

RFI (Market Research Purposes only): 7200AA19R00086  
Water and Energy for Food (WE4F):  
A Grand Challenge for Development



**MARKET RESEARCH ONLY !!!**

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Subject: Water and Energy for Food: A Grand Challenge for Development

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**Background**

In late October of 2019 in Stockholm, the United States Agency for International Development (USAID), Sweden through the Swedish International Development Cooperation Agency Government (Sida), and the Ministry of Foreign Affairs of the Government of the Netherlands will launch *Water and Energy for Food: A Grand Challenge for Development*.

The Grand Challenges for Development (GCD) program is an innovation and acceleration initiative that began in 2011. Through GCDs, USAID and its partners are sourcing and accelerating the best science and technology-focused small and growing enterprises, entrepreneurs, and businesses that have the potential to solve specific development challenges. Small and growing enterprises (SGEs) can come from anywhere in the world. Implementation must take place in a developing or emerging country.

The Water and Energy for Food (“WE4F”) challenge fund is a partnership between Sweden through the Swedish International Development Cooperation Agency (Sida), the U.S. Agency for International Development (USAID) and the Ministry of Foreign Affairs of the Government of the Netherlands (hereafter the founding partners<sup>1</sup>). Through WE4F, the partners want to expand the sustainable scale of innovations that impact the sectors food and water, food and energy or all

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<sup>1</sup> *Founding partners of the WE4F Challenge Fund; however, the fund remains open towards other donors.*

three sectors of the nexus (food, water, energy) to increase the sustainability of agricultural food value chains, improving energy and water efficiency, as well as to improve climate resilient agriculture in developing countries and emerging markets in accordance with the SDGs, with a particular focus on the poor and women.

To achieve this goal, the effort must include partners from the private sector, NGOs, other research institutions, and other donors who share the common goal of increasing food production through sustainable water and energy usage. A key consideration of this effort is to ensure feedback loops are created that integrate local conditions and new knowledge into both national and international policy and decision-making as well as integrate capacity development, knowledge management, and financial and non-financial instruments in a smart way to create an enabling environment in the partner countries.

The overall structure for the WE4F Challenge Fund envisions a steering structure consisting of

- 1) a Steering Committee,
- 2) one Secretariat with two units, and
- 3) one Regional Innovation Hub per region.

The Secretariat will be responsible for global scaling efforts as well as the management, coordination, monitoring and evaluation of the Regional Innovation Hubs, whose number can be increased over time.

### **Target Groups of the WE4F Challenge Fund**

The challenge fund will work with the following prioritized target groups:

- 1) Small and growing enterprises with large potential for scaling that have previously received support and proved successful in the introduction phase from either the Grand Challenge Fund Securing Water for Food or Powering Agriculture.<sup>2</sup>
- 2) For-profit and nonprofit organizations as well as organizations in academia with a for-profit arm that are working in the nexus of water-energy-food.<sup>3</sup> These organizations can apply through advertised regional calls.
- 3) Other actors that are identified by the Regional Innovation Hubs, that fit the criteria of WE4F and are crucial for the scaling of impacts.<sup>4</sup>

Priority will be given to small and growing enterprises from the Global South, female small and growing enterprises, small and growing enterprises working in the food and water, food and energy or all three sectors of the nexus (food, water, energy) as well as enterprises that

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<sup>2</sup> Referred to as “old” small and growing enterprises

<sup>3</sup> Referred to as “new” small and growing enterprises

<sup>4</sup> These may or may not be enterprises.

specifically target women and the poor as end-users and therefore attempt to improve the access of these groups to water and/or energy for the sustainable production of food, mitigation of environmental shocks such as droughts, etc. Furthermore, enterprises targeting fragile states. Small Island Developing States (SIDS) and coastal areas are also particularly encouraged to apply.

The program will support small and growing enterprises targeting both rural and urban food production and processing in all countries and territories on the Organization for Economic Co-operation and Development Assistance Committee's (OECD-DAC) list of Official Development Assistance recipients, including fragile states, coastal areas and SIDS. In the beginning, WE4F will concentrate its activities on Africa, the MENA region, and Asia. The expansion of the geographical coverage to more regions should, however, occur in the future, if this is deemed relevant by the supporting partners.

### **Regional Innovation Hubs (RIH)**

The Regional Innovation Hubs provide both financial and non-financial support in the form of a financial brokering and technical assistance unit. Furthermore, the Regional Innovation Hubs will also identify potential new innovators and offer relevant business model and technical support to both new and old innovators throughout and after the regional call process.

At the same time, the Regional Innovation Hubs will facilitate advocacy work and encourage debates around the enabling environment for producers and end-users by highlighting important issues that hinder innovations or the scaling of innovations of the supported innovators (e.g. missing regulations). For this purpose, they establish a report with local representatives of WE4F partners. In addition, they will link up with other bi- or multilateral donor programs to integrate innovations – where possible – into these programs.

