



Digital Frontiers

Request for Proposals (RFP)

No. 2023-11

Pakistan Fintech Financing Facility

Issue Date: October 20, 2023



Key Dates of RFP #2023-11, "Pakistan Fintech Financing Facility,"

Issued on October 20, 2023

A Virtual Bidders Conference will be held on **October 26, 2023 (9:00am EST; 4:00pm Pakistan Standard Time)** where you can learn more about this opportunity.

Please join us via this [link](#)!

Deadline to submit written questions about this opportunity:	October 27, 2023 (5pm EST)
Deadline to submit proposals:	November 17, 2023 (5pm EST)
Where to submit questions & proposals:	email only to DigitalFrontiers@dai.com

DigitalFrontiers@dai.com is the sole point of contact at DAI for purposes of this RFP.

Any prospective offeror who fails to confirm their interest with DigitalFrontiers@dai.com assumes complete responsibility if they do not receive direct communications (amendments, answers to questions, etc.) prior to the RFP closing date.

**Digital Frontiers
Request for Proposals (RFP)**

RFP No.	2023-11
Issue Date	October 20, 2023
Title	Pakistan Fintech Financing Facility
Issuing Office & Email	Digital Frontiers c/o DAI: DigitalFrontiers@dai.com
Deadline for Receipt of Questions	October 27, 2023, 5pm EST, to DigitalFrontiers@dai.com
Deadline for Receipt of Proposals	November 17, 2023 5pm EST, to DigitalFrontiers@dai.com
Point of Contact	DigitalFrontiers@dai.com
Anticipated Award Type	Firm Fixed Price (FFP) Contract

DAI through the United States Agency for International Development (USAID) is seeking proposals to propose methodologies and approaches that will leverage USAID catalytic funding to mobilize greater levels of private investment into Pakistan's fintech sector.

This initiative will be supported and managed by the Digital Frontiers Project, a buy-in mechanism available to USAID Bureaus and Missions from 2017 to 2024. Digital Frontiers works closely with USAID's Development, Democracy, and Innovation Bureau (DDI), the Innovation Technology and Research Hub's Technology Unit (ITR/T), USAID missions, the private sector, and international and local development organizations to identify successful and sustainable digital development approaches and scale their impact globally.

Offerors should consider budgets in the range of **USD \$350,000 to a maximum of USD \$400,000** in support of this activity. The expected period of performance is **6 - 7 months**. DAI, as primary implementer of the Digital Frontiers program, reserves the right to fund any or none of the proposals submitted.

Proposals must be received via email to DigitalFrontiers@dai.com. Any questions concerning this RFP should be submitted in writing to the same email address.

Award will be made to the responsible offeror whose proposal offers the best value and meets the eligibility requirements.

Issuance of this RFP does not constitute an award commitment on the part of DAI, nor does it commit DAI to pay for costs incurred in the preparation and submission of a proposal. Further, DAI reserves the right to reject any or all proposals received. Proposals are submitted at the risk of the offeror. All preparation and submission costs are at the offeror's expense.

DAI reserves the right to fund any or none of the proposals submitted.

Thank you for your interest in Digital Frontiers activities!

NOTICE: Prospective Offerors who have received this document from a source other than the DigitalFrontiers@dai.com email address, should immediately contact DigitalFrontiers@dai.com and provide their name and email address in order that amendments to the RFP or other communications can be sent directly to them. Any prospective Offeror who fails to contact DigitalFrontiers@dai.com assumes complete responsibility in the event that they do not receive communications prior to the closing date. Any amendments to this RFP, questions and answers, or other communications will be issued from DigitalFrontiers@dai.com.

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Section A – Proposal Submission Instructions

I. Completion and submission of proposals

Eligibility Requirements

- Proposals must be registered US or non-US organizations regardless of type (for example: for profit, not-for-profit, civic groups and others)
- All for-profit Offerors must be willing to forego profit as required by US Federal regulation (2 CFR 700.13);
- The following are not eligible:
 - Government entities
 - Individuals
- Offerors must be submitted in English, and able to develop project materials in English;
- Offerors must have, or be able to acquire in a timely manner, the relevant registration and licenses to operate in Pakistan either independently or through partnering.

Responsibility Determination

Digital Frontiers will not enter into a subaward with an Offeror prior to ensuring its responsibility. Required documentation includes:

- Evidence of legal documentation or licenses to operate in your country of registration;
- Confirmation that products or services used in the performance of the subaward are not from a Prohibited Country (explained in Section C);
- Evidence of a Unique Entity Identifier (UEI) number, CAGE/NCAGE code, and proof of registration with the System for Award Management (SAM) (explained in Annex 7). Evidence of these items are not required to submit a proposal, but must be provided if selected for a subaward;
- Documentation that the Offeror can comply with the award conditions, has a satisfactory record of integrity and business ethics, and has the required financial capacity (explained in Annex 6).

Deadlines

Proposals must be received via email to DigitalFrontiers@dai.com by November 17, 2023, at 5pm EST. Please include the RFP number 2023-11 in the subject line of the email.

Requests for clarification or additional information must be submitted in writing via email to DigitalFrontiers@dai.com by October 27, 2023 at 5pm EST. No questions will be answered by phone. Any verbal information received from a DAI or Digital Frontiers employee or other entity shall not be considered as an official response to any question regarding this RFP. Copies of questions and responses will be distributed via email to all prospective offerors who are on record as having received this RFP after the submission date specified in the Synopsis on page 1 of this RFP.

Late Proposals

All proposals received by the deadline will be reviewed for responsiveness and programmatic merit according to the specifications outlined in these guidelines and the proposal format. Section C addresses the evaluation procedures for the proposals. Proposals which are submitted late or are incomplete run the risk of not being considered in the review process.

II. Preparation Instructions – Technical Proposal

Offerors are invited to submit proposals that address the objectives and outcomes contained in the RFP Scope of Work. Offerors must ensure that their proposals are received in their entirety. Digital Frontiers bears no responsibility for data errors resulting from transmission or conversion processes associated with electronic submissions. Technical proposals must include the following components:

1. Narrative Technical Proposal (3-5 pages maximum, *exclusive of personnel CVs, workplan, and personnel plan*)

The Technical Proposal must address two elements:

Technical Approach and Methodology:

This section should detail the approach and specific implementation plan for the realization of the RFP Scope of Work.

