental and Social Management System and Plan, aligned with national standards and CAFI/FVC standards, which identify key risks (pollution linked to inputs, damage to biodiversity, child labour, health and safety risks) and set out detailed management measures integrated into manuals, specifications and contracts. An environmental and social monitoring system, a complaints management mechanism accessible to communities, and a capacity-building programme for FODECC, local authorities and other stakeholders ensure compliance with safeguard requirements and the inclusion of vulnerable groups, particularly women and young people.

Sustainability and a paradigm shift

RACINE is a credible vehicle for a paradigm shift towards intensified cocoa, coffee and food crop value chains committed to a deforestation-free model, based on agroecological transition contracts akin to environmental service contracts, strengthened territorial governance, and a data and traceability system compatible with the EU Forest Regulation (RDUE) and the CAFI/FVC frameworks. The model is designed to be replicable and scalable, with a phased reduction in annual subsidies and a transition to funding provided by domestic resources, on the one hand, and mechanisms for payments for environmental services and climate-forest performance payments, on the other, ensuring the sustainability of results beyond the support of the FVC and CAFI.

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2. Context and climate feasibility analysis

2.1. Sectoral, forestry and climate context

The forests of the Congo Basin play a central role in regulating the global climate and preserving biodiversity. Covering an area of 233 million hectares, they represent the second-largest tropical forest in the world and provide a source of energy, food, traditional medicine and several other services for the communities living there.

Studies show that between 2015 and 2020, the Congo Basin lost 2.2 million hectares of forest. Despite the high level of deforestation, the Congo Basin receives only 4% of funding for tropical forests.

To reverse this trend and ensure the long-term conservation of forests in Central Africa, countries in the sub-region are working with the Central African Forest Initiative (CAFI) to develop and roll out a regional programme for Payments for Environmental Services (PES). This standardised programme aims to transform rural livelihoods in an effective, sustainable and transparent manner by providing direct, performance-based financial incentives to hundreds of thousands of beneficiaries from local communities for their good land-use practices.

CAFI Letter of Intent (LoI) with the Government of Cameroon

On 8 October 2024, Cameroon and CAFI signed a letter of intent launching a partnership aimed at halting deforestation and land degradation whilst ensuring and promoting the development of sustainable, competitive and inclusive, which also create jobs, in order to contribute to Cameroon's goal of becoming an emerging economy by 2035. Through this ambitious and comprehensive Letter of Intent, the Cameroonian government commits to taking action in three main areas and achieving key objectives during the period 2025–2027:

- 1. The sustainable intensification of agriculture in non-permanent forest areas, to ensure national food security and meet growing regional demand for products such as cocoa and coffee, whilst reducing the demand for new land and the incentives for deforestation for agricultural production. Cameroon is committed to completing a major transition from conventional agriculture to environmentally friendly, deforestation-free production by 2035.*
- 2. Preservation and sustainable management of permanent forest areas, which cover nearly 18 million hectares, or more than 39% of the national territory.*
- 3. Cross-sectoral and multi-level governance of natural resources. To this end, a framework for cross-sectoral and multi-stakeholder dialogue and consultation will be strengthened to determine land use on the basis of a bottom-up approach. The entire national territory will be covered by regional and municipal land-use planning tools, and the full implementation of these plans will be ensured. This will enable local stakeholders and holders of land-use rights to access incentives to comply with land-use plans at the municipal level.*

To implement its support, CAFI proposes to structure a series of sustainability-linked loans in partnership with international financial institutions such as the GEF, the World Bank, IFAD and the African Development Bank. Sustainability-linked loans (SLLs) are a type of financial instrument designed to incentivise and reward the beneficiary who achieves predefined sustainability targets. Unlike traditional loans, sustainability-linked loans are structured around specific sustainability performance targets rather than financial indicators. The basic idea is that, once the achievement of performance targets has been verified, CAFI's grants will be used to reinvest resources in the Producers' Window, thereby renewing its capacity for action. The establishment of a series of SLLs covering the main sectors driving deforestation will enable CAFI to provide Cameroon with the significant initial resources it needs to support the transition to a 'green economy', whilst retaining the performance-based features that lie at the heart of the partnership between CAFI and Cameroon. The RACINE initiative fits perfectly within this approach.

Cameroon, with its 22 million hectares of forests containing exceptional natural resources, faces several challenges linked to conversion to agricultural land, firewood harvesting, mining, and degradation caused by unsustainable and illegal logging.

CAFI and Cameroon aim to ensure that all agriculture is deforestation-free by 2035, reaching approximately 2.75 million households. Sustainable intensification would help preserve 4.4 million hectares of forest and avoid 320 million tonnes of CO₂ equivalent per year over the implementation period.

Cameroon thus has significant agricultural and forestry potential, concentrated in particular in the cocoa and coffee-growing regions of the Centre, South, Littoral, West, North-West, South-West and East. These landscapes are characterised by a mosaic of natural forests, secondary forests, fallow land and agroforestry systems based on cocoa and coffee, within which staple food crops are also grown. The National Development Strategy (SND30) and the Rural Sector Development Strategy/PNIA envisage a substantial increase in agricultural production to meet domestic demand and supply export markets, whilst respecting the country's climate and forestry commitments.

The most relevant overarching policies, initiatives and commitments include, in particular:

1. The choices set out in Vision 2035 and reflected in Cameroon's National Development Strategy 2020–2030 (SND30) of Cameroon, through the commitment to “strengthen measures to adapt to and mitigate the effects of climate change and improve environmental management to ensure sustainable and inclusive economic growth and social development” and the need to “develop appropriate strategies to address threats such as deforestation”,

2. The guidelines of the Nationally Determined Contribution (NDC) for Cameroon, which has committed to reducing its GHG emissions by 35% by 2030 compared to the baseline scenario;
3. The commitments made by Cameroon under the United Nations Convention on Biological Diversity (CBD), relating to the protection of at least 30% of its territory by 2030;
4. Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation (known as the European Regulation on Imported Deforestation);
5. The recent results of the EU budget support process (Sector Reform Contract)
6. Cameroon's commitments to CAFI under the LOI to take action on the following three areas:
 - a. Cross-sectoral and multi-level governance of natural resources. The aim is to ensure territorial coherence, the country's attractiveness and economic competitiveness by improving the well-being of the population through the sustainable management of natural resources, particularly forest resources, spatial planning and the optimisation of land use. To this end, a framework for cross-sectoral and multi-stakeholder dialogue and consultation will be established to arbitrate land uses within a decentralised approach, based on the National Spatial Zoning Plan and the Regional Spatial Planning and Sustainable Development Schemes. The aim is thus to cover the entire national territory with spatial planning tools for land use at regional and municipal levels and to ensure the full implementation of these plans, with local stakeholders and right-holders able to take ownership of their implementation through the introduction of incentives for municipalities.
 - b. Sustainable intensification of agriculture within the non-permanent forest domain. The Non-Permanent Forest Domain (DFnP) comprises all wooded land within so-called 'communal' areas in rural settings, governed by customary usage rights or titled under republican law. The DFnP also includes 86 agro-industrial plots granted to the large-scale private agricultural sector, covering a usable agricultural area (UAA) of 527,886 ha. In this area, the main driver of deforestation is the expansion of agriculture, primarily family-based and, to a lesser extent, industrial. The partnership's objective is therefore to promote sustainable intensification and increased productivity in family and industrial farming on existing agricultural land. It aligns with national and regional land-use plans and zoning schemes, as well as with agroforestry. This will ensure national food security and meet growing regional demand, whilst reducing the demand for new land and the incentives for deforestation for agricultural production. Cameroon is committed to completing a major transition from conventional agriculture to environmentally friendly, deforestation-free production by 2035.
 - c. Preservation and sustainable management of the permanent forest area (PFA). In accordance with its legal framework and its international commitments on forestry, climate and biodiversity conservation, Cameroon reaffirms its commitment to preserving and sustainably managing the areas and boundaries of its Permanent Forest Reserve (DFP), covering nearly 18 million hectares, representing over 78% of its forests and 39% of its national territory. Once these forests have been classified by decree of the Prime Minister as part of the private domain of the State or the municipality, their designated use can no longer be legally changed. The entire DFP constitutes a biodiversity reservoir representative at the national level of all forest ecosystems. National Parks are designated for the protection of biological diversity and nature-based tourism, whilst leased hunting areas (ZICs) are primarily exploited for hunting tourism. Forest concessions and communal forests are managed by the private sector and local authorities, primarily for timber intended for export, and increasingly for the domestic market. All forest concessions and communal forests are subject to mandatory management plans and environmental and social impact assessments. The current trend is to seek to optimise investments by diversifying economic activities whilst reducing impacts within the DFP.

The proposed RACINE initiative is closely aligned with the SND 30, which serves as the main roadmap for the country's development with a view to its emergence by 2035¹. It contributes to the four strategic pillars of the SND 30, in particular the structural transformation of the economy, environmental sustainability, governance reform and social inclusion.

It actively supports Cameroon's enabling policy and institutional framework by strengthening cross-sectoral coordination, particularly between the ministries of agriculture, forestry and the environment. It aligns with ongoing reforms under the CAFI Letter of Intent, which promotes integrated land-use planning and sustainable agricultural practices. The initiative will enhance policy coherence through capacity building, improved data systems and the establishment of transparent subsidy mechanisms. These efforts contribute to institutional strengthening, enabling the government to better manage deforestation risks and advance sustainable cocoa and coffee value chains.

By modernising the cocoa and coffee sectors through deforestation-free and climate-resilient production models, the activities directly support the structural transformation of agriculture, a priority sector under the SND30. By improving productivity, value addition and the traceability of exports, they strengthen the competitiveness of key agricultural value chains whilst promoting environmental sustainability. The RACINE initiative also makes a significant contribution to social inclusion and human capital development. It directly targets around 250,000 smallholder farmers, many of whom are women and young people, by giving them access to finance, technical support and digital services via the 'Guichet Producteurs' platform and its various sub-portals. This promotes income generation, gender equality and financial inclusion, thereby reducing rural poverty and vulnerability to climate change (see the section on the SDGs and related benefits). At the institutional level, the RACINE initiative strengthens inter-ministerial coordination, improves grant governance and increases transparency through digital traceability tools, fully in line with the SND30's objectives regarding the modernisation of public service delivery and decentralisation.

Finally, the RACINE initiative's focus on climate change mitigation and adaptation, through agroforestry, land-use planning and forest conservation, reinforces Cameroon's commitment to sustainable development and environmental protection, as defined in the fourth pillar of the SND30. It thus constitutes a concrete mechanism for implementing the strategy's long-term objectives in a world subject to climate constraints.

Link between the RACINE initiative and the nationally determined contribution

Like most African countries, Cameroon does not emit large amounts of greenhouse gases (34,933 GtCO₂eq in 2010 and 119,085 GtCO₂eq in 2030 under a Business-as-Usual (BaU) scenario). According to the Nationally Determined Contribution (NDC), the main sources of emissions are agriculture (69%), energy (18%), waste (12%) and industry (1%). The country has committed to reducing its emissions by 35% compared to the baseline scenario by 2030 (16.3% of this reduction will come from forests). This new target reflects the country's ambition in terms of mitigation compared to the first version of the NDC, which set an initial target of 32%². More specifically, the initiative's dual focus on mitigation and adaptation directly supports the fulfilment of Cameroon's commitments under this NDC, particularly regarding land use, land-use change and forestry (LULUCF). By promoting deforestation-free production systems and better governance of land use, the initiative contributes significantly to Cameroon's NDC objective of reducing emissions through sustainable forest management, conservation and the enhancement of forest carbon stocks. With CAFI's support, Cameroon has finalised its new NDC 3.0 to be presented at COP 30.

Link between the RACINE Initiative and the National Adaptation Plan

Cameroon's National Adaptation Plan (NAP) provides a unified strategic framework for public and private stakeholders across the country to structure their adaptation initiatives. Developed through an inclusive and participatory process, the NAP sets out a set of strategic priorities that reflect a broad national consensus on the most effective pathways to strengthen resilience to climate change. Its objective is to reduce the vulnerability of Cameroon's populations to the effects of climate change, improve their resilience and quality of life, and strengthen national adaptation capacities in order to seize new

¹ <https://minepat.gov.cm/fr/snd30/>

² Cameroon, 2021. [Updated Nationally Determined Contribution \(NDC\)](#). Yaoundé: Government of Cameroon.

opportunities for sustainable development. To achieve this, the NAP is structured around four strategic pillars: (i) strengthening knowledge on climate change in Cameroon to better inform planning and action, (ii) raising awareness, educating and mobilising the population to adopt appropriate behaviours and practices, (iii) reducing vulnerability to climate change in key sectors and agro-ecological zones through targeted actions that preserve livelihoods and ecosystems, (iv) integrating climate change adaptation into national sectoral strategies and policies, ensuring the long-term coherence and integration of resilience objectives into development planning³.

The RACINE initiative makes a significant contribution to achieving the objectives of Cameroon's National Action Plan (NAP) by directly addressing its strategic priorities. More specifically, the initiative strengthens the resilience of the agricultural sector, particularly cocoa and coffee production, which are highly vulnerable to climate variability and change. Under Pillar 1, through in-depth training programmes for farmers and digital extension services, it promotes informed decision-making and improved adaptation practices at the local level, thereby directly supporting the NAP's strategic objective of raising public awareness of climate change and building capacity. Under Pillars 2 and 3, by encouraging and facilitating the widespread adoption of agroforestry, improved plant material and climate-smart agricultural techniques, the project significantly reduces vulnerabilities in key agricultural regions, 'thereby *reducing vulnerability to climate change in key sectors*'. Under Pillar 4, the project's robust digital financing and traceability systems integrate climate change adaptation considerations into the distribution of agricultural subsidies and market mechanisms, thereby reflecting the NAP's strategic focus on '*integrating adaptation into national policies and sectoral strategies*'. This ensures the sustainability and scalability of adaptation practices beyond the project's immediate interventions.

Finally, through multi-stakeholder participation and institutional capacity building, the RACINE initiative promotes improved governance and coordination between national and local actors. This effort aligns directly with the NAP's objective of integrating adaptation into broader institutional frameworks, thereby strengthening Cameroon's overall adaptive capacity and resilience.

At the same time, with CAFI's support, Cameroon has prepared a first draft of its National Climate Plan, which was approved in July 2025 and thus serves as a roadmap for the implementation of the RACINE initiative.

Mitigation challenge:

Tropical forests are among the most biodiverse ecosystems on the planet. They provide a vital habitat for countless species, many of which remain unknown or poorly studied. These forests have a significant influence on local and global water cycles by preserving water quality, regulating rainfall and protecting freshwater resources, which are essential for ecological balance and human well-being. Beyond these ecological benefits, tropical forests provide a livelihood for millions of people worldwide, supplying vital resources such as food, shelter, medicine and cultural identity to indigenous communities and rural populations.

³ Cameroon, 2015. [National Climate Change Adaptation Plan](#). Yaoundé: Government of Cameroon.

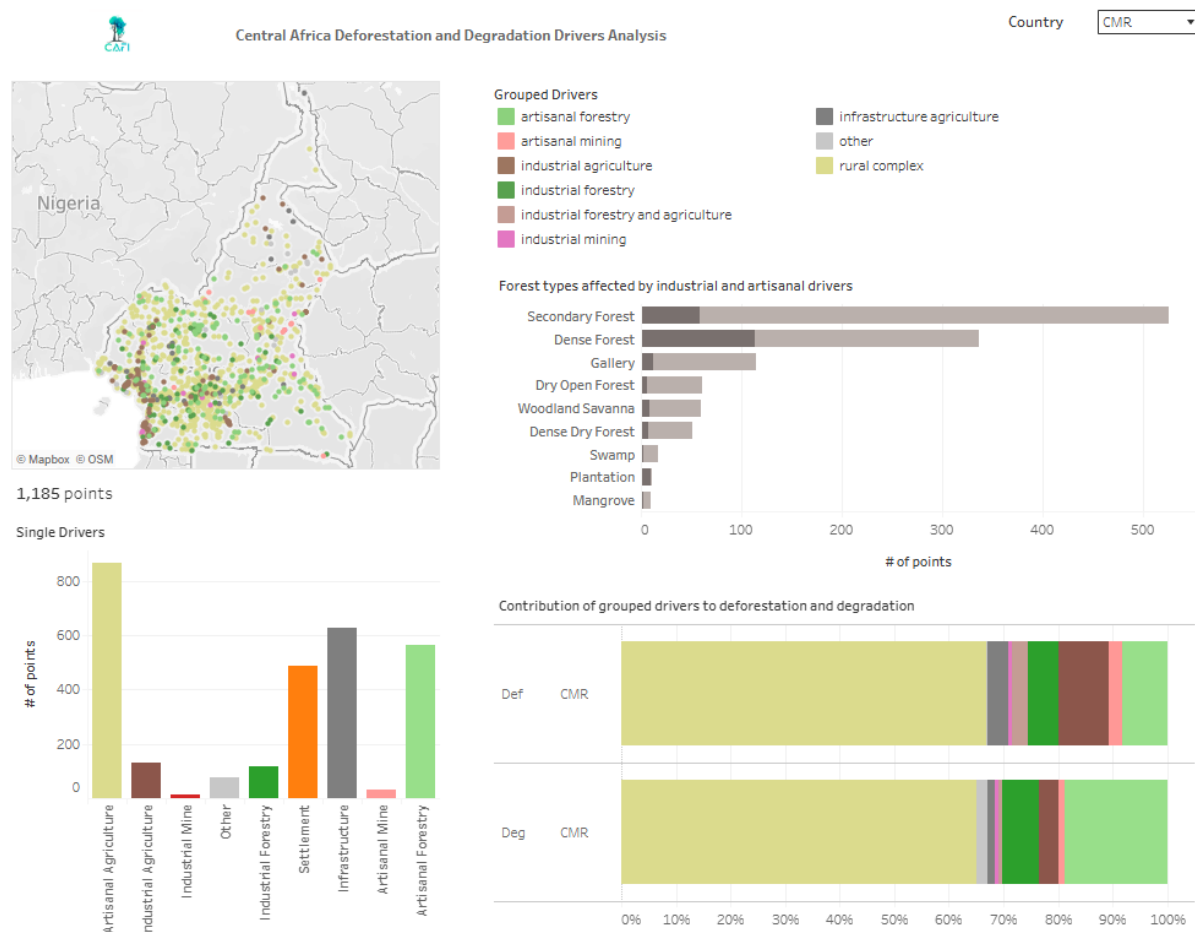


Figure1 : Factors contributing to deforestation in Cameroon, source: FAO

Cameroon is also an agricultural country that produces and exports commodities such as cocoa, coffee, rubber, timber, palm oil, cotton, bananas and pineapples to international markets, and food crops to sub-regional markets. Agriculture, particularly smallholdings of less than two hectares, is responsible for over 60% of deforestation, mainly due to shifting cultivation practices involving slash-and-burn methods alternating with fallow periods of varying duration (between 5 and 20 years) to restore soil productivity⁴.

Without a radical transformation of land management practices and raw material production models—one that values natural forest ecosystems at their true worth and integrates sustainability into market mechanisms—deforestation risks accelerating, exacerbating biodiversity loss, climate change and socio-economic instability on a global scale. To address these challenges, coordinated international efforts, innovative financial mechanisms, robust governance frameworks and a reorientation of economic incentives towards the conservation and sustainable management of tropical forests are required.

Adaptation challenge: globally, climate change is altering climate patterns, intensifying extreme weather events and having significant impacts on ecosystems and people's livelihoods. Africa is particularly vulnerable due to its dependence on climate-sensitive sectors, such as agriculture and forestry, and its limited capacity to adapt due to socio-economic constraints. As climate-related challenges intensify, African countries face growing risks from droughts, floods, heatwaves and unpredictable rainfall, which pose a serious threat to food security, economic stability and sustainable development as a whole.

Cameroon, a tropical country characterised in its southern part by generally high rainfall, faces particular climate challenges, particularly in its northern regions where rainfall has become increasingly erratic and less predictable over the last five decades. Historical data indicate a decline in total rainfall, marked by

⁴ World Bank, [Climate-Resilient Agricultural Investment Plan for Cameroon](#), 2020,

prolonged periods of drought and shorter wet seasons. Future climate projections predict a slight overall increase in rainfall, but the changes are not expected to be significant. However, the most pressing concern remains the projected increase in extreme and infrequent rainfall, particularly in the northern regions. This shift towards more erratic rainfall patterns, with shorter and more intense wet periods, complicates flood management strategies and undermines the predictability essential for agricultural planning.

Rising temperatures across Cameroon will exacerbate climate stress, with projections indicating an increase in the frequency of extreme heat events. By mid-century, central regions are expected to experience the greatest increase in the number of extreme heat days, followed gradually by other regions over the subsequent decades. Furthermore, the northern and coastal regions will experience increasingly hot nights, with this trend gradually spreading to the rest of the country. In addition, the northern and coastal regions will face conditions of extreme humid heat, a challenge that is expected to eventually affect the whole country⁵ (see Figure 2).

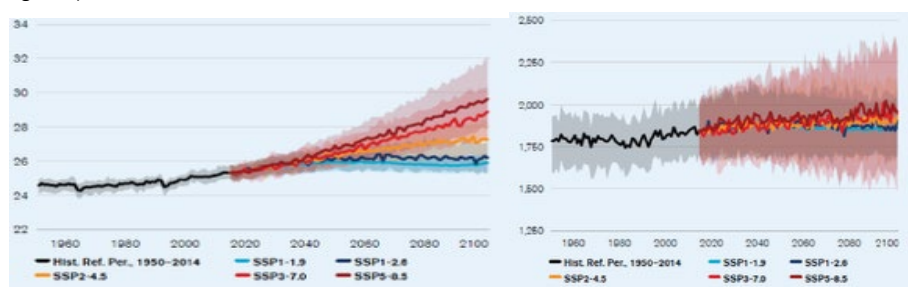


Figure2: Projected average surface air temperatures for different climate change scenarios (left). Projected annual rainfall for different climate change scenarios (right)

These climate changes are already posing serious challenges to Cameroon's development, particularly in the agricultural sector, which accounts for over 70% of employment and income. The vulnerability of the agricultural sector is exacerbated by its dependence on a constant water supply and its susceptibility to the risks of erosion and flooding. Currently, around two million people, or approximately 9% of Cameroon's population, live in drought-prone areas, exposing around 8% of the country's GDP to climate-related risks. Forest-dependent communities also face increased risks of poverty, as climate change—characterised by temperature fluctuations, variable rainfall and more severe droughts—has a negative impact on their livelihoods. Regions such as the Far North are particularly vulnerable, with frequent and severe droughts exacerbating food insecurity and disrupting livelihoods.

According to the 2020 ND-GAIN index⁶, Cameroon ranks^{146th} out of 182 countries, highlighting its high vulnerability to climate change. This vulnerability stems mainly from its high exposure to climate risks, its susceptibility due to its economic and social structures, and its limited adaptive capacity to respond effectively to and manage these challenges.

Through dialogue with the CAFI Initiative and the signing of the Letter of Intent, the country has therefore committed to preserving forests within the permanent forest area and to significantly reducing deforestation and forest degradation, particularly in the non-permanent forest area where the main agricultural pressures are felt. The entry into force of the European Union Deforestation Regulation (EUDR) reinforces these requirements by making access to European markets conditional on the traceability of commodities, including cocoa and coffee, and on proof that no conversion of natural forests has taken place after 2020 to establish cocoa or coffee plantations. In this context, continuing with an extensive model of increasing cultivated areas is no longer compatible with either Cameroon's international commitments or the economic sustainability of its export sectors.

Population and food projections are exacerbating these tensions. By 2040, domestic demand for food crops is set to double, even as reserves of easily accessible non-forested land are dwindling. Without a paradigm shift, the combined growth of cocoa/coffee production and food crops risks accelerating the conversion of former fallow land and secondary forests, with negative impacts on the climate, biodiversity and community livelihoods. It is against this backdrop that the Government and CAFI have identified the

⁵ [Climate Risk Profile: Cameroon \(2025\)](#); World Bank Group.

⁶ <https://gain.nd.edu/our-work/country-index/>

FODECC Producers' Window as a key lever for deforestation-free agricultural intensification, justifying the pilot support for the PAIDATA project, followed by the structured scaling-up proposed to the FVC through the RACINE Initiative.

The cocoa sector:

The cocoa sector in Cameroon is a major agricultural sector with profound implications for both the economy and the environment, particularly with regard to forests. As the world's ^{fourth-largest} cocoa producer, Cameroon's cocoa industry plays a crucial role in the livelihoods of thousands of smallholders and contributes substantially to the country's export earnings. It produced and marketed 306,000 tonnes of cocoa during the 2024–2025 season. This economic importance comes with an environmental cost, particularly in the forested areas where cocoa is produced. As global demand and cocoa prices rise, Cameroonian farmers are often encouraged to expand their cocoa plantations into adjacent forest areas. This expansion involves the deforestation of primary and secondary forests to make way for food crops and subsequently cocoa. Indeed, traditional practices in Cameroon often involve slash-and-burn agriculture, a method that involves clearing land by cutting down and burning existing vegetation to create more open fields. Whilst this method increases fertility in the short term thanks to the ash, it nevertheless contributes significantly to habitat destruction, soil degradation and the emission of large quantities of carbon dioxide, thereby exacerbating climate change⁷.

Many cocoa farmers in Cameroon lack the resources needed to implement sustainable agricultural practices. This is reflected in particular by the lack of systematic agroforestry practices, low crop diversification and minimal use of sustainable pest and disease control techniques.

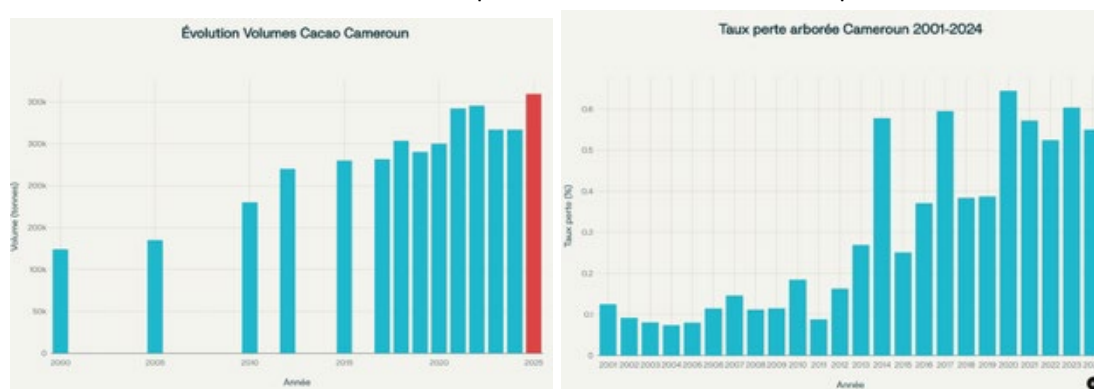
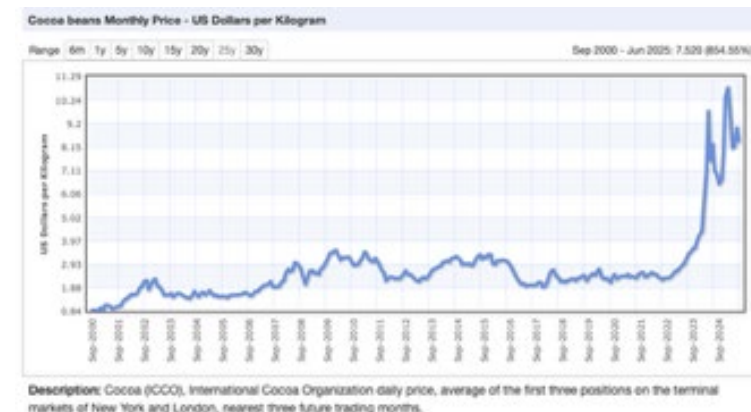


Figure3: Trends in cocoa production in Cameroon (left) and trends in the annual rate of tree cover loss (right) since 2000

These practices could mitigate the environmental impact of cocoa farming, but they are not widely adopted due to various constraints, including a lack of access to training, financial resources and support. Furthermore, the cocoa value chain in Cameroon faces several sustainability challenges, including ageing trees, diseases, pests and soil depletion, all of which can lead to reduced productivity and encourage further expansion into forested areas as farmers seek new fertile land. The lack of sustainable agricultural practices and the need to improve agricultural inputs and techniques exacerbate the situation, leading to inefficient land use and increased pressure on forests. In this context, addressing climate impacts within Cameroon's cocoa value chain appears to be a strategic imperative for sustainable development. Cocoa production contributes significantly to the country's economy, but it faces a dual challenge: reducing its environmental impact and strengthening its resilience to climate-related threats.

⁷ [EFI, 2022. Traceability, transparency and sustainability in the cocoa sector in Cameroon, 70 p.](#)

Figure4: Trends in cocoa and coffee prices from 2000 to 2025 (source : London stock exchange)



The graph opposite showing the trend in cocoa prices over the last 25 years clearly illustrates that prices soared on the global market from 2023 before falling again in late 2025/2026. This was seen as an opportunity by producers and the Government of Cameroon, as after decades of excessively low prices that led to the abandonment of many plantations, cocoa and coffee are once again profitable crops. This economic and social opportunity, when prices are very high, also poses an environmental risk as it could potentially lead to further large-scale deforestation.



COCOA and COFFEE in the regions of Cameroon

Cocoa and Robusta coffee in Cameroon are grown in the same agroecological zones of rainforests and forest-savannah transition zones. Arabica coffee is grown exclusively on high-altitude plateaus. The distribution of these crops across 8 of the country's 10 regions reflects climatic suitability, market access and historical farming practices.

Cocoa-producing regions

The south-west is Cameroon's largest cocoa-producing region, accounting for around 45–50% of national production and home to approximately 250,000 cocoa farmers. It includes key divisions such as Meme, Fako, Ndian and Manyu. The region forms part of the monomodal rainforest agroecological zone, characterised by volcanic soils, abundant rainfall (over 2,500 mm per year) and dense vegetation, ideal for cocoa cultivation. The terrain is rugged and mountainous near Mount Cameroon, then slopes down to fertile plains. It is a sparsely populated area, with rapidly expanding urban centres such as Buea, Limbe and Kumba, and a predominantly young population. A large proportion of the population actually consists of internally displaced people from the North-West and West regions in search of new agricultural land. The pioneers very often used cocoa as a marker to demonstrate their development and appropriation of the new lands cleared from the natural forest. Despite its agricultural importance, much of the interior lacks paved roads, which limits access to inputs and markets. The local economy relies on cocoa, palm oil, timber and, increasingly, services, but many rural communities still face poverty and limited access to social infrastructure. In the South-West region, the extremely humid forest climate makes it difficult, and often impossible, to sun-dry cocoa. Producers, whether or not organised into cooperatives, use wood-fired dryers (e.g. Samoa-type), thereby contributing to a significant increase in household wood fuel consumption.

The Central Region, particularly the divisions of Lekie, Mbam-et-Inoubou and Nyong-et-Kelle, accounts for 20–25% of cocoa production and is home to around 150,000 farmers. It lies in the transition zone between forest and savannah, with flat to undulating terrain and moderately fertile soils. The region benefits from its proximity to Yaoundé, Cameroon's political capital, which improves access to markets and logistics. However, many cocoa plantations are ageing and unproductive, and demographic pressure due to urban expansion and land fragmentation is increasing. The economy is more diversified than in other cocoa-growing regions, combining agriculture, the public sector and trade. The demographic profile shows a mix of rural and peri-urban communities, with above-average access to education and healthcare.

