



Terms of Reference (ToR)

Prefiguration study of the Congo Basin Blue Fund



United Nations Development Programme
2018

1. Context and Rational

On 16 November 2016, on the margins of the COP22 in Marrakesh and at the behest of the King of Morocco, His Majesty Mohammed VI, African Heads of State and Government decided to establish three Commissions among which the Congo Basin Climate Commission chaired by the Republic of the Congo.

Still on the margins of COP22, the President of the Republic of the Congo proposed the establishment of a Congo Basin Blue Fund.

This Fund aims to pool the necessary resources from governments, donors and investors, to finance the implementation of projects and programmes contributing to sustainable development and to the promotion of a blue economy.

In March 2017, the Republic of the Congo organized in Oyo (in the North) a Ministerial Conference for the launching of the Blue Fund, which was crowned by the signing of a Memorandum of Understanding establishing the Fund.

The Memorandum of Understanding establishing the Blue Fund was signed on 09 March 2017 by the following States: Angola, Burundi, Congo, Cameroon, Gabon, Central African Republic, Democratic Republic of Congo, Rwanda, The Kingdom of Morocco and Chad.

In October 2017, Brazzaville hosted the Conference of Ministers of Environment and Finance of the Economic Community of Central African States (ECCAS) and the East African Community (EAC) on the Acceleration of the Operationalization of the Congo Basin Climate Commission and the Congo Basin Blue Fund and the adoption of the ECCAS/EAC Common Position at the COP23.

The Brazzaville Conference of October 2017 led, among others, to the adoption of the Brazzaville Declaration on the Acceleration of the Operationalization of the Congo Basin Commission and Blue Fund, recommending that the name "Congo Basin Commission" becomes "Congo Basin Climate Commission". In addition, a roadmap, whose implementation is onus of the Regional Ad hoc Committee, was adopted.

One of the recommendations of the Brazzaville Declaration involved urging the Kingdom of Morocco, through 4C (Climate Change Competence Centre) to provide the requisite support for the implementation of the Congo Basin Blue Fund, especially to mobilize the necessary funding for the prefiguration study of the Congo Basin Blue Fund.

On 29 April 2018, Brazzaville hosted the first Summit of Heads of State and Government of the Congo Basin Climate and Blue Fund Commission. The Summit led to the signing of the Protocol establishing the Congo Basin Climate Commission and the adoption of a Declaration in which Heads of State commit to acting, without delay, in support of the two Brazzaville Declarations for the operationalization and promotion of the Congo Basin Blue Fund as a financial tool of the Congo Basin Climate Commission, and to affirm their full support for the implementation of the 2018-2019 Roadmap.

2. Strategic vision :

The establishment of the Blue Fund will only take its full meaning if it is part of a strategic vision. This can be achieved by providing tangible solutions for the establishment of a sustainable growth model for countries in the Basin and, especially, by planning the funding of structuring projects to provide Congo Basin countries with an ambitious Economic Development Plan to meet two critical challenges:

- ❑ Fast tracking the implementation of NDC of countries of the Basin, which signed the Oyo Memorandum of Understanding.
- ❑ The economic transformation of the Congo Basin in order to protect the world's second ecological powerhouse and fourth biodiversity reservoir by turning a mono-economy built on forestry and fostering afforestation into a diversified and low carbon economy.

3. Objectives:

The prefiguration study of the Congo Basin Blue Fund aims at the following:

Strategic vision

- ❑ Issuing recommendations for the operationalization of the Fund and provide an optimal operational framework for all the stakeholders concerned.

Development objective

- ❑ Estimating the financing to be mobilized by the Fund for the implementation of programmes and projects, as well as other initiatives leading to the emergence of member countries.

Operational objectives

- ❑ Assessing institutional, technical, legal, fiscal and financial requirements and issuing recommendations to operationalize the Fund;
- ❑ Collecting, analysing and presenting the expectations, constraints, and goals of stakeholders from all countries of the Congo Basin Climate Commission, as well as institutional, economic, and industrial actors and associations concerned.

4. Structure of the study

The prefiguration study of the Congo Basin Blue Fund is divided into two sections, which are conducted at the same time by one or several consulting firms.

Section 1: Investment Plan

The Fund Investment Plan will present a pipeline of projects in countries of the Congo Basin Climate Commission and capitalize on existing initiatives requiring full or partial funding, as well as short term regional priority programmes.

