

**To:** Offerors

**Date:** November 11, 2022

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

**Subject:** Request for Proposals (RFP) INVEST 115: Inclusive Lending Product Development for USAID Eastern and Southern Caribbean

**Due:** **1:00PM EST on December 9, 2022**

Dear Offerors:

Enclosed is a Request for Proposals (RFP) to support the implementation of DAI's [INVEST](#) project funded by the United States Agency for International Development (USAID). [DAI](#) invites firms to submit a proposal for work to be funded by USAID under the Eastern and Southern Caribbean Buy-in.

- I. **RFP Process and deadlines:** This solicitation will result in the award of one Firm Fixed Price subcontract (FFP). We anticipate issuing one subcontract between **\$600,000** and **\$650,000**.
  - a) Submission of Questions – Questions must be submitted no later than **1:00PM EST on November 18, 2022** via email at [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com).
  - b) Submission of Proposals – Proposals must be submitted no later than **1:00PM EST on December 9, 2022** via email to [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com), copying [Katherine.Tilahun@dai.com](mailto:Katherine.Tilahun@dai.com) and [Danny.Mannka@dai.com](mailto:Danny.Mannka@dai.com). The subject line of the email should be your organization name, followed by “Submission under RFP INVEST 115: Inclusive Lending for Eastern & Southern Caribbean” Please certify in your submission email a validity period of 60 days for the price(s) provided. In order to submit a proposal, offerors must have at least initiated the process to obtain a [SAM UEID](#). If the UEID has not yet been issued, offerors should note that in the submission and update INVEST at [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com) once it is issued. Please limit file submissions to 10 megabytes or less.
- II. **Composition of Proposal:** Your organization's proposal should comprise the following submission documents. The Technical Proposal and Cost Proposal should be prepared as separate files for independent evaluation, as follows below. Technical proposals should be submitted as a presentation no longer than ten (10) slides, using 12-point standard font size. Graphics may be included, so long as text is clearly legible and may use 10-point font. If text or graphics are of poor resolution, the information provided may be excluded from consideration. Submissions in PowerPoint or in PDF are acceptable, although PDF is preferred along with an accompanying PowerPoint document. Please provide a copy of your cost proposal in Excel format; offerors may use the attached cost/budget template.

### **Part 1 – Technical Proposal**

Please limit your technical proposal to no more than ten (10) slides. The technical proposal is composed of the following three (3) sections:

1. **Technical Approach** – Offerors will detail their approach to fulfilling the accompanying Statement of Objectives (SOO). The approach will clearly indicate how the offeror will select partner financial institutions, one credit union and one bank, in St. Lucia to participate in the inclusive lending pilot and the proposed criteria for selection. Offerors should outline how they would work with the selected financial institutions, and engage key stakeholders such as the OECS, the ECPCGC, and female entrepreneurs in the product design and launch phases. The proposal should also detail how the offeror would analyze options for, design, and help the financial institutions pilot an inclusive lending product for women entrepreneurs.
2. **Institutional Capacity** – Offerors should provide details about the experience, expertise, or capacity of their firm to recommend the proposed approach and complete the work as described. This should also include past performance information for similar activities and/or experience in the region. Offerors should demonstrate their knowledge, capabilities, and experience designing and/or piloting financial products, inclusive lending activities, women’s economic empowerment, and track record providing technical assistance to financial institutions. Offerors should also note their experience in the Caribbean market, especially St. Lucia, if they have any local presence and highlight their existing local and international networks.
3. **Management Plan/Staffing Structure** – Offerors should include details of personnel who might be assigned to the activities described in the technical approach, as well as a clear management plan in narrative form for the development, review, and submission of deliverables, including a milestone schedule that indicates their proposed timeline for implementation, including target date to design and pilot the inclusive lending product. Offerors should include in their proposed team the number of individuals that they deem appropriate to complete the anticipated activities, and that possess the wide range of required experience necessary for successful activity implementation. Offerors are encouraged to engage in partnering arrangements if it will aid in providing best value to USAID, regardless of whether organizations belong to the USAID Finance and Investment network managed by INVEST. If a partnering arrangement is being proposed, please describe the nature of the arrangement, the specific technical value being contributed by each member of the team, and the appropriate management, oversight, and coordination controls to ensure successful delivery.