In the Southern region, cocoa is grown by around 100,000 farmers, who account for 10 to 15% of national production. This generally sparsely populated region is situated in the tropical rainforest of the Congo Basin and is characterised by dense forests, low-lying plateaus and rich biodiversity. The terrain is gently undulating and rainfall is fairly abundant, following a bimodal pattern. The economy is largely based on subsistence farming, although cocoa is a key cash crop. Infrastructure remains underdeveloped and communities are often still isolated. However, the potential for sustainable expansion of cocoa cultivation is high in agroforestry areas within the permanent forest zone, where the entire rural population is concentrated, whilst the vast forested areas of the permanent forest zone (protected areas, forest concessions, communal forests) are completely uninhabited, with the occasional exception of a few seasonal Pygmy settlements.

Smaller but expanding cocoa-growing areas are found in the Littoral and Eastern regions, which are home to around 50,000 cocoa farmers. The Littoral region, whose economic capital is Douala, offers excellent logistics infrastructure and access to export markets, but suffers from land pressure and rapid urbanisation. The Eastern region is much less developed, with vast forested areas in its southern part, a hilly terrain and a low population density. Cocoa production there has significant potential, particularly for expansion without deforestation in agroforestry zones and forest-savannah transition zones. However, infrastructure remains poor and basic services limited, particularly for indigenous and marginalised communities in the most isolated forest communities.

Coffee-producing regions

Cameroon's Robusta coffee, which accounts for over 90% of total coffee production, is grown mainly in the Central, Littoral and South-West regions. These regions have a humid lowland climate, with altitudes ranging from 200 to 800 metres and average rainfall exceeding 1,500 mm/year.

In the West and North-West regions, Arabica coffee is grown by tens of thousands of farmers. These are the western highlands, characterised by undulating plateaus, fertile volcanic soils and a high population density. They have relatively good infrastructure, a dense network of rural settlements and a dynamic market economy. However, competition with food crops and the ageing of farms pose significant challenges. The economy is mixed, with strong agricultural and artisanal sectors.

The Central and Littoral regions are home to around 40,000 Robusta coffee producers, particularly in Nyong-et-Kelle, Sanaga-Maritime and Mounjo. These areas are more accessible from Douala and Yaoundé, but suffer from soil degradation, market fluctuations and limited support services. The terrain is flat to gently undulating and the population density is moderate. Coffee cultivation is often secondary to cocoa or food production.

In the South-West region, around 30,000 farmers grow Robusta coffee, often as an intercrop in agroforestry systems. Shifting cultivation and seasonal labour migration are common. The region's cultural diversity and long experience with cash crops offer significant potential for value addition, provided that infrastructure improves and the socio-political climate stabilises and returns to normal.

Arabica coffee, which requires cooler climates, is grown at higher altitudes (1,200 to 2,000 metres), mainly in the north-western and western regions.

Despite the political instability of recent years, the North-West region remains a centre for high-quality Arabica production with potential for the speciality markets. Demographically, the region is densely populated and has a strong rural culture centred on agriculture and local governance.

The western highlands, such as the Mount Mbapit region, are home to several thousand Arabica producers. The terrain there is steep and volcanic, with cooler temperatures. The region is economically dynamic, with a diversified economy comprising food crops, livestock and coffee. However, the rural exodus of young people to the cities and the ageing of the rural population present structural constraints.

FODECC

FODECC, the Fund for the Development of the Cocoa and Coffee Sectors, is the public financial institution established by the Government of Cameroon to support the development of the cocoa and coffee sectors since 2006. Following the Government's adoption of the new agricultural subsidy paradigm in 2019, FODECC was tasked with developing the new system of direct subsidies for priority agricultural sectors based on vouchers (inputs, services) and business plans⁸. The first window (G1/a-ebon) of the Producers' Window, focused on direct subsidies to producers via electronic vouchers enabling the purchase of quality inputs to improve production, has been operational since 2022.

FODECC is funded by a share of the levy collected on cocoa and coffee exports. This funds the institution's operations, direct support programmes for sector development run by the relevant ministries, and the Producers' Window by FODECC itself. *See diagram below.*

⁸ Prime Ministerial Decree of August 2019, MINADER Agricultural Grant Manual, FODECC Grant Manuals G1/G2/G3

Figure5: Operational diagram of the FODECC EPA of a financial nature

At the heart of this initiative is therefore the FODECC's 'Producers' Window', which provides targeted financial and technical support to farmers to bolster the cocoa and coffee value chains whilst strengthening their resilience to climate change. On the mitigation front, the FODECC Window operates through several strategic mechanisms:

- **Preventing deforestation:** by making the geolocation of cocoa and coffee plantations mandatory, the initiative ensures that production takes place only on legally recognised agricultural land (rights of use). This monitoring mechanism prevents the expansion of plantations into forested areas, thereby contributing directly to the reduction of emissions linked to deforestation. It anticipates the traceability and zero-deforestation requirements of the EU Forest Regulation.
- **Sustainable intensification:** financial support for climate-smart inputs, improved agricultural techniques and agroforestry enables farmers to increase yields of cash crops and food crops on existing land, thereby reducing the pressure to clear new forest areas.
- **Agroforestry systems:** the integration of shade trees into cocoa and coffee plantations not only sequesters carbon above and below ground, but also provides essential microclimatic benefits that enhance the climate resilience of farms.
- **Monitoring and traceability:** the roll-out of a fully digital, georeferenced traceability system enables real-time monitoring of land use. This technology promotes compliance with deforestation commitments and facilitates the accounting of emissions in accordance with international requirements such as the EU Deforestation Regulation.

For adaptation, FODECC, through its supervised programmes and its Producer Helpdesk, offers a range of tools and interventions tailored to the specific vulnerabilities of cocoa and coffee farming systems. With the support of the RACINE initiative, building on the support provided through PAIDATA with CAFI funding, FODECC's capacities will be strengthened in the following areas:

- **Improving farm resilience:** financial products support the use of organic fertilisers, compost, shade trees and improved cocoa seedlings, which enhance soil health and increase resistance to climate-related stresses.
- **Water management:** practices such as mulching, improved drainage and water retention techniques are encouraged to mitigate the effects of erratic rainfall and periods of drought.
- **Pest and disease control:** integrated pest management (IPM) techniques are being promoted to mitigate the effects of climate-exacerbated outbreaks.
- **Livelihood diversification:** by promoting intercropping and the introduction of complementary crops, FODECC, with the support of the RACINE initiative and building on actions previously

undertaken using national resources, is helping to reduce economic vulnerability to yield fluctuations specific to cocoa and coffee.

This holistic approach, which combines mitigation and adaptation within a single, evolving financial mechanism, positions the institution and the FODECC system as a model for the smart transformation of the cocoa and coffee sector in the face of climate change. It promotes improved productivity, strengthens resilience, encourages responsible environmental management and supports compliance with new international market requirements, thereby ensuring that Cameroon's cocoa and coffee sector remains both globally competitive and resilient to climate change.

Figure6: Strategic diagram of the FODECC Producers' Window

The FODECC Producers' Window model involves offering a grant or minority co-financing for the producer's investment plan or operating account in order to directly generate a leverage effect, which averages around 70% private contribution for an average public grant of around 30%. The private contribution is made by mobilising producers' savings and, often, through a complementary short-term loan taken out with their bank or microfinance institution. Based on estimates of the budgets from the Producers' Fund that could be allocated to it between 2026 and 2031, the volume of public subsidy would be around 89 million euros over six years, representing a private contribution directly mobilised by beneficiaries of around 296 million euros (excluding other untraceable direct and indirect contributions). With the RACINE initiative, it is proposed to increase the financial volume allocated to public subsidies, thereby significantly boosting the financing capacity for climate change adaptation and mitigation actions, agroforestry and forest conservation by private actors (small-scale producers, cooperatives, micro, small and medium-sized enterprises, and technical cooperation agencies) across the various agroecological components of the Producers' Window.

NB: See Annex 26 and the separate manuals on procedures for the allocation and management of FODECC agricultural grants in the cocoa and coffee sectors (updated version of May 2026):

- **Operational Manual for the Producers' Window Volume 1 – Quantity/production**, and general and specific provisions for the G1/a-ebon and G1/b-PA production components for producers
- **Operational Manual for the Producers' Window Volume II – Local Authorities and Agroecological Transition**, Quality Components (G2/a-CTD and G2/b-Coop) & Agroecological Transition Components (G2/c-PLADDT and G2/d-Green Investment/TA) for the attention of local authorities
- **Operational Manual for the Producers' Window Volume III – Sustainability**, Agroecological Transition Components G3/a-TA & G3/b-Agricultural Advisory/TA for producers

How the G1/a-ebon Window for Agricultural Intensification Support Works (summary)

The mechanism is described on pages 36 to 42 of the Operationalisation Manual for the Producers' Window, Volume 1 – Quantity, Production Component G1/a-ebon. **It is this ^{first} component that has been operational since 2022.**

The entire system is managed via a centralised electronic platform, interconnected for producers via the AGRI4FARMER mobile app (available on the Android Play Store), for agricultural advisers via AGRI4CONFIRMATION, for banks/MFIs via AGRI4FINANCE and for distributors via AGRI4TRADE.

In summary, it is a 12-step process involving three key stakeholders:

Farmer

1. Opens an account with a local bank or microfinance institution and deposits their share (*out-of-pocket cost*) of the subsidised purchase cost (*selection of inputs for a maximum area of 2 ha*), in cash or via Mobile Money (60% of the value of the e-vouchers in the first year, 80% in the second and 90% in the third), which entitles them to a subsidy of 40% in the ^{1st} year, 20% in the ^{2nd} year and 10% in the ^{3rd} year.
2. Enters their FODECC ID and personal details into the app, including:
 - a. the GPS coordinates of their cocoa/coffee plots (*outside the permanent forest area*),
 - b. planting data (*age, density, etc.*),
 - c. production data (*yield, specific treatments, etc.*),
 - d. their EMF/bank account details,
 - e. their preferred local agricultural input distribution network.
3. Submits their grant application via the app (within eligibility limits) → Application of the ^{first} come, ^{first} served' principle, whilst ensuring that all regions are covered.

Bank or microfinance institution (MFI or Bank)

4. Verifies the cocoa/coffee farmer's identification details (file, card).
5. Verifies the e-voucher application (availability of the producer's funds, compliance with subsidy eligibility limits, identification of the input distributor, etc.).
6. Issues e-vouchers to the producer, with an electronic copy sent to the local distributor (a member of a partner network) and to the central server/FODECC.
7. Submits a monthly bundle of supporting documents to FODECC for reimbursement of the subsidy amounts paid, in accordance with the terms of the partnership agreement.

Local input distributor

8. Assesses input requirements in advance and orders the necessary products (identified by barcode/QR code) from its national/regional private network.
9. Manages stock in accordance with current rules, using a barcode scanner.
10. Receives daily copies of the e-vouchers to be processed via their smartphone app.
11. Delivers the products in accordance with the e-vouchers issued, with the producer's electronic signature confirming receipt of the subsidised inputs (*and a paper copy for the purposes of the public administrative verification procedure in accordance with national regulations*).
12. Receives payment for the e-vouchers fulfilled via bank transfer from the MFI/bank.
13. Forwards the e-voucher redemption details to their network for statistical monitoring.

The FODECC Producers' Helpdesk was established over several years of work under the supervision of MINEPAT, MINADER and MINCOMMERCE as part of the European Union's (EU) sector reform contracts (budget support). This long-term commitment approach ensured the active participation and buy-in of various stakeholders, including government agencies, farmers' organisations, civil society and private sector actors. Through iterative consultations, capacity building and feedback loops, the system was designed jointly with technical support from the European Union to meet local needs, improve transparency and strengthen accountability in the distribution of agricultural subsidies. This inclusive process laid a solid foundation for the current digital financing mechanisms, ensuring broad support and ownership from both producers and institutions. Civil society organisations have highlighted gains in transparency and the empowerment of smallholder farmers as key benefits of this participatory approach, which continues to guide the implementation and refinement of the initiative.

Summary of the selection criteria for beneficiaries of the Producers Window based on the G1 Production and G3 Sustainability sub-windows:

- 1 **S-Window 1/a-ebon** / production intensification / electronic vouchers
 - a. Full registration of the farm manager on the FODECC platform. Regardless of the size of the orchard, the G1/a-ebon grant is capped at 2 ha and is proportional to the actual area if this is less than 2 ha. The subsidy covers only purchases of approved inputs (complete fertilisers, fungicides, insecticides, very small equipment) at a rate of 40% in year 1, 20% in year 2 and 10% in year 3.
 - b. Deposit the amount of the applicant's share of the costs into their bank account so that the EMF can issue the electronic voucher(s) upon receipt of the deposit / each year
 - c. Application of the 'first come, first served' rule at the launch of the campaign by FODECC, subject, however, to i) a degree of equalisation to ensure that all regions are served despite the overall insufficiency of available funds relative to the demand expressed, and ii) a facilitation mechanism for farm managers with an officially recognised disability.
 - d. ➔ subsidy capped at 142,800 CFA francs per hectare over 3 years, i.e. 285,600 CFA francs per farmer over 3 years
- 2 **S-Guichet 1/b-PA** / production intensification / business plan co-financing
 - a. Must already be registered on the FODECC platform. Must have georeferenced their orchards.
 - b. Prepare a business plan in accordance with the provisions set out in the manual
 - c. Submit the application electronically and in hard copy to the regional decision-making committee / 'first come, first served' / no discrimination / facilitated access for those with disabilities
 - d. Deposit the amount of your share into your bank account so that the EMF can pay the invoices in accordance with the approved business plan
 - e. Application approved by FODECC via the digital platform.
 - f. ➔ Grant capped at 500,000 CFA francs per individual business plan application
- 3 **S-Guichet 3/a-TA** / sustainability-agroecological transition / co-financing of an agroecological transition plan (PTA) at farm level/electronic vouchers
 - a. Must already be registered on the FODECC platform (easier access if recognised disability)
 - b. Extend the georeferencing of your plots and trees to the farm level. Provide evidence of at least 3 ha of agricultural land (orchards + food crops)
 - c. Hire a certified agricultural advisor to assist with the ATP
 - d. Prepare and submit an agroecological transition plan online to FODECC in accordance with the sustainability manual (cover crops, orchard densification, organic approach, etc.)
 - e. Deposit the amount of their share into their bank account so that the EMF can issue electronic vouchers each year
 - f. ➔ Grant capped at 580,000 CFA francs over 3 years per farm
- 4 **S-Guichet 3/b-CTA** / sustainability-agricultural-advice-support / subsidy for an agroecological transition adviser to assist the grower in implementing their PTA / online application submitted by the grower, who chooses their own adviser
 - a. Hold a qualification from an agricultural college and have completed the online training course on agroecology
 - b. Be registered and georeferenced on the FODECC platform as an agricultural adviser
 - c. Be accredited by the MINADER regional decision-making committee and confirmed by FODECC
 - d. Work within a radius of approximately 20 km with a client base limited to 20 producers
 - e. ➔ Subsidy capped at 155,000 CFA francs over 3 years per farm

Summary of selection criteria for beneficiaries of the Producers' Window based on the sub-windows of the G2 Local Authorities:

- 5 **S-Window 2/a-CTD** / Local Authorities – quality investment / co-financing of a post-harvest processing centre (property investment) in partnership with a COOP/GIE / Local authority business plan
 - a. Must be a municipality within the cocoa or coffee production basin
 - b. Register in the system and sign a framework agreement with FODECC
 - c. Pass a resolution at the municipal council meeting authorising the commitment of the following year's budget
 - d. Prepare, with the support of the CTFC, a joint business plan with a local cooperative or GIE based on a partnership established by agreement
 - e. Present and defend the application before the regional decision-making committee
 - f. Have the business plan approved by FODECC
 - g. Transfer the municipality's share of co-funding to the dedicated bank account in order to trigger bank payments in accordance with the approved business plan
 - h. ➔ Grant capped at 55 million CFA francs per processing centre application
- 6 **S-Guichet 2/b-COOP** / Local Authorities – quality investment / co-financing of the operating assets of a post-harvest processing centre in partnership with a municipality / business plan of the Coop/GIE
 - a. Be based in a municipality within the cocoa or coffee production basin and have signed a partnership agreement with the municipal executive
 - b. Register with the FODECC system
 - c. With the support of the CTFC, prepare a business plan to be attached to the municipality's plan, demonstrating your technical and financial capacity to operate the post-harvest processing centre.
 - d. Have an active bank account into which to deposit its share of the remaining business plan costs (70% of the business plan's movable assets)
 - e. Support the municipality during the presentation of the application to the regional decision-making committee and provide all the required supporting documents
 - f. Validate the business plan application with FODECC
 - g. Deposit the remaining co-financing share into the dedicated bank account so that the bank can initiate payments in accordance with the approved business plan
 - h. ➔ Grant capped at 30 million CFA francs per waste treatment centre application
- 7 **S-Guichet 2/c-PLADDT** / Local Authorities – PLADDT / Co-financing of the preparation of the local plan for the sustainable development and planning of the municipality's territory
 - a. Be a municipality in the cocoa or coffee-growing region with natural forests within its territory, comprising both permanent and non-permanent forest areas
 - b. Decide to adopt a PLADDT to organise the planning of its territory
 - c. Sign a framework partnership agreement with FODECC
 - d. Pass a council resolution to commit the necessary budgets to the PLADDT
 - e. Prepare, with the CTFC, a co-financing application to be submitted to FODECC, setting out in particular how the remaining costs will be funded (municipal budget + FEICOM co-financing + ?)
 - f. Launch the recruitment process for a consultancy firm specialising in spatial planning
 - g. Have the application approved by FODECC and sign the funding agreement
 - h. ➔ Grant capped at 50 million CFA francs per PLADDT
- 8 **S-Guichet 2/d-Green Investment** / Local Authorities / co-financing of the municipality's green investments / application
 - a. Be a municipality in the cocoa or coffee-growing region with natural forests within its territory, comprising both permanent and non-permanent forest areas
 - b. Decide, on the basis of its PLADDT, PCD or POS, to undertake green investments within the municipal territory
 - c. Pass a council resolution to commit the necessary budgets to green investments
 - d. Prepare, with the support of the CTFC, its co-financing application dossier, explaining in particular how the remaining costs will be financed
 - e. Launch, as appropriate, the procedures for recruiting subcontractors
 - f. Validate the application with the FODECC and sign the funding agreement
 - g. ➔ Uncapped grant, but estimated at an average value of around 150 million CFA francs per municipality, depending on the municipality's own funding capacity.

This system of direct agricultural subsidies is managed, particularly for G1 Production, entirely via a digital platform and smartphone apps. A descriptive video has been produced by the technology services company Edenred, which supplies and manages FODECC's IT systems (see <https://www.youtube.com/watch?v=LZZgh3Xy1rE>). The FODECC's approach⁹ is based on:

- **National funding.** FODECC is funded by national resources derived from a levy on cocoa and coffee exports. This will provide it with approximately €12 million per year by 2025, though this amount varies depending on cocoa and coffee prices.
- Information is exchanged directly with producers entirely via **smartphone apps**.
- **No cash!** FODECC uses a **system of electronic vouchers** for the purchase of inputs and services, which avoids cash transfers and thus reduces the risk of corruption.
- **Georeferencing of plantations.** Farmers are required to map their fields in order to participate, which serves as a starting point for monitoring deforestation-free production.
- **Access to banking services** (financial inclusion). Opening a bank account with a participating bank or microfinance institution is a prerequisite for participation. The FODECC subsidy scheme provides a solid foundation for accessing micro/national funding.
- **Farmers make a financial commitment through co-financing.** On average, FODECC covers only 30% of the cost of subsidised agricultural inputs over three years, and therefore requires farmers to deposit an average of 70% of the funds needed to purchase inputs into their bank account in order to obtain the electronic vouchers. This rule significantly reduces the incentive for farmers to misappropriate resources, as they now have a 'direct interest' aligned with FODECC's sustainable intensification objectives.
- **There is an exit strategy!** The support provided to farmers through the G1/a-ebon production window is degressive: a 5-year subsidy cycle: 40%–20%–10%–0%–0%. Combined with the requirement for farmers to co-finance, this creates a total financial leverage effect of 7:1 for smallholders.
- **Roll-out is rapid:** the pilot phase of the 'Producer Window' in the form of electronic vouchers in the Mounjo department was launched in 2022, then extended to the whole country in 2023. Since then, this system has enabled the identification and opening of bank accounts for **over 300,000 producers**, as well as the geolocation of their coffee and cocoa plots.

As part of the 'start-up' phase of the CAFI-Cameroon partnership, CAFI is already providing USD 22 million in support to FODECC. CAFI's support to FODECC enables the design and roll-out of new financing mechanisms for the **agroecological transition and the sustainable intensification of agricultural production**, namely:

- The "Agroecological Window" provides electronic vouchers for technical assistance as well as a list of organic agricultural inputs that farmers can access based on their performance.
- The "Community Window" provides municipalities, cooperatives and local farmers' organisations with support for post-harvest processing, and co-financing facilities for green investments and municipal PLADDTs, subject to compliance with forest conservation commitments agreed with municipal councils as part of land-use planning (PLADDT).

Together, these three 'windows' constitute a comprehensive set of incentives enabling CAFI to support deforestation-free cocoa and coffee production, in line with the **new European regulations on deforestation-free products**. This is of crucial importance, as Cameroon is the world's **fourth-largest cocoa producer**.

If we focus solely on coffee and cocoa, **nearly 700,000 farmers** could be registered by 2030, but there is a significant funding shortfall to achieve this. MINEPAT and CAFI propose to start with a loan of 78.3 million euros from the CFC to co-finance the Cocoa and Coffee Development Fund (FODECC) at the CFC's standard

⁹ See the separate annex for the three operational manuals of the FODECC Producers' Window (Volume 1: Production, Volume 2: Community, Volume 3: Sustainability) for details of the eligibility and grant award procedures

concessional rate (0.75% over 20 years), accompanied by an 8.7 million euro grant from the FVC for non-directly productive activities, and additional financial support of 39.15 million euros in performance-based grants from CAFI, which will be used to reinvest in the FODECC's Producer Window, thereby multiplying the impact. This initiative would help more than 227,000 households dependent on coffee and cocoa production to transition to deforestation-free production, in line with new EU regulations by 2030.

Previous traditional agricultural subsidy systems in Cameroon have consistently suffered from inefficiency, capture by elites, poor traceability and limited alignment with sustainability objectives. These systems often operated with limited transparency, relied on intermediaries and offered little accountability for results. In contrast, the Guichet Producteurs system offers a paradigm shift: a fully digitised, traceable and performance-linked model that directly empowers farmers whilst incorporating safeguards against the misuse of public funds. Its smartphone interface, geolocation capabilities and banking integration enable unprecedented transparency, real-time monitoring and financial inclusion. No other model combines these features at scale, making the Guichet Producteurs approach particularly well-suited to supporting a results-based investment framework under the FVC and CAFI.

The Guichet Producteurs model is designed not only to deliver short-term results but also to catalyse long-term systemic transformation. Its requirement for integrated co-financing ensures that farmers gradually assume greater financial responsibility, supported by a phased reduction in subsidies. This structure strengthens ownership and reduces dependence on public funds, paving the way for long-term financial sustainability. Furthermore, the integration of the model into national public finances (through the export levy), the formal banking system and decentralised governance mechanisms enables sustainable institutional anchoring. By strengthening these fundamental systems, the project secures additional support from microfinance institutions, national budgets and private agri-food sector actors, which attracts further investment and reduces the need for external subsidies in the future. The Guichet Producteurs system is therefore not an isolated intervention, but a scalable platform for climate-aligned rural development.

Cameroon's cocoa-producing regions are highly vulnerable to climate change and contribute significantly to GHG emissions, mainly due to deforestation and unsustainable agricultural practices. Scientific models (developed for West Africa) predict a sharp decline in cocoa productivity under these new climatic conditions, particularly where rising temperatures are accompanied by prolonged periods of drought – conditions that compromise pod development, yield stability and the long-term viability of plantations¹⁰¹¹. At the same time, studies have highlighted increased pressure from pests and diseases, such as black pod virus and swollen stem virus, linked to warmer and wetter conditions that heighten the plants' vulnerability. Cameroonian farmers regularly report that yield losses due to pests, drought and declining soil fertility are driving them to clear forest areas in the hope of accessing new, more productive land, which fuels deforestation and further weakens ecological resilience.

This cycle of climate-induced yield declines and forest conversion is a major source of GHG emissions. Indeed, agriculture-related deforestation in Cameroon contributes directly to the country's LULUCF emissions, which account for around 62% of its national carbon footprint. In this context, the European Union's Deforestation Regulation, officially adopted in mid-2023, stipulates that cocoa imported into EU markets must not originate from land deforested after 2020. It requires precise geographical traceability and compliance with legislation by supply chains¹². With nearly 80% of Cameroon's cocoa destined for the EU, failure to meet these criteria risks not only harming the environment but also leading to significant economic exclusion. Thus, the convergence of intensifying climate change impacts, unsustainable land expansion and tightening trade regulations creates a pivotal moment for the cocoa sector in Cameroon. Without urgent investment in sustainable intensification – such as soil management, agroforestry, disease

¹⁰ Ariza-Salamanca, A.J., Navarro-Cerrillo, R.M., Quero-Pérez, J.L. *et al.* [Vulnerability of cocoa-based agroforestry systems to climate change in West Africa](#). *Sci Rep* **13**, 10033 (2023).

¹¹ Schroth, G., Läderach, P., Martinez-Valle, A. I., Bunn, C., & Jassogne, L. (2016). [Vulnerability of cocoa to climate change in West Africa](#). *Science of The Total Environment*, 556, 231–241.

¹² <https://efi.int/sites/default/files/files/flegtredd/Sustainable-cocoa-programme/Factsheets/Unpacking%20the%20EUDR%20for%20the%20cocoa%20sector%20in%20Cameroon.pdf>

control and traceability systems – farmers will continue to clear forests to maintain their yields, thereby perpetuating a vicious cycle of emissions, adaptation deficits and loss of market access.

The FODECC Producers' Window

Figure7: Operational diagram of the FODECC Producers' Window

The FODECC Producers' Window is already operating on a 'payments for environmental services' model, with a differentiated system based on the sub-windows and various components that make up the overall model aimed at supporting the agroecological transition of the cocoa and coffee sectors as a whole. This scheme, via the **first window known as 'Production'**, notably the **G1/a-ebon** and electronic vouchers, has been supporting agricultural intensification since 2022. Its primary objective, however, is to enable the mass enrolment of producers interested in the opportunity presented by the subsidy, and thus to register them, register their cocoa and coffee plots, encourage them to open bank accounts and register their bank details, and also register their identification numbers, etc. This phase is particularly important as it enables the creation of a producer database, which by the end of 2025 will exceed 320,000 registrations covering nearly 500,000 plots of orchards. The principle of the subsidy is to cover, in the ^{first} year, approximately 40% of the value of the inputs (fertilisers and pesticides) required for a plot of up to 2 hectares. The subsidy is degressive, amounting to approximately 20% in the second year and only 10% in the third year, then zero in the fourth and fifth years; this is to avoid creating a dependency on the subsidy whilst demonstrating to growers the benefits of better managing their orchards to improve yields. By early 2026, 67,000 producers had already benefited from subsidies under this scheme across Cameroon's eight cocoa and coffee-growing regions.

The second component of the production window, the G1/b-PA or business plan, offers a grant scheme for the business plans of small-scale producers and small producer groups to facilitate their access to small-scale production equipment (processing machinery, trolleys, bins, etc.) and equipment for initial post-harvest processing (fermentation bins, hulling machines, dryers, etc.). The grant is capped at 500,000 CFA francs per farmer; however, in the case of a business plan submitted by a collective (cooperative or equivalent), the amount of the grant awarded may be higher. The applicant deposits their share into their bank account, and the bank pays the suppliers, then is reimbursed the amount of the grant by FODECC. This scheme aims to improve production yields as well as the quality of products brought to market.

Producers who have already benefited from support under the Production Scheme are then invited to commit to the **agroecological transition through the G3/a-TA Scheme** in order to reduce their dependence on synthetic inputs and improve yields and the quality of their production through the use of sustainable

and sound agricultural practices. Each producer must carry out a comprehensive survey of their farm, georeferencing their plots, orchard, trees and the boundaries of fallow land and adjacent natural forests. To facilitate the assessment, the FODECC subsidises a soil analysis of the farm. The producer then works with their agricultural technical adviser to draw up a three-year agroecological transition plan, commits to respecting the boundaries of natural forests, and has it validated via the FODECC's online procedure. This plan includes tree planting, the production and use of organic manure and biopesticides, orchard densification, the production of cover crops and mulch, and so on. During these three years, they will be supported by their agricultural adviser, who will help them meet their commitments. This will enable them to receive payments via electronic vouchers based on the results achieved, supplemented by direct payments via bank transfer to reward their efforts. The FODECC grant over three years is capped at 580,000 CFA francs per farm. To help finance the services of his adviser, the FODECC registers the producer with **the G3/b-CTA scheme**. The use of an agroecological transition adviser is mandatory, and the producer must pre-finance the cost himself during the first year. Subsequently, based on the results achieved, the cost of this service is reimbursed to the farmer via an electronic voucher. The FODECC renews the advisor's grant in year 2 and year 3 to ensure monitoring and the preparation of georeferenced digital monitoring reports demonstrating the achievement of expected results in the implementation of the farmer's agroecological transition plan. The FODECC grant for the agricultural advisor is estimated at 155,000 CFA francs over three years.

At the local authority level, and particularly for municipalities, the **G2/a-CTD Local Authorities Window** offers them the opportunity **to prepare joint business plans with a local cooperative or economic interest group (GIE)** in order to commence construction of their post-harvest processing centre(s) for cocoa or coffee. As decentralised public entities, municipalities are eligible for grants of up to 80% to build this infrastructure, which will remain their property (grant capped at 55 million CFA francs per unit). **Through the G2/b-COOP scheme**, the cooperative or economic interest group (GIE) partnering with the municipality will be eligible for a grant capped at 30% of the value of the materials and equipment required to bring the post-harvest processing centre into operation (grant capped at 30 million CFA francs per unit). A lease agreement will be drawn up between the municipality and its private partner, with an obligation to achieve specific results. All payments are made by the bank via bank transfer to the accounts of suppliers and service providers. Through these two schemes, FODECC aims to support the sector in improving the quality of marketable products and enhancing their traceability to comply with EU regulations.

The final pair of schemes concerns support for land-use planning at the municipal level through the G2/c-PLADDT scheme to subsidise the preparation of municipal PLADDTs, and **support through the G2/d-Investments in agroecological transition scheme for their green investments**. This latter scheme aims to co-finance the development and conservation of municipal forests, the restoration of forest landscapes, the planting of trees for afforestation or roadside planting, or even along riverbanks, in order to contribute both globally and at the municipal level to increasing or restoring forest cover. In accordance with public finance rules, the municipality must plan its investments from one year to the next by including them in year N in the budget to be implemented in year N+1. The grant for the preparation of a municipal PLADDT (once per municipality) is capped at 50 million CFA francs. The subsidy for green investments depends on the municipality's investment capacity (estimated at 150 million CFA francs per municipality).

