

## TERMS OF REFERENCE

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

## CALL FOR PROPOSALS

### 1. Introduction

The Carbon Accelerator Programme for the Environment ('CAPE') seeks to address the challenges of investment flow into projects addressing both climate change and biodiversity loss, by accelerating high integrity nature-based carbon projects. As part of its pilot phase, FSD Africa seeks to contract a firm or consortia (hereafter referred to as "Implementing Partner") to develop the CAPE platform, provide transaction advisory and project development services for 3-5 high-potential project developers, generate an ecosystem of praxis, and document reflections and insights for broader dissemination and thought-leadership. The CAPE pilot is an integral guide for future activity in FSD Africa's mission to accelerate the development of nature-based solutions in Sub-Saharan Africa. The Implementing Partner ('IP') will be an important partner in defining such activity; there is substantial scope for the Implementing Partner to advise on how CAPE can be effective in its approach and service delivery. The CAPE Pilot will run for 18 months and is expected to begin in August 2024.

### 2. Project Background

#### 2.1 About FSD Africa

**FSD Africa works to reduce poverty by strengthening Africa's financial markets.** Based in Nairobi, with anchor funding from the UK's FCDO, FSD Africa is a specialist development agency set up to support breakthrough ideas to build and strengthen financial markets across sub-Saharan Africa. FSD Africa does this by tackling the most intractable financial market challenges in Africa - addressing issues associated with the lack of long-term finance, especially in local currency, and inadequate risk management capacity. FSD Africa's team of financial sector experts work alongside governments, business leaders, regulators and policy makers to design and build ambitious programmes. Established in 2012, FSD Africa is incorporated as a non-profit company limited by guarantee.

More details are available on the FSD Africa website at [www.fsdafrica.org](http://www.fsdafrica.org).

**FSD Africa focuses its work where the need is greatest and believes the potential for impact is the most significant.** FSD Africa has a specific mandate to invest in breakthrough, innovative ideas that can have a transformative impact. This project is closely aligned to FSD Africa's green financing strategy, the FSD Africa end-to-end structural reform approach, and FSD Africa's history of engaging with investors, financial institutions, project developers and regulators. FSD Africa's programming is run through its Risk & Resilience, Early-Stage Financing and Capital Markets Pillars, while investments are made through a separate arm - FSD Africa Investments (FSDAi). Supporting functions are provided by Development Impact and Strategic Communications teams.

#### 2.2 Project Context - The Intractable Challenge

**Africa's natural capital is being depleted at unsustainable rates with accelerating losses of biodiversity.** This has disastrous implications for the livelihoods of many Africans and for sectors from agriculture to tourism which depend on natural capital. It also threatens the preservation of some of the largest carbon stores on the planet, notably in forests. In the shorter term both climate change and biodiversity loss are already creating major economic, social and developmental risks.<sup>1</sup> Africa is disproportionately exposed, being the most climate

---

<sup>1</sup> Biodiversity loss in Africa is extreme and accelerating. Approximately 2/3 of Africa's wildlife populations have declined since 1970, partially driven by deeply unsustainable rates of deforestation and land/soil degradation. Forest is being degraded at 10x the rate of potential regrowth, while 25% of land in LDCs has been degraded to a level of minimum economic productivity.

vulnerable continent and having the highest global dependence on natural capital with the fastest rate of biodiversity loss. Africa's natural capital is being depleted at unsustainable rates - 25 per cent of African countries are now water-stressed and biodiversity 'intactness' in Africa has declined to a greater extent than global averages (see [Phillips et al., 2021](#) and the 'Biodiversity Intactness Index'). Biodiversity collapse - particularly around 'tipping points' - would have catastrophic social, food security and macroeconomic outcomes in Africa, adding to the significant negative implications of an increasingly uncertain and rapidly changing climate that are already being felt across the continent. 62 per cent of Africa's GDP is moderately or highly linked to natural capital, adaptation and resilience to climate-induced shocks is contingent on well-functioning ecosystems, and poverty and employment systems are reliant on sustainable usage of agriculture, forestry and land services ([World Economic Forum, 2020](#)).