This section comprises the following activities:

- Inventory of potential and existing investment projects requiring funding, as well as those contributing to the attainment of NDC, in line with the Congo Basin Climate Commission missions.
- Analysis of projects bankability and prioritization according to a methodological analysis grid and performance indicators proposed by the BET, with recommendations issued.
- Establishment of a structured project pipeline by type of stakeholders and projects per country and within country members of the Congo Basin Climate Commission.
- Proposal for Regional short-term priority programmes.
- Establishment of a monitoring system of the project pipeline with a view to its update based on the incorporation of new projects and the maturity evolution of existing projects.

- New project Mobilization Strategy.

Budget estimates of the Investment Plan. Component 1: 3 days of field mission.

Section 2: Financial Vehicle

This section is divided into 3 components:

❑ Component 1

Legal status, contribution model, capitalization (in line with the investment plan), location, etc. This component also includes reviewing possible final vehicle options to support the Fund. Identified options will take into account the expectations, constraints and objectives of the countries of the Congo Basin Climate Commission, institutions concerned, as well as the Fund strategic and operational challenges. Fiscal issues should also be reviewed, especially the issue of capital gains taxation for private investors.

Component 1 will include the following structuring elements:

- Vehicle models
- Capitalization
- Localization
- Legal status
- Fiduciary management
- Investors targets
- Types of investors
- Investment strategy
- Expected performance
- Proposed indicators
- Reporting modes
- Expected economic and social impacts...

The consulting firm(s) will develop a mapping of existing instruments and initiatives; qualify them and review the complementarities as well as possible collaboration axis. In addition, they will issue based on a benchmark aiming to create scenarios highlighting the advantages, disadvantages, risks and opportunities arising from each.

❑ Component 2

Political and strategic governance. This component will focus on the definition, structuring of governance, development of steering and reporting associated macro-processes, comitology, factors of the Fund strategy, and recommendations on the governance system of the Fund.

It will also include structuring elements such as:

- Fund governance model
- Fund governance bodies
- Regulatory framework
- Composition of the different governance bodies
- Rules of governance...

The consulting firm(s) will issue recommendations based on a benchmark aiming to create scenarios highlighting the advantages, disadvantages, risks and opportunities arising from each.

❏ **Component 3**

Operational management_of the Fund. This component will involve defining, structuring and establishing the Fund operational management in light of options recommended in components 1, 2, and 3 for a rigorous and transparent management in compliance with legal and tax regulations.

Recommendations will be issued based on a benchmark aiming to create scenarios highlighting the advantages, disadvantages, risks and opportunities arising from each.

The recommendations will provide a mapping of legal entities proposed for the operational management and/or a list of required profiles to constitute the Fund operational management team.

Components 2, 3 and 4: 5 days of field missions.

Components of the study thus provided must be part of an inclusive and multilateral process and show proof of a deep rooting in the countries of the Congo Basin.

5. Expected deliverables and delivery deadlines

The consulting firm(s) should, in the course of the study, provide, in each one of the deliverables, a report on the results of their study.

The consulting firm(s) must achieve each of the above-mentioned missions, each being the subject of a deliverable distinguished according to the following details:

☐ Initiation phase - June 2018

Deliverable 1: Initiation Report

The consulting firm(s) will draft a study initiation report, which will be presented and validated during the kick-off meeting. This report will comprise of the following elements:

- Proposed methodology of the study
- Focal points such as aspects which were not considered during the drafting of the Terms of Reference deliverables
- Implementation schedule
- Teams of experts involved
- Organisation and management of the contract
- Quality control
- Risk management
- Budget

The kick-off meeting will be held within 15 days following the contractualisation.

☐ Mapping phase – Comparative and contrastive analysis:

Deliverable 2: Progress Reports

The consulting firm(s) will observe the following schedule:

- T0 + 2 months (2018): Drafting the first progress reports on section 1 and component 1 of section 2 (Investment Plan and Financial Vehicle).

The first progress reports will be presented to the technical steering committee of the study for validation. During the validation meeting, the technical steering committee of the study will select the scenario to be developed in the second progress report.

- T0 + 4 months (2018): the second progress report on component 1, 2 and 3 of Section 2 (the financial vehicle, its operational management structure and system of governance).

The second progress report will be presented to the technical steering committee of the study for validation.

☐ Phase 3: Synthesis and recommendations: 2019

Deliverable 3: Final Report

Following the validation of progress reports, the consulting firm(s) will draft, after T0+5 months, the final report of the mission, which will present the activities and findings of the study in its four components. The consulting firm (s) will also provide a 10-15 pages executive summary, which will present the highlights of the findings and deliverables of the study.