Methodology for estimating the number of beneficiaries of the Producers' Window:

G1/a-ebon production sub-window:

- ✓ G1/a-ebon is the **'entry point'**, the flagship product designed to enable producers to access FODECC's 'Producers' Window' system. Registration is free and self-declared, with no conditions other than registering, providing identification, entering one's bank account number, and georeferencing one's cocoa or coffee plots (AGRI4FARMER app). It is the farmer who designates their microfinance institution and their input supplier.
- ✓ Verifications are carried out retrospectively based on growers' declarations by MINADER's decentralised services, cooperatives and professional organisations (AGRI4CONFIRMATION) and microfinance institutions (AGRI4FINANCE) via their dedicated applications.
- ✓ Identification and therefore the allocation of subsidies are personalised, in accordance with the producer's registration form on the FODECC digital platform, and are therefore made in the name of the declared farm manager, whether male or female.
- ✓ The average household size in cocoa- or coffee-growing areas is approximately 5 people.
- ✓ The number of direct beneficiaries of the G1/a-ebon sub-programme is therefore: (number of farm managers receiving grants × number of people per household)

Baseline situation at the start of 2026:

67,000 farms subsidised since 2022 × 5 people/household

= approximately 335,000 individuals who have benefited from the scheme to date

With: 61.85% male and 38.15% female farm managers, bearing in mind that the male/female distribution within the households themselves is in line with the normal demographic distribution, i.e. M/49% and F/51%

- ✓ **During the 2026–2031 period of the operational phase of the RACINE initiative, the number of households benefiting from G1/a-ebon** will be proportional to the annual budget allocated to this sub-component (i.e. approximately 41% of the budgets allocated to the entire producer component, from all sources combined), the number of beneficiary households is estimated at nearly 170,000, representing 850,000 direct beneficiaries over 6 years.

G1/b-PA production sub-component (business plans at the cocoa/coffee producer level):

- ✓ Producers applying for G1/b-PA have likely already benefited initially from G1/a-ebon ('entry point'); this therefore does not increase the total number of beneficiaries of the RACINE initiative, but aims to strengthen the production capacity of the farm or group of farmers with a view to intensifying production.
- ✓ Over the period 2026–2031, 5% of the budget will be allocated to G1/b-PA, with 500,000 CFA francs per application; this will benefit nearly 12,000 households, or approximately 60,000 direct beneficiaries.

2.2. Baseline scenario (without the project)

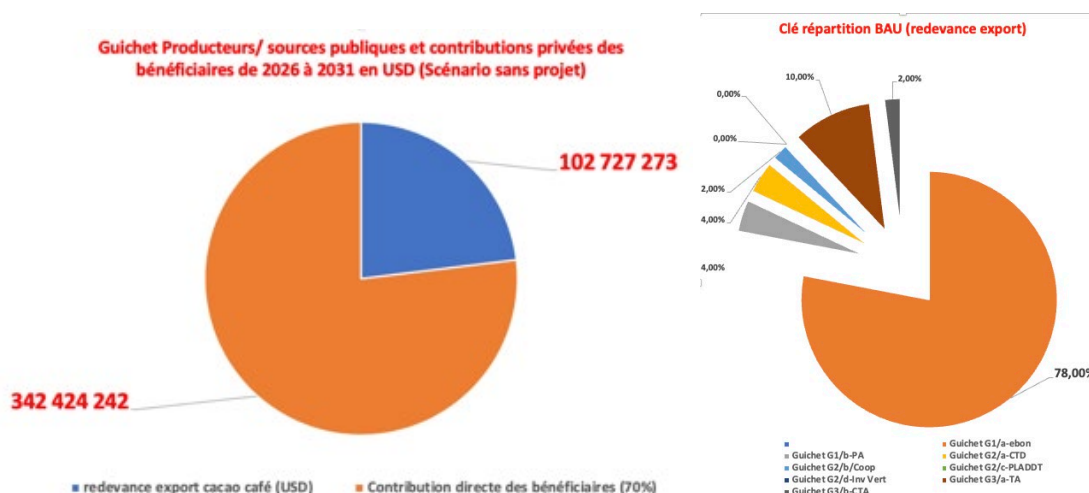


Figure 8: Scenario without the RACINE initiative. Public revenue from the export levy and direct private contributions (left) and projected allocation of national resources across the eight components of the Producer Window (right) from 2026 to 2031, in USD and as a percentage

In the scenario without the RACINE initiative, i.e. relying solely on resources from the export levy (*and factory gate prices*), the Government would continue to prioritise direct subsidies for increased production, with the other components of the Producers' Fund remaining underfunded, particularly those promoting the agroecological transition at farm and municipal levels.

All other things being equal, neither the 'no initiative' scenario nor the 'RACINE initiative' scenario alters the financial allocations from the FODECC derived from the export levy and intended to fund support for the cocoa and coffee sectors through the four programmes implemented by the line ministries and FODECC authorising officers, namely PAD CACAO and PARF CAFE (by MINADER), PAVSGS-2C (by MINRESI) and CECAFIN (by MINCOMMERCE), including the payment of quality premiums. Finally, the day-to-day operations of the FODECC are also covered by resources from the export levy. However, some uncertainty remains regarding the total amount of the levy allocated annually to the Producers' Window by the National Committee for the Allocation of Agricultural Subsidies, as this depends on global price trends, changes in export volumes and factory intake, and political decisions regarding the level of levy deemed acceptable by sector professionals.

In the baseline scenario without the project, the dynamics of the cocoa/coffee sectors and associated food crop systems remain largely dictated by price signals and local land constraints, in the absence of structured climate incentives and systematic land-use control mechanisms. The baseline economic analysis shows that, without the RACINE initiative, growth in value added within the cocoa value chain relies primarily on the continuation of current practices, characterised by: (i) ageing and under-intensified plantations, (ii) sub-optimal use of inputs, (iii) limited integration of food crops into agroforestry systems, and (iv) a recurring reliance on clearing new areas, particularly on fallow land and sometimes at the expense of secondary forests.

This conversion of forests and old fallow land releases significant amounts of carbon previously stored in biomass and soils. Unsustainable agricultural practices further exacerbate soil degradation, reducing soil organic carbon and increasing the carbon footprint. Although the use of synthetic fertilisers in cocoa production remains relatively low, any increase without sustainable management could further amplify GHG emissions. The cocoa sector in Cameroon alone is responsible for millions of tonnes of CO₂ equivalent per year, even though new plantations are often established on old fallow land.

In terms of climate and forestry, this trajectory translates into continued land clearing in non-permanent forest areas, particularly in agricultural frontier zones where demographic pressure and the appeal of cocoa are strongest. In the absence of systematic screening via GIS and conditionality on public support, new plantations may continue to be established in areas still possessing significant tree cover, including naturally regenerated forests, thereby jeopardising the achievement of emission reduction targets from deforestation and forest degradation (REDD+). The GHG assumptions established for the RACINE Initiative

thus consider a business-as-usual (BAU) trajectory in which emissions linked to the conversion of forests and former fallow land, as well as to soil degradation, remain high over the reference period.

Furthermore, in the no-project scenario, advisory and support services for agroecological transition remain fragmented and largely inaccessible to the majority of smallholders. Municipalities lack the technical and financial resources to develop and implement operational PLADDTs that integrate climate and forest issues, and environmental and social monitoring systems remain in their infancy. Consequently, the risks of leakage (deforestation shifting to unmonitored areas), biodiversity loss due to the simplification of production systems, and increased vulnerability of households to climate shocks remain high.

Methodology for estimating the number of beneficiaries of the Producers' Window:

- ✓ **Agroecological Transition sub-window G3/a-TA** (agroecological transition plan at farm level) and **G3/b-CTA** (agricultural technical adviser)
- ✓ Producers applying for G3/a-TA have already registered via G1/a-ebon ('entry point'). These producers apply for this sub-window to voluntarily commit to the agroecological transition through the preparation and implementation of an agroecological transition plan across their entire farm.
- ✓ It is estimated that 21% of the available budget can be allocated to this sub-component, which will enable subsidies to be provided to approximately 43,000 households over the period and benefit nearly 215,000 direct beneficiaries; based on 13 ha of UAA (cultivated land + fallow land) per farm, this will cover approximately 559,000 ha.
- ✓ In addition, each producer is supported by an agricultural adviser, meaning around 2,000 agricultural advisers to be trained and subsidised, thus reaching a further 2,000 households (10,000 individuals).



Helpdesk:

Methodology for estimating the number of beneficiaries of the Producers'

- ✓ The FODECC's digital control system verifies that plots are correctly identified and georeferenced, and that there are no duplicates or plots within the permanent forest area. Disputed cases are subject to a physical on-site inspection, and a decision to correct or exclude them is taken on a case-by-case basis.
- ✓ The entire system for funding the schemes and allocating grants is fully digitised via the banking system.
- ✓ Subsidy campaigns are launched in successive waves depending on the funding source, in order to simplify the subsequent monitoring of beneficiaries. The money is thus tracked end-to-end from the funding source to the final beneficiary.
- ✓ The digital system thus enables beneficiaries to be identified according to funding sources, thereby preventing double counting.
- ✓ The FODECC (and RACINE) monitoring and evaluation system tracks and verifies performance.
- ✓ Each year, CAFI commissions an evaluation of results based on indicators that are also updated annually to track changes in performance and impact.

2.3. Scenario with project and theory of change

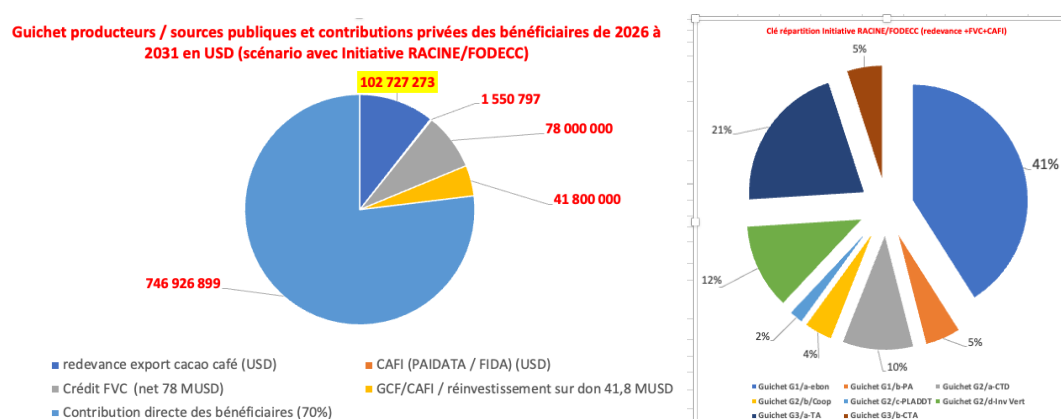


Figure9: Scenario with the RACINE initiative. Public sources (royalties + FVC + CAFI) and direct private contributions (left) in USD and allocation of public resources across the 8 components of the Producers' Window (right) from 2026 to 2031

In the scenario with the RACINE initiative, funding for the components of the Producers' Window enables better financing of the agroecological transition at the level of individual farms, but also at the level of the municipality and cooperatives. The injection of public subsidies into the scheme has a direct leverage effect of 2.3, which translates into a direct increase in the mobilisation of private resources in the same proportions. In reality, the leverage effect is even greater because the subsidy actually covers only a minority of production costs and a capped agricultural area, and costs exceeding the limits set by the FODECC remain entirely the responsibility of the producers. The FODECC is thus banking on a catalytic and knock-on effect to encourage producers and their organisations to continue their efforts beyond what can be subsidised with the available resources. Combined with favourable global prices over the last three years, the momentum generated has already led to remarkable progress at the national level.¹³

The project scenario is based on the full implementation of the provisions of the operational manuals for the Producers' Window (Production G1, Local Authorities G2, Agroecological Transition G3) and the PGES, supplemented by the investments and institutional support provided for under the RACINE Initiative. RACINE's theory of climate change can be summarised as follows: targeted investments in the agroecological intensification of cocoa and coffee plantations and associated food crops, coupled with systematic screening of plot eligibility and municipal spatial planning, make it possible to increase production and household incomes whilst preserving, or even enhancing, carbon stocks and forest cover in agricultural landscapes.

The recent EU Deforestation Regulation (EUDR) highlights the economic necessity of transitioning to deforestation-free cocoa production, as cocoa linked to deforestation is subject to increasing trade restrictions. The key challenge is to rehabilitate old cocoa plantations that may have been abandoned for several decades due to low prices, and to renew and redensify the orchards by integrating shade trees, using an agroforestry approach to restore cocoa production potential, but without deforestation and whilst ensuring traceability. For expansion, the priority should be, on the one hand, to bring former fallow land back into cultivation and, on the other, to develop savannahs in transition zones.

Adaptation efforts are equally essential, as Cameroon's cocoa-producing regions are highly vulnerable to climate impacts. Rising temperatures, expected to reach 1.5 to 2 °C by 2050, pose a significant threat to cocoa yields and quality due to heat stress. Increasingly erratic rainfall, prolonged droughts and shifts in the rainy seasons disrupt flowering and pod development, which has a negative impact on productivity. Furthermore, climate change is intensifying the impact of pests and diseases such as leafhoppers and black rot, both of which thrive in warmer and more humid conditions. Soil degradation, caused by heavy rainfall and unsustainable land management, exacerbates these vulnerabilities by reducing soil fertility and increasing erosion. While the expansion of cocoa cultivation has certainly degraded forest cover, as

¹³ See the separate appendix for the three procedure manuals of the FODECC Producers' Desk (G1/Production, G2/Quality and Agroecological Transition/Local Authorities, G3/Agroecological Transition)

Cameroonian production is mostly carried out under forest cover, the degradation of ecosystem services essential for climate regulation is not, at this stage, as significant as in countries such as Côte d'Ivoire or Ghana.

The theory of change

In practical terms, the RACINE initiative operates through three complementary levers:

- **Lever 1: intensification and agroecological transition at farm level.** Through components G1a/G1b (production intensification) and G3a/G3b (agroecological transition), RACINE supports technical approaches designed to sustainably increase yields in existing orchards (renewal, redensification, sustainable fertilisation, organic soil management, integrated pest management, introduction of shade trees and fertiliser trees) and to develop the systematic intercropping of food crops within orchards. The Agroecological Transition Plans (PTA), agreed between the producer, FODECC and the CTA (Agricultural Technical Advisers), set quantified targets for tree density, crop diversification and soil conservation practices, accompanied by explicit commitments not to expand into primary or naturally regenerated forests.

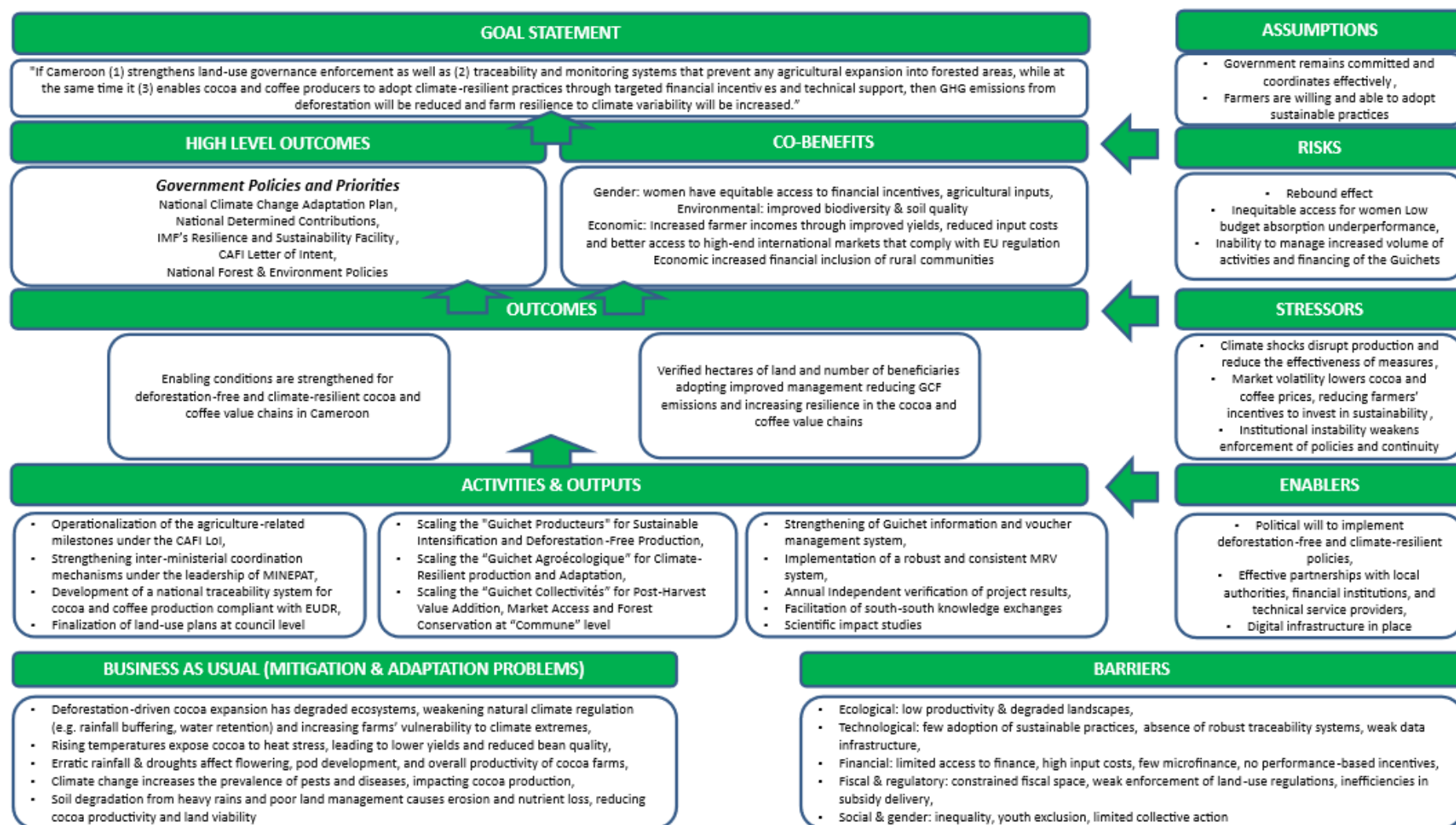
- **Lever 2: territorial governance and landscape restoration.** Through the G2c-PLADDT (¹⁴) and G2d-Green Investment components, RACINE supports rural municipalities in the preparation and implementation of PLADDTs, incorporating clear zoning between agricultural areas, fallow land to be converted, agroforestry restoration zones and forests to be preserved. These plans serve as a framework for collective investments under G2/a-CTD and G2/b (post-harvest processing centres, landscape restoration infrastructure, communal agroforestry plantations), helping to concentrate agricultural intensification and investment in appropriate areas, and to restore tree corridors in degraded landscapes.

- **Lever 3: data systems, land filtering and climate MRV.** The initiative relies on the FODECC digital platform and the associated GIS to verify the geolocation of all beneficiary plots, perform automatic filtering against the Permanent Forest Reserve and protected areas, and monitor changes in tree cover and farming practices. This information feeds into the project's monitoring and evaluation system and GHG reports, in line with CAFI's methodological requirements and international best practices (ISO 14064).

This theory of change is consistent with the 'results-based' approach promoted by the CAFI Initiative and the Green Climate Fund. Grants from the Producers Window, particularly those related to the agroecological transition, are designed as incentive payments conditional on the adoption of practices that generate climate benefits (increased carbon stocks, reduced deforestation, improved resilience). Investments in institutional capacity and data systems, meanwhile, aim to ensure the sustainability and replicability of these results.

¹⁴ PLADDT: Local Plan for Land Use and Sustainable Development

Table1: Theory of Change



Cameroon's cocoa and coffee-producing regions are highly vulnerable to climate change and contribute significantly to GHG emissions, mainly due to deforestation and unsustainable agricultural practices. Scientific models developed for West Africa predict a sharp decline in cocoa productivity under these new climatic regimes, particularly where rising temperatures are accompanied by prolonged periods of drought—conditions that compromise pod development, yield stability and the long-term viability of plantations¹⁵¹⁶. At the same time, studies have highlighted increased pressure from pests and diseases, such as black pod virus and swollen stem virus, linked to warmer and wetter conditions that heighten the plants' vulnerability. Cameroonian farmers regularly report that yield losses due to pests, drought and declining soil fertility are driving them to clear forest areas in the hope of accessing new, more productive land, which fuels deforestation and further weakens ecological resilience¹⁷.

This cycle of climate-induced yield declines and forest conversion is a significant source of GHG emissions. Indeed, cocoa-related deforestation in Cameroon contributes directly to the country's LULUCF emissions, which account for approximately 62% of its national carbon footprint. In this context, the European Union's Deforestation Regulation, officially adopted in mid-2023, requires that cocoa imported into EU markets must not originate from land deforested after 2020. It requires precise geographical traceability and compliance with legislation by supply chains¹⁸. With nearly 80% of Cameroonian cocoa destined for the EU, failure to meet these criteria risks not only harming the environment but also leading to significant economic exclusion. Thus, the convergence of the intensifying effects of climate change, unsustainable land expansion and the tightening of trade regulations creates a decisive moment for the cocoa sector in Cameroon. Without urgent investment in sustainable intensification, such as soil management, agroforestry, disease control and traceability systems, farmers will continue to clear primary forests and naturally regenerated forests (beyond 20 years of fallow) to maintain their yields, thereby perpetuating a vicious cycle of emissions, adaptation deficits and loss of market access. A key challenge is to make better use of fallow land under 20 years old, which forms an integral part of agricultural holdings and their utilised agricultural area (UAA).

The RACINE initiative's objective is one of the solutions to achieve this: **"If Cameroon significantly improves land-use governance, deforestation standards and traceability systems, whilst ensuring that cocoa producers adopt sustainable agricultural practices through robust financial incentives and targeted technical support, deforestation and GHG emissions will decrease substantially, the resilience of farms to climate variability will improve considerably, and the cocoa and coffee value chains will meet evolving international standards in a sustainable manner."**

This paradigm shift is expected to occur through a clearly defined and interconnected results chain that systematically addresses the following barriers:

- **Firstly, environmental challenges, particularly deforestation** caused by low agricultural productivity, are addressed by facilitating access to climate-smart inputs and promoting cocoa agroforestry through targeted financial incentives. Through the Producers' Window, the project empowers farmers to adopt sustainable approaches by subsidising certified inputs and linking financial support to environmental and social performance. This model improves the productivity of existing agricultural land, thereby reducing the pressure for deforestation on virgin forest areas. By making improved inputs more accessible and promoting agroforestry and the utilisation of previously fallow land as a viable and profitable production model, the project indirectly supports large-scale soil restoration and climate resilience.
- **Technological barriers, such as the limited adoption of sustainable practices** and weak data infrastructure, are overcome through the scaling up of the innovative 'Guichet Producteurs' model and its digital platform. Through a fully digital and georeferenced financing and traceability system,

¹⁵ Ariza-Salamanca, A.J., Navarro-Cerrillo, R.M., Quero-Pérez, J.L. *et al.* [Vulnerability of cocoa-based agroforestry systems to climate change in West Africa](#). *Sci Rep* **13**, 10033 (2023).

¹⁶ Schroth, G., Läderach, P., Martinez-Valle, A. I., Bunn, C., & Jassogne, L. (2016). [Vulnerability of cocoa to climate change in West Africa](#). *Science of The Total Environment*, 556, 231–241.

¹⁷ Ingram, V., Janssen, V., Neh, V. A., & Pratihast, A. K. (2025). [Deforestation linked to cocoa cultivation in Cameroon: practices and policies](#). *Forest Policy and Economics*, 177, Article 103533.

¹⁸ <https://efi.int/sites/default/files/files/flegtredd/Sustainable-cocoa-programme/Factsheets/Unpacking%20the%20EUDR%20for%20the%20cocoa%20sector%20in%20Cameroon.pdf>

the project enables farmers to access climate-smart technologies, sustainable agricultural inputs and advisory support. The establishment of a robust national traceability system, compliant with international standards such as the EUDR, strengthens compliance monitoring and accountability.

- **Financial barriers, particularly limited access to credit and the high cost of inputs**, are systematically addressed by the incentive mechanisms of the Producers' Window and the project. The model incorporates public subsidies derived from export levies and matching funds from international partners, alongside mandatory co-financing from farmers and other beneficiaries, by leveraging microfinance institutions and strengthening financial inclusion. Performance-based incentives, such as PSEs, further motivate farmers to adopt deforestation-free practices and sustainable agricultural methods, making climate-smart inputs financially accessible and attractive.
- **Fiscal and regulatory barriers are overcome** through **strengthened policy frameworks** and improved inter-ministerial coordination. The implementation of the steps outlined in the CAFI Letter of Intent and collaborative land-use planning at the level of decentralised local authorities (DLAs) address implementation gaps, thereby ensuring comprehensive and harmonised policy implementation. The transparent and direct distribution of grants, through electronic vouchers and co-financing of business plans, minimises corruption and strengthens the confidence of the private sector and donors.
- **Social and gender-related barriers** are explicitly addressed by ensuring equitable access to incentive schemes, particularly for women and young people. The project proactively promotes the financial and technical inclusion of marginalised groups, strengthening their participation in decision-making processes and improving livelihood diversification and economic resilience.
- **Institutional barriers**, including fragmented governance and capacity gaps, are mitigated by strengthening coordination mechanisms between relevant ministries and enhancing the capacities of local authorities and producer organisations.
- **Advisory support and training for farmers, alongside support for cooperatives and professional organisations**, ensure the widespread dissemination and adoption of climate-resilient agricultural practices, thereby strengthening local institutional capacities. This effort is complemented by other CAFI-funded projects, such as i) the project to support intersectoral coordination and planning within the framework of the CAFI-Cameroon partnership, which specifically targets institutional coherence and interministerial collaboration, thereby ensuring that the enabling environment fostered by this project is reinforced at the national level, ii) the project supporting land-use planning, iii) the Grand Mbam project, and iv) the PAIDATA project, which serves as the pilot phase of the RACINE initiative.

Thanks to these targeted activities and their results, favourable conditions at the institutional and policy levels are significantly strengthened, which promotes increased adoption of sustainable agricultural practices by cocoa and coffee producers. These changes are reflected in intermediate outcomes such as reduced pressure on deforestation, improved climate resilience among farmers, and enhanced transparency and accountability through robust monitoring and verification frameworks.

Ultimately, the RACINE initiative will help reduce deforestation rates and GHG emissions, improve resilience to climate variability, and ensure long-term compliance with strict international market standards. By systematically addressing ecological, technological, financial, regulatory, social and institutional barriers, RACINE clearly explains how and why the desired paradigm shift towards sustainable, resilient and deforestation-free cocoa and coffee production will take place in Cameroon.

In parallel with the monitoring and evaluation system, an activity conducted with IRAD/CIRAD will enable the monitoring of the impacts of different subsidy models on selected cocoa and coffee plots and farms, based on a randomised sample allowing for independent verification of results to be compared with a sample of plots and farms not receiving support from the RACINE initiative. This activity will enable a neutral and impartial scientific assessment of the impacts of the national subsidy system for the cocoa and coffee sectors in the country's various regions.

Methodology for estimating the number of beneficiaries of the Producers' Window (G2-Collectivités):

- 1 G2/a-CTD and G2/b-Coop Local Authorities sub-scheme:
 - a. This sub-window is open only to local authorities that submit a joint business plan with a partner cooperative/economic interest group (GIE) for the construction and operation of a post-harvest processing centre for cocoa or coffee.
 - b. The direct beneficiaries are all the farms and, consequently, the communities whose produce is processed by the post-harvest processing centre. The assumption for a medium-sized centre is that it can process the produce of around 300 households within its catchment area.
 - c. By allocating approximately 10% of the available budget to property investments by local authorities, and 4% to partner cooperatives to support equipment investments, it would be possible to co-finance around 180 post-harvest processing centres, benefiting approximately 54,000 households and thus around 270,000 direct beneficiaries.
- 2 G2/c-PLADDT Local Authorities Sub-window
 - a. This co-financing mechanism is designed to assist municipalities in co-financing the preparation of their PLADDT (local plan for land use and sustainable development).
 - b. Assuming that a PLADDT costs between 139,000 and 191,000 euros per unit, FODECC co-financing is capped at 78,000 euros per PLADDT. The municipality must finance the remaining costs from its own budget, although it may also seek co-financing from FEICOM.
 - c. According to the latest demographic estimates, the median population of a rural municipality in cocoa-growing areas is around 28,000 inhabitants. However, the range can vary considerably depending on the region (from 5,000 to over 100,000).
 - d. Assuming that around 2% of available budgets are allocated to support the preparation of PLADDTs, the RACINE initiative could co-finance around thirty municipal projects over the period, indirectly impacting a total estimated population of 840,000 inhabitants. However, this remains theoretical, as it can only be realised once the PLADDTs have been effectively implemented. This figure is therefore not taken into account at this stage.
- 3 Sub-programme: Local Authorities G2/d – Green Investments
 - a. **For G2/d-Inv Vert**, this is the scheme that enables local authorities to implement their PLADDT, PCD or POS in relation to green investments. With 12% of the budget, it is possible to envisage co-financing around 100 local authorities, enabling the restoration, in one form or another, of approximately 30,000 hectares of agroforestry land and the preservation of around 1 million hectares of natural forests within the DFP. Indirectly, based on 28,000 inhabitants per municipality, the theoretical impact is in the region of 2.8 million people affected.
 - b. **However**, as the municipalities concerned are often the same as those housing the direct beneficiaries of other schemes, and in order to avoid double counting, the number of direct beneficiaries is deducted from the estimated number of indirect beneficiaries, i.e. 2.8 million minus 1.405 million = **1,395,000 indirect beneficiaries**.
- 4 The total number of unique beneficiaries of RACINE is 2.8 million people by 2031.

2.4. Alignment with national commitments and GCF/CAFI priorities

The RACINE Initiative is fully aligned with Cameroon's climate commitments and the strategic priorities of the GCF and the CAFI Initiative. At the national level, the project contributes directly to the implementation of the Nationally Determined Contributions (NDCs), the SND30 and the SDSR/PNIA, by supporting the intensification of agricultural production in line with emission reduction targets and the objectives of resilient, low-carbon development.

With regard to the CAFI Initiative, RACINE operationalises on a large scale the principles tested under the PAIDATA pilot project: capacity building for FODECC, establishment of grant schemes focused on sustainable intensification and agroecological transition, integration of territorial planning (PLADDT) into the management of agricultural pressures on forests, and strengthening of monitoring and fiduciary management systems. RACINE thus represents a logical step towards scaling up the reforms and tools developed under the CAFI umbrella across sectors and geographically.

From the perspective of the Green Climate Fund, the initiative meets the criteria for a paradigm shift by proposing a sustainable institutional mechanism – the FODECC Producers' Window – capable of channelling public and private financial flows in the long term towards agricultural practices compatible with low-carbon and resilient development. The combination of a concessional sovereign loan from the GCF, CAFI grants and the national parafiscal levy demonstrates a blended finance model, in which international resources catalyse substantial domestic and private investment, whilst ensuring that the most vulnerable producers have access to the technical innovations and advisory services necessary for the transition.

By integrating the dimensions of climate, forests, agriculture and territorial governance, the RACINE Initiative thus responds coherently to the GCF's programmatic frameworks (notably outcomes related to mitigation in land use and agriculture and to the adaptation of vulnerable populations' livelihoods), and to CAFI's vision for a sustainable reduction in emissions from deforestation and forest degradation in the Congo Basin.

