



USAID INVEST: FINAL REPORT

September 2017 - September 2024

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USAID INVEST: FINAL REPORT

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FOREWORD

We often talk about INVEST and its success in terms of big numbers – \$1.61 billion in capital mobilized, 156 closed transactions, 598 partners – but INVEST is also a story of USAID innovation that started small and ended up growing far beyond expectations.

Before we dive into this final report, I'd like to share that side of INVEST's story, describing some of our experiences during implementation, the core principles at the heart of the project, and what made us tick.

INVEST was USAID's first big, blended finance mechanism. It was born through a Broad Agency Announcement co-creation process in 2017, and from the very beginning the project was built on collaboration. It was based on the notion that neither USAID nor its partners had all the answers, but instead needed to test new approaches and figure out what worked.

INVEST started before USAID released its Private Sector Engagement Policy, but the same underlying forces shaped both. There was a clear understanding that the resources of the private sector, both financial and technical, were required to address the most pressing development challenges. And there was also a recognition that it was often too difficult for USAID to work with the private sector – including new, local, and nontraditional partners – to reach its development objectives. A new model was needed.

These origins created an environment for INVEST where three principles took hold:

First, **partnership was critical to our success**; everything we did on INVEST required partners. We knew that for the INVEST experiment to work, we needed to reframe the traditional USAID-contractor relationship and, in turn, the prime contractor-subcontractor relationship, to one of true partnership and collaboration. The founding team made up of our first COR, CO, and Chief of Party understood the importance the role of partnership would play in achieving success and embedded it into INVEST from the very beginning.

Second, we had a mantra on INVEST that was drilled into everyone's head from the moment they joined the team: **"There is no technical excellence without operational excellence."** We needed a team that could take USAID's development objectives, translate them into an activity that would attract and engage the private sector, and operationalize it all within USAID's rules and regulations. And, we had to do so at a speed that matched the private sector. INVEST took a matrixed approach to staffing: everyone would need to be fluent in operations and technical work. This approach was critical to our ability to implement quickly and effectively.

Third, **everything we did had to contribute to our learning agenda** and USAID's understanding of how blended finance and private sector engagement can improve development outcomes. Experimenting, pivoting, learning, and innovating were at the heart of all our activities.

When we launched INVEST, the project had one relatively simple mandate – to identify ways in which USAID could use its resources to catalyze those of the private sector to achieve development impact.

We took that challenge very seriously. We thought about how to change the way USAID worked, and who they worked with. To do that, the INVEST team had to form relationships with a new set of actors and become the facilitator of these new relationships for USAID.

Our first order of business was setting up the USAID Finance and Investment Network. We began with just a handful of firms, mostly experts in investment facilitation. Many of them had little or no experience with USAID. They didn't view themselves as development implementers, but they were excited at the prospect of a new partnership to achieve mutually beneficial goals.

Together, we learned as we went. INVEST's mandate for innovation was a gift in terms of flexibility and risk tolerance, but also a heavy lift at times. There were virtually no tested templates for us to follow. We built activities from the ground up and learned by doing how best to engage the private sector in ways that channeled their abilities into achieving USAID's objectives. For example, we had to design incentives that would attract the right partners but fit within USAID authorities and regulations – creative yet compliant approaches.

As the project drew to a close, we shifted our focus to leaving a legacy for others to build upon, ensuring our lessons would be passed on and that the foundation USAID built through INVEST would continue to serve the Agency's mission.

