Catalytic
FINANCE FOUNDATION

Waste Methane Mitigation Facility

Request for Proposal – Facility Manager

1. PURPOSE

This Call for Proposal seeks to **identify a facility manager (FM) - or a consortium that includes a suitable partner - to define, structure, and manage the financial component** of Catalytic's *Waste Methane Mitigation Facility***.** An Appendix containing sensitive information on the vehicle is to be shared upon request and upon signature of a confidentiality agreement.

2. BACKGROUND

2.1 About Catalytic

Catalytic Finance Foundation ('Catalytic') is a Swiss-based non-for-profit foundation specialized in blended finance incubation, technical assistance deployment, and catalytic investment provider for sustainable infrastructure and nature. Its track record includes supporting the creation of funds such as the Subnational Climate Fund (USD 750M), GAIA Climate Loan Fund (USD 1.5BN), the Global Fund for Coral Reefs (USD 500M), and the Brazil Credit Fund (EUR 80M).

Sponsored by Bloomberg Philanthropies through the Catalytic Cities program as well as the Global Methane Hub, Catalytic is designing the ***Waste Methane Mitigation Facility,*** an innovative finance solution for Solid Waste Management aiming at methane reduction in emerging and developing countries across mature technologies such as, but not limited to, landfill gas capture, composting, anaerobic digestion, sorting and MBT technologies.

2.2 Solid Waste and Methane Emissions

Methane (CH4) is a powerful short-lived climate pollutant with 80x the warming power of CO2 over 20 years and 20x over 100 years. It is estimated that 20% of human-related methane come from the waste sector. Almost 90% of the GHG emissions from the waste sector is methane, released from decomposing organic waste in landfills, dumpsites and other oxygen-limited environments.

By 2050, global waste volumes are expected to rise by +50%, reaching almost 4 billion tonnes per year. Without decisive action, waste-related emissions could reach 1.8 billion tonnes of CO_2e annually — a 40% increase from today. Better solid waste management is therefore a near-term methane reduction priority. While solutions are technically available, their deployment remains limited by constrained municipal payment capacity and lack of long-term revenue certainty at sufficient price levels to cover their OPEX.

Projects may rely on a mix of revenue streams — gate fees, the sale of outputs, and potentially carbon credits. In looking at strengthening long-term revenue certainty, Catalytic chose to focus on carbon revenue for its outcome-based nature, market maturity, and the availability of established MRV and methodologies. Carbon revenue from the voluntary markets is often volatile, uncertain or short term to be considered bankable by lenders. On the other hand, Article 6.2 of the Paris Agreement can provide price premium and long-term contracts, although the process can take longer than trading in the voluntary markets and not all waste methane reduction projects can be included in Article 6.2 agreements.

There is a timely opportunity for the waste sector in carbon markets. While historically those credits have attracted less buyer attention than others - often perceived as less marketable despite its significant methane mitigation potential and wider socioeconomic benefits - the context is now shifting with the super-pollutant agenda plus rising demand for high-integrity waste credits. This creates an opening to reposition solid waste as a credible, high-impact carbon-market segment—provided robust MRV and long-term delivery give buyers confidence.

2.3 The Facility

Aimed at methane reduction at scale and speed, Catalytic's proposed *Waste Methane Mitigation Facility* is additional because it directly addresses the OPEX gap by offering a carbon offtake guarantee, de-risking revenue from the carbon market and strengthening revenue certainty to make projects more bankable. A preliminary structure and financial terms of the Guarantee Facility (GF) are included in the confidential Appendix.

A dedicated technical assistance facility (TAF), to be independently managed, would further enhance the operability of the vehicle, by, providing project preparation, ensuring high-integrity carbon credits with robust MRV, and working with municipalities to increase fiscal capacity for solid waste services.

3. THE SOLUTION & MANAGER ROLE

3.1 Status

Catalytic has already completed the foundational feasibility work, meaning the appointed FM will inherit a validated concept with demonstrable market traction. This work has delivered four pillars:

I. **Financial structure with market validation:** Substantial feasibility and market assessment have been carried out resulting in a selected instrument, facility size and preliminary terms. The structure has been validated across the full value chain, including CAPEX financiers, carbon traders and buyers, and anchor financiers, confirming its additionality, commercial logic and market appetite.

