

Climate Finance for Development Accelerator (CFDA) Request for Proposals (RFP) # 2023-0012-RFP Answer to Ouestions

- 1. Is this procurement opportunity a grant or a tender given the budget ceiling of USD 300,000?
 - This solicitation is a request for proposals for a subcontractor.
- 2. Could you provide more details regarding the qualifications and expertise you are looking for in a subcontractor for this project?
 - Please refer to Section III. Statement of Objectives and III.3 Qualifications for details. Applicants will be evaluated on their ability to propose a team that meets these qualifications, relevant corporate capabilities, and a technical approach that can deliver the activity's objectives.
- 3. Could you please specify the primary target audience for the financial structure to be developed? Are we focusing on small and medium-sized ISPs, larger telecom operators, or a mix of different types of digital infrastructure providers?
 - The primary target audience will be the financial industry, digital infrastructure and equipment providers, banks, development finance institutions, multilateral development banks, and relevant ICT and telecommunications government advisors. Based on knowledge and expertise of gaps in digital infrastructure ecosystems in LMICs, the applicant is expected to develop a proposal that targets these audiences that are critical for growing and deploying capital available to expanding open, inclusive, and secure broadband connectivity in those countries. Any further specificity will be determined during co-creation with USAID/ITR and Microsoft who seek to have a broad set of options explored in order to identify the best approach to closing the financing gap for broadband connectivity.
- 4. Does the project specifically target any segment within the digital infrastructure sector, such as upstream manufacturing, midstream network operations, or downstream service provision?
 - See Answer to Question 3 above. The activity does not specifically target any segment within the digital infrastructure sector. The decision to target a segment in which capital availability to expand open, inclusive, and secure broadband connectivity is needed to expand broadband connectivity is at the discretion of the applicant.
- 5. For the blended finance vehicles, are we looking to focus on pre-seed, early-stage, or growth-stage digital infrastructure companies?
 - The activity does not specifically target digital infrastructure and equipment companies at a certain development stage. The decision to target a specific stage of digital infrastructure companies for the blended finance entity is at the discretion of the applicant. Any further specificity will be determined during co-creation with USAID/ITR and Microsoft who seek to

have a broad set of options explored in order to identify the best approach to closing the financing gap for broadband connectivity.

6. While the RFP indicates a strong focus on Africa, are there specific countries or regions within Africa or other low- and middle-income countries that are prioritized for this project?

There are no specific countries or regions within Africa or other LMICs that this activity targets, and USAID/ITR is seeking proposals that will cover a wide variety of geographies. The decision to target a specific country/region(s) in a proposal is at the discretion of the applicant.

7. Could you elaborate on the criteria that will be used to select digital infrastructure partners for capital expansion?

At this stage, no further details will be provided on the criteria that will be used to select digital infrastructure and equipment partners for capital expansion.

8. How will the success and impact of the financing entity be measured, particularly in terms of climate resilience and digital inclusivity?

This question will be addressed during the co-creation and design process of the activity. At a minimum, the number of new secure nodes or network connections established would be tracked.

9. Could you provide more details on the expected nature and extent of collaboration with USAID/ITR and Microsoft in the co-creation and roadmap design process?

USAID/ITR and Microsoft, through CFDA, will provide ongoing guidance for the selected subcontractor throughout both phases of the activity, as needed for successful implementation. A co-creation workshop is planned on/around February or March of 2024 during which the subcontractor will present initial research, analysis, and recommendations on potential financial models and financing approaches to select members of USAID/ITR, Microsoft and other stakeholder groups. Following this co-creation workshop and inputs received, the subcontractor is expected to develop a roadmap for launching the selected financing entity. USAID/ITR and Microsoft will be involved in reviewing and providing inputs on the roadmap. Based on the roadmap design, USAID/ITR and Microsoft will collaborate with the subcontractor to engage potential partners and investors who may support the selected financing entity.

10. How do I submit my concept paper? What is the deadline for the submission? Are there other documents to be attached when submitting?

Proposals must be received no later than 5:00pm EST on December 1, 2023 via the CFDA portal. If Offerors experience any challenges with the submission portal, email CFDAProcurement@CFDAccelerator.com. Please reference the RFP number in any response to this RFP. Proposals received after the specified time and date will be considered late and will be considered only at the discretion of Chemonics. Please refer to Section I of the RFP for details on required submission documents.

11. Can you indicate a targeted size range of the anticipated financing vehicle?

Setting an estimated or targeted size of the proposed financing entity will be the result of the options discussed in the subcontract and will be established in consultation with USAID/ITR, Microsoft, and other stakeholders. The broadband infrastructure gap in Africa alone is estimated to be over \$100 billion. Applicants should be prepared to develop and propose financing entities in excess of several hundred million USD.

12. The open LMIC geographic scope with a potential focus on Africa is noted. However, considering significant variances in political, regulatory, market (incl. pipeline) and macro (incl. currency) conditions in different countries (also in Africa), has a shortlist of potential geographic focus areas or countries been identified? Or is this to be determined as part of the contract? If so, then what is the scope of geographic appraisal that will need to be conducted to narrow the market down?

Please see response to Question 6.

13. Can an indication of LOE split between research to be provided by CFDA and to be additionally conducted by consultant be given?

This information will not be provided. The decision to allocate LOE among proposed staff to achieve the objectives in the Statement of Objectives is at the discretion of the applicant.

14. Can any details regarding expected domicile/jurisdiction of the financing vehicle and fund management arrangements be shared at this stage?

These details will not be shared at this stage.

15. The RFP refers to digital infrastructure partners – is this an existing pipeline? Will details be provided regarding these partners and their financing needs? What pipeline detail will be made available?

Please see responses to Questions 3 and 5. No details about a pipeline of digital infrastructure and equipment partners will be shared at this stage. Applicants are welcome to present their familiarity with capital gaps of digital infrastructure and equipment providers of which they are familiar or have expertise in addressing. Further information will be provided in the co-creation stage.

16. Could you kindly elaborate on the specific skills required with regard to your point 6 in the qualification criteria "Experience in telecom regulatory requirements..."?

Developing an entity to finance capital for digital infrastructure providers, such as internet service providers, requires familiarity with foreign ownership rules, foreign direct investment rules, import duties and processes, spectrum license requirements, and cybersecurity requirements and policies that may or may not apply to digital infrastructure and equipment firms financed by the proposed entity.

17. Does involvement in this RFP (submitting a proposal and/or serving as the subcontractor) preclude an entity from any future work on establishing, capitalizing, managing, or otherwise supporting the financing entity that results?

No.