To set up one or several of the Regional Innovation Hubs, the respective managing entity takes on the administrative and technical tasks related to the implementation of the Regional Innovation Hub in the region. Its responsibilities, amongst others, are the identification of innovators, dealing with innovation grants and maintaining proper financial systems, accompanying payment processes, providing technical assistance, monitor environmental, social and governance (ESG) aspects of implementation and natural resource use, implementing audits, monitoring functions as well as investigating and reporting on irregularities. The managing entity of the respective Regional Innovation Hub will execute its duties in close cooperation with its assigned unit of the Secretariat of the WE4F challenge fund and receives strategic guidance from the Steering Committee (subsidiarity principle).

The Founding Partners are seeking comments from parties around the world that may be interested in managing regional innovation hubs (1. MENA Region; 2. S/SE Asia) to help us improve the attached program description in this Notice.

### **Submittal Information**

Responses must include a cover page with the following information:

1. Organization name and address;
2. Organization point of contact name, telephone number, and email address;
3. Organization business size and status (e.g., small business, 8(a), HUBZone, etc.), the number of years in business, and affiliate information;
4. The organization's GSA Schedule contract number, if applicable.

Responses should be no more than 10 pages and include a statement of capabilities demonstrating past performance meeting the requirements of the attached program description.

In addition to general comments and suggestions, we are requesting specific responses to the following questions to be included in your organization's statement of capabilities:

1. Does your organization have any experience with mid-to late stage enterprises?
2. Does your organization have a track record of helping small and growing business reach sustainable scale? –WE4F is focused on mid to late stage innovation (enterprises with a minimum of 5,000 current customers that are looking to sustainably scale to 100k's to millions of customers).
3. What is your organization's previous experience helping small and growing enterprises gain access to financial services?
4. What is your organization's previous experience with helping smallholder farmers get access to financial services to procure technologies?
5. What is your organization's previous experience/competence working with sustainable agriculture, water-ag issues and energy-ag issues?
6. What is your organization's previous experience with developing business/technology for climate resilience, given specific local contexts?
7. What is your organization's experience with sustainable natural resource management and climate resilience to support sustainable enterprise development?
8. How would you deal with ESG issues in supporting enterprise development?
9. How would you deliver on WE4F Founding Partners' vision for the Regional Hub? (see Attachments 1 Program Description and Attachment 2 Ecosystem graphic)
10. How would your organization leverage your existing systems and networks to the Regional Innovation Hub?
11. Do you envision the RIH staff will be co-located in your offices or in a different location?
12. How would your organization deliver on the advocacy and enabling environment pillar of WE4F (Addressing the obstacles innovators are facing when it comes to the enabling environment)?

13. How would you mainstream Gender, Poverty, Environment/Climate/Biodiversity/Natural Resources into your implementation activities around the Regional Innovation Hub?
14. Do you have any experience working with debt or equity guarantees, portable guarantees, or reimbursable grants instruments?
15. In the SWFF Grand Challenge, a Rapid Vendor Procurement Process was created that allowed for procurement of vendors in 1-1.5 months (from scoping of technical assistance through service delivery to performance review, the full process takes 4.5 months). This allowed the program to be able to pivot quickly to the needs of the enterprises, and to work faster than traditional development. Do you envision using a similar process?
16. How many years of experience do you have in the regions (either MENA or S/SE Asia; please answer separately if you are interested in managing the regional innovation hub for both regions)? How many country offices do you have in each of the regions? (Note: Should this RFI lead to an acquisitions or assistance process, any organization wishing to compete for both the MENA and S/SE Asia innovation hub would need to submit separate applications for each hub.
17. Does your organization expect to be able to deliver all components of WE4F outlined in the attached program description, or do you believe that you will need to work in a consortium or partnership? If working with others, please provide a brief overview of some of the activities you anticipate the others to perform to support your management of the WE4F Regional Innovation Hub as outlined in the attached program description.

Submit responses to this RFI to [WE4FGrandChallenge@gmail.com](mailto:WE4FGrandChallenge@gmail.com) no later than the time/date stated above.

The Founding Partners have not finalized all aspects of the new initiative and need meaningful and substantive comments from the broader community of interest. The Founding Partners bear no responsibility for data errors resulting from transmission or conversion processes. Further, be aware that amendments to this Notice may be issued and will be posted on the same Internet site from which you downloaded this notice. You are advised to regularly check the above Internet site for amendments and are encouraged to sign up for update notifications on the solicitation at [www.grants.gov](http://www.grants.gov) and [www.fbo.gov](http://www.fbo.gov).

**This RFI request is for market research purposes only.**

This announcement is a Request for Information (RFI), not a Request for Proposals (RFP) or a Request for Applications (RFA) and is not to be construed as a commitment by the U.S. Government to issue any solicitation or ultimately award a contract on the basis of this RFI, or to pay for any information submitted as a result of this request. It should be noted that responding to this RFI will not give any advantage to any organization in the subsequent procurement. The U.S. Government will not provide answers to any question submitted in response to this request. Responses will be held confidential. Proprietary information should not be sent.