**In order to halt and reverse the current biodiversity loss, significant funding is required.** Currently only a small fraction of the funding required to halt and reverse the current loss of natural capital is available. The Paulson Institute and TNC ([2020](#)) estimate that globally \$700bn is required annually up until 2030 to meet biodiversity protection needs, with only 16 per cent of the required funding currently being provided. Of this \$700bn, \$32.5bn is required annually for nature-based solutions and carbon markets, but only 3 per cent of this amount is currently flowing.

**To close this funding gap, much greater quantities of private capital are required.** Carbon markets, although nascent and imperfect, have emerged as a market-based solution for attracting private funding for climate mitigation. This is possible in principle since a tonne of carbon avoided or sequestered is equivalent anywhere in the world and can therefore be defined and priced. Demand for carbon credits is driven by the need for corporates to offset their own emissions either to comply with regulation or to achieve voluntary net zero commitments. So, while significant integrity issues need to be dealt with and the future evolution of carbon markets is not altogether clear, they nevertheless represent an existing market mechanism for funding climate mitigation.

**Biodiversity, on the other hand, is much more complex and so establishing nature markets and "internalising the externality" represents a much bigger challenge.** In particular:

- It is not possible to establish a simple single metric for biodiversity and so at best a basket of metrics appropriate to a particular biome is required. As a result, establishing standards that would allow for commodification is very challenging.
- There is no established private sector demand for nature assets as historically markets have treated the services they provide as free. There is limited regulatory push (e.g. nature offset requirements) and without a defined asset there is no inherent source of revenue.
- The capacity of project developers to measure and report on complex biodiversity impacts is limited and there is currently no incentive to do so in the absence of corresponding revenue streams.

**There are a host of other barriers faced by project developers looking to develop NBSs with carbon or biodiversity positive outcomes.** These include:

- **Long lead times with significant costs prior to carbon credit issuance.** Up-front costs associated with, for example, acquiring in-house technical expertise, building appropriate data/modelling tools and achieving verification makes it difficult for early-stage projects to establish themselves, progress towards viability and position themselves well for investment.
- **Lack of transaction structuring and negotiation skills.** Science/technical-focused project developers often lack experience when it comes to capital raising (e.g. connecting with capital sources, articulating their story and business model, and negotiating terms), and/or the geographic presence required for managing, and completing a matching process with investors.
- **Varying investor requirements.** Investors often take bespoke approaches to negotiating with sponsors, and structuring deals. They lack knowledge of market characteristics and assume they are at a disadvantage. Many investors are particularly concerned with reputational risk when buying credits (e.g. offsetting vs. carbon removal preferences). All of these add up to challenges for developers in negotiating according to requirements.
- **Legal and political risk with unclear property rights and/or regulation.** Given that carbon markets are nascent and currently largely unregulated, there is risk of policy and regulation being introduced which is harmful to private market development. In addition, establishing the clear land rights necessary to implement carbon NBS projects is very challenging in many jurisdictions.

As a result of all these challenges there are currently exceptionally low levels of investment flowing into projects focused on improving biodiversity-related outcomes.

### 2.3 Introduction to the CAPE pilot

The Carbon Accelerator Programme for the Environment (CAPE) seeks to address many of the challenges laid out in Section 2.1 by accelerating high integrity nature-based carbon projects to investment. It builds on existing scoping that was undertaken under FSD Africa's carbon market design work. This was developed in partnership with the African Carbon Market Initiative (ACMI) and CrossBoundary, coupled with insights from our nature programming (which include piloting of the TNFD and the establishment of the African Natural Capital Alliance).