I'm often asked what key factors enabled INVEST to be successful. My immediate answer is always the team, which was unparalleled. But we can also point to other **enabling factors**:

1. INVEST launched at the right moment in time with the right cast of characters who allowed it to embrace its mandate for learning and experimentation. The initial team of the CO, COR, and Chief of Party were critical to designing this mechanism in a way that would let it truly innovate. We also had the support of USAID colleagues across PCM (now the PSE Hub), OAA, GC, and elsewhere who made the commitment to act as true partners, ensured we could move quickly to keep up with the private sector, and gave us the room to test new waters and expand USAID's reach. Finally, because we launched shortly before USAID's Private Sector Engagement policy, we were poised to help Missions and Bureaus put the policy into practice and start mobilizing private capital right away.
2. In creating INVEST, USAID set up a large global mechanism with no targets, no sector limitations, and no geographic restrictions – a very unusual mandate. We were told to go out there, find demand, and figure out what worked without preconceived assumptions on where we'd find success.
3. We co-designed everything with our USAID colleagues. We welcomed them onto our Technical Evaluation Committee panels for our procurements and worked hand-in-hand with USAID throughout implementation. Our subcontractors became our partners, and they worked collectively with us to design and deliver throughout each activity.
4. INVEST developed a reputation for being a mechanism of choice for small buy-ins. These small buy-ins allowed USAID to quickly test the waters, pilot an approach, and lay the groundwork for larger USAID engagements through new platforms and procurements. These activities enabled us to build on lessons we learned and to seed new USAID programs built on experience and evidence.

5. INVEST was built on the idea that we don't have all the answers, and that carried through our work at every phase. We were flexible, and we were realistic about the fluid market conditions in which we worked. None of that would have been possible without the trust that came from the strong partnerships between USAID, INVEST, and our subcontracted partners. When things worked, we celebrated together. But when our assumptions failed or conditions changed, we put our heads together and figured out how to pivot. We processed a whopping 659 subcontract modifications on the project, something we consider an unusual and important marker of our success.
6. We took the idea that it takes a village to a new level and built a network that ultimately included almost 600 private sector partners with specialized and local expertise. Ultimately 198 unique firms implemented activities under INVEST. We knew from the start we couldn't, and more importantly shouldn't, do this alone.
7. INVEST's procurement process worked for the private sector, making it easier for firms to get information about upcoming activities, bid on opportunities, and get feedback to strengthen future proposals. Especially for new and nontraditional partners, this streamlined process lowered the barriers to entry, and it built up new partners' capacity to win and implement USAID activities.

After seven years, INVEST mobilized \$1.61 billion dollars across 156 transactions to help USAID Missions reach their goals for food security, gender equality, job creation, global health, climate resilience, and more.

Perhaps more importantly, INVEST offered an important proof of concept on some key issues facing USAID. It has proven that USAID can organize and engage a whole new set of partners that can make valuable contributions to development. It proved that it is possible to move at the speed of the private sector and to bring down the barriers that make it difficult to work with new or nontraditional partners. And it proved that locally-led development is both possible and powerful – that USAID can co-design activities with the private sector that respond to local needs and local market conditions.

We are incredibly grateful for the opportunity INVEST afforded us to work with collaborative and talented people across USAID. We are grateful to our partners in the Finance and Investment Network for their expertise and hard work. And I am grateful to the incredible INVEST team, whose creativity, flexibility, and dedication made everything possible.



Nora Brown
INVEST Chief of Party

EXECUTIVE SUMMARY

INVEST was a global buy-in mechanism designed to test and scale innovative methods to mobilize capital for USAID's development objectives. From 2017 to 2024, INVEST facilitated \$1.61 billion in investments through 70 distinct buy-ins with 39 USAID Missions, Bureaus, and Independent Offices (MBOs). These investments were channeled primarily into companies and financial vehicles driving positive social and environmental impact in key sectors, including renewable energy, financial services, and agriculture.

Along with this massive mobilization of capital, INVEST spurred the creation of many new and innovative financial vehicles, mobilizing funds into previously underserved markets while demonstrating their investment potential. Notable examples include a bond offering to support affordable home mortgages in West Africa, the first venture capital fund in Central America targeting technology startups, and multiple gender-focused investment funds in Africa, Asia, and Latin America.

Over the life of the project, INVEST issued 260 subcontracts with a total value of \$101.7 million, with 66% of the subcontract value awarded to new or nontraditional partners, and over 32% of the subcontract value awarded to U.S. small businesses. INVEST set new standards with its approach to fast and efficient procurement, making it a preferred mechanism for private sector partners. INVEST launched and facilitated the USAID Finance and Investment Network (FIN), which grew to 598 members by the project's end. The FIN served as a critical source of technical expertise that allowed INVEST to respond rapidly to the objectives of USAID MBOs with services tailored to their markets.

