



Department
for Environment
Food & Rural Affairs

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Request for Proposals

Request for Proposals for the Big Nature Impact Fund Manager

Reference: ITT_9494

16th November 2021

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SECTION 1: RESPONSE PARTICULARS

GLOSSARY

Unless the context otherwise requires, the following words and expressions used within this RFP (except Appendix B: Department's Conditions of Contract) shall have the following meanings (to be interpreted in the singular or plural as the context requires):

AIFMD	the Alternative Investment Fund Managers Directive 2011/61/EU.
“Department”	means the Department for Environment, Food and Rural Affairs acting as part of the Crown.
“Bravo”	means the e-Tendering system used by the Department for conducting this competition, which can be found at http://defra.bravosolution.co.uk
“Contract”	means the contract (set out in Appendix B) to be entered into by the Department and the successful Potential Manager.
“EIR”	means the Environmental Information Regulations 2004 (as amended) together with any guidance and/or codes of practice issued by the Information Commissioner or any Government Department in relation to those Regulations.
“FOIA”	means the Freedom of Information Act 2000 (as amended) and any subordinate legislation made under that Act together with any guidance and/or codes of practice issued by the Information Commissioner or any Government Department in relation to that legislation.
“H&S”	means Health and Safety.
“Information”	means the information contained in the RFP or sent with it, and any information which has been made available to the Potential Manager by the Department, its employees, agents or advisers in connection with the competition.
“Pricing Schedule”	means the form accessed via Bravo as per Appendix C in which Potential Managers are required to submit their pricing information as part of a Tender.
“the RFP”	means this request for proposal document and all related documents published by the Department and made available to Potential Managers.
“Specification of Requirements”	means the Department's requirements set out in Section 3 of the RFP.
“Proposal”	means the Potential Manager's formally tendered offer to provide the goods or services described in section 1.1 of Part 1 of the RFP and comprising the information submitted in response to the RFP via the online response forms on Bravo and the Pricing Schedule.
“Potential Manager”	means anyone responding to the RFP and, where the context requires, includes a potential participant in this competition.
“Timetable”	means the competition timetable set out in Part 2 of Section 1 of the RFP.
“25 Year Environmental Plan”	means the government commitment published in Jan 2018 setting out goals for improving the environment in England.

References to a **“Section”** and to an **“Appendix”** are references to a section and to an appendix in the RFP.

Reference to a statute or statutory provision is a reference to such statute or statutory provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted.

PART 1:

GENERAL

- 1.1 The Department is proposing to invest, alongside the private sector, in a new fund, co-investment or similar structure (the “**Fund**”) which would catalyse and invest in a portfolio of high-integrity revenue-generating nature-based projects in England. The Department is seeking proposals from prospective fund managers active in this sector. The firm appointed to act as the fund manager (the “**Manager**”) must be able to evidence its capabilities in this sector or related sectors, to demonstrate its suitability to manage the Fund.
- 1.2 The Department intends to provide up to £20 million, with the potential to scale this up to £30 million at least in any future round of financing (the “**DEFRA Investment**”) to create and capitalise the Fund by the end of financial year 2024/25. This Fund will be structured as a public-private, blended finance vehicle. The Department intends that public investment will take a position in the Fund that incentivises and de-risks private investment into the Fund, recognising the early stage of the markets that the Fund’s portfolio of projects will operate in.
- 1.3 The Manager will be responsible for raising private sector capital to be invested alongside the DEFRA Investment in the Fund, focusing on:
 - a) leveraging private finance to help deliver the natural environment goals of HMG’s 25 Year Environment Plan, England Trees Action Plan and other objectives; and
 - b) accelerating the development of existing and new ecosystem service markets.
- 1.4 The Department requires that such private sector capital comprises at least two-thirds of total commitments to the Fund, as our preferred target . Based on this target the DEFRA investment shall therefore only be released to the Fund at a rate of up to £1 of DEFRA investment for at least £2 of private sector capital raised.
- 1.5 The Fund will invest in a portfolio of projects that generate revenue from nature-based solutions providing ecosystem services. This approach is being proposed following government’s successful use of public-private blended impact models in other areas, including climate finance, social finance and international biodiversity.
- 1.6 The Fund must target investment into nature-based solutions with the greatest biodiversity, climate change mitigation and adaptation potential, and high potential to generate revenue from ecosystem services. These should include tree planting, woodland creation and peatland restoration, however, the scope of potential investments by the Fund will also include a wider range of habitats, and nature-based solutions.
- 1.7 The Manager will be responsible for finding and developing the portfolio of suitable projects for investment. This could include but is not limited to projects supported through the Natural Environment Investment Readiness Fund (“**NEIRF**”), which provides support for projects to become investible.
- 1.8 The Department will require that the Fund is invested in projects that implement nature-based solutions in England, because environment policy is a devolved matter.
- 1.9 The Department may decide at a future date to engage in discussions with the Manager about placing further DEFRA Investment into the Fund, if that will meet desired Policy Objectives and aligns with the mandate of the Fund, in accordance with the Change of Scope (see Annex D Indicative Term Sheet) .
- 1.10 The Department is using Bravo for this competition which means the RFP and the forms for submitting a Proposal are only available in electronic form. It can be accessed via your web browser <http://defra.bravosolution.co.uk>.

- 1.11 Potential Managers are required to submit their Proposal in accordance with the instructions set out in Bravo and the RFP.
- 1.12 The information contained in the RFP is designed to ensure that all Proposals are given equal and fair consideration. It is important that Potential Managers provide all the information asked for in the format and order specified so that the Department can make an informed decision.
- 1.13 Responses from the respondents (Finance Earth, Camco, Cultivo, Foresight, Milltrust, Palladium and Posaidon) to a Request for Information ("RFI") issued by DEFRA on 30 July 2020 helped to inform DEFRA's development of this RFP.
- 1.14 Potential Managers should read the RFP carefully before submitting a Proposal. It sets out:
- a) the Timetable and process for the competition for the selection of the Manager to manage the Fund;
 - b) sufficient information to allow Potential Managers to submit compliant Proposals;
 - c) information regarding the award criteria and evaluation criteria which will be used to assess Proposals;
 - d) the administrative arrangements for the receipt of Proposals; and
 - e) sets out the process to be followed between the appointment of the preferred Potential Manager and launch of the Fund.
- 1.15 Potential Managers are responsible for ensuring that they understand the requirements for this competition. If any information is unclear or if a Potential Manager considers that insufficient information has been provided, it should raise a query via the clarification process described in clause 76.14.
- 1.16 Potential Managers are responsible for ensuring that they have submitted a complete and accurate Proposal and that prices quoted are arithmetically correct for the units stated.
- 1.17 Failure to comply with the instructions set out in the RFP or the provision of false, inaccurate or misleading information, may result in the Potential Manager's exclusion from this competition.
- 1.18 If there is any conflict between the information set out in the RFP and the information displayed in Bravo, the information set out in the RFP shall take precedence over the information displayed in Bravo.
- 1.19 The copyright in the RFP is vested in the Crown and may not be reproduced, copied or stored in any medium without the prior written consent of the Department. The RFP, and any document issued as a supplement to it, are and shall remain the property of the Crown and must be returned upon demand.

Policy Objectives

- 2.1 This Fund will seek to accelerate the deployment of private investment in nature to accelerate progress towards the goals of HMG's 25 Year Environment plan, England Trees Action Plan, England Peat Action Plan and Green Finance Strategy. The Fund will invest in projects that use nature-based solutions to create, protect, sustainably manage, and restore natural or modified ecosystems in England, that address societal challenges effectively and adaptively, simultaneously providing human well-being, climate and biodiversity benefits. This will accelerate delivery of the 25 Year Environment Plan and the UK achieving net zero emissions by 2050.
- 2.2 The Department recognizes significant appetite among charities, private investors, landowners and the natural environment sector to realise the potential of green finance to improve the financial sustainability of the sector and nature itself. The Department acknowledges that investors require confidence to engage in this market in the form of government de-risking or incentives.

- 2.3 The Department is seeking to achieve the following policy objectives (“**Policy Objectives**”) through its investment in the Fund, to:
- a) demonstrate the viability of investments at scale in projects operating in ecosystem services markets, creating a legacy of investor confidence in returns available from these markets.
 - b) precipitate the further development and piloting of business models for ecosystem services across England.
 - c) increase the delivery of natural environment projects and the financial sustainability of the natural environment sector, for example by making more projects financially viable, allowing projects to expand their scope, or to increase the range of benefits they can deliver.
 - d) enable increased rates of new tree planting and woodland creation, peatland restoration, habitat creation and restoration and other nature-based solution deployment, by bringing in additional finance to new and existing natural environment projects.
 - e) realise the benefits of nature-based solutions, including carbon sequestration, biodiversity net gain, water quality improvement, natural flood management, and associated social and economic benefits.
 - f) generate shareable products and know-how so that ‘blueprints’ demonstrating the efficacy of ecosystem-service market models can be shared publicly, to aid development of a pipeline of nature-based projects. For example, these may include business models, legal documentation templates etc.
- 2.4 In terms of environmental sectors, DEFRA proposes that the Fund’s investment mandate should include:
- a) Targeting the majority of DEFRA investment and associated leverage towards enabling the creation or restoration of carbon-rich biodiverse habitats (primarily native woodlands and restored peatlands in line with the policy aims of DEFRA’s Nature for Climate Fund);
 - b) Targeting a portion of the DEFRA investment and associated leverage towards the creation and restoration of a wider range of habitats;
 - c) Investing in a range of ecosystem service asset classes to enable the actions above, encompassing carbon units, biodiversity units, water quality benefits and others.
 - d) The Department recognises the Fund will need to navigate a discovery process as it originates and enters investments. So the investment mandate and target allocations will be developed collaboratively between the Fund Manager and the Department. This will ensure that the mandate permits the Fund to optimise commercial results and the delivery of Policy Objectives as the fund matures and the market develops.
- 2.5 The Fund will also encourage project developers to bring forward investment prospects which can support and expand England’s temperate rainforests.
- 2.6 Potential Managers should describe how they will ensure the Fund will invest only in high-integrity nature projects which are subject to robust accreditation methodologies and conform to the principles of environmental and financial additionality, such as the Woodland Carbon Code, Peatland Code and Natural England Biodiversity Metric. The Fund may invest in emerging market models but will need to ensure market confidence and robust environmental integrity.

Conditions of Investment

- 3.1 If the process proceeds to completion, the Department will require that the DEFRA Investment and directly leveraged funds are only invested in projects that are based in England. Funds must be invested in accordance with an agreed investment mandate.
- 3.2 Potential Managers must, as part of their Proposal, demonstrate how they would seek to:

- a) obtain investment commitments from the private sector of at least twice the size (£40 million) of the potential DEFRA investment (£20million), with the DEFRA Investment taking a de-risking position in the blended total; and
- b) build a fund where the amount contributed by the Department on average does not constitute more than one-third of the total contributions received by the Fund.

Any proposed variation to this must be fully described and explained in the Proposal.

- 3.3 The Department requires the minimum Fund size following fundraising by the Manager to be targeted to at least £60 million in total, inclusive of the DEFRA investment and is interested to see proposals which could credibly leverage a greater portion of private investment and thus increase total fund size.
- 3.4 The DEFRA Investment can take a junior/de-risking position in the Fund, or on terms similar to other investors in the Fund. The Department in consultation with the Manager will set the investment policy, environmental and other objectives and restrictions for the Fund (the “**Mandate**”). The Department expects representation in the Fund’s governance, the nature and detail of which is to be agreed and recognises it will not exercise control over the Fund’s day-to-day operations.
- 3.5 The Fund’s investment period is envisaged to be 3-5 years. The number of investments will depend on the overall fund size and average transaction value.
- 3.6 Overall, the Department would like to achieve a balanced portfolio that achieves a level of diversification across nature-based solutions and ecosystem services as asset classes as listed in section 2.44.
- 3.7 The Fund’s term would be up to 15 years, with the possibility of extending by 2 x 1-year extensions (15+1+1). However, the Department reserves the right, in its absolute discretion, not to extend beyond the initial term.
- 3.8 The Department may consider appointing a Manager that proposes existing investments as “seed assets” for the Fund in case they have significant further capital investment requirements that the Fund could help accelerate. However, this would require a valuation of the seed assets before the Manager is appointed. Managers proposing to contribute seed assets must explain how they propose to overcome potential valuation issues and any other related issues.
- 3.9 The Department would welcome and encourage proposals for the Manager to co-invest in the Fund, however, this is not a necessary requirement to be considered for the role of Manager.

PART 2: PROPOSED TIMETABLE AND ADMINISTRATIVE ARRANGEMENTS

- 4.1 The Public Contracts Regulations 2015 do not apply to the competition commenced by this RFP by virtue of the specific exclusion contained in Regulation 10(1)(e)(i) thereof. The competition is expected to be run in accordance with the following indicative timetable, which is subject to change by the Department and Potential Managers will be informed accordingly.

