



**Climate Finance for Development Accelerator (CFDA)  
Request for Concept Proposals (RFCP) # 2023-0005-RFCP**

**Answers to Questions**

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1. The RFCP notes that CFDA is interested in partnering with fund managers and capital deployers. Would CFDA consider an alternative to a standard fund structure that achieves BFET's objectives by more efficiently deploying existing sources of capital into projects that support energy transition?

**Yes. Capital deployers could include non-standard fund structures if they demonstrate the ability to achieve BFET's objectives.**

2. We are contemplating an investment company structure rather than a blind pool fund. The investment company would invest in a variety of supply side solutions across emerging markets, and the catalytic capital provided by CFDA would be used to mobilize both institutional private capital as well as large amounts of capital through the US public markets. Would an investment company structure be acceptable given the parameters of the RFCP?

**Yes. The structure can be flexible as long as applicants align with BFET's geographic priorities and demonstrate the ability to achieve BFET's objectives.**

3. In one of the key Questions given, it is mentioned, how much Development Finance Institution (DFI)/Multilateral Development Bank (MDB) funding is expected to be included in the capital structure of the fund? We would like to know if this is required to be as debt, equity, or a combination of both?

**See Amendment 1. The program will give preference to 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. CFDA recognizes that this will not be possible for all potential investment partners and, therefore, it is not a requirement. There is no preference on debt or equity. We would look to the fund manager to optimize their capital stack.**

4. On the implementation objective of "Ideally meet or exceed a 1 or 10 minimum leverage ratio, with expected raise at least \$10 of private capital for every non repayable catalytic dollar awarded through BFET": must the private capital be in the form of debt or does this need to be as equity?

**See Amendment 1. 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.**

5. What is the minimum expected equity capital (%) to the total capital deployed?

**Please see the response to Question 4 above.**

6. Can we have co-applicants for the proposal, where each co-applicant brings a certain specific level of expertise/contribution to the proposal?

If two or more organizations are working together on the concept, please explain clearly in the concept proposal. Given the nature of BFET where all funding is provided as catalytic capital, it is envisioned that any eventual grant or subcontract would be made with a single legal entity.

7. Is it permitted to share legal registration details of just the applicant(s) at the initial RFCP stage? This is because the actual legal registration of a proposed fund could take some time and may be contingent on actual selection under the RFCP.

See Amendment 1. Yes, the legal registration details of the applicant – rather than the fund or other investment vehicle – can be shared in response to the RFCP if a fund has yet to be legally registered. If known, please clearly indicate the country in which the fund is expected to be registered. Offerors should note that if they are selected for award, CFDA will require a legal registration and associated due diligence processes to occur prior to any funds being awarded.

8. Does catalytic capital come in upfront or after infusion of private/DFI/MDB capital?

The catalytic capital would not be disbursed upfront in its entirety. It would be disbursed in tranches as private and other capital commitments are secured. The specific terms have not yet been decided. CFDA would help the investment partner engage other potential catalytic funders and investors, as needed.

9. Our firm's geographic focus is primarily MENA with a secondary opportunistic focus on regions like Eastern Europe and Sub-Saharan Africa. Can our firm apply for the BFET program?

Please review the minimum eligibility requirements outlined in Section III of the RFCP to determine if your firm's geographic focus aligns with the objectives of BFET. South Africa is the only priority BFET country that falls in the three regions listed. To meet the requirements outlined in the RFCP, at least 51 percent of the investment vehicle would need to mobilize capital to South Africa.

10. Is there flexibility in the geographic focus? Supposing a fund is designed to invest in Africa, targeting only one of the priority countries, would it still be eligible?

Yes, funds that reach only one of the priority countries are eligible. Concept proposals that meet the minimum eligibility requirements in Section III of the RFCP will be evaluated against the evaluation criteria, including if 51% of the total capital is invested in one or more of BFET's priority countries. Please refer to the RFCP "Application Criterion" table (under Section V) for more detail.

11. Per the RFCP, should 51% of the total fund be invested in the priority country(ies)? Or would it be 51% of the funding from BFET program?