Table2: Climate justification

Sector	Climate risks	Evidence of impacts	Interventions	Co-benefits
Cocoa	Rising temperatures, erratic rainfall, prolonged droughts, pest and disease outbreaks (e.g. black rot, capsid bugs), soil degradation, exposure due to deforestation	Temperature, rainfall, CO ₂ emissions and land use have a significant influence on cocoa yields in Cameroon. Short- and long-term declines in productivity have been statistically linked to climate variations. ¹⁹	The RACINE initiative funds access to certified climate-friendly inputs (organic fertilisers, pest- and disease-resistant cocoa varieties, agroforestry seedlings) via electronic vouchers. Financial incentives are linked to verified performance in achieving zero deforestation. The promotion of cocoa agroforestry systems improves carbon sequestration, biodiversity and microclimate regulation, and enhances traceability	The RACINE initiative facilitates financial inclusion by linking the use of vouchers to formal banking services, placing a strong emphasis on gender equality, strengthening networks of input distributors and networks of certified/improved seedling producers, strengthening microfinance networks, and accelerating the use of digital

¹⁹ Suh, Nimo, and Eric Molua. "Cocoa Production under Climate Variability and Farm Management Challenges: Some Farmers' Perspectives ." *Journal of Agriculture and Food Research*, vol. 8, 2022.

			through geolocation linked to compliance systems.	services by all rural stakeholders
Coffee	Rising temperatures, changes in rainfall patterns, water stress, increased risk of pests and pathogens (e.g. coffee berry disease, <i>Ascochyta</i> spp.).	Farmers regard rising temperatures and rainfall disturbances as the main threats to coffee productivity. Systematic analyses show that climate change has a negative impact on coffee yields and reduces suitable growing areas, with attacks by pests and pathogens being particularly exacerbated by climate variability. ²⁰	Similar support is provided for coffee in the form of e-vouchers for climate-resilient inputs and technical assistance on shade management and pest control. The initiative encourages the integration of agroforestry into coffee cultivation, supports farmers' organisational capacities and strengthens traceability to prevent deforestation, prioritising the use of fallow land, which forms an integral part of the utilised agricultural area (UAA)	Women and young people are better integrated into formal financial and decision-making systems The RACINE initiative increases synergies with other CAFE-funded projects in Cameroon

3. Institutional and organisational feasibility

3.1. Institutional framework and stakeholder roles

The RACINE Initiative operates within an institutional framework already structured around the Ministry of Economy, Planning and Regional Development (MINEPAT) and the Cocoa and Coffee Sector Development Fund (FODECC). MINEPAT, as the CAFE focal point and future borrower from the Green Climate Fund, is responsible for the strategic steering of the programme and ensuring alignment with national development, climate and spatial planning policies (SND30, SDSR/PNIA, SNADDT). It also leads policy dialogue with key sectoral ministries (MINADER, MINFOF, MINEPDED, MINFI, MINRESI, MINCOMMERCE) and with the technical and financial partners involved in the forest-climate-agriculture portfolio.

FODECC is the main implementing agency for on-the-ground interventions, through its Producers' Window and its grant and co-financing mechanisms. A public administrative body of a financial nature, with its own governance structure and funded primarily by a parafiscal levy on exports and factory-gate deliveries of cocoa and coffee, FODECC is already operational and currently manages technical and financial support programmes for the cocoa and coffee sectors. The PAIDATA/CAFE/IFAD pilot support is helping to strengthen its capacities and refine the procedures of the Producers' Helpdesk, particularly in relation to sustainable intensification and the agroecological transition.

²⁰ Verburg, R., Rahn, E., Verweij, P., Van Kuijk, M., & Ghazoul, J. (2019). **. ** Environmental Science & Policy, 97, 16–24.

Figure10: Map of stakeholders

Stakeholders in the RACINE initiative

The key stakeholders involved in implementing this initiative are the accredited entity (MINEPAT), the implementing entities (MINEPAT and FODECC), the funder (FVC), the ministries providing technical oversight of FODECC (MINADER, MINCOMMERCE, MINRESI) and the financial supervisory ministry (MINFI), the international co-financier (CAFI),

The Accredited Entity (AE): MINEPAT

The institutional anchor of the initiative is the Accredited Entity (AE), the Ministry of Economy, Planning and Regional Development (MINEPAT), which bears overall responsibility vis-à-vis the FVC. MINEPAT ensures strategic oversight, inter-ministerial coordination, compliance with national commitments (CAFI letter of intent) and guarantees the proper application of the conditions for accessing the sustainability-linked loan. As the EA, MINEPAT signs the loan/grant agreement with the GEF and undertakes to comply with the donor's fiduciary, environmental and social requirements, to produce financial and performance reports, and to coordinate annual external audits. MINEPAT's central role in coordination and implementation is consistent with its national mandate to steer investment and land-use planning policies.

From a financial and procedural perspective, and in particular for sovereign loans/public financing, all disbursements relating to borrowed funds are centralised within the national debt and payment management systems at the **Caisse Autonome d'Amortissement (CAA)**, which is the public body responsible for receiving, maintaining and servicing loans and managing project accounts in accordance with Cameroonian law. In practice, withdrawal requests or disbursement requests initiated by the EE (e.g. FODECC for Component 2) are forwarded to MINEPAT (EA) for processing, then to the CAA for the opening or funding of the project account, and finally executed in accordance with the agreed procedure (designated account, direct payment by the donor, reimbursement on presentation of supporting documents, or instruments such as letters of credit). This centralisation via the CAA ensures traceability, the consolidation of debt information and compliance with debt service obligations.

Implementing Entities (IE): MINEPAT, FODECC

The **Implementing Entities (IE)** are divided by component: MINEPAT will act as the lead IE for Component 1 (institutional strengthening, traceability, PLADDT), whilst the **Fund for the Development of the Cocoa and Coffee Sectors (FODECC)** is the lead operational IE for Component 2 (the three streams — Production, Agroecology, Communities — and Monitoring and Evaluation (MRV, knowledge, independent verification). For each of these components and activities, UNOPS may be called upon to provide technical assistance to

the implementing entities, particularly regarding the management of procurement procedures. Legally, the relationship between the EA and each EE is formalised in the loan agreement and the grant agreement with the FVC, known as the Funded Activity Agreement (FAA), which designates FODECC as the lead implementing agency for C2 and monitoring and evaluation, and MINEPAT as the lead implementing agency for C1, assigning them responsibilities, fiduciary procedures, disbursement terms, audit and compliance clauses. The loan agreement (or FAA) sets out, in particular: a description of the activities and expected results, the disbursement schedule (linked to milestones or expenditure supporting documents), procurement requirements, financial and technical reporting obligations, as well as mechanisms for the suspension or recovery of funds in the event of non-compliance. Funds from the FVC are channelled contractually via the main EA–FVC agreement; the EA then delegates, by agreement, funding lines or disbursement orders to the EEs, which will be responsible for operational management and transfer to the final beneficiaries. This specific agreement is signed between MINEPAT, the project owner and borrower on behalf of the Government vis-à-vis the FVC, and FODECC, the implementing agency for C2 and monitoring and evaluation activities, specifying the terms for the transfer of responsibilities and resources to be administered by FODECC as grants.

The government co-financiers: the Ministry of Trade (MINCOMMERCE), the Ministry of Agriculture and Rural Development (MINADER), and the Ministry of Scientific Research and Technological Innovation (MINRESI), the supervisory ministries and authorising officers of FODECC, and FEICOM (Special Fund for Equipment and Inter-municipal Intervention)

MINCOMMERCE, MINADER and MINRESI are the ministries with technical oversight of FODECC, as well as authorising officers for expenditure and members of the Management Committee. The MINCOMMERCE decree of 13 January 2025 sets and allocates the cocoa export levy, which amounts to 225 CFA francs per kilogram, of which 126.5 CFA francs per kilogram are allocated to the FODECC to cover the quality premiums paid to the best cocoa producers during each season (10 CFA francs per kilogram), direct subsidies to producers (35 CFA francs per kg for the Producers' Window), the financing of projects by FODECC's technical officers (60 CFA francs per kg, of which 55% comes from MINADER, 30% from MINCOMMERCE and 15% from MINRESI), and the running costs of the FODECC Administration (21.5 CFA francs per kg). The levy is collected by Cameroonian customs and the corresponding portion is then transferred to the FODECC account at the BEAC. Through this mechanism, the Government of Cameroon will contribute approximately 88.7 million euros in co-financing to the Guichet Producteurs financial scheme supported by the RACINE initiative over the period 2026–2031.

FEICOM, in its capacity as the municipalities' bank, finances municipal development through various financial instruments based on loans and grants. A partnership agreement has been established between FODECC and FEICOM to facilitate co-financing for municipalities, particularly in the context of implementing FODECC's Local Authorities Window and FEICOM's Climate Window. As FODECC offers grants to municipalities for the co-financing of post-harvest processing centres, the preparation of PLADDTs and green investments, municipalities will be able to apply for additional funding from FEICOM to cover their remaining costs.

Local private co-investors: cocoa and coffee producers, and cooperatives and professional organisations

The main actors in the subsidy system are the producers/farmers themselves, who cover on average around 70% of the value of the subsidised purchases. The scheme is designed so that they themselves trigger the subsidy process, thereby becoming the beneficiaries. The producer must register and log in online via the FODECC application, open and register their own bank account and deposit their share of the remaining costs into it, georeference their plots, designate their agrodealer and agricultural technical adviser, designate their nursery operator, etc.

Cooperative groups and professional organisations for agricultural production and services access co-financing from the Producers' Window by submitting productive investment plans (business plans) which are assessed at regional level, particularly with regard to zero-deforestation commitments and improvements in productivity and product quality. The group must be properly structured, have a bank account, be legally registered and be able to deposit its share of the subsidised investments into its bank account in order to trigger the subsidy.

Local public co-investors; rural municipalities

For investments of general and collective interest, the main actors are rural municipalities which, under the Decentralisation Act and in accordance with the principle of subsidiarity, are seeing their areas of responsibility constantly expand. The municipalities have management autonomy and follow public procedures. To access FODECC co-financing, they must prepare ad hoc applications and include in their budget the share of the planned investments for which they are responsible. Applications are assessed at regional level and may relate to co-financing of their PLADDTs, their projects for post-harvest processing centres for cocoa and coffee (the management of which must subsequently be undertaken by a partner cooperative or economic interest group), and their green investment projects (restoration of degraded landscapes, development/conservation of communal forests, reforestation and greening of spaces, restoration of eroded micro-watersheds, roadside and riverside planting, etc.). The grant awarded to the municipality by FODECC can cover up to 80% of the value of the planned acquisitions, thereby limiting the share remaining to be borne by the municipality to encourage decision-makers to undertake virtuous investments. And, as already mentioned above, municipalities will be able to apply to FEICOM for help in financing the share they are required to cover.

Banks and microfinance institutions

Banks and microfinance institutions that open accounts free of charge for producers (in accordance with their partnership agreement signed with FODECC) collect and record the producers' contributions towards their remaining share, and issue the corresponding vouchers to be redeemed with approved suppliers designated by the producer themselves. Microfinance institutions (MFIs) may also, at the same time, grant loans to producers they trust and pre-finance part of their share. The MFI pays suppliers directly by bank transfer. Periodically, the MFI documents its claim for reimbursement of the cumulative subsidy value over the period and submits it to FODECC for repayment.

Agrodealers, nursery operators, and other suppliers of equipment and materials

Agrodealers, nursery operators and other suppliers of equipment and materials in the formal sector are key players in the agricultural subsidy scheme. Agreements are signed by FODECC at national or regional level with these various categories of stakeholders. They must be registered on FODECC's digital system, be approved by MINADER, and offer products that are approved and listed in the catalogue of products eligible for co-financing. These specialist retailers must operate within the formal sector and guarantee the quality of the products they offer, which must be barcoded and traceable. Furthermore, agrodealers are contractually obliged to collect used packaging in order to limit attempts at fraud and mitigate health and environmental issues. Suppliers deliver the products to producers upon receipt of the purchase voucher issued electronically by the producer's microfinance agency. They obtain a signature for receipt and periodically forward the delivery notes to the EMF for payment, with a copy to FODECC.

The international co-financier: the Central African Forest Initiative (CAFI).

The CAFI Trust Fund co-finances the environmental services generated by the FODECC's service windows. It makes results-based payments following independent verification of the results. As the project's lead co-financier, CAFI:

- Defines, together with national stakeholders, the project's performance indicators and targets, as well as the methodology to be used for verifying results.
- Signs a results-based payment agreement with FODECC (PRODOC CAFI)
- Ensures compliance with the monitoring, reporting and verification procedures necessary to guarantee that payments are conditional upon the provision of environmental services (second-level quality assurance). To this end, CAFI has created and will maintain, throughout the project's lifetime, a centralised and standardised data management system for payments for environmental services, in continuous interaction with the FODECC digital platform.
- Contracts the independent auditor and manages the process, in particular ensuring compliance with the schedule for the project's annual independent audits.
- Supports the operation and improvement of the information management tools developed by FODECC

- Report the consolidated results to the FVC, CAFI and the Government of Cameroon on the results achieved and payments made.

The table below summarises the main initiatives currently underway in Cameroon in relation to the RACINE initiative.

Table3: Projects/programmes currently underway or complementary to the RACINE initiative

Project	Agency	Period	Area	Budget	Objectives	Synergy
PAIDATA project , a pilot project aimed at supporting sustainable agricultural intensification and the agroecological transition	IFAD (funded by CAFI)	2025–2027	The 8 cocoa and coffee regions	20.7 million euros	To provide technical and financial support to FODECC (Cocoa and Coffee Sector Development Fund), a national public institution, in order to strengthen its capacity and enable it to fulfil its national mandate as the main grant-making body for cocoa and coffee producers across all production regions.	The two projects, PAIDATA and the RACINE initiative, share a similar approach in their support for FODECC. The PAIDATA project is the pilot initiative, whilst the RACINE initiative submitted to the GCF aims to scale it up by broadening its scope and increasing the number of beneficiaries
Grand Mbam Integrated Landscape Management Project	KfW (funded by CAFI and Germany for the forest conservation component)	2025–2029	Two departments: (i) Mbam-et-Kim and (ii) Mbam-et-Inoubou	€17.4 million	To develop and test mechanisms for performance-based 'jurisdictional' emissions reduction programmes that link natural resource management efforts to investments in agricultural productivity. This project is complemented by a project supporting conservation within and around protected areas in the region.	This project directly complements the RACINE initiative through co-financing from the PLADDTs (Local Plans for Land Use and Sustainable Development) and collective investments in post-harvest processing infrastructure, grants for the agroecological transition of farmers and local authorities, and support for the restoration of degraded landscapes. It provides for close collaboration with FODECC, particularly regarding the implementation of subsidies via electronic vouchers.
Project to support cross-sectoral coordination and planning within the framework of the CAFI-Cameroon partnership	GIZ (Funded by CAFI)	2025–2030	National	11.83 million euros	To accelerate Cameroon's economic emergence through the development of a competitive and sustainable 'green economy' at the national level, whilst ensuring food security and reducing the impacts of deforestation	The programme led by GIZ supports MINEPAT in the cross-sectoral and multi-stakeholder coordination of CAFI-funded projects in Cameroon. In addition to coordination, the two projects will explore potential complementarities and alignment between FODECC and the green economy financing mechanism envisaged under Outcome 3 of the coordination project, particularly in light of the progress already made under the current pilot project and its preparatory grant.
Project for the development and promotion of investment in the Bénoué Valley	MEADEN – Northern Region / MINEPAT (Funded by the World Bank)	2020–2027	Northern Region	€227 million	To provide sustainable irrigation and drainage services and improve agricultural production in the irrigated areas of the Bénoué Valley	VIVA Bénoué is building on the lessons learnt from FODECC to develop its dedicated digital platform for managing agricultural grants for the rice value chains and beneficiaries of the VIVA project.

Cocoa Development Support Project (PAD-CACAO)	MINADER/ FODECC (Funded by FODECC)	2022/ ongoing	All cocoa-producing regions	5.2 million euros per year	To double cocoa production by 2030 to reach at least 600,000 tonnes of beans per year.	The RACINE/FODECC initiative will draw on the services of PAD-CACAO, particularly for awareness-raising and support for beneficiaries through its field officers
Project to support the revitalisation of the coffee sector (PARF-CAFÉ)	MINADER/ FODECC (Funded by FODECC)	2023– ongoing	8 coffee-producing regions	4.3 million euros per year	To at least double coffee production, from 11,557 tonnes (Robusta and Arabica) in 2021–2022 to a total of over 22,000 tonnes of high-quality coffee by 2030	The RACINE / FODECC initiative will draw on the services of PARF-CAFÉ, particularly for awareness-raising and support for beneficiaries. PARF-CAFÉ staff act as supervisors for FODECC's field activities
Project for the development and promotion of investments in the Logone Valley (VIVA Logone)	MINADER/ MINEPAT + SEMRY (Funded by the World Bank)	2021–2029	Far North Region, Mayo-Danay Department	€189 million	Improving irrigation and drainage services and boosting agricultural production in the irrigated areas of the Logone Valley	VIVA Logone builds on lessons learnt from FODECC to develop its dedicated digital platform for managing agricultural grants for rice value chains and beneficiaries of the VIVA project
Strengthening the climate resilience of local communities through youth entrepreneurship and integrated natural resource management (ACREGIR)	IFAD / MINADER (Funded by IFAD)	2021–2026	Northern and North-Western regions	-	Climate change adaptation measures are being implemented using incentive-based tools to strengthen the climate resilience of communities and targeted areas.	The project also contributes to updating local and regional development plans in the intervention areas to incorporate climate change adaptation, an approach that the FODECC Agroecological Window will be able to scale up
Land-use planning support project	GIZ/DAT MINEPAT (Funded by CAFI)	2026–2030	National	€6 million	Strengthening the planning and implementation processes for spatial planning tools	The project will focus in particular on spatial planning objectives at the local authority level, working with PLADDTs and promoting productive and green investments
Initiative for Sustainable Cocoa	FAO Investment Centre / EU funding	-	Regions: Centre, West, Coast, South, South-West, North-West, East	-	The approach will use fully open-source software from the Open Foris suite (SEPAL, Collect Earth Online) and Google Earth Engine to develop transparent and reproducible methods for identifying and quantifying cocoa-related activities, including both sun-grown and shade-grown cocoa. This approach will be complemented by the integration of real-time alert data, enabling the monitoring of cocoa plots and adjacent forest areas	A partnership is planned between the FAO and PAIDATA/IFAD to develop monitoring tools based on georeferenced data from farmers registered on the FODECC platform. This partnership may continue and expand through the RACINE initiative.
PATNUC (Cameroon Digital Transformation)	MINPOSTEL + MINADER	2023–2028	National	€87 million	Strengthening the national network by targeting the last mile in rural areas	As FODECC also falls under the remit of MINADER, the collaboration will focus on developing the national

Support Programme)	R and MINEPIA (Funded by the World Bank)				Support priority agricultural and livestock sectors Support the emergence of digital start-ups and the digitalisation of agriculture Improving the legal and organisational environment for digital technology in Cameroon	agricultural grant management platform, integrating the FODECC platform, the PATNUC platform and other ad hoc platforms.
Project to support the development of the central plain	MINADER/MINCAF Funded by the AfDB	2026–2031	Grand Mbam	351 billion CFA francs	Develop 400,000 hectares of agricultural land to facilitate the establishment of 800 large-scale agro-industrial farms capable of producing market-ready products in savannah areas	The development of the central plain will involve all stakeholders in the agricultural sector and all product sectors suited to savannah and transitional zones. FODECC will be involved in this initiative through its producer unit
PARPAC Programme to Support the Strengthening of Agricultural Production	MINADER Funded by the AfDB	2024/2025	National	€19.1 million	Boosting agricultural productivity for key food and market crops	The ^{first} phase of PARPAC has been completed, but for the second phase, FODECC is expected to provide the services of its digital agricultural grant management platform
NATURAFRICA and other projects supporting conservation and forests	MINFOF / MINEPAT With EFI, GIZ, CTFC, AWF, etc. Funded by the EU	2023–2028	East, South, North and Far North	-	Strengthen the conservation of protected areas in the Greater South-East and Greater North, bolster the development of a green economy in peripheral territories and improve governance in the rural municipalities concerned	Across the entire Greater South-South-East, where cocoa and some coffee are produced, FODECC is already active and must develop appropriate collaboration with the municipalities and stakeholders in these isolated and sparsely populated forest areas The CTFC, a partner of FODECC, acts as technical advisor to all forest municipalities that are members of ACFCAM. It is also implementing an EU-funded reforestation project in the border municipalities of the Far North, having previously carried out a ^{first} project involving 17 municipalities

The RACINE initiative aims to address gaps and remove barriers that currently limit deforestation-free and climate-resilient cocoa and coffee value chains in Cameroon. Despite the many ongoing initiatives (see table above), significant challenges remain in transitioning cocoa and coffee value chains from a business-as-usual scenario to a greener and more resilient one. The current fragmented approach to projects prevents comprehensive coverage of all producing regions. Furthermore, national policies need to be improved and aligned with environmental and climate imperatives. Enhanced coordination, both between the relevant ministries and among public, private and civil society actors, is also necessary to ensure the coherence, effectiveness and scalability of interventions. This initiative directly addresses these challenges by promoting a more integrated and coordinated approach. It aims to operationalise the key agriculture-related steps set out in the CAFI Letter of Intent (LoI), to strengthen inter-ministerial collaboration under the leadership of MINEPAT, and to improve policy alignment with environmental and climate objectives. By embedding commitments to zero deforestation within national agricultural policies and supporting their consistent implementation across all cocoa and coffee-producing regions, the initiative ensures better territorial coverage and compliance with international frameworks such as the EU Deforestation Regulation.

Another significant obstacle has been the lack of an integrated and robust traceability and monitoring system (for cash crops in general), which has undermined efforts to verify sustainability and comply with international standards. The RACINE initiative complements existing fragmented digital tools by creating a centralised and interoperable traceability system linked to FODECC's 'Guichet Producteurs' digital platform, which integrates georeferenced data on farms and related organisations, and ensures verifiable monitoring of emissions and compliance with land use regulations. This work will be consolidated by integrating collaboration with the ONCC, under the supervision of MINCOMMERCE, designated within the 'sustainable cocoa' roadmap as the institution responsible for compiling public and private databases (particularly those of exporters) on the cocoa sector, and with the ONACC, under the supervision of the MINEPDED, responsible for monitoring vegetation cover and climate change. Similarly, there are plans to strengthen collaboration with the MINADER and the MINEPIA, which are developing data management platforms for the crop and livestock sectors, and with the digital platform developed by CFI at the sub-regional level for the management of results-based PSE. Furthermore, current financing mechanisms do not yet sufficiently involve specialist actors in microfinance (banks and MFIs), digital money transfers (TelCom), grant programmes and performance-based payments via secure digital payment platforms. This gap is addressed by payments for environmental services (PES) under the scaled-up 'Producers' Window', which implements public-private co-financing to encourage sustainable practices in the long term. It will also serve to link and ensure consistency with CFI's PES programme in Central Africa. At the same time, the digital system will incorporate traceability functions for products intended for export, from the orchard to FOB delivery, in accordance with the EU Regulation on Deforestation (RDUE) requirements.

Adaptation measures at farm level have so far been insufficient, leaving producers vulnerable to the effects of climate change. In a scenario without the RACINE initiative, FODECC would continue to prioritise funding for the G1/a-ebon scheme, aimed at directly increasing cocoa and coffee production, and to a lesser extent the G1/b-Business Plan scheme for financing productive investments in smallholder farms, on the one hand, and the financing of several dozen post-harvest processing centres in partnership with local authorities and cooperatives, on the other. The RACINE initiative complements existing adaptation initiatives by strengthening the funding capacity of the 'Agroecological Transition Window' with digital vouchers for inputs that improve climate resilience and advisory support for farmers to help them adopt agroecological practices, on the one hand, and the agroecological component of the Local Authorities Window, on the other hand, by subsidising the preparation of PLADDTs and municipalities' green investments (reforestation, restoration of degraded landscapes). Given the remaining gaps in the link between post-harvest investments and the development of cooperatives, and the explicit results in terms of conservation, the RACINE initiative thus complements the resources mobilised at national level and introduces conditional financing mechanisms linked to formalised local commitments regarding conservation and land use (PLADDT), whilst strengthening the capacity of producer organisations to meet international standards in terms of total quality (environmental, social and market-related).

At the same time, from the very first year of the RACINE initiative's launch, FODECC will establish a collaboration agreement with IRAD (Agricultural Research Institute for Development) and its partner CIRAD (International Centre for Agricultural Research for Development), as both agricultural research organisations are already engaged in conducting a research programme on sustainable cocoa in Cameroon as part of the CANNALS project, funded by the European Union across several countries. Drawing on both the experience gained through CANNALS and that of the **PAVSGS-2C** research project on plant breeding, funded by FODECC and implemented by IRAD, the new partnership agreement will enable the establishment of a system to monitor the impact of the RACINE initiative on cocoa and coffee producers in the various production regions of Cameroon. This activity will be conducted using scientific methods based on a randomised parallel-group trial of the impact on plots and farms that have received grants from the Producers' Window, to be compared over the years with a control sample of plots and farms that have not received grants. This independent scientific impact assessment will be funded separately from the main programme, using the grant portion of the FVC's funding for the RACINE initiative.

3.2. Governance and coordination framework for the RACINE initiative

Conceptual diagram

Figure11: Overview of the RACINE initiative combining resources from FODECC, FVC and CAFI

The proposed intervention, by supporting FODECC, aims to transform the cocoa and coffee sectors in Cameroon towards deforestation-free, low-emission and climate-resilient production models, by combining enabling policy reforms, direct financial incentives linked to environmental performance and investments in climate-smart practices. This objective will be achieved by scaling up the FODECC system and its 'Producers' Window', an innovative and fully digital platform that provides farmers and their organisations with performance-based payments, technical support and traceability tools.

The levy on cocoa exports (225 CFA francs per kg of exported beans and 50 CFA francs per kg delivered to the factory) and coffee exports (75 CFA francs per kg of commercial coffee exported) is the main current source of funding for FODECC, as well as for the various related institutions mandated by the Government (ONCC, CICC, SODECAO, CAPEF, SOWEDA) to support the development of the cocoa and coffee sectors in the country. The 50% share allocated to FODECC represents an estimated financial volume of 221 million euros for the period 2026 to 2031. According to estimates based on expected revenue, the levy will thus finance the institution's day-to-day operations (37.8 million euros/2026–2031), programmes under its supervision (PAD-CACAO/MINADER, PARF-CAFE/MINADER, PAVSGS-2C/MINRESI, CACAFIN/MINCOMMERCE for approximately 105 million euros (2026–2031)), the Producers' Desk (88.7 million euros, 2026–2031) and quality premiums for top producers (17.4 million euros, 2026–2031). Given that 320,000 producers are already registered on the FODECC digital platform (with the prospect of registrations potentially exceeding 700,000 cocoa and coffee producers within a few years), the resources available for the Producers' Window are wholly inadequate and, in particular, are very limited in relation to the needs of the producers' agroecological transition window, as well as the agroecological transition components for rural municipalities (PLADDT and Green Investments) within the Local Authorities' Window.

3.3. Components of the RACINE initiative

The RACINE initiative helps to scale up FODECC's direct grant capacity through the various components of the Producers' Window, with a particular focus on agroecological transition and collective investments at the level of producer organisations and rural municipalities.

The RACINE initiative is structured around two complementary components and a monitoring system:

1. C1/Strengthening the enabling environment for deforestation-free and climate-resilient cocoa and coffee production in Cameroon. This component will be led by MINEPAT itself, the CAFI focal team/coordination unit, possibly with support from the implementing agency UNOPS. MINEPAT acts as an accredited agency with the Green Climate Fund and as the ministry responsible for coordinating economic development and international cooperation for the Government of Cameroon.
2. C2/Scaling up payments for environmental services for sustainable, climate-resilient and deforestation-free value chains. This component is led by FODECC and comprises sub-component C2.1, which involves direct funding for the Producers' Window and its eight specialised technical sub-windows, and sub-component C2.2, which focuses on capacity building for the various partner stakeholders and/or beneficiaries of the Producers' Window to support them in achieving the expected results. FODECC is in the process of seeking accreditation from the CAFI initiative.
3. Monitoring and evaluation of the RACINE initiative, verification, management and knowledge generation. This technical activity led by FODECC will enable the continuous production of monitoring and evaluation information, particularly that required for results-based payment processes, and will prepare the organisation to undergo annual independent audits commissioned by the Government of Cameroon, the FVC and CAFI to assess the initiative's progress and document the triggering of successive payment instalments.
4. In addition, a scientific team will monitor the impact of the subsidy schemes across several representative samples of beneficiaries in order to independently measure the impacts on the development of agroforestry systems with or without technical and financial support.

Component 1. Strengthening the enabling environment for deforestation-free and climate-resilient cocoa and coffee production in Cameroon.

To achieve a paradigm shift towards deforestation-free and climate-resilient cocoa and coffee value chains in Cameroon, it is important to have an enabling environment based on coherent policies, effective coordination, strong governance, good traceability and sustainable land-use management. Component 1 aims to consolidate the actions undertaken over several years at the institutional and regulatory levels to support and expand climate-smart interventions. It focuses on aligning policies and systems with international market requirements, notably the EU Regulation on Deforestation and Forest Degradation (EUDR), whilst strengthening inter-ministerial coordination and land-use governance. By operationalising the key steps of the CAFI-Cameroon Letter of Intent and institutionalising traceability and participatory planning tools, this component ensures that environmental commitments are integrated into development frameworks (agriculture, livestock, forestry, mining, infrastructure) and that decentralised actors (local authorities, professional organisations) have the tools and authority necessary to comply with deforestation-free production standards. In doing so, Component 1 creates the necessary conditions for the incentives implemented under other components and other national and sectoral programmes to bear fruit on the ground.

Objectives: Alignment of national policy, regulatory and institutional frameworks with the commitments made by the Cameroonian government in the CAFI Letter of Intent (LoI), the EU-Cameroon Roadmap for Deforestation-Free Cocoa and the requirements of the EU Deforestation Regulation (EUDR).

Budget: **€3.767 million** (FVC grant)

Implementation of Component 1 of the RACINE initiative: MINEPAT (Coordination Team / CAFI National Team) with technical support from UNOPS and in collaboration with the GIZ team from the CAFI National Coordination Support Project.

Outcome 1.1: Align policy and institutional coordination for deforestation-free value chains.

Consolidating the alignment of policy and institutional frameworks is essential to ensure that the transition to sustainable, deforestation-free cocoa and coffee value chains is both credible and scalable. Outcome 1.1 supports the implementation of the key policy commitments made by the Cameroonian government under the CAFI Letter of Intent and the EU-Cameroon Roadmap for Deforestation-Free Cocoa. It builds on national strategic and operational planning documents (SND30, SNADDT, SSDR/PNIA, PNZT, National Climate Plan, CDN 2.0, SRADDTs, SIF-GDT, etc.) and emphasises improved inter-ministerial coordination under the leadership of MINEPAT to ensure coherence between agriculture, the environment, forestry, land use, land management, spatial planning, infrastructure, trade, mining and finance. It builds on the achievements made during the coordination of the pilot phase of the partnership between CAFI and Cameroon (the PAPRINS project led by the PF/CAFI with the UNDP as the implementing agency), and expands the opportunities offered by the coordination project currently being launched by GIZ and led by the PF/CAFI. This synergy, as part of a strategic continuity, aims to strengthen the systematic integration of zero deforestation and sustainable forest management objectives into national strategies and programmes on agriculture and land use, whilst aligning them with new international requirements such as the EU Regulation on Deforestation and Forest Degradation (EUDR), which in Cameroon specifically concerns cocoa, Robusta and Arabica coffee, timber and all their derivative products.

