

## Request for Information (RFI)

Subject RFI #:	RFI-CATALYZE-APEP-2023-0073
RFI Issue Date:	November 3, 2023
Description:	RFI regarding Startup Accelerator Activity in Latin America and the Caribbean
Project	CATALYZE Innovative Blended Finance
The Company	Palladium International, LLC
Deadline for Responses	November 10, 2023 at 17:00 ET (UTC -4)
Details for Submission	Submit response electronically to <a href="mailto:catalyze.procurements@thepalladiumgroup.com">catalyze.procurements@thepalladiumgroup.com</a>

Thank you for your interest in the above request for information. As implementer for the CATALYZE Innovative Blended Finance Project funded by United States Agency for International Development (USAID), Palladium invites you to submit information in response to this RFI.

Please submit your response in accordance with the Details for Submission above by the Closing Date and Time. This RFI in no way obligates Palladium to award a contract nor does it commit Palladium to pay any cost incurred in the preparation and submission of information. Palladium bears no responsibility for data errors resulting from transmission or conversion processes.

Yours sincerely,

Procurement Team  
Palladium CATALYZE

## Company Information

Palladium is a global leader in the design, development and delivery of Positive Impact — the intentional creation of enduring social and economic value. We work with corporations, governments, foundations, investors, communities and civil society to formulate strategies and implement solutions that generate lasting social, environmental and financial benefits.

## Project Background

The CATALYZE Blended Finance Mechanism is a \$250 Million, 8-year contract (5-year base period, with a single 3-year option period) which uses a facilitated partnership model to craft solutions to crowd in \$2 billion in blended finance (i.e., blended concessional and commercial finance) to USAID partner countries and initiatives.

CATALYZE allows USAID Bureaus and Missions to efficiently deploy investment facilitation solutions that respond to the needs of specific sectors, issues, and geographies. Initial programs focus on education finance to implement sustainable education business models serving low-income communities, and achievement of the Women's Global Development and Prosperity (W-GDP) objectives, but the mechanism can be applied to any development challenge or region.

Within CATALYZE, the Americas Partnership for Economic Prosperity (APEP) Accelerator Activity is a two-year initiative focused on promoting the inclusive growth of social and impact startup enterprises within the Americas Partnership countries which include Barbados, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Mexico, Panama, Peru, and Uruguay. The Activity aims to improve socioeconomic and climate impacts, employment, and increase incomes in the target region.

The CATALYZE APEP Accelerator Activity will facilitate resources to strengthen startup enterprises as well as establish market linkages to address the existing gaps in the ecosystem, providing these enterprises with a range of capacity building and investment readiness support, and linking them to markets and investors.

The CATALYZE APEP Accelerator Activity objectives are:

- 1) Improve the internal capacities and performance of startup enterprises;
- 2) Mobilize appropriate, additional investment<sup>1</sup> to startup enterprises in the target countries;
- 3) Strengthen and better integrate regional entrepreneurial networks and ecosystems.

The Activity will provide or facilitate mentorship and technical assistance to social and impact startup enterprises to improve their skills and abilities, including but not limited to business and financial acumen, digitalization, growth strategy, and investment readiness. This support explicitly should include - but is not limited to - directly and/or indirectly promoting improvements to the productivity and/or revenues of individuals and/or entities operating in the informal sector (for example, startups that are developing or offering products and services that could benefit those operating in the informal sector).

The strengthened capacities and performance of participating enterprises is expected to reduce perceived investor risks and improve investment returns. The Activity will attract additional investment to participating startup enterprises by facilitating access to investors and markets, and by strengthening entrepreneurial networks in the region.

