



**To:** Offerors

**Date:** **March 4, 2022**

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

**Subject:** Request for Proposals (RFP) INVEST-106: Supporting Institutional Investment in Nigeria

**Due:** **1:00PM EDT on April 1, 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). This RFP is jointly funded by USAID/Nigeria, the Prosper Africa initiative via the Bureau for Africa Office of Sustainable Development, and the Power Africa initiative and seeks to jointly support institutional investment in Nigeria. Based on individual mandates and reporting requirements for each of the funding entities, the RFP has been structured to include two separate but complementary activities that achieve the following objectives:

1. To strengthen capacity of Nigerian institutional investors, resulting in closed transactions in priority infrastructure sectors, including agriculture and WASH and
2. To facilitate discrete transactions to mobilize capital into renewable energy opportunities.

DAI invites firms to submit a proposal for work in support of both above referenced objectives or only one of the objectives, based on firms technical and sectoral expertise.

- 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 \$1,000,000 and \$1,150,000. Please note that INVEST anticipates making **one or two awards within the stated ceiling**. Firms can submit a proposal that addresses both Objective 1 and Objective 2, or only one of the Objectives, in accordance with the stated Evaluation Criteria. We anticipate that the total price for Objective 1 should fall within a maximum budget of \$600,000 and the total price for Objective 2 should fall within a maximum budget of \$550,000. Offerors should **not** submit a proposal that includes the total ceiling amount unless their technical approach would accomplish both Objective 1 and Objective 2.
  1. Submission of Questions – Questions must be submitted no later than **1:00 pm EDT on March 14, 2022** 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 April 1, 2022** via email to [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com), copying [Katherine\\_Tilahun@dai.com](mailto:Katherine_Tilahun@dai.com) and [Leah\\_Day@dai.com](mailto:Leah_Day@dai.com).
  3. The subject line of the email should be your organization name, followed by “Submission under RFP INVEST-106: Supporting Institutional Investment in

Nigeria.” 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 slide deck of no more than eight (8) slides if submitting a proposal for only one objective OR a slide deck of no more than ten (10) slides if submitting a proposal for both objectives. All slides should have 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 eight (8) slides if submitting a proposal for only one objective OR no more than ten (10) slides if submitting a proposal for both objectives**. 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. Offerors are able to address both Objective 1 and Objective 2 in the proposed technical approach or can address only one of the two Objectives; the approach should clearly set forth the Offeror’s approach to achieving one or both Objectives.
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. Should the offeror choose to propose a technical approach in support of Objectives 1 and 2, the offeror must clearly address relevant experience, networks and capacity for each objective.
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. Should the offeror choose to propose a technical approach in support of Objectives 1 and 2, the plan must clearly address management and staffing structure for each objective.

Offerors are not required to be members of the Finance and Investment 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 Finance and Investment 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. 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 – Price Proposal**

The contract type for the presumptive subcontract will be Fixed Price, awarded as a subcontract by DAI Global, LLC. Please include your total proposed fixed price along with details for specific deliverable pricing. *Please note that INVEST anticipates making **one or two awards within the stated ceiling**. Offerors should **not** submit a proposal that includes the total ceiling amount unless their technical approach would accomplish both Objective 1 and Objective 2.* Offerors that are bidding on only one Objective should propose a price that reflects the proposed technical approach. We anticipate that the total price for Objective 1 should fall within a maximum budget of \$600,000 and the total price for Objective 2 should fall within a maximum budget of \$550,000. 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. Offerors can use the attached cost/budget template; 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 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.

**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 criteria outlined in 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:

- Objective 1: Strengthen the capacity of Nigerian institutional investors, with a distinct focus on the Nigerian pension community, to invest in priority infrastructure sectors, including the agriculture and WASH sectors, resulting in closed deals; **and/or**
- Objective 2: Facilitate greater institutional investment in renewable energy opportunities, with distinct capital mobilization targets within the project timeline.

All proposed interventions should address the bottlenecks that prevent greater institutional investment in priority infrastructure sectors, complement and enhance existing efforts from the Pension Fund Operators Association of Nigeria (PenOp) and work in alignment with the National Pension Commission (PenCom) regulations and investment guidelines, and demonstrate how the offeror will achieve and report on the subset of target indicators that align with the proposed technical approach.

- 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. As applicable with their technical approach, the offeror should demonstrate their:

Objective 1:

- Experience in supporting lenders, fund managers, and other financial intermediaries to establish or build their investing capacity in Nigeria or similar market contexts, including provision of transaction advisory services and experience developing solutions that facilitate transaction closures in infrastructure sectors, including agriculture and WASH.

Objective 2:

- Experience leveraging credit enhancement mechanisms to catalyze investment into priority infrastructure sectors
- Experience supporting activities in the renewable energy sector.

Objective 1 and 2:

- Experience in identifying appropriate pipeline and carrying out due diligence
- Experience in effectively designing, raising and managing funds successfully in Nigeria or in similar market contexts
- Access to and familiarity with strong and relevant networks and connections with investors, the pension fund community, businesses and other relevant partners in

Nigeria. Offerors with staff presence in Nigeria will be scored favorably.

