



## TERMS OF REFERENCE

### **Nature-First Innovation Lab (NFIL) - Pilot** *Implementing Partner*

## CALL FOR PROPOSALS

### **1. Introduction**

FSD Africa is seeking to appoint an **Implementing Partner to deliver the Nature-First Innovation Lab (NFIL)**, a market-building accelerator that supports nature-positive enterprises to achieve investment readiness. NFIL is designed to unlock private investment into scalable, nature-positive business models across Africa. It builds on FSD Africa's established track record in early-stage finance and market development.

NFIL is a 12-month pilot programme (March 2026 – March 2027) that will support a first cohort of 6–8 post-feasibility enterprises.

It targets nature-first enterprises whose primary revenue streams are not carbon-linked, delivered through a cohort-based approach that focuses on 1–2 business models at a time. The first cohort centers on regenerative and sustainable supply chains, with future cohorts expected to address environmental markets beyond carbon (such as biodiversity or ecosystem-integrity credits), conservation and nature-positive tourism, payments for ecosystem services, and outcome-linked financial instruments.

Through a combination of catalytic capital, hands-on transaction advisory, targeted project development support, and structured investor engagement and capacity building, NFIL is designed to strengthen the investment case for selected nature-first business models, moving them from niche or concessional toward replicable and investable by mainstream financial institutions. The pilot is designed to test and refine the model, with a clear pathway to scale into future cohorts, subject to performance and funding.

The Implementing Partner will play a central role in delivering the full NFIL pilot, working closely with FSD Africa to operationalise the programme, support selected enterprises, engage investors, and generate market-building learning. FSD Africa is seeking an Implementing Partner that brings innovative thinking on delivery and sustainability, including approaches that help position NFIL to evolve into a self-sustaining facility over time.

Additionally, FSD Africa is seeking an Implementing Partner that is willing to align its incentives with the success of the programme. This may include performance-linked delivery models, co-investment, success-based remuneration, or other mechanisms through which the Implementing Partner shares in both outcomes and risk, reflecting a shared commitment to building a scalable, investable pipeline of nature-positive enterprises.

## 2. Project Background

### 2.1 About FSD Africa

**Established in 2012 and funded by UK Government, FSD Africa is a specialist development agency working to strengthen financial markets across sub-Saharan Africa.** From our headquarters in Nairobi, we work with governments, regulators, financial institutions and real economy actors to address the structural barriers that limit investment and economic resilience. Through a blend of grants, catalytic and patient capital, technical assistance, and market insights, FSD Africa aims to stimulate innovation, unlock capital flows, and build transparent, resilient and inclusive financial systems.

More information may be found at [www.fsdafrica.org](http://www.fsdafrica.org).

**ANCA, established by FSD Africa in 2022, is Africa's leading platform for advancing nature-positive finance.** With over 130 member institutions representing more than £1 trillion in assets, ANCA convenes financial institutions, governments, regulators, development partners and civil society to shape policy, strengthen regulatory frameworks, and mobilise action on nature-related risks and opportunities. Further information is available at <https://africannaturalcapitalalliance.com/>

### 2.2 Project Context

Africa hosts some of the world's most important ecosystems and natural capital, yet remains severely under-financed in mobilising investment into nature-positive economic activity.<sup>1</sup> Globally, trillions of dollars continue to flow into nature-negative activities each year, while investment into nature-based solutions remains a fraction of what is required. Africa, in particular, receives only 3% of global biodiversity finance despite its ecological significance and dependence on natural capital for livelihoods, resilience and economic growth.

The limited flow of capital into nature-positive activities reflects persistent structural and transaction-level market failures, including a shortage of investment-ready projects, limited developer capacity, weak track records, high perceived risk among financial institutions, and gaps in decision-useful data and performance evidence.

As a result of these unresolved transaction-level barriers, **many locally led, high-integrity nature-first initiatives remain under-resourced and unable to scale.** Projects frequently stall due to limited access to catalytic capital, hands-on transaction structuring, and credible pathways to engage investors. Existing market mechanisms rarely provide the depth of risk mitigation, capital sequencing, and advisory support required to move nature-positive projects to bankable investment.

NFIL is designed to address these transaction-level constraints directly, complementing FSD Africa's broader work on policy, data, and financial-sector capacity building.