In addition to the above, please include the following. These inputs will not be counted as part of the 10-slide limit and the format may be PDF or Word:

- One (1) to two (2) case study examples or qualifications statements of past performance relevant to this activity (limited to two (2) pages per example)
- CV(s) of any individuals proposed in the staffing plan to conduct this activity (limited to two (2) pages per individual). Please include the location where the individual is based.

A cover slide will be considered a non-counting slide, should offerors choose to include one. No additional annexes or documentation are requested at this time.

## **Part 2 – Price Proposal**

The contract type for the presumptive subcontract will be Firm Fixed Price, awarded by DAI Global, LLC. Please include your total proposed fixed price along with details for specific

deliverable pricing. Offerors should also include a cost breakdown of the hourly rates for proposed personnel, if applicable, with a build-up to their total proposed price or include substantiating price reasonableness documentation/justification. Cost breakdowns included will be utilized to determine price reasonableness. Offerors can use the attached cost/budget template for guidance, but are not required to use it, as long as the cost proposal captures the necessary elements (i.e. deliverables table with breakdown of how the deliverable totals were calculated). Note that the successful Offeror must be able to substantiate all costs and demonstrate the reasonableness of cost elements. Please limit file submissions to 10 megabytes or less.

**III. Evaluation of Proposal:** DAI will use best value determination for the award of this Request for Proposals. A best value determination means that, in DAI's estimation, the selected offer will provide the greatest overall benefit to USAID/ESC in response to the requirements stated in this RFP. DAI may also exclude an offer from consideration if it determines that an Offeror is "not responsible", i.e., that it does not have the management and/or financial capabilities required to perform the work required. Proposals will be evaluated against a stated number of factors, including the overall proposed approach, past performance and other evidence substantiating the bidder's ability to deliver, and budget and time frame considerations.

1. **Technical Proposal:** The Technical Proposal will be scored and evaluated separately from the cost proposal. Technical panel reviewers will evaluate offerors on the following factors, consistent with the offerors' technical proposal.
  - a. **Technical Approach (40 points)** - Points for this section will be awarded based on the information presented in the technical approach. Points will be awarded to firms describing their thoughtful approach to addressing the statement of objectives. The offeror will be scored based on its presentation of a clear approach which reflects the requirements of this specific activity and incorporates the offeror's unique competencies to provide technical assistance to financial institutions and women entrepreneurs to expand access to credit in St. Lucia. Offerors will be evaluated on their approach for assessing and selecting potential financial institutions. Points will also be awarded to offerors who clearly outline how they would work with financial institutions and other key stakeholders to design and pilot a new inclusive product focused on women.
  - b. **Institutional Capacity (35 points)** - Points for this section will be based on information presented in the corresponding section. Preference will be given to firms that have past performance in timely and successful delivery of similar services as well as relevant experience in the Caribbean, especially in St. Lucia. Offerors should demonstrate past credentials in similar assignments offering technical assistance to financial institutions and expertise working with women entrepreneurs. Preference will be given to offerors with proven experience in inclusive lending, product design and development, and successful track-record facilitating access to credit. Points will be awarded to offerors with demonstrated expertise and relevant networks in the region, and experience working with regional multilaterals.
  - c. **Management Plan/Staffing Structure (25 points)** – Points for this section will be based on the qualifications and appropriate size of proposed staff, in line with the criteria outlined in the previous section. Points will be given based on the team's range of relevant experience, including experience with inclusive lending, financial product design and launch, and transaction advisory services. Points will also be based on the demonstrated efficacy of the management plan, including the proposed timeline for achieving key milestones such as selection of financial institutions, product design and pilot, and a schedule of deliverables that is aligned with the requirements of the SOO. Preference will be given to offerors with a local presence in St. Lucia. If the offeror is

submitting a proposal along with partners, the proposal will also evaluate the added technical value of each proposed partner.

2. **Price Proposal:** Price will be evaluated separately from the technical approach, with due consideration for price reasonableness and allowability consistent with US government cost principles. Evaluation for this section will be dependent upon all information presented by the Offeror in their deliverable table, budget with cost breakdowns, and supporting cost information, as well as its alignment with the proposed technical approach. Budgets will be analyzed for cost reasonableness of the deliverable prices as well as the cost build-up.