- If an Offeror has an existing financing facility, specify how they will use this funding to scale the facility within the Period of Performance.
- If an Offeror does not have an existing financing facility, identify the steps they will take to launch one, including how the Offeror will build on existing work and resources in place to achieve the objectives within the Period of Performance, and then how they will use this funding to scale the facility.
- The target size of the Offeror's financing facility supported by signed investor letters of support or letters of intent (LOIs) to invest in the facility. Offerors able to leverage the award funding into larger financing facilities servicing a greater number of fintechs or tech-enabled companies will be given preference.

- Evidence of, or a commitment to responsible/ethical lending by both the Offeror AND potential borrowers as demonstrated by adherence to standards such as the by SPTF+CERISE Client Protection Standards, and using ESG screens and performance monitoring and improvement plans.
- Program sustainability and scalability post-award, including continuing to revolve and scale a successful facility.
- Illustrative pipeline of potential investments/portfolio companies the facility plans to invest in.

Offeror's Institutional Capacity:

This section should include details about the experience, networks, expertise, and/or capacity of the Offeror to recommend the proposed approach and complete work as described:

- Experience financing inclusive fintechs in emerging market contexts (preference given to those who have financed fintechs operating in the Pakistan market). Please describe the nature of that financing including whether it was debt, equity, insurance, fintech stage (pre-seed, seed, Series A), etc.
- Demonstrated experience and/or ability to engage in fintech financing with special consideration given to effective debt structuring (i.e. tailoring debt to the specific needs of the borrower).
- Any relevant licenses such as a Non-Banking Finance Company (NBFC), private fund management company, asset management license, etc. from the Securities and Exchange Commission of Pakistan.

2. Completed Project Workplan, in Gantt Chart format;

The Workplan should present all proposed milestones and deliverables without exceeding two (2) pages.

3. Personnel Plan

The Personnel Plan that includes job titles and specific responsibilities for each proposed personnel. The Personnel Plan should also provide a general management plan to demonstrate coordination within the Offeror's team and its responsiveness to USAID and DAI input;

4. Personnel CVs

CVs (not exceeded three (3) pages for each CV) should be annexed to the technical proposal for all personnel proposed.

5. Past Performance References

A summary of at least three (3) recent completed and relevant programs must be annexed to the technical proposal. Past performance references should use the format provided in Annex 5 of this RFP.

6. Cost Proposals

Cost Proposals must include:

- i. A completed budget in excel format. All budget lines must be clearly linked to specific project activities. See attached Annex 3 for the budget template. Supporting information shall be provided, as necessary, in sufficient detail to allow a complete analysis of each line-item cost.
- ii. A completed budget narrative. The narrative and justification that provides in detail the estimated costs for implementation of activities listed in the technical proposal. The combination of the cost data and narrative must be sufficient to allow a determination of whether the costs estimated are reasonable. A budget narrative template is included in Annex 3. The following is provided as guidance involving specific types of costs:
 - a. Salary and Wages: Direct salaries and wages should be proposed in accordance with the Offeror's personnel policies.
 - b. Fringe Benefits: If the Offeror has a fringe benefit rate that has been approved by an agency of the U.S. Government, such rate should be used, and evidence of its approval should be provided. If a fringe benefit rate has not been approved, the proposal may propose a rate and explain how the rate was determined. If the latter is used, the narrative should include a detailed breakdown comprised of all items of fringe benefits (e.g., unemployment insurance, workers' compensation, health and life insurance, retirement, etc.) and the costs of each, expressed in dollars and as a percentage of salaries. Alternatively, if the Offeror has no approved rate, it may elect to directly charge all project expenses.
 - c. Travel and Transportation: The cost proposal should indicate the number of trips, domestic and international, and the estimated costs per trip. Specify the origin and destination for each proposed trip, duration of travel, and number of individuals traveling.
 - d. Equipment and Materials: Specify all equipment to be purchased, including the type of equipment, the manufacturer, the unit cost, the number of units to be purchased and the expected geographic source.

- e. Communications: Specific information regarding the type of communication cost (e.g., mail, telephone, cellular phones, internet, etc.) must be included in order to allow an assessment of the realism and reasonableness of these costs.
- f. Subcontracts/Consultants: Information sufficient to determine the reasonableness of the cost of each specific subcontract and consultant expected to be hired must be included. Similar information should be provided for all consultants who are provided under the category for personnel.
- g. Direct Facilities Costs: Specific information regarding the cost of any facilities needed to perform program activities. The information provided should include the unit cost (rent), the time period the facilities are needed and the number of facilities. Only facilities that directly benefit the program activities should be included in this category; all other facility costs should be included in the indirect cost category.
- h. Other Direct Costs: This may include report preparation costs, passports and visas fees, training, medical exams and inoculations, insurance (other than insurance included in the Applicant's fringe benefits), as well as any other miscellaneous costs that directly benefit the program proposed by the Offeror. The narrative should provide a breakdown and support for all other direct costs. If seminars and conferences are included, the Offeror should indicate the subject, venue, and duration of proposed conferences and seminars, and their relationship to the objectives of the program, along with estimates of costs.
- i. Indirect Costs: The Offeror should support the proposed indirect cost rate, if any, with a letter from a cognizant U.S. Government audit agency (i.e., its current Negotiated Indirect Cost Rate Agreement) or with sufficient information for DAI to determine the reasonableness of the rates. For the latter, DAI would need:
 - Copies of the Offeror's financial reports for the previous 3-year period, which have been audited by a certified public accountant or other auditor satisfactory to USAID;
 - Projected budget, cash flow and organizational chart; and
 - A copy of the organization's accounting manual.
- j. **Final award will be issued from DAI Pakistan; Applicants are expected to include all applicable federal and sales taxes in their cost proposal.**

III. Proposal Evaluation Process

The winning Offeror will be selected by a joint DAI-USAID Evaluation Committee, which will evaluate proposals according to the below described evaluation criteria and scoring system. To the extent necessary (if award is not made based on initial proposals), negotiations may be conducted with each Offeror whose proposal, after discussion and negotiation, has a reasonable chance of being selected for award.

