



Congo Basin Blue Fund

Call for Expression of Interest

For the selection of a Development Bank in charge of opening and managing the "Congo Basin Blue Fund" financing line

List of Abbreviations

4C Morocco	Climate Change Competence Center of Morocco
CAHOSCC	Committee of African Heads of State and Governments on Climate Change
CBCC	Congo Basin Climate Commission
COP	Conference of the Parties
FAO	Food and Agriculture Organization
FDA	French Development Agency
FMO	Entrepreneurial Development Bank
JICA	Japan International Cooperation Agency
KfW	Kreditanstalt für Wiederaufbau
NDC	Nationally Determined Contributions
NGO	Non-Governmental Organization
REDD+	Reducing Emissions from Deforestation and Forest Degradation
SDG	Sustainable Development Goals
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

1. CONTEXT OF THE CALL

In 2015, the international community adopted the United Nations 2030 Agenda for Sustainable Development, with 17 universal, inseparable and ambitious Sustainable Development Goals (SDGs) to effectively combat poverty, protect the planet and ensure inclusive global growth.

In the same year, the Paris Agreement on climate was adopted to limit greenhouse gas emissions in order to limit the rise in global temperature on earth to 2°C or even 1.5°C by the end of the century.

To operationalize these acts, in addition to two (2) other commissions including one for the Sahel Region and the other for Island States, the Congo Basin Commission was created on November 16th, 2016 in Marrakech by the African Heads of States and Governments, meeting on the sidelines of COP22 on the initiative of His Majesty Mohammed VI, King of Morocco, on the occasion of the Summit of Action, through the Marrakech Declaration.

The Congo Basin Commission, chaired by His Excellency Denis SASSOU-N'GUESSO, President of the Republic of Congo, is responsible for coordinating and monitoring all actions and initiatives aimed at reconciling the fight against climate change and for the economic development to achieve inclusive growth: economic diversification, business development and improved living conditions in the 16 Member States which are Angola, Burundi, Cameroon, Gabon, Equatorial Guinea, Kenya, Uganda, Central African Republic, Democratic Republic of Congo, Republic of Congo, Republic of Rwanda, Sao Tome and Principe, South Sudan, Tanzania, Chad and Zambia.

Also launched on the occasion of the COP22 by President Denis SASSOU-N'GUESSO, the Congo Basin Blue Fund became a reality on March 9th, 2017 by the signing by ten (10) countries of the Memorandum of understanding creating it. The Congo Basin Blue Fund is in line with the key findings of the world's first conference for a sustainable blue economy held in Nairobi, Kenya from November 26th to 28th, 2018.

At the Conference of Central and East Africa Ministers on accelerating the operationalization of the Congo Basin Climate Commission and the Congo Basin Blue Fund (Brazza Climate Finance 2017) which took place from October 3rd to 5th, 2017 in Brazzaville, Congo, three (3) main documents were adopted, including (i) the Brazzaville Declaration, one of the key recommendations of which was that the "Congo Basin Commission" become the "Congo Basin Climate Commission"; (ii) the Operational Roadmap for the Congo Basin Blue Fund; and (iii) the identification sheet of the 24 sectoral programs, presented in Appendix 1, to be funded by the Congo Basin Blue Fund.

These decisions of the Ministers were endorsed by the Heads of States and Governments of the countries of Central Africa and East Africa together with the King of Morocco, who met at their first Summit on accelerating the operationalization of the Congo Basin Climate Commission and the Congo Basin Blue Fund, which took place from April 27th to 29th, 2018 in Brazzaville, Congo, and culminated in the signing, on April 29th, 2018, of the Protocol establishing the Congo Basin Climate Commission (CBCC).

The Congo Basin Blue Fund, designated as one of the main financial tools of the Congo Basin Climate Commission, aims to mobilize the necessary resources from contributors and investors to finance the implementation of programs and projects that contribute to sustainable development and

to the promotion of the blue economy in its field of intervention.

The development of a strategy to mobilize partners for the implementation of the investment plan for the Congo Basin Blue Fund and the portfolio of priority sectoral programs already identified to be funded being necessary, a pre-feasibility study has proven essential for the establishment of a political, financial and technical governance tool for the Congo Basin Blue Fund.

As part of the Kingdom of Morocco's support for the CBCC and in accordance with the Memorandum of understanding of March 12th, 2018, this Congo Basin Blue Fund pre-feasibility study is funded by the 4C Morocco on a donation from the German cooperation; with UNDP Morocco as its implementing agency, the project being under the control of the Congo Basin Climate Commission, with 4C Morocco as managing director and the EY-Innpact Consortium as delivery entity.

