

**RESPONSE TO BID CLARIFICATION QUESTIONS:**

**Carbon Accelerator Programme for the Environment (CAPE) - Pilot  
Implementing Partner**

No.	Question	Responses
1.	What additional information can you provide around the budget available for the project?	<p>This tender is an open competitive bid, whereby the financial proposal developed by bidding firms is a component of our assessment &amp; evaluation. Additional information on the available budget will therefore not be shared as part of the bidding process.</p> <p>For workstream 2 the financial proposal should include a proposed split between grant capital (which the IP will be contracted with to provide largely transaction advisory services) and returnable grant capital (which will largely be used to contract project development service providers - which could include the IP if they have the capabilities). FSD Africa envisions that a solution that includes a substantial portion of the services being offered in-house by the IP would provide the best value proposition in line with the project's objectives. FSD Africa wishes to reiterate that all bids shall be reviewed objectively, and the formula disclosed in the ToR shall be applied under the financial score section.</p>
2.	Is there any flexibility around the submission deadline (the 24 <sup>th</sup> July)?	<p>FSD Africa has a standard tender response time of 15 days from date of publication on FSD Africa website. This is believed to be generally sufficient time to enable prospective bidders to prepare a response.</p> <p>If your individual circumstances require more time, kindly send an email to <a href="mailto:bids@fsdafrica.org">bids@fsdafrica.org</a> with your request and to explain your requirements for consideration.</p>
3.	How do you expect to disseminate market building content through the Living Lab? Do you have an existing platform, or would the Implementing Partner be expected to identify/develop one through this platform?	<p>The Living Lab platform will be co-created between the IP and FSD Africa in the near-term, with the expectation that FSD Africa would host the platform in the long-term, assuming a successful pilot. It is noted that the Living Lab should very much be developed as a proof of concept in the pilot, generating content that meets the interests and requirements observed through the other workstreams and exploring opportunities to engage with existing platforms (e.g. ACMI's forthcoming Carbon Hub). The ambition here will be to keep things simple and efficient.</p> <p>FSD Africa has experience developing platforms (e.g. our BimaLab, ANCA and NDSI ecosystems). Dissemination of these contents generally take the form of a coordinated series of newsletters, webinars, resource depositories and databases. Resources will be drawn from existing open sources, CAPE partners/stakeholders and generated by both FSD Africa and the IP during the course of the Pilot. Fundamentally, the IP will use the Living Lab to address the knowledge gaps. Bidders are</p>

		pointed to some prospective content that may be generated in the ToRs.
4.	Do you have any indications of appropriate daily subsistence allowances for the in-country visits for us to factor into expenses?	<p>Projected reimbursable costs are expected as part of the bid's financial proposal. It is noted these costs may recognise existing geographic uncertainties (i.e. these costs may vary depending on choice of project developer and geography). These are guided by FSD Africa's <a href="#">Travel Policy</a>, which states that FSD Africa does not pay for daily subsistence allowances but rather settles claims based on actual expenses.</p> <p>It is also noted that there is an expectation that most of the work for the pilots should be done remotely.</p>
5.	Would FSD Africa have the capacity / resources to host an in-country workshop (e.g., at offices in Nairobi)?	<p>FSD Africa would be willing to work with the IP to host meetings or workshops at the FSD Africa offices, if relevant to supporting CAPE's objectives. There is existing capacity to hold meetings or roundtables in the office meeting rooms, although a larger event would require external costs.</p> <p>All other proposed in-country workshops should be included in the projected reimbursable costs in the financial proposal.</p>
6.	Given potential complexity of the financing mechanisms, it is anticipated that local legal guidance will be required based on the jurisdiction of the project. However, due to nascent nature of the asset class, there may not be local expertise in terms of climate finance solutions. Does FSD Africa have inhouse legal expertise that can be leveraged by the IP?	FSD Africa does not yet have a specialized in-house legal counsel relevant for CAPE's purposes. Any local legal guidance requirement anticipated should be included in the financial proposal.
7.	Given the potential complexity of the financing mechanisms, it is anticipated that local tax guidance will be required based on potential cross-border cashflow of the project at the time of scaling. Does FSD Africa have inhouse tax expertise that can be leveraged by the IP?	FSD Africa does not have specialised in-house tax expertise relevant for CAPE's purposes. Any local legal tax guidance requirement anticipated should be included in the financial proposal.
8.	Within the biodiversity-carbon nexus, does FSD Africa have any sectoral preferences to enable demonstration of proof of concept?	Within this nexus, FSD Africa currently holds no strict sector preference. However, it is noted that to achieve impact across a range of environmental, social and developmental objectives – preference would be to engage in sectors where the impact pathways are most powerful – noting that obviously commercial viability will always be a qualifying criteria. FSD Africa would look to the IP for guidance on this based on their expertise.

