



FOREST AND WILDLIFE DEPARTMENT

GOVERNMENT OF SINDH

**RESPONSES TO REQUESTS FOR CLARIFICATIONS / QUERIES SUBMITTED BY PROSPECTIVE BIDDERS
IN RELATION TO THE REQUEST FOR PROPOSALS DOCUMENT**

IN RESPECT OF

- 1) CARBON REMOVAL THROUGH FORESTATION PROJECT – PACKAGE 1;**
- 2) CARBON REMOVAL THROUGH FORESTATION PROJECT – PACKAGE 2; AND**
- 3) CARBON REMOVAL THROUGH FORESTATION PROJECT – PACKAGE 3.**

DATED: APRIL 27, 2025

IMPORTANT NOTICE

This RESPONSE TO PROSPECTIVE BIDDERS' QUERIES (this "**Response Document No. 1**") is in furtherance to the queries and requests for clarifications received from the prospective Bidders in respect of the Request for Proposals documents issued on February 18, 2025 (hereinafter collectively referred to as the "**RFPs**" and individually as a "**RFP**"), by the Forest and Wildlife Department, Government of Sindh ("**FWD**") for the following projects:

- (a) *Carbon Removal through Forestation Project – Package 1;*
- (b) *Carbon Removal through Forestation Project – Package 2; and*
- (c) *Carbon Removal through Forestation Project – Package 3.* (hereinafter collectively referred to as the "**Projects**" and individually as a "**Project**")

Unless expressly specified otherwise, all capitalized terms used herein shall bear the meaning ascribed thereto in the respective RFPs.

This Response Document No. 1 is not to be construed as an addendum/corrigendum to the RFPs; its sole purpose is to provide responses to the prospective Bidders' queries / requests for clarifications on the RFPs, received by FWD. Bidders should independently satisfy themselves with the responses set out herein and should not rely on this Response Document No.1. To the extent any changes to the RFPs are required, such changes will be made through an addendum/corrigendum (as applicable) to the RFPs, which will be issued prior to the Bid Submission Date.

No GoS Party makes any representation (express or implied) as to the accuracy or completeness of the information contained herein, or in any other document made available by any GoS Party to the prospective Bidders in connection with the Project (including with regards to the Bidding Process). No GoS Party shall have any liability for this Response Document No. 1 or for any other written or oral communication transmitted or made to the prospective Bidders.

No GoS Party shall be liable in any manner whatsoever to reimburse or compensate the prospective Bidders for any costs, fees, damages or expenses incurred by the prospective Bidders in evaluating or acting upon this Response Document No. 1. Each prospective Bidder should conduct its own independent investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the statements and information contained in this Response Document No. 1 or in any document issued by FWD in connection with the Project.

By submitting the Bids, Bidders shall be deemed to have independently examined and verified, understood and accepted, all the terms and conditions stated in the RFPs (including any addendum / corrigendum issued by FWD to the RFPs) and this Response Document No. 1. FWD reserves its right, in its full discretion, to modify the RFPs, the requirements of the Project and / or the information contained in this Response Document No. 1 at any time as per the applicable law and shall not be liable to reimburse or compensate any prospective Bidder for any costs, taxes, expenses or damages incurred by the prospective Bidder in such an event.

RESPONSES TO THE PROSPECTIVE BIDDERS' REQUESTS FOR CLARIFICATIONS/QUERIES

NO.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
1.	—	Given that (a) the Projects are first of their kind in the PPPs space in Pakistan and are fairly complex, (b) require participation from international players, and (c) the technical feasibility for the Projects has been shared yesterday, which will require thorough analysis by interested parties, it is requested that an extension of at least 2 months is granted to the current bid submission deadline;	The Bid Submission Date has been extended till May 26, 2025.
2.	—	We request for a extension in the submission date of 30 April, 2025 for another 60 days as the project requires a lengthy & hectic due diligence process.	Please see response no. 1.
3.	—	Since this is a unique project so we are struggling to build connectivity and taking understanding. Thereby, it is taking time to connect with relevant partners and building the feasibilities. In this connection we will appreciate if the department would consider to extend the date to submit the bid documents by 30th May 2025 .	Please see response no. 1.
4.	—	Bid Submission Timeline The current 3-month timeline for bid submission appears too tight, especially with the condition that EY/EMC/HMCO F/Study may not be used as the basis of the Private Party's bid. No domestic consultants have experience executing a successful Carbon Project, making this timeline quite constrained.	Please see response no. 1.
5.	—	We request that 60 days be allowed for the arrangement of capital after signing the concession following completion of the bidding process.	No change.
6.	—	Harvest Methodology	Bidders are requested to undertake their own due diligence in this regard.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
		The harvest methodology proposed in PPP Unit's Feasibility Study (F/Study) document: We request you to share the relevant VERRA and/or Gold Standard Methodology Rules/Sections which allow harvest methodology in the manner included in the F/Study. Any example case study from around the world with a similar (or closest possible) project design/methodology would be appreciated.	
7.	—	Sindh Sales Tax (SST) on Consultant Services SST should be exempted for these Carbon Projects as the Credits will be exported (not consumed locally). SST refunds would otherwise block cash flows until they are processed—which are generally slow. Alternatively, the Private Party may be allowed to deduct this from the Government of Sindh's revenue/profit share.	No change.
8.	—	Federal Income Tax (FIT) FIT on project earnings should not be charged because the Federal Government's MoCC policy already deducts 5% of Credits as NDC contribution and 1% of Gross Revenue as Registry Fee. This total of 6% of revenue far exceeds the general industry Turnover FIT of 1.25% of Net Turnover. In addition, both Federal & Provincial Governments will benefit from Corresponding Adjustments—equivalent to 12% of Net Revenues.	No change.
9.	—	Can you please share the Minutes of Pre-Bid Meeting which was held on 27/02/2025.	The minutes of the Pre-Bid meeting are internal government documents and cannot be shared. However, the link to the livestream of the meeting is attached below: https://www.dropbox.com/scl/fi/82xkg2ratgkzpfpgz3c2q/Zoom-Recording-1st-Pre-Bid-Meeting.mp4?rlkey=ptf2clyw7htg7y48ef1mvpjcg&st=oj80llcn