The pre-feasibility study established a first pipeline of 250 projects covering the Congo Basin Blue Fund 24 sectoral programs and the Nationally Determined Contributions (NDCs) of the 16 countries for an overall valuation of USD 8.75 billion. Key elements of the pipeline of projects were presented at the meeting of the **Committee of African Heads of State and Governments on Climate Change (CAHOSCC)** on February 8th, 2020 in Addis Ababa (Appendix 2). This study also leads the Congo Basin Climate Commission to create a financial mechanism dedicated to the CONGO Basin Blue Fund and to host it within a Development Bank. Finally, presentations of the Congo Basin Blue Fund were made to key technical and financial partners at a meeting in Brazzaville and at COP 25 in Madrid during a side event in the presence and under high patronage of His Excellency Mr. Denis SASSOU-N'GUESSO, President of the Republic of Congo and President of the CBCC. A presentation will also be made at the funders conference following the end of the Congo Basin Blue Fund pre-feasibility study. These interventions are explained in Appendix 3.

2. OBJECTIVE OF THE CALL

The purpose of this Call for Expression of Interest is to select a Development Bank to host the "Congo Basin Blue Fund" financing line.

It will be question of:

- Hosting and administrating the Fund;
- Operationalizing the "Congo Basin Blue Fund" financial mechanism;
- Contributing to the implementation of the Congo Basin Blue Fund fundraising strategy;
- Contracting with national and international funders (lenders and donors) to feed funding resources;
- Managing the pipeline of projects on the one hand by monitoring and improving their maturity and on the other hand by identifying new projects;
- Conducting and/or finalizing technical studies (due diligence) to assess bankability, socio-economic, environmental and climate impacts as necessary;
- Financing, using the Congo Basin Blue Fund intervention methods, the projects including the financing of feasibility studies;
- Managing/regulating relationships with the private sector as part of their involvement in financing the projects. The bank will solicit these private investors not at fundraising level, but for co-financing at the level of each project. In other words, public and institutional investors will be asked to feed the financing line;
- Managing the "Congo Basin Blue Fund" financial mechanism, in accordance with the mandate and under the supervision of the Congo Basin Climate Commission;
- Respecting the mandate and strategic directions of the Congo Basin Climate Commission;
- Working closely with the Congo Basin Climate Commission.

More specifically, it will be question of:

- **Developing a Business Plan for the Congo Basin Blue Fund:**
 - Defining the Congo Basin Blue Fund impact objectives, its theory of change and implementing an impact management framework and system;
 - Proposing a 5- and 10-year business plan to be validated by the Congo Basin Climate Commission.
- **Developing operational policies and procedures:**
 - Defining investment rules (eligibility criteria, scope of intervention, list of eligible types of projects, exclusion list, investment instruments, project proposal and selection methods; obligation for an environmental impact assessment, etc.);
 - Developing the Congo Basin Blue Fund investment process (financing guidelines, decision-making process, valuation procedure, impact measurement, monitoring-assessment system, etc.);
 - Developing an operational and administrative manual of procedures.
- **Developing the legal, operational and administrative structure of the Congo Basin Blue Fund within the Development Bank:**

- Finalizing the design of the Fund's governance model and precisely defining the rules for each governing body, in line with the guidelines set out in the results of the pre-feasibility study;
 - Legally formalizing the management delegation to the Development Bank by the CBCC;
 - Hosting the Congo Basin Blue Fund within the Development Bank:
 - Creating all the "Congo Basin Blue Fund" governance bodies within the Development Bank;
 - Setting up the Congo Basin Bleu Fund's operational and management teams within the Development Bank.
 - Proposing ongoing coordination and exchange procedures with the CBCC.
- **Supporting the mobilization of financial resources:**
 - Negotiating, establishing and managing contribution contracts in the form of grants and line of credit contracts;
 - Anticipating the funding needs of the Congo Basin Blue Fund, in regard of the Congo Basin Blue Fund investment portfolio and strategy and of other potential projects to be proposed by CBCC member countries and putting in place procedures for receiving and reviewing these projects and counselling and advising their holders.
- **Mobilizing the resources needed to finance projects:**
 - Working with CBCC to mobilize the services, infrastructure, staff and equipment needed to receive, review and finance projects;
 - Executing loans and grants in accordance with decisions made, following the governance scheme approved by the CBCC and the Congo Basin Blue Fund Board of Directors;
 - Setting up a system for to manage results and evaluate the performance of financed projects.
- **Managing the investment portfolio:**
 - Deploying the investment portfolio according to the investment rules established;
 - Managing risk at the portfolio level;
 - Ensuring the financial planning of the Congo Basin Blue Fund by establishing the Congo Basin Blue Fund annual budget as regards project disbursement and other expenses;
 - Ensuring cash disbursement needs match with the funding (donation and credit lines) available (Asset Liability Management).
- **Providing the necessary services for the fund administration:**
 - Executing cash operations with a " Congo Basin Blue Fund " operational and accounting framework, separate from other operations of the Development Bank;
 - Approving and applying the fund disbursement plan, including the operating expenses according to its budget;
 - Setting up the Congo Basin Blue Fund accounting;
 - Preparing, jointly with the CBCC, the necessary materials to inform each committee in their decision-making.