<i>Procurement Activity</i>	<i>Anticipated Date</i>	
Upload and Publish RFP onto BRAVO	16 th Nov 2021	
Deadline for RFP clarification questions from Potential Managers	Date	20 th Dec 2021
	Time	12:00pm
Deadline for the submission of Proposals	Date	28 th Jan 2022
	Time	12:00pm
Evaluation of Proposals	Start	31 st Jan 2022
	End	25 th Feb 2021

Selection of preferred Potential Manager with design & build dialogue to inform business case for approval gateways	by late March 2022
Further due diligence	April 2022
Agreeing final legal documentation	April – May 2022
Appoint Fund Manager	May 2022
Launch Fund (day 1)	Summer 2022

PART 3: COMPLETION OF RESPONSE

- 6.1 By submitting a Proposal, Potential Managers agree:
- to be bound by the terms of this RFP; and
 - that if the Department accepts the Proposal in writing, the Potential Manager will execute the Contract in the form set out in Appendix B or in such amended form as may be agreed in writing by the Department.
- 6.2 The Department may terminate or amend the competition or the RFP at any time. Any such termination or amendment will be notified in writing to all Potential Managers. In order to give Potential Managers reasonable time in which to take an amendment into account in preparing their Proposals, the Department may, at its discretion, extend the deadline for the submission of Proposals and/or any other stages of the competition.
- 6.3 Unless otherwise stated in the RFP or in writing by the Department, all communications from Potential Managers (including Potential Managers' sub-contractors, consortium members, consultants and advisers) during the competition must be made using Bravo. The Department will not respond to communications made by other means and Potential Managers should not rely on communications from the Department unless they are made through Bravo.

Submission of Proposals

- 6.4 Potential Managers must complete all parts of the response form in Bravo in accordance with the instructions therein.
- 6.5 Potential Managers should print off the Form of Proposal which must be signed by an authorised signatory. The signed Form of Proposal must be uploaded and submitted via Bravo as part of a Proposal in accordance with the instructions in Bravo.
- 6.6 The Proposal and any documents accompanying it must be in English.
- 6.7 Prices must be submitted in £ Sterling, exclusive of VAT.
- 6.8 Proposals will be checked for completeness and compliance with the requirements of the RFP and only compliant Proposals will be evaluated.
- 6.9 Potential Managers must be explicit and comprehensive in their Proposal, as this will be the single source of information used to score and rank Proposals. The Department will take into account only information which is specifically asked for in the RFP.
- 6.10 Where a length of response is stipulated, for example, a word count limit, only the information within the set limit will be evaluated.
- 6.11 Failure to provide the information required or supply documents referred to in the Proposal within the deadline for Proposals may result in rejection of the Proposal.

- 6.12 Potential Managers should avoid reference to general marketing or promotional information/material (except where this is specifically required by the relevant question). General marketing or promotional brochures may not be accepted where these are not deemed to be specifically relevant to the question.
- 6.13 Different persons may be responsible for evaluating different responses to questions in a Proposal. Therefore, Potential Managers should not cross-refer to answers given elsewhere in a Proposal but should answer each question so that it acts as a stand-alone response. This may mean Potential Managers need to repeat certain information in responses to different questions if this is required by those questions.

Clarifications sought by Potential Managers

- 6.14 Any request for clarification regarding the RFP should be submitted at the earliest opportunity via Bravo and in any event no later than the deadline for clarifications set out in the Timetable. The Department shall be under no obligation to respond to queries raised after the clarification deadline.
- 6.15 The Department will respond to all reasonable clarifications as soon as possible but cannot guarantee a minimum response time. The Department will publish all clarifications and its responses to all Potential Managers on Bravo other than in exceptional circumstances.
- 6.16 If a Potential Manager believes that a request for clarification is commercially sensitive or that publishing the same together with the Department's response as set out above would reveal confidential information, disclosure of which would be detrimental to the Potential Manager, it should clearly state this when submitting the clarification request. However, if the Department considers either that:
- a) the clarification and response is not commercially sensitive; and/or
 - b) all Potential Managers may benefit from its disclosure

the Department will notify the Potential Manager of this (via Bravo), and the Potential Manager will have an opportunity to withdraw the request for clarification. If the request for clarification is not withdrawn within 48 hours of the Department's notification, Department may publish the clarification request and its response to all Potential Managers and the Department shall not be liable to the Potential Manager for any consequences of such publication.

- 6.17 The Department may not respond to a request for clarification or publish such a request where the Department considers that the response may prejudice the Department's commercial interests. In such circumstances, the Department will inform the Potential Manager of its view.

Changes to Proposals

- 6.18 Potential Managers may modify their Proposals prior to the deadline for Proposals. No Responses may be modified after the deadline for Proposals.
- 6.19 Potential Managers may withdraw their Proposals at any time by submitting a notice via Bravo. Unless withdrawn, Proposals shall remain valid and open to acceptance by the Department for 120 days from the deadline for Proposals.

Receipt of Proposals

- 6.20 Proposals must be uploaded onto Bravo no later than the time and date set out in the Timetable as the deadline for Proposals. The Department will not consider Proposals received after the deadline. The Department may however at its own discretion, extend the deadline and in such circumstances the Department will notify all Potential Managers of any change.
- 6.21 If a Potential Manager experiences problems when uploading its Proposal, it should contact the Bravo helpdesk for assistance and also inform the Department.

Acceptance of Tenders

- 6.22 By issuing the RFP, communicating with a Potential Manager or a Potential Manager's representative or agents or any other communication in respect of this competition, the Department shall not be bound to accept any Proposal or award the Contract or any other contract.

Costs of Responding

- 6.23 Potential Managers shall bear all their own costs and expenses incurred in the preparation and submission of their Proposals, site visits and presentations and the Department will in no case be responsible or liable for those costs, regardless of the outcome of the competition in relation to individual Proposals, even if the competition is terminated or amended by the Department.

Clarifications sought by the Department

- 6.24 The Department reserves the right (but is not obliged) to seek clarification of any aspect of a Proposal and/or provide additional information during the evaluation phase in order to carry out a fair evaluation. Failure to respond in a timely manner and/or to provide an adequate response to such a request may result in the Proposal being rejected.
- 6.25 Potential Managers must give the names of two people in their organisation who can answer the Department's clarification questions. The Department will not contact any other persons. Potential Managers must notify the Department promptly of any changes.

Confidentiality of the RFP and related documents

- 6.26 The contents of the RFP and of any other documents or information published or provided by the Department in respect of this competition are provided on condition that they remain the property of the Department, are kept confidential (save in so far as they are already in the public domain) and that the Potential Manager shall take all necessary precautions to ensure that they remain confidential and are not disclosed, save as described below.
- 6.27 Potential Managers may disclose information relating to the competition to their advisers and sub-contractors if:
- a) disclosure is for the purpose of enabling a Proposal to be submitted and the recipient of the information undertakes in writing to keep it confidential on the same terms as the Potential Manager;
 - b) the Department gives prior consent in writing to the disclosure;
 - c) the disclosure is made for the purpose of obtaining legal advice in relation to the competition; or
 - d) the Potential Manager is legally required to disclose the information.
- 6.28 No Potential Managers will undertake any publicity activities in relation to the RFP without the prior written agreement of the Department, including agreement on the format and content of any publicity. For example, no statements may be made to the media regarding the nature of any Proposal, its contents or any proposals relating to it without the prior written consent of the Department.
- 6.29 All Central Government Departments, their Executive Agencies and Non Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further the Cabinet Office has a cross-Government role delivering overall Government policy, including ensuring value for money and related matters.
- 6.30 For these purposes, the Department may disclose within Government any of the Potential Manager's documents and information (including any that the Potential Manager considers to be confidential and/or commercially sensitive) provided in its Proposal. The information will not be disclosed outside Government during the competition. Potential Managers consent to these terms as part of the competition.

Confidentiality: References and third-party evaluators:

- 6.31 When providing details of contracts as part of a Proposal, Potential Managers agree to waive any contractual or other confidentiality rights and obligations associated with these contracts.
- 6.32 The Department reserves the right to contact any named customer contact given as a reference or otherwise referred to as part of a Proposal. The named customer contact does not owe the Department any duty of care or have any legal liability, except for any deceitful or maliciously false statements of fact.
- 6.33 Subject to clauses 6.35 to 6.38 below, the Department will keep confidential and will not disclose to any third parties any information obtained from a named customer contact, other than to the Cabinet Office and/or other public bodies as appropriate.
- 6.34 The Department may use third parties in the course of its evaluation of Proposals. The Department may disclose information contained therein to such third parties for the purposes of the Department's evaluation of Proposals in accordance with this RFP. Potential Managers acknowledge that this right shall be in addition to the provisions of clauses 8, 9 and 6.35 to 6.38.

Freedom of Information and Environmental Information Regulations

- 6.35 In accordance with the obligations placed on public authorities by the FOIA and the EIR, which provide a public right of access to information held by public bodies, the Department may be required to disclose information submitted to it by a Potential Manager.
- 6.36 If a Potential Manager considers any information which it supplies to the Department to be commercially sensitive or of a confidential nature, it should complete the schedule of Commercially Sensitive Information set out in Bravo (Appendix E) and:
- a) clearly identify any information provided as confidential or commercially sensitive;
 - b) explain the potential implications of disclosure of such information; and
 - c) provide an estimate of the period of time during which the Potential Manager believes that such information will remain confidential or commercially sensitive.
- 6.37 If a Potential Manager identifies information as being confidential and/or commercially sensitive, the Department will endeavour to maintain the confidentiality of that information, and will, where practicable, consult with the Potential Manager before information relating to that Potential Manager is disclosed pursuant to a request for information under FOIA and/or EIR to establish whether an exemption from disclosure may apply.
- 6.38 However, even where information is identified by a Potential Manager as being confidential or commercially sensitive, Potential Managers acknowledge that there may be circumstances in which the Department may be required to disclose such information in accordance with the FOIA or the EIR (in addition to any other transparency obligations as set out in clauses 6.29). In particular, the Department is required to form an independent judgment concerning whether the information is exempt from disclosure under the FOIA or the EIR including whether the public interest favours disclosure or not. Accordingly, the Department does not guarantee that any information marked "confidential" or "commercially sensitive" will not be disclosed and accepts no liability for any loss or prejudice caused by the disclosure of information.
- 6.39 If a Potential Manager receives a request for information relating to this competition under the FOIA or the EIR during the competition, this should be immediately passed on to the Department and the Potential Manager should not respond to the request without first consulting the Department.

Disclaimers

- 6.40 Whilst the information in the RFP and any supporting information referred to herein or provided to Potential Managers by the Department have been prepared in good faith the Department does not warrant that this information is comprehensive or that it has been independently verified.
- 6.41 Neither the Department nor its respective advisors, directors, officers, members, partners, employees, other staff or agents:
- a) makes any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the RFP or of any other written or oral communication transmitted (or otherwise made available) to any Potential Manager;
 - b) accepts any liability for the information contained in the RFP or in any other written or oral communication (including any communications via Bravo) transmitted (or otherwise made available) to any Potential Manager, or for the fairness, accuracy or completeness of that information; or
 - c) shall be liable for any loss or damage (other than in respect of fraudulent misrepresentation or any other liability which cannot lawfully be excluded) arising as a result of reliance on such information or any subsequent communication.
- 6.42 Any party considering entering into contractual relationships with the Department following receipt of the RFP should make its own investigations and independent assessment of the Department and its requirements for the goods and/or services and should seek its own professional financial and legal advice.
- 6.43 Neither the issue of the RFP nor any of the information presented in it should be regarded as a commitment or representation on the part of the Department to enter into a contractual arrangement. Nothing in the RFP or in any other communication made between the Department and any other party should be interpreted as constituting a contract, agreement or representation between the Department and any other party (save for a formal award of contract made in writing) or as constituting a contract, agreement or representation that a contract shall be offered.

Canvassing

- 6.44 Any Potential Manager which directly or indirectly canvasses any officer, member, employee, or agent of the Department or its members or any other relevant body or any of its officers or members concerning the Contract or this competition or which directly or indirectly obtains or attempts to obtain information from any such officer, member, employee or agent concerning any other Potential Manager or Proposal will be excluded from this competition and its Proposal rejected.
- 6.45 The Potential Manager shall not make contact with any employee, agent or consultant of the Department which is in any way connected with this competition during this competition, unless instructed otherwise by the Department.

Conflicts of Interest

- 6.46 The concept of a conflict of interest includes any situation where relevant staff members of the Department, involved in this competition have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the competition procedure and/or affect the integrity of the contract award.
- 6.47 Where the Potential Manager is aware of any circumstances giving rise to a conflict of interest or has any indication that a conflict of interest exists or may arise you should inform the Department of this as soon as possible (whether before or after they have submitted a Proposal). Potential Managers should remain alert to the possibility of conflicts of interest arising at all stages of the competition and should update the Department if any new circumstances or information arises, or there are any changes to

information already provided to the Department. Failure to do so, and/or to properly manage any conflicts of interest may result in a Proposal being rejected.

- 6.48 Potential Managers are asked to sign and return in Appendix F to indicate whether or not any conflict of interest is, may be, or be perceived to be, an issue. If there is any conflict of interest (whether actual, potential or perceived), the Potential Manager must provide a full account of the actions or processes that it will use to ensure that the conflict of interest is avoided. In any statement of mitigating actions, Potential Managers are expected to outline how they propose to achieve a robust, impartial and credible approach to the project. Failure to declare or avoid conflict of interest at this or a later stage may result in exclusion from the competition, or in the Department exercising its right to terminate any contract awarded.