## Anticipated Scope

The CATALYZE APEP Accelerator Activity intends to award one or more grants to existing enterprise support organizations. The grantee(s) will provide capacity building and other types of support to a range of startup enterprises. We envision two tiers of support for the Activity, as described below:

"Tier 1" support will serve micro-enterprises with less than \$50,000 in revenue and consist of virtual capacity building aimed at improving (1) business acumen, (2) financial/accounting skills, (3) digitalization, and (4) environmental sustainability/climate resilience (as applicable). It will include in-person bootcamps or regional

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<sup>1</sup> In this context, we define investment broadly to be inclusive of individual business needs and context. It could include equity investment, new business revenues, financing products (such as business loans, factoring, leasing, etc.), crowdfunding, etc.  
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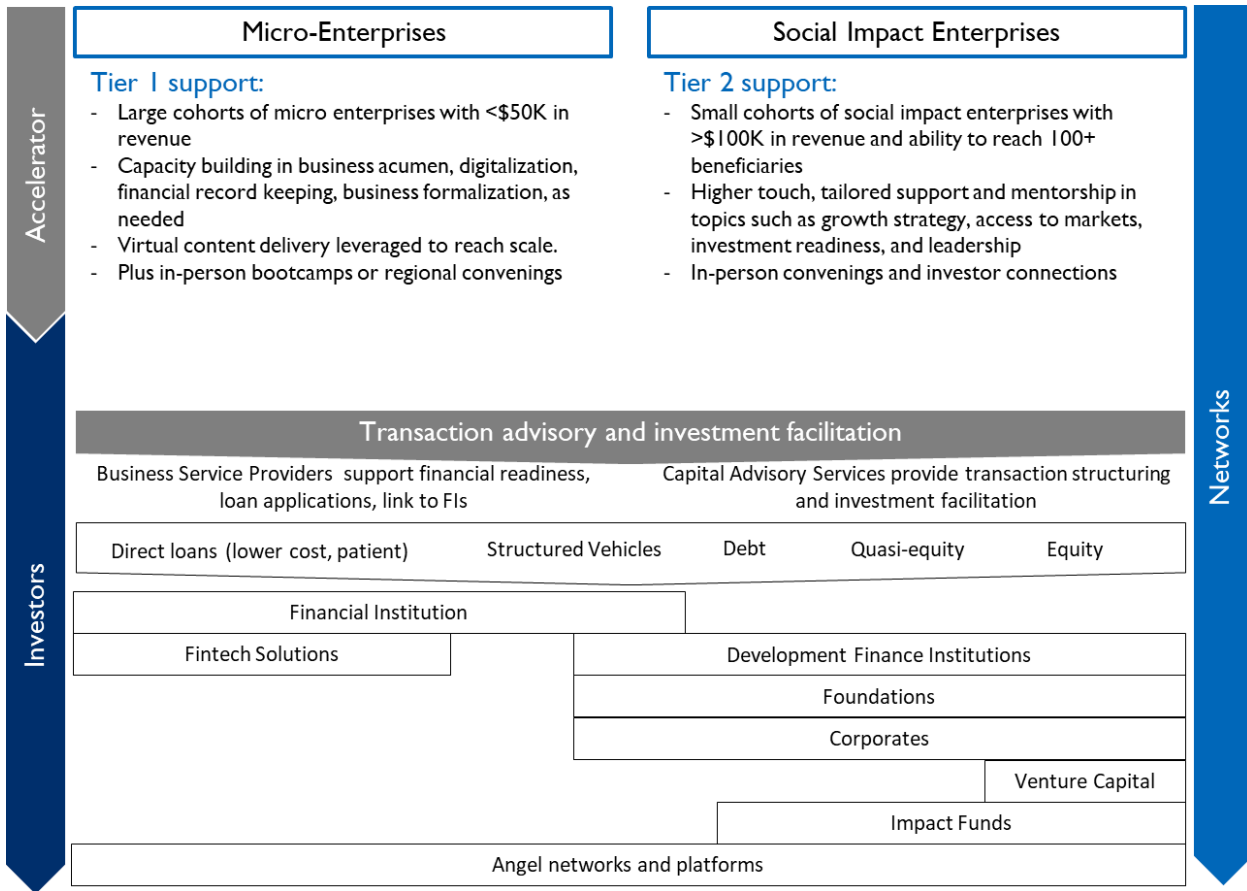
convenings to expand the reach and effectiveness of virtual trainings, and to improve connectivity and collaboration among participants. Capacity building will be complemented by facilitated access to markets and financing.