Award will be made to responsible Offeror(s) whose proposals offer the best value. Evaluation points will not be awarded for cost. Cost will primarily be evaluated for realism and reasonableness. DAI may award to a higher priced Offeror if a determination is made by the Evaluation Committee that technical expertise or specific methodologies merit additional cost. Alternatively, DAI may award to a lower scoring, but more competitively priced Offeror should the Evaluation Committee deem cost the most efficient means to deliver value for money for this RFP. Therefore, the initial cost proposal **must contain the Offeror's best cost and technical terms.**

	EVALUATION CRITERIA	MAXIMUM POINTS
1	Technical Approach and Workplan	30 points
	1. Technical approach is responsive to objective and development hypothesis as specified in the Scope of Work; 2. Proposed approach demonstrates proven and effective strategies for the submission of anticipated deliverables included in the Scope of Work; 3. Technical approach includes workplan that demonstrates the Offeror's ability to complete the Scope of Work within the specified timeframe;	
2	Personnel Plan and Qualifications	10 points
	1. Personnel plan includes a narrative summary of personnel roles, responsibilities, and technical capabilities that establish applicant's ability to complete the Scope of Work; 2. CVs of named personnel demonstrate relevant qualifications for the Scope of Work;	
3	Past Performance	10 points
	1. At least 3 past relevant project examples in past performance matrix demonstrating capabilities to complete the Scope of Work;	

	And Institutional Capacity	<p>2. Past performance references reflect existing tools, capacities, and proven approaches to the complete the Scope of Work;</p> <p>3. Past performance and institutional capacity statement demonstrate the minimum qualifications as specified in the Scope of Work.</p>	
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Conflict of Interest

Throughout the selection process, Digital Frontiers will take steps to ensure that members of the review panel do not have any conflicts of interest, or the appearance of such, with regard to the organizations whose proposals are under review. An individual shall be considered to have the appearance of a conflict of interest if that person, or that person's spouse, partner, child, close friend, or relative works for, or is negotiating to work for, or has a financial interest in (including being an unpaid member of a Board of Directors), any organization that submitted a proposal currently under the panel's review. Members of the panel shall neither solicit nor accept gratuities, favors, or anything of monetary value from parties to the award. USAID staff, including USAID institutional support contractors and personal service contractors, and their families, are not eligible to compete for this award.

Signing of Subawards

Upon USAID concurrence of the Offeror, a contract subaward agreement will be prepared. After Digital Frontiers and the successful Offeror have signed the agreement, Digital Frontiers may provide training on financial management and reporting on program funds. All reporting and agreement obligations will be explained to the awardee.

Procurement Ethics

Neither payment nor preference shall be made by either the Offeror, or by any DAI staff, in an attempt to affect the results of the award. DAI treats all reports of possible fraud/abuse very seriously. Acts of fraud or corruption will not be tolerated, and DAI employees and/or contractors/subgrantees/vendors who engage in such activities will face serious consequences. Any such practice constitutes an unethical, illegal, and corrupt practice and either the Offeror or the DAI staff may report violations to the Toll-Free Ethics and Compliance Anonymous Hotline at +1 855-603-6987, via the DAI website, or via email to FPI_hotline@dai.com. DAI ensures anonymity and an unbiased, serious review and treatment of the information provided. Such practice may result in the cancellation of the procurement and disqualification of the Offeror's participation in this, and future, procurements. Violators will be reported to USAID, and as a result, may be reported to the U.S. Department of Justice to be included in a Restricted Parties list, preventing them from participating in future U.S. Government business.

Offerors must provide full, accurate and complete information in response to this solicitation. The penalty for materially false responses is prescribed in Section 1001 of Title 18 of the United States Code.

In addition, DAI takes the payment of USAID funds to pay Terrorists, or groups supporting Terrorists, or other parties in exchange for protection very seriously. Should the Terrorist, groups or other parties attempt to extort/demand payment from your organization you are asked to immediately report the incident to DAI's Ethics and Compliance Anonymous Hotline at the contacts described in this clause.

By submitting an offeror, offerors certify that they have not/will not attempt to bribe or make any payments to DAI employees in return for preference, nor have any payments with Terrorists, or groups supporting Terrorists, been attempted.

Source and Nationality

Under the authorized geographic code for its Agreement DAI may only procure goods and services from the following countries. DAI **will not** exercise the option to seek a waiver to these requirements if selected Offeror is registered in a country outside of Geographic Code 937.

Geographic Code 937: Goods and services from the United States, the cooperating country, and "Developing Countries" other than "Advanced Developing Countries" excluding prohibited countries. A list of the "Developing Countries" as well as "Advanced Developing Countries" can be found at: <https://www.usaid.gov/ads/policy/300/310maa> and <https://2012-2017.usaid.gov/sites/default/files/documents/1876/310mab.pdf> respectively.

DAI must verify the source and nationality of goods and services and ensure (to the fullest extent possible) that DAI does not procure any goods or services from prohibited countries listed by the Office of Foreign Assets Control (OFAC) as sanctioned countries. OFAC sanctioned countries may be searched within the System for Award Management (SAM) at www.SAM.gov. The current list of countries under comprehensive sanctions include: Cuba, Iran, North Korea, Sudan, and Syria. Goods may not transit through or be assembled in comprehensive sanctioned origin or nationality countries nor can the vendor be owned or controlled by a prohibited country. DAI is prohibited from facilitating any transaction by a third party if that transaction would be prohibited if performed by DAI.

By submitting a proposal in response to this RFP, Offerors confirm that they are not violating the Source and Nationality requirements of the goods or services being offered and that the goods and services comply with the exclusions for prohibited countries outlined above.

Section B - Special RFP Requirements

Offerors shall bear in mind the following special requirements for any subawards issued in response to this RFP:

US/Pakistan Vetting Requirements

Per USAID/Pakistan Mission Order #300.6 and the requirements established by 2 CFR 701.3, Partner Vetting must be completed prior to issuance of any subawards under this RFP. The documentation requirements for this process will be shared with the Offeror(s) selected for award following evaluation of received proposals.

US Government Registrations

There are mandatory requirements for subawardees to obtain the following items/registration before a subaward may be issued. Without registering in the required databases, DAI cannot deem an Offeror to be “responsible” to conduct business with and therefore, DAI will not enter into an agreement with any such organization. The award of a subaward resulting from this RFP is contingent upon the winner providing a Unique Entity Identifier (UEI) number, a Commercial and Government Entity/NATO Commercial and Government Entity) CAGE/NCAGE code, and proof of registration in the System for Award Management (SAM) system.

Offerors must obtain the following before award:

- i. UEI Number
- ii. Registration with SAM.gov
- iii. CAGE/NCAGE

Instructions for obtaining a UEI number, SAM registration, or a CAGE/NCAGE are provided in Annex 5.

