



Shaping a more livable world.

EOI INVEST-003

**Date:** December 4, 2020

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

**Subject:** Expressions of Interest (EOI) INVEST-003 in support of USAID Bureau for Resilience and Food Security

**Due:** **1:00 pm EST on January 6, 2021**

Dear all:

Through this Expression of Interest (EOI), INVEST aims to identify potential partners and innovative approaches that leverage USAID resources to catalyze commercial investment in line with USAID/RFS objectives and priority sectors and countries.

- I. Submission of Questions – Questions must be submitted no later than **1:00 pm EST on December 14, 2020** via email to [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com).
- II. Submission of EOIs – EOIs must be submitted no later than **1:00 pm EST on January 6, 2021** via email to [INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com), copying [Katherine Tilahun@dai.com](mailto:Katherine_Tilahun@dai.com) and [Matthew Mitchell@dai.com](mailto:Matthew_Mitchell@dai.com). The subject line of the email should be your organization name, followed by “Submission under EOI INVEST-003 Bureau for Resilience and Food Security.” Please limit file submissions to 10 megabytes or less.

### **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 Engagement team is working to expand collaboration with 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.

### **USAID RFS Background**

USAID has a long history of leadership in international agricultural development, as well as nutrition and water security, sanitation and hygiene. In the past decade, the Agency has helped partner countries make significant strides in reducing poverty, hunger, malnutrition and water insecurity. But shocks and stresses like droughts, floods, and pandemics threaten progress toward a resilient and prosperous world. Through its Bureau for Resilience and Food Security (RFS) (successor to the USAID Bureau for Food Security), USAID works with a host of partners to advance inclusive agriculture-led growth, resilience, nutrition, and water security, sanitation and hygiene in priority countries to help them accelerate and protect development progress (see Appendix I below for more information on Priority Countries and Sectors and Appendix II for External Resources).

USAID/RFS has engaged INVEST to strengthen and support USAID Missions to build resilient communities and countries, enhance their well-being, and improve food and water security to reduce hunger, poverty, and malnutrition. RFS recognizes that mobilizing finance through partnerships with multilateral development institutions, investors, banks, and other private sector actors will improve the reach, effectiveness, efficiency, and sustainability of USAID's food and water security development efforts.

Through this Request for Expressions of Interest, INVEST aims to identify potential partners and innovative approaches that leverage USAID resources to catalyze commercial investment for financial solutions in the agriculture, nutrition, and water and sanitation sectors, particularly in response to covid-19 economic impacts. USAID's RFS Bureau specifically seeks partnerships that align with its priority countries and focus areas (see Appendix I: Priority Countries and Sectors). In employing a blended finance approach for solutions in these sectors and countries, USAID aims to create avenues to mobilize private capital investment into commercial opportunities that advance development outcomes in the agriculture, nutrition, and water and sanitation sectors. In addition, given the economic disruption caused by Covid-19, USAID is interested in identifying opportunities to align with the private sector to provide recovery support to affected businesses in the RFS priority countries and sectors, where possible.

Specifically, we are interested in the following two approaches:

1. Support from transaction advisory firms to provide direct support to enterprises, USAID partnerships, and/or investors to facilitate greater access to finance in USAID/RFS priority sectors and countries (see Appendix I: Priority Countries and Sectors); and

2. Catalytic capital for funds, investment vehicles and/or products capable of mobilizing finance to advance USAID development objectives in the form of first loss capital and/or support for operational costs from USAID.

RFS seeks to support and augment Mission priorities and strategies in the agriculture, nutrition, and water and sanitation sectors (see Appendix II: External Resources). Therefore, EOIs proposing activities that support, expand or complement existing activities with Missions in focus sector in priority countries are encouraged. And, though a Covid-19 focus is not explicitly required, EOIs that take into account the current context and deploy resources to address the impacts of the pandemic are strongly encouraged.

### **Objectives of EOI**

Through this Request for Expressions of Interest (EOI), INVEST aims to identify potential partners and innovative approaches that leverage USAID resources to catalyze commercial investment in line with USAID/RFS objectives and priority sectors and countries (see Appendices I: Priority Countries and Sectors and Appendix II: External Resources). Approaches that also engage the private sector to address the economic impacts of Covid-19 in these priority sectors and countries are encouraged (see Appendix II for USAID/RFS's Covid-19 response).