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Issuance of this Notice does not constitute a binding commitment on the part of the Government to issue a Solicitation, nor does it commit the Government to pay for costs incurred in the preparation and submission of any comments. As a result, USAID reserves the right not to respond to any questions received or provide follow-up information. Please do not submit proposals or resumes as they will be discarded and submissions will not be acknowledged. No phone calls or hand carries please. If any future activities are related to this RFI, they will be posted at [www.grants.gov](http://www.grants.gov) and [www.fbo.gov](http://www.fbo.gov) and therefore no additional responses will be provided by USAID on this RFI.

Thank you for your consideration of this USAID, Sida, and the Ministry of Foreign Affairs of the Government of the Netherlands initiative. We look forward to your organization's participation.

Sincerely,

/s/

Deidre Jackson

Contracting/Agreements Officer

## **Attachment: Program Description**

### **1) Introduction**

The Water and Energy for Food (“WE4F”) challenge fund is a partnership between Sweden through the Swedish International Development Cooperation Agency (Sida), the U.S. Agency for International Development (USAID) and the Ministry of Foreign Affairs of the Government of the Netherlands (hereafter the partners[1]). Through WE4F, the partners want to expand the sustainable scale of innovations that impact the sectors food and water, food and energy or all three sectors of the nexus (food, water, energy) to increase the sustainability of agricultural food value chains, improving energy and water efficiency as well as to improve climate resilient agriculture in developing countries and emerging markets in accordance with the SDGs, with a particular focus on the poor and women.

To achieve this goal, the effort must include partners from the private sector, NGOs, other research institutions, and other donors who share the common goal of increasing food production through sustainable water and energy usage. A key consideration of this effort is to ensure that feedback loops are created that integrate local conditions and new knowledge into both national and international policy and decision-making as well as to integrate capacity development, knowledge management and financial and non-financial instruments in a smart way to create an enabling environment in the partner countries.

#### 1.1 Target Groups of the WE4F Challenge Fund

The challenge fund will work with the following prioritized target groups:

- a) small and growing enterprises with large potential for scaling that have previously received support and proved successful in the introduction phase from either the Grand Challenge Fund Securing Water for Food or Powering Agriculture
- b) For-profit and non-profit organizations as well as organizations in academia with a for-profit arm that are working in the nexus of water-energy-food. These organizations can apply through advertised regional calls.
- c) Other actors that are identified by the Regional Innovation Hubs, that fit the criteria of WE4F and are crucial for the scaling of impacts.

Priority will be given to small and growing enterprises from the Global South, female small and growing enterprises, small and growing enterprises working in the food and water, food and energy or all three sectors of the nexus (food, water, energy) as well as innovations that specifically target women and the poor as end-users and therefore attempt to improve the access of these groups to water and/or energy for the production of food, mitigation of environmental shocks such as droughts, etc. Furthermore,

innovations targeting fragile states, Small Island Developing States (SIDS) and coastal areas are also particularly encouraged to apply.<sup>5</sup>

The program will support innovations targeting both rural and urban food production and processing in all countries and territories on the Organization for Economic Co-operation and Development Assistance Committee's (OECD-DAC) list of Official Development Assistance recipients, including fragile states, coastal areas and SIDS. In the beginning, WE4F will concentrate its activities on Africa, MENA region and Asia. The expansion of the geographical coverage to more regions could, however, occur in the future, if this is deemed relevant by the supporting partners.

## 2) **Regional Innovation Hub Managing Entity's Tasks and Responsibilities**

The overall structure for the WE4F Challenge Fund envisions a steering structure consisting of

- 1) a Steering Committee,
- 2) one Secretariat with two units, and
- 3) one Regional Innovation Hub per region.

The Secretariat will be responsible for global scaling efforts as well as the management and coordination of the Regional Innovation Hubs, whose number can be increased over time. To ensure the best possible prospects of success in efforts to reach sustainable scale, the Regional Innovation Hubs provide both financial and non-financial support in the form of a financial brokering and technical assistance unit. Furthermore, the Regional Innovation Hubs will also identify potential new small and growing enterprises and offer relevant support, including support related to environment/climate/biodiversity/natural resource management, gender and poverty, to both new and old growing enterprises throughout and after the regional call process.

At the same time, the Regional Innovation Hubs will facilitate advocacy work and encourage debates around the enabling environment for producers and end-users by highlighting important issues that hinder innovations or the scaling of innovations of the supported small and growing enterprises (e.g. missing regulations). For this purpose, they establish a report with local representatives of WE4F partners. In addition, they will link up with other bi- or multilateral donor programs to integrate innovations – where possible – into these programs.