Prohibited Countries: Prohibited countries are countries that the US Government does not do business with, previously referred to as foreign policy restricted countries. The Offeror may not procure goods or services from the Office of Foreign Assets Control (OFAC) comprehensive sanctioned countries: Cuba, Iran, North Korea, Sudan, and Syria. By submitting a proposal in response to this RFP, the Offeror certifies that proposed equipment will not be procured from vendors located in one the OFAC prohibited countries above, nor will the origin of any of the parts be from a prohibited country.

Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment – Offerors warrant that all services and products included in their proposal are compliant with the restrictions contained in 2 CFR 200.216. Subaward funds cannot be used to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

Full text of this restriction may be accessed here: <https://www.ecfr.gov/cgi-bin/text-idx?SID=e3052be29eb6a936bcf083bf38cacd7d&mc=true&node=se2.1.200.1216&rgn=div8>

Separate Account: A separate account must be established to house all funds provided under the subaward, as well as all interest income.

Use of Funds: Funds provided under any subaward issued shall be used exclusively for program purposes. Diversion of funds to other uses will result in cancellation of subaward and retrieval of funds disbursed to the subawardee.

Reporting Procedures: A description of reporting requirements will be included in the subaward.

Project Monitoring: DAI staff will monitor projects in terms of both programmatic and financial aspects. Subawardees will be expected to facilitate monitoring by making relevant information available to DAI staff.

Restrictions: The Funds provided under the terms of this Agreement shall not be used to finance any of the following:

1. Goods or services which are to be used primarily to meet military requirements or to support police or other law enforcement activities,
2. Surveillance equipment,
3. Equipment, research and/or services related to involuntary sterilization or the performance of abortion as a method of family planning,
4. Gambling equipment, supplies for gambling facilities or any hotels, casinos or accommodations in which gambling facilities are or are planned to be located,
5. Activities which significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas, or
6. Establishment or development of any export processing zone or designated area where the labor, environmental, tax, tariff, and/or safety laws of the country in which such activity takes place would not apply.
7. Pharmaceuticals,



8. Pesticides,
9. Logging equipment,
10. Luxury goods (including alcoholic beverages and jewelry),
11. Establishing or expanding any enterprise that will export raw materials that are likely to be in surplus in world markets at the time such production becomes effective and that are likely to cause substantial injury to U.S. producers,
12. Activities which would result in the loss of forest lands due to livestock rearing, road construction or maintenance, colonization of forest lands or construction of dams or other water control structures,
13. Activities which are likely to have a significant adverse effect on the environment, including any of the following (to the extent such activities are likely to have a significant adverse impact on the environment):
 - i.) Activities which may lead to degrading the quality or renewability of natural resources;
 - ii.) Activities which may lead to degrading the presence or health of threatened ecosystems or biodiversity;
 - iii.) Activities which may lead to degrading long-term viability of agricultural or forestry production (including through use of pesticides);
 - iv.) Activities which may lead to degrading community and social systems, including potable water supply, land administration, community health and well-being or social harmony.
14. Activities which are likely to involve the loss of jobs in the United States due to the relocation or expansion outside of the United States of an enterprise located in the United States, or
15. Activities which the Subawardee is aware are reasonably likely to contribute to the violation of internationally or locally recognized rights of workers,
16. Activities to support the production of agricultural commodities for export from Malawi when such commodities would directly compete with exports of similar United States agricultural commodities to third countries and have a significant impact on United States exporters.

Pursuant to 2 CFR 700.13, it is USAID policy not to award profit under assistance instruments such as the Digital Frontiers Cooperative Agreement. However, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the program and are in accordance with applicable cost standards), may be paid under the subaward.

Executive Order on Terrorism Financing: Offerors are reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Contractor/Recipient to ensure compliance with these Executive Orders and laws. Recipients may not engage with, or provide resources or support to, individuals and organizations associated with terrorism. No support or resources may be provided to individuals or entities that appear on the Specially Designated Nationals and Blocked persons List maintained by the US Treasury (online at www.SAM.gov) or the United Nations Security Designation List (online at: http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml).

Executive Compensation Certification: DAI, as prime recipient of a U.S. federal assistance award, must report compensation levels of the five most highly compensated subawardee executives to the Federal Funding Accountability and Transparency Act Sub-Award Report System (FSRS)

Federal Excluded Parties List: The Offeror must not presently debarred, suspended, or determined ineligible for an award of a contract.

Trafficking of Persons: The Subawardee may not traffic in persons (as defined in the Protocol to Prevent, Suppress, and Punish Trafficking of persons, especially Women and Children, supplementing the UN Convention against Transnational Organized Crime), procure commercial sex, and use forced labor during the period of this award.

Organizational Conflict of Interest: The Offeror certifies that is not aware of any information bearing on the existence of any potential organizational conflict of interest. The Bidder further certifies that if the Bidder becomes aware of information bearing on whether a potential conflict may exist, that Bidder shall immediately provide DAI with a disclosure statement describing this information.

Equal Opportunity: The Offeror certifies that it does not discriminate against any employee or applicant for employment because of age, sex, religion, handicap, race, creed, color or national origin.

Labor Laws: The Offeror certifies that it is in compliance with all labor laws..

By submitting a proposal, Offerors agree to fully comply with the terms and conditions above and all applicable U.S. federal government clauses included herein, and will be asked to sign these Representations and Certifications upon award.

DAI and USAID reserve the right to fund any or none of the proposals received

Pakistan Fintech Financing Facility

BACKGROUND

Digital Frontiers is a \$90 million buy-in mechanism available to USAID Bureaus and Missions from 2017-2024. DAI implements the Digital Frontiers project, which works closely with USAID's Innovation, Technology, and Research (ITR) Hub, USAID Missions, the private sector, and international and local development organizations to identify successful and sustainable digital development approaches and scale their impact globally.

In 2021, Pakistani tech startups raised nearly \$366 million in VC funding, more than every previous year combined. This boom continued in 2022 where, by the end of the first quarter, the sector had received seven times as much funding as in the first quarter of 2021, but slowed significantly towards the end of the year, ending with \$355 million raised in 2022. In 2023, rapidly deteriorating global macroeconomic conditions combined with Pakistan-specific factors led to an even further decline in investment with a few bright spots. Despite the boom in 2021 and 2022, Pakistani fintechs in particular, now suffer from a lack of access to finance and investment.