Changes to a Potential Manager's Circumstances

- 6.49 The Department may:
- a) reject a Proposal if there is a subsequent change of identity, control, financial standing or other factor which may affect the Department's evaluation of the Proposal;
 - b) revisit information contained in a Proposal at any time to take account of subsequent changes to a Potential Manager's circumstances; or
 - c) at any point during the competition require a Potential Manager to certify there has been no material change to information submitted in its Proposal and in the absence of such certificate, reject the Proposal.

Sub-Contracting

- 6.50 Where the Potential Manager proposes to use one or more sub-contractors to deliver some or all of the contract requirements, all information requested to be included in the Proposal should be given in respect of the prime contractor and a separate Appendix should be used to provide details of the proposed bidding model that includes:
- a) members of the supply chain;
 - b) the percentage of work being delivered by each sub-contractor; and
 - c) the key contract deliverables each sub-contractor will be responsible for.
- 6.51 The Department recognises that arrangements in relation to sub-contracting may be subject to future change and may not be finalised until a later date. However, Potential Managers should be aware that where information provided to the Department indicates that sub-contractors are to play a significant role in delivering key contract requirements, any changes to those sub-contracting arrangements may affect the ability of the Potential Manager to proceed with the competition process or to provide the supplies and/or services required. If the proposed supply chain changes at any time after submission of its Proposal, the Potential Manager should inform the Department immediately via Bravo. The Department reserves the right to deselect the Potential Manager prior to any award of contract, based on an assessment of the updated information.

Consortia

- 6.52 If the Potential Manager completing the Proposal is doing so as part of a proposed consortium, the following information must be provided;
- a) names of all consortium members;
 - b) the lead member of the consortium who will be contractually responsible for delivery of the contract (if a separate legal entity is not being created); and
 - c) if the consortium is not proposing to form a legal entity, full details of proposed arrangements within a separate Appendix.

- 6.53 Please note that the Department may require the consortium to assume a specific legal form if awarded the contract, to the extent that a specific legal form is deemed by the Department as being necessary for the satisfactory performance of the contract.
- 6.54 All members of the consortium will be required to provide the information required in the Proposal as part of a single composite response to the Department i.e. each member of the consortium is required to complete the form.
- 6.55 If the Potential Manager proposes to create a separate legal entity such as a special purpose vehicle ("SPV"), the Potential Manager should provide details of the actual or proposed percentage shareholding of the constituent members within the new legal entity in a separate appendix. If the Potential Manager does not propose to create a separate corporate entity it should set out in a separate annexe full details of its alternative arrangements.
- 6.56 The Department recognises that arrangements in relation to a consortium bid may be subject to future change. Potential Managers should therefore respond on the basis of the arrangements as currently envisaged. Potential Managers are reminded that the Department must be immediately notified via Bravo of any changes, or proposed changes, in relation to the bidding model so that a further assessment can be carried out by applying the selection criteria to the new information provided. The Department may deselect the Potential Manager prior to any award of contract, based on an assessment of the updated information.

Pricing

- 6.57 As stated in Appendix C , prices must be submitted in £ Sterling, exclusive of VAT. The Pricing Schedule within Bravo sets out the minimum level of pricing information required for the Tender. The Department may request a detailed breakdown of any pricing submitted as part of a Tender.

Notification of Award

- 6.58 Following a decision to award the Contract, the Department will provide reasons for its decision in an award notification letter to all unsuccessful Potential Managers.

Lots

- 6.59 This competition is not divided into lots. The Department intends to award a Contract to the most economically advantageous tender in the opinion of the Department.

TUPE

- 6.60 Potential Managers should determine whether or not they believe the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) applies to this competition. Notwithstanding this, Potential Managers will note that it is the Department's view that TUPE is **not likely** to apply if this competition results in a contract being awarded, although the Department is not liable for this opinion. The Department will wish to satisfy itself that Proposals are responsibly calculated and take full account of any likely TUPE obligations all costs arising from the application of TUPE. The Department shall have no liability in this regard.
- 6.61 If Potential Managers have a contrary view to that of the Department on the applicability of TUPE they should advise the Department, giving reasons, prior to the deadline for Proposals.

SECTION 2: EVALUATION:

Evaluation of Proposals will comprise the stages set out in the table below. More information on the specific evaluation criteria for specific sections of a Proposal are detailed in the relevant question as set out on Bravo.

Stage	Section Reference	Evaluation Criteria	Question Scoring/ Weighting (%)
Stage 1	Completeness of Proposal	This stage is not scored but if you do not upload a complete, signed, and dated Form of Proposal in accordance with the instructions in Bravo, your Proposal will be rejected as non-compliant.	Pass/Fail
Stage 2	Selection Stage:	<p>This stage is designed to select those Potential Managers who are suitable to deliver the Department's requirements and will be evaluated in accordance with the criteria set out in the qualification response form in Bravo and Part 1 of this Section 2 below (in respect of economic and financial standing and technical and professional ability).</p> <p>Failure to meet the stated selection criteria will result in a Proposal being rejected at this stage and no further assessment of the remainder of the Proposal (including the Tender) pursuant to the remaining stages below will be undertaken by the Department.</p>	Pass/Fail
Stage 3	Technical Quality Sub-criterion 03a	Similarly, a failure to meet this sub-criterion 03a of the stated technical criteria will result in a Proposal being rejected and no further assessment of the remainder of the Proposal (including the Tender) pursuant to the remaining stages below will be undertaken by the Department.	<ul style="list-style-type: none"> • E01 FCA Approval Pass/ Fail
	Technical Quality Sub-criterion 03b	This stage consists of an evaluation of Proposals in accordance with the criteria set out for each question in the response form in Bravo, as set out in Appendix C.	<p>Scored at 80% of total score, consisting of the following breakdown of questions:</p> <ul style="list-style-type: none"> • E02 Demonstration of Understanding the Market Weighting = 10% • E03 Description of Optimum Fund Structure & Governance Weighting = 10% • E04 Fundraising: Description of Strategy, Pipeline & Rationale Weighting = 16% • E05 Investment & Exit Strategy: Description of

			<p>Strategy, Pipeline & Capability Weighting = 16%</p> <ul style="list-style-type: none"> • E06 Environmental & Social Weighting = 10% • E07 Experience & Track Record Weighting = 18% <p>(For the purposes of Bravo, the Technical Envelope totals 100%. The 80% Technical vs 20% Commercial weighting will be applied automatically on Bravo post completion of the Evaluation).</p>
Stage 4	Pricing Information (sits within Commercial Envelope on Bravo)	Prices will be evaluated in accordance with criteria set out in the Pricing Schedule in Bravo.	<p>Scored at 20% of total score, consisting of the following breakdown of questions</p> <ul style="list-style-type: none"> • E08 Fees (Cost effectiveness and Project Return) Weighting = 20%
Stage 5	Award	<p>A Proposal which passes stage 1 and 2 will proceed to evaluation of Proposals in accordance with stages 3 to 4</p> <p>The final score is calculated as follows:</p> <ul style="list-style-type: none"> • 80% is made up of the total of Stage 3 (Technical Quality Requirements) • 20% is made up from Stage 4 (Pricing Information) <p>The Potential Manager's Technical Quality Requirements score and its Total Price Requirements score will be added together. The most economically advantageous tender will be the Proposal with the highest final score.</p>	<p>Total Technical Quality Requirements will make up to a maximum of 80% of total score.</p> <p>Total Price Requirements will make up to a maximum of 20% of total score.</p>

PART 1: SELECTION STAGE (STAGE 2)

- 1.1 The selection stage has been designed to assess the suitability of a Potential Manager to deliver the Department's contract requirement(s). Potential Managers who are unsuccessful at this stage of the competition process will not have the remaining sections of their Proposal evaluated pursuant to the award stage of the process outline in Part 2 below.

Financial Standing (Pass/Fail)

- 1.2 The Department will review the economic information provided in the response form to evaluate a Potential Manager's economic and financial standing. The Department's evaluation will be based on all the information reviewed and will not be determined by a single indicator.
- 1.3 If, based on its assessment of the information provided in a Proposal, the Department decides that a Potential Manager does not meet the Department's required level of economic standing, the Department may:
- a) ask for additional information, including information relating to your parent company, if applicable; and/or
 - b) require a parent company guarantee or a performance bond.
- 1.4 The Department may reject a Potential Manager who is unable to offer a commitment to provide a parent company guarantee or performance bond.
- 1.5 In addition to the information provided by Potential Managers in a Proposal, the Department may, at its discretion, consult Dun & Bradstreet reports and other credit rating or equivalent reports depending on where a Potential Manager is located.
- 1.6 The Department's assessment of economic and financial standing will consider financial strength and risk of business failure.
- 1.7 **Financial Strength** is based on tangible net worth and is rated on a scale of 5A (strongest) to H (weakest) obtained from Dun & Bradstreet. There are also classifications for negative net worth and net worth undetermined (insufficient information). Financial strength will be assessed relative to the estimated annual contract value.
- 1.8 **Risk of Business Failure** is rated on a scale of 1 (minimal) to 4 (significant) obtained from Dun & Bradstreet. There is also a classification of insufficient information. The Department regards a score of 4 as indicating inadequate economic and financial standing for this competition.
- 1.9 The Department will also calculate and evaluate your:
- a) **operating performance:** growth or reductions in sales, gross profit, operating profit, profit before tax and earnings before interest, tax, depreciation, amortisation, exceptional items and profit/loss on sale of businesses (EBITDA);
 - b) **liquidity:** net current assets, movements in cash flow from operations, working capital and quick ratios, and average collection and payments periods; and
 - c) **financial structure:** gearing ratios and interest cover.

Technical and Professional Ability (pass/fail)

- 1.10 Proposals will be rejected as having failed this requirement where a Potential Manager fails to provide one or more examples or where none of the examples provided are considered by the Department to be of relevance to the Department's Statement of Requirements in Section 3.

PART 2: TENDER EVALUATION: AWARD STAGE (STAGES 2 TO 5)

- 2.1 Proposals will be evaluated on quality and price using the evaluation criteria set out in Bravo to determine which Proposal is the most economically advantageous. The Department will award the Contract to the Potential Manager which submits the most economically advantageous tender which will be the highest scoring Proposal after the weightings are applied.
- 2.2 Potential Managers are required to set out a comprehensive response. Each question will be scored separately, and no reference will be made between the questions.
- 2.3 To ensure that the relative importance of both sets of criteria is correctly reflected in the overall score, a weighting system will be applied to the evaluation:
- a) the total quality scores (Stage 3 above) awarded will form 80% of the final score;
 - b) the score awarded for price (Stage 4 above) will form 20% of the final score.
- 2.4 Each scoring question in the quality evaluation is given a weighting to indicate the relative importance of that question in the overall quality score. Weightings for quality scores are provided with the evaluation criteria and are detailed on Bravo for each question in the response form. The evaluation criteria for price are set out in the Pricing Schedule.
- 2.5 Evaluation of Proposals will be undertaken by a panel appointed by the Department. Each panel member will first undertake an independent evaluation of the Proposals applying the relevant evaluation criteria for each question. Then, a moderation meeting will be held at which the evaluation panel will reach a consensus on the marking of each question.
- 2.6 Questions asked by the Department to evaluate the Technical Quality and Pricing Information contained within Proposals can be found on Bravo. These are repeated as Appendix C of this RFP for information purposes. During the evaluation of each Proposal, each question (other than E01), will be assigned a score of between 0 and 100 where the weightings against each question will be applied, outlined in Section 5 on the basis of the Scoring Criteria assessed as follows:
- **For a score of 100: Very Good:** Addresses all the Department's requirements with all the relevant supporting information set out in the Bidder Pack; and/or there is comprehensive evidence which adequately demonstrates that the Potential Manager understands the requirement, and a clear methodology which adequately demonstrates the means by which the Potential Manager will meet it. There are no weaknesses and therefore the response gives the Department complete confidence that all the requirements will be met to a very high standard.
 - **For a score of 70: Good:** Addresses all the Department's requirements with all the relevant supporting information set out in the Bidder Pack; and/or there is a good standard of evidence which demonstrates that the Potential Manager understands the requirements, and a methodology which demonstrates to a good standard the means by which the Potential Manager will meet them. The response contains minor weaknesses and therefore the response gives the Department confidence that all the requirements will be met to a good standard or that some of the requirements will be met to a very high standard and the remainder to a good standard.
 - **For a score of 50: Moderate:** Addresses most of the requirements with most of the relevant supporting information set out in the Bidder Pack; and/or there is a moderate standard of evidence which demonstrates that the Potential Manager understands the requirements, and a methodology which demonstrates to a moderate standard the means by which the Potential Manager will meet them. The response contains moderate weaknesses and therefore the response gives the Department confidence that all of the requirements will be met to a suitable standard or that some of the requirements will be met to a good standard and the remainder to a suitable standard.

- For a score of 20: Weak: Substantially addresses some of the requirements but not all; and/or provides supporting information that is of limited relevance to the requirements; and/or there is a weak standard of evidence to demonstrate that the Potential Manager understands the requirements, or a methodology containing significant limitations or weaknesses, and therefore raises concerns for the Department that the requirements may not all be met, or be met to at least a suitable standard.
- For a score of 0: Unacceptable: No response submitted, or provides a response that gives the Department no confidence that the requirements will be met (or met to at least a suitable standard), or is manifestly incapable of meeting the Department's requirements.

2.7 If a score of twenty or below is awarded to a Potential Managers response to any question, the Department will reject the Tender.

