



To: Offerors

Date: September 10, 2019

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

Subject: Request for Proposals (RFP) INVEST-031 Water and Energy for Food (WE4F) Grand Challenge for Development Landscape Analysis – MENA Regional Innovation Accelerator

Due: **1:00PM EDT on October 1, 2019**

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 as part of the Water and Energy for Food Grand (WE4F) Challenge for Development.

- I. RFP Process and deadlines:** This solicitation will result in the award of one or multiple Fixed Price subcontracts. We anticipate issuing a subcontract award(s) in the range of \$225,000-\$250,000 resulting from the implementation of this agreement.
 - a. Submission of Questions – Questions must be submitted no later than **1:00 pm EDT on September 17, 2019** via email to INVEST_Procurement@dai.com.
 - b. Submission of Proposals – Proposals must be submitted no later than **1:00 pm EDT on October 1, 2019** via email to INVEST_Procurement@dai.com, copying katherine_tilahun@dai.com and talin_baghdadlian@dai.com. The subject line of the email should be your organization name, followed by “Submission under RFP INVEST-031: WE4F MENA Landscape” Please certify in your submission email a validity period of 60 days for the price(s) provided and include your organization’s DUNS number. 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 ten-slide presentation. 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.

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 proposed activities will result in the successful completion of all deliverables and milestones including the identification and evaluation of potential investees and

the support – financial and non-financial – needed to grow and scale these companies. Offerors are permitted to engage in partnering arrangements if it will aid in providing best value to USAID, regardless of whether organizations belong to the USAID INVEST network.

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 contexts. If a partnering arrangement is being proposed, please provide details about the experience, expertise, or capacity of partner firms as well. Additionally, offerors should detail their experience (or their team's experience) in the Middle East and North Africa, with specific references to their existing networks in the region and understanding of financing and technical assistance needs of potential investees.
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 all associated deliverables, including a milestone schedule. 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 controls to ensure successful delivery. Firms may consider partnering with other firms that bring in complementary skill sets and experience, as well as networks throughout the region covered by this RFP.

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) examples 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)

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

Part 2 – Cost Proposal

The contract type for the presumptive task order(s) will be Fixed Price Subcontract or an Indefinite Quantity Subcontract with Fixed Price Task Orders, awarded by DAI Global, LLC. Please include your total proposed fixed price along with details for specific deliverable pricing. Offerors should include all travel costs associated with the proposed technical approach as part of the budget. Offerors must also include a cost breakdown of the hourly rates for proposed personnel, any other direct costs, indirect costs, and fees 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 are expected to use their own cost/budget template; please limit file submissions to 10 megabytes or less.

- **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(s) will provide the greatest overall benefit to USAID 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 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, specific qualifications in the identified sectors and other evidence substantiating the bidder's ability to deliver, including budget and time frame considerations. Specific preference will be shown for firms that demonstrate regional familiarity, networks, and/or presence in addition to relevant technical qualifications and experience working in developing, frontier and emerging markets, growing and scaling businesses, and facilitating investment transactions. DAI recognizes to adequately demonstrate the networks and expertise may require partnership between firms.

- 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 but also incorporates the offeror's competencies. The technical approach should clearly demonstrate the offeror's ability to identify and evaluate potential investees and the support – financial and non-financial – needed to grow and scale these companies.
 - b. Institutional Capacity (40 points)** – Points for this section will be based on information presented in the corresponding section. Preference will be given to firms and/or consortia that have past performance in timely and successful delivery of similar services as well as experience in the Middle East and North Africa, with specific references to their existing networks in the region covered by this RFP and understanding of financing and technical assistance needs of potential investees.
 - c. Management Plan/Staffing Structure (20 points)** - Points for this section will be based on the qualifications of proposed staff, clear delineation of the roles and responsibilities of each proposed staff and each proposed firm (if firms are partnering), and the demonstrated efficacy and clarity of the management plan. Proposals should provide a clear management plan in narrative form for the development, review, and submission of all associated deliverables, including a proposed milestone schedule. If the offeror is submitting a proposal along with partners, the proposal should describe the nature of the arrangement (i.e. added technical value), the division of labor among the partners, and the appropriate management controls to ensure successful delivery.
- 2. Cost Proposal:** Cost will be evaluated separately from the technical approach, with due consideration for realism, 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 any relevant supporting cost information, as well as its alignment with the proposed technical approach.