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
			&dl=0
10.	–	Keeping in view the complexity and long-term nature of the project, it is suggested that before final bidding, another meeting may be arranged by SFD so that potential bidders may obtain further clarifications with respect to the acceptance of their suggestions by the competent authority and/or explain their concerns which may impact the outcome of the project if those suggestions are not given a consideration by the competent authority.	If a decision is taken by the FWD/TFEC to hold a third (3 rd) pre-bid meeting, it will be duly notified.
11.	–	We need to have the support of SFD for visit of the sites.	Site visits have been conducted by FWD on the following dates: <ul style="list-style-type: none"> • April 17, 2025 • April 18, 2025
12.	–	<u>Please provide below information.</u> The availability and cost of saplings (sapling age and nursery level cost) for each Eucalyptus, Poplar, Kikar, and Neem and plantation (labor and machinery) for the above species in the project area. Also explain FWD/GOS support during projects implementation to be provided to the concessionaire.	The requested information is provided in the technical feasibility study, which may be accessed through the following links: https://portalsindh.eprocure.gov.pk/ http://tiny.cc/FWLD With regard to support to be provided by the FWD/GoS during implementation of the Project, please refer to the Concession Agreement for further details, including, <i>inter alia</i> , Sections 5.2.1, 18, 19 and 20 therein.
13.	–	<u>Please provide below information.</u> Typical rotation age (harvesting age), yield (m3/acre), and fertilizer requirements (opex) for the species in the project area.	The requested information is provided in the technical feasibility study, which may be accessed through the following links: https://portalsindh.eprocure.gov.pk/ http://tiny.cc/FWLD
14.	–	<u>Please provide below information.</u> Mortality rate (survival after plantation) for the species in the	Please see response no. 13.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
		project area.	
15.	–	Please provide Technical feasibility study of the projects (package-1,2,3) and other studies and data available.	The technical feasibility may be accessed through the following link. https://portalsindh.eprocure.gov.pk/ http://tiny.cc/FWLD
16.	–	As part of our planning, we would appreciate if any information share with us i.e. Technical studies & report on above project whether by the government or any related authorities enable us to prepare our proposal for subject project. Additionally, if there are existing frameworks, regulations, or policies related to PPPs for such projects, we would be grateful for guidance or relevant documentation.	The technical feasibility may be accessed through the following link. https://portalsindh.eprocure.gov.pk/ http://tiny.cc/FWLD The laws, rules, regulations and guidelines with respect to PPPs are available online, including, inter alia, at the following link: https://www.pppunitsindh.gov.pk/downloads_others.php Interested Parties are required to undertake their independent due diligence as to relevant legal and regulatory framework applicable to the Project (including with respect to any amendments to the applicable laws).
17.	–	We are currently reviewing the Sindh Forest Carbon Project with interest in potential collaboration and investment. To support our internal due diligence and ensure a sound evaluation, we would be grateful if you could kindly share any available technical feasibility data. In particular, we are looking for the following: <ul style="list-style-type: none"> • Technical feasibility report/study • GIS shapefiles outlining project boundaries, eligible/ineligible areas • Carbon sequestration calculations and site quality classification data Any available field inventory data or carbon stock assessments	The requested information is provided in the technical feasibility study, which may be accessed through the following links: https://portalsindh.eprocure.gov.pk/ http://tiny.cc/FWLD The GIS shapefiles (.shp) may be accessed through the following link: https://www.dropbox.com/scl/fi/5ynorw8bq97p7y4h6msi8/Forest-Shapefiles.zip?rlkey=yxpbnmrw4bj5jlon4bohenbnh&st=uavh0r49&dl=0

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
18.	–	Please share if available, Economics of small-scale forestry activities for these species in the project area (per acre capex, thinning revenue, harvesting revenue, annual operational cost, etc.).	Bidders are requested to undertake their own due diligence in this regard.
19.	–	A Google image shows farming and settlements in the identified project area, which will add further complexity to the project development and management of the plantations. Please share FWD/GOS resettlement plan to make area available for the projects.	The Site shall be handed over to the Concessionaire free from Encumbrances in accordance with the Concession Agreement and the Lease Agreement. In this regard, please see Section 2.1.1 of the Lease Agreement and the Addendum Document No. 1 issued in connection with the Projects.
20.	–	Feasibility Study_FS&TA_Carbon Removal Sindh 5.1.1.4 Land Leasing by Government "In some instances, government bodies have leased forest land for agroforestry programs. While intended to promote sustainable land use, these leases have often resulted in further encroachments and severe degradation of forest ecosystems." Please confirm/clarify for each land parcel, the land areas if any already leased by FWD/GOS as stated herein.	The Site is notified as a “ <i>Reserved Forest</i> ” under the Forest Act, 1927, and is not subject to any leasehold interests.
21.	–	Feasibility Study_FS&TA_Carbon Removal Sindh 5.3.3 Stakeholder Engagement A key strategy in this engagement is negotiating with encroachers through incentives such as alternative livelihoods, financial compensation, or land reallocation. By offering feasible alternatives, encroachers may be encouraged to voluntarily vacate illegally occupied forest lands, reducing conflict and resistance to forest protection efforts Please confirm being PPP project and FWD responsibility to hand over Project free of any encroachment at/before commencement date, the stated strategy herein if adopted shall be implemented with resources of GOS.	Please see response no. 19.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
22.	General Comment (Bidding Procedure)	Bidder As A Natural Person: Considering that there are no restrictions on a natural person / individual (a Natural Person) being a Bidder, confirmation is requested as to whether a ‘tax registration certificate’ pertaining to such a natural person / individual would be recognized as an acceptable constitutive document for the purposes of demonstrating eligibility under the Request for Proposal (RFP) requirements.	Relevant provisions regarding the documentary requirements for Bidders who are natural persons, have been incorporated. Please refer to Addendum Document No. 1 issued in connection with the Projects, in this regard.
23.	General Comment (Bidding Procedure)	The RFPs presently do not permit bidding by international parties through offshore special purpose vehicles (the Offshore SPVs), which is a practice that was rightly allowed in the TP1 project. Offshore SPVs, even if incorporated specifically for bidding for the Projects, should be allowed to qualify against the evaluation criteria set out in the RFPs, so long as they have shareholders, parent companies and/or subsidiary companies that meet such criteria and are willing to guarantee the obligations of the Offshore SPVs. Other controls can also be built in the RFPs such as change in shareholding restrictions etc. It is requested that this concept should be captured in the RFPs.	The Bidder and may qualify on the basis of its shareholder’s credentials. There is no restriction on the Bidders being incorporated in jurisdictions other than Pakistan. Please refer to Addendum Document No. 1 issued in connection with the Projects, for further details.
24.	General Comment (Bidding Procedure)	Foreign Investor Participation Foreign investor(s) setting up SPVs in Pakistan should be allowed to participate. Evaluation criteria should allow consideration of the Parent Company(ies)’ credentials for bid evaluation, including equity requirements and international experience in Afforestation and Carbon project development.	Please see response no. 23.
25.	General Comment (Bidding Procedure)	Flexibility For SPV Establishment: In light of a precedent-based approach, SPV incorporation flexibility (outside Pakistan/hybrid) is proposed to enhance Carbon Credit marketability/pricing – thus also boosting FWD revenue share.	No change.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
26.	General Comment (Bidding Procedure)	<p>Single Bidder vs Consortium Member: It has been observed that throughout the RFP documents, there are various instances where the term ‘Bidder’ is immediately followed by parenthetical phrases such as ‘(including each Consortium Member)’ or ‘(any Consortium Member)’. Concurrently, there are other instances where more explicit phrasing is used, for example, ‘Bidder (in case the same is a Consortium, each Consortium Member)’. To ensure clarity and avoid potential misinterpretation, confirmation is requested regarding the understanding that in all instances where the shorter parenthetical phrasing is used, the reference to ‘Consortium Member’ applies only if the Bidder is, in fact, structured as a Consortium, and that these references do not apply where the Bidder is participating as a Single Person/Entity.</p>	<p>This understanding is correct. Where the shorter parenthetical phrasing is used, the reference to ‘<i>Consortium Member</i>’ applies only if the Bidder is structured as a Consortium.</p>
27.	General Comment (Bidding Procedure)	<p>Scope of Staff: Clarification is requested regarding the precise scope of the term ‘Staff’ as defined and used within the RFP documents. Specifically, confirmation is sought as to whether this definition encompasses consultants engaged by the Bidder, or if its application is strictly limited to individuals employed on a full-time basis.</p>	<p>Typically, staff relates to a permanent employee of the relevant Bidder (or respective Consortium Member, as applicable).</p>
28.	Section 1.1 of the Instructions to Bidders	<p>RFP_Package_Carbon_Removal_Forestation Volume-I "1.1 Introduction"</p> <p>A Sponsor Support Agreement shall be executed between the Concessionaire, FWD and the Successful Bidder to reflect the customary obligations of the Successful Bidder.</p> <p>Is there any difference in Concessionaire and the Successful Bidder, please clarify.</p>	<p>Pursuant to the Instructions to Bidders, the “<i>Successful Bidder</i>” is defined as follows:</p> <p>“<i>The Bidder whose Bid is determined to be the Best Evaluated Bid.</i>”</p> <p>Therefore, the Successful Bidder is the Bidder (which may be a single entity or a Consortium) that is declared as the “<i>Successful Bidder</i>” pursuant to Section 6.6 (<i>Successful Bidder</i>) of the Instructions to Bidders.</p> <p>Following Acceptance of Notification of Award, the Successful Bidder shall be required to incorporate a wholly owned SPV pursuant to Section 7.4 (<i>Formation of SPV by the Successful</i></p>

