



TERMS OF REFERENCE

PROJECT MANAGER FOR THE KENYA GREEN BOND PROGRAMME

1. Introduction

The Kenya Green Bond Programme (GBP) will accelerate the take-up of green bonds as a tool for Kenya to tap into international and domestic capital markets to finance green projects and assets. Through its outputs, the programme aims to facilitate capital flows into green investments to support sustainable growth in Kenya. The programme will support potential Kenyan green bond issuers to come to market, engage the institutional investment community, and develop cooperative mechanisms to support access to the green bond market for smaller banks and corporates that don't currently have access.

It will further support a national agenda that seeks to reinforce Kenya's role as a regional leader in the area of financial services as articulated by Vision 2030 and Kenya Green Economy Strategy and Implementation Plan. There is also scope to transfer knowledge, practice and frameworks to other countries in the East Africa region.

The programme will therefore serve to promote the establishment and development of Kenya's green bond markets and will seek to meet the following objectives:

- Researching the potential of green bond issuance in Kenya;
- Developing a pipeline of green investments and engaging with investors;
- Supporting demonstration green bond issuance from leading banks and corporates;
- Promoting green Islamic finance;
- Developing a pool of Kenya-based licensed verifiers;
- Development of a pooled bond facility that would allow smaller banks and corporates to also take advantage of wholesale debt capital markets; and
- Develop Kenya's Green Bond Market & build local capacity to catalyse similar programs across East Africa.

Developing a Kenyan green bonds market will allow domestic banks and corporates to better deliver green investments in Kenya – renewable energy, low-carbon transport, water infrastructure, sustainable agriculture and manufacturing, green building and more. Towards catalysing such investment towards the green economy, the Kenya Bankers Association (KBA) and Nairobi Securities Exchange (NSE) have established a collaboration under the Kenya Green Bonds Programme. The partnership is endorsed by the Central Bank of Kenya (CBK) and Capital Markets Authority (CMA) with the CBK Governor serving as the patron of the initiative. The program is funded by Financial Sector Deepening Africa (FSDA) in partnership and FMO.

The Kenya Green Bonds Programme seeks to hire a Project Manager to coordinate the activities of the Programme.

2. Background

2.1 Financial Sector Deepening Africa (FSD Africa)

FSD Africa is a non-profit company which aims to increase prosperity, create jobs and reduce poverty by bringing about a transformation in financial markets in sub-Saharan Africa (SSA) and in the economies they serve. It provides know-how and capital to champions of change whose ideas, influence and actions will make finance more useful to African businesses and households.

Through access to finance initiatives, it seeks to build financial inclusion. Through capital market development, it looks to promote economic growth and increase investment. As a regional programme, it seeks to encourage collaboration, knowledge transfer and market-building activities – especially in Fragile and Conflict Affected States (FCAS).

Where there are opportunities to drive financial market transformation more quickly and intensively through capital investment, FSD Africa will deploy equity, loans or guarantees as the situation requires.

2.2 Kenya Bankers Association

The Kenya Bankers Association (KBA) is the banking industry umbrella body. It is actively involved in performing advocacy on behalf of the banking industry and championing for financial sector development through strategic projects. It has partnered with the Central Bank of Kenya to implement major projects in the financial industry. These include: modernisation of the National Payments System through the Automated Clearing House, implementing the Real Time Gross Settlement System (RTGS) and the Kenya Credit Information Sharing Initiative.

2.3 Nairobi Securities Exchange

The Nairobi Securities Exchange (NSE) is the principal bourse in Kenya, offering an automated platform for the listing and trading of multiple securities.

3. Objectives and Scope

3.1 Project Objectives

We seek to hire a Project Manager to coordinate the activities of the Green Bond Programme. The Green Bond Programme structure is outlined below:

WORK STREAM 1: GREEN BOND STRATEGY AND STANDARDS FOR KENYA

Component 1: Research & Strategy Paper on Green Bonds in Kenya

A consultant with international experience will carry out research and prepare a comprehensive green bond strategy for Kenya. The research will include a review of the regulatory framework, identify the stakeholders and opportunities and risks of the GBP, and set out the roadmap towards the country's first issuances.

In coordination with the regulators ongoing project on building Islamic finance markets in Kenya and in collaboration with the KBA's Islamic Finance Sub-Committee, the regulatory and policy landscape for sukuk issuances in Kenya and other countries will be researched to produce advice and recommendations for the public sector on how to support a green sukuk issuance.