III. Offeror's Agreement with 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

INVEST: Mobilizing Private Investment for Development
Statement of Objectives for Water and Energy for Food (WE4F) Grand Challenge for Development
(GCD) Landscape Analysis – Middle East and North Africa (MENA) Regional Innovation Hub

I. Introduction

USAID seeks to unlock the potential of private capital to drive inclusive growth. Increasingly, private investors and businesses are looking to emerging markets for better returns and new market opportunities. Specifically, USAID can leverage its resources – grants, technical assistance, guarantees, and convening power – to help raise awareness of investment opportunities, lower transaction costs, and mitigate the risk of investments that generate positive social, economic, and environmental impact.

In support of its efforts to promote blended finance within the agency, the USAID Office of Private Capital and Microenterprise (USAID/PCM) awarded the INVEST contract to DAI in September of 2017. Through INVEST’s flexible buy-in mechanism, USAID Missions and Operating Units are able to access an unprecedented network of firms and individuals that have the range of technical expertise needed to identify opportunities and effectively mobilize private capital toward development priorities. Using a lean approach tailored to high potential opportunities, relevant parts of the network will come together to research, develop, and build specific solutions that align private capital with development needs.

II. Water and Energy for Food (WE4F) Grand Challenge for Development (GCD) Landscape Analysis

The Water and Energy for Food (WE4F) Grand Challenge for Development (GCD) will scale innovations that impact the nexus (food, water, energy) primarily through the private sector to increase the sustainability of agricultural food value chains in developing countries and emerging markets – with a particular focus on the poor, youth and women. WE4F has the potential to bring about transformational change and large-scale impact in the food sector, assisting millions of people across the globe who are involved in the food chain. For this purpose, WE4F strives to achieve the following impacts:

- Increase in food production through a more sustainable and efficient usage of water and/ or energy
- Reduction of greenhouse gas emissions per food unit produced
- Increase in income for women and men in both rural and urban areas
- The scaling of new solutions of the innovators to challenges in the WE4F nexus
- Customers in the market are buying the newly developed products or services of the innovators

The WE4F GCD is funded by USAID, the Swedish International Development Cooperation Agency (Sida), Germany’s Federal Ministry of Economic Cooperation and Development (BMZ), DST, the Dutch Ministry of Foreign Affairs (MFA-NL). This activity will support the rapid creation and operationalization of the Middle East and North Africa (MENA) Regional Innovation Hub.

Background

WE4F is a follow on to two previous Grand Challenges for Development -- Securing Water for Food and Powering Agriculture. Its structure is deeply informed by learnings from these two previous GCD on: how to pair funding with acceleration support services; the role private capital can play in addressing the challenges of achieving scale and sustainability; and, a better understanding for how local context impacts innovation and investment.

WE4F will establish Regional Innovation Hubs in East Africa, West Africa, Southeast Asia (covering South Asia and Southeast Asia), and MENA.¹ The Regional Innovation Hubs will be responsible for identifying potential new innovators and providing innovators with both financial and non-financial support in form of a brokering unit and technical assistance unit. The integration of these functions is expected to support innovators more holistically, facilitate quick feedback loops, agile management and mutual learning processes. The WE4F MENA Regional Innovation Hub will be based in a location to be determined and will focus on 10 countries and regions.²

- *Technical Assistance Unit:* In addition to providing technical advice to innovators themselves, more specialized training or advisory work will be sourced from service providers through a vendor system on the local markets. This structure not only allows for more flexibility and a greater range of advisory activities, but also provides the opportunity for performance-based management of service providers by setting clear targets, monitoring results and adapting strategies (e.g. adapting services or changing service provider).
- *Brokering Unit:* This unit's key function is to support innovators in accessing capital for scaling-up during or at the end of going through the program of the challenge fund. Its activities are crucial from the beginning of the selection phase, when it can play an advisory role in identifying financial needs and challenges of applicants. Moreover, by connecting innovators with potential investors from the start, it can identify areas of needed support (e.g. further refinement of a business model). For this purpose, the challenge fund will form regional and global partnerships for financing with different financial institutions.

