



Climate Finance for Development Accelerator (CFDA)

Request for Concept Proposals (RFCP) # 2023-0005-RFCP

Blended Finance for the Energy Transition (BFET)

Amendment No. 1

WHEREAS, Chemonics intention for this amendment is to amend 2023-0005-RFCP, so unilaterally ordered and notice issued to those affected Offerors, and is effective May 4, 2023

I. BACKGROUND

- A. On April 13th, 2023, Chemonics issued 2023-0005-RFCP for the provision of an investment partner(s) to support the Blended Finance for the Energy Transition (BFET) platform. BFET is an innovative new initiative jointly spearheaded by USAID and the Department of State, in collaboration with the Office of the U.S. Special Presidential Envoy for Climate (SPEC), to help mobilize \$1 billion or more of capital to accelerate emerging markets' energy transition efforts.
- B. Chemonics hereby issues Amendment No. 1 to the RFCP to 1) revise language on the bidders conference that has taken place; 2) clarify the period of performance for award; 3) clarify the evaluation criteria; 4) clarify the application's required legal registration; 5) clarify the intended recipients of award; and 6) remove Key Question 7 from Annex B.

II. THE TEXT OF THE RFCP IS MODIFIED AS FOLLOWS:

A. By deleting the following text from page 1 of Cover Letter:

“Issuance Date: April 13, 2023”

And replacing the text with:

“Original Issuance Date: April 13, 2023

Amendment Date: May 4, 2023”

B. By deleting the following text from page 1 of Cover Letter:

“The project will hold a virtual bidders conference on Thursday April 20, 2023 from 8 – 9 am EDT. To register for the workshop, please complete this form:

https://us06web.zoom.us/webinar/register/WN_HxPhW58QR6KQ5xBPilOtYQ#/registration. This workshop will allow eligible and interested applicants the chance to ask questions about the RFCP and receive guidance on how to complete the application form.

May 3: Answers to Questions and any updates to RFCP provided”

And replacing the text with:

“The project held a virtual bidders conference on Thursday April 20, 2023 from 8 – 9 am EDT. This event covered questions about the RFCP and guidance on how to submit a concept proposal. Access the recording here: https://drive.google.com/file/d/1xoqC_gliId56KKJcikfJaciUoj0KT0Ih/view”

May 4: Answers to Questions and any updates to RFCP provided”

C. By deleting the following text from page 4 of Section IB:

“The anticipated period of performance for the activities outlined above is three years from the date of grant/subcontract award. The estimated start date of grants and subcontracts awarded under this solicitation is September 1, 2023. While offerors should propose a timeline commensurate with their technical approach, the goal is to publicly announce the partnership by COP 28 in December.”

And replacing the text with:

“The anticipated period of performance for the activities outlined above is three years from the date of grant/subcontract award. The estimated start date of grants and subcontracts awarded under this solicitation is September 1, 2023. While offerors should propose a timeline commensurate with their technical approach, the goal is to publicly announce the partnership by COP 28 in December. First close will be required one year from the date of award (on/around September 2024). Final close will be required by the end of the award’s period of performance (on/around September 2026).”

D. By deleting the following text from page 6 of Section II:

“Chemonics anticipates issuing one or two award(s) totaling up to \$15 million USD, with individual award values based on the level of investment mobilized and the additionality of U.S. government support, such as by crowding in new investors or mobilizing capital into underserved market segments. This award(s) of up to \$15 million shall be for non-repayable catalytic capital, subject to the availability of funds and the completion of domestic U.S. government procedures. The number of awards and the final amount for each will be dependent upon the total catalytic funding secured, the activities proposed and final negotiation. The duration of any award under this solicitation is expected to be no more than three years. The estimated start date of grants and subcontracts awarded under this solicitation is on or around September 1, 2023.”

And replacing the text with:

“Chemonics anticipates issuing one or two award(s) totaling up to \$15 million USD, with individual award values based on the level of investment mobilized and the additionality of U.S. government support, such as by crowding in new investors or mobilizing capital into underserved market segments. This award(s) of up to \$15 million shall be for non-repayable catalytic capital, subject to the availability of funds and the completion of domestic U.S. government procedures. The number of awards and the final amount for each will be dependent upon the total catalytic funding secured, the activities proposed and final negotiation. The duration of any award under this solicitation is expected to be no more than three years. The estimated start date of grants and subcontracts awarded under this solicitation is on or around September 1, 2023. First close will be required one year from the date of award (on/around September 2024). Final close will be required by the end of the award’s period of performance (on/around September 2026).”

