

# Request for Proposals – External Fund Manager, SHIFT

Based on Q&A webinar session held on 24<sup>th</sup> September 2015

## **Size of the Fund in monetary terms**

- USD 10 Million for providing co-matching grants through the Challenge Fund from SHIFT programme budget. Also please refer to pg. 34 of RFP document where details on capital is mentioned.
- Apart from the USD 10 million mentioned above, there may be windows or rounds funded through other programmes, donors, investors etc. directly to Challenge fund grantees, using the SHIFT Challenge Fund operating systems and rules.

## **Expected personnel structure of the Fund manager in the RFP mentions 3 positions, on Page 29 it mentions Analysts and Junior Analysts, whereas on page 40 it mentions Analyst. How many persons are required?**

- Three persons are required – one Senior Analyst, one Analyst and one Junior Analyst. Please read on Page 29, “Analysts” as “Analyst”

## **Possible extension of the deadline for the submission of proposals.**

- At present the deadline for submission of both technical and financial proposals is - 12:00 pm, US Eastern Time, on **Wednesday, 14<sup>th</sup> October 2015** and we would like you all to submit your proposal within this timeframe.

## **Who can participate in the Fund mechanism?**

- If Fund mechanism participation relates to partnerships, then the SHIFT Challenge Fund Facility platform can be used by any donor, investor, financial institution, programmes who want to provide grants or other financial products to SHIFT target beneficiaries, by using the SHIFT Challenge Fund operating systems, rules and structures, and are aligned with SHIFT Programme objectives.
- If Fund mechanism participation is related to potential grantees, then indicatively all applications must
  1. be led by a private sector organisation (PSO), which adheres to the relevant regulatory requirements of its operations.
  2. Consortia are encouraged, led by the PSO, with partners from any of these organisations: Private Sector Organisations (PSO) or companies: private, limited companies, corporations, also a foreign firm or joint venture or multinational company; A Civil Society Organisations (CSO) including NGOs, Business Member Association (BMO), other Association, Cooperative, Community Based Organisation; State-owned commercial banks (SOB);
  3. Individuals cannot apply.
- This above is indicative, and the eligibility conditions (especially on State Owned Enterprises eligibility) will be finalised based on window and country requirements.

## **Which countries are covered by Fund?**

- The SHIFT programme covers all ASEAN countries.
- At present, based on current level of funding, the SHIFT Challenge Fund focuses only on Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV) for project implementation.
- The SHIFT Challenge Fund focus countries may be later opened up to include other countries – mainly Indonesia and Philippines. However, please note for the purpose of this RFP, please only consider

Cambodia, Lao PDR, Myanmar and Viet Nam. If later SHIFT Challenge Fund decides to cover other ASEAN countries, UNCDF will sign an addendum with the EFM on the same taking also into consideration any financial implications.

- In terms of organisations who are eligible for implementing projects in CLMV, it is open to all countries, but should be eligible to operate commercially as per regulations of the project country.

**We find it difficult to prepare the cost proposal. On what basis the cost proposal will be evaluated?**

- The financial proposal will be evaluated against the following criteria:

1. Cost for rounds (for round 1 to round 10);
2. and, cost for phases (Pre-launch phase, Fund implementation phase and M&E phase)

- Please use the following assumptions for developing your cost proposal:

1. Each round will be a maximum of USD 2 million, with average of 10 grantees. Each round will have projects being implemented for average of 2 year duration.
2. The total cost for sub-section A and sub-section B in the Section 7: Financial Proposal Form should be the same.

- The calculation method will remain the same – lowest price offer/price of the offer being reviewed \*100.

**Will UNCDF pay for the costs of workshops and communication materials, and we need not include that in our proposal?**

- Yes, UNCDF will pay for the costs of workshops and communication materials. You are not required to include these costs in your proposal. However, the External Fund Manager team will be required to provide inputs on workshop and communication design and content based on pipeline and other stakeholder requirements.

**Is it plan to use DCED standards for monitoring and evaluation?**

- Yes, DCED standards will be used, along with CGAP guidelines for funding on market system approach and others, to be flexible enough for ensuring practical implementation aligned with SHIFT Challenge Fund design and it being a grant funding facility.

- SHIFT Programme is presently hiring consultants for M&E operations development, M&E advisory and Training.

**Is the fee to be paid to the External Fund manager part of the fund?**

- No, the fee to be paid to the External Fund Manager is not part of the USD 10 million SHIFT Challenge Fund mentioned.