To set up one or several of the Regional Innovation Hubs, the respective managing entity takes on the administrative and technical tasks related to the implementation of the Regional Innovation Hub in the region. Its responsibilities, amongst others, are the identification of small and growing enterprises, dealing with innovation grants and maintaining proper financial

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[1] Referred to as "old" small and growing enterprises

[2] Referred to as „new“ small and growing enterprises



systems, accompanying payment processes, providing technical assistance, monitor ESG implementation and natural resource use, implementing audits, monitoring functions as well as investigating and reporting on irregularities. The managing entity of the respective Regional Innovation Hub will execute its duties in close cooperation with its assigned unit of the Secretariat of the WE4F challenge fund and receives strategic guidance from the Steering Committee (subsidiarity principle).

Furthermore, in case that a partner wants to commit funds – either channeled to the managing entity or through a parallel financing system in close cooperation with the managing entity – to a Regional Innovation Hub, which is managed by another partner or another suitable organization, the responsibility of the management of these funds will be taken over by the respective managing entity of the Regional Innovation Hub.

In detail the managing entity of one or several Regional Innovation Hubs has to fulfil the following tasks and responsibilities that include, but are not limited to:

## **2.1 Management Structure**

- a) set up an appropriate management, finance and control system in line with the funding requirements of the different donors
- b) set up adequate organizational structures and processes in the respective region
- c) develop clear, operational and enforceable standards for the different tasks and responsibilities described below
- d) collect and aggregate monitoring data from the small and growing enterprises as well as collect and aggregate data on further engagements (e.g. monitoring enabling environment activities)
- e) establish knowledge management structures (monitoring, evaluation, learning) and processes with other Regional Innovation Hubs and the Secretariat

## **2.2 Technical Assistance or Recruitment thereof**

- a) provision of any sort of non-financial assistance to the small and growing enterprises and actors in the enabling environment to enable them to reach their full potential; either by employed staff or through a vendor system, which has to be set up by the managing entity
- b) provision of technical assistance which includes, but is not limited to: Business Development; Business Mentorship; Business Modelling; Environmental Compliance; Gender; Graphic Design, Branding, and Website Development; Human Resources Management; Legal Services; Market Research and Market Analysis (including base of the pyramid); Missing Markets; Materials Science; Media Training and Presentation Coaching; Organizational Capacity Building; Partner Identification and Partnerships; Policy and Advocacy; Climate and Conflict Risks Analysis; Management of Vulnerability of Natural Resources in

view of Climate Change; Increasing Climate resilience; support sustainable production by End Users and BOP, Product Development, Refinement, and Diversification; Public Relations and Communication; Smallholder Farmer Marketing and Sales; Supply Chain Development; Technical Writing and Scope of Work Development; Travel Services (Conferences/Investor Workshops/Meetings).

- c) any other form of technical assistance which includes, but is not limited to: training, coaching, train-the-trainer activities, advisory services, site visits, development of manuals or training materials, toolboxes, impact measurement tools, performance measure reporting tools, readiness tools, advice on policies and legislation, development and implementation of pilots
- d) establishing relations with the respective local and central governments in the region in order to facilitate advocacy activities to change, e.g. regulations hindering the scaling of supported innovations
- e) engage in relevant policy and private sector networks within the region
- f) participate in multi-stakeholder platforms and initiate regional activities in the region for advocacy purposes
- g) analyze and document bottlenecks for implementing and scaling innovations (e.g. in the form of sector reports and/or market studies) in order to identify actions that can be taken to foster improvements (e.g. in form of awareness raising or round tables)

### **2.3 Financial Brokering or Recruitment thereof**

- a) support small and growing enterprises in accessing capital for scaling-up during or at the end of going through the program of the challenge fund
- b) facilitation of services which include but are not limited to connection to regional and local finance sources, which can consist of guarantee instruments, crowdfunding, debt financing, grants or equity financing and reimbursable grants
- c) capacity development for investors

### **2.4 End-User Financing**

- a) facilitate the development of suitable end-user finance instruments for smallholder farmers, the poor and women in order to address potential market failures with regards to the demand of innovations and resulting products/services
- b) provision of capacity development services which include but are not limited to capacity development activities for staff of finance institutions, the sensitization of finance institutions through events or other advocacy activities; conducting studies on potential end-user financing instruments and

related topics, forming cooperation with local and/ or regional finance institutions or business modelling for end-user financing and application of Bottom of Pyramid

## **2.5 Knowledge Management and Capacity Building**

- a) mainstreaming different uses of the financed innovations (e. g. by developing a solar power irrigation toolbox or by trying to incorporate innovations in corporate value chains) by using other financial instruments to finance e.g. capacity development activities or develop products (see above)

## **2.6 Selection and Review Process**

- a) developing and establishing of a selection process for “new” small and growing enterprises in close cooperation with the Secretariat
- b) developing and establishing of a review process of the “old” small and growing enterprises from SWFF and PAEGC in close cooperation with the Secretariat
- c) develop and establish contacts with other actors (use of flexible funds): implementation of other financial instruments e.g. PPPs with which activities with actors that are identified by the Regional Innovation Hub and fit the criteria of WE4F challenge fund and are crucial for the scaling of impacts can be financed
- d) creation of a pipeline of small and growing enterprises as well as link small and growing enterprises to other funds that are more appropriate