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<sup>1</sup> According to UNEP, Africa receives only ~3% of global biodiversity finance

### 2.3 Introduction to the NFIL Pilot

The Nature-First Innovation Lab (NFIL) is a **market-building accelerator** designed to address one of the most binding constraints to scaling nature-positive finance in Africa: the shortage of credible, investment-ready nature-first enterprises. NFIL focuses on **post-feasibility projects** that have demonstrated technical and commercial potential but remain unable to attract appropriate private capital due to transaction-level barriers, high perceived risk, and limited investor familiarity with nature-based revenue models. NFIL's main goal is to strengthen the investment case for selected nature-first business models, moving them from niche or concessional toward replicable and investable by mainstream financial institutions.

**NFIL is designed to support the full spectrum of nature-positive business models over time**, spanning regenerative and sustainable supply chains, environmental markets beyond carbon (such as biodiversity or ecosystem-integrity credits), conservation and nature-positive tourism, payments for ecosystem services, and outcome-linked financial instruments. To deliver effectively across this breadth, the programme adopts a **cohort-based, business-model-by-business-model approach**, with each cohort concentrating on one or two models at a time.

The **pilot cohort will focus on regenerative supply chains**, where commercial logic is relatively mature, corporate and offtaker demand is growing, and investor interest is emerging, yet access to appropriately structured finance remains constrained in African markets. This focus allows NFIL to test its delivery model in a segment with realistic near-term investment potential, while still addressing material biodiversity, resilience, and livelihood outcomes.

**The NFIL pilot will run for 12-months (Mar 2026-Mar 2027) and support 6–8 enterprises**, with at least two projects sourced from **Tanzania, Ethiopia or Malawi**. While the pilot is time-bound, it is designed to **advance projects toward investment readiness and, where possible, support progress toward financing**. Some enterprises may reach financial close during the pilot period, while others are expected to do so subsequently. In all cases, the core objective is to equip enterprises with the technical, commercial, and institutional foundations required for scalable investment, reduce information asymmetries between projects and investors, and build confidence in nature-first business models, with continued engagement beyond the pilot where needed.

**As a pilot, NFIL is also intended to generate evidence and learning that will inform the design of future cohorts**, including potential expansion into additional business models and geographies. Subject to performance and the availability of funding, NFIL is expected to evolve into a multi-cohort platform, with lessons from the pilot phase shaping its future scope and delivery approach.

### 2.4 Project Objectives

The objectives of the NFIL pilot are:

1. **To deepen the financial sector, particularly for African FIs**, and build investor confidence by bringing 6-8 nature-first enterprises to investment-readiness, strengthening the pipeline of credible opportunities
2. **To catalyse sector transformation** by enabling nature-positive incumbents and innovators to scale, helping shift key industries to more sustainable practices

3. **To deliver lasting on-the-ground impact** including climate resilience, ecological restoration, livelihood improvements, and gender-responsive outcomes by supporting enterprises to scale
4. **To position NFIL for scale-up** by using pilot evidence to refine delivery models and mobilise additional funding for a multi-year facility

## 2.5 Proposed Project Scope of Work and Deliverables

The NFIL pilot is structured around four interlinked workstreams:

### **Workstream 1: Platform set-up and pipeline identification**

This workstream will lay the foundations for NFIL, formalising the facility's operating model, preparing for effective delivery and will establish the sourcing, screening, and selection of promising nature-positive transactions. Activities will include:

- Identify and select the **first cohort of 6-8 regenerative supply chain projects** through the wider African nature-first ecosystem, the Implementing Partner's own networks, the ANCA network among others, applying clear screening criteria and due diligence to prioritise investment-ready opportunities.
- Establish **NFIL's governance and delivery model** with clear roles, decision-making protocols, and operating processes; and finalise a detailed workplan with timelines and milestones.