☐ Final Presentation of Findings (2019)

Deliverable 4: Presentation of the final report and roadmap for the operationalization of the Fund.

The consulting firm(s) will present to decision-makers the final findings of the study as well as the roadmap to operationalize the Fund.

All deliverables have a temporary version and a final version following the validation of the 20 copies in paper format and on USB drives. Concerning deliverable 3, 'the Final Report', an executive summary will be drafted by the consulting firm. This summary will be attached to a PowerPoint presentation and a roadmap for the operationalization of the fund.

It is imperative that the executive summary and the PowerPoint presentation be reader-friendly for the government, stakeholders and the general public. The Consulting firm is advised to avoid redundancy in the text and to underline, wherever necessary, the key message to take home. Thus, the content and the form of the deliverables are relevant. For deliverables 1, 2, and 3, the following documents are to be provided:

- Deliverables 1 and 2 are to be submitted in French in twenty (20) hard copies and on a USB drive (20 units).
- • The Final report and the executive summary are submitted in French and in English, in thirty (30) hard copies and on a USB drive (20 units).
- The PowerPoint presentation and the roadmap are to be in English and in French, on a USB drive (20 units).

Moreover, the consulting firm(s) will organize five (05) steering meetings for the mission. The dates and venues will be specified by the Project Owner. These meetings include the following:

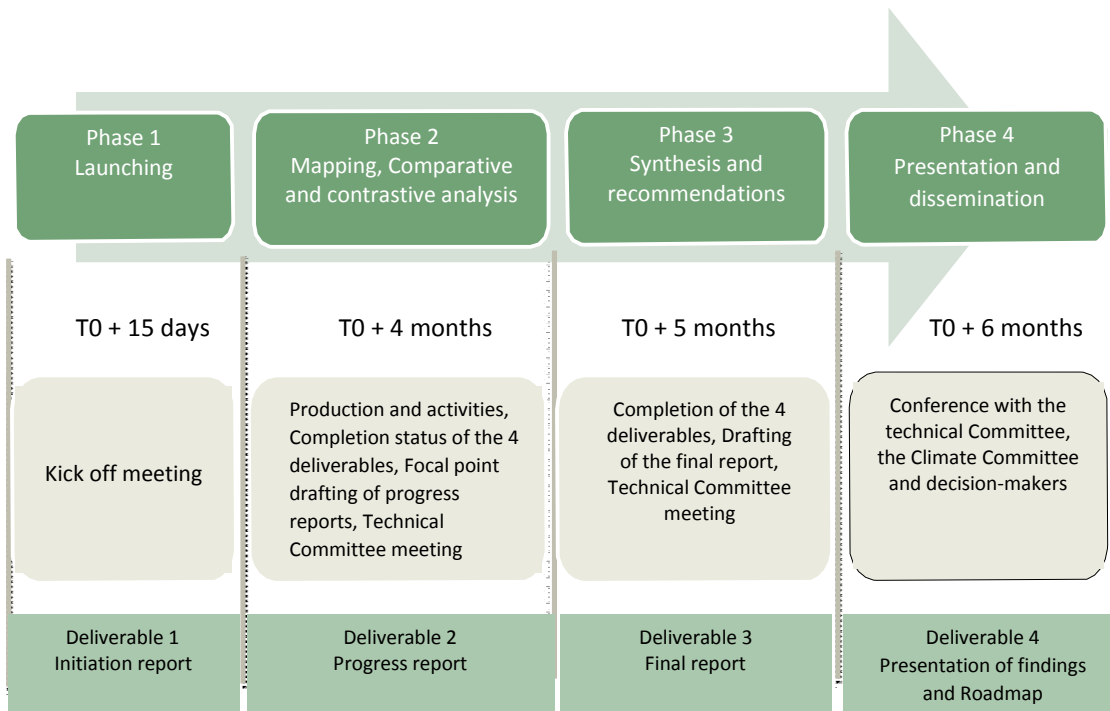
- The Kick off meeting (30 participants)
- 3 Steering Committees (30 participants)
- Presentation of the final report (100 participants)

6. Schedule of the Study

The prefiguration study will be carried out over a period of six (06) months, starting from the date of signature of the contract (T0). This period will cover the four (04) phases below:

☐ Phase 1: Initiation – (T0 + 15 days)

- ❑ Phase 2: Mapping – Comparative and contrastive analysis (T0 + 4 months)
- ❑ Phase 3 :Synthesis and recommendations: (T0 + 5 months)
- ❑ Phase 4: Final Presentation of Findings: (T0 + 6 months)



7. Required qualifications

The consulting firm(s) must have experience in the following domains:

Part 1: Investment Plan

- Similar studies
- Climate financing
- Climate change and sustainable development
- Knowledge of the region covered by the Congo Basin Climate Commission.