## **2.7 Coordination of Partners’ Activities in the Regional Innovation Hub’s Region**

- a) establishing at a minimum a quarterly rapport with existing and potential partners to inform them about the regional innovations accelerator’s activities in the region in close cooperation with the respective partners in the Steering Committee
- b) coordinating planned activities of the partners in the region to avoid redundant structures/processes and to generate synergies
- c) coordinate with the Secretariat and other Regional Innovation Hubs

### 3) **Management Structure**

To **ensure the appropriate adaptation of the strategy to local and regional needs**, Regional Innovation Hubs play a crucial role in the institutional set-up of the WE4F challenge fund. In this regard, the Regional Innovation Hubs should be set up as **centralized Regional Innovation Hubs that cover a region from one location but complement the Regional Innovation Hubs with targeted consultancies (e.g. through the established vendor system) or staff in key countries** of the region on a needs basis.

In addition, they should accommodate a closely integrated **transdisciplinary team of financial brokers and technical advisors** in order to support small and growing enterprises holistically and to facilitate quick feedback loops and mutual learning processes. The team of financial brokers and technical advisors perform mostly a coordinating function. While they may provide technical advice to small and growing enterprises or other relevant stakeholders themselves, more specialized **instances of technical assistance or advisory work can be sourced from service providers through a vendor system** on the local markets (for a potential list of technical assistance services please see above). On the one hand, this ensures more flexibility in designing advisory activities. On the other hand, it allows to establish a performance-based management of service providers by setting clear targets, monitoring results and adapting strategies (e.g. adapting services or changing service provider).

Furthermore, the Regional Innovation Hubs have to provide staff to **engage in sectoral networks to both generate knowledge and facilitate advocacy work for changes in the enabling environment to the extent possible**. If further advocacy work in specific areas is necessary, these personnel has to liaise with other programs or actors that engage in more targeted policy consulting and can include these aspects in their programming.

Finally, each Regional Innovation Hub has a **non-standing regional advisory body** in order to increase legitimacy and suitability of the regional call process as well as to engage with the private sector in the respective countries or region. The body can provide – in close cooperation with the Regional Innovation Hub – recommendations on the design of the regional call process and provide a first shortlist of candidates – in consultation with the Regional Innovation Hub – before the latter prepares a final shortlist for consideration of the steering structure.

#### **3.1 Administration and Financial Management**

The managing entity shall be responsible for setting up appropriate and proportionate administrative and financial control system in accordance with the partners' regulations which shall ensure the respect of the principles of economy, efficiency and effectiveness. The developed administrative and financial control system shall cover in particular, but should not be limited to:

- a) the definition of the functions of the entities/individuals involved in the administrative and financial control system
- b) the system for verification of payment claims and the transfer of funds from the granting Secretariat to the small and growing enterprises
- c) the systems for audit and monitoring of small and growing enterprises to ensure that the supported small and growing enterprises abide to the relevant regulatory frameworks of the partners
- d) the quality assurance system for the implementation of the cross-cutting issues such as gender, environment and climate, poverty, local ownership and anti-corruption
- e) the system for preventing, mitigating, detecting, reporting on risks and irregularities
- f) the system to maintain an audit trail of all supported activities

### **3.2 Communication**

The managing entity shall further be responsible, amongst others, for the following communication activities:

- a) participating in regular calls about current activities with the Secretariat and all other Regional Innovation Hubs
- b) meet at a minimum meet up once a year in person with the other Regional Innovation Hubs and the Secretariat to discuss lessons learned
- c) on a continuous basis communicate success stories, lessons learned, challenges as well as the needs and interests of (potential) supported small and growing enterprises with the respective unit of the Secretariat
- d) pro-actively disseminate information about the WE4F challenge fund and make it known to important stakeholders in their respective region according to corporate design guidelines
- e) being the focal point to interested actors and (supported) small and growing enterprises, who need information, advice, support, etc. on request

### **3.3 Managing for Results and Risks**

The managing entity of the Regional Innovation Hub is at least responsible for the following tasks related to managing for results:

- a) set objectives and target values for the Regional Innovation Hub – including objectives for gender, poverty and environment/climate/biodiversity policies – on the basis of the strategic guidelines of the Steering Committee, in close cooperation with the respective unit of the Secretariat

- b) collecting and integrating monitoring data from the supported small and growing enterprises for the monitoring system established by the Secretariat
- c) collecting and documenting the needed data to measure the regional innovator accelerator's performance
- d) assess the risks to effective implementation of the supported innovations and their results, and identify and take appropriate actions to mitigate those risks

### **3.4 Reporting**

The managing entity of the Regional Innovation Hub shall report to its responsible unit of the Secretariat. The following reports shall be required:

- a) annual reports (narrative, financial and audit) according to the guidelines issued by the responsible unit of the Secretariat; they should at least include a financial report and a performance report of the Regional Innovation Hub
- b) bi-annually reports on the performance of the supported small and growing enterprises and other actors as well as the performance of the Regional Innovation Hub as such
- c) compile and analyse existing sector reports on policy level in the fields of water, energy, agriculture and finance; these reports have to be drawn up in the start-up phase of the Regional Innovation Hub and have to be updated through briefs every two years
- d) ad-hoc reports following requests from the responsible unit of the Secretariat and/or the Steering Committee

## **4) Selection and Review Process**

A key feature of the challenge fund is the implementation of a regional competitive call for new small and growing enterprises, a review process for "old" small and growing enterprises from SWFF and PAEGC as well as the ad-hoc identification of other actors that fit the criteria of WE4F and are crucial for the scaling of impacts. All these processes are managed by the Regional Innovation Hubs in each region.

### **4.1 Objective of the Selection and Review Process**

Within the selection and review process, the Regional Innovation Hubs' objectives is

- a) to identify relevant new small and growing enterprises in the regions within the water-energy-food nexus in an efficient manner
- b) to make an informed selection of the "old" small and growing enterprises from SWFF and PAEGC with regard to their potential for sustainable scale
- c) identify other actors that are fit the criteria of WE4F challenge fund and are crucial for the scaling of impacts

#### **4.2 The Selection Process for New small and growing enterprises**

The selection of new small and growing enterprises for the WE4F challenge fund is the responsibility of the respective Regional Innovation Hub. For this purpose, the Regional Innovation Hub implements regional calls. The **selection criteria** for the regional calls are thereby defined in an agile process. Based on issued strategic guidelines by the steering structure, the Regional Innovation Hub consults the respective regional advisory body and possibly additional sectoral networks to further develop the selection criteria in order to meet the strategic requirements and at the same time adapt them to the specific conditions in each of the countries that the fund plans to operate in. Afterwards, the selection criteria are iterated one or several times with the Secretariat to ensure suitability with the strategic guidelines.

The regional calls thereby should be based at least on the following strategic guidelines, which can be – as described above – adapted or expanded by the Regional Innovation Hubs to accommodate the needs of the region:

- a) The applicants' innovations have to address at least two dimensions of the water-energy-food nexus, food always being one of the two.
- b) Two thirds of the applicants have to be from the South while the remaining one third at least has to have a partner in the South where the majority of the funds will be spent.
- c) Applicants have to document how they want to sustainably scale their innovation and prove the demand and market for their innovation
- d) Applicants have to show how their innovations increase climate resilience and mitigate climate and conflict risks in specific local contexts
- e) Applicants have to be willing to take on suggested activities from the Regional Innovation Hub
- f) Applicants have to show how their innovations adhere to and address the cross-cutting issues of gender, poverty as well as environment and climate
- g) Companies with female leadership shall be given priority where the quality of the application is equivalent
- h) Gender as a topic should be mainstreamed in all calls including in the calls' advertisement
- i) Special calls for women-led companies and/ or with a focus on technologies that benefit women can be issued

Once the selection criteria have been confirmed by the responsible unit of the Secretariat and the Steering Committee, the regional selection process takes place in two phases:

- a) In the *first phase* the Regional Innovation Hub shall engage intensely with the target groups to make the fund known to all potential applicants. This engagement includes presentations in sectoral network meetings and conferences, online and

possibly other forms of physical advertising as well as the mobilization of a previously established partner network. Once the regional call is public, interested candidates will approach the Regional Innovation Hub and seek additional information as well as feedback on their ideas, which the Regional Innovation Hub shall provide.

- b) In the *second phase* the Regional Innovation Hub shall implement the actual call process which shall consist of two stages. In the first stage, applicants will submit a short concept note explaining their innovation and its scalability. With regard to the latter, they have to submit prove about their customer base and/or the demand and market for their innovations. Furthermore, they have to submit their basic application information, an outline of their organizational capacity and key personnel as well as a tentative budget proposal. On the basis of the received information, the regional advisory body compiles in close cooperation with the respective Regional Innovation Hub a shortlist of candidates that have potential for sustainable scale in terms of the business model and financial requirements. Simultaneously, the Regional Innovation Hub compiles a list of potential candidates based on the strategic guidelines of the Steering Committee as well as developmental aspects (gender, poverty, environment, local ownership, etc.). Then the Regional Innovation Hub decides on the basis of both lists, which candidates get shortlisted and hands the shortlist on to its responsible unit of the Secretariat. If necessary, a feedback loop between the respective unit of the Secretariat and the Regional Innovation Hubs takes place at this stage.

In the second stage, the successful shortlisted applicants shall be invited to submit an extended application containing past performance information forms, a detailed budget proposal as well as necessary forms and certificates as well as the UN, EU and donor legislation checklists. Based upon the extended application the regional advisory body once again prepares a shortlist of potential awardees in consultation with the Regional Innovation Hub. This is then again forwarded to the Steering Committee for final approval.