**Key deliverables will include:** i) NFIL governance and delivery plan, including documented roles and responsibilities, decision-making and approval processes, and alignment with our Carbon Accelerator Programme for the Environment (CAPE) governance arrangements<sup>2</sup>; ii) Comprehensive workplan, setting out timelines, milestones, responsibilities, and dependencies across all workstreams; iii) Pipeline of prospective projects with screening and ranking criteria (including assessing financial viability, scalability and investor relevance), iv) Recommendations on the selected 6-8 regenerative supply chain projects for support; v) Project-specific scoping reports for selected enterprises, identifying technical, commercial, financial and environmental gaps to be addressed during pilot; vi) Updated pipeline register with an expanded longlist to inform future phases.

### **Workstream 2: Transaction advisory, project development and investor engagement**

This is expected to be the primary focus of NFIL's resources. Services under this workstream will be divided into three main types:

- a) **Grant-funded transaction advisory** to support selected projects to investment readiness, including, amongst others, financial and transaction data rooms, documentation and structuring, due diligence support, and term sheet negotiation.
- b) Targeted project development support through **technical assistance and grants** (including returnable grants where appropriate) to address project-specific barriers, such as impact measurement, community benefit-sharing, certification schemes, specialist studies, etc.

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<sup>2</sup> See Project Governance section for additional information

- c) Facilitate **structured investor engagement**, including investor mapping and studies, matching projects with appropriate investors, holding investor convenings and working groups, enabling early feedback, supporting due diligence and negotiations, and generating learning to inform future cohorts, prioritising African and regional capital providers.

**Activities under a) and b) will include:**

- Developing project-specific workplans and determining the mix of transaction advisory, technical services and investor engagement needed;
- Establishing grant agreements and repayment terms for returnable funding;
- Supporting procurement of external experts as necessary (esp. for targeted project development support);
- Tracking delivery of services against agreed milestones and reporting progress to the Steering Committee.

**Activities under c) will include:**

- Mapping African and regional investors to understand their nature and biodiversity priorities, risk-return expectations, ticket sizes, and preferred instruments and transaction types.
- Using investor landscape insights to design tailored engagement pathways, aligning outreach, convenings, and deal structuring with investor appetites and decision-making processes.
- Delivering targeted capacity-building and on-the-job training for financial institution staff to strengthen assessment of biodiversity and ecosystem-related risks, opportunities, and impacts in Tanzania, Malawi or Ethiopia (in line with NORAD funding requirement).
- Hosting structured project-investor working groups to jointly explore transaction structures, risk allocation, and investment terms, enabling iterative refinement based on market feedback.

Support will also be provided by FSD Africa's enabling functions, including FSDAi's investment expertise, gender, Carbon and DI teams, and strategic communications.

**Key deliverables will include:** detailed project-by-project support (varying by level of maturity) and progress tracking reports, records of technical assistance delivered, documentation of financial structuring, synthesis of the investor mapping, engagement and capacity building activities, as well as tailored project readiness assessments.

**Workstream 3: Market-building and knowledge sharing (Living Lab)**

This workstream will generate practical insights and tools to build market confidence in nature-positive finance and showcase demonstration transactions. Activities will include:

- Producing **case studies and learning outputs** that document successes, challenges, and lessons from supported projects to inspire replication and attract domestic capital;
- Creating **guidance materials on structuring biodiversity investments**;
- Hosting **knowledge-sharing events and targeted publications** to strengthen the enabling environment.

**Key deliverables** to be agreed with the Implementing Partner; emphasis will be placed on resources that are accessible, actionable, and widely disseminated.

**Workstream 4: Learning, evaluation and scale-up design**

This workstream will synthesise pilot evidence, test core assumptions, and define recommendations for scaling NFIL. It will assess potential design refinements for future cohorts, such as the role of specialist technical partners, longer support windows, or phased acceleration models, based on pilot learning to ensure the programme remains practical and responsive to enterprise needs. More specifically:

- Define **learning questions, success metrics, and evaluation criteria** at inception;
- Conduct structured **quarterly reviews** to assess progress, constraints, and delivery performance;
- **Evaluate development impact**, including contributions to biodiversity, resilience, and social inclusion;
- Assess the **effectiveness of NFIL's delivery model** and identify design refinements for future cohorts;
- Develop **options for scaling**, including funding, partnership, and implementation models.

**Key Deliverables will include:** i) quarterly progress reports and learning summaries, ii) internal assessment report with recommendations for scaling, iii) funding and implementation roadmap for a multi-year NFIL programme.