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
			<i>Bidder</i>) of the Instructions to Bidders, for the execution of the Concession Agreement and implementation of the Project. This entity / SPV signing the Concession Agreement shall be the Concessionaire.
29.	Section 1.1 of the Instructions to Bidders	<p>RFP_Package_Carbon_Removal_Forestation Volume-I "1.1 Introduction"</p> <p>Successful Bidder / SPV shall be required to pay all the taxes, duties, levies, stamp duties, rents, and other charges payable to any local government and provincial and federal government (as applicable), and it would not be allowed to seek any support from the GoS Parties if it was unaware or ignorant of any taxes, duties, levies, stamp duties, rents, and other charges.</p> <p>1- How much stamp duties on land lease will be charged.</p> <p>2- We suggest local or provincial taxes should be exempted from being PPP project.</p> <p>3- If not exempted Sr. No.2, then please confirm, it will be net off while calculating FWD share of revenue"</p>	<p>1. Interested Parties are required to undertake their independent due diligence as to relevant legal and regulatory framework applicable to the Project (including with respect to any applicable stamp duties).</p> <p>2. No change.</p> <p>3. The FWD Revenue Share will be calculated as per the mechanism under Article 13 (<i>Revenue Sharing and Revenue Account</i>) of the Concession Agreement, read with the definitions provided therein. Please note that the Net-Carbon Revenue will be calculated in accordance with the Applicable Laws and the Carbon Policies.</p>
30.	Section 2.1.2(c) of the Instructions to Bidders	<p>RFP_Package_Carbon_Removal_Forestation Volume-I "2.1 General Requirements"</p> <p>(c) each Consortium Member shall be required to own at least ten percent (10%) Ownership Stake in the SPV.</p> <p>Please wave off minimum 10% equity criteria for JV member and allow bidders having a JV partner with non-share/zero equity for technical qualification as many of the foreign bidders are reluctant to invest amid macroeconomic and security conditions in Pakistan. It is difficult for local investors to meet bidder's technical qualification criteria stated in RFP without having foreign experienced firms in JV.</p>	No change.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
31.	Section 2.1.2(c) of the Instructions to Bidders	Minimum Shareholding Requirements For Entities That Are Not Sponsors: In case a Natural Person or a single entity (each referred to as Single Person/Entity) is a Bidder (the same not being Consortium) and to the extent that: (a) such Single Person/Entity satisfies the technical and financial criteria; and (b) commits to satisfy the equity requirements and other pre-defined sponsor financial commitments for the Project, it is proposed that other shareholders, including any being given sweat equity, (provided that the same are not from a nationality proscribed by the laws of Pakistan and are not black-listed) should be allowed to hold shares in the Special Purpose Vehicle (SPV) in any percentage (even less than 10%) as determined by the Single Person/Entity. In furtherance of the afore-stated, the Single Person/Entity will retain at least 51% controlling interest in the SPV and will comply with the requirements of the Concession Agreement for divestment of any part of the same.	No change.
32.	Section 4.7 of the Instructions to Bidders	The bid security, equivalent to PKR 100,000,000/- (Pakistani Rupees One Hundred Million only), as mentioned in NIT, either is for all bidding packages or for each package?	A separate Bid Security is required to be submitted under each respective RFP. Please see Section 4.7 (<i>Bid Security</i>) of the Instructions to Bidders.
33.	Section 4.7 of the Instructions to Bidders	RFP_Package_Carbon_Removal_Forestation Volume-I 4.7 Bid Security 4.7.1 The Bidder shall furnish, as part of the Technical Proposal, a Bid Security equivalent to PKR 100,000,000/- (Pakistani Rupees One Hundred Million only) (the “Bid Security”). Amount of Bid security is quite high compared to projects in other sectors e.g. in energy sector its around 30-35 Million Rs for a project worth 60-70 Million USD. Please revise bid security amount downward e.g. 30 Million Rs for each RFP package-1,2,3	No change.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
34.	Bidding Form F2 (<i>Financial Proposal Standard Form</i>) of the Bidding Forms	<p>Fixation of Fundamental Financial Parameters and Allocation of Market Risk</p> <p>Under the proposed transaction structure, forty percent (40%) of the Net Base Carbon Revenue and the Non-Carbon Revenue has to be mandatorily shared by the Concessionaire with FWD. The technically qualified Bidder quoting the highest Additional FWD Revenue Share in addition to the aforesaid forty percent (40%) will be determined the Best Evaluated Bid;</p> <p>Further, eighty percent (80%) (as a fixed percentage) of the Net Windfall Carbon Revenue is to be shared by the Concessionaire with FWD;</p> <p>For determining the windfall revenue, the benchmark price per Carbon Credit is USD 25/- (US Dollars Twenty-Five only);</p> <p>(the financial parameters at 1 to 3 above are hereinafter collectively referred to as the Fundamental Financial Parameters)</p> <p>Demand and pricing risks in relation to the Carbon Credits have both been allocated to the Concessionaire. Essentially, complete market risk has been allocated to the Concessionaire;</p> <p>Carving in stone the Fundamental Financial Parameters and expecting Bidders to submit Bids around them requires absolute certainty regarding the project cost, carbon credit generation potential, demand for carbon credits in the market and carbon credit pricing over a significantly long period of time;</p> <p>It is common knowledge that market for carbon credits has historically been fairly volatile. The price range for carbon credits can vary widely depending on the certification body and the specific characteristics of the project, such as the co-benefits and the level of verification. A summary of the ranges of carbon credits is as follows:</p>	No change.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
		<ul style="list-style-type: none"> • VERRA (VCS): \$5–\$30 per ton • Gold Standard: \$10–\$50 per ton • CCBS: \$5–\$15 per ton • ACR: \$6–\$20 per ton • Plan Vivo: \$7–\$12 per ton • CarbonFix: \$5–\$15 per ton • CDM (UNFCCC): \$1–\$5 per ton • Social Carbon: \$5–\$15 per ton <p>Additionally, demand for carbon credits can also fluctuate based on global climate policy, corporate sustainability efforts, and market dynamics. Historically, the demand for carbon credits in relation to ARR and REDD+ has followed the following trajectory:</p> <p>2005–2010: Limited demand for REDD+ and ARR credits, driven by nascent carbon markets and low recognition of forestry’s role;</p> <p>2011–2013: Demand stagnation for REDD+ due to regulatory uncertainty and limited implementation, while ARR credits saw moderate demand in voluntary markets;</p> <p>2014–2017: Limited growth for both REDD+ and ARR due to low corporate interest, economic uncertainty, and oversupply of CERs;</p> <p>2018–2020: Significant demand surge due to corporate commitments to net-zero emissions, leading to higher prices for both REDD+ and ARR credits;</p> <p>2021–Present: Strong, sustained growth in demand driven by international climate agreements, voluntary corporate commitments, and public awareness of the importance of forests in addressing climate change;</p>	