2.8 The weighting and maximum marks available for the price (Stage 4) will be marked proportionately in accordance with Appendix C, section 2.1.

PART 3: INDICATIVE TERM SHEET

3.1 Given the importance of the Manager to deliver on the Department's expectation and recognising the importance of the Manager relationship to successful Fund performance, an indicative term sheet has been included in Appendix D. This includes key areas of focus for the Department seeking to align the activities of the Managers with the long-term interests of the Department to:

- align the timescales over which investment risk and opportunity are considered with the expectations of the Department;
- set out an appropriate internal risk management framework so that the risks are managed effectively;
- confirm how the Manager will comply with any regulation (including the AIFMD) that may apply to the Fund;
- effectively align interests through fees, pay structures and culture;
- ensure that Fund performance is appropriate to the mandate, in line with expectations and managed effectively; and
- provide appropriate transparency and assurance to the Department on all these issues.

3.2 The terms of the indicative term sheet are not exhaustive and are simply indicative of the terms that the Department are seeking; it does not constitute a binding offer or commitment to make the DEFRA Investment. Any such investment will be subject to DEFRA investment committee approval, final business case, final due diligence, signing by all relevant parties of a detailed and legally binding agreement and satisfaction of any conditions precedent stated in the final offer letter.

3.3 Although not forming part of a Potential Manager's total score, the Department expects the Potential Manager to submit a final term sheet in the form set out in Appendix D setting out clearly (i) where they propose to diverge from the indicative term sheet, (ii) what the variations are, and (iii) provide the reason for any such divergence/amendment taking account of the business, legal, financial, regulatory, timing and any other aspects. The Department expects that the Potential Manager's Proposal will be based on the indicative term sheet unless otherwise indicated by the Potential Manager in their Proposal.

SECTION 3: SPECIFICATION OF REQUIREMENTS

This Section sets out the Department's requirements and situates the Big Nature Impact Fund within a wider landscape of Government policy and funding for the environment.

Introduction

1.1 This request for proposals (RFP) invites bids from fund managers to:

- a) design and establish the Fund – a public-private blended impact fund, with £20 million to £30 million of DEFRA investment.
- b) raise additional capital from investors – using the DEFRA investment as cornerstone investment.
- c) develop a portfolio of nature-based projects that can generate revenue from ecosystem services
- d) transact and manage the Fund's investments as a portfolio of projects.

Natural environment policy

1.2 This Fund is situated within government's wider efforts to protect and restore the natural environment. In 2018, the Government published its **25 Year Environment Plan (25YEP)** and committed to 'using and managing land sustainably' and 'recovering nature and enhancing the beauty of landscapes'. Delivery of the 25YEP will protect and recover domestic biodiversity, engage communities with nature and help to meet net zero emissions by 2050.

1.3 Natural processes provide 'nature-based solutions' to environmental or societal problems. Enabling more environmental projects to deliver these projects is crucial to achieving the 25YEP. The Government is therefore providing significant funding to enable more environmental projects, and wishes to see the environmental sector placed on a sustainable financial footing, benefitting from long-term, private investment.

1.4 In this parliament the Government has created a £750 million **Nature for Climate Fund (NCF)** to treble tree planting in England and fund at least 35,000 hectares of peatland restoration over this parliament. By planting the right trees in the right places, restoring peatlands and other habitats, we gain environmental benefits, including carbon sequestration, space for nature to recover, social benefits through access to nature, and wider benefits such as reduced flood risk and improved water quality. The NCF is being delivered through a range of grants and partnerships.

1.5 DEFRA is using £20 million of public funding from the NCF to create a **Big Nature Impact Fund** ('the Fund'). By combining public, private and philanthropic investment, the Fund will incentivise more private investment into nature-based projects and decrease risk for investors. This will deliver a commitment from the **England Trees Action Plan (ETAP)**, **England Peat Action Plan (EPAP)**, and an ambition from the 25YEP to create a 'blended finance' impact fund. The Fund will demonstrate financial investments at scale in environmental markets and ecosystem services, showing the viability of investment in the sector, and increasing the finance available to nature.

1.6 The Government legislated for a new **Environment Act (2021)** to underpin 25YEP delivery, creating provision for, among other measures: setting legally binding targets to improve the environment; implementing Environmental Principles to guide policymaking; and establishing the **Office for Environmental Protection (OEP)** to hold public authorities to account. The Act will also make it mandatory for developers, subject to some exemptions, to achieve at least a 10% net gain in value for biodiversity, so that habitats for wildlife will be left in a measurably better state than before the development. This should be delivered on site where possible, and if not achievable on site, the biodiversity gain will need to be ensured off site, for example through purchase of biodiversity credits. This legislative basis provides certainty for the public, landowners, businesses and investors of the high standards government will drive through all available levers to protect and restore the environment.

Future farming

- 1.7 As set out in the **Agricultural Transition Plan**, the Government is reforming the financial support provided to the rural economy through the Environmental Land Management schemes, to reward sustainable farming practices with benefits such as the improvement of animal health and welfare, reduction of carbon emissions, and the creation and preservation of habitats. These schemes underpin the Agricultural Transition towards our future farming policy.
- 1.8 We are designing our tree planting, peatland restoration and environmental land management schemes to create space for private investment now and to enable land managers to access additional private revenue streams as they come online in the future. As environmental markets develop and our evidence base grows, we will review grant offers and policy positions to ensure that land managers end up better off if they access private markets rather than relying on public payments alone.

Green finance

- 1.9 Across the economy the UK aims to be a global leader in the technologies, processes, services, and business models needed to decarbonise our economies, protect our environment, and adapt to a changing climate. This was set out this year in the Government's **Net Zero Strategy**. To do this we will support our world class innovators, entrepreneurs, and financial institutions to develop and deploy the key technologies of the future. This will need to take place alongside other cross-cutting policies, regulatory changes, and commitments.
- 1.10 As hosts of the 2021 United Nations Climate Change Conference **COP26**, the Government announced that the UK will be the world's first Net Zero-aligned Financial Centre. This means that UK financial institutions should have robust firm-level transition plans setting out how they will decarbonise as the UK meets its ambitious and legally binding net zero target. And Government should have strong oversight of the financial sector to ensure financial flows shift towards achieving net zero.
- 1.11 The 2019 **Green Finance Strategy** demonstrated how the strategic use of public funds, long-term policy frameworks, and signalling can leverage private investment into technologies and infrastructure that will be needed to deliver net zero. And the finance available from the financial sector's sustainability investments needs a pipeline of prospects to invest in, with supporting policy frameworks to enable this and build market confidence.
- 1.12 DEFRA is therefore working with the **Financing Nature Recovery Coalition** (FNRC) to develop a framework for environmental markets with integrity at its core, protected in the standards, rules and tools needed to drive investment and deliver environmental improvements. DEFRA has also launched a **Natural Environment Investment Readiness Fund** (NEIRF) to provide technical assistance and capacity-building funding to stimulate a pipeline of revenue generating nature projects. Information on first-round projects is available [here](#).
- 1.13 Government is also supporting the **UK Infrastructure Bank** (UKIB) to crowd in private finance and use more than £40 billion of investment to pull through low carbon technologies and sectors to maturity and scale, as well as continuing to issue green gilts to raise money for green projects, including in the natural environment sector.
- 1.14 In the 2021 Spending Review the Government announced new targets for private finance raised annually to support nature's recovery in England, with an initial target of at least £500 million by 2027, rising to more than £1 billion by 2030. Private capital leveraged through the Fund and other schemes will contribute towards delivery of this.

The Big Nature Impact Fund

- 1.15 The Government is a key investor in nature, and through this Fund will use public money to demonstrate the investment potential of environmental markets, kickstarting private investment in high-integrity nature-based projects. This will increase the funding available to the natural environment sector

to create, restore and maintain natural capital. DEFRA commissioned work to explore the potential for a Fund, which is available [here](#).

- 1.16 Investors face risks and barriers in early-stage markets, with a complex investment landscape, untested investment opportunities and uncertain rates of return. By providing public funding as a vehicle to bring together multiple nature projects, Government seeks to address these risks and barriers to investment in environmental markets by spreading costs and risks across a portfolio, thereby enabling private investment at a larger scale. This will also de-risk private investment by placing public funding in a 'first loss' position, meaning that private investment will be at a reduced risk of losing value. The Fund will also be designed to ensure financial returns on DEFRA's investment can be recycled into the fund to enable further investment in the natural environment sector.
- 1.17 The Fund will provide finance to develop new revenue streams and environmental market models, enabling them to mature and scale into profitable investments. For example, the Fund will invest in a portfolio of projects which generate revenue from a range of ecosystem services such as woodland carbon, peatland carbon, biodiversity credits, catchment services such as natural flood management, water quality credits and more.
- 1.18 This will build on recent efforts to measure, credit and trade ecosystem services. For example, the **Peatland Code** and **Woodland Carbon Code** measure carbon capture, and Government has boosted the
- 1.19 woodland carbon market through a £50 million **Woodland Carbon Guarantee** scheme which provides landowners creating woodlands with agreements that government will buy carbon units if the market does not offer a higher price. DEFRA has also launched a £3.9 million nitrate trading auction platform to create habitats while preventing harmful levels of nitrates from new housing from affecting rare wildlife and habitats.

Purpose

- 1.20 The purpose of the Fund is set out in section 2.3 ("**Policy Objectives**").

Overall Objectives for the Fund (Intended Outcomes)

- 1.21 The Fund's Policy Objectives will be met by achieving targets which are specific, measurable, achievable, realistic, and timed (SMART). The Department will agree with the Manager the objectives and targets, as well as suitable benchmarks for evaluating the performance of the Fund at the project level (i.e. each investment) and at a portfolio level (i.e. the Fund). These may include the following outcomes:

Environmental outcomes

- 1.11 The Fund will enable additional investment in and delivery of nature-based projects, over the Fund's lifetime and beyond, including by enabling:
- Tree planting and woodland creation - this should be measured through hectares of tree planting or woodland creation enabled, and may include further indicators such as percentage mix of species by broad category (e.g. conifer and broadleaf), megatonnes of carbon captured, planting in Priority Places and improved ecological connectivity.
 - Peatland restoration - this may be measured by hectares restored or megatonnes of carbon abated.
 - Habitat restoration and ecological improvement - this may be measured by hectares restored, habitat type, generation of biodiversity credits or other measures, biodiversity index, woodland ecological condition, increased capacity to sequester carbon, and ability to support wildlife as measured through Condition Assessments.
 - Delivery of ecosystem services - this may be measured through the delivery or trading of ecosystem services as assets, these may include but are not limited to woodland carbon, peatland carbon, biodiversity credits, catchment services such as natural flood management, water quality credits and more.

Financial sustainability of natural environment sector

- 1.12 The Fund will develop a track record for successful private sector investment in ecosystem services projects, and assess this over time via annual milestones and through a full evaluation every 2.5 years by:
- a) Raising a minimum of £40 million in private investment, to be invested alongside the £20 million from the Department and equalling a 1:2 or better leverage ratio of public-private investment.
 - b) Identifying and developing a pipeline of investment-ready nature-based solutions projects.
 - c) Increasing the size of natural environment ecosystem service market by developing ecosystem service projects that generate returns on investment. This may be measured by the number or value of an asset class traded by the Fund e.g. Woodland Carbon Units generated and sold over the fund's lifetime.
 - d) Making ecosystem services projects and revenue streams attractive to future private sector investment, by demonstrating which projects are able to generate sufficient revenue to repay capital investment and make a return.
 - e) Increasing the value for money of any future public investments in the natural environment sector by realising revenue generating aspects of natural environment projects and assets.
 - f) Delivering a reporting plan, to include as a minimum, reporting on the financial situation, project portfolio and environmental impact of the Fund. The latter is important for the Department and should employ measurable performance indicators, for example using a natural capital accounting approach and/or the Department published indicators.

Knowledge sharing

- 1.13 The Fund manager must act as a visible market leader and market builder to achieve the Policy Objectives. They will do this by sharing templates, learning and business models with the wider sector, enabling government, local authorities, charities, investors, businesses and landowners to replicate these, by:
- a) Making knowledge developed through the Fund's management freely available for use and re-use to the full extent possible under the Government Open License Agreement (version 3 or later if published) or equivalent license. Products will include a repository of case studies and project model learnings for open access and through conferences / workshops.
 - b) Developing and scaling up natural environment project models which are replicable and have been shown to generate income.

Freely available IPR available for use and re-use to the full extent possible under the Government Open License Agreement (version 3 or later if published) or equivalent license. Products will include a repository of case studies and project model learnings for open access and through conferences / workshops.

Fees

- 1.14 The Department expects Fund Manager fees to be accurate and reasonable for providing a high-quality service. Fund Manager bids should specify how the quality of service offered measures up to value for money, which will be assured by cost, quality and perspective:
- a) Cost: The Department will assess the whole life cost, including realistic potential to generate financial returns into the fund and Assets Under Management/performance/other administration fees over the Fund's operating lifetime, as opposed to the lowest purchase price during the period the Department pays into the Fund. Bidders are invited to demonstrate how they intend to cost in-depth monitoring and reporting of the Fund's performance, such as by reporting additional hectares of trees planted by type and location.
 - b) Quality: The weighting evaluation criteria takes account of the need for the Fund Manager to regularly provide the Department with performance metrics able to feed into the Department's Nature for Climate Fund Programme monitoring and evaluation process. This recognises that this requires a high degree of sectoral expertise in building a viable project pipeline within the given timeframe,

monitoring and reporting requirements, alignment with the Department's objectives, and the need to produce IP for a replicable impact model.