According to the Securities and Exchange Commission of Pakistan (SECP), digital lending fintechs (non-bank finance companies) disbursed cumulative loans worth over Rs33 billion to more than 2.5 million borrowers through the digital lending platforms in the last fiscal year (July 1 to June 2022), a 1000% increase year-on-year. At the same time the SECP began to crack down on unlicensed, mostly foreign digital lenders at the end of 2022 and issued a new circular of key requirements to reduce abusive (but profitable) practices and increase disclosure.

The dramatic fall in venture capital is particularly a challenge for Pakistan's licensed digital lenders which struggle to secure affordable debt financing for on-lending to customers. Pakistani banks continue to remain reticent to take on the risk (even with the potentially rich rewards) that loaning capital to the country's fintech sector presents. With the Pakistani rupee undergoing massive devaluation, dollar or foreign-denominated venture debt is not seen as a viable option. Without access to local currency debt Pakistani fintechs are using equity for lending which is costly, restricts cash flow and limits their ability to expand or invest in their business.

DEVELOPMENT HYPOTHESIS

In many growing economies, there is a lack of accessible financing capital for SMEs, companies, and infrastructure projects because the risk-return profiles associated with these types of emerging market investments often prevent many investors from deploying capital. USAID can help to mitigate constraints by participating in blended finance investments that combine development capital and/or support with return-seeking capital from private investors.

Improving risk-adjusted returns and decreasing transaction costs through the use of catalytic funding allows development organizations to crowd-in larger amounts of capital from private investors than they could directly contribute as donor organizations. In this way, catalytic funding can help:

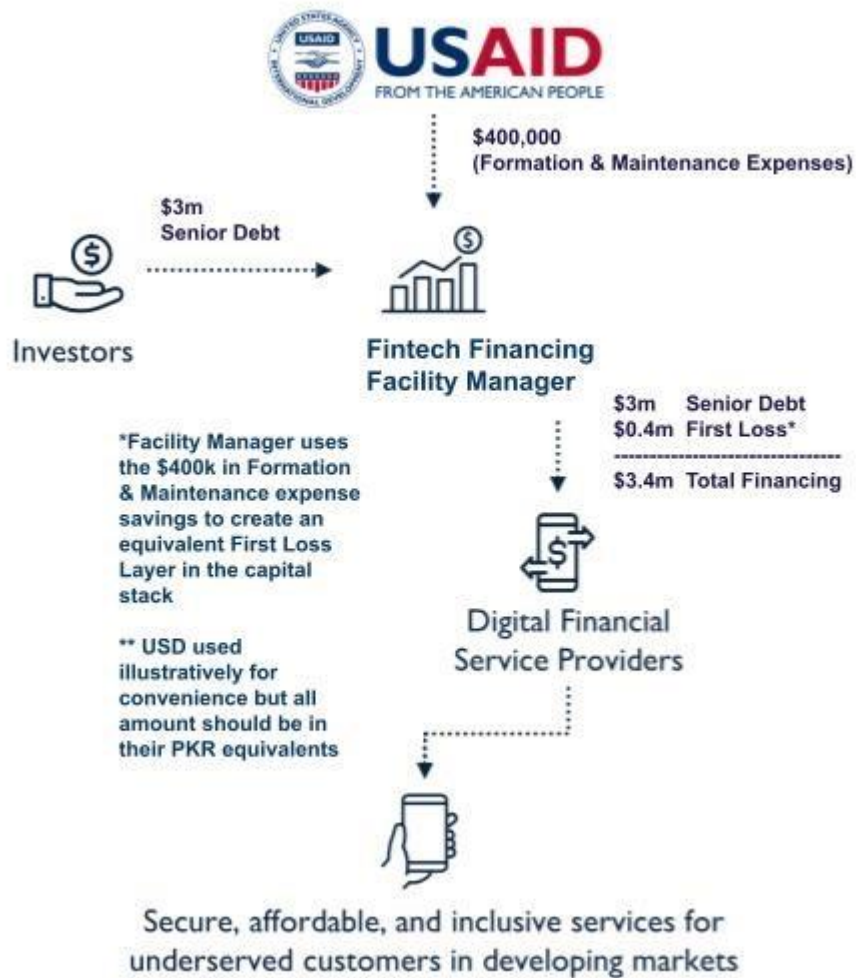
- 1) fill financing gaps for projects and investments with high potential for development outcomes in priority sectors
- 2) increase access to capital (particularly for women and youth), which helps businesses to grow, scale and create jobs
- 3) help to establish sustainable investment flows into markets that were previously underserved by investors.

OBJECTIVE

This activity seeks to leverage USAID catalytic funding to mobilize greater levels of private investment into Pakistan's fintech sector. To this end, Digital Frontiers wishes to provide a subaward to facilitate the creation and/or scaling up of an existing Pakistani rupee-denominated second-tier financing facility to provide affordable debt to responsible and competitive fintechs or tech-enabled companies furthering access to financial services for Pakistani businesses and consumers, particularly traditionally underserved populations and women. This activity aims to stimulate primarily debt investment from private investors into Pakistan's fintech ecosystem as broadly as possible and for the financing facility to support the loan books of as many fintechs and tech-enabled companies serving the underbanked and unbanked as possible.

Digital Frontiers seeks investors, fund managers, and other financial providers and firms who need operational support for the creation or scaling up of a financing facility for fintechs as described above. The funding under this award cannot be put directly into a financing facility and loaned out, however it may be used to pay for an offeror's operational expenses (e.g. legal costs to structure the facility, salaries, travel costs associated with fundraising, investor outreach, pipeline development, etc.) for wholesale lending to fintechs and fees or expenses incurred to mobilize and channel additional private capital into the fintech sector. Applicants are encouraged to maximize leverage and may, at their option, propose ways that funds can be used to de-risk lending to fintechs. As an example, by using funding under this award to pay for operational expenses, offerors may free up their own funds to be used as a credit enhancement to investors, such as through a first-loss or subordinated funding layer. While in theory, this risk-reduction instrument could also be a foreign exchange hedge, priority will be given to offerors able to raise local investment into the Pakistani rupee-denominated facility.

Selected offerors must be willing to share their experience and make data and other information available to Digital Frontiers and USAID for the purposes of learning throughout the activity.



**Note that the \$3mil figure in the above graphic is for illustrative purposes only. Offerors may propose a target amount above or below this, as appropriate for their individual situation.*

TASKS

Tasks will depend on the nature of the proposal put forward.

