

Date: November 1, 2022

From: Procurement and Partnerships Team, INVEST Project; Implemented by DAI Global LLC

Subject: Expressions of Interest (EOI) INVEST-011 in support of USAID Southern Africa Regional Mission

Due: **1:00 pm EST on November 29, 2022**

Dear All:

Through this Expression of Interest (EOI), INVEST, on behalf of the USAID/Southern Africa Regional Mission (USAID/Southern Africa), aims to provide catalytic funding for strategic, high-impact transactions in the region that by leveraging USAID resources, will mobilize private sector investments in Southern Africa in line with USAID/Southern Africa objectives. This activity focuses on blended finance or operational support for investors leading on impact investing in the Southern Africa region. In order to access this assistance, firms should submit an EOI that outlines catalytic funding needs to offset transaction costs, raise capital, and enable development impacts. Examples of catalytic capital may include: start-up support for a new facility, and/or operational support for pipeline development and investor outreach.

Expression of Interest Summary

For more details on the Expression of Interest process, submission requirements, and evaluation details, please see corresponding sections in the document below.

Objective	USAID seeks investors, fund managers, and other financial providers and firms who need assistance in fundraising for vehicles and/or deploying it to businesses in Southern Africa that generate development impact such as job creation, women’s empowerment, black economic empowerment, climate resilience, food security and/or support the small business ecosystem.
Submission Requirements	Interested firms should provide a PowerPoint presentation, no longer than six (6) slides, that includes the following: <ol style="list-style-type: none"> 1. Organization overview and track record 2. The catalytic funding request and why USAID support is critical and additional. Include proposed fund details and current status 3. Market-Building impact and anticipated implementation timeline and results. Anticipated results should be stated in terms of capital raised and/or deployed and social impact 4. Development challenge(s) addressed in line with USAID/Southern Africa objectives
Written Q&A	To address applicant’s questions, INVEST will provide written responses to questions. Questions should be submitted no later than 1:00pm EST on November 8, 2022 via email to INVEST_Procurement@dai.com , copying Leah_Day@dai.com and Katherine_Tilahun@dai.com .

Deadline for Receipt of Proposals	EOIs must be submitted no later than 1:00 pm EST on November 29, 2022 via email to INVEST_Procurement@dai.com , copying Leah_Day@dai.com and Katherine_Tilahun@dai.com . The subject line of the email should be your organization name, followed by “EOI INVEST- 011 USAID: Southern Africa Regional Mission.” Please limit file submissions to 10 megabytes or less.
Anticipated Awards	INVEST anticipates releasing an RFP following this EOI and making at least one award as a result of the RFP (see “Selection Process” section below for more detail). Please note that only those firms that submit an EOI will be considered for support through the RFP stage.

Purpose and Background

The USAID Southern Africa Regional Economic Growth and Trade Office (REGO) has engaged INVEST to facilitate increased private sector investment across Southern Africa. The following activity is part of a portfolio of activities aiming to catalyze investment and build the evidence base for the breadth of opportunities in the region and the benefits of investing in these countries.

This activity will use USAID catalytic capital to mobilize private investment and build strategic, market-deepening partnerships, while responding to USAID’s interest in increasing U.S. business and investment engagement on the continent. Through this activity, USAID will support investors and funds to catalyze and accelerate greater private capital and to deploy it in the Southern Africa region. This activity is meant to test the hypothesis that USAID’s use of catalytic funding will increase availability of capital and contribute to development outcomes aligned with USAID Southern Africa’s priorities.

This activity focuses on blended finance or operational support for impact investors and funds in the Southern Africa region. Types of USAID support may include (but are not limited to): start-up support for a new facility, or operational support for pipeline development and investor outreach.

Objectives of EOI

USAID/INVEST seeks Expressions of Interest from investors that present a viable, reasoned, and strategic vision for increasing and/or improving investment that combines sustainable financial returns and social impact. USAID seeks investors, fund managers, and other financial providers and firms who need assistance in fundraising for vehicles and/or deploying funds to suitable businesses in Southern Africa in line with USAID’s sector priorities and developmental impact goals.¹ Illustrative interventions that could be proposed include, but are not limited to:

1. Start-up support for pioneering new vehicles in USAID priority sectors that have the potential to innovate and increase access to investment in the local market; and,

¹ More information on USAID’s sector priorities and development impact goals can be found in the [USAID Southern Africa Regional Development Cooperation Strategy](#) (RDCS).