## Questions raised through email

### Roles and responsibilities

**The TOR in the RFP appears to put greater emphasis on SHIFT than CleanStart. What is the relationship between the SHIFT and CleanStart funds and what is the role of the External Fund Manager (EFM) in the management of each fund?**

- The Challenge Fund facility has been set up by SHIFT Programme which is ASEAN focussed. The SHIFT Challenge Fund Facility has been designed in a way that other donors, investors, financial institutions or programmes, can use the SHIFT Challenge Fund Facility platform for meeting their respective programme objectives on financial inclusion in ASEAN.
- CleanStart Programme is one of the Global thematic programmes of UNCDF. CleanStart programme is using the SHIFT Challenge Fund Facility platform and its operating systems and structure for funding a specific window on Energy Access being implemented at present.
- During the External Fund Manager RFP announcement document formulation stage, since CleanStart Programme had already partnered with SHIFT programme to announce the CleanStart Energy Access Window, we have mentioned about CleanStart too in the RFP document. The Challenge Fund is housed under the SHIFT Programme, whereas CleanStart is only one window of the Challenge Fund. CleanStart is directly funding the grantees of the CleanStart Energy Access Window using the SHIFT Challenge Fund platform.
- The CleanStart Energy Access Window has already been announced and we plan to complete the contracting with grantees by end of this year. The External Fund Manager once selected, is expected to be commencing work from December 2015/January latest. Hence the remaining work left under the CleanStart Energy Access Window for EFM is related to monitoring of projects and exits.
- Bottom line: The EFM is not managing two funds or multiple funds. Please note that the EFM is not managing the fund. EFM is only working on aspects of pipeline development, due diligence, monitoring and evaluation etc. aspects (as mentioned on pg. 35) of the SHIFT Challenge Fund.

**On RFP pg. 34 it says that “it is expected that additional capital will be sourced with a projected total fund size of US\$10 million for SHIFT and US\$ 2 million for CleanStart.” Who is responsible for raising the additional funds and by when is this anticipated?**

- UNCDF SHIFT Team is responsible for raising the additional funds. It is anticipated that by 2017 end, SHIFT Challenge Fund would have raised a total of USD 10 million for providing co-matching grants directly to Challenge Fund applicants from its budget.
- The External Fund Manager will also participate in networking and recommending to UNCDF SHIFT team on possible partners, based on the discussions and information EFM will collect from stakeholders in CLMV countries and through networking as part of pipeline development. EFM is also expected to support the SHIFT team by providing inputs to proposals being developed to raise funds.

**There appears to be a significant amount of similarity and potential for overlap in the work described for the EFM and UNCDF according to the table on pg. 35.**

- a) Can you describe the specific role of the EFM and how it differs from the various positions with UNCDF?

- The role is complementary. It is clear from the roles and responsibilities (please refer to pg. 35) that UNCDF is involved in final approvals, formal submissions, contracting, and reviews. The SHIFT Fund Facility Coordinator will be directly involved in working with External Fund Manager and managing the work expected from the External Fund Manager. UNCDF has the final authority to sign and make payments. The SHIFT Programme Manager is responsible for ensuring UNCDF undertaking of this role. The Programme Manager also acts as secretariat to the Investment Committee and reports to the Programme Management Committee. The M&E, Communications and other staff will play support roles in terms of aligning the Challenge Fund - project level M&E and fund level M&E with SHIFT Programme level M&E, on communication materials, knowledge management and facilitating stakeholder engagement, and contracting related activities respectively.

**b) Can you describe how the roll-out is expected to happen?**

- Once the EFM is on board, the activities listed in the RFP document against EFM role and responsibilities will be implemented by EFM. Before the EFM gets on board, all the activities at present of EFM is being undertaken by SHIFT Team.

**c) Is the role of the EFM expected to be primarily technical, managerial, or implementing (or some combination of these)? Please describe.**

- It is a combination based on stages of Challenge Fund and specific Window processes, as mentioned in the RFP document (please refer to page 35 of the RFP document).  
- Please note that EFM does not manage the fund. It does not have any fiduciary responsibility or any function with respect to budget management of the Challenge Fund Facility.

**RFP pg. 36 says, “the fund facility will be managed directly by UNCDF, and the External Fund Manager will be involved primarily in fund pipeline development, developing stakeholder collaborations for ensuring technical service provision and investments required by the grantee, due diligence of grantees, monitoring and reporting functions.”**

**a) Which stakeholders are expected to collaborate for the provision of technical services?**

- The kind of technical services required by Challenge fund applicants will vary based on the focus of windows and stage at which the Challenge fund applicant is.  
- Please note that Technical assistance provided will be part of grantee fund application and the grantee will source/contract the TA provider directly.  
- We would like to know from you as part of your RFP submission, on what you think would be the range of stakeholders required. The EFM will be responsible for developing this network of TA providers based on Challenge fund applicant’s project and window requirements.

