



**To:** Offerors

**Date:** June 10, 2020

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

**Subject:** Request for Proposals (RFP) INVEST-049: Southern Africa Catalytic Contribution

**Due:** **1:00PM EDT on Thursday, July 16, 2020**

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 USAID Southern Africa Regional Mission.

- I. RFP Process and deadlines:** This solicitation will result in the award of one or multiple Fixed Price subcontracts. The **combined ceiling of all awarded subcontracts** is expected to be between \$650,000 and \$700,000. Please note that because INVEST anticipates making **multiple awards within the stated ceiling**, Offerors should **not** submit a proposal that includes the total ceiling amount.
1. Submission of Questions – Questions must be submitted no later than **1:00 pm EDT on June 19, 2020** via email to [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com).
  2. Submission of Proposals – Proposals must be submitted no later than **1:00 pm EDT on Thursday, July 16, 2020** via email to [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com), copying [Matthew\\_Mitchell@dai.com](mailto:Matthew_Mitchell@dai.com) and [Katherine\\_Tilahun@dai.com](mailto:Katherine_Tilahun@dai.com). The subject line of the email should be your organization name, followed by “Submission under RFP INVEST-049: Southern Africa Catalytic Contribution.” 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 of 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 slide deck of no more than ten (10) slides with a minimum font size of 12, and graphics with a minimum font size of 10. 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.
2. **Institutional Capacity** – Offerors should provide details about the experience, networks, expertise, or capacity of their firm (or firms if a partnering arrangement is being proposed) to carry out the proposed approach and complete the work as described. This should also include past performance information for similar activities.
3. **Management Plan/Staffing Structure** – Offerors should include details of personnel who will 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.

Offerors are not required to be members of the Partner Network and are permitted to engage in partnering arrangements if it will aid in providing best value to USAID, regardless of whether organizations belong to the Partner Network. 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.

In addition to the above, please include the following:

- One (1) to two (2) examples of past performance relevant to this activity (limited to two (2) slides/pages per example). Examples should be within the past 5 years.
- CV(s) of any individuals proposed in the staffing plan to conduct this activity (limited to two (2) slides/pages per individual)

**NOTE:** These inputs (past performance examples and CVs) will not be counted as part of the 10-slide limit and the format may be PDF or Word. A cover page will be considered a non-counting page, and offerors should include one and list on it the names of all firms participating in the bid. No additional annexes or documentation are requested at this time.

## **Part 2 – Cost Proposal**

The contract type for this activity is expected to be one or multiple Firm Fixed Price Subcontracts issued by DAI Global, LLC. Please include your total proposed fixed price along with details for specific deliverable pricing. *Please note that INVEST anticipates making multiple awards within the stated ceiling and Offerors should **not** submit a proposal that includes the total ceiling.* We encourage all offerors to price their work competitively based on their experience carrying out similar types of work.

Offerors must also include a cost breakdown of the daily/hourly rates for proposed personnel, leverage ratio (if applicable), 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 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).

### **Part 3 – Evaluation of Proposal**

**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 offeror(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/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, 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 with a demonstrated track record of experience working with SMEs in various capacities, including offering strategic advisory support and raising capital in Southern Africa.

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 (50 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 (SOO). 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 specific approach(es) to use USAID catalytic capital to mobilize private investment capital and build strategic, market-deepening partnerships in the region, clearly articulating how the donor capital will be catalytic, and how this activity will contribute to the objectives of supporting Southern Africa SMEs creating both financial and social returns.
  - b. **Institutional Capacity (30 points)** – Points for this section will be based on information presented in the corresponding section and any submitted past performance case studies. In line with their technical approach, the offeror should demonstrate their:
    - Experience in effectively designing, raising and managing funds successfully in Southern Africa or in similar contexts and/or

experience in supporting lenders, fund managers, and other financial intermediaries to establish or build their investing capacity in Southern African enterprises

- Experience in raising in identifying appropriate pipeline and carrying out due diligence
- Access to and familiarity with strong and relevant networks and connections with investors, entrepreneurs, businesses and other relevant partners in Southern Africa

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 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. The offeror should demonstrate their proposed staff's:

- Management plan for proposed activities, including clearly identified roles for each partner (if applicable)
- Timeline and deliverables that will result in objectives of SOO being met
- Experience of staff to successfully implement objectives of the SOO
- Local knowledge and experience in Southern Africa

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 and supporting cost information, as well as its alignment with the proposed technical approach.