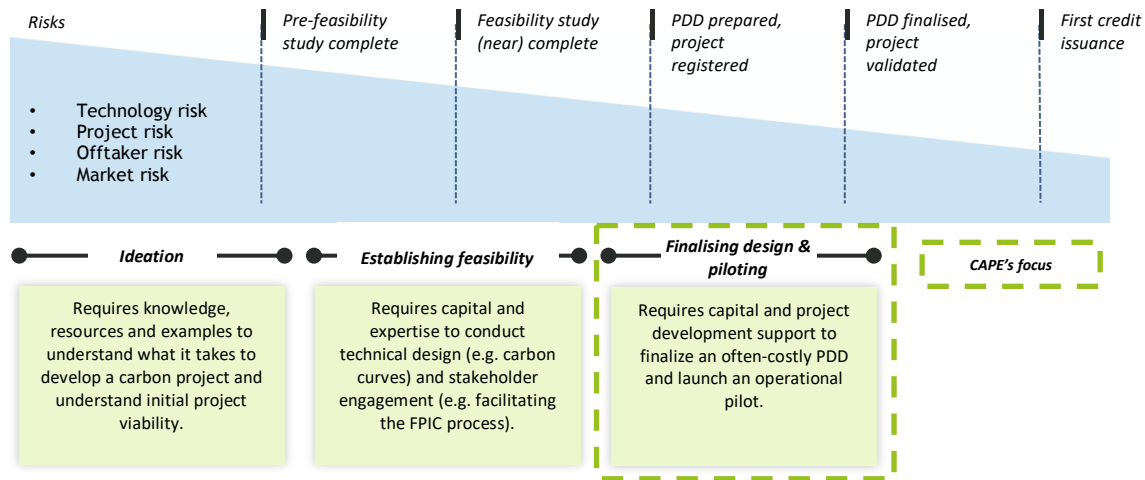
CAPE will have a dual focus on high-integrity carbon financing and biodiversity. Broadly, projects could be either 'carbon-led' or 'biodiversity-led' based on their origin; it can be argued that this dual focus strengthens the commercial, strategic and governance case of projects. There is an opportunity to extract synergies to address both the integrity issues with carbon markets and the revenue issues with biodiversity projects:

- **Benefits for carbon projects:** Despite the potential for commodification of carbon offsets, markets are still far from this point. Many buyers of carbon credits are doing so in the context of a broader ESG strategy and there is a growing awareness that carbon offset generation can itself give rise to further negative externalities. Adverse social impacts on indigenous people and local communities (IPLC) associated with some REDD+ schemes are illustrative. Similarly, carbon offsets generated through monoculture afforestation or large solar farms can have harmful outcomes for biodiversity. As a result, there is increasing demand for high quality, high integrity carbon offsets that incorporate co-benefits, reflected in significant price differentiation.
- **Benefits for biodiversity projects:** Carbon revenues provide a valuable means of enhancing the business case for nature-based solutions where it can be difficult to generate revenues directly from monetising the preservation or enhancement of biodiversity.

CAPE will identify and accelerate select projects which demonstrate the above synergies. The accelerator will provide both transaction advisory and technical project development support tailored to the specific needs of each project. When focused on the post-feasibility, pre-investment stage (the '*Finalising design & piloting*' section in the figure below), it is envisaged this will create the demonstration cases to 'prime' the market. FSD Africa believes there is a significant gap in support for nature-focused projects that have established the feasibility of a solution, but who are finalising their design and commercial model.

CAPE's focus will be on getting projects to first financial close. Projects chosen must 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).

CAPE's Theory of Change is ambitious. FSD Africa believes that impact will be generated by enabling and fostering - at scale - a pipeline of investible NBSs, that successfully incorporate high-integrity carbon financing and biodiversity improvements at their core. Ultimately, increased numbers and scale of successful NBSs would protect, conserve and rehabilitate Africa's rich natural landscapes. NBSs are richly interconnected with SDGs - they position local communities as core partners and beneficiaries - and form a key part of an ambitious programme of green, inclusive, sustainable development. This underpins our emphasis on linking an investment case to activities that demonstrate high-integrity outcomes.



## 2.4 Project Concept

FSD Africa is proceeding with a pilot of the Carbon Accelerator Programme for the Environment (CAPE) over the next eighteen months, to test the nature of both demand and supply-side challenges for nature-based solutions seeking first capital raising. The primary objective is to **accelerate high integrity nature-based carbon projects to investment**. FSD Africa also seeks clarity on the hypothesis that joint carbon financing/nature-positive ventures can meet investor interest for community-led, high-integrity projects. Showing how this can be achieved can pump-prime the investment market, demonstrating to investors that there is a commercial business case here and offering practical guidance on how to exploit this impact imperative through high-integrity carbon credits. CAPE will support FSD Africa's vision for a continent-wide transition towards a nature-positive economy and sustainable livelihoods, where private investors may play a key role in overcoming adaptation and nature-financing gaps. CAPE builds upon a broader portfolio for FSD Africa; of market development, venture-building, ecosystem development and transaction support (incl. in nature and carbon spheres).