The Implementing Partner will be responsible for delivering all four workstreams in close collaboration with FSD Africa. This includes day-to-day programme management, delivery of advisory services, management of grant instruments, coordination with investors and partners, reporting, and contribution to learning and scale-up design.

Subject to performance and the availability of additional funding, the Implementing Partner may also be considered for future NFIL cohorts, providing continuity and enabling programme scale-up.

### 3. Project Governance

**NFIL will operate under an integrated governance structure shared with FSD Africa's other nature accelerator: the Carbon Accelerator Programme for the Environment (CAPE)** (more details: <https://cape.fsdafrica.org/>). A joint Steering Committee will provide strategic oversight and approvals. Day-to-day delivery will be managed by an NFIL Project Working Group (delegated by the Steering Committee), co-led by FSD Africa staff and the Implementing Partner. FSD Africa's Nature Programme team will coordinate the overall accelerator, and the Implementing Partner will collaborate with ANCA and other partners in decision-making. All roles, responsibilities and decision protocols will be documented in the NFIL governance plan (as part of WS1 deliverables).

### 4. Timelines and Availability

**The pilot NFIL cohort runs from March 2026 until March 2027.** Based on performance and availability of funds, the Implementing Partner *may* be retained to support subsequent cohorts. 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 NFIL's mission, pipeline and insights at relevant public forums and events. These may include COPs, LCAW etc. where FSD Africa hopes that a strong advocacy program will provide opportunities to test emerging findings. The Implementing Partner may be requested to join such events.

## 5. . Proposal Submission

This is an open competitive call for proposals and FSD Africa invites **proposals** from qualified firms or consortia. Proposals should be concise (recommended ≤15 pages, plus annexes) and include:

- **Cover letter:** Overview of the firm(s), proposed team, and confirmation of availability for the full 12-month pilot.
- **Approach and methodology:** Clear description of how you will meet each component of the scope (especially transaction advisory/WS2), including any innovations. Highlight any proposed changes or enhancements to the outlined scope. A high-level workplan and indicative timeline for key deliverables should be included.
- **Outcome-linked delivery and risk-sharing:** A description of proposed approaches to aligning the Implementing Partner's incentives with the success of NFIL. This may include performance-linked delivery, co-investment, success-based remuneration, joint fundraising for future cohorts, or other mechanisms that strengthen shared ownership of the programme's success. Proposals are expected to set out clearly how such approaches would operate in practice, including the conditions under which they would apply, the outcomes they would be linked to, and the implications for both delivery and risk-sharing. Any proposed incentive-alignment mechanisms will be assessed on their feasibility, value for money, and alignment with NFIL's objectives and governance framework.
- **Qualifications and experience:** Summary of relevant expertise of the firm(s) and team members, aligned to the criteria (project experience, thematic knowledge, sector networks). Include brief CVs (max 3 pages) for key staff, and an organisation chart (roles/responsibilities).
- **Budget:** Detailed, itemised budget in GBP for professional fees and reimbursable costs. Show fee rates and effort by person-days. Include separate line items for grant/disbursement funds vs. fees. The budget should demonstrate value for money while covering all deliverables. Refer to Annex 1.
- **Implementation plan:** Outline of project management and governance arrangements (e.g. internal team roles, coordination with FSD Africa and NFIL governance bodies).
- **References/Annexes:** Provide up to three references for similar projects/programmes.

**Submission deadline:** Proposals must be sent by email to [bids@fsdafrica.org](mailto:bids@fsdafrica.org) with the subject “**Call for Proposals: NFIL Implementing Partner**” by **1200 hrs EAT on Monday 16 February 2026**. Late or incomplete submissions will not be considered.