In doing so, Outcome 1.1 addresses the lack of coordination and efficiency among institutions and ensures that 'deforestation-free production' is no longer viewed as a parallel or isolated programme, but as an integral part of the country's broader, integrated strategies for rural development and climate action. The following activities fall under this outcome:

- Activity 1.1.1. Support the implementation of key agriculture-related steps under the CAFI Letter of Intent, including measures to control agricultural expansion, utilise fallow land, strengthen monitoring of forests within the Permanent Forest Area, and integrate zero-deforestation requirements into national agricultural policies.
- Activity 1.1.2. Strengthen inter-ministerial coordination and planning mechanisms under the leadership of MINEPAT, ensuring policy, strategy and programme coherence across the agriculture, trade, environment, forestry, land use, spatial planning and finance sectors.

Outcome 1.2. Deploy operational tools and land-use governance for compliance and monitoring.

To ensure that deforestation-free production is not only mandatory but also effectively implemented and monitored, Outcome 1.2 focuses on the development and institutionalisation of the operational tools and governance mechanisms necessary for traceability and compliance with sustainable land use. This includes the establishment of a national traceability system for cocoa and coffee that meets the requirements of the EUDR Regulation, ensuring full geolocation and verification of the legality of supply chains. This work requires active consultation leading to close collaboration between various public institutions (ONCC, FODECC, SODECAO, SOWEDA) and private entities (CICC, GEX, major export companies, key processing operators, and other local and regional professional organisations). In addition, this outcome also supports the coordination of the implementation of local land-use plans (PLADDTs) at the level of rural municipalities, which serve as the basis for all field activities and require careful and participatory territorial planning. This activity complements the FODECC Local Authority Window for the establishment of co-financing for CTDs. By combining technological infrastructure with inclusive land-use governance, Outcome 1.2 provides the necessary framework for the transparent, enforceable and accountable implementation of commitments to deforestation-free production in the cocoa and coffee sectors in Cameroon. The following activities fall under this outcome:

- Activity 1.2.1. Develop, improve and institutionalise a national traceability system for cocoa and coffee production, fully compliant with the EU Deforestation Regulation (EUDR) and the national roadmap for deforestation-free cocoa. This activity will be carried out in practice with FODECC under the institutional supervision of MINEPAT, which is responsible for facilitating inter-ministerial coordination among the relevant stakeholders.
- Activity 1.2.2. Coordinate the preparation and implementation of local land-use plans (PLADDTs) at the level of rural municipalities in order to operationalise agreements for the preservation of

forests within the permanent forest area in general, and specific agreements concluded at the local level for forests and agricultural land within the non-permanent forest area. In practice, this activity is carried out with the CTFC under the supervision of MINEPAT to facilitate the mobilisation of the resources required for the preparation of the PLADDTs, in addition to the resources already mobilised through components 2.1.3 and 2.2.3.

Figure12: Summary diagram of the RACINE initiative in support of the Producer Window

Component 2. Developing payments for environmental services for sustainable, climate-resilient and deforestation-free value chains.

Building on the achievements of the FODECC Producers' Window, and within a general environment constantly seeking improvement, Component 2 focuses on the direct deployment of financial and technical incentives aimed at transforming large-scale production practices through the application of methods promoting intensification via agroecological transition and climate resilience. Using the FODECC's integrated 'Producers' Window' system – which is digital and performance-based – the RACINE project's contribution enables a greater number of farmers and local stakeholders to be reached, encouraging them to adopt sustainable, deforestation-free and climate-resilient cocoa and coffee production practices. With its three complementary channels of the FODECC Producers' Window – G1/Production Window, G3/Sustainability-Agroecological Transition Window, G2/Quality/Communities Window – this financial matching component provides tailored support to producers, promotes agroecological adaptation practices and enables rural municipalities and cooperatives to invest in value addition (market quality, traceability, environmental and social quality, and the preservation and restoration of forest areas). By combining public co-financing with private contributions, Component 2 helps guide local stakeholders towards agricultural intensification that combines increased production with compliance with environmental and social requirements, traceability requirements, total quality requirements for marketed products, and a reduction in pressure on riparian forests. The matching fund from the FODECC Producers' Window strengthens the way resources are distributed and monitored in the agricultural sector, ensuring transparency, efficiency and inclusivity. Ultimately, it promotes a rural investment model that links climate outcomes to financial incentives and empowers smallholder farmers to be active agents of change in achieving local, national and international sustainability goals.

Objectives: 227,000 cocoa and coffee-producing households intensify their production systems without deforestation; 43,000 adopt climate-resilient agroecological practices; 43,000 improve the quality of their

market produce and their incomes, 180 post-harvest processing centres are established jointly by the municipalities and their local cooperatives, and 100 rural municipalities undertake green investments in reforestation and the restoration of degraded forest landscapes.

Budget: €73 million (FVC funding), **€36.2 million** (CAFI grant) + **€88.7 million** in direct co-financing from FODECC to the Producers' Window + additional contributions from projects under the sector support scheme (excluding the RACINE initiative budget)

+ Direct contribution from local stakeholders receiving grants (leverage effect outside the budget): **650 million euros**

Sub-component 2.1: Top-up funding for the 'Producers' Window' and its eight co-financing streams to support sustainable intensification and deforestation-free production.

Sub-component 2.1 aims to expand the scope and impact of the "Producers' Window" and its eight co-financing streams, designed to support sustainable intensification and ensure compliance with deforestation-free production standards. This digital platform delivers targeted, performance-based grants to small-scale cocoa and coffee producers in the form of electronic vouchers that are exchanged for certified inputs such as organic fertilisers, agroforestry seedlings, small equipment and pest control products, for example. The procedures for accessing grants via electronic vouchers are very simple and straightforward, eliminating intermediaries and significantly reducing transaction costs and the risk of leakage.

The Producers' Helpdesk also co-finances business plans, local development plans and agroecological transition plans submitted by producers, municipalities, cooperatives or economic interest groups (EIGs), including advisory support services, based on a transparent application assessment process. Applications are reviewed at regional level by an ad hoc committee chaired by the Regional Council, involving key local stakeholders from the public and private sectors, and then processed centrally by FODECC.

This model operates with an average co-financing contribution from beneficiaries of around 70% (*variable depending on the sub-schemes and components, and based on a principle of degressive subsidies over three years*), ensuring ownership and alignment of incentives, whilst incorporating traceability and geolocation requirements that link financial support to verifiable environmental outcomes. By linking access to finance to sustainability commitments, the Producers Window overcomes long-standing barriers to rural lending, encourages productive investments without land expansion, and creates the conditions conducive to meeting the zero deforestation target in Cameroon's cocoa and coffee production areas. Scaling up this mechanism at the national level, building on FODECC's achievements since 2022 using its own funds, and subsequently with the support of PAIDATA and CAFI from 2025 onwards, not only increases the impact at the farmer level, but also to establish a financial architecture capable of channelling climate finance and private investment on a larger scale in the future.

The following activities are planned using resources from the FVC loan and the CAFI grant, in addition to FODECC's national resources, the implementation of which is set out in the specific procedure manuals for the three specialised windows of the Producer Window, which were updated in January 2025:

Outcome 2.1.1.: Intensify and increase sustainable production in cocoa and coffee plantations

Activity 2.1.1.1. Annual top-up for the Production sub-window, component G1/a-ebon: subsidy for certified seedlings, quality inputs, and very small-scale production equipment.

Activity 2.1.1.2. Annual funding from the Production sub-window, G1/b-PA component: co-financing of production equipment for the business plans of small-scale producers and small production cooperatives.

NB: this outcome 2.1.1 is co-financed primarily from FODECC's own resources derived from export levies and supplemented to a limited extent by resources from the FVC loan and the CAFI grant. The Government of Cameroon's priority is to revitalise the productive sector by encouraging producers to rehabilitate old orchards, increase their density and renew them to improve their performance, favouring expansion on fallow land whilst prohibiting planting in forests within the permanent forest reserve. The voucher scheme is available to all producers wishing to intensify their orchards. The

business plan co-financing scheme is offered to all producers and small cooperatives committed to modernising and intensifying their production systems and on-site initial processing of their crops.

Outcome 2.1.2. Improve the overall quality of cocoa and coffee products brought to market

Activity 2.1.2.1. Annual contribution to the 'Collectivités' sub-fund, G2/a-CTD component: co-financing of property investments under the investment plans of post-harvest processing centres in rural cocoa- and/or coffee-producing municipalities.

Activity 2.1.2.2. Annual contribution from the Local Authorities sub-fund, G2/b/Coop component: co-financing of investments and movable equipment under the business plans of cooperatives or economic interest groups (EIGs) partnering with municipalities for the management of their post-harvest processing centres.

NB: This outcome 2.1.2. is co-financed jointly by FODECC's own resources derived from export levies and by resources from the FVC loan and the CAFI grant in order to meet the investment needs for sustainable productive infrastructure capable of supporting the production of the cocoa and coffee sectors in the long term. With the deployment of a significant number of post-harvest processing centres at the municipal level, aimed at creating an effective territorial network, Cameroon wishes to develop a national network capable of ensuring that marketable cocoa and coffee products comply with total product quality requirements, both in terms of the products themselves and in environmental terms (zero deforestation, reduction of pesticide residues) and social standards (no child labour, no gender-based violence), and that, in doing so, they can be better priced, enabling producers to be better remunerated. By increasing the number of post-harvest processing centres, production is channelled from the plantations to the centres and then from the centres to ports or factories, ensuring that all products meet the full traceability standards required by the EU regulation on deforestation, from the field to the end customer. Whilst upstream interventions target production practices, this outcome addresses critical bottlenecks throughout the value chain by supporting collective investments in facilities such as solar dryers, storage units, washing units, and fermentation and drying centres, which are essential for building quality, reducing post-harvest losses and meeting international standards.

Outcome 2.1.3. Strengthen the sustainable management of communal lands and forest cover

Activity 2.1.3.1. Annual allocation from the 'Collectivité' sub-window, G2/c-PLADDT component: co-financing of the preparation of Local Plans for Sustainable Land Use and Development (PLADDT) for the municipal area, setting out land allocations for various agricultural, forestry, urban and infrastructure uses, etc.

Activity 2.1.3.2. Annual contribution from the Local Authorities sub-programme, G2/d-Green Investments component: co-financing of green investments provided for in the PLADDTs and PCDs (or other local planning documents) such as reforestation, revegetation, measures to protect and conserve forest cover, assisted natural regeneration initiatives, restoration of degraded forest landscapes and catchment areas, planting along riverbanks and roads, etc.

NB: This outcome (2.1.3) is primarily co-financed from FVC loan funds and the CAFI grant, thereby reinforcing the spatial planning and land-use planning efforts undertaken by MINEPAT at national level (SNADDT 2018), regional level (SRADDT in the 10 regions), and local level through the PLADDTs. Several international partners are also contributing to the funding of municipal PLADDTs, including through CAFI resources (KfW, GIZ, EFI, etc.). Of the country's 360 municipalities – and thus almost as many PLADDTs still to be prepared – the RACINE project will prioritise support for the most dynamic municipalities in humid or transitional forest zones, which have both permanent forest areas requiring conservation and cocoa or coffee production currently undergoing revitalisation and expansion. Based on the approved PLADDTs, as well as the PCDs (communal development plans) or other approved local planning documents, outcome 2.1.3. will be able to respond to requests for co-financing of green investments from partner municipalities (landscape restoration, watershed restoration, reforestation, protection of forest cover, planting along riverbanks and roadsides, forest conservation, etc.) by prioritising areas within the municipality's public and/or private domain, and areas under regulated community management.

NB: For all municipal public investments, each municipality must include its planned investments, as approved by its municipal council, in its PTBA for the following year, specifying the value of its contribution from own resources and the value of co-financing requested from the FODECC within the authorised limits (see Local Authorities' Guide). Each municipal application is presented to the regional committee chaired by the Regional Council before being forwarded to the FODECC. The contract drawn up between the municipality and the FODECC binds the parties to achieving the expected results, particularly in terms of respecting the boundaries of the permanent forest area, and the obligation to sustainably restore forest cover in the areas subject to co-financing. By supporting municipalities and producer organisations as co-managers of sustainability outcomes, the Guichet Collectivités strengthens territorial governance, alleviates pressure on forests and generates associated socio-economic benefits, particularly in terms of employment, income diversification and the strengthening of producer institutions. This is a key element in scaling up solutions adapted to the local context that align rural development with climate and biodiversity objectives.

Outcome 2.1.4. Supporting the agroecological transition of cocoa and coffee farms

Activity 2.1.4.1. Annual allocation from the Sustainability sub-window, G3/a-Agroecological Transition component: three-year co-financing of agroecological transition plans for cocoa and/or coffee producers at the farm level (orchards, food crops, fallow land) designed to be more climate-resilient, by subsidising plant material for renewal/re-densification of orchards and the introduction of fertiliser trees and cover crops, the production of biofertilisers and biopesticides, the adoption of soil fertility conservation practices, etc., based on the principle of sustainable intensification and adaptation of existing agricultural land and the avoidance of land expansion at the expense of natural or naturally regenerated forests (mitigation).

Activity 2.1.4.2. Annual funding from the Sustainability sub-programme, component G3/b – Agricultural advisory services/agroecological transition. Co-financing of the agricultural advisory service, which must provide individual support to each producer throughout the three-year transition process, from mapping the farm, preparing its agroecological transition plan (PTA), implementing activities, monitoring them, and then periodically evaluating them. The agricultural technical adviser reports regularly on achievements to FODECC via its digital platform using georeferenced reports.

NB: this result 2.1.4 is co-financed mainly by resources from the FVC loan and the CAFI grant, which make up for the shortfall in FODECC's own resources. Access to the Window 3/Sustainability facilities is reserved for the most dynamic producers who have previously benefited from subsidies under the Production Window (G1/a-ebon) and who wish to continue their intensification efforts by integrating agroecological practices designed to sustainably improve their productivity whilst reducing reliance on costly synthetic inputs. A contract is drawn up between FODECC and the producer, with an obligation to achieve results and an obligation to receive support from an accredited agricultural adviser throughout the three-year transition process. The producer undertakes not to expand their plantations at the expense of permanent forest areas, natural forests or naturally regenerated forests. The agricultural adviser acts both as a knowledge broker and a facilitator of change. Rolled out across all eight cocoa and coffee-producing regions, the agroecological transition model will gradually spread within rural communities, supported by thousands of private agricultural advisers, all mobilised at the local level.

NB: by partially subsidising adaptation and mitigation at the farm level, the RACINE initiative supports the restoration of soil fertility by increasing organic matter content, water retention capacity and, more broadly, biodiversity, whilst reducing the effects of erosion and climate change. Restored and preserved ecosystems are generally more productive and sustainable, reducing the temptation to convert land, thereby aligning productivity objectives with environmental integrity.

Sub-component 2.2: *strengthening the organisation and capacities of FODECC's rural partner organisations.*

Outcome 2.2.1. Supporting the strengthening and structuring of professional organisations (cooperatives, umbrella organisations, inter-professional bodies)

Activity 2.2.1.1. Advisory support for organisational development

Activity 2.2.1.2. Capacity building on agroecological transition, RDUE standards, financing systems, etc.

NB: The agroecological transition as part of climate change adaptation requires different categories of stakeholders to accept a paradigm shift, to abandon certain harmful practices and adopt more sustainable ones. These changes are complex and take time. FODECC will mobilise networks of associations and regional and local offices to support local professional organisations in their efforts. This will also involve support for organisational development, the redefinition of objectives, and process support. FODECC will also ensure that support networks are mobilised in regions that are more difficult to access, such as the South-West and North-West. These support and capacity-building activities are jointly funded from RACINE resources (FVC and CAFI) and FODECC resources, notably through support programmes for the cocoa and coffee sectors (using own resources outside the RACINE budget).

Outcome 2.2.2. Support the development of the national private agricultural advisory network for agroecological transition

Activity 2.2.2.1. Manage and develop the national network of advisors on agroecological transition via the FODECC digital platform

Activity 2.2.2.2. Produce and disseminate technical training tools via the digital platform

NB: the national agricultural advisory system proposed by FODECC provides for the local recruitment and mobilisation of technicians available on the ground. Although already qualified in agriculture, many have never been able to secure positions in the civil service; they must now undertake online training in agroecological transition to be subsequently accredited as advisers (see G3 Sustainability / Agroecological Transition handbook). This new network, based on the principle of mobilising local technical resources that are available but under-utilised in the regions, must, in order to develop, receive constant support from FODECC. Outcome 2.2.2 is funded primarily by resources allocated to the G3.b-CTA window, but also by the FODECC's operating budget, supplemented by sector support programmes, particularly for accreditation and monitoring processes.

Outcome 2.2.3. Strengthen the capacities of the CTDs and their local partners

Activity 2.2.3.1. Supporting the CTDs in the preparation of their PLADDTs

Activity 2.2.3.2. Support the CTDs in the planning and implementation of their investments co-financed by the FODECC

Activity 2.2.3.3. Support the municipalities' partner organisations in their planning and implementation processes for investments co-financed by the FODECC

NB: Support activities for the CTDs and their partners began in 2025 with CAFI funding via UNOPS in order to commence investments in 2026. Activities related to outcome 2.2.3. of the RACINE initiative are a continuation of the actions already undertaken and are also led by the CTFC, in accordance with the agreement between the Centre Technique de la Foresterie Communale and the FODECC. They are funded from the joint resources of the FVC and CAFI, as well as the FODECC.

Monitoring and evaluation system (verification, management and knowledge generation).

A credible, transparent and adaptive implementation framework is essential to ensure the effectiveness, accountability and scalability of climate-aligned investments. RACINE's monitoring and evaluation system reinforces the FODECC's monitoring and evaluation, verification and learning systems that underpin the Sustainability-Linked Loans (and Grants) Mechanism (SLL) and its alignment with CAFI and FVC

requirements. The system also anticipates the need to meet the monitoring requirements for the implementation criteria of the RDUE. It builds on the digital architecture of the FODECC system to establish a robust monitoring, reporting and verification (MRV) framework capable of tracking compliance with deforestation standards, environmental performance and the adoption of climate-smart practices by farmers.

This activity is vital to the success of RACINE because the CAFI Trust Fund, the project's main co-financier, provides its support in the form of results-based payments. No advance payments will be made; CAFI will make 'ex-post' payments based on the verified performance of the FODECC windows, thereby transferring the performance risk to this Implementing Entity.

By ensuring annual third-party verification of results and deploying digital tools for real-time monitoring and evaluation of financial flows and environmental outcomes, this system addresses the key risks often associated with conventional projects, such as underperformance, low absorption capacity and corruption. At the same time, monitoring and evaluation supports the generation of operational lessons and the documentation of best practices, enabling adaptive management and course corrections throughout the project cycle.

The monitoring and evaluation system also facilitates South-South knowledge exchange to support the replication of the SLL model across the Congo Basin. By transforming the 'Producers' Window' approach into a regionally recognised innovation, this component contributes to a broader paradigm shift towards scalable, results-oriented financing for climate-resilient and deforestation-free agricultural development, as well as the potential to implement the system/approach in other CAFI countries, and even within the GFC.

Objectives: To achieve transparent, accountable and independently verified climate and environmental results, with knowledge sharing to enable replication.

Budget: **€4.4 million** (GCF grant), **€1.187 million** (CAFI co-financing).

Strengthen monitoring and evaluation, data generation and MRV systems for results-based management.

This first group of activities aims to consolidate and expand the digital and institutional infrastructure needed to monitor, evaluate, verify and manage the performance of the Guichet Producteurs system and the broader Sustainability-Linked Loans (and Grants) mechanism (SLL). This essentially involves the continuous improvement of the FODECC digital platform, which manages the registration of farmers, cooperatives, microfinance institutions, input distributors, nursery operators, etc., including their identification, geolocation, the georeferencing of plots, financial flows, material flows and service flows, and the traceability of funds and products. By strengthening this system through advanced data integration and analysis capabilities, it will be possible to monitor financial flows and environmental outcomes in real time with ever-greater precision, including compliance with deforestation-free production requirements.

To ensure accountability and eligibility for future CAFI disbursements, a robust monitoring, reporting and verification (MRV) framework aligned with CAFI and FVC standards must also be introduced, anticipating the information and control requirements for the implementation of the RDUE.

In line with CAFI Board of Directors Decision [EB.2024.33](#), the central element of this framework is the annual verification of FODECC's results by an independent verification body using a methodology compliant with ISO 14000 standards. This methodology is based on certain indicators from the logical framework of this proposal and will establish the procedures for measuring, reporting and verifying the associated results, as well as the amount to be disbursed per unit of result. This methodology will be validated by the independent verification body prior to the signing of the project document between CAFI and MINEPAT and communicated to the Green Climate Fund.

Based on this methodology, the independent verifier will issue an annual recommendation on the payment to be made by CAFI to the MINEPAT Accredited Entity. MINEPAT will in turn transfer these funds to the FODECC Implementing Entity. The verification process is described in further detail in Annex 11 on monitoring and evaluation.

Capacity building in monitoring, evaluation and MRV will not only improve the governance of activities but also generate highly reliable data, which is essential for demonstrating climate impact, mobilising additional funding and enabling the future replication of actions. Through this outcome, the project ensures that the transition to results-based financing is underpinned by rigorous, scalable and transparent systems. The planned activities are as follows:

- Activity a. Strengthening the information and management system for the various components of the Producer Window, including an MRV (monitoring, reporting and verification) framework for SLL operations aligned with the requirements of CAFI and the FVC.
- Activity b. Annual independent verification of the results of the Producers' Window based on methods adapted from the ISO 14000 standard.

Facilitating knowledge generation and South-South learning for the replication of SLLs

The aim is to focus on gathering, consolidating and sharing the knowledge generated by the implementation of Cameroon's first sustainability-linked loan (SLL) for deforestation-free and climate-resilient cocoa and coffee production. Recognising that innovation must be both effective and replicable, the aim is to facilitate the documentation of lessons learnt, best practices and operational models, particularly those related to digital finance, traceability, MRV and performance-based incentives. These lessons will inform the ongoing project whilst serving as a strategic resource for other countries seeking to design similar mechanisms.

Through targeted knowledge products, learning events and South-South exchange visits, the project will actively contribute to regional dialogue and capacity building in CAFI partner countries (and beyond). Particular emphasis will be placed on peer learning among public institutions, financial intermediaries and implementing agencies involved in climate-smart agriculture and sustainable supply chains. By integrating this activity into the project design, the SLL in Cameroon becomes not only a national pilot project but also a regional public good, accelerating the dissemination of highly integrated, results-oriented financing models in the Congo Basin and other tropical forest regions. In practice, this will involve facilitating South-South knowledge exchange with a view to replicating the SLL model by leveraging CAFI's partnerships with six countries in the Central African sub-region.

Independent scientific monitoring of impacts on agroforestry systems

The aim here is to go beyond the monitoring and evaluation work mentioned above by conducting an independent scientific assessment to monitor, in parallel, a sample of plots and farms that have benefited from support from the Producers' Window and a control sample that has not. This randomised control trial, led by IRAD (and CIRAD) and scientists, will enable ex-post lessons to be drawn regarding the measurable impacts observed over time on agricultural holdings. The aim is to objectively verify whether the technical and financial support provided through the Producers' Window actually results in improvements in the quality of products and production, as well as in household incomes and the well-being of their members.

3.4. Procedures for disbursement and management of funds to beneficiaries

The procedures for disbursement and management of funds to beneficiaries are based on FODECC's specific operational model for Component 2: performance-based grants are distributed via a digital platform ('Producers' Portal') which centralises information and enables banks or microfinance institutions to issue e-vouchers for the purchase of inputs or services, following prior deposit of the remaining share to be paid by the beneficiary. The system incorporates plot geolocation and traceability (registration of producers, validation of commitments, distribution of inputs, etc.). Contractually, FODECC receives funding lines (or grants) from the EA and administers sub-transfers to banks and microfinance institutions, which generate payments to suppliers designated by the final beneficiaries in the form of e-vouchers or conditional payments, with clear co-financing rules (*e.g. 60% contribution from the producer / 40% public subsidy in the first year of the Production Window G1/a-ebon*) and automated controls via the digital platform. The vouchers are registered to specific individuals, non-transferable and non-exchangeable. For collective investments (Collectivities Window), the funds granted are paid into dedicated accounts at the bank of the beneficiary cooperative or municipality. Payments to suppliers are made by bank transfer by the bank itself

in accordance with the provisions set out in the business plan and the funding agreement signed with FODECC. FODECC's financial support is linked to commitments regarding agricultural intensification and forest conservation/restoration, and to the implementation of local land-use plans (PLADDT) or equivalent. The EE-beneficiary agreements include documentation requirements, completion reports, and the possibility of independent ex-post audits and verifications (see fodecc.cm).

3.5 Governance of the RACINE initiative

Overseeing the initiative is the **National Committee for Monitoring and Evaluation of the Implementation of the National Development Strategy 2020–2030 (CNSE/SND30)** in accordance with Decision No. 2021/1541/PM of 23 March 2021 on the establishment, organisation and functioning of the National Monitoring and Evaluation Committee for the Implementation of the SND30, which is responsible for the monitoring and technical and operational supervision of all work relating to the implementation of the SND30, the **National Monitoring Committee for the Cameroon-CAFI Partnership (CNS/CAFI)** is the decision-making body of the CAFI Initiative in Cameroon. It monitors the UTC/CAFI and reports its findings to the **Technical Coordination Unit of the CNSE/SND30**. It is chaired by the Minister of Economy, Planning and Regional Development (MINEPAT), the Focal Point for the Initiative in Cameroon; and comprises the Secretaries-General of the sectoral technical administrations, the Coordinator of the SND30 Technical Coordination Unit, representatives of the CTDs, representatives of civil society organisations (CSOs) and the private sector, the relevant technical and financial partners, and all members of the CNSE/SND30

To carry out its tasks, the CNS/CAFI has a Technical Coordination Unit which provides technical secretariat support and coordinates the various partnerships. **The Technical Coordination Unit for the Cameroon-CAFI Partnership (UTC/CAFI)** is responsible for the political representation of the partnership and for **coordinating Component 1 of the RACINE initiative**. It facilitates coordination and ensures that interventions are consistent with the government's strategic priorities, as well as capitalising on the RACINE Initiative's contributions to the implementation of the SND30 and the Lol, and to aligning the cocoa and coffee sectors with zero-deforestation and zero-child-labour strategies. The UTC/CAFI is managed by **the CAFI Focal Team at MINEPAT**. The UTC/CAFI will be able to draw on the support of UNOPS, particularly in relation to procurement and procedural management.

FODECC is the implementing agency for Component C2 (matching funds for the Producers' Fund and capacity building for professional and decentralised stakeholders) and for managing the monitoring and evaluation system of the RACINE initiative. FODECC will be able to rely on UNOPS, particularly for procurement and procedural management. A project management unit has been established to manage Component 2 and the monitoring and evaluation system. Following the example of the PAIDATA PMU set up by IFAD with funding from CAFI, the RACINE PMU is based at FODECC's premises to facilitate integration and day-to-day collaboration between FODECC's departments and the PMU dedicated to the Initiative. The PMU integrated into FODECC for the RACINE initiative's Component 2 and the M&E system reports on a daily basis to the FODECC's ADM/DG.

The **National Monitoring Committee of the Cameroon-CAFI Partnership (CNS/CAFI)** acts as **the Steering Committee for the RACINE initiative (COPIL)** and, to this end, includes the CAFI Secretariat and FODECC. The CAFI Secretariat is a member of the COPIL quorum, which will meet at least twice a year.

As the FVC's EA and the national coordinating entity for the CAFI Fund in Cameroon, MINEPAT is responsible for organising the initiative's steering committee (COPIL). MINEPAT will work in close collaboration with the CAA (on loan disbursement and servicing aspects) and will coordinate closely with FODECC to ensure the full integration of the initiative's governance within FODECC's governing bodies specifically responsible for Component 2 and the monitoring and evaluation of RACINE.

MINADER, MINCOMMERCE, MINRESI, MINFI, ONCC, and CICC are directly involved in monitoring implementation via the FODECC Management Committee; there is therefore no need to duplicate supervisory and decision-making bodies.

The roles of the RACINE Steering Committee are as follows:

- Approval of annual work plans and budgets (PTBA);

- Reviewing and adopting the half-yearly and annual technical and financial reports for the FVC and CAFI;
- Reviewing and adopting annual performance reports for the FVC and CAFI;
- Reviewing the implementation of the Steering Committee's recommendations and the resolutions/decisions of (i) the governance bodies of the partnership between CAFI, the FVC and Cameroon, (ii) the CAFI Board of Directors, and (iii) the FVC Board of Directors, including, in both cases, the conditions precedent to the granting of funding;
- Review of any issues in the implementation of the RACINE initiative and adoption of agreements/decisions to improve implementation and its impact;
- Analysis of the institutional and operational arrangements for implementation and revision where necessary (e.g. request for extension of the initiative, revision of targets and budgets (in accordance with the scenarios described in the FAA with the FVC and/or in accordance with the CAFI Operations Manual));
- Ensuring alignment of the RACINE initiative with the commitments and milestones set out in the Letter of Intent establishing the partnership between CAFI and Cameroon;
- Examination and review of internal audit reports on the initiative's activities;
- Examining and reviewing independent verification reports on the RACINE initiative conducted by CAFI.

At the operational level, the PMU is headed by one (01) Coordinator, assisted by one (01) Administrative and Financial Officer, one (01) Monitoring and Evaluation Officer, one (01) Safeguards Officer, one (01) GIS Officer, one (01) Executive Assistant, and one (01) Accountant who is also responsible for procurement procedures. A partnership agreement may be established with UNOPS to support the PMU in managing procurement procedures and ensuring compliance with FVC and CAFI standards.

Actions related to the Gender Plan and the Environmental Safeguards Plan are included in the project activities and are specifically taken into account in the co-financing plans of the Producers' Window beneficiaries.

3.6 Assessment of the Management Capacities of FODECC, the Main Implementing Entity

Regarding the assessment of **capacities and the management of fiduciary risks**, an institutional audit of FODECC was recently carried out in 2024/2025 by the accounting firm MAZAR'S. The implementation of the recommendations from this independent audit will strengthen FODECC's procedures, capacities and operating arrangements with a view to its accreditation by CAFI from 2026.

As the Lead Agency (EA), MINEPAT has a track record in coordinating and implementing international programmes, including the management of initiatives funded by the World Bank, the African Development Bank, CAFI and many other partners (EU, AFD, KfW, IDB, EIB, UNDP, UNOPS, etc.) and is responsible for accreditation and liaison with donors and funding bodies.

FODECC has already established and operated digital direct grant portals benefiting tens of thousands of producers (with recognised expertise in the management of digital agricultural grants and traceability monitoring), which gives it the operational legitimacy to administer the Production, Agroecological and Local Authorities Portals. This track record reinforces the viability of the proposed institutional framework and justifies the distribution of roles: MINEPAT for governance, policy and coordination of institutional monitoring; FODECC for the operational implementation of digital grants, direct liaison with producers, municipalities and their organisations, database management and operational MRV.

In addition to the Producers Window and the running of the institution itself, FODECC also funds several projects implemented by its various line ministries: i) PAD CACAO and PARF CAFE with MINADER, ii) PAVSGS-2C with MINRESI, iii) CECAFIN with MINCOMMERCE, not forgetting the 'Quality Premiums' payment component, also under the supervision of MINCOMMERCE.

3.7 Recap of the rationale for RACINE

The proposed RACINE initiative requires financing from the FVC as it addresses a clear and persistent market failure that currently prevents the cocoa and coffee sectors in Cameroon from transitioning to deforestation-free and climate-resilient production. The scale, concessional nature and long-term nature of the financing required to steer agricultural practices, infrastructure and investments in the value chain towards sustainability far exceed what national public budgets, local financial markets or private sector actors can currently mobilise. It involves significant upfront costs and long payback periods that exceed the risk appetite of financial institutions and local investors. Furthermore, support for this initiative will contribute to the GCF's strategic mission and outcomes, as the unsustainable use of natural resources and deforestation are major sources of GHG emissions in Cameroon.