- c. **Management Plan/Staffing Structure (30 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 knowledge and expertise covering relevant geographies, priority sectors, asset classes, as well as relationships with key pension fund and other institutional investment stakeholders in Nigeria.

2. **Price Proposal:** Price 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. Budgets will be analyzed for cost reasonableness of the deliverable prices as well as the cost build-up. The price proposal should include all costs associated with carrying out the work and producing the proposed deliverables.

IV. **Offeror's Agreement with Terms and Conditions: Please visit the [INVEST Procurement Hub](#) website 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 under RFP INVEST-106**

### **Supporting Institutional Investment in Nigerian Infrastructure**

#### **Introduction**

The United States Agency for International Development (USAID) recognizes that as the world's development challenges become more complex, many can only be solved through market-based solutions. USAID's Private Sector Team is working to expand collaboration with the private sector and pioneering approaches that catalyze investments into emerging markets.

Increasingly, private investors and businesses are looking at emerging markets for new opportunities. However, investing in these markets is complex, and USAID has an important role to play in mobilizing investment into high-impact areas.

Encouraging these investments requires new forms of collaboration. In September of 2017 through a contract awarded to DAI, USAID set up the INVEST mechanism to build and engage a network of partner organizations with valuable investment and finance expertise, including those that have not worked extensively with USAID in the past.

INVEST enables USAID Missions, Bureaus, and Independent Offices to quickly access niche expertise from this diverse network of partner organizations. These partners work alongside USAID to deliver customized financing solutions that address investment constraints, mobilize additional private capital, and produce development results for a variety of sectors and geographies.

INVEST pairs innovative technical approaches with streamlined and user-friendly procurement and subcontracting processes. These simplified processes level the playing field, ensuring that USAID can work with the best firm for the job, regardless of that firm's size, locality, or previous experience with government contracting.

#### **Background**

Infrastructure affects every human development outcome in Nigeria. The Government of Nigeria faces the difficult task of maintaining existing critical infrastructure, while developing the new, resilient infrastructure necessary to support future economic growth and social development goals. However, current public infrastructure investment levels are insufficient to meet the demands of a growing population and economy. Private financing is needed to maintain critical systems and develop the next generation of resilient and renewable infrastructure. The largest potential source of private infrastructure financing in Nigeria consists of its institutional investors, notably the Nigerian pension community which controls assets worth N12.33 trillion (\$30.45 billion) as of March 2021. Despite a mandate to invest in infrastructure, institutional investment in this asset class has been low to date, due to a mismatch between investable products and investor needs, as well as limited institutional investment familiarity in priority sectors.

#### **Purpose**

USAID/Nigeria, in partnership with the Prosper Africa and Power Africa initiatives, seek to support local institutional investors, particularly pension funds, in Nigeria to mobilize greater investment into infrastructure projects in priority sectors. Long-term capital from local institutional investors is a critical source of financing for infrastructure projects, yielding terms aligned with the patient, risk-adjusted returns sought by institutional investors and the project financing needed to accelerate and deepen economic growth and social development in the country. This activity will seek to increase institutional investment across key sectors of Nigeria's economy with a particular emphasis on three priority sectors: renewable energy infrastructure, agricultural infrastructure, and water, sanitation and hygiene (WASH)

infrastructure. The activity aims to deepen domestic capital markets and support local stakeholders in creating the tools to finance their own development, thereby reducing reliance on expensive foreign currency debt and opaque bilateral arrangements.

A coordinated effort which leverages the expertise and networks of the U.S. financial system and its institutional investors, together with credit enhancement tools and transaction advisory services, has the potential to catalyze investment in Nigerian infrastructure, resulting in greater risk-adjusted returns for the Nigerian institutional investor community and drastically improving development and humanitarian outcomes in the country. This activity will complement and enhance the Prosper Africa initiative's goal to significantly increase two-way trade between the U.S. and Africa, as well as the Power Africa initiative's goal to increase power generation and bring electricity access to millions of Africans.

### **Objectives and Activities**

Through this Statement of Objectives (SOO), USAID/INVEST seeks financial intermediaries, including local and regional fund managers, transaction advisors, investment firms, guarantee/insurance companies, and/or a consortium of ecosystem intermediaries to propose market-aligned interventions in support of one or both of the following objectives. Based on individual mandates and reporting requirements for each of the funding entities, the SOO has been structured to include two separate but complementary activities that achieve the following objectives:

**Objective 1:** Strengthen the capacity of Nigerian institutional investors, with a distinct focus on the Nigerian pension community, to invest in key infrastructure sectors. All proposed interventions should address the bottlenecks that prevent greater institutional investment in priority infrastructure sectors, including agriculture and WASH. Proposed interventions should complement and enhance existing efforts from the Pension Fund Operators Association of Nigeria (PenOp) and work in alignment with the National Pension Commission (PenCom) regulations and investment guidelines, resulting in closed transactions. Illustrative interventions may include **but are not limited to:**