DELIVERABLES

ILLUSTRATIVE DELIVERABLES	TIMELINE
Workplan that lays out: <ul style="list-style-type: none"> • Design of facility • Use of award funds • Fundraising targets and detailed rationale behind the targets given the current market conditions • Development and adoption of Borrower ethical/responsible lending standards and ESG screening and monitoring processes • Borrower selection criteria and identification of initial borrower pipeline • Getting to first disbursement • Sustainability plan 	
Initial facility fundraising targets met.	
Workshops/borrower education sessions on understanding when to think about raising debt capital, how to optimize debt use, and how to manage debt (Optional but encouraged).	



First loan disbursement / term sheet signed.	
Final report – Confirm sustainability plan, writeup of case study/lessons learned.	

REQUIRED INDICATORS/OUTPUTS

- Amount of money raised
- Mobilization ratio (Private capital raised / USAID capital)
- Projected # of loans to borrowers
- Projected # of end consumers financed
- Projected # of SMEs financed

REPORTING

The awardee will report to Andrea Falso, Digital Frontiers Associate Director, with close collaboration with a USAID Activity Manager (Taha Gaya) and a Mission representative (Kanwal Bokharey).

REQUIRED QUALIFICATIONS

- 1) Applicant must demonstrate a record of successful interventions of a similar or related nature in Pakistan; **OR**
 - o Offeror must demonstrate a record of successful interventions of a similar or related nature in another country;
- 2) Applicant must have, or be able to acquire in a timely manner, the relevant registration and licenses to operate in Pakistan either independently or through partnering.
- 3) Applicant must demonstrate experience with providing financing to Pakistan's fintech sector is preferred, whether debt, equity, convertible notes, revenue sharing agreements, Shariah-compliant forms of financing, etc.

TIMEFRAME

Expected maximum period of performance: From the proposal award date until June 2024 (approximately 6-7 months).

BUDGET

Range: USD \$350,000 – USD \$400,000 (not-to-exceed)

Annex 1: Mandatory Standard Provisions

Mandatory Standard Provisions for Non-US Nongovernmental Recipients:
(<http://www.usaid.gov/missions/sa/usaidsa/mandatorystandard.pdf>)

Annex 2: Certifications, Assurances, Other Statements of the Recipient

In accordance with ADS 303.3.8, DAI will require successful Offerors to submit a signed copy of the following certifications and assurances, as applicable:

1. **Assurance of Compliance with Laws and Regulations Governing Non-Discrimination in Federally Assisted Programs** *(Note: This certification applies to Non-U.S. organizations if any part of the program will be undertaken in the United States.)*
2. **Certification Regarding Lobbying** *(This certification applies to subawards greater than \$100,000.)*
3. **Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals (ADS 206)**
4. **Certification Regarding Terrorist Financing, Implementing Executive Order 13224**
5. **Certification Regarding Trafficking in Persons, Implementing Title XVII of the National Defense Authorization Act for Fiscal Year 2013** *(Note: This certification applies if subawards for services required to be performed outside of the United States is greater than \$500,000. This certification must be submitted annually to the USAID Agreement Officer during the term of the subaward.)*
6. **Certification of Recipient**

In addition, the following certifications will be included **Part II – Key Individual Certification Narcotics Offenses and Drug Trafficking** *(Note: Only as required per ADS 206 for Key Individuals or Covered Participants in covered countries.)*

Part III – Participant Certification Narcotics Offenses and Drug Trafficking *(Note: Only as required per ADS 206 for Key Individuals or Covered Participants in covered countries.)*

Part IV – Representation by Organization Regarding a Delinquent Tax Liability or a Felony Criminal Conviction

Part V – Other Statements of Recipient

Part VI – Standard Provisions for Solicitations

(Note: Parts V & VI – Are included in the subaward file as part of the proposal.)

Annex 3: Sample Budget and Budget Narrative

Budget Line	Name	Rate	Units (month/day/hour)	Cost
I. Salaries and Wages				
Person 1	TBD	\$0.00	0	\$0
Person 2	TBD	\$0.00	0	\$0
Personnel Fringe Benefits				
Total Salaries and Wages			0	\$0
II. Travel, Transportation and Per Diem				
1. Air Travel				
International Travel		\$0.00	0	\$0
Regional / In-Country Travel		\$0.00	0	\$0
2. Per Diem				
Traveler 1		\$0.00	0	\$0
3. Other Travel Expenses				
Traveler 1		\$0.00	0	\$0
Total Travel, Transportation and Per Diem				\$0
III. Other Direct Costs				
Other (DESCRIBE)		\$0.00	0	\$0
Total Other Direct Costs				\$0
Total Program Expenses				\$0
Indirect Costs on All Costs			0	\$0
Grand Total				\$0

Budget Narrative Template

Salaries and Wages

For our labor cost estimates, we have used daily rates per person as supported by actual salaries and/or prevailing labor rates. If labor is based on commercial rates, please provide a link or evidence of publication of the commercial rates.

Personnel

- Name, Title proposed for a total of XX days at a daily rate of \$XXX.
- Name, Title proposed for a total of XX days at a daily rate of \$XXX.

Travel, Transportation and Per Diem

Economy air fare trips have been budgeted from XXXX to XXXX.

Regional / In-Country Travel

X number of trips have been budgeted for X locations.

Per Diem

Per Diem at \$XXX has been assumed for all travelers to XXX based on XX days per trip.

Miscellaneous Travel Expenses

Miscellaneous Travel expenses of \$XXX per trip have been budgeted based on the number of international trips. This cost per trip is based on XX assumptions.

Other Direct Costs

This category includes basic support costs for the project. Included within this cost category are all costs necessary for the successful operation of this activity.

Indirect Costs on All Costs

All indirect costs must be in accordance with the organization's policies.

Annex 4: Instructions for Obtaining CAGE/NCAGE Code, SAM Registration, and UEI Number

CAGE/NCAGE Code

The Commercial and Government Entity (CAGE) Code was established by the US. The NATO Codification System developed the NATO Commercial and Government Entity (NCAGE) Code. When a business/organization is assigned a CAGE/NCAGE, they are in fact the same type/structure of code but identifies which nation or if the NATO Support Agency assigned the CAGE/NCAGE. You must have a CAGE/NCAGE code before registering in SAM.