- c) Perspective: Bidders are required to justify their assertions and estimates on leverage ratios and ability to increase environmental outputs and outcomes per £ of public funding to improve VfM for both the Department and the exchequer.

Overall Responsibilities

- 1.15 The Fund Manager will be responsible for the overall running and management of the fund. They will fundraise from non-public sector investors in the main capital raising exercise. They will achieve the objectives of the Fund as set out above, covering environmental outcomes, financial sustainability of the environmental sector, and knowledge sharing. They will assess and evaluate progress of projects as set out above.

APPENDIX A

FORM OF PROPOSAL

(Print, Sign, Scan and Upload to Bravo)

Easain Ullah
Category Manager
Department for Environment, Food and Rural Affairs
Network Corporate Services
Northgate House
Reading, RG1 1AF

TENDER FOR THE: Provision of the Big Nature Impact Fund Manager

Proposal Reference: ITT_9494

-
1. We have examined the Request for Proposal and its appendices set out below (the **RFP**) and hereby offer to provide the services specified in the RFP and in accordance with the attached documents to the Department commencing [insert date] for the period specified in the RFP.
 - Proposal Particulars (Section 1)
 - Evaluation (Section 2)
 - Specification of Requirements (Section 3)
 - Form of Proposal (Appendix A)
 - Department's Conditions of Contract (Appendix B)
 - Evaluation Questions (Appendix C)
 - Indicative Term Sheet (Appendix D)
 - Commercially Sensitive Information (Appendix E)
 - Conflict of Interest Declaration (Appendix F)
 - Non-Disclosure Agreement (Appendix G)
 2. If this Proposal is accepted, we will seek to execute the Contract and any other documents required by the Department within a reasonable period of being asked to do so.
 3. We agree that:
 - a) before executing the Contract substantially in the form set out in the RFP, the formal acceptance of this tender in writing by this Department or such parts as may be specified, together with the documents attached shall comprise a binding contract between the Department and us;
 - b) pursuant to the Electronic Communications Act 2009, the Contract may be executed electronically using the Department's electronic tendering and contract management system;
 - c) we are legally bound to comply with the confidentiality provisions set out in the RFP;
 - d) any other terms or conditions or any general reservation which may be provided in any correspondence sent by the Department in connection with this competition shall not form part of this tender without the prior written consent of the Department;

- e) the Proposal shall remain valid for 120 days from the closing date for Proposals specified in the RFP; and
- f) the Department may disclose our information and documents (submitted to the Department during the competition) more widely within Government for the purpose of ensuring effective cross-Government competition processes, including value for money and related purposes.

4. We confirm that:

- a) there are no circumstances affecting our organisation which could give rise to an actual or potential conflict of interest that would affect the integrity of the Department's decision making in relation to the award of the Contract; or
- b) if there are or may be such circumstances giving rise to an actual or potential conflict of interest, we have disclosed this in full to the Department.

5. We undertake and it shall be a condition of the Contract that:

- a) the amount of our tender has not been calculated by agreement or arrangement with any person other than the Department and that the amount of our tender has not been communicated to any person until after the closing date for the submission of tenders and in any event not without the consent of the Department;
- b) we have not canvassed and will not, before the evaluation process, canvass or solicit any member or officer, employee or agent of the Department or other contracting authority in connection with the award of the Contract and that no person employed by us has done or will do any such act; and
- c) we have not made arrangements with any other party about whether or not they may submit a tender except for the purposes of forming a joint venture.

6. I warrant that I am authorised to sign this Proposal and confirm that we have complied with all the requirements of the RFP.

Signed _____

Date _____

In the capacity of _____

**Authorised to sign
Proposal for and on
behalf of** _____

Postal Address _____

Telephone No. _____

Email Address _____

APPENDIX B

DEPARTMENT'S CONDITIONS OF CONTRACT

The Department's Conditions of Contract that are applicable to this RFP and any subsequent contract are provided in the accompanying document entitled RFP Appendix B Conditions of Contract.

APPENDIX C

TECHNICAL EVALUATION QUESTIONS

1. Pass/Fail Evaluation Criteria

1.1 If a Potential Manager receives a 'Fail' for E01 they will be eliminated from the competition.

E01	Financial Conduct Authority (FCA) Approval
Weighting	Pass/Fail
Requirements	Any prospective Manager must confirm that it has the necessary authorisation under the Financial Services and Markets Act 2000 with permissions or passports to carry on investment management services in the UK and to market the Fund to third party investors (or explain why it does not require such authorisation).

2. Technical Weighted Evaluation Criteria

2.1 Questions E02-E07 are scored as per the criteria outlined in Section 2.

2.2 If a Potential Manager scores 20 or below using the 'Scoring Criteria' in Section 2, for any of the questions E02-E07 then it will be eliminated from the competition.

E02	Demonstration of Understanding the Domestic Natural Environment Sector and Markets
Weighting	10%
Requirements	<p>The Department will need to be satisfied that any proposed Fund Manager will have sufficient understanding of the markets in, and investment focus on, high-integrity nature-based solutions as outlined in section 2.4.</p> <p>Potential Managers must provide an analysis of the domestic natural environment sector in which the Fund will operate and describe what they see as the main opportunities, investment priorities and strategies to ensure high environmental integrity and credibility. Potential Managers must provide an assessment of alternative, current and likely future sources of capital and the extent of unmet demand for such capital; and analysis of how the current market environment compares/differs from prior funds (if any).</p> <p>Potential Managers must provide an explanation of how the bidder's proposed Fund structure provides sufficient focus on the sectors outlined in section 2.4 and a description of how the bidder's proposed Fund structure will align with the mandate of other funds held by the Potential Manager (if any).</p>
	Your response must be supported by evidence which adequately demonstrates that you understand the requirements, and a clear methodology which adequately demonstrates the means by which you will meet them. Please upload your response with filename 'Your Company Name_E02'. Your response in total must be no more than 3 sides of A4, minimum font size 10.

E03	Description of Optimum Fund Structure & Governance
Weighting	10%
Requirements	<p>The Department requires that the Fund be incorporated as a legal entity. Describe your proposed structure, paying particular attention to why that is the optimum set-up to achieve the policy objectives for the Department as a participant in the capital of the Fund.</p> <p>The Department will need to be satisfied that any proposed structure can be implemented within a reasonable time frame (having in mind that the target date of the first closing of the Fund is on or before [30 September 2022], and that any proposed structure is consistent with the Department's status as a government department.</p> <p>The Department will evaluate proposals based on information provided by Potential Managers that demonstrates Potential Manager capability to establish and operate fund structures effectively, including familiarity with the associated governance, regulation and reporting arrangements. Potential Managers must provide written details of the proposed Fund structure including a structure chart if useful. The Fund (and the key service providers such as investment adviser or manager) will be based in the UK and have UK tax domicile. The details provided should confirm the proposed payment flows; custody and administration arrangements (including reporting requirements); ; confirm clearly how any financial service regulatory matters will be handled (including the AIFMD if applicable) and arrangements for discharge of fiduciary duties generally Please confirm how the timetable required by the Department is intended to be achieved.</p> <p>Potential Managers will need to demonstrate that they would put in place robust and appropriately documented systems, controls, and procedures for (i) identifying and making investments and controlling associated risks and; (ii) ensuring compliance with legal and regulatory standards. Potential Managers will also need to consider the reports and other information regarding investments that the Department is likely to require.</p> <p>The Department will evaluate proposals based on the following:</p> <p><u>Internal Processes & Risk Management</u></p> <p>Potential Managers must consider robust and adequately documented risk management procedures through (i) people, process, data, and systems and (ii) proven effective operation of successful funds.</p> <p>In support of such requirement, Potential Managers are required to disclose information on the full investment cycle management, decisions and control, portfolio management, risk management, drawdown arrangements, monitoring and reporting to investors (financial, impact, risk), measures to ensure that commitments are met and default provisions.</p> <ul style="list-style-type: none"> • Internal processes and functions for originating investment opportunities; marketing the Fund; how investments and opportunities are assessed including due diligence process, credit analysis, risk/return analysis, engagement of advisors. • Ongoing monitoring of investments, including interest payments or other distributions and Fund's performance; the Potential Manager's contemplated

	<p>principal financial terms for the investments, including hold period, expected return (or interest rate), security and covenants, if applicable;</p> <p>Other details will need to be provided including proposed enforcement policies / transferability of investors' interests in the Fund / admission of new partners in the Fund / provisions (and any restrictions) on transfer/trading of investments / provisions (and any restrictions) on borrowing by the Fund; and use of derivatives.</p> <p><u>Governance & Reporting</u></p> <p>Potential Managers are asked to expand on proposed governance, including:</p> <ul style="list-style-type: none"> • How the dual mission of the fund, both environmental / social impact and financial, will be protected in the governance arrangements; • The Department's position as a cornerstone but not controlling investor, in relation to the Potential Manager and other investors, for example seniority in returns and in case of losses; • Arrangements for effective reporting will be ensured (information and assurance) to the Department on allocation of capital, monitoring of investments made and on-going performance of the Fund; • Engagement of requests under the Freedom of Information Act 2000; • Details of any proposed governance committees and boards including any ad hoc or retained advisors who may be involved with the Fund. <p>An outline of how the Potential Manager proposes that they would engage effectively with the Department, as well as with investors generally, including as to reporting proposals; and details of any investor governance process, including how, and under what circumstances, the general partner / Potential Manager (if appointed as the Manager) can be replaced and/or removed by investors (and the proposed indemnification of any general partner / Potential Manager (if appointed as the Manager) or compensation following their replacement or removal).</p>
	<p>Your response must be supported by evidence which adequately demonstrates that you understand the requirements, and a clear methodology which adequately demonstrates the means by which you will meet them. Please upload your response with filename 'Your Company Name_E03'. Your response in total must be no more than 5 sides of A4, minimum font size 10.</p>

E04	Fundraising: Description of Strategy& Rationale
Weighting	16%
Requirements	<p>The Department will evaluate whether and how Potential Managers can deliver the required level of private sector investment within the proposed timescales.</p> <p>Potential Managers must justify the overall fund size and the proportion of the Fund which will comprise private sector investment; and how realistic and deliverable the proposed fundraising target is in the context of target fund size, proposed investment strategy, returns, fees arrangements along with justification of overall attractiveness to investors relative to risk being taken.</p> <p>The Department will evaluate proposals based on the following:</p> <p><u>Sourcing Private Sector Investment</u></p> <p>This will be evaluated based on Potential Managers providing:</p>

	<ul style="list-style-type: none"> • A detailed overview of the plans to secure the necessary levels of private sector investment on the terms outlined in Section 3.2, within the expected timescales (i.e., so that the Fund is ready to start making investments by the end of May 2022). This should demonstrate that private sector investor commitments will exceed two-thirds of total commitments to the Fund at all times. • Details of private sector investors that are exploring an investment in the Fund, with supporting evidence e.g. letters of intent.
	Your response must be supported by evidence which adequately demonstrates that you understand the requirements, and a clear methodology which adequately demonstrates the means by which you will meet them. Please upload your response with filename 'Your Company Name_E04'. Your response in total must be no more than 6 sides of A4, minimum font size 10.

E05	Investment & Exit Strategy: Description of Strategy, Pipeline & capability
Weighting	16%
Requirements	<p>Potential Managers must demonstrate that their proposed investment strategy is consistent with the UK Government's ambition as outlined in the Policy Objectives in section 2.3, while at the same time demonstrating that the proposed Fund is commercially viable.</p> <p>The Department will evaluate proposals based on the following:</p> <p><u>Alignment</u></p> <p>Potential Managers must show how the Fund's proposed investment criteria promote and deliver the aims, criteria and the Policy Objectives described in section 2.3.</p> <p>To demonstrate the requirements above, Potential Managers are required to summarise their investment strategy and explain in detail:</p> <p>Proposed transaction types: investment targets by value/size, number and by type (including where in the target's capital structure). The type of company, other legal person or project targeted, and their respective risk profile(s);</p> <p>Proposed Fund investment guidelines and restrictions, taking into account sections 3, 4 and Appendix D. To include, inter alia, views on restrictions across the whole portfolio, legal construct of investee company or legal person (e.g., SPV vs corporate structures), max/min size and number of individual investments, exposure to individual companies, and concentration limits.</p> <p><u>Impact</u></p> <p>Potential Managers are required to demonstrate how their investment strategy will contribute to delivering the natural environment goals of HMG's 25 Year Environment Plan in the England. Potential Managers are required to explain and provide evidence of:</p> <p>The typical methods you will use to create value at portfolio companies.</p>