The CAPE Pilot has three core objectives:

1. **Primary:** To demonstrate how commercial business cases for investing in NBS can be realised by getting at least one project to financial close;
2. To develop the collective understanding of how to enable high-integrity projects to come to market, drawing on CAPE's direct experiences and exchanging learnings with investors and other market actors;
3. To develop follow-on phases for CAPE, drawing on lessons from the pilot and raising finance for scale-up.

In conjunction with the Implementing Partner, FSD Africa intends to deliver the below four workstreams as part of the broader project, which are laid out in more detail in the Scope of work:

- **Workstream 1 - Setting-up of the CAPE platform and identifying the pipeline of projects** - a governance and support service delivery structure will be set up for projects that demonstrate high-integrity potential and strong potential to raise from investors.
- **Workstream 2 - Providing transaction advisory and project development services to selected projects** - a number of both transaction advisory and specialist technical services will be offered, with the IP supporting the initiative.
- **Workstream 3 - Producing and disseminating open-source market-building content and resources** - a 'living lab' for a broader ecosystem will be used to share CAPE's learnings and demonstration cases.
- **Workstream 4 - Documenting and reflecting on pilot learnings and determine the post-pilot direction of CAPE** - a decision will be made on the future of CAPE, and learnings will be incorporated into changes in future design and scope; further funding may be sought.

The IP would support the piloting of CAPE, by leading on the operationalisation of all the above workstreams. In particular, the IP will be integral in the provision of services under Workstream 2, and testing if delivery of these services does increase the appetite of investors to engage with developers. FSD Africa is ambitious in its aspirations for this work, and its future phases. The Scope of Work for this is laid out in Section 3, but this is a

flexible engagement. The IP would be expected to support FSD Africa’s emerging thinking on CAPE, guiding it to make a decision on the best way to support high integrity nature-based carbon projects going forward. The IP’s efforts would therefore - pending on the results of the pilot - be expected to lay the groundwork for a longer-term programming effort. The Implementing Partner must therefore be comfortable working with ambiguity, given how CAPE’s role may be refined throughout the pilot.

### 3. Proposed Project Scope of Work and Deliverables

The IP’s proposed scope of work is outlined below. The IP will be primarily responsible for all four Workstreams with support from the CAPE Project Working Team. Correspondingly, exact deliverables for Workstream 2 and 3 will be formally agreed upon during contracting, although the IP should devote significant portions of their proposal towards the expected commitment required for them to deliver the appropriate acceleration services/resources to our target 3-5 project developers.

**Workstream 1: Setting-up the CAPE platform and generating a pipeline of prospective projects.** The Implementing Partner’s activities will include:

- Establishing project governance structures and defining roles and responsibilities, including through appropriate documentation;
- Developing and curating the CAPE workplan over the 18 months;
- Identifying a pipeline of high integrity nature-based carbon projects. CAPE will be geography agnostic in order not to limit the pipeline which will already be constrained by the biodiversity-carbon nexus requirement. While FSD Africa has developed an initial pipeline, the IP will develop this pipeline via:
  - Conversations with project developers, nature funds, accelerators, guarantee providers and major institutional investors;
  - Possible in-country visits, research, and networking.
- Creating an appropriate screening criterion for projects/project developers (that will include - for example project stage, commercial/technical feasibility, other funding sources (e.g. investor interest), business model, developer capacity, additionality of CAPE to the project and an evaluation of co-benefits and integrity);
- Proposing a framework for segregating between grant and returnable grant funding - our current hypothesis (further expanded in Appendix A) is that generally transaction advisory will be grant funded and project development services will be funded via returnable grants with concessional terms;
- Undergoing initial screening and due diligence to reach a recommendation on the 3-5 project developers that CAPE will support;
- Scoping potential investors and off-takers, both commercial and concessional, providing recommendations on an appropriate engagement approach.