- **Ensuring Congo Basin Blue Fund compliance with applicable laws, regulations, procedures and policies:**
 - Ensuring compliance of the fund investments and other operations with international standards as well as with procedures that will be enforced in agreement with the CBCC;
 - Implementing social and environmental safeguards for each project;
 - Submitting and obtaining CBCC approval for each update or change of the fund procedures and policies, including the investment strategy.
- **Preparing the Congo Basin Blue Fund reports:**
 - Preparing all the financial and non-financial Congo Basin Blue Fund reports;
 - Preparing the specific periodic reports required by the Executive Committee, the Congo Basin Climate Commission and international funders.
- **Promoting the Congo Basin Blue Fund:**
 - Contributing to the definition/updating of the Congo Basin Blue Fund fundraising strategy;
 - Negotiating, supervising and managing donors and lenders' commitments;
 - Promoting the Congo Basin Blue Fund at sub-regional and international levels in close cooperation with the CBCC;
 - Implementing a communication and marketing strategy (web, media, Congo Basin Blue Fund events, social networks, publications, etc.).

3. GENERAL SELECTION CRITERIA

In addition to the adequacy of the Congo Basin Blue Fund operational strategy proposal with the objectives of the CBCC, the following criteria will be considered in the evaluation of the proposals made by the candidates:

- **Experience in establishing, administering and managing a public fund on behalf of international funders:**
 - Experience in legal, operational and administrative creation of public funds or multi-donor trust funds;
 - Experience hosting a multi-donor public fund;
 - Experience in creating and managing a financing line for international funders;
 - Experience in implementing policies, procedures, tools and fiduciary control processes that meet international standards as well as funder reporting and transparency requirements;
 - Experience in operational policy, social and environmental assessment compliant with international standards.
- **Credibility with international funders:**
 - Financial strength certified by a reassuring financial rating for donors;
 - Recognition of the Development Bank as a partner of choice by major international funders such as: the Green Climate Fund, the European Union, the African Union, the

UNDP, the FAO, and Development Banks such as FDA, KfW, JICA, USAID, FMO ...;

- Recognition as a financial institution hosting donations and loans from international funders and as partner in the implementation of technical assistance programmes.
- **Anchorage in the Congo Basin sub-region:**
 - Offices or representations in several of the 16 states members of the Congo Basin Climate Commission;
 - Proven expertise and experience in financing projects in Central and/or East Africa;
 - Expertise and experience in supporting states, sub-regional organizations, financial institutions and economic operators in the Congo Basin region in mobilizing financial resources and financing projects: Economic Community of States, African institutions and specialized organizations, African and international NGOs and civil society organizations working in Central and/or East Africa, investment funds, management companies investing in Africa, private actors operating in Central and/or East Africa;
 - Experience in financing programmes relative to the Agenda 2063 for Africa.
- **Experience related to a Congo Basin Blue Fund investment strategy:**
 - Funding experience in climate, environment and the Blue Economy sectors;
 - Specific experience in financing projects for the 24 sectoral programmes, presented in Appendix 1, in Central Africa, and in financing projects related to the fight against climate change (mitigation, adaptation, REDD+);
 - Experience in collaborating to implement climate plans and NDCs in the states members of the Congo Basin Climate Commission;
 - Experience and capacity to deploy and manage grants for technical assistance, feasibility studies and capacity building projects;
 - Experience and capacity in the disbursement and management of “project finance” type of financing lines;
 - Experience in structuring and financing cross-border and inter-regional projects;
 - Capacity to mobilize funding;
 - Experience in the development of green financial products will be a great added value.
- **Control, transparency and organization:**
 - Presence of legal personality and autonomous governing bodies to implement the governance system as desired by the Congo Basin Blue Fund;
 - Effective, efficient and cost-efficient internal control system based on international best practices;
 - Presence of an accounting system that provides accurate, complete and reliable information in a timely manner, according to international accounting standards;
 - Policies, procedures and tools that meet international standards and funders requirements for transparency;
 - Internal organization and teams with adequate capacity to manage the “Congo Basin Blue Fund” financing line.

A list of candidates with the skills required to become the Development Bank responsible for opening and managing the “Congo Basin Blue Fund” financing line will be prepared and shortlisted candidates will be invited to submit their technical and financial proposals.

4. MANDATE DURATION

The mandate of this mission is 5 years, renewable if the performance defined by the States is deemed satisfactory. A first independent evaluation will be ordered by the CBCC after 2 years in function.

5. OTHER INFORMATION

Candidates will be able to access the information referred to by this Call for Expression of Interest, by contacting the Congo Basin Climate Commission Secretariat at the following email address:

contact@ccbc-cbcc.org