

**Abt Associates: Request for Proposal (RFP)
Gender Lens Investing Innovation Window - IW-RFP-2024-01**

**CLARIFICATIONS
29 January 2024**

Investing in Women (IW) provides the following clarifications about its RFP Gender Lens Investing Innovation Window.

Q1: Does a proponent need to have legal basis to deploy investment capital, or can they engage with partners that have the legal basis for loan disbursement?

A: Proponents will need to be legally authorized to deploy investment capital either directly or via a partner. The proposal should clearly articulate who is deploying the investment capital.

Q2: Will the IW funding cover both operational support and investable capital to deploy?

A: Yes, the IW funding will be for both operational expenses and investible capital

IW anticipates that funding can include but are not limited to the following activities: financial product development along the debt/equity continuum, sourcing support, collateral substitution, alternative exit development, revenue-based financing models, supply chain financing, funded or unfunded guaranties, or a warehouse facility and the actual deployment of capital (refer to section 3 of the RFP).

The proposal should clearly articulate what proportion of the IW funding will be deployed as investible capital versus operational support.

Q3: Should deployment of capital be used for bulk of the money? Do you have proportion of capital to invest vs operational support in mind?

A: We do not have a specific break-out in mind, but it is important to make the most efficient use and allocation of the funding. Proposals will be evaluated against Value for Money which includes an assessment of cost consciousness (refer to section 9 of the RFP). The proposal should clearly articulate what proportion of the IW funding will be deployed as investible capital versus operational support.

Q4: Is the goal to increase the capital that we receive from IW, making it a requirement to raise additional funds?

A: Not necessarily, although you will see that the RFP does put an emphasis on sustainability beyond the life of the IW partnership and the ability to leverage private capital (refer to section 4 of the RFP). Therefore, we will look favorably on proposals that include a plan for both.

Q5: Is there a target that needs to be achieved for deployment of capital?

A: There is no specific target, but it would be ideal to articulate how the funding will be used and what the expectations are in terms of how much investible capital will be deployed. It is important to note that, while the actual quantum of capital deployed is an important metric of success, innovation is more critical (refer to section 4 of the RFP).

Q6: Is there a return target for IW?

A: No IRR or return targets for IW, but it is important to note that the capital deployed must be capital that seeks a return and not invested as grant capital (refer to section 3 of the RFP). Proponents are expected to determine and articulate the expected return from the investible capital they plan to deploy.

Q7: Can we set our own criteria to define women small enterprises or follow the 2X criteria?

A: You must follow the criteria as set in the RFP. Refer to section 2 of the RFP.

Q8: Is the minimum ticket size USD\$20k as per definition in the RFP?

A: Yes.

Q9: What do we need to return to IW or the Australian Government?

A: As per RFP Section 5 page 4: Subject to partner performance, Australian government approval, and proposed future use of the funds beyond the term of the agreement with IW, IW may not require the return of investment proceeds derived from investments made with IW funds.

Q10: What type of entity do you want to be your partner for this Window?

A: As per section 3 page 3 of the RFP - IW expects proponents will bring a financial intermediary along as part of their proposed solution or be a financial intermediary themselves. Partner types could include *but are not limited to* family offices, foundations, high net worth individuals, angel investors, impact funds, endowments, non-bank financial institutions, commercial banks, rural banks, fintechs, and/or side car funds associated with accelerators/incubators. Successful proponents may also consist of a consortium of complementary partner types, including one of these types of financial intermediaries. IW welcomes partners that have never worked with IW before to apply.

Q11: What is the timeframe on IW's side for selecting awardees?

A: The tender for proposals will close at 5:00pm Philippine Standard Time 1st of March 2024. From there, we plan to move quickly: the selection process will be conducted throughout March, and we hope to sign agreements in April.

Q12: Around how many awards is IW looking to make?