Currently, the private financial sector in Cameroon, which includes commercial banks and microfinance institutions, is characterised by limited liquidity, high interest rates, strict collateral requirements and short-term loans, with a maximum duration of three years and most often limited to one year. These constraints make the sector ill-suited to financing transformative investments in agriculture, which have inherently long payback periods, require patient capital, and carry perceived risks linked to climate variability, price volatility, and farmers' repayment capacity. Consequently, local financial institutions remain reluctant to enter this market, resulting in chronic underinvestment in sustainable agricultural practices, land-use planning and the compliance mechanisms required by international markets. Such a transformation, or paradigm shift, requires sustained commitment over the medium and long term and cannot be achieved within a limited or short timeframe.

National public funding is also very limited. Cameroon's fiscal space is constrained by high public debt (around 45.8% of GDP in 2023) and competing investment priorities, including urgent needs in basic infrastructure, health, education and security. National budget allocations for agriculture mainly cover short-term production subsidies, emergency interventions and input support programmes that lack long-term sustainability or climate alignment. Consequently, national public resources are insufficient and structurally ill-suited to the scale of the initial investments required to catalyse systemic shifts towards climate-resilient and deforestation-free cocoa and coffee production at the national level. Furthermore, farmers have limited access to patient capital. Without patient capital or technical support, these farmers generally consider deforestation-free production to be unprofitable compared to traditional practices.

International aid, whilst valuable, remains fragmented, relatively modest in scale and primarily focused on five-year cyclical projects. Previous international initiatives have lacked mechanisms for sustainable institutionalisation or scalability, limiting their long-term impact and transformative outcomes. Furthermore, the international private sector, particularly commodity buyers and traders, generally operates on the basis of short-term contracts and rarely provides the initial investment or financing required for profound transformation, leading once again to a persistent funding gap.

The RACINE initiative therefore aims to address a dual market failure: firstly, the lack of sufficiently large-scale and concessional financing to mitigate perceived risks and reduce the high upfront costs associated with the transition to sustainable agriculture; secondly, the absence of incentive structures aligned with environmental and social outcomes, as private actors do not currently internalise these costs and benefits.

By deploying a sustainability-linked loan (SLL) supported by (concessional) financing and a grant from the GCF, the RACINE initiative introduces an innovative financial instrument that explicitly links financing conditions to verifiable climate and deforestation targets. The innovation lies in the fact that payments are made strictly on the basis of demonstrated performance, unlike conventional development projects, which often disburse funds based on planned activities rather than achieved results. The concessional terms offered by the GCF (low interest rates, extended maturity) for economic investments, coupled with a grant to fund institutional and organisational activities, are essential for absorbing initial risks, bridging financing gaps and unlocking co-investment from the domestic private sector, particularly the microfinance sector, whose participation is essential to the long-term viability of the initiative. By demonstrating the viability of this model, the FVC's catalytic financing role will help remove major barriers to private capital mobilisation, notably by reducing perceived risks and demonstrating economic viability.

Furthermore, the initiative strategically leverages domestic resources (*an export levy funding the FODECC*), public-private co-financing (*contributions from producers and other beneficiaries*) and international climate

finance (CAFI) to ensure optimal allocation and spillover effects. Once the viability and replicability of the Guichet model have been demonstrated with GCF support, additional sources of private capital – from microfinance institutions, social impact investors, commodity traders and sustainability-focused supply chain actors – will be progressively mobilised. Ultimately, this will create a self-sustaining financial ecosystem that will significantly reduce long-term dependence on public and concessional funds, thereby demonstrating that GCF funding is not merely a temporary solution, but a transformative investment in Cameroon’s agricultural and environmental resilience over the long term.

The RACINE initiative relies primarily on the FODECC’s own mechanism, whose resources, as already highlighted, derive from export levies and mill-gate levies on exported or processed cocoa. These resources are public funds without being classified as taxes, which allows them to be allocated directly by decree of the Ministry of Commerce to the funding of the various public or quasi-public agencies responsible for the development of the cocoa and coffee sectors. The portion of the levy thus allocated to the Producers’ Fund enables direct subsidies to be provided to producers and their cooperatives as part of a strategy to support the productive private sector, particularly its smallest players. However, these resources are insufficient to meet, on a national scale, both the needs of producers and the government’s ambitions, especially when considering the needs of all cash and food crop sectors.

The cocoa and coffee sectors are, however, a priority for the Government of Cameroon, which wishes both to promote increased production and to promote the preservation of forest heritage. To this end, the State has chosen to augment the limited resources of the FODECC by taking out a concessional loan from the FVC, thereby bolstering the financial system whilst linking it to sustainability obligations. The principle is that, with the grace period and the low concessional rate, the subsidies provided—particularly for agroecological transition—will be able to bear fruit, resulting notably in an increase in national production that is decoupled from the consumption of imported synthetic inputs and the expansion of cultivated areas at the expense of natural forest.

To fund the financial mechanism and, in particular, to maintain the momentum of deforestation control and sustainability, an annual independent audit of the subsidy system is planned to verify the results achieved year on year, thereby triggering the annual disbursement of grant instalments from CAFI. CAFI funds are therefore not intended to repay the loan granted by the FVC but rather to increase its leverage effect on the agricultural economy and thus amplify its impact, ultimately facilitating the State’s repayment of the loan.

The financing structure proposed by the FVC (90% loan and 10% grant) represents the minimum concession necessary to make the investment viable, given the structural obstacles inherent in Cameroon’s public and private financial sectors and the significant initial costs associated with the transition to deforestation-free and climate-resilient cocoa and coffee production.

At present, the government does not have sufficient financial resources to simultaneously achieve climate resilience, GHG reduction targets and existing development priorities. This situation is exacerbated by the financial difficulties caused by a series of national and international crises (the COVID-19 pandemic, the NOSO crisis, the Boko Haram crisis, mining and oil commodity crisis) which have forced Cameroon to significantly increase its public spending and international borrowing. Consequently, without the minimum concessionality provided by the FVC, Cameroon faces a difficult choice between meeting its commitments to reduce and eliminate deforestation, and addressing other urgent development and environmental priorities.

Minimum concessionality plays a vital role in reducing investment risks for national financial institutions, thereby establishing a credible track record in climate-aligned lending. It also allows the FODECC’s national funding base, which derives mainly from export levies of around €12 million per year, to grow gradually without placing an excessive burden on existing financial structures.

The barriers to viable, large-scale commercial production without deforestation are significant and manifold. The traditional sources of finance currently available to agricultural enterprises consist mainly of conventional banking channels or conglomerate financing, which rarely include sustainability commitments or favourable terms (e.g. long tenors or repayment structures adapted to cash flows from sustainable practices). Traditional investors generally perceive sustainable production methods as risky due to a lack of understanding, which limits private sector investment, not to mention the fact that investments in the

LULUCF sector are inherently risky. These financial constraints clearly demonstrate the need for concessional support from the FVC to kick-start the sector's transformation.

More specifically, the Guichet Producteurs digital platform illustrates why concessionality is essential. This innovative system covers between 20 and 40% of procurement costs through concessional support (vouchers and co-financing from FODECC), with the remaining 60 to 80% covered by beneficiary farmers and organisations through financial inclusion mechanisms.

Furthermore, several key components of the scheme, notably traceability systems, monitoring tools, farmer training and institutional strengthening, constitute public goods. Although these elements generate considerable benefits for the climate and development, they do not produce any immediate financial return and therefore cannot be financed through loans. Consequently, aid in the form of grants becomes indispensable. The grant component specifically funds core activities such as capacity building, technical assistance, IT system development and institutional strengthening. The provision of these grants ensures that crucial non-revenue-generating activities receive adequate funding without placing additional burdens on Cameroon's already heavy public debt.

Finally, the FVC's concessional resources will be strategically channelled through FODECC's Guichet Producteurs digital platform, a transparent system of electronic vouchers and cashless co-financing designed to transfer funds directly to rural beneficiaries on the basis of agricultural intensification and the preservation of natural or naturally regenerated forests. This targeted structure ensures that concessional resources directly benefit smallholders and producer cooperatives, thereby maximising development and environmental impacts, whilst ensuring full transparency and accountability.

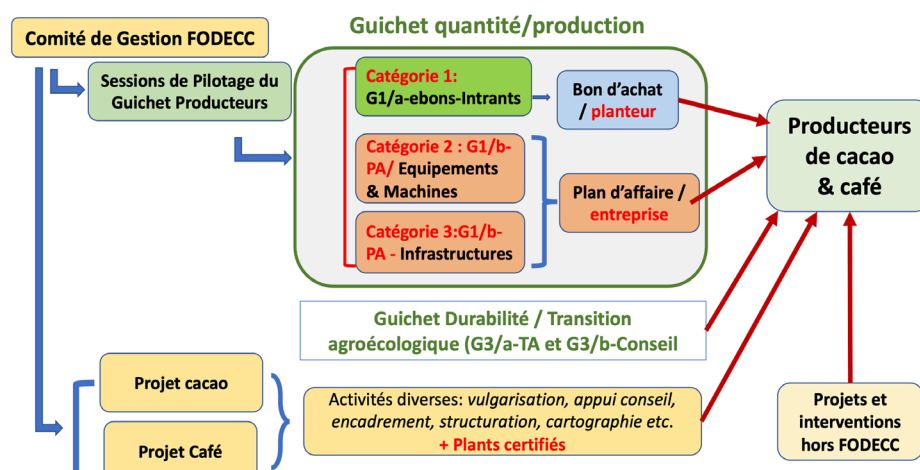
3.8. Operational mechanisms of the Producers' Window and climate mainstreaming

The operational manuals for the Producers' Window – covering the Production (G1a/G1b), Local Authorities (G2a-b-c-d) and Sustainability/Agroecological Transition (G3a/G3b) components – form the operational backbone of RACINE's interventions. They are based on the principles established in 2018 during the launch of the reform of the agricultural subsidy scheme, and on the national manual for the allocation of agricultural subsidies, categories I and II, approved by order of the Prime Minister in August 2019. The three operational manuals for the FODECC Producers' Window describe in detail the eligibility criteria for producers, cooperatives and municipalities, the processes for registration, geolocation and plot verification, the subsidy ceilings and percentages, eligible inputs and investments, beneficiaries' co-financing obligations, as well as the validation and payment channels for subsidies via the digital platform and partner financial institutions.

Volume 1 – Operationalisation Manual for the Producer Window – Quantity (production intensification) G1/a-ebon and G2/b-PA

This manual primarily concerns the G1/a-ebon scheme, which has been operational since 2022, offering electronic vouchers to producers registered on the FODECC digital platform.

Le Guichet quantité/Production du FODECC



Each year, Cameroon's National Steering and Advisory Committee on Agricultural Subsidies sets the agricultural subsidy budgets based on financial capacity and government priorities. These decisions are implemented by FODECC and its management committee.

Logigramme des Comités chargés des subventions agricoles

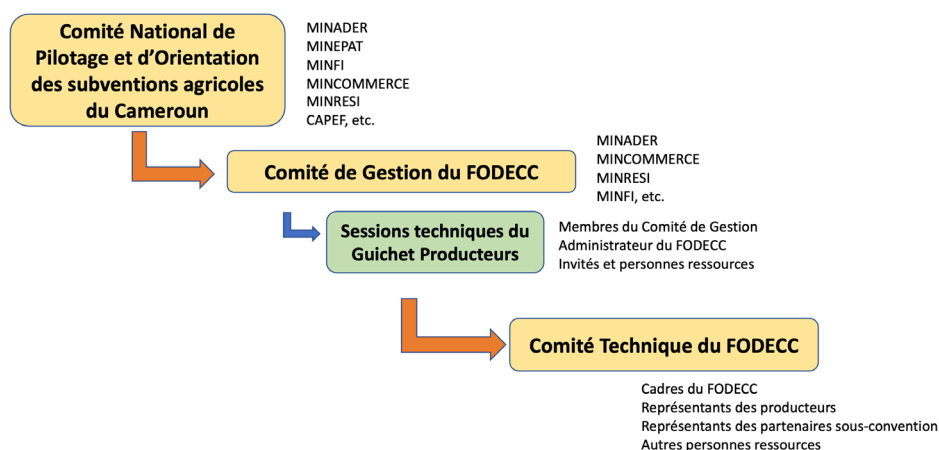


Figure13: Decision-making diagram for agricultural subsidies

FODECC relies on national private networks of input distributors, banks and microfinance institutions, and telecommunications companies, with which it has signed partnership agreements. Each agreement sets out the partners' obligations and operating procedures in a set of specifications. For example, a farmer can open an account at a microfinance branch free of charge. The manual describes in detail how the service point operates, specifying what is promoted and permitted, as well as what is prohibited and therefore forbidden.

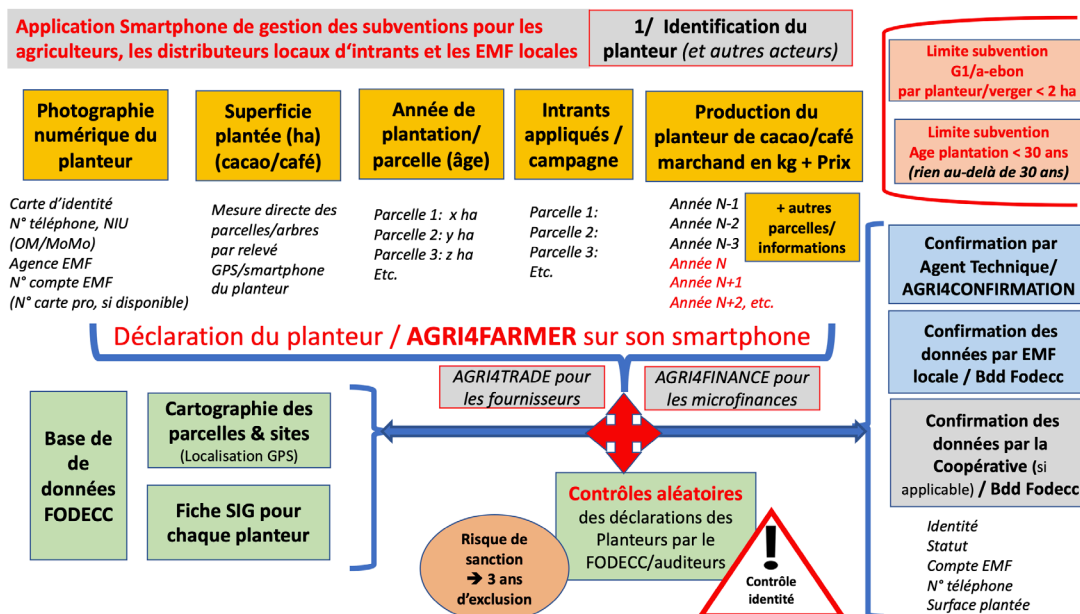


Figure14: Process for registering stakeholders on the FODECC digital platform

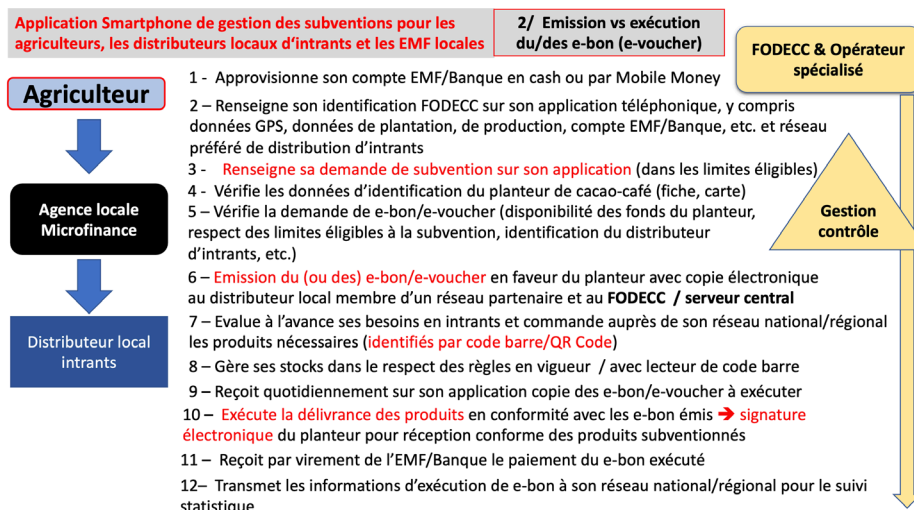


Figure15: Flow of the application from submission to issuance and then redemption of the electronic voucher

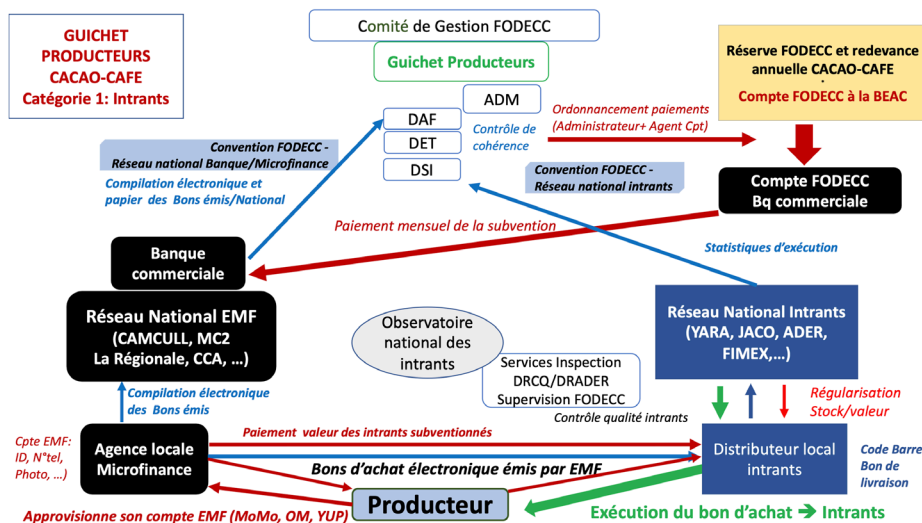


Figure16: General diagram of how the G1/a-ebon Producer Counter (electronic vouchers) works

Regarding the financing component of small producers' business plans, the diagram is as follows:

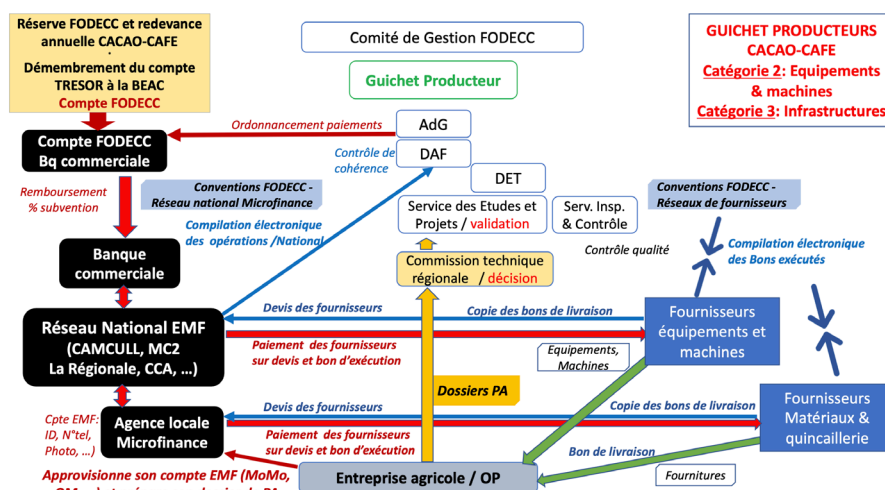


Figure17: Operational diagram of the Production Window, G1/b-Business Plan component

Applications for co-financing of business plans are completed online, with a hard copy, and presented to a regional decision-making committee before being forwarded to FODECC for verification and validation, prior to payments to suppliers via partner financial institutions.

Déroulement du processus de décision de cofinancement d'un PA d'entreprise

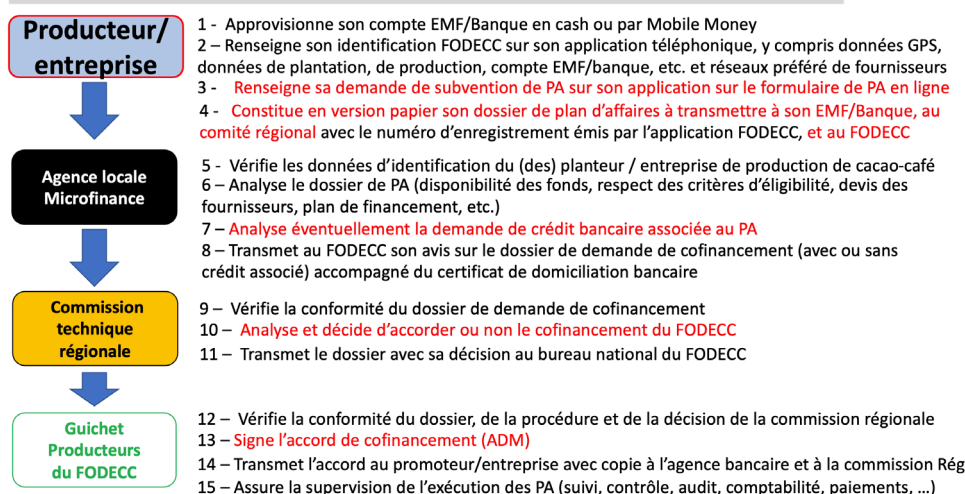


Figure18: Flowchart of the business plan application review process for the G1/b-PA scheme

The three manuals explicitly incorporate the programme's climate and forestry objectives, in particular the requirement to strictly adhere to the boundaries of Cameroon's Permanent Forest Area. A producer's registration with the Guichet is conditional upon the geolocation of their plots and the automatic verification, via the FODECC GIS, that they are located outside the Permanent Forest Area and protected areas.

Volume III: Operational Manual for the Producer Window – Sustainability (Agroecological Transition) G3/a-TA and G3/b-CTA

The Agroecological Transition contracts (Volume III) formalise the producers' commitment to intensify production only on their existing agricultural plots and fallow land, to respect the boundaries of primary or naturally regenerated forests, and to implement a three-year Agroecological Transition Plan, including the redensification of orchards, the strengthening of agroforestry and the diversification of food crops. The terms of reference governing the relationship between producers and the CTA, as well as performance bonuses, ensure that advisory services are geared towards achieving these objectives.

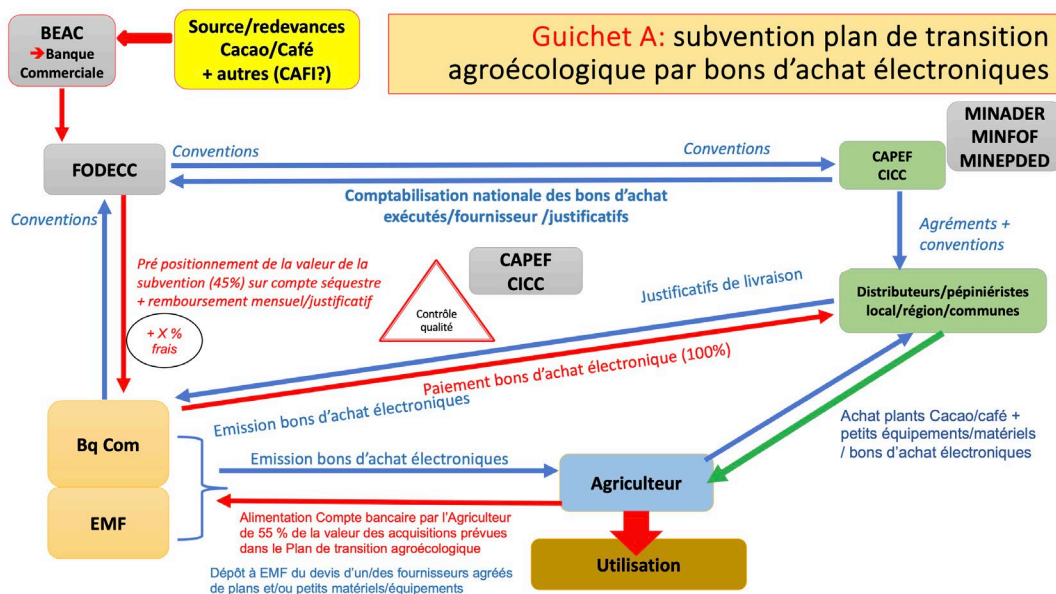


Figure19: Summary diagram of co-financing for agroecological transition plans for growers under the G3/a-Agroecological Transition window

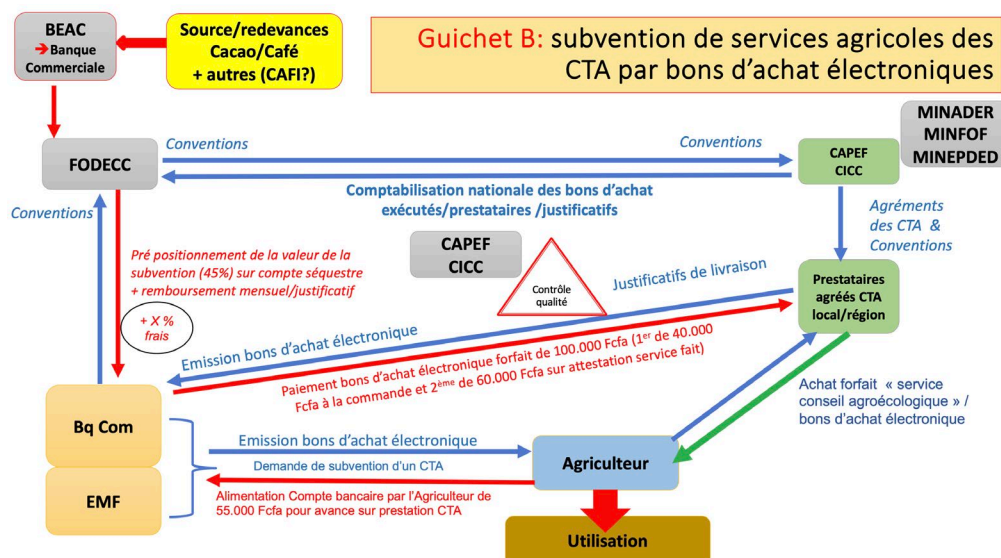


Figure20: Summary diagram of co-financing for agricultural advisory support services under Window G3/b-CTA

The FODECC requires that each farmer commits to preparing their agroecological transition plan with the support of an agricultural technical adviser. To this end, a specific subsidy scheme has been established whereby the producer pre-finances the first year of advisory support and is then reimbursed following verification of the results achieved, opening up the possibility of continuing to subsidise the agricultural adviser in years 2 and 3 throughout the implementation of the producer's agroecological transition plan.

Volume II – Operationalisation Manual for the Producers – Local Authorities Window (components G2/a-CTD, G2/b-Coop) and agroecological transition (G2/c-PLADDT, G2/d-Green Investment)

Regarding the co-financing of business plans for municipalities and cooperatives (and economic interest groups) for their post-harvest processing centres, the operational process is as follows:

Déroulement du processus opérationnel de cofinancement d'un PA des commune/coopérative

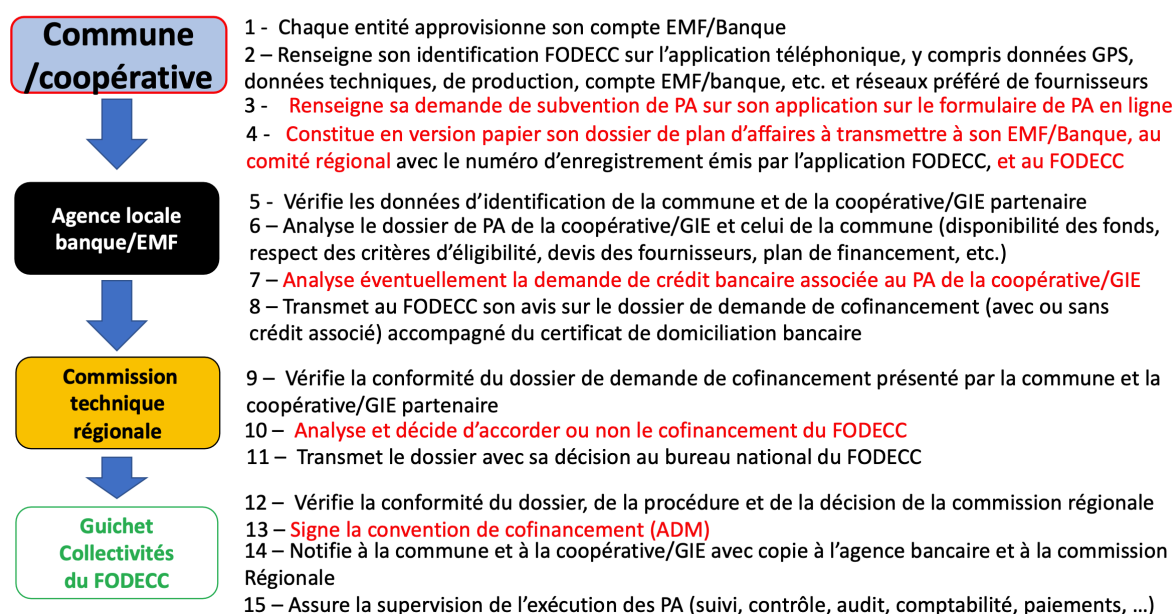


Figure21: Co-financing process for joint municipality/co-op-EIG business plans for a post-harvest processing centre, G2/a-CTD and G2/b-Coop components

For the G2/agroecological transition components G2/c-PLADDT and G2/d-Green investments/agroecological transition, the practical arrangements are similar and are also described in detail in the updated Local Authorities Manual.

3.9. Existing capacities and capacity-building needs

The institutional analysis conducted as part of the PAIDATA project and supplemented for the purposes of preparing RACINE highlights promising, though still limited, capacities within FODECC. From a technical and operational perspective, FODECC has demonstrated its ability to develop and manage a complex digital platform (enrolment of producers, management of e-vouchers, interface with microfinance institutions and agro-dealers), to enter into contracts with a wide range of service providers (input suppliers, financial institutions, telecommunications operators) and to manage substantial volumes of grants within tight deadlines. However, the scale-up envisaged with RACINE – both in terms of the number of beneficiaries and the complexity of the schemes (the addition of agroecological transition, PLADDTs and restoration investments) – requires a significant strengthening of human, organisational and technical capacities.

The RACINE Initiative, following on from PAIDATA, plans, in addition to productive investments, to consolidate capacity-building efforts for FODECC and its partners. This includes: (i) strengthening and stabilising the integrated PMU, (ii) consolidating the units dedicated to monitoring and evaluation, environmental and social safeguards, gender and social inclusion, training and communication, and the management of databases and the geographic information system, (iii) the full in-house management of the Guichet Producteurs digital platform, in order to reduce dependence on external service providers and ensure control over strategic data, and in the regions (iv) capacity building for professional organisations, cooperatives and CTDs in the development and implementation of business plans, as well as for PLADDTs and green investments.

This support is designed in line with the GCF's requirements regarding institutional capacity and risk management, and aims to eventually establish FODECC as a national climate finance mechanism for agriculture and land use, capable of managing growing flows of domestic and international resources (royalties, budget allocations, climate finance, payments for environmental services).

3.10. Organisational feasibility and institutional risk management

The organisational feasibility of RACINE, as regards Component 2, relies on a combination of a strategic governance mechanism (COPIL), an integrated and well-equipped management unit (UGP FODECC) and key procedural manuals (Administrative and Financial Management Manual, Management Manual for Public Works, 3 manuals for the Producers' Window, SGES/PGES, Gender Plan).