Please refer to the response to Question 10. BFET priorities (including geographic priorities) apply to total capital invested, not just catalytic capital provided by BFET.

12. Assuming the fund/proposal is structured with a first loss tranche with DFIs and senior tranche with private investors, what structure and form would the grant need to go in as (who is the contracting/subscribing party), and who would need to be the counterparty (the fund or could it be the PM/GP?)

See Amendment 1. There is flexibility around how BFET non-repayable catalytic capital is structured, and applicants should clearly elaborate what the ideal structure would be, and how this structure would increase the attractiveness of the investment to institutional investors. The program will favor concepts

where DFI/MDB capital is subordinated to other commercial capital to further mobilize private financing for the energy transition in the target geographies.

13. Would the contracting party require voting rights and subsequent repayment of the capital contribution?

No, the successful applicant will not be required to provide voting rights or a board seat to Chemonics, USAID, or U.S. Department of State as a condition of the catalytic capital provided through BFET. Catalytic capital provided by BFET will not need to be repaid. Chemonics and the successful applicant will negotiate measures to ensure the catalytic funding is used for its intended purpose.

14. Are there specific drawdown or payment requirements? Will the entire amount be granted at contracting or over life of the fund?

Please refer to the response to Question 8 above.

15. Could you elaborate a bit more on the geographic limits? Assuming there is a change in a country law which is shifting investment priorities (e.g., new tax law, new climate law restricting investments), what would be the implication of such changes?

Please refer to the response to Question 10 above. If there is a risk that an applicant's proposed concept could shift its investment focus outside the geographic priorities, it is incumbent on applicants to propose a strategy or approach to address any future changes in operating assumptions for a given investment context.

16. Would part of the grant money provided be eligible for Technical Assistance?

No. We recognize that Technical Assistance can be an impactful way to support investment facilitation, but it is not within the scope of BFET. Other USAID projects operate in each of BFET's target geographies, and CFDA would be available to support further connections and partnerships based on aligned objectives to facilitate potential Technical Assistance, as a complement to BFET.

17. Would we be eligible to apply if we were to provide an envisioned legal structure, the contact information of our lawyers, and a write-up on our envisioned timeline, at the absence of a valid legal registration?

Please refer to the response to Question 7 above.

18. How does the BFET program view a model of catalyzing institutional capital (post-exit) vs. a model that catalyzes institutional capital into the fund itself? Does BFET have any preference for one model or another?

BFET will evaluate concepts based on alignment with program priorities, including ability of applicants to use the catalytic funding to crowd in outside investment directly into the proposed structure, particularly institutional investors. In addition, information on additional capital deployed (e.g., co-investment or debt unlocked at the asset level, and fund recycling) would be welcomed, as relevant. Concepts should show ability to realistically mobilize the institutional capital that applicants are targeting to mobilize.

19. If selected, we might choose to ringfence BFET's contribution capital to 1 or 2 specific regions (e.g., Southeast Asia and/or India). How would the BFET program view this decision? Does the program have any preferences over ringfencing (and if so, to which region(s)) or not?

Please refer to the response to Question 10. BFET is open to structures that ringfence the proposed investment instrument and catalytic capital to priority regions and/or sectors as detailed in the RFCP.

20. Will BFET consider "Just Energy Transition" deals that support communities impacted by the transition from dirty to clean sources of energy or is the focus of the BFET on pure energy plays?

Concept proposals that meet the minimum eligibility requirements in Section III of the RFCP will be evaluated against the evaluation criteria, including if 51% of the total capital mobilized is invested in BFET's priority sectors (supply-side solutions). Per the "Implementation Objective" portion of Section IB and the "Application Criterion" table in the RFCP (under Section V), in target countries that have a Just Energy Transition Partnership (JETP), investments should align with JETP efforts and targets to accelerate the deployment of renewable energy.