This activity will focus on supporting the rapid operationalization of the MENA Regional Innovation Hub by providing the Accelerator staff with a current investment opportunity pipeline and landscape assessment focusing on potential innovators, the capital and technical/advisory services needed to grow and scale these companies, and who is best positioned in the market to provide these services.

Regional Landscape Analysis

The regional landscape analysis will facilitate the ability of the MENA Regional Innovation Hub to support WE4F companies, by determining the appropriate type of capital, technical advisory services, availability of service and capital providers in-country and/or in-region. Note, particular focus should be made on gender lens investing.

Target WE4F companies are those operating at the nexus of food and water; food and energy; or food, water and energy with a current customer base and plans to scale to a minimum of 100,000 customers over a five-year period.³ All enterprises must have a clear financial model and must also be looking for debt or equity financing. Additional business criteria will be established as a collaborative process with USAID and other funding partners once the successful offeror reviews the long list of enterprises from partners. Proposals may also include assumptions based on what types of businesses are best positioned to scale innovations at the nexus of food, water, and energy.

¹ The hubs will be guided by a steering committee and two secretariats managed by German Corporation for International Cooperation (GIZ) and USAID. Each secretariat will be responsible for the management and coordination of their respective regional hubs.

² The WE4F MENA Regional Innovation Hub will focus on the following 10 countries and regions: Algeria, Egypt, Jordan, Lebanon, Morocco, Tunisia, Yemen, Iraq, the Kurdish Autonomous Region, and the Palestinian Territories.

³ Current customer base will be variable depending on the product or service providing, the price point, and the market within which the company operates. As an initial guideline, enterprises with a unit cost of more than \$100 must have a minimum of 2,500 customers, enterprises with a unit cost of between \$100-\$500 must have a minimum of 500 customers. Criteria will be further refined during the post-award process in collaboration with USAID.

The WE4F MENA Regional Innovation Hub will consider support to companies based in all countries in the MENA region, subject to safety and security issues. Offerors are encouraged to propose countries based on your regional knowledge and networks, in line with the proposed technical approach. Offerors are encouraged to propose a diversity of countries represented through the analysis.

Each analysis will include identification and evaluation of:

1. A minimum of 40 prospective enterprises (water/food, food/energy, or water/food/energy businesses) based on both the list of companies provided by partners (USAID, Sida, BMZ, DST, MFA-NL) and enterprises identified through networks/landscape assessment process.
2. Types of capital, appropriate terms, and financial products needed by current innovators and/or prospective enterprises to grow their operating capacity and attract/raise growth capital.
3. Potential Financial Institution partners and investors (local, regional, diaspora, and global) interested in investing in water/food, food/energy, or water/food/energy businesses in the region and with the ability to offer capital and financial products identified in objective #2.
4. Technical and investment advisory services needed by current innovators /prospective enterprises to grow their operating capacity and attract/raise critical growth capital.
5. Potential technical assistance (TA) and business advisory service (BAS) providers (local, regional, and global) linked to the needs identified above in objective #4.

Deliverables include:

- A catalogue that identifies and evaluates 40 of the most promising prospective enterprises for scaling over a 4-year period, including capital and technical/investment advisory services needed for each;
- A long-list of 60-80 enterprises that includes the enterprises above, plus enterprises that are on a current growth trajectory for WE4F support in later years;
- A summary report that:
 - Maps capital providers, technical assistance, and business advisory service providers that correspond with list of companies and that are active in the region and/or demonstrate intentions of working and/or investing in the region.
 - Profiles at least 15 financial sources to focus on and work with providers to develop financial product(s) based on the needs of the identified companies.
 - Lists of technical/investment advisory service providers, and which providers are best suited to act as transaction facilitators.

Role of INVEST Project

INVEST will work closely with USAID's Center for Development Innovation (CDI) and the selected partner(s) during all stages of this work. DAI will subcontract the selected partner(s) directly and provide review and oversight throughout the life of the activity in accordance with INVEST's lean management approach. DAI will administer weekly check-ins (as needed), reporting, deliverable review prior to client presentation and approval, and manage an ongoing ME&L framework.

- **Partner Onboarding:** DAI will work closely with USAID CDI, relevant mission staff, WE4F partners, and Asia Regional Innovation Hub Staff to provide the successful offeror(s) with all necessary context, avoid duplication of efforts, and work with USAID CDI and the successful offeror(s) to develop work plan(s)
- **Project Implementation:** The selected partner(s) will implement the work as prescribed by the work plan(s). DAI will provide management support and ensure regular check-ins/reporting

- Ongoing Monitoring, Evaluation, and Learning: DAI will define indicators in subcontract, collect and review M&E data from subcontractors for requisite reporting to USAID. DAI will conduct data quality assessments as necessary.