9.	<p>We have reviewed Section 3 of the ToR and would like to request further information on the pipeline:</p> <ul style="list-style-type: none"> <li>a) Could you please provide more details on the current size of the initial pipeline developed by FSD Africa?</li> <li>b) What is the geographical distribution of the projects within this pipeline?</li> <li>c) Is it correct to assume that each project developer will be supported to develop only one project, i.e., one project developer equals one project?</li> </ul>	<p>a) FSD Africa currently has a pipeline of 27 projects/project developers, co-sourced from across FSD Africa’s Pillars and Pipelines. It will be shared with the contracted IP. However, FSD Africa seeks an IP to generate and curate CAPE’s pipeline alongside the existing pipeline, and to bring their own relationships with project developers. This will form part of the deliverable for WS1.</p> <p>b) The pipeline currently covers 19 separate countries, although many of the projects are cross-border. FSD Africa expects the final 3-5 selected project developers to have broad geographic coverage (i.e. preferably not all in one region), in order to generate regional insights.</p> <p>c) FSD Africa is agnostic on this question. For example, CAPE may work with three project developers on three separate projects or may work with three on five separate projects. The IP is to define this based on their initial discussions with the pipeline. FSD Africa is more focused on getting at least one project to financial close – the selected number of projects should aim to meet this goal, and the IP’s resourcing proposal.</p>
10.	<p>Additional relevant stakeholders: Will FSDA partner with any other external stakeholders in governing and overseeing CAPE?</p>	<p>FSD Africa may explore the option of select prospective external partners joining the SteerCo. However, a decision on this will not be made until the inception phase of CAPE. Internally, CAPE will be overseen by FSD Africa’s Early- Stage Finance and Risk and Resilience Pillars alongside its investment arm (FSDAi).</p>
11	<p>Living Lab: Could FSDA share its current thinking around where the “Living Lab” will be hosted in the short and long term?</p>	<p><i>Please see response to Q3</i></p>
12.	<p>Budget: Could FSDA please share the intended budget range or ceiling for completion of this project? Within the overall budget, does FSDA have a target of what percentage of the overall budget should be allocated to the technical assistance facility that will be structured as returnable grants?</p>	<p><i>Please see response to Q1</i></p>

13.	<p>Annex content:</p> <ul style="list-style-type: none"> <li>• Could you please confirm that we can include a budget overview in the main body of the proposal (within the 15 page-limit) and include the detailed itemized budget in the annex?</li> <li>• Could you please confirm whether we can include a summary of our relevant qualifications and experience in the annex instead of the main body of the proposal?</li> <li>• Could you please confirm that we can include illustrative examples in the annex?</li> </ul>	<p>a) Yes. The bidder should include an overview of the budget within their 15-page proposal. A more detailed budget should be provided in the annex. It should be noted that most attention in the evaluation will be paid to the main body of the proposal.</p> <p>b) Yes. A summary of relevant qualifications and experience, including key team member profiles, should be included in the main body of the proposal, but additional CVs/information may be attached as annex.</p> <p>c) Yes, if required. FSD Africa would prefer for summaries of relevant illustrative examples to be included predominantly in the main body of the Proposal.</p>
14.	<p>Geographic focus: While the CAPE will be geography agnostic, does FSD Africa have any preference on the geography of the projects?</p>	<p>FSD Africa expects the 3-5 selected project developers to have broad geographic coverage (i.e. preferably not all in one region), in order to generate regional insights. FSD Africa does not have any specific country preferences, but notes that some geographies may be more attractive to potential investors – it is expected this appetite would be tested throughout the Pilot.</p>
15.	<p>Sector focus: Are there specific sectors that the CAPE pilot program will focus on within the identified regions under NBS? If so, what are they?</p>	<p><i>See response to Q8.</i></p>
16	<p>Can the IP partner with consultants or other organisations to demonstrate the required skills and experience in transaction advisory services and project development services?</p>	<p>Yes. FSD Africa welcomes bids from consortia that jointly offer the requisite skills and experience to deliver CAPE successfully. In particular, FSD Africa would welcome bids that offer a relevant breadth of transaction advisory services and/or demonstrate partnerships with potential providers of the more specialist project development services noted in the ToR.</p>
17	<p>We understand that FSD Africa has developed an initial pipeline of prospective pipeline of carbon/NBS projects. Could you please share sub-sectors of these</p>	<p><i>See response to Q9.</i> These projects include afforestation/reforestation, land restoration, blue carbon/mangroves and regenerative agriculture.</p>