***Deliverables:***

- i) Development of a CAPE governance plan (with documentation and approval processes defined),
- ii) Relevant project-by-project workplans (along with a whole-of-pilot CAPE workplan), updated as required for relevant meetings,
- iii) Pipeline with finalised scoping criteria,
- iv) Ranking and recommendation of engagement for the top five projects,
- v) At end of project - in lesser detail - a ranking of all projects in the pipeline, to guide any future phases.

**Workstream 2: Providing transaction advisory and project development services to 3-5 selected projects.**

Our expectation is that the Implementing Partner will have in-house capability to directly provide a large amount of the transaction advisory support to projects (although this is not a mandatory requirement). For more specialist project development services to pipeline companies, while we do not expect the Implementing Partner will be able to offer services directly, we expect them to support the outsourcing/management to a requisite partner. However, we are open to (and indeed, would prefer) proposals from IPs that have some of these skills in-house. A menu of potential services is considered in Appendix A. Given this, activities will involve:

- Engaging with selected project developers against the menu of service options (illustrative list outlined in the Appendix) and determining which services are likely to be most beneficial in unlocking investment;

- For each project, providing an assessment to the Project SteerCo on which services are required, how they will be provided (i.e. in-house vs outsourced) and how they will be funded. There may need to be some flexibility on a case by case basis in determining the precise split between what services should be supported by a returnable grant and what will not;
- For each project (working with the FSD Africa DI team), provide definition of a broad set of development, environmental and social (incl. gender/IPLC-related) indicators/targets that may be used to support the creation of any commercial business case;
- Delivering in-house services - once endorsed by the SteerCo - to the relevant project developers over the course of the pilot, driving individual deliverables to completion;
- Supporting procurement of required external services, including through identifying and assessing experts (together with the Working Team);
- Establishing the terms for the returnable grants, and developing the relevant agreements, tracking frameworks and payment mechanisms to support the procurement of external services;
- Tracking project-by-project delivery of services (against defined deliverables), reporting against them over the course of the pilot to the Project SteerCo and Working Team, and enabling continued learning within the Working Team around the provisioning of services.

**Deliverables:** To be agreed with the Implementing Partner during contracting based on services selected for 3-5 developers.

**Workstream 3: Producing and disseminating open-source market-building content and resources (a 'Living Lab')** in order to systematise ecosystem learnings. Activities will likely include:

- Creating thought-leadership pieces (e.g. case studies, blogs, interviews) that highlight successes and issues arising in the work of CAPE-supported projects, with the ultimate intention of accelerating pipeline project developers towards funding;
- Sourcing additional external resources that are - with agreement of the original content creators - able to be shared to complement the 'Living Lab';
- Provisioning of 2-3 case studies of comparable investments (in emerging markets, with a focus on NBSs and alternative revenue streams) to be used to demonstrate best-in-class project examples for investors;
- Addressing informational constraints to investment through targeted outputs describing specific country or project nuances to help investors make informed decisions faster, including on key topics like country-level carbon regulations, drawing from other FSD Africa work;

**Deliverables:** To be agreed with Implementing Partner during contracting; a focus will be made on developing documentation that is accessible and usable for widespread dissemination.

**Workstream 4: Documenting and reflecting on pilot learnings and determining the future, post-pilot direction of CAPE.** Activities will include:

- At inception phase, refining hypotheses to be tested as part of the pilot. Such hypotheses would allow FSD Africa to consider (among others)
  - i) The key barriers to investors, project developers and capital flows for biodiversity-led, carbon-financed projects,
  - ii) FSD Africa's additionality in supporting technical advisory services within CAPE's scope,
  - iii) The most effective way for CAPE to support a scale-up in NBS investing
- Developing - in conjunction with the Working Team - quarterly reporting to include reflections on the progress of CAPE;
- Assessing and provide recommendations on the future direction, scope and scale of CAPE;
- Developing a funding, partnership and implementation plan for a further 2-5 years of programming;
- Assessing CAPE's development impact and contribution to ESG/gender-related vision in line with this proposal.