**b) Other than UNCDF and the EFM, are there other predefined participants or collaborators?**

- No.

**c) Is there a budget for technical assistance or other technical services?**

- The budget for technical assistance will be included as part of the overall project cost by the Challenge Fund applicants. The Challenge Fund applicants will be hiring TA providers directly, not through UNCDF or EFM. EFM will only develop this database/network of TA providers from which the Challenge Fund applicant can identify and select a TA provider if required.

**d) Is the EFM expected to have any specific technical role or be able to provide any technical service to UNCDF or any of the grantees or partners?**

- The EFM will be involved in training the Challenge Fund potential applicants (at the RFP stage) on business proposal development, and post grantee selection on results chain, monitoring and evaluation aspects.
- If there are any technical role and services you feel is required to be provided by the EFM, then please do mention that in your proposal.

### Management structure and key personnel

**On page 29 of the RFP, the evaluation form suggests that the 3 key positions are: Senior Analyst (singular), Analysts (plural), and Junior Analysts (plural), whereas on pg. 40 they are all mentioned in singular and 2 CVs are required for each position in the proposal. Is there a maximum number of staff for each position?**

- Maximum one staff for each position is requested for. Each of the three position are singular, hence please read all position as singular. Analysts or Junior Analysts (plural) getting mentioned is a mistake.
- Two CVs are being requested for each position, so that UNCDF may have a choice of selection during contracting stage. Secondly if substitution is required during the implementation phase, the second CV provided can be preferred both by EFM and UNCDF and easier to approve.

**Is there any flexibility in the titles or qualifications for each key position? Can the proposer change some combination of the title, the job description or the quantity of people in each position if the proposer believes that it will add value to the project?**

- For uniformity and comparative evaluation, it is suggested that the present titles and qualification for each position be adhered to.
- Quantity of people for each position is only one that will be part of the EFM team.
- We would certainly appreciate your suggestions on the EFM team profile and other suggestions you may have. You can suggest as part of your proposal submission.

**If the EFM is managing both SHIFT and CleanStart funds, do they have the same staffing structure or are the same 3 key positions cover both funds?**

- Please note that the EFM is not managing any funds. EFM has no fiduciary responsibility or any function in respect to budget management of the fund.
- EFM will be working on only SHIFT Challenge Fund processes as outlined on page 35 of the RFP document.
- CleanStart Programme is funding one of the Window of SHIFT Challenge Fund and does not need a separate management.
- Please also go through related answer provided about SHIFT and CleanStart in one of the previous questions in this document.

**Is there a budget for additional technical experts that the EFM can draw upon?**

- Please refer to the requested information on management structure and staff time allocation, pg 51, Section 3 on the RFP. It is up to you to propose on budget allocation.
- EFM will not be provided with an additional budget post contracting for technical experts that EFM can draw upon.

**Is there a budget for an EFM Project Manager or Coordinator?**

- Please refer to the requested information on management structure and staff time allocation, pg 51, Section 3 on the RFP. It is up to you to propose on management structure and budget allocation.

**Can a proposer that would like to enter into a consortium with another firm split key positions between firms or add short term technical assistance roles?**

- Yes, key positions can be split or for short term technical assistance roles. However, the management structure that you propose has to be strong enough to handle multiple organisational and individual activities. This will be considered as part of the technical proposal.

## Financial

**Please confirm the total anticipated budget for the facility?**

- There are SHIFT programme related documents available on UNCDF website, which you may refer to for understanding more about the programme and outputs.

**Of the budget for the facility, how much of the total budget is dedicated to be distributed through the Challenge Fund?**

- USD 10 million from SHIFT programme budget. Also please refer to page 34 and 35 of the RFP document.

**Are the Program Management Committee, Program Manager, Fund Investment Committee, Fund Facility Coordinator, or SHIFT team paid from the Fund?**

- Not out of the USD 10 million USD mentioned above.

**Is the External Fund Manager paid from the Fund?**

- Not out of the USD 10 million mentioned above.

**Is there any further information available to proposers on the funds available for the External Fund Manager and management and administration?**

- There are SHIFT programme related documents available on UNCDF website, which you may refer to for understanding more about the programme and outputs.

**Is there a limit to the overhead/management fees or profit rate that can be proposed by the EFM?**

- We would like you to propose.  
- We would be interested in proposals that have low overheads/management expenses.

**On pg. 18 of the RFP, as well as in the datasheet on pg. 20, it says that advanced payment is not allowed for this contract.**

**a) Can UNCDF provide further information regarding the terms and schedule of payment for this contract?**

- The terms will be detailed out on annual basis, and schedule of payments may be half-yearly or yearly, or based on stages of each window.