While USAID has not pre-identified solutions to this challenge, there are a number of promising blended finance approaches USAID and INVEST are interested in further exploring including:

- Technical assistance to asset managers, impact investors, and SME lending platforms in structuring water, sanitation, nutrition, and agriculture-oriented investment vehicles.
- Catalytic contributions, in the form of first-loss capital, to blended finance funds for the purpose of providing downside investor protection to crowd-in commercial investors and mobilize investment into new markets and opportunities within priority sectors.
- Technical assistance to portfolio companies alongside investments.
- Pipeline development to identify opportunities for support alongside transaction advisory services to engage with investors and close on investment deals in priority countries and sectors.

Additionally, we are seeking new ideas and creative approaches beyond those listed above and look to organizations submitting Expressions of Interest to bring fresh thinking to how USAID might use its resources to support USAID/RFS in its priority sectors and countries.

Illustrative activities include:

- Contributing to innovative finance approaches such as first-loss tranches of capital in food security vehicles or pay for performance activities, to lower risks and catalyze commercial capital interested in exploring this space, potentially to address Covid-19 impacts.
- Providing start-up support for pioneering new agriculture, resilience, water and sanitation-oriented finance vehicles with potential to help build the field.
- Reducing key investment barriers for potentially investable SMEs, by providing support including reducing information asymmetries, identifying appropriate and interested capital sources, developing investor materials, including financial models and pitch decks.

- Providing support to funds to identify investment opportunities that align with RFS priorities in select countries and building the pipeline of SMEs in geographic focus areas in USAID agriculture, nutrition, water, sanitation, and resilience programs.
- Technical assistance or advisory support for existing guarantees or other financing supports that need modifications or utilization assistance.
- Pipeline development to identify opportunities for financial support, business advisory services, and/or transaction advisory services to high-potential opportunities.

### **Who May Apply**

INVEST and USAID hope to work with stakeholders from different parts of the investing ecosystem including investors, asset managers, intermediaries, and technical assistance providers to develop inclusive finance solutions in the water, sanitation, nutrition, and agriculture sectors. We encourage submissions from stakeholders proposing activities that either directly build upon current Mission portfolios and activities, or that augment Mission activities goals and objectives in priority countries and sectors. Expressions of Interest may come from any of type of organization that has experience and capabilities in line with the objectives of this solicitation.

### **Submission and Formatting Instructions**

Expressions of Interest should illustrate the submitting organization's interest, capabilities, and/or experience in providing solutions USAID/RFS objectives above. Submissions should highlight an organization's initial ideas on how to achieve the objective(s) within a priority country or countries and corresponding priority sector(s) and the organization's capabilities and qualifications to implement the proposed activity(-ies).

**Budget.** EOI submissions should also include a total budget estimate needed to accomplish the proposed concept, as well as an expected leverage ratio (i.e. the capital to be leveraged with USAID's first lost tranche, or the capital mobilized through transaction advisory services leading to investments). INVEST recommends that EOI submissions for catalytic contribution remain within a \$175,000-\$500,000 range, and for transaction advisory submissions, a \$75,000-\$300,000 range. Offerors are encouraged to propose the range that best fits their technical approach, recognizing that INVEST expects to make multiple awards at various amounts within this range.

**Timeframe.** EOI submissions should present concepts with an implementation timeframe of no longer than approximately 12 months. Please indicate in your submission an estimated timeline for completing the proposed activities. Priority will be given to activities that are expected to be completed by no later than March 2022.

Expressions of Interest must be submitted no later than **1:00 pm EST on January 6, 2021**.

Submissions should:

- Be in English;
- Be submitted electronically to the following e-mail addresses:  
[INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com) copying [Katherine\\_Tilahun@dai.com](mailto:Katherine_Tilahun@dai.com) and [Matthew\\_Mitchell@dai.com](mailto:Matthew_Mitchell@dai.com).
- Be no more than six (6) PowerPoint slides in length;

- Include a title slide (not counted against slide limit) with the following information: Respondent Name/Group; Contact Information; and Response Title.
- Include two submission attachments in email, one in .ppt and one in .pdf format.

In your Expression of Interest, please describe your organization's ideas/approach to how USAID can use its resources to catalyze investment into the water, sanitation, nutrition, and agriculture sectors within the priority countries and support the objectives of USAID/RFS, including:

- Your organization's reason(s) as to why USAID's support is critical to crowd-in additional investment in order to achieve the goals of USAID/RFS; (please note any obstacles or impediments to leveraging private investment that USAID's funds can help your organization overcome.)
- Your organization's approach to supporting the objectives of USAID/RFS;
- How your organization's approach builds on or advances current Mission objectives or activities;
- Your organization's expected development outcomes or impact through the proposed activity;
- If/how your organization's approach addresses the impacts of Covid-19;
- Whom your organization targets;
- How your organization could partner with USAID to amplify your work and catalyze additional investment;
- How your approach will be sustainable beyond USAID funding;
- How you will monitor and evaluate development impact in your approach;
- Your organization's talent and other resources you are willing to dedicate to this activity; and
- Your organization's unique knowledge, capabilities, and expertise in the water, sanitation, nutrition, and/or agriculture sectors relevant to your proposed idea.