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
		<p>Given that the carbon market is unpredictable, building financial excessive controls under the transaction structure, not having a revenue sharing adjustment mechanism and placing complete market risk on the Concessionaire does not appear to be a palatable proposition;</p> <p>As is evident from the aforesaid, not only complete market risk has been allocated to the Concessionaire under the RFPs, but Bidders are also expected to submit Bids based on Fundamental Financial Parameters that have been locked by FWD, which amounts to blowing hot and cold at the same time. Either the Fundamental Financial Parameters should not be fixed, or there should be a revenue sharing adjustment mechanism in the event the financial assumptions of FWD are incorrect at the time of implementation of the Project;</p>	
35.	Bidding Form F2 (<i>Financial Proposal Standard Form</i>) of the Bidding Forms	<p>Sind Govt's share of 40% (net revenue) is disproportionate, given that the bidder is not only investing but shouldering the operational responsibility which is coupled with business risks & community mobilization, particularly security issues. Our suggestion is 20% share of SFD in case of both normal and windfall scenario.</p> <p>Further, as per National Carbon Policy Guidelines 2024, there are certain Obligatory Fees which are to be paid to the Federal Government about 30% of Carbon Credit revenue resulting in a substantial decrease in revenues of the project. This factor also necessitates reduction of Sind Govt's share so that potential bidder ROI remains stable.</p>	No change.
36.	Bidding Form F2 (<i>Financial Proposal Standard Form</i>) of the Bidding	<p>RFP_Package_Carbon_Removal_Forestation Volume-I Bidding Form F2 – Financial Proposal Standard Form</p> <p>The Concessionaire shall be required to share eighty percent (80%) (as a fixed percentage) of the Net Windfall Carbon Revenue.</p>	No change.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
	Forms	<p>"It is too high with already sharing of 40% revenue with FWD below Carbon credit price of 25 USD/Net windfall.</p> <p>For Net Windfall Carbon Revenue 3-4 further slabs are suggested e.g. For Carbon credit,</p> <p>1- Price:25-40 USD sharing 80% Concessionaire-20% FWD.</p> <p>2-Price:41-55 USD sharing 70% Concessionaire-30% FWD.</p> <p>3-Price:56-70 USD sharing 60% Concessionaire-40% FWD.</p> <p>4-Price:71 USD and above sharing 50% Concessionaire-50% FWD."</p>	
37.	Bidding Form F2 (<i>Financial Proposal Standard Form</i>) of the Bidding Forms	<p>Feasibility Study_FS&TA_Carbon Removal Sindh 6.3 Legal and Policy Framework</p> <p>Corresponding Adjustment Fee (CAF): A 12% fee on net revenues from the sale of carbon credits is imposed. This fee is distributed equally, with 50% allocated to the province where the...</p> <p>Please confirm 50% of the CAF received back by GOS/FWD shall be shared by FWD & Concessionaire as per revenue sharing mechanism stated in RFP.</p>	The Project Revenues shall be shared between FWD and the Concessionaire in accordance with Article 13 (<i>Revenue Sharing and Revenue Account</i>) of the Concession Agreement, read with the definitions therein. Please note that the Net-Carbon Revenue will be calculated in accordance with the Applicable Laws and the Carbon Policies.
38.	Annexure A (<i>Basic Eligibility Criteria</i>) of the Annexures to the Bidding Procedure	The requirement of the net worth of \$ 7 million is reduced to \$ 3.5 million.	No change.
39.	Annexure A (<i>Basic Eligibility Criteria</i>) of the Annexures to	<p>RFP_Package_Carbon_Removal_Forestation Volume-I</p> <p>Annexure A – Basic Eligibility Criteria</p> <p>"FORESTRY EXPERTISE AND EXPERIENCE</p>	<p>For clarity, such requirement has been removed from Annexure A (<i>Basic Eligibility Criteria</i>).</p> <p>Please see Addendum Document No. 1 issued for the Projects, for relevant details.</p>

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
	the Bidding Procedure	<p>The Bidder (or in the case of a Consortium, at least one member of the Consortium or its staff) must demonstrate expertise and experience in managing forest carbon projects.</p> <p>Will bidder be qualified, having staff or one member of staff with expertise and experience in managing forest carbon projects. Please clarify.</p>	
40.	Annexure A (<i>Basic Eligibility Criteria</i>) of the Annexures to the Bidding Procedure	<p>Further please clarify whether it means having staff with forestation experience of ten thousand hectares (10,000 ha) shall be sufficient to achieve 40 marks in technical evaluation criteria. Please confirm.</p>	Please see response no. 39.
41.	Annexure B (Evaluation Criteria) of the Annexures to the Bidding Procedure.	<p>In order to meet the Project Development Experience (Category 1), as confirmed by M/S Haidermota and GOS, an individual who has been a sponsor of a Forestry fund or similar projects in the capacity of sponsor will meet the Project Development Experience requirement for the consortium.</p> <p>Please confirm the above.</p>	<p>With regard to the “B) Project Development Experience” under Annexure B (<i>Evaluation Criteria</i>):</p> <p>(i) if the Bidder has made an investment in a Nature Based Solution Private Equity fund / climate fund, then the relevant category to qualify is category 4, provided that the Bidder fulfils all other requirements of the same category; and</p> <p>(ii) if the Bidder has experience of Agriculture, Forestry and Other Land Use (AFOLU) then the relevant category to qualify is category 1, provided that the Bidder fulfils all other requirements of the same category.</p>
42.	Annexure B (<i>Evaluation Criteria</i>) of the Annexures to the Bidding Procedure	<p>The evaluation criteria set out in Annexure B - Evaluation Criteria of each RFP has been curated in a manner that limits meaningful participation by several players that would otherwise be interested to participate in the Projects. Other than Category 3 under Project Development Experience, almost no local entity qualifies for Categories 1, 2 and 4. And as has been observed in the recent past, interest of foreign entities in PPP</p>	No change.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
		<p>projects in Pakistan as funding parties has generally been lukewarm. Also, given the nature of the Project, participation of local players who are familiar with and can navigate the complexities of the local landscape is necessary. An ideal arrangement could be a collaboration between a credible local player that invests in the Projects and a foreign entity with similar prior experience that provides technical support for the Projects. Therefore, FWD is requested to consider allowing parties with the experience set out under Categories 1, 2 and 4 to participate in the Projects to provide technical expertise, without the need to invest in the Projects. This will likely increase participation from foreign players who qualify against the evaluation criteria;</p>	
43.	Annexure B (<i>Evaluation Criteria</i>) of the Annexures to the Bidding Procedure	<p>Finally, each of the Project Development Experience requires that the Bidder must have “<i>completed</i>”, “<i>have proven expertise in</i>”, “<i>been involved in</i>” or “<i>invested in</i>” the relevant category of project. There can be a situation where a special purpose vehicle/project company (the Project Co.) with two (2) shareholders each with 50% shareholding in the Project Co. has undertaken a relevant project. In principle, each shareholder and the Project Co. should qualify against the given criteria. The precise nature of involvement, size of investment, threshold of shareholding etc. of a Bidder with a relevant project is not clear in the RFPs. FWD may consider bringing clarity in this aspect of the RFPs to avoid challenges during the tender evaluation stage.</p>	<p>The compliance of this requirement will be assessed on a case-to-case basis, depending upon the significance of the Bidder’s involvement in the quoted experience.</p>
44.	Annexure B (<i>Requirements for Marketing Plan</i>) of the Project Scope	<p>RFP_Package_Carbon_Removal_Forestation Volume-II (Project Scope) Annexure B (Requirements For Marketing Plan)</p> <p>"By meeting these requirements, the Concessionaire shall ensure that the Carbon Credits generated from the Project are effectively commercialized and marketed, maximizing revenue</p>	<p>Please refer to Section 13.1.2 of the Concession Agreement. The Project is intended to generate carbon credits that may be sold in any Carbon Market.</p>