21. Could you clarify the expected reporting requirements and whether there are any specific KPIs?

Exact reporting requirements and specific KPIs will be discussed with the successful applicant during negotiations. BFET will use the International Finance Corporation (IFC's) Performance Standards on Environmental and Social Sustainability as a baseline with additional required reporting on the details of the investments made and expected mitigation impact of those investments. To the maximum extent possible, CFDA will seek to align and streamline reporting requirements and timing with those of other investors.

22. Papua New Guinea shares the same land mass with Indonesia (east of Papua). Can PNG be considered eligible under Indonesia?

PNG is not considered part of Indonesia as it is its own island country, and will not be considered as a priority country under BFET.

23. Is there any template available for the Technical Concept Approach Proposal? If unavailable, what are the main points that needs to be included?

Please see the instructions in Annex B.

24. Could you clarify whether "applicants" mentioned in "Section III. Eligible recipients" refers to the fund manager or the fund itself?

"Applicants" in Section 3 refers to fund managers or other capital deployers who will be using the awarded catalytic capital to mobilize investment towards BFET's priority geographies and sectors.

25. Is there any other medium through which we need to submit the proposal package other than the link included in the ClimateLinks page?

No, the proposal package must be submitted only through the CFDA Proposal Portal for BFET, which can be found at the following link: <https://airtable.com/shrBLUGR8Xx6pU002>

26. Are there any guidelines or templates you can share for the Cover Letter and Technical Approach Concept Proposal?

A cover letter template is found in Annex A of the RFCP. Guidelines for the concept proposal are found in Annex B. There are no templates available for the technical approach portion of the concept proposal.

27. Can you please elaborate on whether the “3d. Management, Key Personnel, and Certification” section on the CFDA Proposal Portal for BFET refer to certifications held by the team members?

No, the certification that must be signed is found in Annex B of the RFCP, under Part II. Management, Key Personnel, and Certification. The certification must be signed and included in the submitted PDF document.

28. Can you please elaborate on this Key Question under Annex B of the RFCP: *What are your assumptions around the structure required to deploy the catalytic capital?*

See Amendment 1. After additional consideration, we have removed this key question from Annex B and the proposal portal. Applicants should provide as much detail as possible about their investment structures and use of catalytic capital in the concept proposal technical approach slide deck.

29. Can universities apply?

Please refer to Section III. Eligible Recipients of the RFCP for further information on types of organizations that may participate in this process.

30. What are the eligibility criteria?

Please refer to Section III. Eligible Recipients of the RFCP for further information on types of organizations that may participate in this process. Please refer to Section V of the RFCP for the Evaluation Criteria.

31. Is this open to first time fund managers?

Please refer to the response to Question 29. First time fund managers are eligible to apply.

32. Could we work with local partners that are strong with climate financing?

Please refer to the response to Question 6. Per our eligibility criteria, Applicants may only submit one application per prime organization under this RFCP. Applicants can submit as a “consortium” but CFDA will only provide an award to one organization. Applicants will need to manage whoever they want to work with internally, as we will only provide funding to one organization.

33. What is the geographic focus and technical emphasis of the program?

Please refer to the eligibility and evaluation criteria detailed in the RFCP.

34. Are we eligible to submit RFCP for Liberia in West Africa?

Please refer to the response to Question 10.

35. Are non-profit organizations based in US eligible?

Please refer to the response to Question 29.

36. Are eligible applicants limited to fund managers?

Please refer to the response to Question 29.

37. Can you speak to why you set the fund size at \$250M and not lower as this provides a barrier of entry to emerging managers?

The core focus of BFET is unlocking large pools of institutional capital that often have limitations on minimum ticket size and maximum concentration in a fund, and, for this reason, a minimum threshold was set. As such we would like concepts to have a minimum of \$250M of capital directly in the proposed structure and would encourage applicants to describe the full extent of capital mobilized which could include additional debt unlocked following investments by equity funds, recycling of debt funds, etc. Note that all proposals will be evaluated based on the criteria stated in the “Application Criterion” table in the RFCP (under Section V).

38. Can permanent capital vehicles be considered eligible?

Yes, permanent capital vehicles are eligible. Proposals will be evaluated based on the criteria stated in the “Application Criterion” table in the RFCP (under Section V). Please refer to Section III. Eligible Recipients of the RFCP for further information on types of organizations that may participate in this process.