IV. **Offeror's Agreement with Terms and Conditions: Please visit the [INVEST Procurement Hub](#) website (scroll down to "Terms and Conditions") for RFP Terms and Conditions.**

The completion of all RFP requirements in accordance with the instructions in this RFP and submission to DAI of the technical and price proposals will constitute an offer and indicate the Offeror's agreement to the terms and conditions in this RFP and any attachments hereto. DAI is not required to accept and/or evaluate proposals that do not conform to the instructions of the RFP, and additionally, DAI may reject all proposals and not award a subcontract for this RFP. DAI reserves the right to award a subcontract without discussion and/or negotiation; however, DAI also reserves the right to conduct discussions and/or negotiations, which among other things may require an Offeror(s) to revise its proposal (technical and/or price). By submitting an offer, Offerors agree to comply with the general terms and conditions for an award, including Representations and Certifications compliance. Offerors must provide full, accurate, and complete information in response to this solicitation. By submitting an offer, Offerors certify that they have not/will not attempt to bribe or make any payment to DAI employees in return for preference. Issuance of this RFP in no way obligates DAI to award a subcontract, nor does it commit DAI to pay any costs incurred by the Offeror in preparing and submitting the proposal. DAI reserves the right to award a subcontract to one organization or to issue multiple awards to different organizations based on the results of our evaluation.

Thank you,

**DAI INVEST Procurement and Partnerships Team**  
[INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com)

**Statement of Objectives for RFP INVEST-115**  
**Inclusive Lending Product Development for USAID Eastern and Southern Caribbean**

**BACKGROUND**

Through INVEST, USAID seeks to unlock the potential of private capital to drive inclusive growth in countries around the world. Increasingly, private investors and businesses are looking to emerging markets for better returns and new market opportunities. Encouraging investment in high-impact areas important to USAID such as agriculture, financial services, infrastructure, environment, clean energy, health, and education, requires new forms of collaboration between USAID and the investment and business community.

Specifically, USAID can leverage its resources – grants, technical assistance, guarantees, and convening power – to help raise awareness of investment and business opportunities, lower transaction costs, and mitigate the risk of investments that generate positive social, economic, and environmental impact. Through INVEST, USAID Missions and Operating Units are able to access a continuously growing network of firms and individuals that have the range of technical expertise needed to identify opportunities and effectively mobilize private capital towards development priorities.

USAID/ESC is looking to support private sector engagement in the region and partnered with the Organisation of Eastern Caribbean States (OECS) and Barbados to design a Roadmap of opportunities in the region to enable business growth and attract investment to the region. Following this road-mapping exercise, USAID/ESC, in coordination with INVEST and the OECS Commission, prioritized working with local financial institutions to facilitate inclusive lending strategies to support women's economic empowerment in the region. The aim of this selected approach is to support business development and economic integration of women specifically through the pilot of an inclusive lending product aimed at women business owners.

To complement the Roadmap's findings, INVEST conducted a rapid Scoping Mission to validate market readiness and appetite for an inclusive lending product to be launched for women entrepreneurs and small to medium women-owned businesses. These interviews confirmed there is an appetite and a market for this product, which would serve a currently underserved population and address their constraints to accessing capital. Collateral was identified as a key constraint that women face in trying to access credit and thus would need to factor into any programmatic design. The Eastern Caribbean Partial Guarantee Corporation (ECPCGC) has been set up as an innovative mechanism targeted at addressing the constraint of collateral, with support from the World Bank and national governments. This organization would be a key stakeholder for this activity as they play an important part in helping issue guarantees, currently operating in 6 countries with the region, with funds earmarked specifically for women's economic empowerment in St. Lucia, St. Vincent and the Grenadines, and St. Kitts and Nevis. Other organizations with similar focus could also be considered.

In addition to the issue of collateral, lenders also noted that the capacity of entrepreneurs and SMEs in the region is also an issue of contention as they determine loan eligibility and make risk calculations. Business support organizations (BSOs) currently play a key role in supporting businesses enhance their business models and operations, which also affects their ability to access credit. Currently these BSOs are largely public sector entities that can serve entrepreneur's initial business needs, but more resources would be required to offer more sophisticated services that can foster business development and expansion. Some private BSOs have started to launch in the region which is an encouraging sign that private sector actors see a value in offering these services and business owners see value in paying for them. INVEST believes any successful introduction of an inclusive lending product should address investment readiness

and incorporate BSOs as a key stakeholder, given their expertise and experience supporting business and financial planning that are crucial for securing a line of credit.