## 6. Basis of Award

### Mandatory Requirements

#### Required Expertise and Team

The Implementing Partner must demonstrate **deep experience in nature-positive finance and project acceleration**. Key qualifications include:

- **Demonstrated expertise across the core nature-positive business models targeted by NFIL**, including regenerative and sustainable supply chains, conservation and restoration, biodiversity or ecosystem-service markets, nature-positive tourism, and outcome-linked financial instruments in Africa.
- **Demonstrated ability to source and mobilise a strong and diverse pipeline** of relevant nature-first enterprises across Africa, aligned with the focus of each cohort.
- **Proven track record of working with African project developers and businesses, experience in transaction advisory, project development, or enterprise support** for regenerative and sustainable supply chains, preferably in Africa (e.g. agriculture and land-use value chains).
- **Technical expertise in blended finance and grant management** (including structuring of returnable grants), with clear evidence of managing similar funds.
- **Demonstrated track record of engaging African financial institutions and investors, and of building financial-institution capacity** to originate, assess, and deploy capital into nature-positive investments. Experience in convening investor working groups and roundtables.
- **Proven track record in developing and applying intellectual property (IP)** related to nature finance, nature-finance flows, investor demand, and market readiness,
- **Adequate organisational capacity and senior leadership to commit to the workplan**. The Implementing Partner should propose a team with relevant subject-matter specialists (e.g. financial structuring, biodiversity economics, ESG) and provide CVs (max 3 pages each) for key personnel. Preference to be given to teams based in Africa.

The IP will work in close partnership with FSD Africa's team; for example, CAPE experience indicates the IP should co-chair the Working Group and integrate with FSD Africa's Carbon and Nature teams.

Proposals will be evaluated on technical merit and cost-effectiveness. The assessment criteria is as described below;

Basis of assessment	Weighting (%)
The IP's experience, technical expertise and qualifications relevant to the Scope of Work.	25%
The IP's ability to execute against the Scope of Work , especially in regard to WS2.	15%
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).	20%
Supplier's demonstration of sustainability value add:  Bidders that demonstrate localisation, gender, environmental and ethical considerations will be assigned merit points/scored favourably compared to their competitors ;  Localisation: demonstrated use of African based team members - 5%	10%

Gender – prioritisation of women & underrepresented groups -2.5%	
Environmental safeguards and ethical considerations (a commitment to sustainability through eco-friendly practices, products/services as well as ethical practices such as fair treatment of employees)-2.5%	
<p>The IP's value-for-money proposal for this assignment, based upon fees and total costs for this assignment. This will be calculated according to the calculation below. The lowest bid quoted will be allocated the maximum score of 30%. Fee quoted must be inclusive of applicable withholding tax.</p> <p><b>FS = 30% x LB/BP where:</b></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>

During evaluation, FSD Africa may conduct clarifications or oral presentations. Shortlisted bidder(s) will undergo **due diligence** in line with FSD Africa's procurement policy. This will include financial, legal and organisational checks on the recommended IP, as well as vetting of the proposed project pipeline. The final award will be subject to FSD Africa's Board approval.

## 7. Contact

Questions or comments regarding these terms of reference should be directed to [bids@fsdafrica.org](mailto:bids@fsdafrica.org) and received no later than **1000 hrs EAT on Friday, 6 February 2026**. Responses and clarifications will be provided by **1200 hrs EAT on Tuesday 10 February 2026** through the same advertisement channels.

## 8. Applicable Taxes

As per Kenya's tax law, FSD Africa will pay the Consultant after withholding the appropriate taxes at the applicable rate between Kenya and the Consultant's country of tax residence, considering any tax treaties in force. The Consultant is responsible for keeping themselves apprised of these applicable taxes. The table below, however, guides the applicable rates as per tax regimes.

Country	WHT Rate
Kenya	5%
United Kingdom	12.5%
Canada	15%
Germany	15%
India	10%

Non-resident rate for citizens of EAC member countries (member countries attached)	15%
All other countries	20%

### Annex 1: Proposed Fee Schedule

Costs should be shown separately in the format set out below. Fees proposed by tenderers should be inclusive of all taxes.

<b>Consultancy fees*</b>	<b>Days</b>	<b>Fee USD/GBP</b>	<b>Total USD/GBP</b>
xx			
xx			
<b>Total remuneration</b>			<b>0.00</b>
<b>Reimbursement costs**</b>	<b>Unit</b>	<b>Cost USD/GBP</b>	<b>Total USD/GBP</b>
xx			
xx			
<b>Total reimbursement cost</b>			<b>0.00</b>
<b>Total proposed costs</b>			<b>0.00</b>
<i>*Fees incl of all taxes</i>			
<i>**Expenses to be reimbursed on actual costs as per FSD Africa's travel policy</i>			