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
		<p>while maintaining compliance with national and international standards.”</p> <p>Can this project generated Carbon credits may be sold in International Compliance markets after issuance of Policy guidelines by Ministry of Climate Change Pakistan. Please clarify.</p>	
45.	General Comment (Concession Agreement)	<p>The Agreement is requested to be reviewed and conceptually reassessed for alignment with the Project’s nature-based characteristics – including revisitation of strict conditions, concepts, obligations, events of default (EOD) and definitive timelines for achieving nature-dependent obligations, along with any associated penalties or damages. Extensions and relief from obligations should be granted when timelines for nature-based deliverables are delayed by natural forces (even if foreseeable), and mechanisms for allocating related costs (perhaps as Increased Costs) should be incorporated for practical implementation. Similarly, tests and requirements for satisfying obligations and achieving milestones (e.g., minimum tree density for Substantial Completion) need sufficient flexibility to prevent non-compliance due to natural factors. The revisitation is crucial because Project outcomes depend significantly on natural variables and not solely on Concessionaire performance, unlike standard infrastructure projects. Requirements such as tree density and other completion metrics should be reassessed considering seasonality and natural events like flooding.</p> <p>Various examples are highlighted for illustrative purposes only to highlight this dependency: (a) insufficient rainfall may impede tree growth, while excessive flooding could threaten survival, even if planting follows Applicable Standards and Project timelines; (b) delays in achieving the Commencement Date, particularly if commencement shifts past critical seasons (like the flooding season), will inherently affect the subsequent</p>	<p>The Concession Agreement has been amended to provide that time extensions and Increased Costs shall be claimable for the following events (irrespective of their foreseeability): (i) droughts; (ii) excessive flooding; and (iii) disease and pest epidemics; provided that such reliefs can only be claimed under the mechanism available for Relief Events, and not Force Majeure Events.</p> <p>For additional details, please refer to Addendum Document No. 1 issued in relation to the Projects.</p> <p>No further changes.</p>

