



Request for proposals

Gap Analysis for the Fast Track Accreditation of Private Sector Entities, including Financial Intermediaries by the Green Climate Fund

1. Background

1.1 The Green Climate Fund (Fund) was established with the purpose of making a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change. In the context of sustainable development, the Fund will promote a paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change. The Fund is governed and supervised by the Board and was designated as an operating entity of the financial mechanism of the United Nations Framework Convention on Climate Change (UNFCCC).

1.2 The Fund's headquarters is located in Songdo, Incheon City, Republic of Korea. Its operations have started with approximately 50 core staff assisted by external specialized resources/consultants in 2014, with a possibility of expanding regularly over the years.

1.3 The Fund has launched its call for applications for accreditation on 17th November 2014. The Fund expects to have the first batch of applications received in the upcoming months, followed by careful evaluation of the applications in order to present recommendations to the Board for its approval in its Board meeting on 24-26th of March 2015.

1.4 Within the Fund's Secretariat, the Division of Private Sector Facility is responsible for engagement with the private sector entities and Country Programming division is responsible for accreditation process of the financial intermediaries.

2. Invitation

2.1. Through this request for proposals ("RFP"), the Fund is seeking a firm ("The Firm") to provide the consultancy services through completed gap analysis of the existing fiduciary and ESS standards of other financial institutions in order to present recommendations for the fast track accreditation of the private sector entities as per the scope of the RFP in Part 4 *Terms of Reference*. The Fund will award, on the basis of a fair, transparent and competitive selection process, a contract to the successful Firm.

2.2. In addition to this general invitation, the RFP includes the following sections:

- Instructions to Proposers
- Terms of Reference
- Annex I: Evaluation Criteria



2.3. The Fund reserves the right to accept or reject any proposal and to annul the selection process and reject all proposals at any time prior to selection, without thereby incurring any liability to proposers/Firms.

3. Instructions to Proposers

3.1 The tender process comprises three steps:

Submission – The Fund expects technical and financial proposals (three hard copies and one soft copy on CD or USB stick) to be delivered by close of business on 12th March of 2015:

Attention:
Secretariat of the Green Climate Fund
175, Art center-daero
Yeonsu-gu, Incheon 406-840
Republic of Korea
secretariat@gcfund.org

Short Listing – The short-list will be completed by the 19th March 2015. Additional questions may or may not be requested before drawing up the short-list.

Final Step – It is expected to take a final decision by 27th March 2015. For this purpose, short-listed providers may be required to make presentations to the Fund’s senior management.

3.2 **Corrupt, Fraudulent, Coercive, Collusive and other Prohibited Practices.** The Fund requires that all Fund staff, proposers/bidders, suppliers, service providers and any other person or entity involved in Fund-related activities observe the highest standard of ethics during the procurement and execution of all contracts. The Fund may reject any proposal put forward by proposers, or where applicable, terminate their contract, if it is determined that they have engaged in corrupt, fraudulent, coercive, collusive or other prohibited practices.

3.3 **Clarifications and Amendments.** At any time before submission of proposals, the Fund may amend the RFP. Any amendment made will be made available on the Fund’s website and, if applicable, to all short-listed Firms at the same time.

3.4 Interested proposers may request clarification(s) on any part of the RFP. The request must be sent to the Fund at the email address indicated above prior to the submission date.

3.5 **Preparation of the Proposal.** A proposal shall have two (2) components:

- Technical Proposal, and
- Financial Proposal.

3.6 The proposal shall be in English. All reports, opinions and other communications shall be in English unless agreed otherwise for a specific assignment.



- 3.7 The financial proposal shall express the price for Services in United States Dollar (USD).
- 3.8. **Technical proposal.** Proposers are requested to submit a technical proposal that demonstrates the capability in delivering the requested services. As such the Firm should provide the following information using its preferred proposal template:
- Size and geographic scope of the Firm, including office locations in the region and globally;
 - Relevant work experience in carrying out similar compliance reviews;
 - Existing data base and ability to obtain information from the rating agencies and MDBs;
 - The team composition and the skills and experiences of the different team members. The team leader, the main contact points, and relationship manager for the Fund should all be identified;
 - An initial proposal summary on deliverables as set out in the Terms of Reference in Part 4;
- 3.9 The technical proposal should also include a detailed time frame for submission of deliverables. The technical proposal must be in a sealed envelope separate from that of the financial proposal.
- 3.10 The technical proposal will be evaluated using the above criteria and will account for **70%** of the evaluation.
- 3.11 **Financial proposal.** The Financial Proposal shall include the following information:
- Fee structure/pricing for Services, including any discounts, grouped according to practice teams, countries, or other bases. This will include a detailed listing of specific hourly rates of consultant/staff in the Firm who will be performing Services for the Fund;
 - Transparency in, and feasibility of, the pricing of services; and,
 - Billing/invoicing procedures, including the proposer's policy for charging disbursements. Please note that the hourly rates are deemed to include general office cost.
- 3.12 The financial proposal must be in a sealed envelope separate from that of the technical proposal.
- 3.13 The financial proposal will account for **30%** of the evaluation.
- 3.14 The contract will be awarded to the tenderer with the most economically advantageous tender on quality and cost.
- 3.15 **Conflict of Interest.** In their proposal, proposers must (i) confirm that, based on their current best knowledge, there are no real or potential conflict of interest involved in rendering Services for the Fund, and (ii) set out their policy on dealing with conflicts of interest should these arise.
- 3.16 **Confidentiality.** Information relating to the evaluation of proposals and recommendations concerning selection of a Firm will not be disclosed to Firms that submitted proposals.
- 3.17 The Selected Firm will be required to adhere to the Fund's policies, rules and guidelines. They shall not disclose any information related to tasks/assignments, including working drafts, in any form to any other parties and will be held responsible for any violation of this restriction.