2. Operational support to partner with local investors, fund managers, and others supporting pipeline development and investor outreach.

For this activity, USAID/INVEST will not consider interventions that request USAID catalytic capital to build first loss layers into their blended finance vehicles.

Expressions of Interest must include the following:

- Background on your firm, the catalytic funding requested and why USAID support is critical to mobilizing private capital, scaling the investment vehicle and/or creating additional development impact in Southern Africa in alignment with USAID/Southern Africa goals. Please note any obstacles or impediments to leveraging or scaling private investment that USAID support can help the organization overcome, as well as a timeline for the proposed support that is within the proposed 12-month timeline for implementation of this activity
- Catalytic Nature: Your organization's reason(s) as to why USAID's support is critical to achieving the success of the proposed outcome. Please explain how the catalytic investment structure can have a positive effect on commercial metrics (e.g., return on investment, fundraising, etc.) and development outcomes.
- Market-Building Impact: The respondent must demonstrate that the proposed support would generate and sustain market-building impact in alignment with USAID/Southern Africa's [RCDS](#), which aims to enhance the productivity, competitiveness and collaboration in the region and the formalization and inclusivity of the economy.

Examples of market-building impact include:

- Job creation;
- Capacity building of investment eco-system including support to entrepreneurs, fund managers, etc.;
- Addressing systemic inequalities such as increasing women's decision-making power, their representation in trade, investment and private sector growth by supporting female entrepreneurs, facilitating access to finance, etc.;
- Aligning approaches with the private sector to provide COVID-19 recovery support to affected private sector entities;
- Pioneering initiatives that build the evidence base for new transactions or interventions related to priority sectors, geographies, markets and/or investors;
- Leveraging investment into undercapitalized segments of the market;
- Addressing Development Challenges:
 - Opportunities must address one or more development challenge prioritized in the RDCS (see above). Examples may include but are not limited to transactions that facilitate access to finance for small and medium enterprises - enabling businesses to expand and grow, creating employment opportunities, promoting regional economic growth through trade, and expanding agricultural production and food security; black economic empowerment; climate resilience; investment in infrastructure (e.g. water and sanitation); investment in education and human capital producing a more skilled and productive labor force; and investment in innovative and affordable health services that serve hard-to reach populations.

- Geographic Impact: Impact in two or more of the following countries: Angola, Botswana, Eswatini, Lesotho, Madagascar, Malawi, Mozambique, Namibia, South Africa, or Zambia. Opportunities solely within South Africa may be considered, but transactions serving more than one country in the region will be prioritized.
- Overarching Considerations:
 - The potential for scalability will be considered in order to support strategic capital mobilization.
 - In addition, while a gender lens is not a requirement, transactions incorporating gender impact (e.g., goods/services impacting women, jobs created specifically for women, women-owned and led businesses), will merit additional consideration.
 - Funds that are seeking USAID support to meet specific capital raising targets should provide a clear, achievable roadmap illustrating how USAID support will enable them to meet these targets within the activity's 12-month implementation timeframe.

Who May Apply

INVEST and USAID hope to work with investors, fund managers, and other financial providers and firms with either a presence in South Africa or a regional presence (or seeking a regional presence). Investors looking to invest in the region may also be considered. Respondents may not be individuals or government organizations. Projects must be in the Southern Africa region (see geographic impact areas above).

Note: This EOI is not for providers of transaction advisory services.

Submission and Formatting Instructions

Expressions of Interest should illustrate the submitting organization's background and proposed investment details. Submissions should align with the USAID/Southern Africa objectives above.

Anticipated Awards: We anticipate making at least one award as a result of this EOI.

Timeframe. EOI submissions should present concepts with an implementation timeframe of approximately 12 months. Please indicate in your submission an estimated timeline for completing the proposed activities.