II. **Pipeline:** Catalytic has assembled a potential pipeline of projects meeting preliminary eligibility criteria[1] from across a group of prioritized emerging and developing countries selected for their medium-to-high enabling environments for successful solid waste project implementation and carbon credit trading. This pipeline evidences a sufficient level of demand to underpin the facility's operation from the outset. Catalytic continues to build the pipeline of projects relevant to the facility.

[1] Includes criteria relating to project's size, bankability, and impact potential.

III. **Anchor Funding Leads**: Catalytic has started discussion with a number of philanthropic and public funders as well as DFI-like investors, who have expressed interest and demonstrated continued engagement.

IV. **Coalition building/network:** Catalytic is part of key networks within the solid waste sector, including the CCAC Waste Hub and LOW-M initiatives, as well as city networks like C40 and GCOM, and project preparation hubs like the CCFLA, giving Catalytic wide access to public and private-led projects. Moreover, Catalytic works closely with ecosystem partners like the Global Methane Hub (GMH), Super Pollutant Action Alliance (SPAA) and the Rocky Mountain Institute (RMI). These coalitions also link the facility to the policy and enabling-environment work that can bring more methane projects to fruition over time, complementing the facility structure.

Catalytic's further role is to be decided upon negotiations with the appointed FM, and reflected in a Memorandum of Understanding signed at the end of the selection process.

3.2 **Facility Manager Role**

The appointed FM is expected to build on work undertaken by Catalytic and to deliver the following functions:

I. **Structuring and Set-up**: The FM is expected to assess the GF structure designed by Catalytic and based on it to propose an implementable structure that it sees most appropriate. Terms and elements of the initial structure may be revised, including but not limited to the definition of the target carbon market and standard/registry, against which the guarantee floor is referenced. The FM shall finalise the structure of the guarantee facility and complete its set-up.

II. **Fundraising and Capital Raising:** Once the structure is finalised, the FM shall complete the fundraising needs of the GF by bringing in additional sources of capital and/or leveraging its own balance sheet.

III. **Deployment and Portfolio Management:** The FM shall deploy the GF, including pipeline origination, project and carbon due diligence, offtaker identification and demand-side origination, guarantee pricing and portfolio management, and overall guarantee facility administration.

IV. **Integrity:** The FM shall undertake integrity activities complemented by the TAF. This includes identifying and ensuring the use of the appropriate methodologies and MRV standards for projects. The FM shall also secure high-integrity credits against recognised benchmarks and maintain integrity over the facility life.

V. **Risk management:** The FM shall establish and operate an appropriate risk-management framework.

VI. **Governance and conflicts of interest:** The FM shall operate the Facility under sound governance arrangements, including an investment/guarantee committee with appropriate independent membership. Candidates shall disclose any carbon-trading or offtake activities and set out the arrangements by which such conflicts will be managed.

VII. **Impact measurement and reporting:** The FM shall report to Catalytic and/or financiers of the facility on a periodic basis throughout the operation of the facility.

4. PROCESS, ELIGIBILITY CRITERIA AND REQUIREMENTS

4.1 Process

To reduce the applicant's workload and encourage applications, assessment of the proposals will be undertaken over two phases extending to approximately 8 months, excluding negotiations.

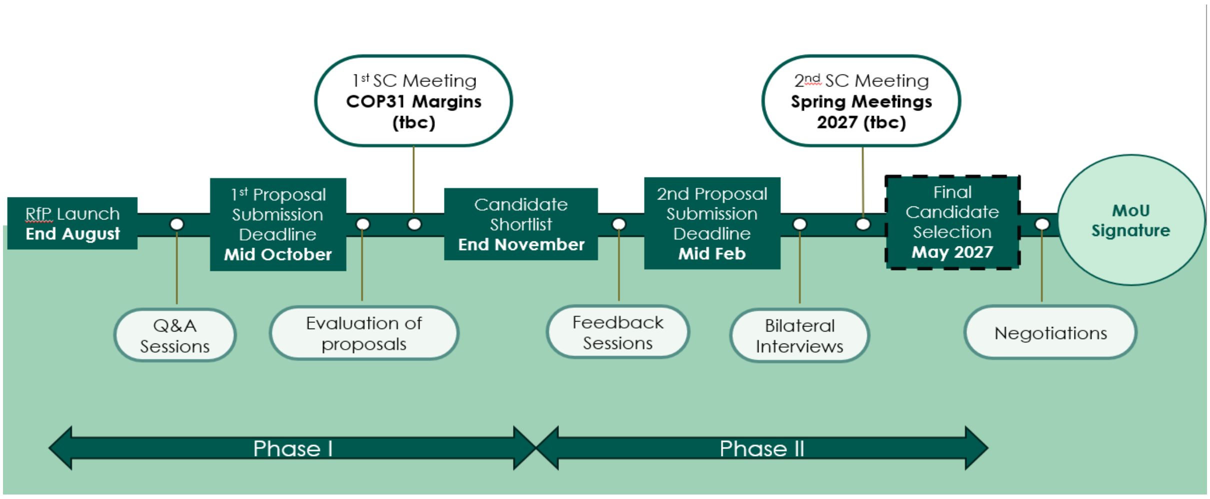
Catalytic will select the FM for the GF through a two-phase process. The process is deliberately structured so that qualified applicants can express interest with minimal upfront effort, while the substantive expression and assessment of proposals is reserved for a shortlisted group. The process is expected to conclude by May 2027, subject to final negotiations.