- Link to the CAGE/NCAGE Code request: <https://eportal.nspa.nato.int/AC135Public/scage/CageList.aspx>
- Link to CAGE/NCAGE code request instructions: <https://eportal.nspa.nato.int/AC135Public/Docs/US%20Instructions%20for%20NSPA%20NCAGE.pdf>

System for Award Management (SAM) Registration

You must have an active registration with www.SAM.gov to do business with the Federal Government. To register in SAM, at a minimum, you will need the following information:

- U.S. Registrants:
 - 1) Your Taxpayer Identification Number (TIN) and Taxpayer Name associated with your TIN; Review your tax documents from the IRS (such as a 1099 or W-2 form) to find your Taxpayer Name
 - 2) Your bank's routing number, your bank account number, and your bank account type, i.e. checking or savings, to set up Electronic Funds Transfer (EFT)
- International Registrants:
 - 1) Your NATO Commercial and Government Entity (NCAGE) Code
 - 2) Your Legal Business Name and Physical Address from your D&B record.
- Follow this link to create a SAM.gov user account and register your organization: <https://sam.gov/content/entity-registration>

Unique Entity ID (UEI)

Effective April 4, 2022, the federal government transitioned away from the DUNS Number to the new Unique Entity ID (SAM), or 'UEI,' for entity identification of federal awards government-wide. Entity identification in federal awards (grants, loans, contracts, etc.) means a unique set of numbers and letters used to identify every entity seeking to do business with the federal government.

For new entities:

- Prior to starting entity validation process, an entity should be prepared with documents that: (1) shows the entity's legal business name and physical address in the same document and is less than 5 years old; (2) shows the legal business name and start year in the same document; and, (3) shows legal business name and US state of incorporation (for US entities) or National Identifier (for non-US entities). If any documents are in a language other than English, they must be accompanied by certified translations (see the link below for more details).
- This GSA guide has detail on documentation requirements. It includes a downloadable document outlining what type of documentation is acceptable, general guidelines, and guidance on translations.
- Additionally there is a general FAQ also maintained by GSA.

If, after entering the required information, an entity receives a validation error message and/or is not a match with any of the returned potential matches, the entity should create an incident. There are two new, useful videos that GSA has recently published to help explain this process. These are different than the brief overview video that has been previously shared, so projects and partners are encouraged to watch:

- This video provides a detailed, step-by-step walk through of the entity validation process. Be advised the scenario it addresses is for an existing entity that has to update some information (rather than a new entity, which is the case for most of our partners), but the steps are the same: <https://www.youtube.com/watch?v=ZKc9UfxtOIA> (the "create incident portion" runs from 27:58 to 35:05).
- This video provides guidance on how to manage the validation ticket once it has been submitted: <https://www.youtube.com/watch?v=a3nPZvnPpEQ> (the "managing your validation ticket" portion runs from 17:34 to 28:55).

Entities need to regularly check their email – including spam folders – after they have submitted the incident report for emails from fsdsupport@gsa.gov. They should be able to look up the status either by logging into their user account on SAM.gov (go to the "Workspace" view and click the "View" button under the Incident Report Number) or in fsd.gov (directions on how to do this can be found here). Entities can communicate with an EVS (Entity Validation System) agent in FSD.gov or by responding to the email. If the entity is unable to generate an incident report for some reason (this was a problem we saw this past week), the entity can also go to FSD.gov and start a chat with an agent by clicking on the "live chat" button in the lower right-hand corner. Agents are available from 8AM to 8PM EST. Once they are contacted by the EVS agent, the entity will have 5 days to respond, or the incident report will be automatically closed and they will have to start again. If the entity needs more time, they should respond to the EVS agent and communicate this. If the ticket is closed, when the entity starts a new one they should include the original ticket number in the Comments Section. Requested documents need to be uploaded at sam.gov, not at fsd.gov. Once the FSD agent has confirmed the entity has been validated, the entity is not done! It will need to go back to SAM.gov to enter its information again and select the current, correct entity info. This step must be done in order to generate the UEID.

Annex 5: Past Performance Matrix

Include projects that best illustrate your work experience relevant to this RFP, sorted by decreasing order of completion date. Projects should have been undertaken in the past three years. Projects undertaken in the past three years will only be used to evaluate whether or not the applicant has met the minimum requirements outlined in the Scope of Work.

#	Project Title	Description of Activities	Reference(s) Name, email and/or phone	Client Name and Address	Cost in US\$	Start-End Dates	Problem(s) Encountered and Resolutions
1							
2							
3							
4							
5							

Annex 6: Financial Capability Questionnaire

Accounting System and Financial Capability Questionnaire For DAI Assistance Recipients

The main purpose of this questionnaire is to understand the systems adopted by your institution for financial oversight and accounting of subaward funds, especially those provided through the U.S. Federal Government. The questionnaire will assist DAI program and accounting staff to identify the extent to which your institution's financial systems match the requirements of the U.S. Federal Government. This information will help the program staff work with you and your institution to review any problem areas that may be identified; thereby avoiding any problems or oversights which would be reportable should an audit of the program or institution be required.

The questionnaire should be completed by the financial officer of your institution in collaboration with DAI program staff. This questionnaire is informational only, and will not have any bearing on the agreement to support your institution based on the technical merit of the proposal. Therefore, please answer all questions to the best of your knowledge.

While 2 CFR 200 does not cover awards to non-U.S. recipients, DAI shall rely on the standards established in that regulation in determining whether potential non-U.S. recipients are responsible to manage Federal funds. A determination shall be made on the potential recipient's ability, or potential ability, to comply with the following USAID and federal-wide policies:

- 1) [2 CFR 200 Subpart D](#) (Financial and Program Management);
- 2) [2 CFR 200 Subpart D](#) (Property Standards);
- 3) [2 CFR 200 Subpart D](#) (Procurement Standards); and
- 4) [2 CFR 200 Subpart D](#) (Performance and Financial Monitoring and Reporting).



SECTION A: General Information

Please complete this section which provides general information on your institution.

Name of Institution: _____

Name and Title of Financial Contact Person: _____

Name of Person Filling out Questionnaire: _____

Mailing Address: _____

Street Address (if different) _____

Telephone, Fax, Email (if applicable) _____

Enter the beginning and ending dates of your institution's fiscal year:

From: (Month, Day) _____ To: (Month, Day) _____

SECTION B: Internal Controls

Internal controls are procedures which ensure that: 1) financial transactions are approved by an authorized individual and are consistent with U.S. laws, regulations and your institution's policies; 2) assets are maintained safely and controlled; and 3) accounting records are complete, accurate and maintained on a consistent basis. Please complete the following questions concerning your institution's internal controls.