***Deliverables:***

- i) progress reports and feedback meetings,
- ii) Internal report intended for FSD Africa's Executive Committee consideration, providing recommendations on future strategy and phases of CAPE.

***Additional Deliverables:***

- i) Within three weeks of the project's commencement, deliver an inception report (in Word/PPT format) indicating how the Implementing Partner's intends to proceed with the CAPE pilot,
- ii) Deliver weekly updates to the Project Working Team providing transparency by highlighting the Implementing Partner's overall achievements for that week/month and priorities for the following weeks/months,
- iii) Provide further support as is reasonably agreed upon between the Implementing Partner and FSD Africa (e.g. the IP may make themselves available to present and share information to other FSD Africa teams upon request, and all FSD Africa stakeholders may receive final deliverables - both externally-facing and internal - upon completion).

#### **4. Project Governance**

The IP will deliver this work alongside FSD Africa's teams. FSD Africa's Early-Stage Financing and Risk & Resilience Pillars will oversee this work, but will also draw strongly from the experience and connections from the investment arm, FSD Africa Investments (FSDAi). The IP will need to engage collaboratively with many of FSD Africa's internal teams (incl. its Development Impact and Strategic Communications Functions) and external partners/funders. The IP will sit on both the CAPE SteerCo and Project Working Team - the formal forums through which CAPE will be delivered. Through these forums, the IP will need to demonstrate flexible in their thinking, and incorporate emerging insights, themes and partnerships that develop based on the Workstreams. FSD Africa is very open to clarifying dependencies and questions around how the IP may best support CAPE's objectives needed prior to the closure of bids as per Section 9.

CAPE will be governed by FSD Africa through a separate Project SteerCo and Working Team. The Director of Risk & Resilience will chair the SteerCo that will include the Director of Early-Stage Financing and FSDAi's Chief Investment Officer. The SteerCo will meet as required (anticipated, monthly), will formally designate responsibilities to the Project Working Team, and will be focused on strategic decisions and approvals. The IP will report directly to the SteerCo and be accountable for the deliverables laid out in an agreed-upon Scope of Work formalized during contracting. The SteerCo expects to particularly discuss progress and learnings associated with the acceleration services in WS2. The Working Team will be led by FSD Africa's Carbon Markets Lead and the Implementing Partner, who will jointly host and coordinate regular meetings (weekly) and be accountable for reporting, development impact and communications. The Working Team will also be comprised of technical staff from FSD Africa's Nature and Early-Stage Financing teams. SteerCo members may join some of these meetings. Roles and responsibilities will be formally confirmed by the SteerCo.

#### **5. Timelines and Availability**

The IP is expected to execute the tasks under this scope of work from August 2024 to February 2026. If the commencement of the services should be delayed, the completion date will be adjusted accordingly (in discussion between the IP and relevant FSD Africa personnel). FSD Africa expects this bid to include a high level of availability, especially in working up to key milestone dates (to be defined). FSD Africa notes its interest in being able to celebrate CAPE's mission, pipeline and insights at relevant public forums and events. These may include COPs, Africa Climate Week etc. where FSD Africa hopes that a strong advocacy program will provide opportunities to test emerging findings. The IP may be requested to join such events.

CAPE's timelines are expected to be defined at an early stage of the Pilot - FSD Africa welcomes the IP's thoughts on implementation in their proposal. FSD Africa envisages Workstream 1 would be largely completed in the first -six months of this project, with the pipeline of 3-5 project developers confirmed before December 2024. Workstream 2 would run over the full lifetime of the pilot, and would deliver services until financial close is secured. Workstream 3 will be informed by Workstream 1 & 2's findings, and would pick up pace in the second half of the pilot. Workstream 4 would only be focused on in the last three months of the pilot (i.e. around September 2025).

## 6. Place of Performance

The IP is expected to execute the tasks under this Scope of Work through a methodology that allows for largely remote work. It is expected that the majority of the research, partnership building and strategic communications can be delivered without an on-the-ground presence. While there is no strict requirement for work to be completed in person, it is expected that the methodology proposed (e.g. pipeline identification and analysis, delivery of acceleration services) must be robust enough to meet the Scope and that some travel will be required for both workstreams 1 and 2. It is expected that the IP would be able to operate according to East African timezones, given that the majority of the FSD Africa teams works from Nairobi and London.