- **Phase I — Eligibility & Qualification**. A light-touch, pass/fail assessment to confirm that applicants hold the core competencies and institutional standing required to manage the Facility. It is designed to be completed from materials an experienced applicant already holds. Where the number of qualified applicants is high, a small set of scored differentiators is used to shortlist.
- **Phase II — Detailed Proposal Assessment**. A weighted, in-depth evaluation of full technical and commercial proposals submitted by shortlisted applicants, culminating in interviews, reference checks, and final selection.

Because few single firms combine deep guarantee/contingent-liability capability with carbon offtake and due-diligence expertise**, applicants may apply as a consortium or joint venture with a named lead entity**. Mandatory criteria may be satisfied collectively across consortium members, provided the lead entity meets the institutional-standing requirement and assumes overall accountability.

All proposals will be assessed by an evaluation team, as well as a High-level, independent Selection Committee[2] who will validate the candidate shortlist moving onto Phase II, and make the final selection.

[2] Includes experts representing the methane philanthropy community, financiers, carbon markets, and the solid waste sector



4.2 Phase I: Eligibility Criteria and Requirements

Phase I confirms the applicant's fundamental institutional eligibility. All mandatory criteria are assessed on a pass/fail basis against the thresholds set out below. An applicant must satisfy every mandatory criterion — individually, or collectively in the case of a consortium — to proceed.

Only in case of a high number of applicants meeting the mandatory criteria exceed **four** to move onto Phase II, candidates will be assessed against scored differentiators measuring the depth of guarantee management and carbon market track record, blended finance experience, operational familiarity with solid waste projects, and balance sheet strength.

- **Submission Instructions:** Phase I submissions comprise (i) a main response of no more than 10 pages/slides; (ii) a structuring concept note of no more than 5 pages/slides; and (iii) annexes — key-personnel CVs, signed conflict-of-interest disclosure, and standard corporate documents (proof of incorporation/regulatory status, latest audited financial statements, and signed declaration of good standing), which are not page-limited. The complete submission should be provided as a single PDF where possible.

Phase I Eligibility Criteria	Requirement	Evidence required
Institutional standing and eligibility	Applicant (or, for a consortium, the lead entity) is a duly incorporated and, where applicable, regulated/licensed entity. In addition, the applicant should demonstrate institutional support.	Demonstration of institutional support; proof of incorporation / regulatory status; latest audited financial statements; signed declaration of good standing.
Guarantee / risk-mitigation experience	Demonstrated experience designing, managing, and deploying guarantees, pricing risks, risk-mitigation, or other guarantee/insurance-type instruments.	Track-record table: transaction, applicant's role, size, dates, outcome; team CVs

Phase I Eligibility Criteria	Requirement	Evidence required
Carbon Credit Transactional Experience	Demonstrated transaction experience, such as securing carbon-credit offtake agreements, conducting project due diligence, methodology, MRV, and monitoring credit integrity, etc. May be met by a consortium partner.	Named mandates/transactions; team CVs
Capacity to reach target size	Demonstrated capacity to reach the Facility's target size by leveraging own balance sheet and/or raising additional capital.	Examples of capital raised and track record
Geographic and sectoral transactional experience	Operational experience in emerging and developing markets relevant pre-selected geographies[3] and demonstrated experience with solid waste projects.	Examples of transactions or operations in relevant markets and within solid waste sector; team CVs.
Governance and risk management	Confirmation that the applicant operates institutional-grade governance and risk-management arrangements (e.g. investment/guarantee committee, risk evaluation and mitigation policies and mechanisms) and best practice Environmental and Social Management Systems (ESMS). Disclosure of any carbon-trading, offtake, or other activities giving rise to potential conflicts, and confirmation of willingness and ability to manage them.	Brief confirmation and summary of frameworks (detail assessed in Phase II); ESMS; Signed COI disclosure statement.
Structuring approach (concept)	A short high-level note (max 5 pages) demonstrating understanding of Catalytic's proposed structure, feedback, and proposed approach.	5-page structuring concept note.
Indicative fees	An indication of the applicant's fee approach or range. (Detailed fees are assessed competitively in Phase II.)	Short indicative fee statement.