39. What are the common mistakes made in proposals?

All concept proposals must be submitted in accordance with the instructions provided in section IVE of the RFCP. Organizations that meet the eligibility criteria may submit their concept proposals in accordance with the instructions and evaluation criteria presented.

40. Please share more about the expected release date of a solicitation.

The RFCP was released on April 13, 2023 and the due date for concept proposals is May 24, 2023.

41. What is the coverage of the funding? Which regions are excluded?

Please refer to Section I. Program Description for excluded regions and Section II. Award Information for the coverage of funding.

42. At what stage of development must the concept be to be eligible for support?

See Amendment 1. There are no requirements in terms of the stage of development for the investment concept. However, investment concepts must have (1) an investment team in place in order to be evaluated against the evaluation criteria listed in the RFCP and (2) a clear pathway to reach first close within one year of the date of award (on/around September 2024).

43. How will partnerships with CFDA work? Will the lead applicant have access to organization databases?

Upon selection and award, CFDA will work closely with the awardee(s) to determine the grant/subcontract structure including final timelines, deliverables, deal structure, and the terms of catalytic capital. Additionally, CFDA will work closely with the awardee(s) to understand how to comply with USAID regulations and fulfill requirements in terms of reporting, communications, and other general project management activities. The awardee(s) will be expected to provide inputs to the CFDA Learning Agenda with the goal of helping USAID and other actors in the climate finance ecosystem more effectively deploy capital at scale for climate mitigation and adaptation.

44. Can you please clarify the relationship between Chemonics International, CrossBoundary, USAID and Department of State?

Chemonics International is the prime implementing partner of the CFDA project (under which BFET is being implemented). CrossBoundary is partnering with Chemonics to provide advisory support to BFET. USAID and Department of State are contributing catalytic financing for the BFET program.

45. What is the definition of private money under BFET? How is the multiplier (1 to 10 leverage ratio) calculated?

The program does not have a strict definition of private money, but philanthropic giving and DFI/ MDB capital should not be considered as private capital. Concept proposals that meet the minimum eligibility requirements in Section III will be evaluated against all the criteria described in the “Application Criterion” table in the RFCP (under Section V).

46. What is the maximum amount of catalytic capital anticipated to be allocated per investment partner?

No fixed threshold has been anticipated. The maximum of \$50M in catalytic capital is expected to be awarded in the event one applicant is successful, subject to the concept proposals received as part of Stage 1 of this procurement process, and a successful Stage 2.

47. How advanced are you on mobilizing additional \$35 million of grant capital?

The BFET program is in active engagement with governments, philanthropy, and other relevant partners to mobilize this capital. We would be interested in receiving proposals that also bring additional grant capital that can be counted towards the \$35 million highlighted in this question. In response to this RFCP, applicants should develop concept proposals based on a scenario where the total non-repayable catalytic capital available to the investment partner equals 5 percent of the total fund size (e.g., \$50 million for a \$1 billion fund, \$15 million from Chemonics and an additional \$35 million from other catalytic capital providers). A key assumption is that \$50 million in non-repayable catalytic capital can be sufficient for a \$1 billion vehicle, especially when combined with subordinated debt or equity in the vehicle structure. The BFET program is also engaging with institutions to consider providing this type of support. Applicants are encouraged to develop proposals with tiered structures.

48. The RFCP indicates that the duration of the award is 3 years. Do you expect the entire \$1 billion to be invested in 3 years?

See Amendment 1. We do not necessarily expect the entire \$1 billion to be invested within 3 years of the award date. However, we require the final close to be achieved within 3 years of the date of award (on/around September 2026) – e.g., for a \$500M fund, the fund manager must achieve a final close for the \$500M amount within 3 years. First close will be required one year from the date of award (on/around September 2024). Applicants should invest capital at a rate that is, at a minimum, consistent with industry practice.