4. Terms of Reference

4.1. Introduction and Overview of the Accreditation Process

- (i) The Green Climate Fund has established an accreditation process for all implementing entities (IEs) and intermediaries based on specific accreditation criteria that reflect the Fund's fiduciary standards¹ and environmental and social safeguards (ESS).² The accreditation process can be seen as a means to ensure that the Fund's resources are used towards advancing the principles and objectives of the Fund, in ways that minimize the risk of fiduciary mismanagement or inadvertent environmental or social harm. It is thus one of several mechanisms that the Fund has at its disposal to ensure that its funding is used in a transparent, accountable and effective manner.
- (ii) The initial guiding framework for the Fund's accreditation process includes a set of core guiding principles that, among other principles, aim for a dynamic process that is reliable, credible and flexible. A dynamic accreditation process will also aim at enabling potential entities to increase their scope of activities as their capacity increases over time, should they want to do so. Given the broad mandate of the Fund to finance and invest in measures in a diverse range of sectors and regions through various instruments, the Fund's accreditation process will accommodate the gamut of capacities needed to deliver on its mandate, while preserving the consistency, credibility and transparency of its accreditation process.
- (iii) The accreditation approach recognizes the role of a wide range of entities, which differ in the scope and nature of their activities, as well as their capacities, in advancing the objectives of the Fund. It accommodates this diversity by matching the nature, scale and risk of intended activities to the application of the fiduciary standards and ESS.
- (iv) The accreditation process will take into account the scale and type (e.g. financial instrument) of funding that the entity intends to access, as well as nature of its intended activities. This approach will ensure that the assessment of the entity's conformity with the fiduciary standards, and relevant capacities related to the Fund's ESS, in the accreditation process is commensurate with the level of fiduciary and non-financial (e.g. environmental and social) risk to which the Fund will be exposed through the activities of implementing entities.

4.2. Scope of this RFP

- (i) According to the Fund's current accreditation requirements, entities that are accredited by the Global Environmental Facility, the Adaptation Fund and the EU DEVCO are eligible for a Fast Track Accreditation at the Fund. The completion of the Fast Track application is different from

¹ Refer to the Fund's initial fiduciary principles and standards available at http://www.gcfund.org/fileadmin/00_customer/documents/Accreditation/GCF_Initial_Fiduciary_Principles_and_Standards_20140619.pdf.

² Refer to the Fund's interim environmental and social safeguards available at http://www.gcfund.org/fileadmin/00_customer/documents/Accreditation/GCF_Interim_Environmental_and_Social_Safeguards_20140619.pdf.



the Fund's standard process in that it only addresses the Fund's fiduciary, environmental and social safeguards (gaps) that are not addressed by the above mentioned institutions.

- (ii) Most of private sector entities: commercial banks/national development banks/investment funds/others are not eligible for the Fund's Fast Track accreditation under the current model. There is a strong need for the private sector financial intermediaries to become accredited. The Fund is considering adopting a Fast Track Accreditation procedure for those private sector entities that have investment grade rating by top-tier credit rating agencies or that have benefited from facilities from a multilateral development bank.
- (iii) The objective of this RFP is to select the Firm which would complete the gap analysis and present recommendations for the Fast Track accreditation of private sector entities.
- (iv) The scope of the work conducted by the Firm would be to:
 - a) prepare a report with detailed gap analysis, taking into consideration the existing fiduciary standards and ESS applied by the credit rating agencies and multilateral development banks (MDBs);
 - b) interview 4-6 private sector entities that have applied for accreditation to the Fund and determine which line items they found problematic to answer and the reasons for it;
 - c) present and recommend a revision of certain line items in the current accreditation package that take into consideration the feedback provided by the interviewed private sector financial institutions without compromising the fiduciary and ESS requirements of the Fund.
- (v) The deliverables of the work would be to:

Stage I: Prepare a detailed line item gap analysis against the Fund's existing accreditation requirements to assess:

- a) Gaps in the fiduciary standards of top tier credit rating agencies, such as Standard and Poor's, Moody's and Fitch;
- b) Gaps in the fiduciary standards and (ESS) applied by MDBs, such as International Finance Corporation, African Development Bank, Asian Development Bank, Inter-American Development Bank, European Investment Bank and European Bank for Reconstruction and Development, and the requirements those banks are applying when extending lines of credit and;
- c) Present their conformity at the institutional level with the Fund's fiduciary standards and ESS.

