

## Call for Proposals: Using Blended Finance to Build Financial Resilience for Women

### WHAT?

**Our quest is simple. We want to drive significant amounts of private investment capital to support women in developing countries.** We are looking for your bold ideas, and actionable plans as well as the scale-up of proven solutions and the right people who will get it done. We expect you to show us how you will leverage USAID funds to mobilize and invest private sector capital to benefit women.

**USAID's Women's Global Prosperity Program (W-GDP)** is committed to closing the gender financing gap at scale and creating financial resilience for lower income women in the developing world. The *program's Invest in Women* portfolio uses blended finance to catalyze private capital and mobilize sustained private sector involvement for women-owned or led businesses; businesses that disproportionately hire women; and businesses that deliver services and technologies particularly suited to serving women.

### WHY?

**Inequality and a lack of access to financial services** can leave women in developing countries and their businesses more susceptible to, and less prepared for economic shocks. W-GDP can play a key role in strengthening women's financial resilience and access to markets, to better manage risk during challenging times and to successfully sustain their livelihoods and achieve continued economic advancement. W-GDP's *Invest in Women* program also lowers the risk for commercial investors in new markets, using blended finance approaches to spur new and additional investment, products, and services to create sustained economic opportunities for women.

### HOW?

**We will award up to US\$6 million in total funding to the winning proposal(s)**, with a minimum eligible bid of US\$1 million. We want to hear how you will deploy blended finance approaches to fund, test, and/or scale solutions that unlock significant private capital, innovative financial and commercial solutions, and/or sustainable economic opportunities to meet the demands of underserved women in developing countries.

### WHO?

Prospective partners may also include organizations using guarantees or grant, equity, and/or debt capital to de-risk investments in scalable innovations, new financial products, and parts of the impact investing field that build greater financial resilience for women in the developing world. **Qualified applicants:**

- Should seek to significantly scale financial services/products and/or investment—into the hands of low-income women and/or W-SMEs;
- Should be NGOs and Private Sector (including Banks, non-bank financial institutions, microfinance institutions, insurance companies, fintechs, debt funds, venture capital funds, private equity funds, investment funds, fund managers, de-risking funds, and/or other entities that can raise and deploy capital);
- Demonstrate a proven track record of successful investments—though are not required to demonstrate “gender lens” experience. (In fact, we hope to bring new players to the W-GDP Investing in Women portfolio.)

**WHEN?:** Your submission is due January 4th, 2021

**QUESTIONS:** Please contact us at [FINANCEWOMEN@thepalladiumgroup.com](mailto:FINANCEWOMEN@thepalladiumgroup.com)

## Funding Opportunity Notice: Blended Finance Approaches to Build Financial Resilience for Women--Program DETAILS:

<b>Funding Opportunity:</b>	<b>CATALYZE Innovative Blended Finance USD1-6M</b>
<b>Funding Opportunity Number:</b>	<b>FON-CATALYZE-WGDP-2020-03</b>
<b>Issuance Date:</b>	<b>December 1, 2020</b>
<b>Deadline for Submission of Concept Papers:</b>	<b>January 4th, 2021</b>
<b>Deadline for Questions</b>	<b>December 20<sup>th</sup>, 2021</b>
<b>Submit Concept Papers To:</b>	<b>financewomen@thepalladiumgroup.com</b>

The purpose of this Funding Opportunity Notice (FON) is to solicit applications/proposals from interested parties, wishing to receive funding from the CATALYZE Innovative Blended Finance (CATALYZE) program. Palladium is implementing a program, funded by the W-GDP Fund at USAID, and is seeking qualified applicants to implement activities that will build financial resilience for women-owned or led businesses, by responding to the persistent gender financing gap in developing economies.

W-GDP aims to play a key role in strengthening women's financial resilience to better manage risk during challenging times, as well as successfully sustain women's livelihoods and help them to overcome economic shocks. The W-GDP Invest in Women portfolio's "Building Financial Resilience" component seeks to partner with a community of financial institutions including investment funds, NGOs, social enterprises, insurers, private sector Banks and/or FinTechs to identify and deploy blended finance approaches, interventions, and innovations that crowd-in private capital and private sector engagement to help W-SMEs to:

- Access commercial financial services (credit, capital, savings, investing, insurance);
- Expand access to supply chains, and markets;
- Increase availability of and access to digital financial services;
- Support participation in business and entrepreneurship training; and
- Overcome barriers to professional growth.