49. Does BFET fund government-led energy transition programs?

CFDA will evaluate this on a case-by-case basis and see the exact structure and involvement of this government implementing entity. CFDA is prohibited from giving grants to any type of government entity, so would require more detail in this case.

50. How much of this USD 1 billion capital can be invested as junior / first loss capital?

In response to this RFCP, applicants should develop concept proposals based on a scenario where the total non-repayable catalytic capital available to the investment partner equals 5 percent of the total fund size (e.g., \$50 million for a \$1 billion fund, \$15 million from Chemonics and an additional \$35 million

from other catalytic capital providers). The program will favor concepts where DFI/MDB capital is subordinated to other commercial capital to further mobilize private financing for the energy transition in the target geographies. We would look to the fund manager to optimize their capital stack.

51. Is Western Balkan region among emerging markets defined by your call for proposals?

Please refer to the response to Question 10.

52. We are interested in understanding potential eligibility for a VC fund investing in climate solutions in Sub-Saharan Africa.

Please refer to responses to Questions 10 and 29.

53. Is an NGO eligible for the process? Does it need to have any kind of alliance or does it have to proof any amount of capital?

Please refer to response to Question 29. CFDA will only accept and review concept proposals that respond to the Program Description in section IB and the Evaluation Criteria in Section V of the RFCP.

54. Are you only focused on mitigation/transition or also on adaptation and resilience in this program?

Please refer to Section IB. Program Description and the Evaluation Criteria in Section V of the RFCP for the technical focus of BFET.

55. How can impact fund managers benefit from the program?

Please review the RFCP to determine if this would be relevant for you.

56. Are projects located in emerging markets but backed by companies in developed countries not allowed? If so, why?

Proposals that mobilize capital for projects located in emerging markets are eligible for this program. Please detail this in your proposal should there be a developed country component. Concept proposals that meet the minimum eligibility requirements in Section III will be evaluated against the criteria described in the "Application Criterion" table (under Section V).

57. Will Chemonics provide opportunities for those interested in partnering on this opportunity to meet and find collaborators?

It will be incumbent on offerors to find collaborators and partners for this opportunity.

58. Is there a minimum or maximum grant size under this activity?

Please refer to Section II. Award Information for information on expected award size.

59. What MDBs are willing to take a subordinated position rather than the senior position they almost always prefer?

Specific MDBs willing to take a subordinated position have not been confirmed. U.S. Department of State, USAID, and CFDA are actively engaging MDBs in discussions and are hopeful that such an arrangement is possible for the selected investment partner. It will be up to the applicant to propose the structure in their concept note, and we would look to the fund manager to optimize their capital stack.

60. Can concepts for smaller fund sizes be submitted if truly innovative and mobilization targets are met?

Please refer to the response to Question 37. CFDA will only accept and review concept proposals that respond to the Program Description in section IB and the Evaluation Criteria in Section V of the RFCP.

61. Can Fund Managers solicit funding proposals for existing impact funds that wish to expand?

Yes. Proposals will be evaluated based on the criteria stated in the “Application Criterion” table in the RFCP. Note that CFDA will only accept and review concept proposals that respond to the Program Description in section IB and the Evaluation Criteria in Section V of the RFCP.

62. Are there any restrictions on where bidding financial institutions must be domiciled?

Funds and financial institutions domiciled in the United States are subject to certain limitations in terms of how CFDA can deploy the catalytic funding envisioned in BFET. Per Key Question 7 in Annex B, applicants should confirm whether there is any flexibility on location to suit USG/other investor requirements.

63. Can the geographical scope include Mexico and India?

Please refer to the response to Question 10.

64. What is the duration of this facility to be utilized especially in scenarios when an investment period for a fund is 5 years?

Please refer to the response to Question 48.

65. What are the selection criteria for transition projects?

Please refer to the Evaluation Criteria in Section V of the RFCP.

66. Have you already identified some projects to support emerging markets’ energy transition efforts?

CFDA has not pre-identified projects relevant for BFET.

67. How will be the 51% minimum on India, Indonesia, Vietnam and South Africa calculated?

Please refer to the response to Question 10.