Duration and Place of Performance

This engagement is expected to commence in October 2019 and is anticipated to be completed by January 2019. An illustrative timeline is included below. Work will take place primarily in the MENA region and the U.S. There will be significant interaction with USAID staff based in Washington, DC but this can all be done remotely.

Deliverable	Timeframe
Initial identification and evaluation of top 40 most promising prospective enterprises	November 1, 2019
Mapping of regional capital providers, technical assistance, and business advisory service providers	November 27, 2019
Profiles of at least 15 financial sources	December 4, 2019
List of technical/investment advisory service providers	December 4, 2019
Draft report	December 20, 2019
Final report	January 10, 2019

Qualifications

The successful offeror will be required to demonstrate regional familiarity, networks, and/or presence in addition to relevant technical qualifications and experience in frontier and emerging markets, growing and scaling businesses, and facilitating investment transactions. Given the breadth of countries covered through this assessment, partnering is encouraged.

Budget Expectations

The work is estimated to cost in the range of \$225,000-\$250,000.

ANNEX A: Sample Enterprise Data Collection Template

CATEGORY	SAMPLE "STRUCTURED" INPUTS
Company Name	
Brief Description	
Sector	Water/Energy/Food Water/Food Energy/Food
Company Stage	Startup; Expansion; Late Growth
Company Size (Employees)	
Company Size (# of customers)	
Company Size (2019 Revenue - US\$)	
Primary product cost (US\$)	
Current Asia Geography	
Planned Asia Geography	
Innovation Description	
Company Innovation Type	Inputs/Planting Irrigation Drying and Processing Distribution and Export Energy Infrastructure LPG/Cookstoves Fisheries Biomass/Biogas Data/Optimization
Investment use	Startup Capital Growth Capital - Sales, marketing, product development Growth Capital - Training, process implementation, capacity building Growth Capital - Equipment purchase, physical expansion Growth Capital - Workforce expansion Growth Capital - Multiple Growth Capital - Other Growth & Working Capital Refinancing
Target Investment Amount (US\$)	
% Equity	
% Debt	
Target Equity Investment	
Target Debt Investment	
Target Other Investment	
Short term investment needs	
TA needs	
Ability to scale innovation	
Ability to increase food production with reduced water and/or energy	
Ability to increase food production with reduced greenhouse gas emissions	
Impact on income levels	
Jobs Created	
Female Mgmt Team?	

Product or service supports women's health or economic outcomes	
Email	
Website	

ANNEX B: Sample Investor/Financial Source Data Collection Template

CATEGORY	SAMPLE "STRUCTURED" INPUTS
Investor Name	
Type	Impact Commercial Bank DFI Private Equity Donor/Foundation Venture Capital
Description	
Nexus Overlap	Water/Energy/Food Water/Food Energy/Food Generalist
Instrument type	Debt Equity Hybrid (Debt/Equity/Grants) Grants
Stage of Investment Process	Capital Deployment Fundraising
Asia Presence (offices and investments)	
Median Ticket Size	
Ticket Size Range	
Firm Size (# of investment professionals)	Micro (2-10) Small (10-50) Medium (50-100) Large (100+)
Incentives for Smaller Investment	
Incentives for Additional Nexus investment	
Contact	
Website Link	

Annex C: Sample Service Provider Data Collection Template

CATEGORY	SAMPLE "STRUCTURED" INPUTS
Service Provider Name	
Type	Technical Assistance Business Advisory Services
Description	
Nexus Overlap	Water/Energy/Food Water/Food Energy/Food Generalist
Area of Focus	Technical Capacity Building, Strategy, and Product Development Transaction Advisory and Fundraising Business Development, Mentorship, and Financial Modeling Legal and Accounting Services Environmental Assessment and Review Other
Asia Presence (offices and capabilities)	
Company Size	Small (10-50) Medium (50-100) Large (100+)
Project Length	
Experience in the WE4F nexus	
Innovations in the Nexus	
Interventions for Growth	
Contact	
Website Link	