**The Selection Process will deploy a rapid assessment mechanism to ensure a timely response to the ongoing effects of the COVID-19 pandemic.**

**Submission of questions:** should be addressed to [financewomen@thepalladiumgroup.com](mailto:financewomen@thepalladiumgroup.com) and will be reviewed and answered according to the schedule above and circulated via email to all who submit questions, and will be posted to the Palladium procurement website.

### 1. PROGRAM BACKGROUND

#### CATALYZE: WOMEN'S GLOBAL DEVELOPMENT AND PROSPERITY (W-GDP) RESILIENCE

The Women's Global Development and Prosperity (W-GDP) Initiative is a whole-of-government effort, led by the White House, to advance global women's economic empowerment. W-GDP focuses on three pillars:

1. Women Prospering in the Workforce

- a. FOCUS: Workforce development, vocational education, and skills training
  - b. GOAL: Increase women’s global labor force participation and advancement in the workplace by providing women with quality education, training, and support so they can secure and thrive in well-paying jobs in their local economies
2. Women Succeeding as Entrepreneurs
    - a. FOCUS: Access to capital, markets, networks, and mentorship
    - b. GOAL: Increase women entrepreneurs’ and business owners’ access to financing, market opportunities, and training to establish and grow their businesses
  3. Women Enabled in the Economy
    - a. FOCUS: Remove restrictive legal, regulatory, and cultural barriers
    - a. GOAL: Promote an enabling environment that increases women’s economic empowerment by reducing barriers and enhancing protections in policies, laws, regulations, and practices (public and private) to facilitate women’s participation in the economy

W-GDP aims to reach 50 million women in the developing world by 2025 through U.S. government activities, private-public partnerships, and a new, innovative W-GDP Fund. In its first year, W-GDP reached 12 million women worldwide.

CATALYZE aims to leverage blended finance to overcome the gender financing gap and build financial resilience, thereby driving women’s economic empowerment. When women are economically empowered, they re-invest in their families and communities, thereby producing a multiplier effect that spurs economic growth and contributes to global peace and stability. According to the recent McKinsey report “The Power of Parity,” advancing women’s equality could add \$12 trillion to annual gross national product globally by 2020.

W-GDP Resilience aims to empower women using blended finance by focusing on three key objectives in accordance with the W-GDP pillars:

1. Empower women to prosper in the workforce by providing workforce development, vocational education, and skills training;
2. Empower women to succeed as entrepreneurs by providing access to capital, markets, networks, and mentorship; and
3. Enable women in the economy by removing restrictive legal, regulatory, and cultural barriers.

## 2. FUNDING OPPORTUNITY STATEMENT

**Women have made major advances in labor markets over the past century.** During this time, there has been a clear convergence in women’s levels of human capital investment, as well as their employment prospects and outcomes relative to those of men. However, the world is not on track to achieve gender equality by 2030; according to the United Nations, it will take 202 years to close the gender gap in economic opportunity should the development community continue as it has. Indeed, the UN’s Gender Inequality Index—a measure of women’s empowerment in health, education, and economic status—shows that overall progress in gender inequality has been *slowing* in recent years. This is because gender gaps are deeper than originally thought. While there have been advances in health and education, little progress has been made for female political empowerment and for women’s participation in the labor market.

**Increasing women’s control over capital through gender lens investing and blended finance may drive more equitable economic outcomes.** Women, for example, are deliberately targeted in less than 5% of all blended finance transactions and only 20% even consider gender, per Convergence data.<sup>1</sup> Yet, data

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<sup>1</sup> Convergence. 2019. <https://www.convergence.finance/news-and-events/news/5lqarXZRuQEMKeyel9cl8e/view>

consistently shows that women-led enterprises can be viable investments. Financial institutions report that the rate of non-performing loans amongst female borrowers is 53% lower than amongst male clients<sup>2</sup>. Likewise, companies with gender-diverse leadership<sup>3</sup> have a 20% higher internal rate of return for private equity and venture capital funders than single gender teams.<sup>4</sup>

**Yet, despite the data on how investing in women makes economic sense, the gender financing gap remains—and has even worsened under COVID-19.** It is time for Financial Institutions to overcome constraints for women-owned or led businesses; businesses that disproportionately hire women; and businesses that deliver services particularly suited for women.

### 3. AWARD INFORMATION

Palladium, on behalf of USAID, anticipates awarding one or more grants and/or subcontracts to fund selected proposals/applications submitted in response to this FON. Further, innovative ideas more appropriate to other USAID programs will be considered for funding.