The selected grantee(s) for “Tier 1” support will be expected to strengthen the capacities of at least 800 micro-enterprises operating in all 10 target countries of the Activity within 1 year. The grantee(s) may leverage existing internal capacity or local partners to expand their reach and scale of the Activity.

“Tier 2” support will serve social and impact enterprises with over \$100,000 in revenue and ability to reach over 100 beneficiaries through: (1) products or services benefiting the informal sector, (2) financial inclusion of marginalized communities, (3) improved climate resilience and economic outcomes for small holder farmers, (4) job training or education leading to improved economic outcomes, and/or (5) high-quality job creation. Gender lens inclusion or positive economic impact on women should also be considered as part of the selection criteria.

“Tier 2” support and mentorship will be tailored to enterprise needs and include (1) development and execution of growth strategy, (2) access to new markets, (3) investment readiness support, and (4) leadership coaching, among other topics. Given the higher touch nature of “Tier 2” support, we expect the cohorts to be smaller, targeting 50 participants in total from 10 countries of the Activity per year. The grantee(s) may leverage existing internal capacity or local partners to expand their reach and scale of the Activity.

In addition to the grants to be awarded for the capacity building support of “Tier 1” and “Tier 2” enterprises, as needed and appropriate, supplemental grants will be available for (1) transaction advisory and investment facilitation, (2) enabling market linkages, and/or (3) network building for participating enterprises across the region.



**Instructions to Interested Parties**

- Information Submission: All responses to this RFI must be received via email by the deadline specified on the cover page. All responses must be emailed to [catalyze.procurement@thepalladiumgroup.com](mailto:catalyze.procurement@thepalladiumgroup.com).
- Firm Contact Information: The following information should be included in any RFI response:

- Organization Name
- Organization Address
- Organization Website (if available)
- Name of Point of Contact (POC)
- POC Title
- POC Email Address
- POC Phone Number

### **Requested Information**

CATALYZE APEP Accelerator requests information on the following questions. Respondents are not required to answer all questions and responses should be no longer than one (1) page.

1. Please provide your comments on the above-described approach to “Tier 1” support to 800 micro enterprises within a year. Does it seem (1) feasible, and (2) impactful, particularly in the context of the overall activity and objectives?
  - a. Do you have recommendations as to how to structure the program to reach the indicated number of startups in 10 target countries (e.g., number of cohorts per year, number of startups/entrepreneurs per cohort, average cohort length, etc.)?
  - b. What are the estimated average costs for your organization to conduct a cohort aimed at providing “Tier 1” support across the Activity’s 10 target countries? *(This information will be used strictly for budgetary purposes).*
2. Please provide your comments on the above-described approach to “Tier 2” support to 50 social and impact startup enterprises within a year. Does it seem (1) feasible, and (2) impactful, particularly in the context of the overall activity and objectives?
  - a. Do you have recommendations as to how to structure the program to reach the indicated number of startups in 10 target countries (e.g., number of cohorts per year, number of startups per cohort, average cohort length, etc.)?
  - b. What are the estimated average costs for your organization to conduct a cohort aimed at providing “Tier 2” support across the Activity’s 10 target countries? *(This information will be used strictly for budgetary purposes).*
3. How would you evaluate whether participating enterprises offer products or services that can benefit those operating in the informal sector as part of your selection criteria?
4. How would you support participating enterprises in accessing financing? What would be your target for capital raised (if any and depending on Tier selected above)?
5. How would you facilitate ecosystem collaboration or network building among participating enterprises across the 10 countries of focus, including access to markets and investor networks?
6. What additional information would your organization need from Palladium to be able to submit a detailed and accurate proposal for the Accelerator Activity?