	<p>The approach to working with existing or new management teams at portfolio companies and the strategies used to realise the potential of portfolio companies and their management teams.</p> <p><u>Sourcing Strategy</u></p> <p>Potential Managers should explain their project pipeline and deal sourcing strategy, including any plans to be put in place to enhance the quantity and quality of deal flow once the Fund is launched. Potential Managers should explain and illustrate their access to opportunities within the industry along with what they consider to be their competitive advantage.</p> <p>Where Potential Managers see the need for a Technical Assistance facility to accompany the Fund as set out in the indicative term sheet, they should explain why there is a need, the role it may play in capacity building, pipeline development and project preparation from both the pre-investment stage and post-investment assistance support perspective, what the offering would consist of and the total value of the facility and each of its projects. Any Technical Assistance facility would be funded from within the total Fund budget.</p> <p><u>Investment Pipeline</u></p> <p>Potential Managers are required to demonstrate a pipeline of projects or companies for potential investment, and their approach to pipeline development and deal sourcing for the Fund. Potential Managers are required to discuss how the Fund's pipeline of new investments compares or differs from its prior funds (if any) and describe and list the Fund's expected competitors for investment opportunities.</p> <p>Potential Managers are required to provide an estimate of the proportion (percentage of committed funds) of the Fund's investment profile for each year of the envisaged 3-5-year investment period.</p> <p>In addition, Potential Managers are required to outline any proposed seed assets (defined as having significant further capital investment requirements that the Fund could help accelerate) that the Potential Manager holds in existing nature-based investments based in England and/or any pipeline available for immediate investment at first close.</p> <p>Potential Managers in such a situation must explain any potential valuation issues and how they would seek to address them through independent valuation and/or other means.</p>
	<p>Your response must be supported by evidence which adequately demonstrates that you understand the requirements, and a clear methodology which adequately demonstrates the means by which you will meet them. Please upload your response with filename 'Your Company Name_E05'. Your response in total must be no more than 8 sides of A4, minimum font size 10.</p>

E06	Description of approach to results reporting: Environmental & Social
Weighting	10%

Requirements	<p>Potential Managers will need to outline their proposed approach to developing and implementing a monitoring and reporting framework on the environmental policy objectives of the Fund, in line with the Department's publicly available indicator frameworks and/or Natural Capital accounting processes.</p> <p>In addition to the environmental objectives outlined in the Specification of Requirements, Potential Managers must outline their social value approach with a comprehensive list of activities that, in the delivery of the Fund, support new businesses, new jobs and new skills, including:</p> <ul style="list-style-type: none"> • promoting skills and employment: promote growth and development opportunities for all within a community and ensure that they have access to opportunities to develop new skills and gain meaningful employment. • supporting the growth of responsible local businesses: provide local businesses with the skills to compete. • creating healthier, safer, and more resilient communities: build stronger and deeper relationships with the voluntary and social enterprise sectors, and, where possible, include public access to natural projects and programmes of education and engagement. • protecting and improving our environment: ensure the places where people live and work are cleaner and greener, to promote sustainable competition <p>Potential Managers are invited to include other social and inclusivity policies.</p>
	<p>Your response must be supported by evidence which adequately demonstrates that you understand the requirements, and a clear methodology which adequately demonstrates the means by which you will meet them. Please upload your response with filename 'Your Company Name_E06'. Your response in total must be no more than 3 sides of A4, minimum font size 10.</p>

E07	Experience & Track Record
Weighting	18%
Requirements	<p>Potential Managers must demonstrate the ways in which they would draw upon their experience and competence in investment through a successful track record of project pipeline development and raising funds from non-public sector bodies, making, managing, and exiting investments, ideally in the nature-based investment sector, or through other relevant and comparable experience.</p> <p>In so doing, Potential Managers must provide a detailed breakdown of their past and current funds and the funds' underlying investment portfolio. This should include, for each fund:</p> <ul style="list-style-type: none"> • Name, formation date, legal structure, investment period, fund length, valuation approach; • Summary of the investment strategy; • Outline of management fees, carried interest arrangements and any other performance incentives; • Manager co-investment commitment; • Investor capital committed and called; • Fund target return and hurdle rate, and either (i) if the fund has closed, the achieved returns, or (ii) if the fund has not closed, the latest valuations (and comparison to cost of investment), realised returns, projected returns, and the liquidation value if closed today; and • Detailed breakdown of the investments made, to include date of investment, rationale for investment, any cost of investment, total deal value (if

different), any follow-on investments, co-investors, realised returns, latest valuation (if not yet exited), exit date, exit type, gross and net returns (IRR and cash multiple).

The Department will evaluate proposals based on the following:

Capital Deployed & Performance

The Department will assess the bidder's investment track record by assessing the performance of funds currently or previously managed by the Potential Manager and/or its key personnel (recognising that these funds may not be in the same sector as the Fund).

The Department will score Potential Managers across three categories using the information provided in response to the Requirements for this criterion:

- Overall fund management track record
- Investment track record
- Nature-based investment track record

Potential Managers should demonstrate how their investment strategy and approach has directly contributed to the support and performance achieved of investee companies.

For active/exited investments with an investment multiple below 1.0x, please also discuss what went wrong, actions taken, lessons learned and how (and when) outside experts were brought in.

If the Potential Manager has not included details for any fund they have managed, or contributed to the management of, this should be explained.

Potential Managers must also explain how the returns generated by their funds (or other funds managed by the key personnel) compare to the target returns, for the overall fund(s) and the investment portfolio(s).

Potential Managers must also describe the most appropriate private and public market benchmarks for their past and present funds and investments managed over the past 3 years and discuss how their fund(s) and investments have performed in comparison.

Highest marks will be awarded to Potential Managers that demonstrate a consistent track record of achieving their projected returns and of performing favourably compared to peers and the relevant benchmarks.

Fundraising Track Record & Relationships

Potential Managers are required to provide evidence of successful fundraising experience and third-party investor engagement, by providing details of amounts raised for each existing or past fund (if any). Potential Managers should provide an analysis of their investor relationships by investor type, investment size and type, and location. Highest marks will be awarded to Potential Managers that demonstrate a track record of securing investment from private investors into nature-based funds or projects. Managers that have immediate access to private sector investors should provide details of this.

Competitive Advantage in Nature-based Investment

Potential Managers are required to explain their competitive advantage (defined as their competencies enabling them to achieve superior performance in Nature-based investment). Potential Managers should explain and evidence their capacity and capabilities to invest, manage and realise value from their proposed Nature-based investment pipeline. Potential Managers must demonstrate relevant sector expertise to support investee companies to achieve their potential, and a clear strategy for exiting investments.

Delivery team structure and personnel

The Department is looking for suitably qualified teams that possess the knowledge, experience and/or capability required to build, manage, and exit a portfolio of Nature-based investments.

Teams must also have the capacity and commitment to execute the mandate for the full life of the Fund.

Where specific skills, expertise or capabilities are lacking in the management team, Potential Managers must demonstrate how appropriate experience will be brought into the team.

Team Composition, Track Record & Balance of Skills

The Department expects dedication and high performance from the Potential Manager when appointed as the Manager to the Fund. Potential Managers must demonstrate how their key personnel have worked effectively together in the past and how they have the capacity to execute the mandate for the duration of the Fund.

This sub-criterion will be evaluated based on Potential Managers providing evidence of the shared work history of the bidder's key personnel / the employment status of key personnel with the Potential Manager / the amount of time to be dedicated by key personnel to the Fund in the investment period and the post investment period; and disclosure of key personnel existing time commitments and how these will be run down.

Relevant Experience

Key personnel include each individual presented in the bidder's proposal.

Highest marks will be awarded to proposals that demonstrate key personnel with relevant experience in nature-based solutions or related sector and in making successful venture capital investments to companies/projects of the type/size outlined in this RFP, and that also demonstrate evidence of raising private capital into investment funds such as GP/LP structures.

This must be evidenced through:

- Biographical details/CVs including name and address of key personnel, key positions held, details of existing commitments on their time and of their proposed role and responsibilities.
- Details of their relevant skills, capabilities, expertise, and previous experience including details of other funds they have been engaged with and experience in any other relevant industry / Details of any individual approvals from regulatory authorities / Plans for future key personnel additions.

	<ul style="list-style-type: none"> • Written/signed consent for background checks, including checks of bankruptcy, financial or criminal records, to be undertaken.
	<p>Your response must be supported by evidence which adequately demonstrates that you understand the requirements, and a clear methodology which adequately demonstrates the means by which you will meet them. Please upload your response with filename 'Your Company Name_E07'. Your response in total must be no more than 10 sides of A4, minimum font size 10. CV's (3 page per personnel) will be accepted in addition to this limit.</p>

3. Commercial Weighted Evaluation Criteria

3.1 The Department would like to ensure that the costs of the Fund are reasonable, and that the economics are structured so as to align the interests of the Manager with those of the Department and the private sector investors, by making a significant portion of the Manager's remuneration contingent on the successful growth and realisation of the Fund's portfolio.

E08	Fees
Weighting	20%
Requirements	<p>The Department will evaluate proposals based on an assessment of whether:</p> <ul style="list-style-type: none"> • The proposed management fees, other costs, and/or incentives to the Manager (i) are commensurate with the projected returns of the Fund and (ii) align the interests of the Manager with the Department and other investors. The Department would like a significant portion of remuneration to be linked to performance; • The projected returns to investors are realistic yet ambitious, and are at a level that is likely to attract private capital into the Fund; • The bidder's proposal is well developed and contains a clear rationale for the projected income, costs and financial returns outlined. <p>Potential Managers must provide financial projections, assumptions and supporting commentary for their proposal. It is expected, and it will be checked, that the information that the Manager presents to the market during its fundraising activities is consistent with (i) the financial projections, assumptions and commentary provided in response to this criterion and (ii) the written responses provided elsewhere in its proposal.</p> <p>Proposals should include, in reasonable detail, a presentation and discussion of (on an annual and cumulative basis):</p> <ul style="list-style-type: none"> • The investments expected to be made by the Fund (number of investments, value, timing of investment and realisation, projected returns); • Any other projected income; • Operational costs, including relating to: <ul style="list-style-type: none"> ○ Executive & Administrative staff (salaries, National Insurance, benefits, recruitment fees); ○ Travel costs related to investment activities; ○ Compliance costs/Regulatory Charges/Fees; ○ Professional Services costs (legal, accountancy, consultancy, marketing, other); ○ Office Space (rent, telecoms, IT, facilities, utilities); and

- Insurance costs.

Potential Managers should explain when these fees fall due and whether these fees or charges accrue to the Fund or to the Manager.

- Any other expenses, fees, or charges, including financing costs, abort fees and provisions for third party costs. Potential Managers should explain whether these fees or charges accrue to the Fund or to the Manager;
- Setup costs / formation expenses, including the proposed cap on these expenses that will be borne by the Fund;
- The projected returns and distribution of these returns between the parties, to include:
 - Gross and net returns on the investment portfolio;
 - Gross and net returns available for distribution to investors;
 - Fees payable to the Manager and its affiliates including:
 - Management Fees payable to the Manager and defined as a specified percentage of (i) commitments to the Fund during the investment period and (ii) invested capital post-investment period;
 - Carried Interest or 'Carry' expressed as a percentage of total Fund profits and defined as the share of profits that the Manager will receive once the investors have received back all commitments to the Fund plus a preferred return thereon; and
 - The proposed hurdle rate / preferred return, if appropriate, expressed as a return percentage and defined as the performance threshold which the returns to investors have to achieve before the Manager can be paid Carry or any other performance-based return.
- Projected financial statements, to include income statement, balance sheet and cashflow for the Fund.

Any return calculations should be presented in sufficient detail to allow them to be verified against the underlying projections and should include as a minimum the projected IRR and the 'cash' multiple return. Where an IRR figure is used, the calculation basis should be given.

Potential Managers must provide supporting explanation for their financial assumptions and projections.

Highest marks will be awarded to proposals that:

- Demonstrate a clear link between the proposed management fees and the costs of running the Fund;
- Demonstrate that the Manager has financial incentive to achieve strong financial returns, and has an appropriate share of risk and reward;
- Confirm that the fees paid by the Department will not be higher than those paid by other investors;
- Justify the proposed balance of expected returns with management fees, costs, and any other incentives; and
- Benchmark the projected costs with e.g., comparable funds and the Manager's other funds (if any).

Bidders' responses to E08 will be scored on a proportionate pricing basis (as explained below in Section 3.2).

	Please note that the Department reserves the right to calculate/recalculate figures in the proposal based upon the underlying financial data provided.																			
E08a	<p><u>Cost Effectiveness 10%</u></p> <p>The Department will evaluate cost effectiveness using a calculation of the average annual management fees charged to the Fund by the Manager, adjusted for any variances in the Fund duration and size between different proposals.</p> <p>Potential Managers must provide the following figures in their proposals from their projections:</p> <table border="1"> <thead> <tr> <th>Item</th><th>Description</th><th>Figure(s) to be Provided</th></tr> </thead> <tbody> <tr> <td>A</td><td>The total amount of projected management fees and any other fees charged by the Manager and its affiliates to the Fund based on the committed capital of the Fund, excluding Carried Interest.</td><td>Single number (GBP).</td></tr> <tr> <td>B</td><td>The number of years over which these cashflows are projected to occur.</td><td>Single number expressed as years. Note that if this differs from the envisaged fifteen-year life of the Fund, supporting rationale for this should be provided in the proposal</td></tr> <tr> <td>C</td><td>The total projected Management fees, divided by the number of years.</td><td>Calculated as A/B.</td></tr> <tr> <td>D</td><td>The Fund's projected size (the capital against which fees are charged during the investment period).</td><td>Single number (GBP).</td></tr> <tr> <td>E</td><td>The average annual Management fee, expressed as a percentage of the Funds committed capital.</td><td>Calculated as C/D.</td></tr> </tbody> </table> <p>The Department will score cost effectiveness using:</p> <p>The total amount of projected management fees and any other fees charged by the Manager and its affiliates to the Fund - expressed as an absolute amount (A).</p> <p>The number of years over which these cashflows are projected to occur (note that if this differs from fifteen years, the envisaged life of the fund, then the supporting rationale for this should be provided in the proposal) (B).</p> <p>The total amount of projected management fees, divided by the number of years (C):</p>		Item	Description	Figure(s) to be Provided	A	The total amount of projected management fees and any other fees charged by the Manager and its affiliates to the Fund based on the committed capital of the Fund, excluding Carried Interest.	Single number (GBP).	B	The number of years over which these cashflows are projected to occur.	Single number expressed as years. Note that if this differs from the envisaged fifteen-year life of the Fund, supporting rationale for this should be provided in the proposal	C	The total projected Management fees, divided by the number of years.	Calculated as A/B.	D	The Fund's projected size (the capital against which fees are charged during the investment period).	Single number (GBP).	E	The average annual Management fee, expressed as a percentage of the Funds committed capital.	Calculated as C/D.
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E	The average annual Management fee, expressed as a percentage of the Funds committed capital.	Calculated as C/D.																		