Please note that as per Kenya’s tax law, FSD Africa will pay the IP after deducting the appropriate withholding taxes at the applicable rate between Kenya and the IP’s country of tax residence, considering any tax treaties in force. It is the responsibility of the IP to keep themselves apprised of these applicable taxes.

Country	WHT Rate
Kenya	5%
United Kingdom	12.5%
Canada	15%
Germany	15%
India	10%
Non-resident rate for citizens of EAC member countries	15%
All other countries	20%

## 7. Invitation To Submit Proposal

### 7.1. Format for Submission

FSD Africa is inviting proposals from suitably qualified firms (or consortia) for the role of the Implementing Partner. The proposal should contain:

- A short description of your ability to complete the assignment within the proposed timeline;
- A description of how you intend to fulfil the deliverable requirements in the Proposed Scope of Work in Section 3, with particular detail required for a proposal on the deliverables for Workstream 2 - the extent you can support transaction advisory and project development services, specifying whether these will be in-house or outsourced;
- Any proposed changes to the Proposed Scope of Work in Section 3.
- A summary of your relevant qualifications and experience for the assignment, based on the Key Qualifications and Assessment Criteria outlined in Sections 5 and 8;
- CVs (max 3 sides of A4) of key individuals, tailored to the assignment;
- Outline of team structure, including roles and responsibilities of team members (if relevant);
- An itemised budget for both professional fees and reimbursable expenses, including fee rates, number of days and a breakdown of expenses, quoted in GBP. This should include a breakdown of prospective acceleration services that could be offered for WS2 - either in-house (directly provided by the IP) or through outsourced specialist services.

Your proposal, which should not exceed 15 pages (excluding annexures, CVs etc.), should be sent by email to FSD Africa at [bids@fsdafrica.org](mailto:bids@fsdafrica.org) by **1800 hours East Africa Time on 24 July 2024**.

### 7.2. Criteria for Selection

FSD Africa will select an Implementing Partner based on their proposal’s ability to address the below criteria. The selection of an Implementing Partner will be carried out via open tender. If required, after our assessment, we may contact potential IPs if we seek further clarification. All assessments will be carried out according to FSD Africa’s Procurement Policies.

The IP will demonstrate the following mandatory qualifications and experience:



- Demonstrate relevant professional experience delivering research, transaction advisory, project development and/or consultancy services of a similar nature ideally across lower- and middle-income countries in Africa;
- Demonstrate a strong understanding of the impact investment ecosystem, and in engaging with ‘types’ of projects that may be strong candidates to become part of the CAPE pipeline. Previous experience in engaging a broad array of investors (incl. those based/focused on African markets) is also considered desirable;
- Demonstrate a solid foundational knowledge on the relevance of various demand/supply side factors associated with funding projects with carbon or nature-positive outcomes, evidenced through the response for proposal (e.g. incl. successfully completing assignments from the last five years that consider such factors);

The IP shall be assessed according to the following assessment criteria:

- The IP’s **experience**, technical expertise and qualifications relevant to the Scope of Work:
  - Previous experience of consultancy, research, strategy, economic analysis, project development services or transaction advisory for carbon / NBS project developers, preferably in Africa;
  - Previous experience of running accelerator programmes;
  - Previous experience engaging with topics associated with carbon credit financing, natural capital and impact investment, including through the measuring, monitoring and reporting against co-benefits or development impact,
  - Previous academic or policy experience in fields relevant to the Scope of Work.
  - Where possible, referrals to support previous evidence of the above.
- The IP’s **ability to execute** against the Scope of Work outlined in Section 3, especially in regards to WS2, including;
  - Proposal for resourcing that aligns with the level of effort to required to deliver the Scope of Work and combines the right blend of resources by seniority and by technical area;
  - Proposal to deliver CAPE Pilot’s objectives alongside project developers, both impact and commercial investors, strategy, research/data, advocacy & communications teams (incl. level of in-house capability to provide transaction advisory and/or project development acceleration services);
  - Proposal to engage with senior leadership of investors, regulators, policymakers and pipeline in order to deliver the required acceleration services and strength of relevant networks and partnerships,
  - Proposal to narrow down lines of enquiry on environmental topics to distill clear recommendations and insights (as per Workstream 3 & 4-type deliverables),
  - Proposal to co-work on projects with development partners who must be enabled to take-over and own deliverables (i.e. how FSD Africa its relevant Pillars will take over this work) and,
  - Proposal to incorporate developmental needs and priorities of prospective local beneficiaries through a discussion on how gender, IPLCs and vulnerable communities may be supported through the pipeline companies and prospective acceleration services.
- The IP’s **quality of proposal, implementation recommendations and expected deliverables** in response to the Scope of Work (understanding, approach to the assignment, originality, relevance) and;
- The IP’s **value-for-money proposal** for this assignment, based upon fees and total costs for this assignment.