- Provision of capacity building exercises (matchmakings with asset managers and new products, collective investment approaches, robust deal pipeline reviews, etc.) for pension fund managers within the Pension Fund Operators Association of Nigeria (PenOp) and other institutional allocators to build their collective capacity, facilitating deployment of capital across high priority infrastructure sectors.
- Development of a vetted pipeline of investment vehicles including pooled funds, select asset managers, bonds, private equity/debt funds, and direct investment opportunities with exposure to priority sectors, on behalf of pension fund managers or other institutional investors.
- Fostering of business relationships between infrastructure project sponsors/developers, U.S. and international asset owners and intermediaries, and Nigerian pension fund managers to enhance visibility of existing and new project pipelines and build viable case studies and demonstration models for sustained infrastructure investment.
- Supporting pooling of capital and co-investment opportunities between U.S. or international and Nigeria-based institutional investors, to enable the deployment of additional capital in key sectoral opportunities, including agriculture and WASH.
- Provision of transaction advisory services to models, vehicles, and/or instruments that address existing market gaps, with a particular focus on increasing deal flow and closing transactions in priority sectors, as well as the refinancing of existing assets in local currency.



**Objective 2:** Facilitate discrete transactions to mobilize capital, with a distinct focus on the Nigerian pension community, into renewable energy opportunities. Illustrative interventions may include **but are not limited to**:

- Creation of product offerings or new investment vehicles targeting renewable energy opportunities that meet relevant criteria for investment by pension funds and other institutional investors.
- Supporting innovative pilots/proof-of-concepts of sustainable financing models that can attract institutional investors.
- Marketing of existing product offerings in the renewable energy sector to pension funds that have indicated an appetite for investment in alternative assets.
- Supporting pooling of capital and co-investment opportunities between U.S. or international and Nigeria-based institutional investors, to enable the deployment of additional capital in renewable energy.
- Leveraging credit enhancement mechanisms such as first loss instruments or guarantees to improve the risk/return calculation for pension investments and catalyze greater investment into renewable energy opportunities.
- Provision of transaction advisory services to models, vehicles, and/or instruments that address existing market gaps, with a particular focus on increasing deal flow and closing transactions in the renewable energy sector, as well as the refinancing of existing assets in local currency.

### **Implementation Timeframe**

This activity is anticipated to take place over an 18-to-24-month period starting around April 2022 and coming to completion no later than July 2024, although offerors should propose a timeline commensurate with their technical approach.

### **Technical Approach**

Please include the following information in the proposal:

- a. Project thesis demonstrates alignment with the stated purpose of this activity, including description of the market gap the intervention addresses.
- b. Detailed description of the proposed technical approach which addresses **one or both** stated objectives.
  - i. **Objective 1:** Description of how the proposed technical approach improves the capacity of the Nigerian pension and institutional investment community to deploy capital in key infrastructure sectors, including WASH and agriculture, and that deepens the Nigerian capital market resulting in closed transactions, within project timeline. **AND/OR:**
  - ii. **Objective 2:** Description of how the proposed technical approach will facilitate greater institutional investment in renewable energy opportunities, with distinct capital mobilization targets within the project timeline. Please include the following if applicable to the proposed intervention:
    1. Investment vehicle or product structure/type (e.g. pooled funds, bonds, private equity/debt funds, or direct investment)
    2. Ticket size
    3. Investment stage

4. Targeted financial return (e.g. market rate, concessionary)
  5. Credit enhancement mechanism targeted
- c. Proposed activities, including:
- i. The timeline and strategy of the proposed approach, including distinct milestones and target financial and social returns corresponding to the activity timeline
  - ii. Description of how results will be self-sustaining after the activity
- d. The proposed approach to achieving and reporting on the subset of target indicators that align with the proposed technical approach:
- i. An increase in the number of closed transactions by pension fund managers, allocators or other intermediaries in infrastructure investment
  - ii. An increase in pipeline opportunities aligned with the mandates and requirements of pension funds and the Nigeria institutional investor community as a whole
  - iii. An increase in the number of investible products via bond issues and transactions that have achieved financial close
  - iv. An increase in the number of hectares under improved agricultural management practices or technologies
  - v. An increase of megawatts generated from transactions that achieved financial closure
  - vi. An increase in new electricity connections
  - vii. An expanded number of people with access to safe drinking water
  - viii. An estimated value of public and private funds leveraged for all infrastructure sectors with an emphasis on renewable energy, agricultural and WASH projects

### **General Implementation Structure**

#### *Onboarding and Work-Planning*

- The Subcontractor, USAID, 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: DAI will work closely with USAID, 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). DAI 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.

### **Contract Type:**

DAI anticipates awarding one or two Firm Fixed Price type subcontract(s). We anticipate issuing one or two subcontract awards resulting from this procurement for a total amount of \$1,000,000-\$1,150,000 between all awards. Offerors should not submit a proposal for the total stated ceiling amount unless the technical approach would accomplish both Objective 1 and Objective 2. Offerors that are bidding on only one Objective should propose a price that reflects the proposed technical approach. We anticipate that the total price for Objective 1 should fall within a maximum budget of \$600,000 and Objective 2 should fall within a maximum budget of \$550,000.