Stage II: Present recommendations for the Fast Track Accreditation that would allow for the private sector entities to become accredited in part or in whole based on (i) their credit ratings, existing financial status/other; or (ii) their lines of credit from select MDBs during a given number of years.

- (vi) In the case that the Firm does not have sufficient expertise in a) or b), the Firm may partner with other consultants/firms who have such capabilities.



- (vii) The assessment for accreditation taking into account the Fund's guiding framework for accreditation³ will be conducted on the information provided by private sector entities, including their track record.
- (viii) The Fund expects the deliverables in accordance with the following timeframe:
- Initial version within five weeks of the Fund giving the assignment to the successful candidate;
 - Final version within two week of the initial version.
- (ix) Please note that a quality and cost based selection method will be used to select the provider. As such the Firm is requested to provide both a technical and financial proposal. The technical and financial proposals must be in two separate and sealed envelopes.
- (x) **Reporting.** The Services will be provided under the guidance and direction of the Fund's Divisions' of the Private Sector Facility and Country Programming. The successful Firm will appoint a key focal point for communication purposes and will be available to respond to contact of nominated focal points on behalf of the Fund to such Services.
- (xi) **Duration.** It is expected that the duration of the selected Firm's service will be until the deadline of Deliverables stipulated in para (v), otherwise, shall be determined in accordance with the Service Agreement signed between the Fund and the selected Firm.
- (xii) **Service Agreement.** The successful Firm will be expected to enter into a Service Agreement with the Fund setting out the general terms and conditions of the call-offs, applicable fees, billing cycle and reporting. The Service Agreement shall be governed by English law, shall contain a PCA arbitration clause (place of arbitration Seoul, Republic of Korea) and shall contain an explicit acknowledgement by the relevant Firm of the Fund's privileges and immunities.

³ Refer to the Initial Guiding Framework on the Fund's Accreditation Process available at http://www.gcfund.org/fileadmin/00_customer/documents/Accreditation/GCF_Guiding_Framework_for_the_Accreditation_Process_20140619.pdf.



Annex I Evaluation Criteria

A. Evaluation and Comparison of Proposals

1. A two-stage procedure will be implemented to evaluate the proposals. In the first stage, the technical proposals will be evaluated before any financial proposal is opened and compared. Only those financial proposals of the offers that meet at least the minimum score in the evaluation of the technical proposals will be opened. Although price is obviously an important factor for the selection, the Fund has decided to use weightings across a list of selection criteria for determining the best choice. 30% of weight will be given for the financial aspect of offer, 70% for the non-financial aspects, with details below.
2. All proposers are expected to adhere to the formal requirements for submitting a proposal and failure to do so will result in disqualification of the proposal from consideration as part of this evaluation.

B. Evaluation of Technical Proposal

3. A review committee established in the GCF Secretariat will evaluate each technical proposal submitted. Each technical proposal will be evaluated on the basis of its responsiveness to the requirements detailed in this RFP, and will be assessed and scored according to technical evaluation criteria listed below:

Selection Criteria	Max. Points
The proposer's size and geographic scope, including office locations in the region and globally	5
A list of proposed staff, including their CVs, and areas of expertise they will oversee under the proposal	5
Relevant work experience in carrying out similar compliance reviews	20
Existing data base and ability to obtain information from the rating agencies and MDBs	15
An initial proposal summary on the deliverables	25
TOTAL	70

4. Those offers that are reaching at least **45** points during the technical evaluation process will be compared for the financial evaluation.

C. Evaluation of Financial Proposal

5. All proposals are evaluated against the following set of basic financial criteria:



Selection Criteria	Max. Points
Fee structure/pricing for Services, including any discounts, grouped according to practice teams, countries, or other bases. This will include a detailed listing of specific hourly rates of consultant/staff in the Firm who will be performing Services for the Fund;	20
Transparency in, and feasibility of, the pricing of services	5
Billing/invoicing procedures, including the proposer's policy for charging disbursements. Please note that the hourly rates are deemed to include general office cost.	5
TOTAL	30

The financially most attractive offer will be given the maximum score of **30** points. Other offers will receive a point score proportional with their cost deviation.

D. Consolidated Evaluation

6. The total score of 100 points will be consist of 70 points from technical evaluation 30 points from financial evaluation. For those proposals received **below 60** points in total will **NOT** be considered as short-listed proposers.