

## QUESTIONS & ANSWERS

**Date: June 09, 2022**

**REFERENCE:**

**RFP-CATALYZE-Ethiopia-2022-0299: Business Advisory Services to Strengthen Food Security and WASH SMEs**

Dear Offerors,

Please see below answers to the questions submitted to [ethiopiams4g.procurement@thepalladiumgroup.com](mailto:ethiopiams4g.procurement@thepalladiumgroup.com) and questions raised on the bidders' conference conducted on June 06, 2022.

No	Question	Answer
1	The consulting firm should prepare diagnostic tool and in that regard from that scope, the final key performance indicator for the improvement is at 10% of revenue growth. Revenue grows or the profit margin is only the performance indicator or other indicators should be included that we are aligned with the diagnostic tool?	MS4G requires Business Advisory Service Providers (BASPs) to diagnose growth-oriented enterprises using acceptable diagnostic tools. The diagnostic should allow BASP to identify and implement key business improvements that will lead to the growth of the firm. 10% sales and revenue growth for enterprises is required to claim the 50% performance bonus.
2	Can the consulting firm choose companies from only one sector, or must it be a mix of companies from both sectors i.e., WASH and Food Security?	We require BASPs to support SMEs in the Food Security and WASH sectors. MS4G expects 75% of the growth-oriented enterprises to be food security enterprises (businesses engaged from farm to fork) and 25% to come from the WASH sector.
3	The RFP considers secondary cities that have 300,000 residences. Wouldn't this requirement limit the offerors bringing in potential companies that are located in cities where residence is below 300,000?	For this activity, MS4G will also consider inclusion of growth-oriented SMEs from secondary cities with a population of 300,000 and more as well as small cities near secondary cities. A good example will be the Hawassa-Shashemane, Dessie-Kombolcha and Dire Dawa-Harar corridors.
4	What is the precise definition of Small and Medium Enterprises in this RFP?	Firms with 10 to 50 employees and a minimum of 3.5 million birr or more in annual turnover.
5	<p>5.1 Payment structure mentioned in the RFP is that 25% of the cost of the BASP services is supposed to be covered by the enterprise. What is the modality, the system, how it will work and other factors on how to support the enterprise?</p> <p>5.2 Is there some sort of support like some guaranteed scheme or some working capital arrangement with some financial institution?</p>	<p>5.1. The growth-oriented enterprise is required to contribute 25% of the BASP TA. The contribution can be provided in cash or in-kind. The nature of the in-kind contribution can be negotiated with the BASP. An enterprise may provide, housing, transportation, car service, telecom services including phone and internet.</p> <p>5.2. Yes, MS4G has designed a blended finance mechanism currently in the procurement stage that will provide incentive payments to banks to lend to bankable SMEs in the Food Security and WASH sectors. MS4G also works with Transaction Advisory Service Providers (TASPs) on a Pay-for-Results (P4P) basis to mobilize debt and equity capital for SMEs in the Food Security and WASH sectors.</p>

No	Question	Answer
6	Is it expected that bidders only submit their technical proposals?	Bidders are expected to submit both financial and technical proposals separately, either electronically or in hard copy, in accordance with the <b><i>Instructions to Offerors</i></b> section of the RFP.
7	Can submission deadline be extended?	Amendment 1 to the RFP has been issued to extend the proposal submission deadline to June 17, 2022.