For Component 1, the role of the management unit is performed by the CAFI focal team within the DPPS Directorate of MINEPAT.

The main institutional risks identified relate to: (i) the FODECC's capacity to absorb the increase in the volume and complexity of operations, (ii) inter-ministerial coordination and the territorial coherence of interventions, (iii) the sustainability of specialised units (safeguards, gender, GIS, MRV) after the external funding period, and (iv) the temptation to relax climate and social safeguards in the face of short-term pressure to increase production.

To address these challenges, the Initiative sets out a series of mitigation measures: (a) a gradual and targeted strengthening of the FODECC, with appropriate technical profiles and support from resident and ad hoc technical assistance, (b) the enshrinement of governance bodies in national legislation (Steering Committee, FODECC statutes and manuals), (c) the explicit integration of climate, environment and gender functions into the FODECC's permanent remit, rather than as parallel mechanisms funded solely on a project basis, and (d) ongoing dialogue with CAFI and the FVC on the evolution of procedures and performance, in conjunction with mid-term reviews and annual audits.

4. Technical and climatological feasibility of the intervention model

4.1. Description of components and coordination with the windows

See sections 3.3. and following

This component-based structure is technically feasible as it builds on existing mechanisms (Producers' Window, UGP/PAIDATA, support projects for the cocoa and coffee sectors), existing technological tools (digital platform, GIS, smartphone apps) and operational agreements with FODECC's strategic partners (banks and microfinance institutions, TelCo, input and equipment suppliers, local authorities, professional organisations, FEICOM, MINADER, etc.) which need to be consolidated and expanded rather than created from scratch.

4.2. Technical package at farm level: cocoa/coffee orchards and food crops

The technical package promoted by RACINE at farm level focuses on the agroecological intensification of cocoa and coffee plantations, coupled with better integration of food crops into agroforestry systems. It is structured around the following key areas:

- Renewal and redensification of orchards
 - gradual replacement of ageing or low-yielding orchards with certified and/or improved cocoa/coffee plants, selected for their agroecological suitability and yield potential;
 - redensification of existing plantations in accordance with appropriate technical standards (plant density per hectare, distribution of shade trees), ensuring a balance between productivity, plant health and available light;
- Strengthening of agroforestry and agricultural tree cover;
 - introducing or increasing the number of shade trees, fertiliser trees or utility trees (wood energy, fruit, fodder, ecosystem services) within orchards;
 - promoting diversified agroforestry systems, combining cocoa/coffee, trees and food crops, contributing to carbon sequestration, microclimate regulation and the resilience of the systems.
- Integrated management of soil fertility and crop protection

- gradual replacement of chemical inputs with organic fertilisers (compost, manure, mulch), as part of an organic fertility management approach;
- adoption of soil conservation practices (permanent cover, reduced tillage, hedgerows) and integrated pest management (biopesticides, crop rotations, intercropping) to reduce the risks of pollution and erosion.
- Intercropping of food crops in orchards
 - ✓ systematic integration of food crops (bananas, tubers, pulses, market gardening depending on the context) into orchards undergoing renewal or redensification, in order to optimise the use of space and water, secure short-term income and reduce the pressure to clear new land for food crops.
- Water management and micro-infrastructure
 - where appropriate, the installation of small-scale irrigation or drainage infrastructure (ditches, micro-dams, mulching) to improve water availability, limit the impact of heavy rainfall and periods of drought, and stabilise yields.

These technical options are implemented through the Agroecological Transition Plans. Each ATP, developed jointly by the farmer and their CTA, translates these principles into a three-year plan detailing activities by year (planting, replanting, introduction of trees, soil management, intercropping), the corresponding costs, the farmer's financial contribution, and the support expected from FODECC. The Guichet's manuals specify the eligibility criteria for practices and inputs, thereby providing a technical and operational framework for the transition.

4.3. Collective investments and land-use planning

The RACINE Initiative supports collective investments at the level of municipalities and their partners (cooperatives, economic interest groups), via the G2 components of the Producers' Window:

- Cocoa/coffee post-harvest processing centres
 - ✓ construction, refurbishment and equipping of fermentation, drying and storage centres, managed by cooperatives or economic interest groups (EIGs) partnering with municipalities;
 - ✓ implementation of quality control and traceability procedures, enabling access to differentiated markets and quality premiums, thereby reducing the economic pressure to expand cultivation areas.
- Local spatial planning (PLADDT)
 - development and updating of PLADDTs in target municipalities, incorporating a detailed analysis of land use, deforestation trends, fallow areas and restoration potential;
 - zoning of territories into priority agricultural areas, agroforestry restoration zones, ecological corridors and forest areas to be preserved, in line with national spatial planning documents.
- Green investments and landscape restoration
 - creation or rehabilitation of communal agroforestry plantations, windbreaks, tree lines and communal forests, contributing to carbon sequestration, soil protection and local economic diversification;
- Light infrastructure for water management, erosion control and bank protection in agricultural areas.

These collective investments strengthen the technical feasibility of the climate target; they create an enabling environment in which individual agroecological intensification forms part of a framework of sustainable land management and landscape restoration.

4.4. Information systems, traceability and climate MRV

The technical feasibility of RACINE's climate objectives relies on an integrated information system, which is already operational and currently being consolidated:

- Producer database and FODECC digital platform
 - registration of producers with a unique identifier, basic socio-economic information and links to financial institutions;
 - issuing and managing e-grant vouchers, tracking all financial flows and purchases of eligible inputs.
- Geolocation of plots and FODECC GIS
 - systematic collection of GPS coordinates for cocoa/coffee and food crop plots, linked to PTA where applicable;
 - overlaying plots onto official layers for the Permanent Forest Reserve, protected areas, communal forests and PLADDT;
 - automatic exclusion of plots located within the Permanent Forest Reserve or in ineligible areas, a prerequisite for any grant.
- Monitoring of forest cover and agroforestry systems
 - ✓ integration of remote sensing data (imagery) and spatial analysis tools to monitor changes in tree cover in the targeted landscapes;
 - ✓ cross-referencing with baseline data from agroecological transition plans to assess changes in tree density in orchards and restoration areas.
- Climate MRV framework
 - ✓ definition of protocols and emission/sequestration factors tailored to cocoa/coffee and food crop agroforestry systems, in line with recognised methodologies;
 - ✓ regular estimation of emissions avoided through avoided deforestation, additional sequestration linked to agroforestry systems, and residual emissions linked to agricultural practices;
 - ✓ incorporating these estimates into a reporting framework that is compatible with the requirements of CAFI, the FVC and the national REDD+ mechanism.

This system, which is already partially operational, will be strengthened through targeted investments (IT infrastructure, staff training, technical partnerships for image analysis) and by aligning data collection and analysis procedures with the FVC's requirements regarding transparency and data quality.

4.5. Key technical assumptions and technical risks

The feasibility study identifies a number of technical assumptions that are fundamental to the model's success:

- achievable cocoa/coffee and food crop yields in different agroecological contexts, depending on the proposed technical packages;
- the rate of adoption and maintenance of agroecological practices by producers, which depends on the quality of support provided by the Technical Cooperation Agencies (TCAs) and the economic attractiveness of the practices;
- the capacity of local authorities and their partners to plan and implement PLADDTs and collective investments;
- the reliability and scalability of information systems (digital platform, GIS, MRV) as the number of beneficiaries increases.

The main technical risks identified relate to: (i) agroclimatic variability that may affect expected yields and the perceived profitability of agroecological practices, (ii) the availability and quality of certified and/or improved inputs and seedlings, (iii) the capacity of the supply chain (agricultural dealers, financial

institutions, CTA) to meet growing demand, and (iv) the challenges of maintaining digital systems and GIS as the project scales up.

To address these challenges, RACINE is planning, in collaboration with FODECC:

- flexible technical guidelines, adapted to different agroecological contexts and regularly revised based on feedback from the field;
- strengthened partnerships with research institutions and technical services (IRAD²¹, MINADER²², CAPEF²³) to ensure the quality of plant material and technical recommendations;
- a system for the continuous training and certification of Agricultural Technical Advisers (CTAs), coupled with performance monitoring;
- service level agreements and business continuity plans with IT service providers, combined with a strengthening of FODECC's internal capacity in information systems management.

5. Economic and financial feasibility

5.1. Objectives and methodological approach

The economic and financial analysis of the RACINE Initiative aims to assess the project's viability from the perspective of the main stakeholders (producers, cooperatives, municipalities, FODECC, the State, partners) and society as a whole, explicitly incorporating climate-related benefits and costs. It also aims to demonstrate the necessity and relevance of using concessional financing from the Green Climate Fund, in accordance with the 'minimum concessionality' principle applicable to sovereign loans.

In accordance with the GCF guidelines and the requirements of the CAFI Initiative, the analysis is based on: (i) a systematic comparison between a 'no project' baseline scenario (BAU) and a 'with project' scenario, (ii) a financial cash flow analysis for the main FODECC windows and for the project as a whole, (iii) an economic analysis at reference prices, incorporating climate and socio-economic externalities, and (iv) a sensitivity analysis of the main assumptions (cocoa prices, production costs, subsidy levels, discount rates). The detailed results are presented in the Economic and Financial Analysis Report and the associated Excel workbooks.

5.2. Assumptions and basic parameters

The analysis was conducted over a 20-year horizon (2026–2046), with 2026 as the base year and a five-year disbursement phase for the main investments (2027–2031). The discount rate used for the financial analysis is 6%, in line with current practice for development projects in the sub-region. For the economic analysis, a higher discount rate is also tested in the sensitivity analysis.

Key assumptions include, in particular:

- the yield trajectories of cocoa/coffee plantations and food crops, under BAU and with the project, based on the proposed technical itineraries;
- international cocoa and coffee prices, as well as prices paid to producers, based on ONCC references and conservative medium-term scenarios;
- the structure of production costs (inputs, labour, depreciation, advisory services) for the various types of stakeholders and service providers;
- the financing structure: FVC sovereign loan (€78.3 million), i.e. FVC (€8.7 million), CAFI grants (€39.15 million), FODECC levy (€88.74 million), contributions from producers, private contributions (leverage), with allocation between funding streams according to the criteria set out in the report;
- the social price of carbon for the economic valuation of avoided emissions and carbon sequestration (range 40–100 USD/tCO₂, with a central scenario at 70 USD/tCO₂).

²¹ IRAD: Institute of Agricultural Research for Development

²² MINADER: Ministry of Agriculture and Rural Development

²³ CAPEF: Chamber of Agriculture, Fisheries, Livestock and Forestry

The terms of the FVC loan used in the debt flow calculations are those proposed for the Initiative: interest rate of 0.75% per annum, 10-year grace period, 20-year maturity, appropriate commitment fees, and repayment of principal from 2037.

5.3. Financial analysis

Key performance indicators (values in EUR)

Indicator	Value	Threshold	How to interpret
Financial NPV	€1,273 million	> 0	Net value created for investors. Largely positive = highly viable project.
Economic NPV	1,236 MILLION EURO	> 0	Includes co-benefits (jobs, environment). Confirms societal value.
Carbon-free NPV	Positive	> 0	The project is viable even without carbon revenues = resilience.
Financial IRR	N/A	> r_{fin}	Cannot be calculated as cash flow turns positive from 2026 (a positive sign). NPV > 0 is sufficient.
Payback	2026	< 2040	Immediate return as the differential is positive from the first year.
B/C	1.46	> 1	Every euro invested generates 1.46 euros in profit.
Average DSCR	55.86×	≥ 1.20	Cash flow 63× debt service = virtually zero risk.
Leverage	8.7×	> 5×	1 EURO in concessional funding attracts 8.7 EURO in private funding.
Concessional share	24%	~30%	Less than 30% = private investors hold a majority stake. Compliant.

The DSCR of 63.5x and the NPV of €1.2 billion confirm a robust repayment capacity. The project is eligible for GCF financing with a very comfortable margin of safety. The leverage ratio (private/GCF loan) is 8.7x, meaning that every concessional GCF euro mobilises 8.7 times that amount in private financing, exceeding the 5.0x target. The sequestration of 36 MtCO₂ over 20 years contributes significantly to Cameroon's climate targets. Net carbon revenues (€1.597 billion) reinforce financial sustainability. The 70/30 mechanism eliminates the risk of over-indebtedness for producers whilst formalising their integration into the financial system through the opening of microfinance accounts. In addition to this profitability and economic and financial viability, the soundness of the economic model remains justified by its positive externalities.

5.4. Economic analysis: socio-economic value and climate benefits

The economic analysis incorporating externalities (carbon, biodiversity, employment, resilience) shows that the project generates significant socio-economic benefits that justify public intervention and the use of concessional financing. The Project promotes carbon sequestration (over 36 MtCO₂ avoided), job creation (over 2,000 direct jobs and the indirect and informal jobs generated), financial inclusion (over 227,000 households), and improved agricultural incomes. The inclusion of the social price of carbon (40–70–100 USD/tCO₂) strengthens the socio-environmental justification for the project. By 2046, the model projects 41.1 million euros in direct jobs and 205.6 million euros in indirect jobs, amounting to a total of 246.6 million euros in annual employment co-benefits.

5.5. Sensitivity analysis and robustness of results

A sensitivity analysis was conducted to test the robustness of the financial and economic results in the face of variations in key assumptions, notably:

- variations in production costs for the various stakeholders ($\pm 10\%$ to $\pm 20\%$);
- variations in cocoa and coffee prices;
- variations in subsidy and co-financing levels;
- changes in the financial and economic discount rate.

The results indicate that:

- the overall project remains financially and economically viable in most of the adverse scenarios tested, even when production costs rise or product prices fall compared with the base-case assumptions;
- Window 2 (Local Authorities) remains the most sensitive to variations in costs and prices, confirming the need for public support and concessional financing mechanisms for this type of investment;
- components geared towards the agroecological transition demonstrate good economic resilience, due to income diversification and climate co-benefits.

5.6. Justification for concessional financing from the Green Climate Fund and the principle of 'minimum concessionality'

In accordance with the Green Climate Fund's investment policy, the justification for the use of a concessional sovereign loan is based on two key elements: (i) a demonstration that, without this level of concessionality, the project would not be viable or could not achieve the desired scale and depth of impact, and (ii) evidence that the degree of concessionality requested is limited to what is strictly necessary ('minimum concessionality').

The analysis conducted shows that:

- without concessional financing, components that do not directly generate revenue or are of low profitability for the private sector – such as PLADDTs, MRV systems, safeguards and gender units, TA advisory services for smallholders, and part of the restoration investments – could not be financed on the necessary scale;
- the use of market-rate financing for the main loan would unbalance the financing structure, compromising debt sustainability for the government and limiting the ability to maintain levels of subsidy and co-financing compatible with the inclusion of the most vulnerable producers;
- the grant element of the FVC loan, assessed at a significant level (above the threshold required to classify a loan as concessional), is justified by the transformative nature of the project, its overall climate benefits and the risk-sharing it enables between the international donor and the recipient country.

In the proposed structure, the FVC loan does not compete with, but complements, domestic resources (FODECC levy, state budget, municipal budgets) and private contributions (contributions from producers, financial institutions and businesses in the sector). It helps to bridge the funding gap required to scale up the service points and reforms, without creating excessive distortions in the agricultural credit market.

5.7. Financial sustainability and long-term prospects

The analysis examined the financial sustainability of the Initiative beyond the FVC/CAFI funding period. Several factors point to a sustainable trajectory:

- the dynamics of the FODECC levy, an increasing proportion of which is allocated to the Producers Window, constitute a recurring source of domestic funding;
- the high leverage effect of grants (particularly G1a and G3a), which mobilise significant amounts of private co-financing for every franc of grant funding;

- the professionalisation of FODECC as a national mechanism, capable of managing additional resources (budgetary allocations, climate finance, PSE);
- the gradual strengthening of the capacities of local authorities and producers, making it possible to envisage a gradual reduction in unit subsidies as best practices become the norm.

6. Environmental and social feasibility

6.1. Environmental and Social Management Framework and Risk Categorisation

The RACINE Initiative is based on an Environmental and Social Management Framework (ESMF) and an Environmental and Social Management Plan (ESMP) developed for FODECC and its Producer Window, supplemented by an internal Environmental and Social Management System (ESMS). These instruments are aligned with Cameroonian regulations on environmental and social assessment, the requirements of the CAFI Initiative and the safeguards standards of the Green Climate Fund.

The risk analysis conducted in the ESMP concludes that the level of environmental and social risk is moderate, consistent with a 'B' category according to the typology of development finance institutions. The potential impacts identified are mainly: (i) geographically localised, (ii) linked to technically manageable activities (agricultural intensification, post-harvest processing centres, landscape restoration), and (iii) reversible or likely to be avoided, reduced or offset through well-defined measures. The CGES/PGES provides, for each type of activity, a matrix of risks, mitigation measures, responsibilities and monitoring indicators, which are incorporated into the operational manuals of the Producers' Window and into FODECC procedures.

6.2. Main environmental risks and management measures

The main environmental risks identified are as follows:

- Soil and water pollution linked to the use of synthetic inputs. The intensification of cocoa and coffee production could, in the absence of safeguards, increase the use of mineral fertilisers and chemical pesticides, with risks of contamination of soil, surface water and groundwater, as well as impacts on biodiversity. To address this, the ESMP and the Guichet manuals:
 - limit subsidised inputs to specific cocoa/coffee compound fertilisers and products approved by MINADER;
 - promote the gradual substitution with organic fertilisers and biopesticides;
 - impose strict technical specifications on approved suppliers and require them to collect empty chemical packaging;
 - provide for awareness-raising and training campaigns for producers on the judicious use of inputs and agroecological alternatives.
- Loss of biodiversity and simplification of cropping systems. The conversion of diversified agroforestry systems into intensive cocoa/coffee monocultures could lead to a decline in both cultivated and wild biodiversity. The project addresses this risk by:
 - making agroforestry a pillar of the Agroecological Transition Plans, with targets for tree density and species diversification;
 - systematically encouraging the integration of food crops into orchards;
 - supporting the restoration of wooded landscape features (hedges, tree lines, communal plantations) through the G2c/G2d schemes;
 - incorporating indicators relating to the maintenance/increase of tree cover and the diversity of systems into environmental monitoring.
- Impacts related to post-harvest infrastructure and restoration works. The construction and rehabilitation of post-harvest processing centres, as well as certain restoration or water management works, may cause temporary nuisances (erosion, effluent discharge, noise, waste management). The ESMP stipulates that:

- all funded infrastructure complies with Cameroonian regulations on building permits and, where required, is subject to Environmental and Social Impact Assessments;
- works contracts include environmental and health and safety clauses (waste management, wastewater, personal protective equipment, gender, site safety);
- the beneficiary municipalities are supported by the CTFC and FODECC's SES specialists in monitoring these provisions.

Finally, the risk of project-related deforestation is explicitly addressed by: (i) GIS filtering to exclude plots located within the Permanent Forest Reserve, (ii) contractual commitments by producers not to expand their crops into primary or naturally regenerated forests, and (iii) support for municipalities to direct agricultural expansion, where appropriate, towards fallow land and degraded areas identified in the PLADDTs.

6.3. Key social and human rights risks and management measures

The social risks identified mainly concern:

- **Risks of exclusion and unequal access to benefits** There is a risk that certain groups – the poorest smallholders, women, young people, indigenous peoples or other vulnerable groups – may be under-represented among the programme's beneficiaries, or face barriers (digital literacy, access to land, access to financial services). The PGES and the Gender and Social Inclusion Action Plan provide for:
 - quantified targets for the participation of women and young people in enrolment and among actual beneficiaries;
 - measures to facilitate their access (support with registration, simplification of procedures, partnerships with MFIs, targeted training);
 - systematic monitoring of the distribution of benefits by gender, age and vulnerability category, with strategies adjusted in the event of persistent disparities.
- **Risks related to land use and PLADDTs (potential economic displacement)** The development of PLADDTs and the introduction of zoning could, if poorly managed, lead to restrictions on access to certain resources or to involuntary economic displacement. To limit these risks, the initiative:
 - requires participatory planning processes, involving communities, producers, traditional authorities and civil society organisations;
 - provides for specific assessments of the risks of economic displacement and, where necessary, compensation measures or support for resettlement in accordance with national regulations and international best practice;
 - incorporates these considerations into the terms of reference for PLADDTs and into the criteria for the FODECC's approval of the plans.
- **Working conditions, health and safety, child labour and GBV** The activities, particularly construction works and post-harvest operations, entail risks relating to working conditions, health and safety, as well as potential risks of child labour and gender-based violence (GBV). The management framework provides for:
 - the obligation to include social and safety clauses in all works and services contracts, in accordance with the Cameroonian Labour Code;
 - raising awareness among stakeholders (local authorities, cooperatives, service providers) of the requirements regarding child labour and GBV, and the establishment of appropriate reporting mechanisms;
 - monitoring by the SES specialist and the FODECC gender unit, with ad hoc audits and corrective measures in the event of non-compliance.

6.4. Mechanism for implementing environmental and social safeguards

The implementation of the CGES/PGES under the SGES is based on a clear framework of responsibilities:

- within FODECC, an Environmental and Social Safeguards Unit has been established and staffed by an ESI specialist, responsible for coordinating the implementation of the ESMP, supervising specific environmental and social assessments, supporting municipalities and CTAs, and compiling monitoring reports;

- a Gender and Social Inclusion Unit is responsible for implementing the Gender Action Plan, ensuring that vulnerable groups are taken into account in the service windows and PLADDTs, and collecting disaggregated data;
 - the beneficiary municipalities, with the support of the CTFC and decentralised services, have enhanced capacity to integrate environmental and social requirements into their projects (PLADDT, post-harvest centres, green investments);
 - Technical Advisory Centres (TACs) are trained in the principles of environmental and social sustainability, so that they can integrate these aspects into the Technical Assistance Programmes (TAPs) and their advisory activities;
 - the PMU ensures overall coordination, the integration of ES indicators into the monitoring and evaluation system, and the production of periodic reports for the Government, the FVC and CAFI.
- Specific training programmes are planned for FODECC teams, municipalities, CTAs and partners, covering the following topics: environmental and social safeguards, gender and inclusion, combating child labour and GBV, application of national EIA/SEIA procedures, complaint management and citizen participation.

6.5. Grievance Management Mechanism and Stakeholder Participation

A multi-level Grievance Management Mechanism (GMM) is integrated into the FODECC and PMU framework, in accordance with CAFI and FVC requirements. It enables affected individuals and communities, as well as other stakeholders, to submit concerns or complaints regarding project activities, including environmental, social, gender and governance aspects.

The main features of the CM are:

- complaint reception points at local level (communes, cooperatives, CTA), regional level (FODECC relays, decentralised services) and central level (UGP, FODECC), with a variety of channels (post boxes, telephone numbers, digital platforms, community relays);
- clear procedures for receiving, registering, classifying, investigating, responding to and following up on complaints, with target deadlines and documented traceability;
- particular attention paid to the accessibility of the mechanism for women, young people and vulnerable groups, including confidentiality for complaints relating to GBV;
- provisions for escalating unresolved cases to higher levels and coordinating with existing judicial or administrative mechanisms where necessary.

At the same time, stakeholder participation is ensured throughout the project cycle: upstream consultations (preparation of PLADDTs, definition of service point criteria), regular updates on activities and performance, and the involvement of producer organisations, traditional authorities and civil society in monitoring bodies and sectoral dialogue platforms.

7. Gender, social inclusion and human rights

7.1. Context analysis and gender assessment

The RACINE Initiative operates in sectors – cocoa, coffee and food crops – where women and young people play a vital role in production, processing and marketing, but remain often under-represented in public and private support schemes. Data from FODECC indicate that, as of early 2024, approximately 35–38% of producers registered with the Guichet Producteurs are women, a proportion lower than their actual contribution to agricultural work and the management of rural households. Young people, particularly young women, face specific constraints in accessing land, credit, information and digital technologies, which limit their ability to engage sustainably in the sectors.

Consultations conducted as part of the preparation of the PGES and the Gender and Social Inclusion Action Plan highlighted several factors of vulnerability: (i) unequal access to land rights, often through precarious customary arrangements; (ii) low representation of women and young people in the governing bodies of cooperatives and municipalities; (iii) heavy domestic and productive workloads for women, exacerbated by

climate change and the increasing scarcity of resources; (iv) exposure to risks of child labour and gender-based violence in certain contexts.

7.2. Theory of Change on Gender and Social Inclusion

RACINE's theory of change regarding gender and social inclusion is based on the principle that the transition to resilient, low-emission production systems can only be sustainable if it is inclusive and reduces existing inequalities. The Initiative therefore aims to: (i) improve access for women, young people and vulnerable groups to services and grants from the Producers' Window, (ii) strengthen their decision-making power within households, producer organisations and local institutions, and (iii) reduce the specific risks to which they are exposed, particularly those linked to climate change and land-use changes.

In practical terms, this means:

- the integration of criteria and targets for the participation of women and young people, and in particular those with recognised disabilities, in each window (G1, G2, G3), both for enrolment and for effective access to grants and advisory services;
- taking into account the specific needs of women and young people in the Agroecological Transition Plans (choice of companion crops, organisation of work, access to income);
- promoting their participation in territorial planning processes (PLADDT) and in the governance of post-harvest processing centres and cooperatives;
- the implementation of measures to prevent and respond to the risks of child labour and GBV, particularly in areas under significant economic pressure.

7.3. Gender and Social Inclusion Action Plan

A Gender and Social Inclusion Action Plan (PAGIS) has been developed for FODECC and its Producers' Window, and adapted for the RACINE Initiative. It includes:

- Strategic objectives
 - increase the proportion of women and young people among enrolled producers and actual beneficiaries of the service points (with specific targets, for example at least 40% women and 30% young people among new enrolments by the end of the project);
 - improve women's control over the income generated by supported activities (indicators of intra-household decision-making, bank account ownership, etc.);
 - increase the representation of women and young people in the governing bodies of cooperatives, economic interest groups (EIGs) and committees linked to the scheme.
- Operational measures integrated into the one-stop shops
 - ✓ adapting enrolment procedures (support for registration and geolocation for women and young people, support for land documentation where possible, assistance with opening bank accounts);
 - ✓ preferential targeting or enhanced subsidies for certain vulnerable groups (smallholdings run by women, young households, single-parent households), in accordance with the principles of equity and sustainability;
 - ✓ integration of specific modules on gender equality, land rights, division of labour and prevention of GBV into training for producers, technical extension agents and local stakeholders;
 - ✓ encouraging the identification and promotion of women leaders and young leaders within partner organisations (cooperatives, post-harvest centre management committees, PLADDT commissions).
- Targeted actions at the institutional level
 - a Gender and Social Inclusion unit within FODECC, equipped with dedicated human and financial resources;
 - systematic integration of the gender perspective into FODECC's procedure manuals, contracts and communication materials;

- partnerships with specialist organisations (NGOs, rural women's networks, UN agencies) for capacity building and the implementation of pilot initiatives.

7.4. Monitoring, indicators and learning

The PAGIS is accompanied by a results framework and specific indicators, linked to RACINE's overall monitoring and evaluation system. Key indicators include:

- proportion of women and young people among enrolled producers and beneficiaries of e-vouchers, PTA and TA advisory services;
- number of women and young people holding positions of responsibility in cooperatives, economic interest groups (EIGs) and local steering committees of the Guichet;
- level of satisfaction among women and young people regarding the quality of services provided by FODECC (periodic surveys);
- number of women who have accessed credit facilities through partnerships with financial institutions;
- number of complaints relating to gender discrimination or access to services, recorded and processed via the MGP.

The monitoring system provides for the regular collection of data disaggregated by sex, age and vulnerability category, as well as qualitative assessments (focus groups, case studies) to document changes in terms of decision-making power, division of roles and resilience. This information will be used to continuously adjust eligibility criteria, grant terms and training content, in line with an adaptive learning approach.

7.5. Prevention of child labour and gender-based violence

Given the known risks in the cocoa and coffee sectors, the RACINE Initiative includes specific commitments regarding the prevention of child labour and gender-based violence (GBV):

- inclusion of explicit clauses prohibiting child labour in accordance with national legislation and international standards in contracts and agreements with cooperatives, CTA, service providers and local authorities;
- raising awareness among producers, community leaders and producer organisations of the risks and impacts of child labour, and the importance of schooling;
- Incorporation into the MGP of appropriate procedures for the receipt and confidential handling of complaints relating to GBV, with protocols for referral to the relevant services;
- targeted training for FODECC staff, CTAs and key stakeholders on the prevention, detection and response to GBV and child labour.

These measures are in line with Cameroon's commitments regarding human rights, the GVC's gender policies and safeguards, as well as CAFI's updated Gender Policy. They help to make RACINE not only a project for agroecological and climate transition, but also a vehicle for social transformation and the reduction of structural inequalities between women and men, young people and adults, and majority and minority groups.

8. Risk analysis and mitigation measures

8.1. Strategic and macroeconomic risks

Several strategic and macroeconomic risks may affect the implementation of the RACINE Initiative and the achievement of its climate and development objectives:

- **Volatility in international cocoa and coffee prices:** a significant and prolonged fall in prices could reduce the perceived profitability of producers' investments, diminish their capacity for co-financing and increase the temptation to expand acreage to offset the decline in unit revenues.

- **National budgetary constraints:** pressures on public finances could limit the government's ability to meet its share of funding (royalty contributions, allocations to the FODECC, and debt servicing under the FVC) and to maintain the planned institutional support efforts.

- **Changes in international regulatory frameworks (RDUE, sustainability standards):** a tightening of requirements, without a corresponding adaptation of national systems, could create risks of non-compliance and loss of access to certain markets.

The planned mitigation measures include: (i) a focus on increasing productivity and quality, in order to improve the resilience of producers' incomes to price fluctuations; (ii) anchoring the State's contribution in the FODECC levy and, in the long term, in multi-annual budget allocations; (iii) ongoing dialogue with national authorities and partners (notably the EU) to adapt traceability and compliance tools to the EU Regulation.

8.2. Technical and operational risks

The main technical and operational risks identified are:

- **Absorption capacity of the FODECC and the PMU:** the scaling up of the Initiative (number of beneficiaries, complexity of the windows, integration of PLADDTs and MRV systems) may, in the short term, exceed the operational capacity of the FODECC;

- **Availability and quality of inputs and plant material:** an insufficient supply of certified and/or improved cocoa/coffee seedlings, organic fertilisers and high-quality biopesticides could delay or limit the implementation of the PTA;

- **Performance of the CTA and quality of technical support:** an insufficient number of trained and operational CTAs, or inconsistent quality of their services, could compromise the effective adoption of agroecological practices by producers;

- **Resilience of digital systems and the GIS:** system failures, cyberattacks, connectivity issues or maintenance difficulties could affect the operation of the e-voucher platform and the FODECC GIS.

Mitigation measures include: (i) a plan for the gradual strengthening of FODECC teams, supplemented by targeted resident and ad hoc technical assistance; (ii) strengthened partnerships with IRAD, MINADER and seed/seedling producers to secure the plant material supply chain; (iii) a structured system for training, certifying and monitoring CTAs, supported by a dedicated training module; (iv) the gradual in-house management of the digital platform, the establishment of robust service contracts with IT service providers, and the development of business continuity plans.