The FON solicits applications/proposals for interventions that will be implemented in all areas of the Global South, and offerors should clearly mention the geographic areas in which project activities will be implemented

**Concept Papers** in response to this FON may be submitted at any time up to the submission deadline and will be reviewed in accordance with the schedule for Concept Paper Submissions noted above. Successful applications/proposals will be selected for funding by the CATALYZE/Palladium Source Selection Team.

**Subject to availability of funds, Palladium intends to provide funding** no less than US\$1,000,000 and up to US\$6,000,000 in total funding for activities to begin implementation no later than March 31, 2023. Palladium reserves the right to fund any or none of the applications/proposals submitted.

**Funding:** Palladium may award a subcontract or a grant as a result of any applications/proposals received and evaluated. For the purposes of this FON a funded Subcontract is defined as a firm fixed price contract to procure goods or services at firm fixed prices, where payments are made for acceptable received and inspected services or goods in accordance with the stated criteria. Subcontracts may include profit or fee when priced.

For the purposes of this FON a funded grant is defined as an agreement by Palladium to fund the grantee on cost reimbursable or fixed price basis to carry out innovative concept proving, R&D or other work, which may or may not produce a desired final objective or a result. Grants shall not include any profit or fee when priced.

### 4. ELIGIBILITY REQUIREMENTS

This FON is issued as a public notice to ensure that all interested and qualified organizations have a fair opportunity to submit applications/proposals for funding. The following criteria will be applied to all offerors in to determine the eligibility of offerors:

- You should be seeking to significantly scale financing and/or investment for women-led small and medium businesses;

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<sup>2</sup> Financial Alliance for Women, 2020. <https://financialallianceforwomen.org/the-opportunity/#growthpotential>

<sup>3</sup> Defined as having between 30-70% females in leadership roles.

<sup>4</sup> IFC. 2019. <https://www.ifc.org/wps/wcm/connect/79e641c9-824f-4bd8-9f1c-00579862fed3/Moving+Toward+Gender+Balance+Final.pdf?MOD=AJPERES>

- You can be a bank, non-bank financial institution, microfinance institution, insurance firm; fintech, debt fund, venture capital fund, private equity fund, investment fund, fund manager, or other entity that can raise and deploy capital;
- You can partner with other people or organizations, if you wish;
- You have a proven track record of successful investments;
- You are not required to have “gender lens” experience. In fact, we hope to bring new players to gender lens and gender forward investing;
- Organizations using guarantees or grant, equity, and/or debt capital to de-risk investments in scalable innovations, new financial products, and parts of the impact investing field that build greater financial resilience for women in the developing world.
- Offeror is legally registered as a for-profit organization or non-for profit or in accordance with national laws and is in good standing, legally licensed and up to date on all applicable taxes;
- Offeror has certified that it is not affiliated with any political party nor engaged in any partisan activities;
- Offeror submits all mandatory documents prior the deadline stipulated in the FON;
- Certification of these requirements must be noted by completing Attachment A. Failure to submit this form will result in disqualification.

### **Potential New Partners**

Palladium strongly encourages applications/proposals from potential new partners (NPIs). NPIs are organizations that have never received funding from USAID directly or indirectly.

### **Cost Share**

Cost share is not required; however, offerors are encouraged to contribute resources from their own private or local sources for the implementation of the proposed concepts, where feasible. Palladium will work with selected offerors to find and encourage cost share opportunities where feasible.

## **5. APPLICATION/PROPOSAL & SUBMISSION INFORMATION**

All applications/proposals must include the following:

### **1. Concept Paper**

Offerors must submit a concept paper of no more than ten pages directly to Palladium. Concept papers must meet the identified needs of this solicitation. Concept papers will be accepted and reviewed per the schedule outlined above. The concept paper must be submitted in accordance with the instructions below and will be reviewed in terms of responsiveness to the FON, appropriateness of subject matter, and creativity. Offerors are encouraged to demonstrate how their proposed work will contribute to closing the gender financing gap.

The concept paper must be submitted in Microsoft Word using Times New Roman, font size 11, and must include page numbers. Each page must be marked with the FON title and number.

Concept papers should be prepared according to the structural format set forth below:

1. Cover Page (no more than 1 page). The cover page must include:
  - a. FON number and name
  - b. Address of organization
  - c. Contact point (lead contact name; relevant telephone, fax, e-mail information);
  - d. Signature of authorized representatives of the offeror.