Component 2: Establishing Green Bonds Standards

There is a need to establish Kenya Green Bond Standards that are in line with the internationally-accepted Green Bond Principles and Climate Bond Standard. These standards would be based on the international principles and adjusted to the Kenyan environment, including Vision 2030; the Green Economy Strategy and Implementation Plan and Green Finance Policy by National Treasury; Sustainable Finance Initiative by KBA; and Sustainable Stock Exchanges commitments by the NSE. A second set of standards will be developed for the Sukuk or Islamic Finance market.

Component 3: Establishment of Green Bonds Advisory Committee

The GBP Advisory Committee will be a formal group consisting of key market actors (industry, regulators and stakeholders) and will work to address the bottlenecks to green bond issuance in Kenya. The Committee will advise and support on different outputs such as the Green Bonds Strategy paper, Green Bond Standards, Green Bonds Guide for Policymakers, and the network of local Green Bond verifiers. Over the long term, the output of the Advisory Committee would include the publication of a periodic review of the Green Bond Programme, which will provide an opportunity for review of the programme's impact, milestones, opportunities and challenges.

WORK STREAM 2: SUPPORTING POTENTIAL ISSUERS OF GREEN BONDS

Component 1: Developing a pipeline of green investments and engaging investors

During the course of the GBP, various meetings, workshops, roundtables and conferences will be held, targeting potential issuers including individual banks, corporates, and sub-national entities. In addition, investor forums with local, regional and international institutional investors will be organised as appropriate. The flagship event will be the International Green Bond Investor Conference that will be held by the GBP in 2018.

The engagements will sensitise investors on the fundamentals of green bonds, the development of the green bond market globally and the potential for Kenya, as well as provide platforms for stakeholder groups to come together on their investment plans, funding needs and available de-risking tools among other areas.

Component 2: Supporting demonstration transactions

A guide that aims to provide support for potential issuers, including green sukuk issuers, with clear assurance frameworks will be developed by the GBP.

Supported by IFC, FMO and African Development Bank, the potential bank issuers will conduct a portfolio review to identify their pipeline of green assets and appetite for capital. Non-bank issuers, including NSE listed firms, will be identified and supported through the FSD funding to conduct a business review to establish the business case to raise a green bond.

Support from the partners may also include assistance in structuring, anchor investments and credit enhancements, co-funding cost of credit rating, currency hedging products, co-funding cost of green bond certification and preparation of draft information memorandum.

Component 3: Developing pooled bond facility that would allow smaller banks and corporates to issue

FMO funding will support GBP with a consultant who will develop a concept note and proposed structure for a pooled bond facility. The consultant output will include a comprehensive roadmap; draft information memorandum in line with regulatory requirements; and budget for the facility. The recommendation will be tabled with the KBA Governing Council for approval and subsequent funding for the implantation of the strategy.

WORK STREAM 3: MARKET CAPACITY BUILDING AND AWARENESS

Component 1: Development of e-learning module on Green Bonds

This training and capacity building output would include the development of content that would be deployed via the KBA e-learning platform (<https://sfi.kba.co.ke/e-learning-platform>), targeting key departments, namely Treasury, Commercial Banking, SME Finance and Public Sector Finance.

Component 2: Developing a pool of Kenya-based licensed verifiers

FSD Africa funding will cater for an international consultant that will train and certify the KBA/IFC Certified Consultants and other consultants with credentials to qualify as local agencies that are licensed as green bond verifiers.

PROJECT GOVERNANCE

The GBP will be governed through a Project Steering Committee (PSC), which will be chaired by FSD Africa.

3.2 Scope

KBA will serve as the Secretariat (host) of the programme and provide the project manager with a desk and administrative support service.

The Project Manager will be responsible for overall programme coordination. This will include facilitation of meetings and review of outputs by the programme consultants.

Administratively, the Project Manager will be required to:

- Oversee the budget management in consultation with the GBP Secretariat team led by KBA
- Assist the PSC Chair, FSDA, to convene fortnightly conference calls to review programme deliverables and execution.
- Facilitate monthly and quarterly PSC meetings
- Report on a monthly, quarterly and annual basis to the PSC on the delivery of the work streams and budget performance of the overall programme.
- Provide reporting (in writing) to the PSC on the progress of the programme, including updates, assessment of programme and implementation risks
- Provide project management / event coordination support to all GBP convened meetings, workshops, roundtables and conferences

Technically, the Programme Manager's scope of work will be to:

Work Stream 1: Green Bond Strategy and Standards for Kenya

Component 1: Research & Strategy Paper on Green Bonds in Kenya

- Oversee the GBP Consultants' work plan to ensure on time delivery of their assignments.
- Manage comprehensive stakeholder review of the strategy papers developed by the GBP Consultants, with submission of the stakeholder review as a harmonized report to the Consultant and PSC.