8.3. Climate, forestry and carbon leakage risks

From a climate and forestry perspective, the main risks are:

- **Climate variability and change:** the increased frequency of droughts, extreme rainfall and heatwaves could reduce expected productivity gains, increase crop losses and discourage producers from investing in the agroecological transition;

- **Risk of deforestation spillover:** stricter restrictions in the areas covered by the project could shift deforestation to other areas not supported by the project, or to other crops not subject to the same rules;

- **Risk of failing to meet climate-forest targets:** insufficient uptake of PTA²⁴, poor application of GIS filters²⁵, or a relaxation of controls could reduce the volumes of emissions avoided and carbon sequestration compared to forecasts.

Planned responses include:

- the promotion of more resilient agroforestry systems (diversification, shade, water management) and the integration of climate risks into the PTA;

²⁴ PTA: Agroecological Transition Plan

²⁵ GIS: Sys

- the gradual extension of the scope of the Producers' Window to other sectors at risk of deforestation, in line with the extension of the FODECC's mandate, in order to reduce opportunities for leakage;
- strengthening climate MRV (cross-referencing of geolocation, PLADDT and remote sensing data), random on-the-ground checks, and penalties for non-compliance (suspension of grants, repayment, exclusion from the scheme).

8.4. Fiduciary, governance and compliance risks

The fiduciary and governance risks identified are:

- Risk of fraud and corruption: potential misappropriation of grants, falsification of enrolment or geolocation data, collusion between local stakeholders;
- Risk of misuse of FVC loan resources: insufficient allocation to climate objectives, unjustified cost overruns;
- Risk of non-compliance with donors' procedures (FVC, CAFI): delays in procurement, failure to comply with no-objection rules, and shortcomings in reporting.

These risks are addressed by:

- a detailed Procedures Manual covering the entire administrative, financial, accounting and procurement chain, with segregation of key functions and internal controls;
- the presence of an internal auditor reporting to the Steering Committee, the conduct of annual external financial and compliance audits, and regular donor oversight missions;
- the use of a digital platform for managing e-vouchers and financial flows, reducing cash handling and improving traceability;
- clear contractual provisions with graduated sanctions (suspension of payments, termination of contracts) in the event of proven fraud or corruption.

8.5. Social and conflict risks

In addition to the social risks already detailed in section 6 (inequalities of access, potential economic displacement, child labour, GBV), there are risks of tensions or conflicts linked to:

- zoning decisions in the PLADDTs, which may be perceived as disadvantageous by certain groups;
- the prioritisation of certain beneficiaries (for example, producers already organised into cooperatives) at the expense of others;
- changes in local power relations brought about by financial flows and new economic opportunities.

The Initiative anticipates these risks by:

- in-depth consultation and dialogue processes during the drafting of PLADDTs and the definition of fund criteria, with particular attention to vulnerable groups;
- the integration of conflict resolution mechanisms within the Complaints Management Mechanism (CMM), with clear escalation procedures and the involvement, where relevant, of traditional authorities and civil society organisations;
- transparency regarding eligibility criteria, grant amounts and results, through information campaigns and appropriate communication tools.

8.6. Overall risk management and monitoring framework

The RACINE Initiative is establishing an integrated risk management framework, led by the PMU and supervised by the Steering Committee. This framework includes:

- a consolidated risk matrix covering strategic, technical, climate, fiduciary, environmental, social and gender dimensions, with a periodic assessment of probability and impact;
- mitigation plans associated with each major risk, integrated into the annual work plans and budgets (AWPBs);
- a risk monitoring system (early warning indicators, half-yearly risk review, adjustment of measures);
- a structured dialogue with the FVC, CAFI and other partners on evolving risks and the responses provided, notably through annual reports, mid-term reviews and joint missions.

Within this framework, risk management becomes a central component of RACINE's strategic steering, enabling approaches and tools to be continuously adapted to maximise the likelihood of achieving the expected climate, economic and social outcomes.

9. Sustainability and exit strategy

9.1. Financial sustainability of the mechanism and services

The financial sustainability of the RACINE Initiative rests on the consolidation of the FODECC as the national financing mechanism for agricultural intensification and the agroecological transition. In the medium and long term, the main source of domestic funding remains the parafiscal levy on exports and factory-gate deliveries of cocoa and coffee, an increasing share of which is allocated to the Producers' Window. Financial projections show that, with the gradual ramp-up of the Guichet and improved governance, this resource will cover a significant portion of the scheme's recurring subsidy and management costs.

Concessional financing from the FVC and CAFI grants are designed as temporary contributions intended to: (i) absorb the initial scaling-up costs (institutional strengthening, development of digital systems, establishment of specialised units, demonstration investments in agroecological transition and restoration), and (ii) support a transitional phase of higher subsidies for the most vulnerable producers and municipalities. As the capacities of FODECC, the municipalities and the producers strengthen, and the promoted practices become the norm, the level of unit subsidy is set to decrease, reducing dependence on external funding.

Furthermore, the financial architecture of the Guichet – in particular components G1a and G3a – maximises the leverage of public resources by requiring a majority contribution from producers and by mobilising resources from local financial institutions. Every franc of subsidy thus mobilises several francs of private co-financing. This approach, combined with the prospect of access to new payment for environmental services (PES) mechanisms in the medium term, helps to underpin the financial sustainability of the model.

9.2. Institutional sustainability and integration into public policy

At the institutional level, the RACINE Initiative aims to embed its innovations sustainably within existing structures and policies, rather than creating parallel mechanisms limited to the duration of the project. As a public institution, FODECC is at the heart of this strategy: the units for monitoring and evaluation, environmental and social safeguards, gender and social inclusion, and GIS/MRV created or strengthened under RACINE are designed as permanent functions of the institution, integrated into its statutes and procedural manuals.

The tools developed – operational manuals for the Producers' Desk, digital platform, GIS, PLADDT templates, and agroecological transition contracts – are aligned with national strategies (SND30, SDSR/PNIA, SNADDT) and Cameroon's forest-climate commitments. They can thus be used beyond the strict scope of the project, including for other priority agricultural sectors likely to be integrated into FODECC's mandate (rice, maize, cassava, livestock, etc.).

The establishment and consolidation of the National Steering Committee, as well as the active participation of ministries and professional organisations, strengthen cross-sectoral dialogue and ownership of the reforms by all national stakeholders. This institutional framework provides a sustainable basis for

coordinating international support in the agriculture-forest-climate sector, beyond the FVC/CAFI funding period.

9.3. Environmental and social sustainability

RACINE's environmental and social outcomes are designed to endure beyond the duration of external funding. The promoted agroecological practices – agroforestry, organic soil management, food crop diversification, water and soil conservation – constitute investments in the natural capital of farms and territories. Once adopted and mastered, they tend to be maintained by producers due to their direct benefits (increased resilience, long-term reduction in input costs, stable yields).

Similarly, the implementation of PLADDTs incorporating explicit zoning for agricultural areas, restoration zones and forests to be preserved, anchors a shared vision of land use at the local level over the long term. Investments in landscape restoration (agroforestry plantations, hedgerows, communal forests) create sustainable ecological assets which, if properly managed, will continue to provide ecosystem services (carbon sequestration, soil protection, water regulation, biodiversity) well beyond the project's timeframe.

On the social front, capacity building for communities, municipalities, cooperatives and Technical Advisory Centres (TACs), as well as the integration of gender and social inclusion into FODECC's practices and structures, contribute to sustainable changes in governance, participation and equality. Once operational, the Complaints Management Mechanism will become a permanent tool for accountability and conflict management in the implementation of agricultural and forestry policies.

9.4. Replicability, scalability and potential for transformation

RACINE is designed as a key step in a broader trajectory of transformation of the agricultural sector and land use in Cameroon. The innovations driven by the project – in particular the multi-component Producer Helpdesk model (G1, G2, G3), the contractualisation of the agroecological transition at farm level, and the link between subsidies and spatial planning – offer a framework that can be replicated across all production basins and for other sectors at risk of deforestation.

As the technical and institutional feasibility of this model has been demonstrated through the pilot project and is set to be consolidated by RACINE, the country will be in a position to:

- replicate the approaches in other regions and sectors, adapting the technical and financial parameters;
- mobilise new climate finance or results-based payments (e.g. via REDD+ programmes or PSE mechanisms) by leveraging the established MRV system;
- contribute to the sharing of experiences and South-South learning in the Congo Basin, as an example of a national mechanism linking agriculture, forestry and climate.

For the Green Climate Fund and the CAFI Initiative, RACINE thus represents a strategic investment with a demonstration effect, capable of catalysing reforms and additional funding far beyond the amounts initially committed. The exit strategy relies less on the cessation of interventions than on the gradual transition from external funding to domestic financing and market-based instruments (quality premium, PSE, green financing), within a consolidated institutional framework and a culture of sustainable land management now integrated into the practices of producers, local authorities and national institutions.

10. Implementation arrangements, phasing and monitoring and evaluation

10.1. Phasing and implementation timetable

The RACINE Initiative is designed to have an impact over a 20-year horizon (2026–2046), with intensive disbursement of FVC/CAFI funding and operational ramp-up concentrated in the first five years (2027–2031). The proposed phasing is divided into three main stages:

- **Phase 1 – Operational preparation and consolidation (2025–2027)**

- establishment/strengthening of the PMU integrated into FODECC, finalisation and adoption of procedure manuals adapted to FVC/CAFI requirements;
- strengthening of specialist units (SES, gender, GIS/MRV, monitoring and evaluation, training, communication);
- consolidation of the digital platform, full integration of the geolocation and PTA management modules;
- launch of the first waves of PLADDTs in a limited number of priority municipalities;
- continuation and expansion of the pilot projects already underway as part of the PAIDATA initiative.
- **Phase 2 – Operational scaling-up (2027–2031)**
 - gradual expansion of the enrolment of municipalities to cover all targeted cocoa/coffee-growing regions;
 - coordinated ramp-up of the G1a/G1b, G2a–d and G3a/G3b service points, following the planned enrolment and funding trajectories;
 - systematic roll-out of Agroecological Transition Plans, with a first full cycle of ATPs (3 years) for a significant cohort of producers;
 - widespread adoption of PLADDTs in the targeted municipalities and implementation of the first landscape restoration investments;
 - full implementation of the climate-forest MRV system and integration into the national monitoring framework for NDCs and CAFI commitments.
- **Phase 3 – Consolidation, capitalisation and transition to domestic financing (2032–2046)**
 - continuation of the Guichet’s activities with an increasing share of domestic financing (FODECC levy, budget allocations, private contributions, PSE mechanisms);
 - gradual reduction in unit subsidy levels and refocusing on technical support, monitoring and consolidation of achievements;
 - capitalisation of results and dissemination of best practices, including in other sectors and regions;
 - preparation and possible implementation of programmes based on climate/forest performance payments, supported by the MRV systems put in place.

10.2. Operational planning and results-based management

The implementation of RACINE is based on annual planning structured around Annual Work Programmes and Budgets (AWPBs), drawn up by the PMU and merged with those of FODECC and its other projects supporting the cocoa and coffee sectors, in close consultation with the relevant ministries, notably the PF CAFI at MINEPAT, the CTDs and technical and financial partners. Each PTBA:

- breaks down the initiative’s strategic objectives into expected annual results for each component and each funding stream;
- sets out the planned activities, responsibilities (UGP/RACINE/FODECC, PF/CAFI/MINEPAT, FODECC directorates, municipalities, CTA, service providers), deadlines and corresponding financial resources;
- explicitly incorporates climate targets (areas under PTA, restored areas, areas excluded due to DFP, etc.), social targets (participation of women/young people, access for vulnerable groups) and institutional targets (strengthened capacities, tools deployed).

The PTBA are submitted for approval to the National Steering Committee (COPIL), which ensures that priorities are consistent with national policies and with commitments made to the FVC and CAFI. Annual disbursements of GEF/CAFI funding are conditional upon compliance with planning, procurement and reporting procedures, in accordance with the financing agreements and procedure manuals.

10.3. Monitoring, evaluation and reporting mechanism

RACINE's monitoring and evaluation (M&E) system is integrated into the overall FODECC system and closely linked to the climate MRV system described above. It is based on:

- A consolidated logical framework and results framework
 - defining the expected outcomes, effects and impacts, as well as the associated indicators for: production and income, climate and forests (emissions avoided, carbon sequestration, areas under sustainable practices), gender and social inclusion, governance and institutional strengthening;
 - including interim and final targets aligned with the NDCs, the CAFI objectives and the FVC's framework outcomes.
- A data collection and management system
 - combining administrative data (FODECC platform, producer database, financial flows), spatial data (GIS, remote sensing), data from the PTA (CTA reports, household surveys) and data from the PLADDT and local authorities;
 - enabling the disaggregation of indicators by gender, age, type of stakeholder, geographical area and vulnerability category.
- Regular monitoring and evaluation outputs
 - quarterly internal monitoring reports (PMU ↔ FODECC);
 - half-yearly and annual reports for the attention of the COPIL, the Government, the FVC and CAFI, including progress, variances, risk analysis and corrective measures;
 - independent mid-term and end-of-project evaluations, covering relevance, effectiveness, efficiency, impact and sustainability, with a specific focus on climate and forestry outcomes.

The PMU's M&E specialist works closely with the GIS/MRV specialist, the SES specialist, the gender unit and other relevant units to ensure data consistency and quality. Data audits and methodological quality reviews are planned, in line with the FVC's expectations regarding the transparency and reliability of the information provided.

The monitoring, reporting and evaluation arrangements are divided into three parts:

- Internal monitoring procedures within FODECC, the main implementing agency;
- Standard evaluation processes associated with development projects;
- The independent verification process, which determines payments based on CAFI results.

Internal monitoring procedures and systems at FODECC, the main implementing agency:

The reliability of information generated internally by FODECC (and in particular the reported results and their quality) is essential. To this end, monitoring and evaluation will focus on capacity building in measurement, reporting and verification.

A mid-term evaluation will be carried out to adjust strategies and optimise implementation. At the end of the project, a final evaluation will measure the impact and sustainability of the interventions.

The independent verification process that determines CAFI's results-based payments:

The CAFI Trust Fund, the main co-financier of the RACINE project, provides support in the form of results-based payments, with no upfront advance. Payments are made if, and only if, the results are achieved. Disbursements will be made 'ex post' by CAFI, based on the verified performance of the FODECC windows, thereby transferring the performance risk to this Implementing Entity. Performance indicators will be assessed by an independent verifier, who will recommend the amount to be paid to the Accredited Entity (MINEPAT), which will then transfer the funds to FODECC. A specific methodology will define the indicators, measurement, reporting and verification procedures, as well as the amounts to be disbursed per unit of output. This methodology will be validated by the independent verifier prior to the signing of the project document between CAFI and MINEPAT, and then communicated to the Green Climate Fund.

This mechanism is in line with Decision EB.2024.33 of the CAFI Board of Directors, which establishes an independent verification mechanism to ensure the integrity of projects and identify areas for improvement. This approach marks CAFI's transition towards performance-based financing, particularly for projects related to land use (reforestation, agroforestry, agriculture, forest regeneration, conservation and sustainable forest management) and Payments for Environmental Services (PES). Applicable to all projects funded after August 2023, this measure aims to ensure the quality of results, enhance transparency and promote accountability among stakeholders. Audits, conducted in accordance with ISO 14064 standards, will have a direct impact on disbursement decisions. The CAFI Secretariat will be responsible for setting the timetable, commissioning and supervising these audits, whilst implementing entities will need to anticipate and incorporate these requirements into their project documents.

Impact of independent verification on disbursements: results-based payments

In practice, under the RACINE initiative, each CAFI disbursement will be conditional on the results of the independent verification. These results may lead to one of the four possible conclusions below. These conclusions affect the decision on the next tranche of the project as follows:

1. Poor performance: less than 30% of verified results – In the event of poor performance, CAFI will not make a disbursement.

2. Average performance: 30–50% of verified results – In the event of average performance, CAFI will make a disbursement proportional to the results achieved. However, remedial actions must be put in place to address the underperformance by tackling its root causes. The accredited agency must therefore commit to implementing the necessary corrective measures. The list of remedial measures, based on the independent verification report, will be communicated by CAFI to the accredited agency and must form part of the project addendum. The project will have one year to report on the effectiveness of the remedial measures taken. Failing this, the project will be considered to be underperforming, which will result in the suspension of disbursements.

3. High performance: 50–90% of results verified - In the event of high performance, CAFI will make a disbursement proportional to the results achieved. As with average performance, remedial measures must be put in place to address the underperformance. However, the project will not face the threat of a suspension of disbursements if it fails to demonstrate the effectiveness of the remedial measures taken during the year following receipt of the verification report.

4. Excellent performance: over 90% of verified results

In the event of excellent performance, the maximum annual performance-based payment will be disbursed by CAFI. RACINE will also be prioritised for a project extension.

The independent verification process comprises five main stages, as detailed below:

Step 1. Kick-off meeting and submission of documents

The independent verification begins with a kick-off meeting between CAFI, the accredited entity (MINEPAT), the implementing entity (FODECC), and the independent verifier. This meeting provides an opportunity to introduce participants and ensure that all parties involved are fully informed of the basic parameters of the verification mission (e.g. scope, criteria, materiality threshold, level of assurance) and to clarify expectations regarding its timetable. All results and documentation are provided to the independent auditor prior to the kick-off meeting, to enable the next phase to begin.

Stage 2. Document review and planning of the field visit

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

Where additional information is required to make a preliminary determination of whether the announced results have been achieved, the accredited entity (MINEPAT) and/or the implementing entity (FODECC) are requested to provide these documents as soon as possible, before proceeding to the next stage of the independent verification.

A kick-off report, serving as a verification plan, is prepared by the independent verifier following the initial review of the results and documentation to guide the remainder of the verification process. This kick-off report clarifies the standard and project-specific methodological elements that will be considered during the verification. The kick-off report is prepared in accordance with section 4.4.2 of ISO 14064-3:2019 and submitted to CAFI and the implementing organisation for review.

The accredited entity (MINEPAT) and/or the implementing entity (FODECC) should assist the auditor in planning the logistics to achieve the objectives of the inception report as effectively as possible.

Step 3: Field visit and interviews: collection of primary data

Following the desk review and the development of the verification plan, the verifier conducts a field visit to gather the additional evidence required to reach a conclusion on the issues identified during the desk review. The objective of the field visit and interviews is to assess the performance of the RACINE initiative against the indicators in the results framework.

The closing meeting, held at the end of the field visit, is intended to allow the independent auditor to present their general observations, as well as the next steps in the process.

Step 4: Analysis of the field visit

The independent auditor carries out the final verification of the achievement of the expected results indicators. One of the steps in this process involves compiling a comprehensive list of all outstanding issues or findings identified during the verification process. The independent auditor applies the findings process and submits their conclusions to CAFI and the organisation.

The independent auditor works with CAFI, the accredited entity (MINEPAT) and the implementing entity (FODECC) to address any remaining issues and seek clarification via email or conference calls.

Step 5: Drafting the audit report

The audit report is the main output of the audit process. In the audit report, the independent auditor documents how the completeness and accuracy of the reported results for each objectively verifiable indicator were assessed. The audit report is produced in English and French and includes the following conclusions:

- Quantification of (i) the results achieved and (ii) the extent to which the criteria have not been met;
- Quantification of the level (as a percentage) of achievement of the verified results for each indicator and for the project as a whole;
- An assurance opinion on compliance with the verification criteria;
- Recommendations to CAFI regarding the necessary measures to be taken by CAFI and/or the implementing organisation to improve the project's performance. Subsequent payments will be made on the basis of this proportion of results achieved;
- Recommendations regarding potential areas for improvement for the implementing organisation in terms of activity implementation, monitoring and reporting of results;
- Mission report for each field visit.

Once the independent auditor has finalised the audit report, a draft report is submitted to CAFI and the accredited entity (MINEPAT) and the implementing entity (FODECC) for review. Following this review, the audit report is published. This report will be shared with the Green Climate Fund.

CAFI will take the Verifier's recommendation into account and, within 15 days of receiving this recommendation, will inform the RACINE Initiative Steering Committee of its decision regarding payment. If the accredited entity (MINEPAT) accepts CAFI's decision, CAFI will make the payment within 21 days.

This process is repeated annually or whenever the implementing organisation submits a request for disbursement to CAFI.

Challenging the findings of the independent audit

If the accredited entity (MINEPAT) disputes the Auditor's recommendation, which has been confirmed by CAFI's decision, it must notify the Auditor within 15 days that it disputes the recommendation submitted to CAFI. The Verifier will then have 15 days to examine the dispute, correct its calculations where necessary, and submit its decision to the accredited entity (MINEPAT). The accredited entity (MINEPAT) must respond within a further 15 days to indicate whether it accepts the Verifier's revised calculations/recommendations. In the event that, following the process described in the previous paragraph, the Verifier's calculations/recommendations are still contested by the accredited entity (MINEPAT), the latter may send a notice of dispute to the CAFI Secretariat, which will refer the matter to the CAFI Board of Directors for a ruling. The Board of Directors may, if it deems it necessary, engage an Independent Mediator with expertise in the matter and acceptable to all Parties, the costs to be borne by the disputing Party. The Mediator shall perform the calculations again, using the same data and the initial Validation Methodology. The Mediator shall undertake in good faith to resolve the dispute promptly. The Mediator's decision shall be final and binding. The Parties waive any further recourse regarding the payment issue decided by the Mediator.

10.4. Coordination with other initiatives and synergies

The implementation arrangements for RACINE provide for structured coordination with other relevant national and regional initiatives, in particular:

- other programmes supported by CAFI (e.g. integrated landscape management projects in the Greater Mbam region, support for forest and land governance, land-use planning);
- projects by IFAD, KfW, the World Bank, the AfDB, the EU, GIZ, and other donors working in the cocoa/coffee sectors, climate-smart agriculture, landscape restoration and land governance;
- regional initiatives in the Congo Basin relating to forests and climate.

This coordination is ensured through the participation of representatives from these initiatives in the Steering Committee, regular technical exchanges between the PMU and project teams, and, where relevant, the establishment of thematic working groups (MRV, RDUE, PSE, gender, etc.). It helps to maximise synergies, avoid duplication and position RACINE as a key component of a coherent set of interventions supporting the transition to deforestation-free agriculture in Cameroon.

11 - Budget for the RACINE initiative (EUR)

Total funding							
Funding requested from the FVC	Total amount			Currency			
	87			million EUR			
GCF financial instrument	Amount	Duration	Grace period	Pricing			
(i) Senior loans	78.3	2026–2046	2026–2035	0.75%			
(vi) Grants	8.7	2026–2031					
(b) Information on co-financing	Total amount			Currency			
	777.78			million EUR			
Name of the institution	Financial instrument	Amount	Currency	Term and grace period	Fees	Seniority	
CAFI	Grant	39.15	million euros	2027 2028, 2029, 2030, 2031	Enter the %	Options	
FODECC (export levy)	Subsidy	88.5	million euros	2026 to 2031	Enter the percentage	Options	
Final beneficiary (including short-term loans/EMF)	Direct counterpart contribution from beneficiaries	649.9	million EUR	2026 to 2031	Enter %	Options	
(c) Total funding (c) = (a)+(b)	Amount			Currency			
	894.78			Million EUR			
C.2. Funding by component							
Component	Implementation	Indicative cost Million EURO	GFC funding		Co-financing		
			Amount Million EUR	Financial instrument	Amount Million EUR	Financial instrument	Name of institutions
Component 1: (MINEPAT + UNOPS) Strengthening the enabling environment for deforestation-free and climate-resilient cocoa and coffee production in Cameroon	Outcome 1.1. Align policy and institutional coordination for deforestation-free value chains	2,175	2,175	FVC grant	0		
	Outcome 1.2. Deploy operational tools and land-use governance to ensure compliance and monitoring	1,592	1,592	FVC grant	0		
Component 2. (FODECC) Scaling up PSE for sustainable, climate-resilient and deforestation-free value chains / Sub-component 2.1: Matching	Outcome 2.1.1. Intensify and increase sustainable production in cocoa and coffee plantations	89,027	8.7	FVC funding	80,327	Grant / FODECC-Export Levy + CAFI Donation	FODECC + CAFI
	Outcome 2.1.2. Improve the overall quality of cocoa and coffee products placed on the market	24,046	12.18	FVC funding	11,866	Grant / FODECC-Export Levy + CAFI Donation	FODECC + CAFI

funds for the Producers' Window and its eight co-financing streams for sustainable intensification and deforestation-free production	Result 2.1.3. Strengthen the sustainable management of communal lands and forest cover	<u>28,971</u>	<u>20.88</u>	<u>FVC funding</u>	<u>8,091</u>	<u>Grant / FODECC-Export Levy + CAFI Donation</u>	<u>FODECC + CAFI</u>
	Result 2.1.4. Supporting the agroecological transition of cocoa and coffee farms	<u>46,632</u>	<u>26.1</u>	<u>FVC funding</u>	<u>20,532</u>	<u>Grant / FODECC-Export Levy + CAFI Donation</u>	<u>FODECC + CAFI</u>
Component 2. (FODECC) Scaling up PSE for sustainable, climate-resilient and deforestation-free value chains Sub-component 2.2: Strengthening the organisation and capacities of FODECC's rural partner organisations	Outcome 2.2.1: Supporting the strengthening and structuring of professional organisations	<u>3,706</u>	<u>2,175</u>	<u>FVC funding</u>	<u>1,531</u>	<u>CAFI grant</u>	<u>CAFI + FODECC (excluding unrecorded budget)</u>
	Result 2.2.2. Support the development of the national private agricultural advisory network for agroecological transition	<u>1,239</u>	<u>0.87</u>	<u>FVC funding</u>	<u>0.369</u>	<u>CAFI grant</u>	<u>CAFI + FODECC (excluding unrecorded budget)</u>
	Result 2.2.3. Strengthen the capacities of the CTDs and their local partners	<u>3,619</u>	<u>2,175</u>	<u>FVC funding</u>	<u>1,444</u>	<u>CAFI grant</u>	<u>CAFI + FODECC (excluding unrecorded budget)</u>
Monitoring and evaluation, audit, management and knowledge generation	Mel 3.1. Strengthening monitoring and evaluation, data and MRV systems for results-based management	<u>2,828</u>	<u>2,045</u>	<u>FVC grant</u>	<u>0.783</u>	<u>CAFI grant</u>	<u>CAFI + FODECC (excluding unrecorded budget)</u>
	Mel 3.2. Facilitate knowledge generation and South-South learning for the replication of SLLs	<u>0.804</u>	<u>0.400</u>	<u>FVC grant</u>	<u>0.404</u>	<u>CAFI grant</u>	<u>CAFI + FODECC (excluding unrecorded budget)</u>
	Table 3.3. Independent scientific monitoring of impacts on agroforestry systems	<u>1,827</u>	<u>1,827</u>	<u>FVC grant</u>	<u>0</u>		
<u>Integrated management unit at FODECC + management costs</u>		<u>7,425</u>	<u>4,893</u>	<u>FVC credit</u>	<u>2,531</u>	<u>CAFI grant</u>	<u>Integrated unit + UNOPS support</u>
<u>IPPF (Indigenous Peoples Planning Framework)</u>		<u>0.130</u>	<u>0.130</u>	<u>FVC Grant</u>	<u>0</u>		
Gender Action Plan		<u>0.865</u>	<u>0.865</u>	<u>FVC</u>	<u>0</u>		
Indicative total cost (EUR)		<u>214.89</u>	<u>87</u>		<u>127.89</u>		

12. Conclusion and recommendations

12.1. Summary of climate, technical and financial feasibility

The analysis conducted demonstrates that the RACINE Initiative is technically feasible, economically and financially viable, institutionally sustainable, and that it offers significant climate and social added value for Cameroon.

From a climate and forestry perspective, the project proposes a coherent model for the agroecological intensification of cocoa, coffee and food crop systems, linked to land-use safeguards (GIS filter on the Permanent Forest Area), contractual commitments to avoid deforestation at farm level (PTA) and municipal spatial planning (PLADDT). This model enables a significant increase in agricultural production and income

whilst reducing emissions linked to deforestation and forest degradation and increasing carbon sequestration in agricultural landscapes.

From a technical perspective, RACINE builds on existing operational systems (Producers' Helpdesk, UGP/PAIDATA, digital platform, GIS, smartphone apps) and a suite of proven agronomic innovations (agroforestry, organic management, food crop diversification, post-harvest improvement). The planned investments focus on the extension, improvement and consolidation of these tools, rather than on the creation of entirely new mechanisms, which enhances technical feasibility and the likelihood of success.

Economic and financial analyses confirm the overall viability of the project, with strong profitability indicators for the initiative as a whole and for the windows focused on production and agroecological transition, whilst acknowledging the need for public support for collective investments and landscape restoration. The integration of the social value of carbon and social co-benefits further strengthens the economic case for RACINE and the relevance of using concessional financing from the Green Climate Fund, in addition to CAFI and domestic resources.

12.2. Justification for support from the GCF and the CAFI Initiative

In light of the GCF and CAFI Initiative criteria, the RACINE Initiative has several key characteristics:

- it contributes directly to the GCF's outcomes in terms of mitigation (reducing emissions from land use and agriculture) and adaptation (improving the resilience of vulnerable populations' livelihoods);
- it is aligned with Cameroon's NDCs and with CAFI's priorities regarding the sustainable reduction of deforestation and forest degradation in the Congo Basin;
- it proposes a credible paradigm shift, transforming a sectoral subsidy mechanism (Producers' Window) into a national instrument for agroecological transition and climate-forest financing, equipped with a robust MRV system and strengthened environmental and social safeguards;
- it effectively mobilises domestic and private resources, whilst respecting the principle of minimum concessionality, and opens up prospects for payments for environmental services in the medium term.

In this sense, support from the FVC and CAFI is not intended to replace national funding, but to complement and catalyse it, by enabling the rapid scaling up of an innovative model and reducing the risks associated with this transformation.

12.3. Key conditions for success and points for attention

Several critical conditions for ensuring that RACINE realises its full potential:

- the effective implementation of the FODECC institutional strengthening plan, including the operationalisation of specialised units (SES, gender, GIS/MRV, M&E) and the consolidation of internal control systems;
- maintaining high standards regarding environmental and social safeguards, particularly concerning the prevention of deforestation, the management of inputs, the consideration of risks of economic displacement, and the protection of the rights of vulnerable groups;
- the capacity to provide high-quality technical support to producers and local authorities (CTA, technical services, partners), an essential condition for the adoption and sustainability of agroecological practices;
- the resilience of digital systems and the GIS, and the ability to maintain reliable and up-to-date data to support decision-making, climate MRV and reporting to donors;
- strong coordination with other national initiatives and policies, in order to maximise synergies and avoid duplication.

These conditions must be central to the dialogue between the Government, FODECC, FVC, CAFI and other partners throughout implementation.

13. Technical annexes to the feasibility study

In order to fully document the analysis presented in this Annex 2, the following technical annexes are attached and form an integral part of the RACINE Initiative feasibility study.

- ✓ RACINE funding proposal document
- ✓ Detailed budget for the RACINE initiative
- ✓ Detailed economic and financial analysis report
- ✓ Financial, economic and sensitivity analysis files
- ✓ Environmental and Social Management Framework (ESMF/ESMP) and FODECC's EMS
- ✓ Gender and Social Inclusion Action Plan
- ✓ Planning framework for indigenous peoples
- ✓ Operational manuals for the Producers' Window:
 - Volume I – Production Components (G1a/G1b): eligibility criteria, enrolment procedures, grant structure, eligible inputs, validation and payment procedures;
 - Volume II – Community Components (G2a–b-c-d): support for post-harvest processing centres, PLADDT, restoration investments, roles of municipalities and cooperatives;
 - Volume III – Sustainability/Agroecological Transition Components (G3a/G3b): commitment contracts, Agroecological Transition Plans (PTA), producer–CTA specifications, CTA training model.
- ✓ Methodological note on GHG assumptions and climate-forest MRV