

ATTACHMENT 1 – TERMS OF REFERENCE

1. Introduction

The International Union for the Conservation of Nature (IUCN) seeks a consultant or consulting agency to undertake a market analysis on opportunities and barriers to conservation finance in the six partner countries of Central Africa Forest Initiative (CAFI): Cameroon, Central African Republic, Democratic Republic of the Congo, Equatorial Guinea, Gabon and Republic of the Congo.

In this assignment in conservation finance to provide financing to early-stage projects (from US\$100K to US\$5M). The Fund focuses on the most impactful greenfield/frontier deals, a landscape traditionally dominated by donor grants and philanthropic funding, helping projects to unlock additional private capital later in the more advanced stage. It aims to grow the investable pipeline for the whole market with up to US\$160M co-investment and follow-on investment opportunities in the following four areas of improved intermediation, and soil carbon sequestration credit; and

- **Nature-based Innovation:** logistics, service providers, technology and financial service that can have tangible benefits for nature conservation.

However, certain regions remain under-represented in the investment portfolio. This is particularly the case with the Central African region, which harbours significant global biodiversity and climate mitigation potential but are challenging for private investors. The region represents high political and regulatory risks due to unclear land rights, political and economic instability, low ESG management capacity, etc. Other barriers identified at micro/project level include: high search cost to identify investable projects, lack of track records, lack of viable collateral to reduce financing costs and risks, limited scalability/replicability, and lack of capacities to monitor impacts. For these reasons, investors have had little success in financing sustainable business opportunities in Central Africa despite interests in its global conservation importance.

In order to address these barriers and accelerate project pipeline development in Central Africa for Nature+ Accelerator Fund, a Technical Assistance Facility (TAF) was established with a 5-year grant funding from CAFI Secretariat. This study forms part of the activities conducted by the TAF.

3. Objectives

The objectives of this assignment are as follows:

- To identify key opportunities and viable investment models for conservation finance in CAFI partner countries which will contribute to developing project pipeline for Nature+ Accelerator Fund;

- To identify country- and sector- specific barriers for scaling up conservation finance in CFI partner countries, and to inform stakeholders including TAF and CFI

6. Language

The final report should be delivered in both English and French.

English will be the main working language during consultation meetings. Additional language, namely French, can be used in meetings depending on the preference of participants.