### **Criteria**

The following criteria will be applied to all Expressions of Interest. Submissions are not evaluated against other submissions, but solely against the evaluation criteria outlined below:

1. **Idea(s) for partnering with USAID:** Fresh, informed, and realistic thinking about how USAID can work collectively with the financial sector to unlock capital and catalyze investment into RFS priority sectors and countries. Specific approaches to leveraging private capital with USAID support either through first loss support to a fund or vehicle, or transaction advisory support and other services designed to enhance the success of investments and defray costs for private investment.
2. **Approach to supporting the USAID/RFS Objectives:** Comprehensive approach based on experience in the water, sanitation, nutrition, and/or agriculture development sectors. Identification of how the proposed approach advances or augments current Mission priorities and activities, and where relevant, how the approach addresses or mitigates the impacts of Covid-19.
3. **Qualifications and Experience:** Strengths of your organization as a partner, including your ability to make a unique contribution to the achieving the objectives of this activity.

**Selection Process**

INVEST will review and select Expressions of Interest submitted in accordance with the guidelines and criteria set forth in this solicitation. INVEST reserves the right not to review any Expressions of Interest that do not meet the guidelines. Please note that due to the expected large number of Expressions of Interest, INVEST is unable to provide detailed information to those EOIs that are not selected to move forward.

**Stage 1:** INVEST and USAID/RFS will review and evaluate submitted concepts based on the guidelines and criteria set forth in this solicitation. From this evaluation, INVEST will develop a list of pre-qualified firms from the submitted offers that will be invited to submit a proposal in response to subsequent RFP(s). Please note that not all EOI submissions may be advanced to Stage 2 and asked to submit a proposal in response to one or more RFPs.

**Stage 2:** INVEST will release RFP(s) to the pre-qualified firms in support of USAID/RFS objectives. The RFP(s) will set forth clear Statements of Objectives, instructions for submission, guidance for the composition of proposals, and evaluation criteria that will be used to evaluate all submissions. During this proposal stage, the pre-qualified firms will be asked to submit a full proposal outlining a concrete programmatic plan, focus areas, goals, timelines, and budgets. INVEST anticipates that Stage 2 will begin in mid-January with proposals due in mid-February, but this timeline is subject to change. More information on this stage will be provided to the pre-qualified firms prior to the release of RFP(s) in Stage 2.

**Stage 3:** INVEST will convene a Technical Evaluation Committee to review all proposals submitted in response to the RFP(s). Proposals will be evaluated in accordance with the evaluation criteria set forth in each RFP. Proposals that are selected for award will be negotiated for scope of work and total price and will result in one or more subcontracts issued by INVEST.

INVEST reserves the right to check the past performance, references, and other pertinent offeror information in making award decisions. Previous experience with USAID is not required.

*Issuance of this solicitation does not constitute a commitment, award, or engagement on the part of DAI nor does it commit DAI to any future commitment, award, or engagement.*

Thank you,

**DAI INVEST Procurement and Partnerships Team**

[INVEST\\_Procurement@dai.com](mailto:INVEST_Procurement@dai.com)

## Appendix I: Priority Countries and Sectors

USAID/RFS goal is to advance inclusive agriculture-led growth, resilience, nutrition, and water security, sanitation and hygiene in priority countries to help them accelerate and protect development progress.

- **Agriculture and Food Security**<sup>1</sup>: USAID is advancing global food security by helping families and individuals meet their need for a reliable source of quality food and sufficient resources to produce or purchase it. This, in turn, supports global stability and prosperity. By addressing the root causes of hunger, USAID is increasing economic opportunity and growth among vulnerable communities.
- **Resilience**<sup>2</sup>: USAID is committed to helping build the resilience of vulnerable communities in areas subject to recurrent crisis, increasing their ability to manage through crises without compromising their future well-being. USAID's investments in building resilience help share and shift the responsibility for managing risk, investing in resilience, and responding to shocks when they do occur from donors to governments, communities, and the private sector. The overriding aim is to reduce costs of recurrent crises, including the unsustainable costs of responding to large-scale humanitarian emergencies in the same places every few years.
- **Nutrition**<sup>3</sup>: USAID aims to boost prosperity and enhance the health and livelihoods of vulnerable populations through investments in the prevention of all forms of undernutrition, with an emphasis on maternal and child nutrition. Specifically, USAID's maternal and child nutrition programs improve health outcomes by implementing nutrition-specific interventions, or those that address the immediate, health-related determinants of undernutrition. These investments are closely coordinated with the Agency's nutrition-sensitive interventions, which address underlying or systemic causes of inadequate nutrition.
- **Water and Sanitation**<sup>4</sup>: USAID helps partner countries plan, finance, and deliver safe water and sanitation services for the neediest, while sustainably managing water resources. Access to safe drinking water and sanitation, along with adequate hygiene practices and the ability to effectively manage water resources, can profoundly shape a nation's path to stability, economic prosperity, and self-reliance.