1. Does your institution maintain a record of how much time employees spend on different projects or activities?

Yes: ☐

No: ☐

2. If yes, how?

3. Are timesheets kept for each paid employee?

Yes: ☐

No: ☐

4. Do you maintain an employment letter or contract which includes the employee's salary?

Yes: ☐

No: ☐

4. Do you maintain inventory records for your institution's equipment?

Yes: ☐

No: ☐ (if no, explain)

5. How often do you check actual inventory against inventory records?

6. Are all financial transactions approved by an appropriate official?

Yes: ☐

No: ☐

7. The person responsible for approving financial transactions is: _____ Title: _____

8. Is the person(s) responsible for approving transactions familiar with U.S. Federal Cost principles as described in OMB Circular A-122?

Yes: ☐

No: ☐

9. Does your institution use a payment voucher system or some other procedure for the documentation of approval by an appropriate official?

Yes: ☐

No: ☐

10. Does your institution require supporting documentation (such as original receipts) prior to payment for expenditures?

Yes: ☐

No: ☐

11. Does your institution require that such documentation be maintained over a period of time?

Yes: ☐

No: ☐

If yes, how long are such records kept? _____

12. Are different individuals within your institution responsible for approving, disbursing, and accounting of transactions?

Yes: ☐

No: ☐

13. Are the functions of checking the accuracy of your accounts and the daily recording of accounting data performed by different individuals?

Yes: ☐

No: ☐

14. Who would be responsible for financial reports? _____

SECTION C: Fund Control and Accounting Systems

Fund Control essentially means that access to bank accounts and/or other cash assets is limited to authorized individuals. Bank balances should be reconciled periodically to the accounting records. If cash cannot be maintained in a bank, it is very important to have strict controls over its maintenance and disbursement.

An Accounting System accurately records all financial transactions, and ensures that these transactions are supported by documentation. Some institutions may have computerized accounting systems while others use a manual system to record each transaction in a ledger. In all cases, the expenditure of funds provided by the USAID-funded program must be properly authorized, used for the intended purpose, and recorded in an organized and consistent manner.

1. Does your institution maintain separate accounting of funds for different projects by:

Separate bank accounts: ☐

A fund accounting system: ☐

2. Will any cash from the subaward funds be maintained outside a bank (in petty cash funds, etc.)?

Yes: ☐

No: ☐

If yes, please explain the amount of funds to be maintained, the purpose and person responsible for safeguarding these funds.

4. If your institution doesn't have a bank account, how do you ensure that cash is maintained safely?

5. Does your institution have written accounting policies and procedures?

Yes: ☐

No: ☐

6. How do you allocate costs that are "shared" by different funding sources, such as rent, utilities, etc.?

7. Are your financial reports prepared on a:

Cash basis: ☐ Accrual basis: ☐

8. Is your institution's accounting system capable of recording transactions, including date, amount, and description?

Yes: ☐

No: ☐

9. Is your institution's accounting system capable of separating the receipts and payments of the subaward from the receipts and payments of your institution's other activities?

Yes: ☐

No: ☐

10. Is your institution's accounting system capable of accumulating individual subaward transactions according to budget categories in the approved budget?

Yes: ☐

No: ☐

10. Is your institution's accounting system designed to detect errors in a timely manner?



Yes: ☐

No: ☐

11. How will your institution make sure that budget categories and/or overall budget limits for the subaward will not be exceeded?

12. Are reconciliations between bank statements and accounting records performed monthly and reviewed by an appropriate individual?

Yes: ☐

No: ☐

13. Briefly describe your institution's system for filing and keeping supporting documentation.

SECTION D: Audit

The subaward provisions require recipients to adhere to USAID regulations, including requirements to maintain records for a minimum of three years to make accounting records available for review by appropriate representatives of USAID or DAI, and, in some cases, may require an audit to be performed of your accounting records. Please provide the following information on prior audits of your institution.

1. Is someone in your institution familiar with U.S. government regulations concerning costs which can be charged to U.S. federal subawards? (OMB Circular A-122 "Cost Principles for Nonprofit Institutions" and OMB Circular A-110 "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Institutions")?

Yes: ☐

No: ☐

2. Do you anticipate that your institution will have other sources of U.S. government funds during the period of this subaward?

Yes: ☐

No: ☐

3. Have external accountants ever performed an audit of your institution's financial statements?

Yes: ☐

No: ☐

If yes, please provide a copy of your most recent report.

4. Does your institution have regular audits?

Yes: ☐

No: ☐

If yes, who performs the audit and how frequently is it performed?

5. If you do not have a current audit of your financial statements, please provide this office with a copy of the following financial statements, if available:

- a. A "Balance Sheet" for the most current and previous year; and
- b. An "Income Statement" for the most current and previous year.

6. Are there any circumstances that would prevent your institution from obtaining an audit?

Yes: ☐

No: ☐

If yes, please provide details:

CHECKLIST AND SIGNATURE PAGE

DAI requests that your institution submit a number of documents along with this completed questionnaire. Complete this page to ensure that all requested information has been included.

Complete the checklist:

- ☐ Copy of your organization's most recent audit is attached.
- ☐ If no recent audit, a "Balance Sheet" "Income Statement" for the most current and previous fiscal year.
- ☐ All questions have been fully answered.
- ☐ An authorized individual has signed and dated this page.

Optional:

- ☐ Incorporation Papers or Certificate of Registration and Statute is attached.
- ☐ Information describing your institution is attached.
- ☐ Organizational chart, if available is attached (if applicable).

The Financial Capability Questionnaire must be signed and dated by an authorized person who has either completed or reviewed the form.

Approved by:

Print Name

Signature

Title

Date _____

Annex 7: Proposal Checklist

Before submitting your proposal, please check to make sure the following are included:

- ☐ Narrative Technical Proposal (5 page maximum, exclusive of personnel CVs, workplan and personnel plan)
- ☐ CVs of named team members (3 pages max each)
- ☐ Completed Past Performance Matrix
- ☐ Technical Proposal contains Workplan
- ☐ Technical Proposal contains Personnel & Management Plan
- ☐ Financial Capacity Questionnaire complete and supporting documents included
- ☐ Budget
- ☐ Budget narrative