A: This will depend on the value of the selected proposals. We expect this will likely be a maximum of 3 proposals, which can be a mix of partners that are country-specific or targeting multi-country approaches.

Q13: Is there a finite period by which all the award is expected to have been disbursed, given the expectation of raising additional private capital to leverage the grant?

A: At this stage, we are not setting a finite time by which the investment capital must be deployed. What is important is that we see deployment in the first year.

Q14: For a firm that has capacity in two or more of the target countries, can they submit one proposal for each country instead of one multi-country proposal?

A: It is up to the proponent to determine what works best with your team structure, strategy per country, and how you think you are most likely to be selected. We do not have a preference.

Q15: Is there a minimum number of WSMEs to be supported or diversity of sectors supported?

A: IW is sector agnostic but with a preference for businesses that have a positive social impact (refer to section 3 of the RFP). Sectors in IFC's [exclusion list](#) are not eligible.

There is no specific target number of businesses we're looking for to receive financing, but we suggest proponents target a large enough sample size to draw a conclusion about the effectiveness of the financial innovation being tested.

Q16: Does multi-country mean all three or can also be two out of the three?

A: It can be two out of the three.

Q17: Where does the IW grant money get transferred to, and can it be into a vehicle established in Singapore for investments in Indonesia, the Philippines or Vietnam?

A: We will determine this with the selected partners. Yes, it can be transferred to a Singapore vehicle if that is your determined legal structure.

Q18: What will the financial/auditory reporting requirements be to IW and at what frequency?

A: Subject to the exact scope of the activities, we will likely require quarterly financial reports and annual independent audits.



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Q19: On the RFP page 2, IW's definition of small businesses includes the phrase "*May be first-time seekers of formal investment, beyond microfinance.*" Could you please clarify what is meant by "formal investment" in this context? Does it refer to equity investments by institutional investors; what about angel investments, pre-seed/small investments from accelerators, etc?

A: Formal Investment means any financial product along the debt/equity continuum beyond traditional microfinance products that is extended on an arms' length basis by a formal investor, not by family & friends, and excluding grants.

Q20: As the proponent, are we allowed to have an internal consortium or affiliate entity with the financial intermediary?

A: Yes.

Q21: Does IW give preference to proposals covering more than one country?

A: No, each proposal will be evaluated based on merit against the criteria set in the RFP.

Q22: Define the concept of "innovation". How do we balance "innovation" and "sustainability," or the mainstreaming of a financial product?

A: IW does not have a strict definition of innovation. We will leave it up to the partners to propose solutions and articulate what the innovation is, but we are looking for partners to test new solutions. It is up to the proponents to decide on the balance or interplay between innovation and sustainability and/or mainstreaming of a financial product and articulate this in the proposal.

Q23: Often the internal cost of reporting is quite high, and projects must also meet value for money and delivery of milestones. How do we balance the cost of reporting requirements vs. efficiency?

A: IW will support partners by striking a balance between the required metrics and speed of deployment. In addition, we understand you will need to include the cost of reporting in the proposed budget. These costs and other costs will be assessed against value for money.

Q24: What impact measurements will IW require partners to report on? Are these based on an internationally recognized standard set of metrics?

A: IW will require partners to report on the Innovation Window's theory of change key indicators, as listed in Annex 2 of the RFP. No, these are not based on an internationally recognized standard set of metrics. They were developed by IW, but we believe they are in line with what investors typically report to their LPs, for instance.

Q25: Will reporting continue beyond 2027?

A: This depends on the future of the IW project as well as the decision on the investment proceeds. As a project, IW may be extended beyond 2027, which could give us the option to extend our agreement with the selected partners, but we will not know that for over a year from now. Reporting might also be required in relation to the investment proceeds. As mentioned in the last paragraph of section 5 of the RFP: "Subject to partner performance, Australian government approval, and proposed future use of the funds beyond the term of the agreement with IW, IW may not require the return of investment proceeds derived from investments made with IW funds."

