

Issue Date: April 17, 2023

Response Date: 5:00PM East Africa Time (EAT) on May 17, 2023

Subject: Request for Information (RFI): ATI-006 ATI, USAID and Prosper Africa – Francophone Africa Investment Activity

Dear Prospective Partner:

Through the Africa Trade and Investment (ATI) program, the United States Agency for International Development (USAID) seeks to bolster the U.S. Government’s ability to boost trade and investment to, from, and within the African continent. The continent-wide ATI program is USAID’s flagship effort in support of the Prosper Africa initiative and will expand and accelerate two-way trade and investment between African nations and the United States.

In support of its efforts to work with the private sector to advance deals, promote market opportunities, and strengthen business and investment climates, USAID awarded the ATI contract to DAI Global in September 2021. Through the USAID Middle East Regional Bureau and Prosper Africa, ATI seeks to explore and further assess private capital flows into francophone Africa, as well as investment linkages between North and West and Central Africa (including Benin, Burkina Faso, Côte d'Ivoire, Guinea, Gabon, Mali, Mauritania, Niger, Senegal, and Togo, Democratic Republic of Congo, Central African Republic, Cameroon) with the objective of increasing U.S. capital flows in francophone African markets.

Purpose

The intent of this RFI is to conduct market research to:

1. Better understand the nature of investment flows into francophone Africa, including the market linkages and investment opportunities between North and West Africa.
2. Gain a deeper understanding of the challenges, risk perceptions and constraints limiting private capital flows, especially from the US, into francophone African countries.
3. Map potential opportunities or innovative approaches for increasing private capital flows, especially from the US, into francophone African countries.
4. Collect market data and inputs from private sector actors that can inform how USAID and Prosper Africa can develop programming to support increased private investment flows from the United States into Africa’s francophone countries, especially those in North and West Africa.

In particular, the RFI seeks to answer the following questions:

- What are the existing investment linkages between francophone North and francophone West Africa?

- What are current portfolio investments in francophone African countries (including sources and amounts of investment and in what sectors)?
- What are recent examples of international capital that have leveraged North African financial intermediaries to develop and finance pipelines in other francophone African markets?
- What are the hesitations and barriers U.S. investors (and other non-francophone investors) have in investing in francophone African countries?
- What are priority investment sectors for potential U.S investors in francophone African countries?
- Could more sophisticated financial institutions in North Africa's francophone Africa (i.e., Morocco) be an entry point or conduit for investment into less established francophone countries?
- What could the US government do, utilizing the full toolkit from Prosper Africa's seventeen USG agencies and departments (e.g., USAID, DFC, USTDA, Dept of State, etc.) to scale US private equity/venture capital flows into francophone African countries?
- Does a language barrier or challenge exist between Prosper Africa's toolkit and relevant actors in francophone North and francophone West Africa?
- What would a Prosper Africa francophone investment center of support in either North or West Africa look like?
- Are there regional strategies, such as supporting lead countries or African financial institutions as entry points into the broader francophone region, the USG should develop?
- What types of infrastructure (both hard, such as ports and roads, and soft, such as export traceability software) enable or constrict investment linkages between francophone North and francophone West Africa?

DAI seeks direct inputs from financial institutions and private sector stakeholders on the above questions. All RFI respondents are strongly encouraged to ensure their response clearly and adequately encompasses direct inputs from financial institutions/potential investors, should they be an intermediary organization.

Background

Despite strains on the worldwide economy over recent years, investment into Africa continues to rise with a record 45 venture capital deals (totaling US\$3.5 Billion)¹ having taken place in the first half of 2022 and strong indication of continued annual growth through the close of 2022 and into 2023. However, inflows of capital onto the continent are naturally skewed towards the largest markets, which are primarily anglophone, that have existing strong corporate presence. Investments

¹ 2022 *HI African Venture Capital Activity Report*, African Private Equity and Venture Capital Association, September 2022, https://www.avca-africa.org/media/3064/02080-avca-vc-mid-year-report-sept22-online_2.pdf.

continue to primarily target the continent's economic powerhouses including Egypt, Kenya, Nigeria, and South Africa, accounting for almost half of the continent's venture capital deal value.

Notably, investment into francophone African countries continues to markedly lag, with exception of a few countries including Morocco, Senegal and Cote d'Ivoire that have demonstrated more sophisticated investment ecosystems. Lack of investment in many African francophone markets has been attributed to lack of clarity around local business regulations, language barriers, and limited networking opportunities with local companies and potential co-investors. Additionally, undervaluation of companies is deemed more pronounced in francophone markets than in English-speaking Africa, further disincentivizing external capital flows into francophone Africa.