	projects and geographies at this stage?	
18	For standardised and ad-hoc legal support, is it the expectation that the IP provides this or would it be acceptable for the IP to partner with organisations/ firms that have experience in providing legal support in carbon / NBS projects?	FSD Africa is open to both options considered. It is expected there may be some level of out-sourcing for the more technical or geographic-specific advice.
19	Which carbon frameworks and integrity standards does FSD Africa endorse?	FSD Africa doesn't endorse any particular framework or integrity standard. We are currently engaging with various international frameworks and standards to ensure continued development and transparency to improve the credibility of the carbon markets in Africa. It is noted that certain sectors and their specific characteristics may lend themselves toward certain carbon frameworks and standards or their sector-specific guidance and these should be appropriately applied.
20	Carbon projects require yearly ongoing validation and assurance services around annual carbon credits issued. Is this part of the assignment or excluded?	FSD Africa does not expect the IP to be responsible for ongoing MRV or assurance activities. However, it is possible that – in order to secure first-round funding – the IP will be involved in the set-up of MRV plans, support for initial data gathering, baselining and development of PDDs.
21	Reference is made to the Terms of Reference, 2.3 Introduction to the CAPE pilot : Please confirm that the focus of the envisaged work is only for the green highlighted area in the diagram - Finalising design & piloting.	CAPE's focus will be on getting projects to first financial close. As such, selected projects should be prospectively commercially viable and thus will be post-initial feasibility, with work ideally initiated on the carbon project design document (PDD - specifying the technical and operation detail of how the offsets will be produced) and on the benefit sharing agreement design process (BSA - defining community engagement and benefit distribution).
22	Reference is made to the Terms of Reference, 7.2. Criteria for Selection: Please clarify the expectation of in house vs outsourced transaction advisory and impact investment.	<i>See responses to Q1 and Q16.</i> FSD Africa is open to the IP working (either in partnership or through a joint proposal) with other consultants or firms in order to deliver on the Terms of Reference. The IP should meet the mandatory qualifications and experience.
23	Accelerator services: What are the extent of accelerator services to be offered within the scope of this contract?	Appendix A of the ToRs provides a description of the types of acceleration services we envisage. See also response to Q1. The IP will need to make a case-by-case judgement on the level of support required for each selected project.

		A key focus for these services is what is needed to get the project developer most meaningfully towards investment and issuance of credits. FSD Africa does not want the IP to spend time providing services that the project developer could or should do themselves or are not integral to attracting capital.
24	<p>Long-term organisational model for CAPE</p> <p>Should CAPE be a grant funded service provider (essentially reliant on external funding to keep itself going) or is it preferred to be designed as self-sustaining?</p>	FSD Africa expects the IP to – as part of WS4 – support FSD Africa in the development of a longer-term plan for how CAPE can best enable funding of NBSs. It is preferred this to be self-sustaining but we recognise that some level of external grant funding may continue to be required given the nascency of this emerging market.
25	<p>Nature of portfolio</p> <ul style="list-style-type: none"> <li>• <i>Do you have an objective for the scale of projects they would like the accelerator to tackle?</i> (i.e. SMEs that need couple of millions to scale or full-scale development programmes spanning several countries)?</li> <li>• Will projects where biodiversity/nature-based projects are standalone be within scope?</li> <li>• Are we open to different carbon financing mechanisms?</li> </ul>	<p><i>See also response to Q21.</i> The ultimate objective for the CAPE Pilot is to get project developers to their first financial close and provide the required TA/acceleration services that get them there.</p> <p>FSD Africa is open to projects that are standalone biodiversity/nature-based. The importance of integrating carbon financing for NBSs is a hypothesis FSD Africa has formed based on its experience (please see the ToRs for this justification), but it is recognised that some NBSs have business models that may be profitable without carbon financing. The current pipeline incorporates a small number of such projects. Given FSD Africa's hypothesis, it is hoped that a decent number of project developers FSD Africa works with will engage with carbon financing, generating learnings for CAPE.</p> <p>Yes, FSD Africa is open to a range of carbon financing mechanisms.</p>
26	<ul style="list-style-type: none"> <li>• In order to demonstrate additionality, may we include assessments of other third party services/support that are currently available?</li> <li>• What resources/structure does FSD already have in place to ensure the successful deployment of CAPE? Will there be FSD staff allocated to work side-by-side with us to deliver the programme?</li> </ul>	<p>Yes, FSD Africa would welcome bidders to reflect on similar relevant offerings (including those that bidders may have been involved in delivering) in their proposals, including potential learnings for CAPE.</p> <p>CAPE will have a SteerCo and Project Working Team. Both bodies will include senior staff from across FSD Africa to engage with the IP to help ensure successful delivery of the project's objectives.</p>