**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](mailto:INVEST_Procurement@dai.com)

**Statement of Objectives under RFP INVEST-049:  
Catalyzing Investment through Blended Finance in Southern Africa**

**Introduction**

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, energy, clean water, health, and education, requires new forms of collaboration between USAID and the investment and business community.

The USAID Southern Africa Regional Mission (REGO) has engaged INVEST to facilitate increased private sector investment across Southern Africa. These efforts will complement and support current USAID policies and priorities, including the USAID Private Sector Engagement Policy, the Journey to Self-Reliance, the US Government's Africa strategy, Prosper Africa, and the Women's Global Development and Prosperity Initiative (WGDP).

The following activity is part of a portfolio of activities aiming to catalyze investment in Southern Africa and build the evidence base for the breadth of opportunities in the region and the wide range of benefits from investing in these countries.

This activity focuses on blended finance or operational support for investors leading on impact investing in the Southern Africa region. This can include: a first loss tranche to catalyze private investment, start-up support for a pioneering a new facility, or operational support for pipeline development and building the capacity of local fund managers and investing partners in Southern African countries.

**Development Hypothesis**

In many growing economies, there is a lack of accessible financing capital for SMEs, companies, and infrastructure projects because the risk-return profiles associated with these types of emerging market investments often prevent many investors from deploying capital. USAID can help to mitigate constraints by participating in blended finance investments that combine development capital and/or support with return-seeking capital from private investors.

Improving risk-adjusted returns and decreasing transaction costs through the use of catalytic capital allows development organizations to crowd-in larger amounts of capital from private investors than they could directly contribute as donor organizations. In this way, catalytic capital can help:

- 1) fill financing gaps for projects and investments with high potential for development outcomes (e.g. expanding access to goods and services in healthcare or clean energy);
- 2) increase access to capital, which helps businesses to grow, scale and create jobs.
- 3) In addition, and when provided in the appropriate investment stage, catalytic capital can help to establish sustainable investment flows into markets that were previously underserved by investors.

## **Purpose & Background**

The purpose of this activity is to use USAID catalytic capital to mobilize private investment capital and build strategic, market-deepening partnerships, while responding to increasing demand for broadening U.S. business and investment opportunities on the continent. Through this activity, USAID will support the ability of 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 funding as catalytic capital will not only increase availability of capital, but also contribute to a variety of development outcomes aligned with USAID Southern Africa's priorities.

## **Objectives and Activities**

USAID/INVEST seeks investors that demonstrate a strategic vision for how increased and/or improved investment strategies will support social and financial returns. For the purpose of this activity, USAID seeks investors, fund managers, and other financial providers and firms who need assistance in fundraising for vehicles and/or deploying it to suitable businesses in Southern Africa, that are also generating development impact such as job creation, women's empowerment, supporting the small business ecosystem, food security, etc.

Examples include, but are not limited to:

1. First-loss tranche of capital in blended finance vehicles to lower risks and catalyze and/or accelerate greater private capital;
2. Start-up support for pioneering new vehicles with potential to help build the field and deepen the local capital market; and,
3. Operational support to partner with local investors, fund managers, and others supporting pipeline development to build their capacity.

All proposed approaches should capture and analyze data across portfolio investments to better understand the reach and impact, as well as demonstrate how the catalytic investment structure can have a positive effect on commercial metrics (e.g. return on investment, fundraising, etc.) and development outcomes.