	<p>where $A / B = C$</p> <p>The projected size of the Fund (D)</p> <p>The average annual management fee, expressed as a percentage of the Fund size (E):</p> <p>Where $C / D = E$</p> <p>The marking will be proportionate to the lowest average annual management fee i.e., lowest value of E. There will be a maximum of 100 pre-weighted marks.</p>																		
E08b	<p><u>Projected Returns</u> 10%</p> <p>The Department will evaluate by calculating the total projected returns to investors, adjusted for any variances in the fund duration and size between different proposals.</p> <p>Potential Managers must provide the following figures in their proposals from their projections:</p> <table><tr><th>Item</th><th>Description</th><th>Figure(s) to be Provided</th></tr><tr><td>A</td><td>Cash projected to be available for distribution to investors, expressed as the total distributions of principal and return to investors after any management fees, Carried Interest, or other performance- based incentives paid to the Manager and its affiliates</td><td>Single number (GBP).</td></tr><tr><td>B</td><td>The number of years over which these cashflows are projected to occur.</td><td>Single number expressed as years. The same number as (B) in E08a.</td></tr><tr><td>C</td><td>The average annual return to investors</td><td>Calculated as A/B.</td></tr><tr><td>D</td><td>The projected size of the Fund</td><td>Single number (GBP) to represent the total committed capital. The same number as (D) in E08a.</td></tr><tr><td>E</td><td>The average annual return to investors, expressed as a percentage of the Fund size</td><td>Calculated as C/D.</td></tr></table> <p>Cash available for distribution to investors, expressed as the distributions of principal and return to LPs after any management fees, Carried Interest or other performance-based incentives paid to the Manager and its affiliates (A)</p> <p>Please provide the Carried Interest or other performance-based incentives paid and methodology separately.</p>	Item	Description	Figure(s) to be Provided	A	Cash projected to be available for distribution to investors, expressed as the total distributions of principal and return to investors after any management fees, Carried Interest, or other performance- based incentives paid to the Manager and its affiliates	Single number (GBP).	B	The number of years over which these cashflows are projected to occur.	Single number expressed as years. The same number as (B) in E08a.	C	The average annual return to investors	Calculated as A/B.	D	The projected size of the Fund	Single number (GBP) to represent the total committed capital. The same number as (D) in E08a.	E	The average annual return to investors, expressed as a percentage of the Fund size	Calculated as C/D.
Item	Description	Figure(s) to be Provided																	
A	Cash projected to be available for distribution to investors, expressed as the total distributions of principal and return to investors after any management fees, Carried Interest, or other performance- based incentives paid to the Manager and its affiliates	Single number (GBP).																	
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C	The average annual return to investors	Calculated as A/B.																	
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E	The average annual return to investors, expressed as a percentage of the Fund size	Calculated as C/D.																	

	<p>The number of years over which these cashflows are projected to be realised (note that if this differs from fifteen years, the envisaged life of the fund, the supporting rationale for this should be provided in the proposal) (B)</p> <p>The average annual return to LPs (C),</p> <p>Where $C = A / B$</p> <p>The projected size of the Fund (D)</p> <p>The average annual return to investors, expressed as a percentage of the Fund size (E) -</p> <p>Where $E = C / D$</p> <p>The marking will be proportionate to the highest average annual return to investors, i.e., the highest value of E. There will be a maximum of 100 pre-weighted marks.</p>
	Please upload your response with filename 'Your Company Name_E08'. Your response in total must be no more than 12 side of A4, minimum font size 10.

To illustrate the above indicators, consider a hypothetical fund with a total fund size of £80 million, including £60 million in private commercial funding. A projected management fee of £36 million as described in A, E08a alongside £60 million to be distributed to investors as described in A, E08b over an expected period of 15 years. In this example, we would see the following ratios:

E08a Cost Effectiveness	E08b Projected Hurdle Rate
A= £36 million	A= £60 million
B= 15 years	B= 15 years
C= £2.4 million	C= £4 million
D= £80 million	D= £80 million
E = 3%	E = 5%

APPENDIX D

Indicative Term Sheet

This Indicative Term Sheet is for information purposes and summarises the key indicative parameters of the financial instrument which may, and will be subject to changes, amendments, and clarifications.

<i>Governing law and jurisdiction</i>	This Term Sheet is, and the fund documentation will be, governed by the laws of England and Wales and the parties submit to the exclusive jurisdiction of the Courts of England.
<i>Vehicle</i>	<p><u>Fund</u>: English Private Fund Limited Partnership (PLFP).</p> <p><u>Manager, General Partner</u>: in view of the Department's status as a government investor, these entities will be incorporated under the laws of England & Wales and have their tax domicile in the UK.</p> <p>The Department will invest pursuant to (i) Fund documents that are based on market standard terms and (ii) a side letter (to be governed by the laws of England and Wales) as agreed with the Manager to reflect the terms set out in this term sheet to the extent, they are not covered by the Fund documents.</p>
<i>Manager</i>	[●].
<i>Fund name</i>	The Big Nature Impact Fund
<i>Regulatory details</i>	Please confirm if the Fund will be an Alternative Investment Fund or a Collective Investment Scheme and how the relevant regulation will be managed and complied with.
<i>Geographical focus</i>	Nature projects that are based in England.
<i>Currency</i>	British Pounds (£)
<i>Investor</i>	The Department for Environment, Food and Rural Affairs ("the Department ").
<i>Initial Commitment</i>	At least £60 million to be advanced over [the Investment Period (as set out below) [3-5 years] (inclusive of £20 million to be committed by the Department, with the Department's commitment expected to be c. £5 million per financial year).
<i>First closing size</i>	<p>The first closing should secure commitments to the Fund of at least £60million as above.</p> <p>The Department's commitment will be conditional on raising a minimum of £40 million from non-public sector investors, to ensure DEFRA Investment does not at any time constitute more than one third of the total commitments or contributions to the Fund.</p>
<i>Investment period</i>	[5] years from the first closing date or sooner if determined by the Manager where [70-80]% of total commitments have been drawn down or committed for investment pursuant to a legally binding agreement.

<i>First closing date</i>	The target date of the first closing of the Fund is on or before [30 September 2022].
<i>Subsequent closings</i>	The Fund may hold one or more subsequent closings, details of which are to be agreed.
<i>Investment strategy</i>	<p>The Fund will make direct investments in projects seeking to commercialise promising nature-based solutions, particularly through the development of ecosystem services markets.</p> <p>The Manager will be tasked to develop a compelling and clearly articulated investment and impact strategy aligned with the Policy Objectives.</p>
<i>Investment restrictions</i>	<p>As a minimum, the Fund will not invest in any entity:</p> <ul style="list-style-type: none"> - which at the time of initial investment operates in a business or sector that could reasonably be expected to have a material adverse effect on the reputation of the Investor in view of its status as a governmental body or entity owned or controlled by a governmental body; and/or - whose activities at the time of initial investment contravene the law or accepted standards of moral or ethical conduct or is affiliated with such activities. <p>In the event of doubt regarding the application of these restrictions, the Manager may consult with the Department as to the type of investment proposed to be made and the Manager and the Fund shall not be in breach of this restriction where they follow the guidance subsequently provided by the investor.</p> <p>The Manager may not make any change to the investment strategy or these investment restrictions unless it has obtained the prior written consent of the Department.</p>
<i>AI/Vs, parallel funds and feeder entities</i>	<p>The Department shall not be required to be admitted as an investor or to make capital contributions to any alternative investment vehicle, parallel investment vehicle or feeder entity without its prior written consent.</p> <p>The Manager agrees that the provisions of the Fund shall apply, to the extent relevant, to any alternative investment vehicles, parallel investment vehicle or feeder entity used by the Manager in relation to the Fund.</p>
<i>Duration of the Fund</i>	The Fund shall have a duration of [15] years from the first closing date, which may be extended by up to two one-year extensions, in each case subject to investor consent.
<i>Follow-on investments</i>	[Amounts drawn down for the purpose of making follow-on investments after the end of the Investment Period shall not exceed [●]% of the size of the Fund without the prior investor consent]
<i>Management fee</i>	[●]% per annum charged on [invested capital /commitments], payable in quarterly instalments in advance [during the Investment Period and [●] % per annum thereafter]

	<p>[●] - Insert details of proposed fee basis upon any extension of theFund].</p> <p>[The General Partner and Manager will represent, warrant and undertake to the Department that any General Partner Share will be used to pay an arms-length fee to the Manager or to any subsequentmanager of the Fund]</p>
<i>Distribution waterfall</i>	<p>Fund as a whole waterfall. In respect of each investor in the Fund, proceeds shall be distributedin accordance with the following priority of payment:</p> <ul style="list-style-type: none"> • <u>Fees and Expenses</u>: First, to pay any fees and expenses of the Fund (which are expected not to exceed [●]% of the capital committed of the Fund; [and where there are aggregate costs and expenses in excess of this amount the Manager agrees that its Management Fee shall be reduced by [●]%]; • <u>Repayment</u>: Second, to such investor (excluding the Department) until payment of an amount equal to their total drawn down commitments to date; • <u>Hurdle Rate</u>: Third, to such investor (excluding the Department) until the cumulative distributions to such investor equals [●]% per annum annually compounded internal rate of return on such investor's total drawn down commitments to date; • <u>Risk Cushion Tranche</u>: Fourth, distributed to the Department until payment of an amount equal to the Repayment and Hurdle Rate equals [●]% per annum annually compounded internal rate of return on Department's total drawn down commitments to date; and • <u>Carried Interest</u>: Fifth, [●]% to the investors (including the Department pro rata to the amount invested) and [●]% to the Manager. The Manager is not entitled to receive the Carried Interest if the Impact Test is not sufficiently satisfied (unless agreed by all investors), in such a situation the that portion of the Carried Interest will be contributed to a non-profit organisation chosen by the Manager.
<i>Impact Test/ KPI</i>	<p>The Manager shall develop a test in good faith with the Department by which to measure the Fund's success in meeting one or more environmental, social, governance, or other similar KPI's (the "Impact Test"). After the Manager has developed the Impact Test, the Manager shall cause the Fund to deliver to the investors, at least annually, an impact report that sets forth the degree to which the Impact Test was satisfied as of the end of the period covered by that report (an "Impact Report"). The Manager shall use audited or independent impact-relevant information when preparing each Impact Report.</p>
<i>Other fees and charges</i>	<ul style="list-style-type: none"> • Formation expenses of the Fund (the "Formation Expenses") will include but will not be limited to [●]. The level of Formation Expenses to be borne by the Fund will be capped at £[●]. • The Manager may charge monitoring, arrangement fees and other transaction fees to portfolio companies, but all such fees will reduce the Management Fee. <p>For the avoidance of doubt, administrative costs of the Fund to be borne by the Fund shall not include any internal expenses to be borne by the Manager in connection with the management of the Fund.</p>

<i>Clawback</i>	Upon termination of the liquidation operations of the Fund, the carried interest beneficiaries shall restore funds to the Fund or each investor to the extent that such carried interest beneficiaries have received cumulative distributions more than amounts distributable to them pursuant to the Distributions Waterfall set out above. This is applied on “fund as a whole” basis (i.e., an aggregate basis covering all transactions of the Fund).																		
<i>Drawdowns</i>	Drawdowns on a minimum of [●] business days’ notice before it is due and specifying in reasonable detail the purposes of such drawdown consistent with a market standard drawdown notice subject to a minimum drawdown amount.																		
<i>Excuse</i>	Market standard excuse rights.																		
<i>Named Executives</i>	<p>Named Executives of the Manager will be expected to devote the proportion of their business time shown below under “Resourcing”to the affairs of the Fund.</p> <p>The Named Executives for the Fund will be:</p> <p>[● - Insert names of individuals].</p> <p>If any Named Executive fails to devote the required time to the Fund or any Named Executive leaves, no investment or divestmentmay be carried out. Investment can only resume with approval by the investor advisory committee once the Manager has either: i) appointed appropriate replacement(s) to the satisfaction of the investor advisory committee; or ii) justified to the satisfaction of the investor advisory committee that the non-departing members can manage the Fund.</p>																		
<i>Resourcing</i>	<p>The resources available to the Fund for investment will be no worse than that shown below. Percentages indicate proportion of business time:</p> <table><tr><th>Individual</th><th>Investment Period</th><th>Post-investment period</th></tr><tr><td>Person 1</td><td>[x]%</td><td>[x]%</td></tr><tr><td>Person 2</td><td>[x]%</td><td>[x]%</td></tr><tr><td>Person 3</td><td>[x]%</td><td>[x]%</td></tr><tr><td>Person 4</td><td>[x]%</td><td>[x]%</td></tr><tr><td>Person 5</td><td>[x]%</td><td>[x]%</td></tr></table> <p>The Manager shall ensure it devotes sufficient resources, investment professionals and time to properly manage the affairs ofthe Fund.</p>	Individual	Investment Period	Post-investment period	Person 1	[x]%	[x]%	Person 2	[x]%	[x]%	Person 3	[x]%	[x]%	Person 4	[x]%	[x]%	Person 5	[x]%	[x]%
Individual	Investment Period	Post-investment period																	
Person 1	[x]%	[x]%																	
Person 2	[x]%	[x]%																	
Person 3	[x]%	[x]%																	
Person 4	[x]%	[x]%																	
Person 5	[x]%	[x]%																	
<i>Meetings of the Fund</i>	<p>The Fund shall have a meeting of investors at least once each year beginning in the year after the year of the first close. The Manager shall call additional meetings upon receipt of request to do so approved by investors representing at least [20]% of commitments.</p> <p>The Manager shall give at least 60 days’ advance written notice of any meeting to the Investors, together with a copy of the agenda therefor. A copy of the minutes and any materials distributed at the meeting will be made available to all Investors within [30] days after the meeting.</p>																		
<i>Investor advisory committee</i>	The Manager will establish an investor advisory committee for the Fund representing the largest and/or strategic investors. The Department will be entitled to representation on the investor advisory committee.																		