Component 2: Establishing Green Bonds Standards

- Manage comprehensive stakeholder review of the Green Bond standards and policy documents, including Sukuk standards, developed by the GBP Consultants, with submission of the stakeholder review as a harmonized report to the Consultant and PSC.

Component 3: Establishment of Green Bonds Advisory Committee

- Facilitate the formation of the GBP Advisory Committee and serve as secretary of the committee, coordinating the quarterly meeting schedule and invitations, ensuring on time submission of reports and materials to the Committee members prior to each meeting taking minutes at the meeting, and managing the matters arising action log.

Work Stream 2: Supporting Potential Issuers of Green Bonds

Component 1: Developing a pipeline of green investments and engaging investors

- Engage with potential issuers of green bonds with the goal of developing a viable pipeline.
- Engage with institutional investors to build their understanding and investment in green bonds.
- Manage the GBP calendar of events, in consultation with the partners to ensure coordination of event activities and alignment of themes and priorities. For GBP events, including the International Green Bond Investor Conference, the Project Manager will work with the GBP Secretariat to manage the event logistics including managing speakers, invitations, and suppliers.

Component 2: Supporting demonstration transactions

- Coordinate one on one meetings with the potential issuers and GBP Partners (IFC, FMO, African Development Bank, FSDA, NSE, KBA etc.) so as to determine their areas of need and to help the issuers set up internal processes that will enable them to raise a green bond.
- For all GBP meetings and events, the Project Manager will capture feedback, action items and issues raised during the forums and issue brief reports.

Component 3: Developing pooled bond facility that would allow smaller banks and corporates to issue

- Oversee the consultant's work plan to ensure on time delivery of the assignment.

Work Stream 3: Market Capacity Building and Awareness

Component 1: Development of e-learning module on Green Bonds

- Oversee the e-Learning Module Development ensuring the Consultant and Software Developer's work plans are delivered in time. Coordinate with the KBA and NSE teams to promote the course to their members. The Project Manager will also coordinate capacity building and training activities by the stakeholders to ensure a coordinated approach of training events

Component 2: Developing a pool of Kenya-based licensed verifiers

- Support the procurement process for the Consultant responsible for training and certifying local verifiers.
- Convene the consultant training sessions in consultation with the Consultant

4. Deliverables

The deliverables under this contract are as follows:

- A detailed work plan on overall project coordination, including a schedule for coordinating all work streams
- Agenda and minutes for monthly PSC meetings
- Monthly reporting pack for PSC meetings
- Quarterly reporting pack for the Green Bonds Advisory Committee meetings
- Agenda and minutes for the quarterly Green Bonds Advisory Committee meetings

5. Timelines

The project manager will be employed for a duration of 2 years. The contract will be subject to renewal for a further one year subject to performance evaluation and funding.

6. Invitation to Tender

KBA and FSD Africa are inviting tenders from suitably qualified persons. It is expected that the Project Manager must possess at least 6 years relevant, senior management level experience and be able to demonstrate:

- A commercial orientation, a background in investment banking and capital markets, with extensive project management expertise in the financial sector
- Proven track-record of implementing technical projects with multiple local, regional and international stakeholders within the financial sector
- Solid understanding of Sustainable Finance Principles and Green Finance approaches Proven track record with international recognized Environmental and Social (E&S) risk management approaches
- Knowledge of the Kenyan and African Green Economy context with a network of practitioners in the field cutting across public and private sector

The following documents should be included in the proposal:

- Response letter (no more than 2 pages)
- Bio profile and Resume (no more than 3 pages)
- Financial proposal indicating compensation terms
- A case study of a related assignment, outlining project deliverables, stakeholders, budget and outcomes. The case study should be no more than 4 pages.

Your proposal should be sent by email to FSD Africa at info@fsdafrica.org by noon (EAT) on **5th May 2017** under a subject line reading **'Invitation to tender: Project Manager for the Kenya Green Bond Programme'**

7. Contact

Questions or comments in respect of these terms of reference should be directed by email to: Sheila Maingi at sheila@fsdafrica.org.

Suggested Readings

- Kenya Green Bond Programme Brochure