

INVEST Policy on Role of Core Partners

Published: March 2021

Background

INVEST was co-created through a USAID BAA process, culminating in a contract issued in September 2017. In the concept note and eventual proposal submitted during the co-creation process, DAI included three “core” or “institutional” partners: Convergence, CrossBoundary, and Tideline. These partners were approved and included in the INVEST contract that was issued to DAI with specific roles for each partner.

Role of Core Partners

The envisioned role for the three core partners at the contract stage was to serve as the initial strategic “voice” of the program during start-up, participate in the initial visioning process to set the blended finance research agenda, and become founding partners of the Blended Finance Innovation Center (now known as the USAID Finance and Investment Network). The INVEST contract was designed for core partners to play specific roles largely in the start-up of the project to kickstart work while the Network and approach was developed, with a reduced role for core partners once INVEST entered full implementation.

It is important to note that the three core partners do not fill a management or activity development role on INVEST. They are not embedded with the INVEST team and do not participate in the development or negotiation of buy-in scopes of work. The core partners do not have information on the technical direction of the overall program or the individual buy-ins. Core partners receive the same level of information regarding procurements and INVEST activities as every other member of the USAID Finance and Investment Network.

USAID Finance and Investment Network

A key focus of INVEST is the development and engagement of the USAID Finance and Investment Network (formerly the “Partner Network”) – a continuously growing network of firms specializing in transaction advisory, investment facilitation, fund management, public-private partnerships, gender lens investing, and more. As of February 2021, the USAID Finance and Investment Network comprises more than 350 firms, most of which are new and underutilized partners for USAID.

INVEST works closely with the Network to engage the firms through procurement opportunities, technical work under subcontracts with INVEST, communications outreach, and thought leadership pieces sharing lessons learned from our work. INVEST provides information to Network members on expectations for working with USAID, procurement rules and processes under U.S. Government funding, requirements for compliance and price analysis, and subcontract clauses.

The USAID Finance and Investment Network is a cornerstone of INVEST and is a high priority in each of INVEST’s buy-ins, from procurement strategy through activity design. By the end of the project, INVEST’s goal is that the members of the USAID Finance and Investment Network will be more knowledgeable about working with USAID, and better prepared to win work with USAID beyond INVEST, as either a prime or subcontractor.

INVEST Procurement Approaches

INVEST conducts procurements following two main approaches:

- 1. Release of a Request for Proposal (RFP) to the USAID Finance and Investment Network (most common):** INVEST releases an RFP and accompanying Statement of Objectives (SOO) to the full Network as well as to additional firms identified through vendor research. INVEST follows standard DAI procurement processes for the proposal evaluation, negotiation, and award of one or more subcontracts. *Over 90% of the total value of subcontracts issued by INVEST have been awarded through open competition to the full Network.*
- 2. Release of an RFP to a core partner (limited use):** INVEST releases an RFP to a core partner rather than the full Network. INVEST requires the core partner to submit a technical and cost proposal in response to the RFP, and then follows standard DAI processes for proposal evaluation, negotiation, and award of the subcontract. *Less than 10% of the total value of subcontracts issued by INVEST has been awarded to core partners through direct activation.*

INVEST is committed to maximizing the engagement of the USAID Finance and Investment Network in support of procurements and the resulting subcontracts that give firms opportunities to work in direct support of USAID objectives. INVEST makes every effort to release procurement opportunities to the full Network, releasing opportunities directly to core partners only in very specific circumstances as described below.

The release of an RFP directly to a core partner is used in limited cases when INVEST is not able to release a procurement opportunity to the full Network. INVEST activates core partners in two main cases: (1) most common is the reality of a very short timeframe to implement an activity, making it impossible to release to the full Network and follow the regular and preferred procurement process (which takes 8-10 weeks on average from RFP release to award); and (2) the activity directly aligns with the niche partner scope included in the INVEST contract. INVEST has also activated core partners in two instances where a procurement was deemed politically sensitive by USAID and therefore could not be released publicly which would be required for release to the full Network. The activation of core partners described above is aligned with the approved role of core partners in the INVEST contract. As noted above, core partners are activated in limited circumstances, and less than 10% of the total value of subcontracts issued by INVEST has been awarded to core partners through direct activation.