Despite lack of higher external capital flows into francophone Africa, there are existing efforts to create conducive business environments, deliberate efforts to diversify economies across a variety of sectors and continued focus on privatization of infrastructure programs. With favorable sectoral opportunities in manufacturing, natural resources, agriculture and real estate, francophone African regions are presenting unprecedented investment opportunities. For this reason, it is critical to further explore the existing challenges, areas of growth, and opportunities for investment in francophone Africa, including how investors could potentially leverage the more sophisticated start-up and investment environments in certain francophone countries to access new market opportunities in lesser targeted francophone African countries.

Request for Information

Building on RFI responses, ATI aims to establish an activity that increases private investment from the U.S. into North and sub-Saharan African funds and investment vehicles seeking to make investments across francophone Africa. This activity will deliberately address some of the existing challenges in facilitating U.S. investment in traditionally under-invested francophone African markets in North, West, and Central Africa and create long-lasting market connections between the aforementioned regions.

The objective of this Request for Information (RFI) is to:

1. Consult with in-country personnel to identify the nature of investment linkages between francophone North and sub-Saharan Africa, including existing operating funds.
2. Conduct desk research to build on existing assessments and activities with private sector stakeholders in francophone North and sub-Saharan Africa and between these regions. This may include mapping of existing funds, incubators, accelerators, and other existing financial mechanisms that currently support cross-regional trade and investment.
3. Identify and engage stakeholders who may facilitate and/or support the implementation of ATI project activities, including diaspora communities from both regions.
4. Conduct key informant interviews to guide future work planning and programming in boosting U.S. investment in North and francophone West/Central Africa (timeline, challenges, opportunities, etc.) and inform recommendations on next steps.

5. Diligence and recommend new potential partners who may be (a) reliable and experienced sources of information and feedback on the design of activities and/or (b) implementing partners with the capacity to foster investments in cross-regional economic opportunities and inclusive socio-economic growth efforts.
6. Propose activity structures or mechanisms that may increase U.S. and other international capital in North and francophone West/Central African funds and companies.

The information gathered through this process will be used to achieve the following outcomes:

- Identify qualified and interested potential partners that can play a role in delivering the objectives outlined above
- Understand the state of play, the key barriers for investment flows into francophone Africa, and what new ideas and approaches are being recommended by the market to facilitate investment into francophone African markets
- Identify where and how USAID can intervene to have significant catalytic impact without displacing market actors
- Identify existing models or networks that incubate/accelerate businesses in alignment with USAID/MER and Prosper Africa priorities.

ATI Engagement

Note, USAID is interested in hearing from organizations that may not have explicit experience working with USAID. Through this RFI, USAID is particularly keen on seeking the inputs of the private sector around the challenges in investing in francophone North and West/Central Africa, as well as how and through what mechanisms, may such challenges be addressed.

In accordance with Federal Acquisition Regulation 15.209 (c), the following clause is incorporated by reference into this RFI:

FAR 52.215-3 – REQUEST FOR INFORMATION OR SOLICITATION FOR PLANNING PURPOSES (OCT 1997)

- (a) The Government does not intend to award a contract on the basis of this solicitation or to otherwise pay for the information solicited except as an allowable cost under other contracts as provided in subsection 31.205-18, Bid and proposal costs, of the Federal Acquisition Regulation.
- (b) Although “proposal” and “offeror” are used in this Request for Information, your response will be treated as information only. It shall not be used as a proposal.
- (c) This solicitation is issued for the purpose of obtaining information from interested parties regarding the purposes described above and below in Appendix A.

This RFI will not be construed as a commitment by DAI or USAID to award any contract or pay for

any information voluntarily submitted as a result of this request. Responders are solely responsible for bearing all expenses associated with preparation and submission of the response to this RFI. This RFI does not restrict approaches to future Solicitations or Notices of Funding Opportunity.

In accordance with FAR 15.201(e), responses to this notice are not offers or proposals and will not be accepted to form a binding contract. Further information may be requested as a result of submissions received.

Interested parties should submit their responses to this RFI no later than **5:00PM EAT, 17 May 2023**.

Questions regarding this RFI may be submitted by **12:00PM EAT, 2 May 2023**. ATI will endeavor to respond by **5:00PM EAT, 5 May 2023**.

Responses should be submitted via email to ATI_Procurement@dai.com copying Gideon Gatere (Gideon_Gatere@atiprogram.com) and Edwin Muli (Edwin_Muli@atiprogram.com) no later than the date and time shown above, with the subject line: “Response to RFI ATI-006.” Please limit the responses to 10 pages/slides using 11-point font size. Graphics may be included so long as text is clearly legible. Submissions in PowerPoint, Word, or PDF are acceptable. PDF is preferred along with an accompanying PowerPoint/Word document.

Sincerely,

ATI Procurement and Partnerships Team
ATI_Procurement@dai.com

Appendix A: Response Requirements

We are seeking the following information from interested firms:

1. The name and address of the organization, and Primary Point of Contact, Phone Number and email address.
2. A well-thought out and clearly presented response to the information requested in the RFI.