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
		Project timeline and such situations must be addressed within the consequences and remedies for Commencement Date delays, irrespective of the cause; and (c) failure to meet Performance Key Performance Indicators (KPIs) or remedy contractual breaches timely where forces of nature contribute to such failure or the remedy itself is dependent on natural timelines.	
46.	General Comment (Concession Agreement)	Fundamental Change in Law: An FWD EOD is requested for fundamental adverse change in law where, inter alia, a change in or enactment of any legislations (primary or secondary), regulatory policy or other legislative instruments; and/or judicial pronouncements or interpretations etc. render the Agreement (or any part thereof) (including its core obligations) illegal, invalid and/or unenforceable or fundamentally frustrate the Project's commercial basis or purpose. In addition, any expropriation, compulsory acquisition, or nationalization by any Competent Authority of any shares of the Concessionaire or any assets or rights of the Concessionaire should also be an FWD EOD.	<p>The Concession Agreement has been amended to provide for Adverse Carbon Market Events.</p> <p>For additional details, please refer to Addendum Document No. 1 issued in relation to the Projects.</p> <p>No further changes.</p> <p>With respect to “<i>expropriation, compulsory acquisition, or nationalization</i>”, please refer to Section 21.2(c) of the Concession Agreement.</p>
47.	General Comment (Concession Agreement)	In view of the overall framework of the Agreement, where specific contractual remedies, like liquidated damages apply for breaching obligations (e.g., failure to timely achieve Substantial/Development Completion), establishing parallel breaches or claims for general damages, through non-compliance of other related/parallel provisions (e.g. failure to timely meet Implementation Milestone(s) – Section 5.1(f)), should be excluded. In addition, where the liquidated damages or an express remedy regime is applicable (e.g. Termination), giving additional rights to FWD (e.g. in addition to termination rights, where applicable) for making claims and seeking remedies seems unfair. By way of example, please refer to the last paragraph of Sections 10.6.2 and 11.7.3.	No change.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
48.	General Comment (Concession Agreement)	Forfeiting entire remedies (e.g., time extensions as mentioned in Completion (Section 10.5.3); Relief Events (Section 18.1.4); and Force Majeure (Section 19.5.1(a) and (b)) merely for missed notice deadlines is harsh & disproportionate. Consider linking relief eligibility to notice date instead of causing a total loss of entitlement.	No change.
49.	General Comment (Concession Agreement)	With strict timelines and material consequences stipulated, flexibility is requested in respect of matters relating to Carbon Credits including their registrations, validations, sale, selection of VVBs, Project Carbon Standard Body etc. By way of example, relief from obligations need to be provided upon occurrence of an Administrator Event (the same being excluded from Force Majeure currently); failure to register Carbon Credits by Substantial Completion due to reasons not attributable to the Concessionaire (e.g. delays on account of the Project Carbon Standard Body) to be excluded from Concessionaire Event of Defaults; deviation from timelines for sale of Carbon Credits due to reasons not attributable to Concessionaire to be excused etc.	The Concession Agreement has been amended to provide that failure to Register the Project due to reasons attributable to the Project Carbon Standard Body shall not automatically be a Concessionaire Events of Default. In this regard, certain parameters have also been introduced. Please see Addendum Document No. 1 issued for the Projects, for relevant details.
50.	General Comment (Concession Agreement)	To avoid unprecedented and unfair implication of subjecting the Concessionaire and its Sponsors to unlimited liability, cap is requested on the aggregate amount of increases from all of top-ups upon encashment of Development Performance Securities (during its tenor) and O&M Performance Securities (during each Operating Year).	No change.
51.	General Comment (Concession Agreement)	To ensure independence and fairness, Sections 7.8.2(b), 8.1.2(a), 9.5.2, 9.6.3(a), 10.2.2, 10.3.2 and 11.5.2, 19.8.5(b), 24.2.2 and 22.4.3 should require only relevant Independent Appointee approval, removing the FWD approval/consultation requirement.	Relevant changes have been made in this regard through Addendum Document No. 1 issued in relation to the Projects. No further changes.
52.	General Comment (Concession Agreement)	Please refer to Annexure – A (Timelines) attached hereto for consideration of: (a) amendments to certain time	Relevant changes have been made in this regard through Addendum Document No. 1 issued in relation to the Projects.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE																																										
	Agreement)	<p>periods/timelines proposed in the Agreement; and (b) introduction of cure periods or notice periods for certain events.</p> <p>Annexure A:</p> <table><tr><th>Section No.</th><th>Current Timeline</th><th>Proposed Timeline</th></tr><tr><td>3.5.3</td><td>120 days</td><td>180 days</td></tr><tr><td>8.2.1</td><td>5 days</td><td>30 days</td></tr><tr><td>8.5.1</td><td>5 days</td><td>30 days</td></tr><tr><td>9.4.4</td><td>2 days</td><td>7 business days</td></tr><tr><td>9.5.3</td><td>15 days</td><td>45 days</td></tr><tr><td>9.6.3(b)</td><td>180 days</td><td>180 days subject to extension on grounds of delays and reasons not attributable to the Concessionaire.</td></tr><tr><td>10.2.1</td><td>New timeline</td><td>Independent Expert issues within 7 days of Concessionaire's request.</td></tr><tr><td>10.3.1</td><td>New timeline</td><td>Independent Expert issues within 7 days of Concessionaire's request.</td></tr><tr><td>10.6.2</td><td>15 days</td><td>30 days</td></tr><tr><td>11.2.1(a/b)</td><td>New timeline / cure period</td><td>45 days</td></tr><tr><td>11.6.3(b)(i)</td><td>2 days</td><td>7 business days</td></tr><tr><td>11.6.3(d)</td><td>2 days</td><td>5 business days</td></tr><tr><td>11.7.2</td><td>15 days</td><td>30 days</td></tr></table>	Section No.	Current Timeline	Proposed Timeline	3.5.3	120 days	180 days	8.2.1	5 days	30 days	8.5.1	5 days	30 days	9.4.4	2 days	7 business days	9.5.3	15 days	45 days	9.6.3(b)	180 days	180 days subject to extension on grounds of delays and reasons not attributable to the Concessionaire.	10.2.1	New timeline	Independent Expert issues within 7 days of Concessionaire's request.	10.3.1	New timeline	Independent Expert issues within 7 days of Concessionaire's request.	10.6.2	15 days	30 days	11.2.1(a/b)	New timeline / cure period	45 days	11.6.3(b)(i)	2 days	7 business days	11.6.3(d)	2 days	5 business days	11.7.2	15 days	30 days	
Section No.	Current Timeline	Proposed Timeline																																											
3.5.3	120 days	180 days																																											
8.2.1	5 days	30 days																																											
8.5.1	5 days	30 days																																											
9.4.4	2 days	7 business days																																											
9.5.3	15 days	45 days																																											
9.6.3(b)	180 days	180 days subject to extension on grounds of delays and reasons not attributable to the Concessionaire.																																											
10.2.1	New timeline	Independent Expert issues within 7 days of Concessionaire's request.																																											
10.3.1	New timeline	Independent Expert issues within 7 days of Concessionaire's request.																																											
10.6.2	15 days	30 days																																											
11.2.1(a/b)	New timeline / cure period	45 days																																											
11.6.3(b)(i)	2 days	7 business days																																											
11.6.3(d)	2 days	5 business days																																											
11.7.2	15 days	30 days																																											

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED			RESPONSE
		19.5.2(c)	3 days	7 business days	
		20.2	30 days	60 days	
		21.1(a)	15 days	30 days	
		21.1(c)(i)	New timeline	Failure to achieve Substantial Completion by the Scheduled Substantial Completion Date plus the total number of days in which the relevant Development Period Damages exceed (by way of calculation) their corresponding Development Damages Cap. This is proposed to align subject EOD with EOD provided in Section 21.1(g).	
		21.1(c)(ii)	New timeline	Failure to achieve Development Completion by the Scheduled Development Completion Date plus the total number of days in which the relevant Development Period Damages exceed (by way of calculation) their corresponding Development Damages Cap.	

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED			RESPONSE
				This is proposed to align subject EOD with EOD provided in Section 21.1(g).	
		21.1(d)	New timeline	A Material Breach of O&M Requirements has occurred which subsists for a period of 60 days of receipt of Notice by Concessionaire from FWD notifying occurrence of the same.	
		21.1(e)	30 days	The Concessionaire fails to make any undisputed payment under this Agreement within ninety (90) days from the due date thereof, and the same is not cured within sixty (60) days of receipt of Notice thereof from FWD to the Concessionaire.	
		21.1(f)	30 days	120 days	
		21.1(h)	New timeline / cure period	The relevant Performance Damages exceed (by way of calculation or otherwise) the applicable Performance Damages Cap for a period of 5 consecutive Years.	

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED				RESPONSE
		21.1(k)	New timeline / cure period	120 days		
		21.1(q, t, v, w, x)	New timeline / individual cure period	It is proposed that a cure period of 45 days is provided within each of the mentioned EODs prior to the same becoming Concessionaire Event of Default.		
		22.3.1	30 days	45 days		
		22.3.2	30 days	45 days		
		23.1.3	180 days	90 days		
		28.2.1	New timeline	Public Private Partnership Policy Board to appoint an independent person for mediation within 15 days.		
		28.2.2	60 days	45 days		
53.	Section 1.1 of the Concession Agreement	Development phase Abandonment for missed completion milestones should trigger only after respective Liquidated Damages (LDs) caps are exhausted (as LDs compensate delay) and should require satisfying both conditions (i) and (ii) for Substantial Completion; and conditions (i) and (iii) for Development Completion.				No change.
54.	Section 1.1 of the Concession Agreement	Change in Law (Local): Request to remove exclusion (A) for taxes and extending financial relief throughout the Concession Period is proposed.				No change.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
55.	Section 1.1 of the Concession Agreement	<p>RFP_Package_Carbon_Removal_Forestation Volume-III (Concession Agreement) Section 1.1 Definitions</p> <p>"Project Implementation Unit" means the project implementation unit established by FWD for the purpose of overseeing the day-to-day implementation of the Project;"</p> <p>Who will oversee the project implementation IA/IE or the Project Implementation Unit FWD. Please have clear roles and responsibilities matrix for both as approvals from both shall make system sluggish.</p>	<p>Please refer to Section 8 of the Sindh Public Private Partnership Act, 2010. Additionally, please refer to the Concession Agreement for the specific roles and responsibilities assigned to the Independent Appointees.</p>
56.	Section 1.1 of the Concession Agreement	<p>"Tax(es)" means any tax, charge, impost, tariff, duty or fee of any kind charged, imposed or levied, directly or indirectly, by a Competent Authority including any zakat, value added tax, sales tax, notarisation fees, stamp duty, import duty, withholding tax (whether on income, dividends, commission payments, fees, equipment, rentals or otherwise), tax on foreign currency loans or foreign exchange transactions, excise tax, property tax, registration fee or licence, water tax or environmental,</p> <p>The Concessionaire shall be responsible for registration and compliance of other Legal Requirements for execution of the Lease Agreement. All stamp duty, registration fees and other Taxes applicable to and resulting from the Lease Agreement shall be paid by the Sponsor. All present and future federal, provincial, municipal, city district government, taxes, duties, levies or other impositions whatsoever arising out of, and as a result of, the Lease Agreement shall be paid by the Concessionaire and/or the Sponsors. Any payments made by FWD on behalf of the Concessionaire shall be reimbursed by the Concessionaire to FWD within ten (10) days of such payment being made.</p> <p>For the above-mentioned paragraphs, we would like to know</p>	<p>Interested Parties are required to undertake their independent due diligence as to relevant legal and regulatory framework applicable to the Project (including with respect to any applicable Taxes).</p>