**b) Is the proposer expected to advance the funds for the facility and seek reimbursement from UNCDF? If so, what is the reimbursement schedule?**

- The EFM does not have fiduciary responsibilities, hence no funds will be advanced by EFM to Challenge fund grantees.

**What is the revised date and time for opening of financial proposals?**

-within couple of days, after the submission deadline. Please note that this is not a Public Bid opening exercise.

**On RFP pg. 34 it says “each round under selected window is estimated to be minimum of USD 1 Million. It is proposed that the minimum co-matching grant provided to each project will be USD 150,000 and maximum USD 750,000.” Can UNCDF please explain where the co-matching grant is being sourced from and how this is expected to complement grants from the challenge fund?**

- Co-matching grant is expected from the grantees to complement grants from the SHIFT Challenge Fund.

**On pg. 39 of the RFP it says “to keep operations costs as low as possible, the EFM should not be overly burdened with staff costs, nor onerous service provider fees.” Can UNCDF provide further explanation about what are allowable and unallowable operations costs and how UNCDF defines ‘keeping operations costs as low as possible’?**

- The above quoted statement is an explanation provided by us, based on which a maximum of three persons have been proposed as team of EFM.

- UNCDF does not have any demarcations on allowable or unallowable operations cost and leaves it to you. We would be interested to know how you propose to keep the operations cost lower.

**On pf. 41 it says, “The person days invested by each of the team members will vary based on the number of grantees and periodic tasks proposed. The proposer should share the costs of all the major activities to be undertaken. It should also be noted that there is a flexibility that needs to be shown during period of high intensity workload, such as those during ‘calls’, and the contracting work that follows.” Does this mean that additional person days can be funded for the EMF in addition to the 3 positions of Senior Analyst, Analyst and Junior Analyst?**

- There is no extra funding to be provided to EFM once contracting is done based on annual plans.

- We are suggesting that EFM takes the kind of workload variation into consideration while developing their proposals.

## Geography

**In the CleanStart description on page 32, second paragraph, it says “CleanStart was first launched at the country-level in Nepal and Uganda, and will focus its new activities on Ethiopia, Cambodia (and another country in Asia or Africa)”. Is the proposed External Fund Manager responsible for managing funds going to these countries outside of the CLMV country focus of SHIFT? Could you please clarify the areas of focus of this fund?**

- At present the SHIFT Challenge Fund is focussed on projects in CLMV. EFM is only responsible for working on the SHIFT Challenge Fund and hence does not need to work on CleanStart focussed countries beyond CLMV at present.

**Is the EFM expected to reach all target countries itself through the 3 staff positions? Can additional staff positions or consultants be included?**

- Please refer to explanations provided on Page 39 and 40 of the RFP document.



## Performance evaluation and targets:

### **What are the key performance indicators for this project?**

- There are SHIFT programme documents available of UNCDF website, which you may refer to for more information.

**On pg.33 target for beneficiary number is indicated as 800,000 (65% women).**

#### **a) Is this target for direct or indirect beneficiaries? Meaning, should 800,000 women be directly affected by the grant facility as recipients, or should they be indirectly benefitting from financial inclusion as a result of the grantee initiatives?**

- The target includes both direct and indirect beneficiaries. Co-matching grants under the SHIFT Challenge Fund will be given to projects for benefitting individuals, and also micro and small businesses.
- Being a market development based programme, the numbers also includes attributable targets, which is expected to be reached beyond 2020.
- Please note in your question, it should be 800,000 beneficiaries, and not 800,000 women.

#### **b) How many grants is the challenge fund anticipated to make?**

- Please refer to page 34 on expected number of minimum grants to be made.

**RFP pg. 34 indicates that the first two years of phase 1 is the period when all investments must be made. What value or number of investments have to be made within this timeframe? What is the consequence if not all investments can be made in the first 2 years?**

- In terms of value, it is expected to be USD 10 million from SHIFT programme budget. Please refer to page 34 on expected number of minimum grants to be made.
- In the case that all investments planned for are not made within the scheduled period, we will extend the windows for another one year.

**Will all grants have to be exited before the end of the project period (end of phase 2)?**

- For the present USD 10 million fund, all grants have to be exited before the end of year 2020.

**Is there a target for the quantity of recipients that transition to a commercial source of funds within the timeframe of the project?**

- No targets as of now. Will depend on windows, and type of projects and grantee requirements.

**Under what circumstances might UNCDF choose to terminate the contract with the EFM at the end of phase 1?**

- Please refer to UNCDF General Conditions of Contract for Services – pages 61 to 68 enclosed in the RFP.
- At the end of phase 1, the contract may not be renewed if EFM has not been able to perform its contracted tasks to the satisfaction of UNCDF.