E. By deleting the following text from page 9 of Section IVE:

“In addition to the concept proposal, applicants should submit the following to CFDA:

- A copy of the Applicant’s valid legal registration
- A cover letter (Annex A)”

And replacing the text with:

“In addition to the concept proposal, applicants should submit the following to CFDA:

- A copy of the Applicant’s valid legal registration. **The legal registration details of the applicant (rather than the fund or investment vehicle) can be shared if a fund has yet to be legally registered*
- A cover letter (Annex A)”

F. By deleting the following text from page 10 of Section V, under Application Criterion:

“**Private capital mobilization:** Does the proposed concept clearly demonstrate the ability to maximize private sector capital mobilized per dollar of catalytic capital, to meet or exceed a 10 to 1 mobilization target? This means that for every \$1 USD of non-repayable catalytic capital provided through the subcontract or grant, the applicant should ideally demonstrate the ability to mobilize \$10 USD from private sector sources.”

And replacing the text with:

“**Private capital mobilization:** Does the proposed concept clearly demonstrate the ability to maximize private sector capital mobilized per dollar of catalytic capital, to meet or exceed a 10 to 1 mobilization target? This means that for every \$1 USD of non-repayable catalytic capital provided through the subcontract or grant, the applicant should ideally demonstrate the ability to mobilize \$10 USD from private sector sources.

There are no requirements in terms of how private capital is mobilized and, therefore, there is no preference in terms of the composition of debt and/or equity.”

G. By deleting the following text from page 10 of Section V, under Application Criterion:

“**Minimum fund size:** Does the proposed concept clearly demonstrate an investment concept that seeks to mobilize between \$500 million and \$1 billion+ in cumulative capital (catalytic capital from BFET + outside capital, with a strong preference for non-DFI outside capital)?

The minimum eligible fund size will be \$250M.”

And replacing the text with:

“**Minimum fund size:** Does the proposed concept clearly demonstrate an investment concept that seeks to mobilize between \$500 million and \$1 billion+ in cumulative capital (catalytic capital from BFET + outside capital, with a strong preference for non-DFI outside capital)?

The minimum eligible fund size will be \$250M. *In a situation where the program receives proposals for concepts of comparable size, the program will favor concepts that mobilize additional capital beyond the proposed fund structure (e.g., co-investment, fund recycling, or debt unlocked at the asset level).”*

H. By deleting the following text from page 10 of Section V, under Application Criterion:

“**Innovation:** Does the proposed concept present an innovative approach for achieving US government objectives?

Possible areas of innovation could include (1) the vehicle structure, e.g., arranging a capital stack with first-loss and mezzanine tranches, and/or using a securitization/bond structure (2) capital raising approach, e.g., attracting first-time investors to a country or climate solution, (3) capital deployment mechanism, e.g., tailoring the provision of debt/equity to specific circumstances, based on the vehicle focus, or (4) technology focus, e.g., focusing on less commercial energy supply-side solutions (e.g., offshore wind, battery storage).”

And replacing the text with:

“**Innovation:** Does the proposed concept present an innovative approach for achieving US government objectives? The program will favor concepts where development finance institution (DFI) and/or multilateral development bank (MDB) capital is subordinated to other commercial capital to further mobilize private financing for the energy transition in the target geographies. Applicants are encouraged to develop proposals with tiered structures.

Additional areas of innovation could include (1) other innovations in the vehicle structure, e.g., using a securitization/bond structure, (2) capital raising approach, e.g., attracting first-time investors to a country or climate solution, (3) capital deployment mechanism, e.g., tailoring the provision of debt/equity to specific circumstances, based on the vehicle focus, or (4) technology focus, e.g., focusing on less commercial energy supply-side solutions (e.g., offshore wind, battery storage).”

I. By deleting the following text from page 13 of Annex B:

“**1. Opportunity.** What is the investment opportunity that you see as a fund manager/LP in energy transition in high emission emerging markets? Describe the thesis of your fund / the fund you would invest in as an LP (including fund size, sub-sectors, ticket sizes, instruments)”

And replacing the text with:

“**1. Opportunity.** What is the investment opportunity that you see as a fund manager or other capital deployer in energy transition in high emission emerging markets? Describe the thesis of your fund or other investment vehicle (including fund size, sub-sectors, ticket sizes, instruments)”

J. By deleting the following text from page 13 of Annex B:

“**4. Status of Fund Development.** Describe the traction you have gotten to date for this fund – e.g., for GPs: potential LP’s identified / engaged / committed / first close – with a clear distinction between DFI/MDB and pure institutional capital; For LPs: funds identified / diligenced.”

And replacing the text with:

“**4. Status of Fund Development.** Describe the traction you have gotten to date for this fund – e.g., for GPs: potential LP’s identified / engaged / committed / first close – with a clear distinction between DFI/MDB and pure institutional capital.”

K. By deleting the following text from page 15 of Annex B:

“7. What are your assumptions around the structure; required to deploy the catalytic capital? (e.g., must be deployed as an equity investment, must be invested through a special purpose vehicle [SPV])?”

III. CONCLUSION

All other terms and conditions of the RFCP remain in effect.

- End of Modification -