The criteria for determining the winning bid will be weighted as per the table below.

Basis of assessment:	Weighting
The IP’s <b>experience</b> , technical expertise and qualifications relevant to the Scope of Work.	30%
The IP’s <b>ability to execute</b> against the Scope of Work outlined in Section 3, esp. in regards to WS2.	20%
The IP’s <b>quality of proposal, implementation recommendations and expected deliverables</b> in response to the Scope of Work (understanding, approach to the assignment, originality, relevance).	20%

Basis of assessment:	Weighting
<p>The IP's <b>value-for-money proposal</b> for this assignment, based upon fees and total costs for this assignment. This will be calculated according to the below calculation. The lowest bid quoted will be allocated the maximum score of 30%. Fee quoted must be inclusive of applicable withholding tax.</p> <p>FS = 30% x LB/BP where:</p> <p>FS = is the financial score</p> <p>LB = is the lowest bid quoted</p> <p>BP = is the bid of the proposal under consideration.</p>	30%
<b>Total</b>	<b>100%</b>

## 8. Questions and Contacts

Questions or comments in respect of these terms of reference should be directed by email to [bids@fsdafrica.org](mailto:bids@fsdafrica.org), by **1800 hours East Africa Time on 15 July 2024**. Responses to these questions will be published as an addendum on our website by **1800 hours East Africa Time on 17 July 2024**.

## APPENDIX A: TYPES OF ACCELERATION SERVICES

FSD Africa intentionally distinguishes between two types of acceleration services:

- a) **Transaction Advisory Services:** Reflecting the primary aim of demonstrating how commercial investment can be achieved, these services will be a large focus so that we get projects to financial close. Given that this activity is necessarily exploratory and working within an unproven, nascent market, FSD Africa expects the support will be provided on a grant basis. The types of services could include:
  - Creating fit-for-purpose materials to support commercial viability and validation, including building financial models, drafting pitch decks, business plans etc.;
  - Identifying relevant investors (e.g. by sector, geography, ticket size and risk appetites), identifying opportunities to engage with these investors;
  - Managing investor outreach processes, ensuring consistent storytelling and responding to investor requests;
  - Where necessary, building out data rooms, responding to diligence requests by conducting extra analysis or research, and engaging with external expertise to stress-test key assumptions;
  - Modelling out specific terms to support developers understand trade-offs, working with them as an ‘honest broker’ to structure options and responses to terms provided; this may require the Implementing Partner to take part in negotiations themselves;
  - Supporting the receipt of a project-specific credit rating, if needed.
  
- b) **Project Development Services:** Specialist technical project development work will in most cases also be required for projects to reach a point where investment is feasible. Since this work is intrinsic to the projects (i.e. it is early investment in the projects themselves) FSD Africa expects these services will generally be provided through a returnable grant, which will be repayable after successful financial close. These services could include:
  - Providing sector-specific guidance on MRV techniques and requirements for both carbon and biodiversity outcomes;
  - Developing jurisdiction-specific PDDs;
  - Developing benefit sharing frameworks and agreements (BSAs);
  - Developing separate biodiversity studies as required - this might often be developed alongside academic or scientific institutions and can see a project developer partner working with an array of data providers (e.g. drone/sensor technologies);
  - Providing due diligence assessments;
  - Providing a wide array of both standardised and ad-hoc legal support.