USAID/RFS has been working with USAID Missions to identify areas of collaboration where RFS' involvement would be most needed and effective. The matrix below highlights the countries most in need and the sectors where the need is the greatest.

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<sup>1</sup> "USAID RFS: Agriculture and Food Security," *USAID*, <https://www.usaid.gov/what-we-do/agriculture-and-food-security>.

<sup>2</sup> "USAID RFS: Resilience," *USAID*, <https://www.usaid.gov/resilience>.

<sup>3</sup> "USAID RFS: Nutrition," *USAID*, <https://www.usaid.gov/global-health/health-areas/nutrition>.

<sup>4</sup> "USAID RFS: Water and Sanitation," *USAID*, <https://www.usaid.gov/what-we-do/water-and-sanitation>.

*USAID/RFS Country and Sector Priority Matrix*

	Agriculture and Food Security	Resilience	Water and Sanitation	Nutrition
<b>AFRICA</b>				
DRC		X	X	
Ethiopia	X	X	X	X
Ghana	X		X	X
Kenya	X	X	X	X
Liberia			X	
Madagascar			X	
Malawi		X		X
Mali	X	X	X	X
Mozambique		X	X	X
Niger/Burkina	X	X		
Nigeria	X	X	X	
Rwanda				X
Senegal	X		X	X
Somalia		X		
South Sudan		X	X	
Tanzania			X	X
Uganda	X	X	X	X
Zambia				X
Zimbabwe		X		
<b>ASIA</b>				
Afghanistan / Pakistan			X	
Bangladesh	X			X
Cambodia				X
India			X	
Indonesia			X	
Nepal	X		X	X
<b>LATIN AMERICA AND THE CARIBBEAN</b>				
Guatemala	X			X
Haiti		X	X	X
Honduras	X			
<b>MIDDLE EAST</b>				
Jordan			X	
Lebanon			X	

## **Appendix II: External Resources**

- **Country Development Cooperation Strategies (CDCS)** for USAID/RFS Priority Countries, <https://www.usaid.gov/results-and-data/planning/country-strategies-cdcs>.
- USAID/RFS **COVID-19** Response and Resources, <https://www.usaid.gov/who-we-are/organization/bureaus/bureau-resilience-and-food-security/responding-to-covid-19-impact-on-resilience-and-food-security>.
- USAID/RFS **Implementation Strategies**
  - **Agriculture-led growth**
    - USAID’s Food Assistance and Food Security Strategy for 2016-2025, <https://www.usaid.gov/sites/default/files/documents/1867/FFP-Strategy-FINAL%2010.5.16.pdf>.
    - U.S. Government Global Food Security Strategy 2017-2021, <https://www.usaid.gov/what-we-do/agriculture-and-food-security/us-government-global-food-security-strategy>.
    - USAID Feed the Future Initiative, <https://www.feedthefuture.gov/>.
  - **Resilience**
    - USAID’s Market Systems Resilience Measurement Framework Report, <https://www.usaid.gov/documents/1866/market-systems-resilience-framework-measurement>.
    - USAID Resilience Resources, <https://www.usaid.gov/resilience/resources>.
  - **Nutrition**
    - USAID’s Multi-Sectoral Nutrition Strategy 2014–2025, <https://www.usaid.gov/nutrition-strategy>.
  - **Water security, sanitation and hygiene**
    - U.S. Government Global Water Strategy 2017, [https://www.globalwaters.org/sites/default/files/global\\_water\\_strategy\\_2017\\_final\\_508v2.pdf](https://www.globalwaters.org/sites/default/files/global_water_strategy_2017_final_508v2.pdf).
    - USAID supported Global Waters knowledge-sharing platform, <https://www.globalwaters.org/>.
    - Senator Paul Simon Water for the World Act of 2014, <https://www.globalwaters.org/resources/assets/senator-paul-simon-water-world-act-2014>.