

Passive Asset Management RFP

Webinar Frequently Asked Questions

Grant Questions

- *How many grants will be awarded? What is the maximum grant amount per award?*
 - There is no set number of grants to be awarded.
- *How big will the grant awards be?*
 - There is no set amount for the grants. \$US 1 million is set aside for the 2020 RFP process. Once the team reviews proposals, the Foundation could provide one grant for \$1 million or multiple grants in smaller amounts. The Foundation will also keep proposals on file for consideration for the future.
- *Can individuals/academic institutions/for-profits apply?*
 - Only organizations can apply. This means for-profits, non-profits, and any academic institution that is incorporated. Individuals may not apply.

Current Problem Questions

- *There are already a number of fossil fuel-free funds - what is new about this approach?*
 - The fossil fuel-free funds that already exist are a niche market. Those funds represent less than 1% of total assets under management (AUM) for Blackrock, for example. We want to help explore whether it is possible to make fossil fuel-free funds a default and mainstream product offering.
- *How much of the AUM is from individuals vs through institutions (Retirement 401ks etc.)?*
 - We don't have clear data (that we've seen) of net inflows into passives from individual investor classes. There are a few different figures for the approximate dollar amount moving into passives over the last decade (for example a 5-times increase since 2008 into ETFs). Some figures we've seen include a current figure of \$US 1.5 trillion in US retirement plans in passive funds.



Process Questions

- *Can organizations based outside the three geographies (e.g. Canada) respond to the RFP if the proposal focuses on one or all of the regions (US, China, EU)?*
 - Applicants can be based anywhere as long as the proposal is focused on one of the required regions.
- *Can an organization submit more than one RFP?*
 - There can only be one submission as an individual organization. If there is a joint venture/coalition, applicants can submit one proposal as an individual entity and then additional proposals per collaboration.
- *Are organizations that receive funding from the Hewlett Foundation for other programs eligible?*
 - Yes.

Content Questions

- *Are you looking for one-year proposals?*
 - The time period does not matter.
- *Are there restrictions on engaging regulators and government bodies as part of the strategy (speaking from a perspective that some grants prohibit "lobbying" work)?*
 - This RFP does not include funds for legislative lobbying activities as defined by the U.S. Internal Revenue Code (for the U.S., no c4 activities).
- *Do you have any interest in other regions?*
 - No, the focus is on U.S., E.U., and China only. See our [climate finance strategy](#) for background on why we have chosen to fund work in these geographies only.
- *Does the proposed project need to be stand-alone or can activities be part of a larger program on climate finance?*
 - The activities can be a part of a larger program.
- *Does the proposal need to directly focus on investment practices - or can it be broader parts of the finance ecosystem, for example, credit ratings?*
 - We are interested in a broad range of solutions.
- *Is designing a new ETF product to attract millennials interested in sustainability and/or concerned with climate change within scope for this RFP?*



- Potentially. Criteria for the RFP include impact and scalability. Please see full criteria in the [RFP prompt](#).
- *Would you support legal action?*
 - Legal strategies are in scope for the RFP.

Collaboration Questions

- *Do you imagine in the process that there might be a process of creating coalitions from RFPs received, i.e. highlighting synergies / connecting partners if you see strong alignment?*
 - Possibly, there is an interest in helping to foster this type of initiative.
- *Is a pilot asset manager eligible for a partner to the application?*
 - Yes. Collaboration is encouraged.
- *LLPs (law firms) that are not corporations can be partners, right?*
 - All types of organizations, provided they are not considered individuals for U.S. tax purposes (e.g. single-member LLCs that are owned by an individual), are eligible to apply.
- *Do you anticipate matching up various applicants? Is there a platform for us to reach each other to collaborate?*
 - We encourage participants to collaborate using their own resources and/or
 - You can join a shared Slack Channel* following these instructions:
 - Email stephanie.moersfelder@gmail.com indicating your intent to join the Slack group (and note which email you'd like to join with, if not the one you are emailing with)
 - You should receive an invitation to your preferred email to join the group

*Note the Hewlett Foundation will not join the Slack group to avoid bias.