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
		stamp duties and taxes applicable at each stage.	
57.	Section 3.1.4 of the Concession Agreement	<p>RFP_Package_Carbon_Removal_Forestation Volume-III (Concession Agreement) Section 3.1 Conditions Precedent</p> <p>"3.1.4 FWD shall satisfy the following Conditions Precedent to the satisfaction of the Independent Appointees prior to the Scheduled Commencement Date (the "FWD Conditions Precedent"):"</p> <p>Handing over of project site free from encroachments & illegal farming (currently 18% of project area is cultivated) by FWD to Concessionaire must be added herein as Conditions Precedent. Please confirm.</p>	Please see response no. 19.
58.	Section 3.1.4 of the Concession Agreement	<p>As assured in the pre-bid meeting, request to make Site available free of Encumbrances a FWD Conditions Precedent (CP) – thus making it a precondition to occurrence of Commencement Date rather than an FWD obligation to be complied with on Commencement Date.</p> <p>Footnote: This proposed change will bring certainty to the performance of obligations on Commencement Date occurrence without getting into the Relief Event mechanism in case the obligation in Section 4.2.1 is not met.</p>	Please refer to response no. 19 and Addendum Document No. 1 issued for the Projects.
59.	Section 4.5.3 of the Concession Agreement	<p>RFP_Package_Carbon_Removal_Forestation Volume-III (Concession Agreement) Section 4.5 Access Routes and Transportation</p> <p>4.5.3 The Concessionaire shall at all times ensure that access roads are adequate and suitable for the Project Works and should be maintained in consultation with the Competent Authority, each at the cost of the Concessionaire.</p> <p>As its PPP project hence should be in scope of Provincial Govt/GOS.</p>	<p>The Concession Agreement has been amended to provide that FWD shall (through the relevant Competent Authority), at its own cost, be responsible for ensuring that the external access roads are adequate and suitable.</p> <p>Relevant changes have been made in this regard through Addendum Document No. 1 issued in relation to the Projects.</p>

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
60.	Section 4.7.5 of the Concession Agreement	Section 4.7.5, assigning residual risks to the Concessionaire, may potentially restrict the Project from benefiting from the unforeseen risk mechanisms provided in the afore-stated legislation. For alignment and flexibility under the Sindh Act No. V of 2010, deletion of Section 4.7.5 is requested.	No change.
61.	Section 4.9.2 of the Concession Agreement	RFP_Package_Carbon_Removal_Forestation Volume-III (Concession Agreement) Section 4.9 Existing Utilities 4.9.2 FWD will use its best endeavours to assist the Concessionaire in the relocation of existing Utilities required for the Project, at the risk and cost of the Concessionaire, including initiating legal proceedings for acquisition of any right of way necessary for such diversion. As its PPP project hence should be in scope of Provincial Govt/GOS.	The Concession Agreement has been amended to provide that FWD shall (through the relevant Competent Authority), at its own cost, be responsible for the relocation of existing Utilities. Please see Addendum Document No. 1 issued in relation to the Projects, for relevant details.
62.	Section 5.2.1 of the Concession Agreement	RFP_Package_Carbon_Removal_Forestation Volume-III (Concession Agreement) Section 5.2 Undertakings of FWD "5.2.1 FWD undertakes to the Concessionaire that FWD shall: (b) upon request from the Concessionaire provide reasonable assistance to the Concessionaire in procuring police assistance for removal of trespassers and/or encroachments on the Site, provided however, the provision of any assistance by FWD (including delay or omission to provide such assistance) shall not relieve or absolve the Concessionaire of its obligations under this Agreement; and" Please confirm, before Commencement Date, project area shall be provided free of encroachments by FWD and this clause refers for the concession period 44 years starting from Commencement Date.	Please see response no. 19.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
63.	Section 6.1 of the Concession Agreement	Request that reciprocal warranties from FWD, mirroring, mutatis mutandis, those provided by the Concessionaire in Sections 6.1(a)-(f), (h), (i), (l)-(o). Furthermore, request, inter alia, an express FWD warranty confirming its sole legal and beneficial ownership of the Site, free of all Encumbrances, which is to be repeated when the Site is made available to the Concessionaire	No change.
64.	Section 7.8.2 of the Concession Agreement	<p>RFP_Package_Carbon_Removal_Forestation Volume-III (Concession Agreement) Section 7.8 Material Agreements</p> <p>7.8.2 The Concessionaire may not enter into: (a) any material amendments, modifications or supplements to, or waivers under any of the Project Agreements and Material Agreements;(ii) FWD or the Independent Appointees consider that the substitute Development Contractor or the O&M Contractor does not meet (at minimum) the relevant criteria as per the Applicable Standards relating to the relevant Contractor.</p> <p>We suggest qualification of Development or O&M Contractor should be evaluated by IA/IE only. Please confirm.</p>	<p>The Concession Agreement has been amended to reduce FWD's involvement in the evaluation of substitute Contractors.</p> <p>Please see Addendum Document No. 1 issued in relation to the Projects, for relevant details.</p>
65.	Section 7.8.6 of the Concession Agreement	<p>RFP_Package_Carbon_Removal_Forestation Volume-III (Concession Agreement) Section 7.8 Material Agreements</p> <p>7.8.6 The Concessionaire shall pay, on behalf of FWD, all reasonable costs and fees of external advisers appointed by FWD for the purpose of considering any approval or review of any documents (including amendments, modifications or supplements to, or waivers pursuant to, any Project Agreement) as contemplated in this Section 7.8 (Material Agreements).</p> <p>We suggest in PPP project with revenue sharing, this should be at the cost of FWD.</p>	<p>This provision has been removed from the Concession Agreement. Please see Addendum Document No. 1 issued for the Projects, for relevant details.</p>