We seek partners with a track record and proven ability to effectively raise and deploy capital for impact. Our objective is that our donor capital is as catalytic as possible—to both the amount of capital being deployed in the short-term, as well as to that with the greatest potential to build the market so more financing and support to Southern African businesses can be deployed long-term.

Offerors should provide a detailed proposal that: outlines their investment thesis and strategy, clearly articulates how the donor capital will be catalytic, how this activity will contribute to the objectives of increased investment as well as key social and development outcomes, and describe how its approach will help build the evidence base to encourage other investors and companies to invest in Southern Africa's growing enterprises.

Selected offerors must be willing to share their experience and make data and other information available to INVEST and USAID for purposes of learning throughout the

activity. This may include developing a case study, fact sheet, resource guides, or other materials that can be used to demonstrate the value of the catalytic capital approach.

Offerors should include in their proposal the data they capture as part of their standard data reporting to investors and due diligence procedures that will be shared with INVEST as part of this activity.

### **Deliverables Table and Implementation Timeframe**

The activities outlined above are estimated to take place over a 12-18 month period starting around July 2020 and coming to completion by January 2022, although offerors should propose a timeline commensurate with their technical approach. Additionally, in the spirit of “building the field”, USAID would look to offerors to identify information that can be shared beyond the life of this activity, such as standard reporting, analysis, and any high-level findings relevant to the hypothesis outlined above. In response to this solicitation, offerors may propose their own alternate timelines, work plans, and level of effort associated with the various components of the activity in line with their proposed approach.

### **General Implementation Structure**

Upon selection and award, INVEST will work closely with the awardee(s) to determine the contract structure including final timelines, deliverables, and associated costs. While the payment will be made upon completion of deliverables, INVEST understands that a commitment of funds may be required to fulfill the purpose of catalyzing additional investment through the presence of first-loss capital. Offerors should note the appropriate form of commitment they will need in their proposal should they be the selected offeror.

Additionally, INVEST and USAID will also work closely with the awardee(s) on the overall learning agenda, including the appropriate cadence for reporting, communications, and other general ongoing project management activities, as well as be a resource to help the awardee achieve overall objectives.

### **Technical Approach**

In your response, please include the following information:

- a. Investment thesis that demonstrates alignment with the stated objectives of this activity, including target financial and social returns.
- b. Either:
  - i. Information regarding the need and design of the blended finance structure, including the proposed leverage ratio, how the funding from this award will be used to catalyze private investment, and how USAID support would be considered additional; information on investment raised to date, including other catalytic capital (first loss, grants, etc.);  
OR
  - ii. Description on how start-up or operational support will be utilized, including specific activities to be undertaken, and how it will be additional and catalytic, e.g. local capacity-building or pioneering something new that would inform the field;



- c. Information on the timeline and strategy for the capital raise including information on ticket size, target investors, funds raised to date and goals set by the fund manager to fully capitalize the fund, if applicable;
- d. Information on the timeline and strategy for implementing the activities proposed in support of start-up or fund operations;
- e. Information on planned data collection as part of the standard reporting to investors;
- f. A proposed approach to data collection and learning specific to the goals of INVEST and USAID team
- g. Background on Offeror:
  - i. Investment manager(s)' CVs
  - ii. Experience in impact investing in emerging markets
  - iii. Experience covering geographies, sectors, asset classes, proposed partners, etc.
  - iv. Targeted financial return (e.g. market rate, concessionary)
  - v. Portfolio structures/type(s) of investments (e.g. fund of funds, direct into SMEs, financial intermediaries)
  - vi. Ticket size
  - vii. Investment stage(s) (e.g. seed, early-stage, series A, growth)
  - viii. Contact Information
- h. Proposed activities, including:
  - i. Milestones
  - ii. How results will be self-sustaining after activity