Budget. EOI submissions should also include a total cost estimate needed to accomplish the proposed concept. EOI cost submission should not exceed \$249,000 USD. Offerors are encouraged to propose the range that best fits their technical approach.

Expressions of Interest must be submitted no later than **1:00 pm EST on November 29, 2022**. Submissions should:

- Be in English;
- Be submitted electronically to the following e-mail addresses:

- INVEST_Procurement@dai.com copying Leah_Day@dai.com and Katherine_Tilahun@dai.com.
- Be no more than six (6) PowerPoint slides in length;
- Include a title slide (not counted against slide limit) with the following information: Respondent Name/Group; Contact Information; and Response Title;
- Include two submission attachments in email, one in .ppt and one in .pdf format.

Evaluation Criteria

The following criteria will be applied to all Expressions of Interest. Submissions are not evaluated against other submissions, but solely against the evaluation criteria outlined below:

- **Market-Building Impact:** The approach will create an outsized impact in South Africa, and/or in two or more countries in the region to drive economic growth that enhances the productivity, competitiveness and collaboration in the region and the formalization of the economy. EOIs that provide further impact, those that indicate scalability, or those with a gender lens will be incorporated into this consideration and be given preference.
- **Additionality of USAID Support:** The respondent demonstrates that proposed support from USAID would enable the firm to catalyze greater private sector capital, sustain and/or scale the investment model or vehicle, and drive greater development impact than would otherwise be accomplished.
- **Alignment with USAID/Southern Africa development priorities (RDCS):** The respondent's organization and the proposed support aligns with the Mission's priorities in terms of tackling development challenges and increasing inclusivity in the region.
- **Track Record:** The approach includes the strengths of your organization as a partner, including your ability and relevant experience to make a unique contribution to achieving the objectives of this activity.

Selection Process

INVEST will review and select Expressions of Interest submitted in accordance with the guidelines and criteria set forth in this solicitation. INVEST reserves the right not to review any Expressions of Interest that do not meet the guidelines. Please note that due to the expected large number of Expressions of Interest INVEST is unable to provide detailed information to those EOIs that are not selected to move forward.

Stage 1: INVEST and USAID/Southern Africa will evaluate submissions based on the guidelines and criteria set forth in this solicitation. From this evaluation, INVEST will select a shortlist of firms from the submitted offers that will be invited to submit a proposal in response to a subsequent RFP. Please note that not all EOI submissions may be advanced to Stage 2 and asked to submit a proposal in response to an RFP.

Stage 2: INVEST will release an RFP to the pre-qualified firms from Stage 1 in support of USAID/Southern Africa's objectives. The RFP will set forth a clear Statement of Objectives, instructions for submission, guidance for the composition of proposals, and evaluation criteria

that will be used to evaluate all submissions. INVEST anticipates that Stage 2 will begin in December 2022 with proposals due in January 2023, but this timeline is subject to change. More information on this stage will be provided to the pre-qualified firms prior to the release of the RFP in Stage 2. Proposals for Stage 2 will consist of a streamlined PowerPoint presentation that builds on the firm's EOI submission, providing additional details about its proposed approach, a milestone and deliverable schedule for activity implementation, and detailed cost proposal.

Step 3: INVEST will convene a Technical Evaluation Committee to review all proposals submitted in response to the RFP. Proposals will be evaluated in accordance with the evaluation criteria set forth in the RFP. The proposal selected for award will be negotiated for scope of work and total price and will result in a firm fixed price subcontract issued by INVEST for the specific Scope of Work the selected EOI requires, evaluate the proposal response, and execute a subcontract. INVEST reserves the right to check the past performance, references, conduct due diligence, and other pertinent offeror information in making award decisions. Previous experience with USAID is not required.

Please see the [INVEST Data Protection Policy](#), section "Safeguarding of Technical Contributions from Partners," for information regarding how the EOI responses will be protected in line with our policy concerning technical proposals.

Issuance of this solicitation does not constitute a commitment, award, or engagement on the part of DAI, nor does it commit DAI to any future commitment, award, or engagement.

Thank you,
DAI INVEST Procurement and Partnerships Team
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