Q26: Can proponents test various solutions over the 2-3 years of implementation?

A: Yes.

Q27: Do all of the investments funded by the IW money need to be repaid or liquidated by the end of the agreement with IW?

A: This will be determined on a case-by-case basis. Refer to the last paragraph of section 5 of the RFP: "Subject to partner performance, Australian government approval, and proposed future use of the funds beyond the term of the agreement with IW, IW may not require the return of investment proceeds derived from investments made with IW funds"

Any clarification or enquiries from interested parties must be submitted no later than **5:00 PM Philippine Standard Time, 23 February 2024** through procurement@iwa.asia, with subject line: "**Gender Lens Investing Innovation Window – Query**".

NOTIFICATION OF UPDATES TO THE RFP 5 February 2024

1. Notification of three updates to the RFP:

a. **Section 3 – Innovation Window Objectives and Eligible Activities (page 3, 2nd paragraph):**

The following footnote is included to the last sentence of the paragraph to clarify which investment activities will not be funded by IW: “Sectors and activities mentioned on the IFC [Exclusion List](#) are not eligible to receive IW funding.”

b. **Section 8 – Eligibility Criteria**

A criterion is added: “- not finance activities or operate in the sectors as listed on the IFC Exclusion List.”

c. **Section 9.2 – Selection Criteria:**

The weight of the third selection criterion – Team has been changed from 15% to 10%.

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Q28: Are capacity-building activities that are specifically designed to improve the target investees' fundraising skills and investment readiness eligible as part of the funded activities? (apart from the 'investment capital' itself)

A: No, these activities are not eligible, refer to section 3, last paragraph of the RFP: "(..), IW will not fund entrepreneurial skills development programs that focus on the women entrepreneurs themselves, such as trainings, mentorship, and other capacity building activities. (..) IW's supply-side focus seeks to complement these programs while also addressing structural barriers to gender biases."

Q29: Who will own the Intellectual Property (IP) to the solution that will be developed?

A: In general, the IP of any product or material developed with IW funding will either vest in the Australian government or in the partner under the condition that an IP license is provided to the Australian Government. Which construct applies depends on the scope of the proposed activities and the type of contractual arrangement as decided by IW. Based on the scope of the selected proposal a decision will be made in regards to IP, taking into account how IW's end of program outcomes and Innovation Window objectives can be best achieved. Any deviation from our standard IP requirements as listed above requires approval of and is ultimately up to the discretion of the Australian government.

Q30: Can deployment of capital be used for follow on investments to existing women owned or led small enterprises?

A: This will depend on the scope of the proposal and the agreed activities as reflected in a contract. IW will look favorably on proposals that target to deploy investment capital to enterprises that have not previously accessed formal investment, beyond microfinance, as it will have a strong alignment to the objective of addressing the capital gap of the target segment.

Q31: What role will IW play in the development and monitoring of portfolio companies?

A: The selected partner is responsible for the management and monitoring of the portfolio companies. IW will oversee the implementation activities of the selected partner and will require, for example, progress reports from the partner.

Q32: Does IW need to see the list of prospective borrowers of investees in the proposal?

A: This is not a requirement, but proponents are invited to share a list of prospective investees and a timeline as to when capital can be deployed if available.

Q33: Can proponents be part of multiple consortia submitting proposals?

A: Yes

Q34: Should enterprises receiving investment be limited to only those that are incorporated as corporations?

A: No. IW recognizes that the target segment may have enterprises that are not incorporated as corporations, for example sole proprietorships are acceptable.

Q35: Can proponents implement new solutions in the target market that have already been implemented in other countries?

A: Yes, as long as this has not been implemented in the target market and proponent can articulate how it results in increasing capital to the target segment.

Q36: Can the proponent be in the process of setting up an investible capital vehicle at the time of proposal submission?

A: Yes, as long as there is clarity on the timeline of set up so that it can meet the requirement to deploy capital in the first year.