Once the awardees have been selected, they are eligible for the services provided by the respective Regional Innovation Hub.

#### **4.3 The Review Process for small and growing enterprises from SWFF and PAEGC**

At the same time the Regional Innovation Hubs shall be responsible for the review process of the already existing small and growing enterprises from SWFF and PAEGC in their respective region. For this purpose, they will analyze the supported small and growing enterprises along at least the following guidelines issued by the Steering Committee:



- a) The supported small and growing enterprises shall be investment ready and have to prove that they have a substantial customer base
- b) The supported innovations shall adhere to and address the cross-cutting issues of gender, poverty as well as environment and climate
- c) The supported innovations have to be scalable; this has to be proven by the existing demand and market for their innovation

In a next step, the Regional Innovation Hubs implement a streamlined assessment process, which will be developed by the Secretariat. The results of this process will be communicated to the Secretariat and the Steering Committee for final approval. The assessment process can either be implemented by the personnel of the Regional Innovation Hub or by an external consultancy sourced via the established vendor system of the Regional Innovation Hub.

#### **4.4 Ad-Hoc Identification of other relevant Actors**

In order to seize potential windows of opportunity, the Regional Innovation Hubs can identify other relevant actors that fit the criteria of the WE4F challenge fund and are crucial for the scaling of impacts on a rolling basis. These candidates can be identified e.g. via a referral process from local incubators or they can be identified ad-hoc via the established networks in the regions. For the funding of these actors, which have not participated in the regional call procedure, the Regional Innovation Hubs can use other financial instruments (e.g. PPP or financial agreements) at their disposal.

#### **5) Professional Requirements of Managing Entity**

The managing entity shall perform the services with best professional practice, independence, care, due diligence and efficiency, and contribute to a positive dialogue and good cooperation with the Secretariat and any third parties involved.

The Regional Innovation Hubs can be managed **either by one of the donors or any other suitable organization supported by (one of the) donors.**

The managing entity is expected to have the following characteristics:

##### **5.1 Knowledge and Skills**

- a) be knowledgeable about the implementation and enforcement of transnational contracts
- b) be knowledgeable about efficient financial control and payment systems
- c) be knowledgeable about results-based management, project monitoring and program management

- d) be skilled in identifying and assessing the most common legal issues arising in the funding of small and growing enterprises
- e) be knowledgeable about tailor-made technical assistance attuned to small and growing enterprises' needs
- f) be knowledgeable about different finance instruments for small and growing enterprises, end-user financing and other schemes
- g) be knowledgeable about the water-energy-food nexus, including building climate resilience and mitigating climate and conflict risks in specific local contexts
- h) possess substantial knowledge in providing technical assistance (including technical assistance in gender, poverty, environment/climate/biodiversity/natural resources management and in generating an enabling environment)
- i) excellent English language skills, both written and oral; excellent knowledge of the most common language in the region (e.g. French, Arabic, etc.) of the Regional Innovation Hub, both written and oral

## **5.2 Independence**

- a) be free of any conflict of interest

## **5.3 Management Capacity**

- a) be capable of operating challenge funds which possess different instruments and modalities
- b) be capable of ensuring reliable, efficient and proportional financial control of expenditures on different levels (Regional Innovation Hub and innovator level)
- c) be capable of developing transnational contracts as well as signing and amending contracts as necessary
- d) be capable of regularly monitoring progress towards objectives on multiple levels
- e) be capable of providing timely and professional first point of contact services to applicants, small and growing enterprises and other actors, proactively supporting and assisting the Secretariat's work during the programme period
- f) be capable of liaising with local governments and embassies as well as advocacy groups, platforms or other actors
- g) be capable of implementing communication and publicity tools, events, etc.
- h) be capable of performing risk assessment and implementing mitigation measures
- i) be capable of submitting user-friendly reports

#### **5.4 Experience**

- a) having strong experience in implementing and managing challenge funds, including contracting and financial flows
  - b) having experience in operating in a politically sensitive environments
  - c) having strong experience in working with sustainable agriculture, water-ag issues and energy-ag issues
  - d) having practical experience in building climate/environmental resilience and reducing climate/environmental conflict risks in specific local contexts
  - e) having experience in integrating gender and poverty in all stages of the program cycle
  - f) having experience in working with the private sector in developing countries
  - g) having experience with different instruments of technical assistance and financial brokering
  - h) having experience in managing multi-stakeholder partnerships
  - i) having experience in engaging with governments, advocacy groups or similar actors
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See “The Acceleration Support Process” on the next page.





