

## QUESTIONS & ANSWERS

Date: May 18, 2022

Reference Request for Proposal Number: RFA-CATALYZE-Ethiopia-2022-0034

Dear Offerors,

Please see below answers to the questions submitted [ethiopiams4g.procurement@thepalladiumgroup.com](mailto:ethiopiams4g.procurement@thepalladiumgroup.com) and questions raised on the bidder's conference conducted on May 13, 2022.

No	Question	Answer
1	<p>Perception of SMEs as high risk by banks, why do you state that and what source did you use to determine this statement?</p> <p>Why don't you share our risks too?</p>	<p>MS4G conducted a financial industry analysis in 2021 and discovered that commercial banks see SMEs as a risky, but with potential, borrower segment. Our assumptions were made on the discovery of the study which interviewed several commercial banks.</p> <p>MS4G is sharing the risks by providing incentive payouts to financial institutions as well as by providing a pipeline of bankable projects that can be financed by financial institutions.</p>
2	<p>How is the incentive related with documentation?</p>	<p>To receive incentive payments, the FI must provide loan agreement and loan disbursement documentation demonstrating the acceptance of loan agreement by both parties, and or the evidence of transfer of funds to the borrower. No documentation, no payment.</p>
3	<p>Please explain in detail how \$ 30,000 milestone to be paid?</p>	<p>When an FI earns a payout amount equivalent to \$30,000, then MS4G will make payment in USD. The incentive payout is earned by calculating 1% or 2% of loans disbursed.</p> <p>Please refer to <b>Section II: Determination of the Pay-for-Result Incentive Fees</b> for details.</p>
4	<p>What are the deliverable details?</p> <p>How's is data security since financial statements only be given for authorized authority?</p>	<p>The required deliverables are evidence of the loan approval and disbursement of financing to the SME. Please refer to <b>Section V: Award Administration Information</b> for other details.</p> <p>MS4G requires data whenever it supports an activity. The SMEs need to sign an agreement with the Bank understanding that this information will be shared with USAID for USAID's use only and will be kept confidential.</p>