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
66.	Section 7.8.6 of the Concession Agreement	<p>Request that costs of FWD's external advisors are borne by FWD.</p> <p>Footnote: This may also, during Operating Period, be adjusted from FWD Revenue Share</p>	Please see response no. 65.
67.	Section 8.1.2 of the Concession Agreement	<p>RFP_Package_Carbon_Removal_Forestation Volume-III (Concession Agreement) Section 8.1 Selection of Project Carbon Standard</p> <p>"8.1.2 Within fifteen (15) days of receipt, FWD shall either:</p> <p>(b) reject the Proposed Carbon Standard Bodies and/or the Proposed Carbon Standards, and convey their comments/observations (if any) to the Concessionaire."</p> <p>We suggest this should be evaluated by IA/IE only. Please confirm.</p>	No change.
68.	Section 8.1 and 9.5 of the Concession Agreement	<p>Excessive Controls</p> <p>Under the Concession Agreements for the Projects, FWD has veto over the Proposed Carbon Standard Body, the Proposed Carbon Standard and the Project Validating Body. Please see sections 8.1 and 9.5. If complete market risk is being placed on the Concessionaire, the Concessionaire should have the right to select the Proposed Carbon Standard Body, the Proposed Carbon Standard and the Project Validating Body;</p> <p>Given that market risk has been placed on the Concessionaire, it is incentivized to maximize revenue for the Projects. The financial interests of the Concessionaire and FWD are naturally aligned due to the manner in which the Projects have been structured by FWD. Therefore, we are of the view that the controls stated in paragraph 10 above should be relaxed and the Concessionaire should have the final call with regard to the Proposed Carbon Standard Body, the Proposed Carbon Standard and the Project Validating Body;</p>	No change.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
69.	Article 14 of the Concession Agreement	<p>From the Concessionaire's perspective, adjustments to the indemnity structure in Article 14 are proposed to establish a balanced and reciprocal framework. Specifically, the indemnities in Section 14.1.1(a) and Section 14.2, covering similar risks (property loss/damage, death/injury), should be harmonized in scope and made explicitly reciprocal. Furthermore, reciprocity requires an indemnity from FWD concerning pre-existing hazardous substances, mirroring the Concessionaire's obligation under Section 14.1.1(c).</p> <p>The Concessionaire views the indemnities in Sections 14.1.1(b), 14.1.1(d) and 14.1.1(g), pertaining to violations of Applicable Standards, as problematic – please note this also applies to Section 14.1.1(e) to the extent of the Concessionaire's performance and/or non-performance under the Agreement (which forms part of the Project Agreements). These provisions impose indemnity obligations for matters constituting breaches of existing contractual duties, making them duplicative and unduly onerous. Such broad indemnities for potential non-compliance, lacking reciprocity, are commercially unreasonable and unprecedented given the comprehensive nature of the Agreement. Therefore, the deletion of these specific sub-sections is proposed for a more balanced risk allocation.</p> <p>Lastly, Article 14 lacks standard procedural mechanisms for indemnity claims, such as provisions for timely notice, contestation rights, and defense of third-party claims. The inclusion of such standard procedures is recommended to ensure a fair and manageable claims process for both parties.</p>	No change.
70.	Article 15 of the Concession Agreement	Considering the nature of the Project and in light of same being first of its kind, it is proposed that in case the requisite insurances are unavailable or are available but not on commercially feasible terms, then FWD to procure that the	<p>The Concession Agreement has been amended to provide for flexibility in this regard.</p> <p>For additional details, please refer to Addendum Document No. 1 issued in relation to the Projects.</p>

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
		same are provided by insurance companies controlled/owned by Government of Sindh (GoS).	
71.	Section 16.5.1 and Section 17.5.1 of the Concession Agreement	FWD Step-In Role Of IE & IA: Proposed that such right is subject to three (3) consecutive payments failure.	No change.
72.	Article 19 of the Concession Agreement	Coverage for Increased Costs (to also include for ‘any adverse financial impact on Concessionaire’) proposed to extend to the Operating Period as well – specially in case of Change in Law (Local); Political Force Majeure Events; and Relief Events. Further, remove ‘mitigation’ as a condition precedent for ‘Relief Event’ eligibility as failure to mitigate should affect quantum of Increased Costs and not entitlement to relief. Request to make mitigation separate obligation with mitigation costs to be allocated to Forest & Wildlife Department (FWD) as part of Increased Costs.	The Concession Agreement has been amended to provide for Increased Costs in relation to Political Force Majeure Events. For additional details, please refer to Addendum Document No. 1 issued in relation to the Projects. No further changes.
73.	Section 19.4 of the Concession Agreement	Change in Law (Foreign): Relief from affected obligations and time extensions are requested. In addition, a mechanism to address impacts fundamentally affecting Project viability as a result of Change in Law (Foreign) is also requested to be stipulated.	No change.
74.	Section 21.2 of the Concession Agreement	RFP_Package_Carbon_Removal_Forestation Volume-III (Concession Agreement) Section 21.2 FWD Event of Default Except where the relevant event occurs as a consequence of a Concessionaire Event of Default, each of the following events shall constitute an event of default of FWD (the “FWD Event of Default”): FWD Event of Default herein should also include failure in Handing over of project site free from encroachments & illegal	The Site shall be handed over to the Concessionaire free from Encumbrances, in accordance with the Concession Agreement. Please note that the execution of the Lease Agreement is a Combined Conditions Precedent (to achievement of the Commencement Date) under the Concession Agreement. Moreover, the Concession Agreement has been amended to provide for handover of physical possession of the Site as a FWD Conditions Precedent. Please refer to Addendum Document No. 1 issued in relation to

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
		farming (currently 18% of project area is illegally cultivated). Please confirm.	the Projects, in this regard.
75.	Section 22.4 of the Concession Agreement	Section 22.4 grants FWD broader rights than the Concessionaire to terminate for prolonged Force Majeure (Political/Natural FM affecting Concessionaire vs. Only Political FM affecting FWD). This lacks reciprocity; the Concessionaire should also be able to terminate if prolonged FM (Political or Natural) prevents its own performance. Propose amending Sections 22.4.1/22.4.2 for fully reciprocal rights. Similar reciprocity is proposed for termination when only partial restoration is feasible post-Force Majeure (Sections 22.4.3 / 19.8.5).	No change.
76.	Schedule M (Key Performance Indicators) of the Concession Agreement	RFP_Package_Carbon_Removal_Forestation Volume-III (Concession Agreement) Schedule M – Key Performance Indicators "Performance Guarantee: Prevention of unauthorized tree cutting and/or illegal grazing incidents Data Source: Forest patrol records and community reports. (Target zero incident) Performance Damages: In each quarter, hundred percent (100%) of the Performance Damages Cap (~ 4,000,000 Rs.) shall be payable upon occurrence of the first incident " This is quite stringent target may expose concessionaire to high LDs, should be reviewed with some conditions to recover actual losses from the intruders instead of Concessionaire. Please review.	Relevant changes have been incorporated in Addendum Document No. 1 issued for the Projects.
77.	Schedule M of the Concession Agreement	Schedule M raises concerns about Project viability. KPIs, particularly biological ones (e.g., tree survival, growth or pest levels), appear overly ambitious, ignoring uncontrollable external factors like climate. The automatic escalation from KPI deviations and capped damages directly to material breach/EOD creates disproportionate commercial risk, harming investability.	Please see response no. 76. No further changes.

No.	REFERENCE	QUERY / CLARIFICATION REQUESTED	RESPONSE
		<p>Reaching any of the Performance Damages Cap as a trigger for Concessionaire EOD to be reconsidered – reliance should be placed on Independent Expert’s assessment of material failure/deterioration (Sections 11.2.1(a)/(b)), as stipulated to be part of ‘Material Breach of O&M Requirements’ to trigger the EOD.</p> <p>Further, an overall yearly cap on the maximum Performance Damages payable in a year is requested.</p>	