4.3 Phase II: Evaluation Criteria and Requirements

Shortlisted applicants are invited to submit a full technical and commercial proposal. Proposals are evaluated against the evaluation criteria below on which applicants are expected to elaborate in their proposals. In addition, FMs are expected to articulate:

i) Impact & Integrity: Approach to measuring methane abatement (tCO_2e / tCH_4) and co-benefits, MRV, and the four reporting streams (financial, risk exposure, impact, pipeline). Proposed methodology to ensure high credit integrity (e.g. international benchmarks, etc).

[3] Brazil, Colombia, Indonesia, Mexico, Peru, South Africa, Thailand, Philippines, Chile, Costa Rica, Ghana, Kenya, Senegal

ii) Articulation of potential involvement for Catalytic during implementation of the facility *[Optional, it will not affect candidates' scoring]*.

Phase II Evaluation criteria	What is assessed	Indicative weight
Fundraising and capital mobilisation	Credibility of the plan to reach target size: funded vs. callable capital and reserve ratio; the blended capital stack arrangements; the guarantee-fee / premium model; potential use of reinsurance or counter-guarantees; and potential balance-sheet contribution (counterparty strength and creditworthiness).	**25%**
Facility Structure & instrument design	Clarity and ability to implement the proposed structure: settlement mechanics (whether facility buys credits or not); legal form and its accounting/regulatory/tax implications; coverage design and floor-setting methodology; capital-adequacy and reserving approach for a correlated, market-driven liability; project selection methodology ; and lifecycle planning for entire facility deployment term.	**20%**
Deployment and portfolio management	Pipeline origination strategy; the dual due-diligence approach (project and carbon); offtaker identification and demand-side origination; guarantee pricing and portfolio construction and monitoring; and the guarantee-call / settlement workflow.	**20%**
Commercial terms and fees	Competitiveness and transparency of the fee and cost proposal, assessed for value relative to scope.	**15%**
Risk management and Governance	Robustness of the risk management framework, this may include but not limited to delivery/issuance, quality/reputational, policy/methodology, counterparty risk, hedging/reinsurance of correlated tail risk, and valuation of the liability and any credits held, etc. Quality of governance arrangements (committees, independence) and the credibility of arrangements to manage conflicts — particularly where the manager also trades or offtakes carbon credits (e.g. arms-length pricing, independent valuation, counterparty limits, etc.).	**10%**
Team and track record	Strength, relevance, and availability of key personnel; depth of directly comparable transactions; and the coherence of any consortium arrangement.	**10%**

5. APPLICATION PROCESS AND TIMELINE

Please submit your proposals to **cities@catalyticfinance.org** on the relevant dates indicated below.

RfP Timeline		Date
Live RfP	Launch of RfP	31st Aug
(Q3-4 2026)	Q&A Sessions [A public Q&A document will also be made available]	1st September – 2nd October
Phase I	**1st Proposal Due**	**2nd October**
	Review and Clarification of Proposals	5th – 30th October
(Q4 2026)	1st Selection Committee Meeting	9th – 18th November [tbc]
	Shortlisted parties to be notified	By 11th December
Phase II	**Feedback Sessions**	**14th Dec 2026 - 22nd January, 2027**
	2nd Proposal Due	**12th February, 2027 [indicative]**
	Bilateral Interviews with Catalytic [Additional sessions with Selection Committee members may also take place on adhoc basis]	22nd February – 12th March, 2027
(H1 2027)	2nd Selection Committee Meeting	April 12th – 18th, 2027 [indicative]
	Final candidate selection [Candidate enters exclusive discussions with Catalytic]	From end-April
Appointment	MoU Agreement between Catalytic and selected FM	June 2027 [Subject to final negotiations]