<i>Manager co-investment</i>	The Manager is encouraged to commit an amount equal to at least [●]% of the total commitments of the Fund to further align interest with investors and Fund performance.
<i>Distributions in specie</i>	The Manager undertakes not to make any distributions in specie to the Department unless the Department instructs it otherwise in writing.
<i>Reporting requirements</i>	<p>The Manager will report the performance of the Fund on a quarterly basis with a detailed explanation.</p> <p>In addition to the reporting to be provided to all investors, the Department reserves the right to ask the Manager to carry out data gathering related to performance monitoring around key indicators and metrics related to the Fund's activities and results.</p>
<i>Principal place of business</i>	<p>The Manager, Fund and General Partner shall:</p> <ul style="list-style-type: none"> • maintain their principal place of business within the UK; and • not seek to be domiciled, qualified or registered in its own name or any other name under the laws, statutes, codes, regulations, taxation code or similar of any jurisdiction other than the UK, save with the Department's prior written consent.
<i>Most favoured nation</i>	The Manager will not agree more favourable terms with any other investor in the Fund without offering at least as favourable pre-emptive terms to the Department.
<i>Other investors</i>	The Manager undertakes to provide the Department with details of any person(s) to be admitted as a limited partner in the Fund prior to such person(s) being admitted and shall take into account any opinion of the Department.
<i>Marketing and public relations requirements</i>	<ul style="list-style-type: none"> • The Manager shall comply at all times with the marketing and public relations requirements to be agreed with the Department. The Manager will be provided with a copy of the Department's marketing and public relations guidelines, which may be updated by the Department from time to time. • The Manager shall not publish any statements, promotions, views or opinions regarding the Department's investment in the Fund without first agreeing such communications with the Department. • For the avoidance of doubt, no negative views, statements or opinions in relation to the Department or Fund activities will be issued by the Manager without the Department's prior written consent. • Breach of these requirements will result in 50% of the Department's proportion of the Management Fee (attributable to the period starting on the date on which breach occurred to the date on which the breach has been rectified, subject to remedy periods to be agreed) being forfeited. Manager to take such remedial actions, at its own cost, that the Department may require. • The Department shall not publish any statements, promotions, views or opinions regarding the Fund or the Manager without first agreeing such communications with Manager.
<i>Representations and covenants</i>	The Fund documentation will include standard representations, warranties, undertakings and covenants from the Manager. However, the Department will require the following in addition to the specific obligations summarised elsewhere in this term sheet:

	<ul style="list-style-type: none"> • The bidding materials are true and accurate and not misleading; • The marketing materials are in all material respects consistent with the bidding materials; • The Manager and Named Executives have all necessary authorisations, consents and permissions; • The Manager is solvent; • No adverse material litigation directly affecting the Manager or the Named Executives and that none of them have a criminal record or any pending charges that may result in a criminal record (other than in respect of minor traffic or similar offences resulting in no more than a fine / and or a fixed-point penalty); • Information in Named Executives' declarations true and accurate in all respects; • The Manager shall comply with applicable laws; • Confirmation that all applicable anti-money laundering and "know your customer" due diligence has been conducted by the Manager on all investors in the Fund prior to their admission to the Fund and that the Manager is duly registered and regulated by the relevant bodies in the UK to conduct anti-money laundering to conduct such identification checks; • The Manager has and shall maintain (at its own cost) adequate Directors and Officers insurance, Professional Indemnity insurance and other corporate insurances as customary or required in the UK. The Fund shall only be charged for insurances necessary for the Fund itself; and • The Manager in its reasonable opinion shall dedicate adequate resources for the management of the Fund.
<i>Removal of the GP / Manager</i>	Market standard provisions for (i) removal of General Partner and / or Manager and (ii) replacement of General Partner and Manager, all with or without cause and usual post termination handover provisions.
<i>Due diligence</i>	The Manager will facilitate access by the Department to its staff and systems such that the Department can gain assurance on an ongoing basis that the Manager is appropriately implementing the Department's investment Policy Objectives, monitoring key long-term risks and integrating such factors into its investment and risk management decision-making.
<i>Fraud</i>	<p>The Manager will have an independent audit committee, comprising members of the risk & audit committee. The Manager must have systems and procedures in place designed to detect and deter fraud such as:</p> <ul style="list-style-type: none"> • segregation of duties with regards to payment set up and payment approval; • investors being subject to call-back and other verification procedures, and • implement effective risk management policies and procedures in order to identify, measure, manage and monitor on an ongoing basis all risks relevant to each fund's investment strategy to which each fund is or may be exposed.
<i>Conflict of Interest</i>	The Manager will establish and maintain a robust conflicts of interest policy. The Manager will ensure that it adheres to this policy such that it effectively identifies and manages conflicts with the Manager's duty to the investors or otherwise entailing a material risk of damage to the interests of the Department .

<i>Standard of Care</i>	<p>The Manager shall manage and control the Fund and its business and affairs reasonably and in good faith and with care that an ordinarily prudent person in a like position would exercise under similar circumstances. When exercising any discretion, the Manager shall place its interests or those of its affiliates ahead of those of the Fund of the investors.</p>
<i>Technical Assistance</i>	<p>The Manager must indicate whether a TA facility is needed to support the pipeline and portfolio that generate both environmental impact and commercial impact.</p> <p>This could involve advisory support, identifying and selecting specialised experts and managing project implementation, all in close collaboration with project developers including:</p> <ul style="list-style-type: none"> • Working in close collaboration to build an appropriate framework contract to efficiently pre-screen projects; • Closely collaborate with project developers to promptly identify TA needs at investee level during and after the due diligence; • Identify best-suited implementing technical assistance partners and manage contracting process; • Prepare and closely monitor annual budgets; and • Monitor the implementation of TA projects, prepare TA monitoring & evaluation reports.
<i>Liability</i>	<p>The Manager will be subject to market normal liability thresholds and will hold and maintain professional indemnity insurance to cover professional liability risks resulting from its activities as Manager, with a coverage limitation equal or exceed £60 million. Any sub-contractor who delivers any part of the service outlined in Section 3 or any investment beneficiary of the Fund must provide contractual assurance acknowledging a duty of care and confirming that appropriate fraud prevention measures are in place.</p>
<i>Borrowing and Guarantees</i>	<p>[The Fund may not borrow amounts; issue guarantees or otherwise incur indebtedness except on a short-term basis for periods of less than three months to finance investments pending receipt by the Fund of drawdowns].</p>
<i>Fund Expenses</i>	<p>The Fund shall pay all of the Fund's reasonable and properly incurred costs and expenses (other than the General Partner Expenses below) in each case to the extent not reimbursed by a Portfolio Company as follows:</p> <ul style="list-style-type: none"> • liquidation expenses of the Fund; • (sales, withholding, or other taxes, fees or similar government charges which may be assessed against the Fund; • commissions, brokerage fees or similar charges incurred in connection with the purchase or sale of securities; • costs and expenses of meeting with investors and of the Advisory Committee; • expenses associated with preparation of the Fund's financial statements, and tax returns. • All fees, costs and expenses (including legal fees) relating to litigation and threatened litigation, investigation or other proceeding involving the Fund [including indemnification expenses]; • interest expense for credit facilities; • fees, cost and expenses incurred in connection with the investigation, diligence, acquisition, holding, monitoring of investments, deal expenses; and • the Management Fee.

<i>General Partner Expenses</i>	The Manager agrees to assume and pay, or to cause one or more of its affiliates to assume and pay, all normal operating expenses attributable to the Fund's investment activities.
<i>General Partner Transfer</i>	The General Partner may not transfer any of its interest in the Fund without the prior written consent of [●]% of the Investors in interest and subject to a suitable alternative replacement being appointed.
<i>Default on payment</i>	<p>If any investor fails to make all or any portion of any capital contribution or any other amount required to be funded by such investor, the Manager will notify them in writing thereof and if the default is not remedied within [10] business days of receipt of such notice. All investors will be notified of any default within [30 days] of such a default.</p> <p>Any amounts that are not duly paid on the relevant due date shall accrue interest at a rate of [●]% per annum from the due date until the date the defaulting investor makes its capital contribution.</p> <p>The Manager in its sole discretion shall pursue and enforce any and all rights and remedies that the Fund or, the Manager may have against such defaulting investor at law, in equity or pursuant to the Fund documents, including forfeiting up to 100% of the defaulting investors interest in the Fund without payment or other consideration.</p>
<i>Confidentiality</i>	Investors will be subject to obligations of confidentiality in relation to the affairs of the Fund and its investments however they can disclose any such information to any other investor or representative thereof; as may be required by any law, order, or regulations; in connection with an audit or examination by any governmental or regulatory authority; and to its employees and professional advisers.
<i>Change of Scope</i>	At any time, the Department may, notwithstanding anything to the contrary contained in the contract, require the provision of additional services which are not included in the Specification of Requirements (the "Change of Scope") such as increasing the size of the DEFRA Investment. In the event of the Department determining that a Change of Scope is necessary, it shall issue a notice specifying in reasonable detail the services contemplated thereunder (the "Change of Scope Notice"). Upon receipt of a Change of Scope Notice, the Fund Manager shall examine the Change of Scope Notice as soon as reasonably practicable and agree to undertake the additional works and services as specified in the Change of Scope Notice providing to the Department such information as is necessary, with due diligence, together with the revision in the Management fee and charges arising from such a change, if applicable.
	Please upload your response with filename 'Your Company Name_Final Term Sheet'. Your response in total must be no more than 12 side of A4, minimum font size 10.

APPENDIX E

Commercially Sensitive Information (Attached)

Please re-produce and upload as an attachment on Bravo if applicable

TENDERER'S COMMERCIALLY SENSITIVE INFORMATION	POTENTIAL IMPLICATION OF DISCLOSURE	DURATION OF COMMERCIALLY SENSITIVE INFORMATION

APPENDIX F

Conflict of Interest Declaration (Attached) Please re-produce and upload as an attachment on Bravo

I have nothing to declare with respect to any current or potential interest or conflict in relation to this project (or any potential providers who may be subcontracted to deliver this work, their advisers, or other related parties). By conflict of interest, I mean, anything which could be reasonably perceived to affect the impartiality of this project, or to indicate a professional or personal interest in the outcomes from this project.

OR

I wish to declare the following with respect to personal or professional interests related to relevant organisations*;

- X
- Y

Where a potential conflict of interest has been declared for an individual or organisation within a consortia, please clearly outline the role which this individual or organisation will play in the proposed project and how any conflict of interest has or will be mitigated.

- X
- Y

Signed
Name
Position

Please complete this form and return this with your RFP documentation.

* These may include (but are not restricted to);

- A professional or personal interest in the outcome of this project.
- For evaluation projects, a close working, governance, or commercial involvement in the project under evaluation.
- Current or past employment with relevant organisations.
- Payment (cash or other) received or likely to be received from relevant organisations for goods or services provided (Including consulting or advisory fees).
- Gifts or entertainment received from relevant organisations.
- Shareholdings (excluding those within unit trusts, pension funds etc) in relevant organisations.
- Close personal relationship or friendships with individuals employed by or formerly employed by or otherwise closely associated with relevant organisations.

All of the above apply both to the individual signing this form and their close family / friends / partners etc.

If your situation changes during the project in terms of interests or conflicts, you must notify the Department straight away.

A declaration of interest will not necessarily mean the individual or organisation cannot work on the project; but it is vital that any interest or conflict is declared so it can be considered openly.

APPENDIX G

Non-Disclosure Agreement

The Department's Non-Disclosure Agreement which is applicable to this RFP and any subsequent contract is provided in the accompanying document entitled RFP Appendix G Non-Disclosure Agreement.