## PROCESS STEP DESCRIPTIONS AND RECOMMENDED ADJUSTMENTS

### PROCESSES FOR AN INNOVATOR'S INITIAL YEAR IN THE PROGRAM

	CURRENT STEP	DESCRIPTION
	0. Based on a preliminary understanding of the needs of innovators, conduct Blanket Purchase Order Agreement Request for Proposals for vendors with expertise in select service categories.	This competitive selection process expands and diversifies the pool of vetted service providers and includes vendors that operate in the countries where WE4F innovators are operational. Based on lessons learned, this process is now rolling, however there may need to be an annual push to ensure the vendor pool is not only targeted but also robust.
Preparation for Site Visit (2 weeks)	1. Review Award Nominee Application (3 hours)	Review available background information on the award nominee. This includes the award application, any graphics submitted to illustrate the technology, and a business model and financial model, if they exist. If the business model, the financial model, a standardized customer questionnaire, and questionnaire responses from at least 30 customers/potential customers do not exist in an application, or they are not sufficient, the first support engagement should address these gaps.
	2. Award nominee completes Innovator Needs Diagnostic (allow 2 weeks)	The Innovator Needs Diagnostic is based on the Business Model Canvas and is designed to help the award nominee think through various aspects of their business and their progress to date and gaps that need to be addressed. The Diagnostic responses are a key input into the acceleration support discussion(s) that the Acceleration Facilitator has with an award nominee to plan acceleration support for a coming year.
	3. Assess the milestone targets proposed in the nominee's application (2 hours)	A review of the agreed-upon milestones and targets proposed by the award nominee.
Site Visit (3 days)	4. Conduct a site visit with the award nominee (Site visit - covers 3 days. Discussions of targets and acceleration support occur across the 3 days. However, the site visit includes a dedicated 2-hour discussion of targets and a dedicated 2-hour discussion on acceleration support.)	The site visit allows for in-depth discussions around the milestone targets, the nominee's successes and challenges to date, and a focus on advisory support that will be of greatest value. A site visit is important to see exactly how the award nominee operates, to see the challenges they face, to meet and get feedback from customers, and to prompt questions that otherwise would not come up based on the documentation the nominee has submitted up to this point in the process. The site visit enables a deeper probe into the nominee's operations and strategy that will reveal root causes to challenges and specific needs.
	4a. Discuss milestone targets with the award nominee	A dialogue to clarify how the targets were calculated and assumptions that underlie the targets proposed. Conduct this step during the site visit to allow pushback, reassessments, questioning, and revised targets, and to ensure that the underlying assumptions are sound.
	4b. Conduct an acceleration support conversation with the award nominee	This collaborative conversation with the award nominee yields a prioritized list of support services to be delivered during the first year of the award.
	<b>AWARD DECISION</b>	With information collected from the site visit, a final decision is made to either move forward with the award or to remove the nominee from further consideration.
Acceleration Work Plan (3 days)	5. Innovator completes the Acceleration Work Plan (AWP) (2 days)	The Acceleration Work Plan documents the agreed-upon milestones and targets for all three years of the award. The innovator includes activities that they will conduct to collect the data, information on whether or not a target was met, and a narrative that explains the innovator's strategy for achieving the targets. The AWP also includes first year milestone targets and tentative targets for follow on years.
	6. Innovator submits AWP to Regional Innovation Hub for review and approval (2 hours)	The Acceleration Facilitator and the Investment Facilitator review the AWP to ensure that the milestones and targets represent what was agreed upon in prior discussions. The AWP is also reviewed to ensure the data the awardee proposes to collect to demonstrate achievement of a target is acceptable. The Regional Innovation Hub Manager also reviews the narrative to ensure that the innovator has a clear plan in place for how they will achieve the milestone targets. The Acceleration Facilitator and Investment Facilitator will both review and sign off on the document. The AWP will then be reviewed and signed off by the Regional Innovation Hub Manager.
	7. Official approval of AWP sent to innovator	The innovator receives a notification that their AWP has been approved. This AWP serves as the record of accountability for the duration of an innovator's time in the WE4F program.
Scope of Work and Vendor Response (21 days)	8. Acceleration Facilitator drafts acceleration support scope of work (SOW) (2 days)	A scope of work is drafted to reflect the acceleration support discussion conducted with the innovator. The Investment Facilitator reviews the SOW and provides feedback. Set metrics on turnaround time and track them across these processes. Discuss with all stakeholders what is reasonable and in line with innovator needs. Review the process with the innovator, Acceleration Facilitator, and Regional Innovation Hub Manager once the SOW is signed off on and ready for vendor selection to determine why the timeline was met or not. Make adjustments as necessary to the metrics or the process.
	9. Innovator reviews the draft SOW (3 days)	
	10. With innovator input, the Acceleration Facilitator revises the draft SOW (1 day)	
	11. Innovator and Acceleration Facilitator agree on the SOW	
	12. Draft SOW sent to Regional Innovation Hub Manager for review and approval (1 day)	
	13. Regional Innovation Hub Manager provides edits (if any) and approves the SOW for vendor selection	
	14. Acceleration Facilitator and the Investment Facilitator review the SOW to ensure coordination and post to Solicitation and Evaluation Management Platform (SEMP) (14 days)	The SEMP is a to-be-determined platform that notifies vendors of an RFP and where they submit their proposals. Vendors usually have two weeks to submit a proposal.