2. Technical approach (no more than 8 pages): This section should address the program summary and selected objectives in Section I of this document and should include:
  - a. Concise title of proposed activity;
  - b. Discussion of the objectives, the method of approach, the amount of effort to be employed, the anticipated results, and how the work will help accomplish the goal of closing the gender financing gap for women-owned or led businesses; businesses that disproportionately hire women; and businesses that deliver services particularly suited for women;
  - c. The geographic focus of the proposed activity; and,
  - d. Type of support the offeror requests from USAID (e.g., funds, facilities, equipment, materials, personnel resources, etc.).
3. Supporting information (Can be contained in Annexes):
  - a. Proposed duration of the activity; and
  - b. Brief description of offeror's, as well as prospective or existing partner(s') previous work or experience.
4. Certifications and Evidence of Responsibility (not included in page count):
  - a. Completed Eligibility Certification (Attachment A)

## **2. Budget**

Offerors must submit a budget (or cost proposal) directly to Palladium along with the concept paper. Budgets must be submitted in Microsoft Excel and must include a heading including the FON and offeror name on each tab. All sheets must be unlocked, and all tabs must link to a Summary tab.

Budgets must align with the information presented in the concept paper and must include the following:

1. Proposed total estimated cost, as presented in a Summary tab;
2. Cost breakdown (e.g., salaries, travel, etc.);
3. Proposed optional amount of the offeror's financial as well as in-kind participation if applicable;
4. Proposed amount of prospective or existing partner(s) financial as well as in-kind participation if applicable;

All materials must be in English.

The concept paper and budget must be submitted by email to: [financewomen@thepalladiumgroup.com](mailto:financewomen@thepalladiumgroup.com) no later than the deadlines on the cover page of this FON. All correspondence must include the relevant FON number and title.

Palladium may contact offerors for clarifying questions.

Offerors that are not selected will be notified and may request a debrief, after which they may resubmit concept notes for consideration with feedback from Palladium.

Selected offerors will be notified and will be invited to submit a complete grant or subcontract application based on the information provided in the concept paper.

## **3. Other Important Information**

### *Branding*

In accordance with ADS 320, USAID policy is to require exclusive branding and marking in USAID direct acquisitions using any source of funds. Contractors and subcontractors' corporate identities or logos must not be used on USAID-funded program materials. Marking is not required on Contractor vehicles, offices, office supplies or other commodities used solely for administration of the USAID-funded program. Marking is not permitted on any communications that are strictly administrative, rather than programmatic, in nature. USAID identity is also prohibited on Contractor and recipient communications related to award administration, such as hiring/firing of staff or renting office space and/or equipment.

#### *Data Universal Numbering System (DUNS)*

There is a mandatory requirement for the offeror to provide a DUNS number to Palladium. The Data Universal Numbering System is a system developed and regulated by Dun & Bradstreet (D&B) that assigns a unique numeric identifier, referred to as a "DUNS number" to a single business entity. Without a DUNS number, Palladium cannot deem an offeror to be "responsible" to conduct business with and therefore, Palladium will not enter into an agreement with any such organization. The award of a grant or subcontract resulting from this FON is contingent upon the winner providing a DUNS number to Palladium. Organizations who fail to provide a DUNS number will not receive an agreement and Palladium will select an alternate awardee.

## 6. APPLICATION/PROPOSAL REVIEW INFORMATION

Concept papers will be reviewed in terms of responsiveness to the FON Program Opportunity Statement and Instructions, appropriateness of subject matter, and creativity. Successful concept papers will demonstrate the following:

- Offeror's demonstrated capability to carry out proposed approach;
- Soundness and reasonableness of technical approach;
- Alignment with goal to bridge the gender financing gap;
- Sustainability of approach in terms of offeror's incentives to sustain/expand the activities once USAID funding is completed.

Related budgets will be evaluated based on the following criteria:

- Realism and reasonableness of the work to be performed;
- Cost reflects a clear understanding of the requirements;
- Cost is consistent with various elements of the technical requirements;
- Incorporation of cost-share where feasible.

**1.** Attachment A: Eligibility Certification

**Name of Offeror:** \_\_\_\_\_

**FON Number:** \_\_\_\_\_

**Date of Application:** \_\_\_\_\_

**Application Title:** \_\_\_\_\_

Eligibility Criteria	Yes	No
Submission of DUNS in the application		
Offeror is legally registered as a non-for profit or for-profit organization in accordance with National laws and is in good standing, legally licensed and up to date on all applicable taxes		
Offeror has certified that it is not affiliated with any political party nor engaged in any partisan activities.		
Offeror submits all mandatory documents prior the deadline stipulated in the FON.		
Offeror has certified that it is receptive to participate in learning opportunities		

**Authorized Representative Signature** \_\_\_\_\_

**Authorized Representative Name** \_\_\_\_\_

**Date** \_\_\_\_\_