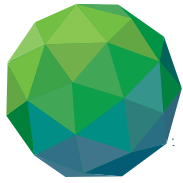


REQUEST FOR CLARIFICATIONS

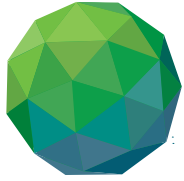
Risk Policies and Rating Methodologies

Clarification requested	Response
<p>1. In Annex 3 C1(c) the RFP says that the team can be and team leader and maximum of 3 people. Can we please clarify whether this is Team leader + 3 or 3 including the team leader? In addition, can this team of 3 be supplemented with subject matter resources to provide insight into specialised areas?</p>	<p>Team is expected to be composed of 1 leader and additional members up to three. So, the total number can be up to four. If you need to supplement with subject matter expert, you may do so. The overall cost will be reflected in our final decision.</p>
<p>2. Does the proposed team need to work in Korea or present outputs of the work in Korea? Will the requested training be in Korea?</p>	<p>We do not think entire work should be done on-site (I.E. in Korea), even though we expect the contractor will work in Korea for some time, especially at the earlier stage of the project to get better understanding and set the direction in close consultation with us. The training can be done via virtual call.</p>
<p>3. Will the same team providing the work output be required to give the training?</p>	<p>Not necessarily as long as the training can be done satisfactorily to the Fund.</p>
<p>4. Annex 1 D (b) 1 requests as a deliverable a credit risk rating methodology for equities that outputs a probability of default and an expectation of loss. An equity would not normally have these characteristics. Is the requested deliverable in respect of equities a way of assessing an equity investment that is comparable to a debt investment? Or must a probability of default / expected loss be generated?</p>	<p>Ordinary equity does not have the characteristics indeed. However, the GCF's investment in equity will not be in exchange traded equities. Rather, we think of investing in private fund type equity position. In that case, we want to know the riskiness of the investment. If you think there are better options in assessing equity position, you may propose those options.</p>



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<p>5. Annex 1 D (b) 1 requests as a deliverable a credit risk rating methodology for guarantees. Can you confirm the types of entities that the GCF would look to for guarantees?</p>	<p>If we are to provide payment guarantees, we would not need separate methodologies from debt rating methodologies. We are thinking of the possibility of guaranteeing for such areas as: Construction being completed within certain period of time. New climate technology functioning to produce certain level of products, etc. Therefore, the risk here will not be related to the entity type, rather it will be related to the underlying activity, etc. being guaranteed by us.</p>
<p>6. Is the intention to pay the successful proposer in USD?</p>	<p>Yes.</p>
<p>7. Annex C 1(b) requests proposers' networks to be set out in the proposal. Do the named individuals in the team need to have the networks themselves or can the network be attributable to our firm more widely?</p>	<p>We expect to receive proposal(s) from (a) firm(s). Therefore, we also expect that proposing firm has the networks.</p>
<p>8. Would GCF accept (and not penalise) proposal submissions in Powerpoint that have adjusted the relevant RFP templates to fit into a Powerpoint format? The same content being covered.</p>	<p>The GCF will not penalize proposals presented in a Powerpoint format. Please note that proposals should however observe the submission requirement and all the RFP requirements and recommendations, and should allow for a clear comprehension of the information being presented.</p>
<p>9. Given the complexity of the modeling part, is the schedule and work plan (p11 of RFP) flexible and can be extended?</p>	<p>Unfortunately, the schedule and work plan are not flexible. Basically, we need to submit the methodology to the (GCF's) Board for its consideration early in 2017. Therefore, the tasks need to be done within the timeframe set out in RFP.</p>
<p>10. Can we assume the grant equivalent calculator only takes credit risk (eg: no market risk) into account?</p>	<p>You can ignore market risk in grant equivalent calculator. We have some ideas regarding the methodology and can share it with successful candidate.</p>
<p>11. Can Green Climate Fund (GCF) accept proposals prepared by X and another partner? If yes, and should our joint</p>	<p>Consultants may associate to increase their qualification and experience with the lead partner clearly identified and roles of the other partner also</p>



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<p>solution be selected, can CGF sign separate contracts with X and our partner?</p>	<p>clearly identified. The contract will be signed with the association if there is an association agreement. GCF will not sign two separate contracts.</p>
<p>12. If GCF does not accept joint proposals and must go with a sub-contracting approach, can X be the Sub-Contractor while our partner be the Prime Contractor? If yes, will GCF need to reissue the RFP to our partner or can we proceed with our partner responding to the RFP as the Prime Contractor?</p>	<p>Yes, that's acceptable. There is no need to reissue the RFP as this was openly advertised for all interested firms to participate and there are no changes being paid.</p>
<p>13. Can X submit 2 proposals with 2 different partners for GCF's consideration? Each of our partner offers its own strength and experience with different cost implications.</p>	<p>No.</p>