Part 2: Financial Vehicle

- Similar studies
- Climate financing
- Development of financial vehicles
- Climate change and sustainable development
- Knowledge of the region covered by the Congo Basin Climate Commission.

Moreover, they will need to show proof of the sufficient number of resource persons with the requisite training, experience and skills to carry out the mission. They must have, in each team proposed for the conduct of the different sections of the study, at least one expert from a country of the Congo Basin Climate Commission. Thus, they must display good oral and writing skills in French and English. Knowledge of Portuguese and Spanish is an asset.

Therefore, the consulting firm(s) will provide the CV of experts they intend to hire for the mission, along with their personal references.

The Project owner is of the opinion that in order to achieve the mission under the best conditions, the consulting firm(s) must mobilize at least a separate team of experts for each of the sections, as follows:

Section 1: Investment Plan

1. A project leader, with the following qualifications:

- A post-graduate Degree;
- At least 15 years of experience in the management of complex projects, at the multilateral level, combining high-ranking public and private officials.
- Management experience as team leader
- Experience with institutional and private investors.
- Experience in project planning;
- Strong experience in the development of resource mobilisation strategies and funding of project portfolios.
- Desirable experience in/or knowledge of climate finance, carbon markets, MBI mechanisms and MRV systems
- Experience in environmental and sustainable development projects technical studies.
- Very good oral and written French and English communication skills. Knowledge of Portuguese and Spanish is an asset.

2. A "Climate finance" expert, with the following qualifications:

- A post-graduate degree in finance, economics, or the equivalent.
- At least 10 years of experience in finance
- Proven experience in climate finance, especially in resources mobilization, carbon markets, CDM and NAMA mechanisms, MRV systems, carbon balance and assessments of carbon balance. International experience is highly desirable.
- Very good oral and written French and English communication skills. Knowledge of Portuguese and Spanish is an asset.

3. An "Environmental and sustainable Development" expert, with the following qualifications:

- A post-graduate degree in environment or the equivalent.
- At least 10 years of experience in the management and conservation of natural ecosystems, the environment, biodiversity, climate and sustainable development.
- Proven experience in the development of climate-related programmes and projects.

- Good knowledge of environmental and climate change-related policies, the stakes of the Paris Accord.
- An African international experience
- Experience in the countries of the Congo Basin Climate Commission
- Very good oral and written French and English communication skills Knowledge of Portuguese and Spanish is an asset.

Section 2: Financial Vehicle

1. A project leader, with the following qualifications:

- A post-graduate Degree
- At least 15 years of experience in the management of complex projects, at the multilateral level, combining high-ranking public and private officials.
- Management experience as team leader
- Professional experience in designing financial vehicles
- Strong experience in the development of resource mobilisation strategies and funding of project portfolios
- Experience in Climate finance, carbon markets, CDM mechanisms and MRV systems.
- Experience in environmental and sustainable development projects technical studies
- Very good oral and written French and English communication skills. Knowledge of Portuguese and Spanish is an asset.

2. A financial expert in "financial vehicles", with the following qualifications:

- A post-graduate degree in economics, finance, or the equivalent.
- At least 10 years of experience in finance, related to the operationalization of financial vehicles.
- Experience in Taxation
- An African international experience
- Experience in the countries of the Congo Basin Climate Commission
- Very good knowledge and skills in the mobilization of institutional and private investors.
- Very good oral and written French and English communication skills. Knowledge of Portuguese and Spanish is an asset.

3. A legal expert in "financial vehicles", with the following qualifications:

- A Degree in public or private Law or the equivalent
- At least 10 years of experience in international business law
- Proven experience in the drafting of legal documents relating to financial vehicles operationalization.
- An African international experience
- Experience in the countries of the Congo Basin Climate Commission
- Very good oral and written French and English communication skills Knowledge of Portuguese and Spanish is an asset.

4. A "Climate finance" expert, with the following qualifications:

- A post-graduate degree in finance, economics, or the equivalent.
- At least 10 years of experience in finance
- Proven experience in climate finance, especially in resources mobilization, carbon markets, CDM and NAMA mechanisms, MRV systems, carbon balance and assessments of carbon balance. International experience is highly desirable.
- Very good oral and written French and English communication skills. Knowledge of Portuguese and Spanish is an asset.

Where deemed necessary, the consulting firm(s) will propose a list of additional experts.