Building on these findings from the Roadmap and Scoping Mission, INVEST is now seeking a partner to engage key stakeholders in St. Lucia and facilitate the design and implementation of an inclusive lending product.

## **OBJECTIVES & ACTIVITIES**

Through this Statement of Objectives (SOO), INVEST is seeking a partner that will improve women's access to capital through both targeted technical assistance as well as the design and implementation of financial products aimed at improving access to capital. This would entail partnering with local financial institutions, a bank and a credit union, to structure a product that's aimed towards women borrowers and their specific needs. The product development support will consist of working with the prioritized institutions to structure this facility that will extend to operations, marketing, and launch. In addition, the successful offeror will also be expected to collaborate with the OECS, who will recommend women entrepreneurs sourced through their incubator and accelerator programs to be part of the design and implementation of this pilot. Other key stakeholders to consider in this work include the ECPCGC, St. Lucian financial institutions, and local business support organizations.

This activity will be managed by INVEST in close collaboration with USAID/ESC.

### **Phase 1: Assessment and selection of financial institutions and female entrepreneurs to participate in inclusive lending pilot**

The Partner will conduct a rapid assessment of the financial institutions in St. Lucia to identify a bank and a credit union to receive assistance to launch an inclusive lending product. St. Lucia has an array of willing and able institutions and INVEST leaves it to the partner to identify those that will be willing to commit time and resources to this endeavor. As part of this financial institution selection process, the partner will be expected to:

- a. Conduct a rapid assessment of the financial ecosystem to identify financial institutions that would be most inclined and well-positioned to pilot the designed inclusive product
  - i. Contact financial institutions to gauge their interest and willingness to be part of this work
  - ii. Define criteria for the selection of partner financial institutions, looking to ensure their buy-in to the activity and product (i.e. time commitment, technical capacity, trained individuals). Criteria should consider impact, feasibility, and sustainability
- b. Present prioritized financial institutions and their potential as a partner based on defined criteria for impact and viability
- c. Select financial institutions based on rapid assessment findings and criteria for FIs participation in pilot program

In parallel to the assessment of the financial institutions in this Phase, the partner will work with the OECS to identify women-owned businesses in St. Lucia to assess the businesses' constraints and goals to accessing credit. The businesses with the highest potential will be selected to participate in the second phase of this work and receive transaction advisory services to access credit. As part of this parallel work, the partner will:

- a. Liaise with the OECS Commission to identify a roster of high-potential women-owned businesses, drawing from the network of entrepreneurs engaged in their business incubation and acceleration programs
  - a. The identified businesses should be measured against pre-approved criteria including potential impact, investment readiness, etc.
- b. Conduct a gap analysis to better understand the cohort's investment constraints and business goals
- c. Select 2-4 businesses from initial roster to receive transaction advisory services and to participate in pilot of designed product in Phase 2.

#### Phase 2: Design & Pilot Inclusive Lending Product for female entrepreneurs

The successful offeror will support women's economic empowerment through the pilot of a specific and new inclusive lending product aimed at women entrepreneurs and women-owned businesses working with the financial institutions identified as part of Phase 1. The ECPCGC should be involved to ensure optimal efficiencies and success of the product, and BSOs may also be engaged. The designed product should be piloted with the cohort of women entrepreneurs identified in Phase 1, who will also receive transaction advisory services from the partner to ensure their readiness to access credit through the product offering developed with the partner financial institutions.

The selected partners, in collaboration with USAID and INVEST, will design and ultimately pilot an inclusive lending product with the identified financial institutions and support women accessing credit. Anticipated activities include:

- a. Comparing inclusive lending tactics and products regionally as well as globally to inform the design of a Caribbean focused product
- b. Conducting an analysis of inclusive financing solutions and existing products to identify gaps in the product offerings available to women entrepreneurs
- c. Engaging other key stakeholders in the work (i.e. ECPCGC, OECS, business support organizations) for their inputs in design and ultimately implementation of new product
- d. Analyzing current market regulations, stakeholders, women entrepreneurs and potential inclusive lending product customers
- e. Conducting a co-creation with the selected financial institution(s), the cohort of women entrepreneurs identified in Phase 1, and other key stakeholders (e.g. ECPCGC) to identify gaps, challenges, needs, and potential paths forward that can inform the pilot design
- f. Designing a new inclusive lending product, considering alternative credit assessment processes, existing movable property lending (MPL) frameworks, FinTechs or other new approaches that an identified partner can offer to their customer base to improve access to credit for women entrepreneurs and women-owned businesses
- g. Providing hands-on support to the identified financial institutions as necessary to ensure successful launch of inclusive lending product pilot
- h. Piloting designed product to validate its approach and design to ensure sustainability of product among the other services and offerings of financial institutions in the region
- i. Providing targeted advisory services to 2-4 high potential businesses identified, assisting these businesses improve their investment readiness to help them access capital and participate in pilot of product
- j. Testing product with the cohort of women-owned businesses selected and supported
- k. Presenting final product and findings from pilot to OECS, USAID, and INVEST

The partner should consider ways to evolve the product during the pilot phase and report ways in which it can be improved and scaled following the conclusion of this design and pilot work. While this pilot will

focus in St. Lucia, consideration should be given to potential to scale this approach to other countries in the region.

## **General Implementation Structure**

### *Onboarding and Work-Planning*

- The Subcontractor, USAID/ESC, and DAI INVEST teams will meet for an implementation kickoff meeting. The purpose and goal of this meeting is to align expectations and contexts and plan for the activities listed below.
- Partner Onboarding: INVEST will work closely with USAID/ESC to provide the selected partner(s) with all necessary context, as well as to develop the work plan(s).

### *Implementation*

- Project Implementation: The selected partner(s) will implement the work as prescribed by the work plan(s). INVEST will provide management support and technical oversight throughout all activities and anticipates working closely with the subcontractor and maintaining ongoing communications through periodic (e.g. weekly and monthly) check-ins/reporting as well as possible onsite meetings. USAID staff will be engaged throughout implementation, supporting the initial identification of challenges and root causes, and providing guidance and feedback as appropriate throughout the activity.
- Ongoing Monitoring, Evaluation, and Learning: INVEST will define indicators in subcontract, collect and review M&E data from subcontractors for requisite reporting to USAID and will conduct data quality assessments as necessary.

## **DELIVERABLES & IMPLEMENTATION TIMEFRAME**

The activities outlined above are estimated to take place over an approximate 8-month period starting in January/February 2023. A deliverables table with an illustrative timeline is offered below; however, offerors may propose alternate timelines, workplan and level of effort associated with the various components of the activity.

<b>Description</b>	<b>Illustrative Timeframe</b>
Onboarding & Work-planning	1 week
<u>Phase 1: Rapid assessment and selection of financial institutions and female entrepreneurs to participate in inclusive lending pilot</u>	<b>2 months</b>
Rapid assessment of financial institutions and criteria for partnership	3 weeks
Assessment of businesses from OECS	3 weeks
Partner financial institutions & business selection based on criteria	1 week
<u>Phase 2: Design &amp; Pilot Inclusive Lending Product for female entrepreneurs</u>	<b>6 months</b>
Co-creation workshop with financial institutions, women entrepreneurs and other key stakeholders	1 week
Advisory to high-potential women-owned businesses and financial institution(s)	6 months



Product design and pilot	6 months ( <i>in parallel with advisory support</i> )
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**Contract Type**

DAI anticipates awarding a Firm Fixed Price subcontract as a result of this procurement.

**RFP INVEST-115: Inclusive Lending Product Development for  
USAID Eastern and Southern Caribbean  
Q&A**

1. What are the screens or definitions used to determine a “highest potential” women owned business?

**Response:** The women owned businesses who will be taking part of this work will be those who have participated in the OECS’s incubation and acceleration programs. The offeror should propose criteria or screens to determine those businesses with the highest potential, and the OECS and INVEST teams will review this criteria for any additional considerations.

2. How is the sequencing of the two projects expected (ie with the Bank and Credit Union)? In parallel, sequential or other?

**Response:** The work with the Bank and Credit Union is envisioned to be done in parallel, with the offeror engaging both financial institutions for their inputs in the design of the inclusive lending product.

3. Will the product development be constrained to a Lending Product, or can there be flexibility on the type of financial product or service according to the market needs?

**Response:** Based on our initial scoping and our project objectives, we envision this to be a lending product though leave it to the offeror to propose alternatives if required.