INVEST was dedicated to learning. This commitment is reflected in the project's systematic approach to data collection, continuous reflection on experiences, and proactive solicitation of feedback from partners and USAID. Over the life of the project, INVEST produced and disseminated 24 learning products and organized 33 events. These events included webinars, in-person Pause and Reflect sessions for strategy refinement, and a large closeout event in Washington, DC that included remarks from USAID and INVEST, a private sector partner panel, and nine technical breakout sessions.

INVEST's strategic communications efforts supported the project's technical goals and learning agenda throughout its lifecycle, capturing and sharing approaches tested and lessons learned. The project's communications prioritized members of the partner network, especially new and nontraditional partners, increasing their visibility. INVEST published more than 175 articles and blogs and a number of practical tools for USAID staff, including two eLearning courses, nine sector-specific resource guides, and a searchable database of all INVEST subcontract RFPs and Statements of Objectives.

The INVEST experiment demonstrated that USAID has an essential role to play in mobilizing private capital across key markets, sectors, and asset classes. USAID's resources, its deep technical knowledge in critical development areas, and its vast convening power can all be put to good use through blended finance approaches, allowing the Agency to multiply its impact exponentially. INVEST also demonstrated that there is a large universe of new partners who can offer much-needed market knowledge and technical capacity. These actors believe they have a role to play in achieving impact and view USAID as a valuable and viable partner.

There is still much work to be done. Donors must continue to listen to the market as it inevitably shifts and use their resources to mitigate risks, provide information to market actors, and incentivize investors to seek out impact alongside return. The donor community has recognized the need to marshal much greater resources than ODA flows allow; and the power of blended finance enables it to do so. With the experience and lessons learned from INVEST and other blended finance activities, USAID has demonstrated it has a clear role to play and the ability needed to lead this effort.

INVEST OVERVIEW

The INVEST mechanism was designed to identify ways in which USAID’s resources might catalyze additional investment to achieve development goals. With a focus on capital mobilization, INVEST provided tailored approaches to translate USAID development objectives into blended finance interventions. By September 2024, INVEST mobilized \$1.61 billion through 70 buy-ins with 39 MBIOs.

In 2017, USAID released a Broad Agency Announcement seeking partners to co-create solutions to development challenges through blended finance approaches. At the time, USAID understood that it needed to tap into investment capital to achieve the full development impact sought by the Agency and that this would require engagement with a new set of actors. As a result, INVEST was launched to provide USAID a mechanism through which it could engage private sector partners and test approaches to mobilize the additional investment needed to achieve its development goals. When launched, INVEST had the mandate to design bespoke interventions with interested MBIOs who bought in to INVEST (“buy-ins”) based on their specific contexts and development objectives. Guided by the resulting buy-in scopes, INVEST used rapid procurements to identify the most relevant partner or set of partners to implement the work. These partners were often members of the finance and investment community that were new to working with USAID.

The basic premise for INVEST’s blended finance approach was that meeting USAID’s long-term development objectives required crowding in external financing. This could be achieved by engaging market actors, mitigating risks, and making it easier for capital to flow into meaningful investments. INVEST had the flexibility to work in any sector and any geography relevant to USAID. Over the course of seven years, the project sought to identify successful interventions that mobilized capital for impact, developing an evidence base and a set of tried-and-true approaches for future use.

INVEST by the Numbers



**\$1.61
BILLION**
in capital mobilized
for development



**70
BUY-INS**
across 39 USAID
MBIOs



**14
SECTORS**
of INVEST
implementation



**156
TRANSACTIONS**
closed over the
life of the project



**260 SUB-
CONTRACTS**
issued by
INVEST



**11.5
WEEKS**
average from procurement
release to subcontract



**598
PARTNERS**
in the Finance and
Investment Network



**198
PARTNERS**
subcontracted to
implement activities

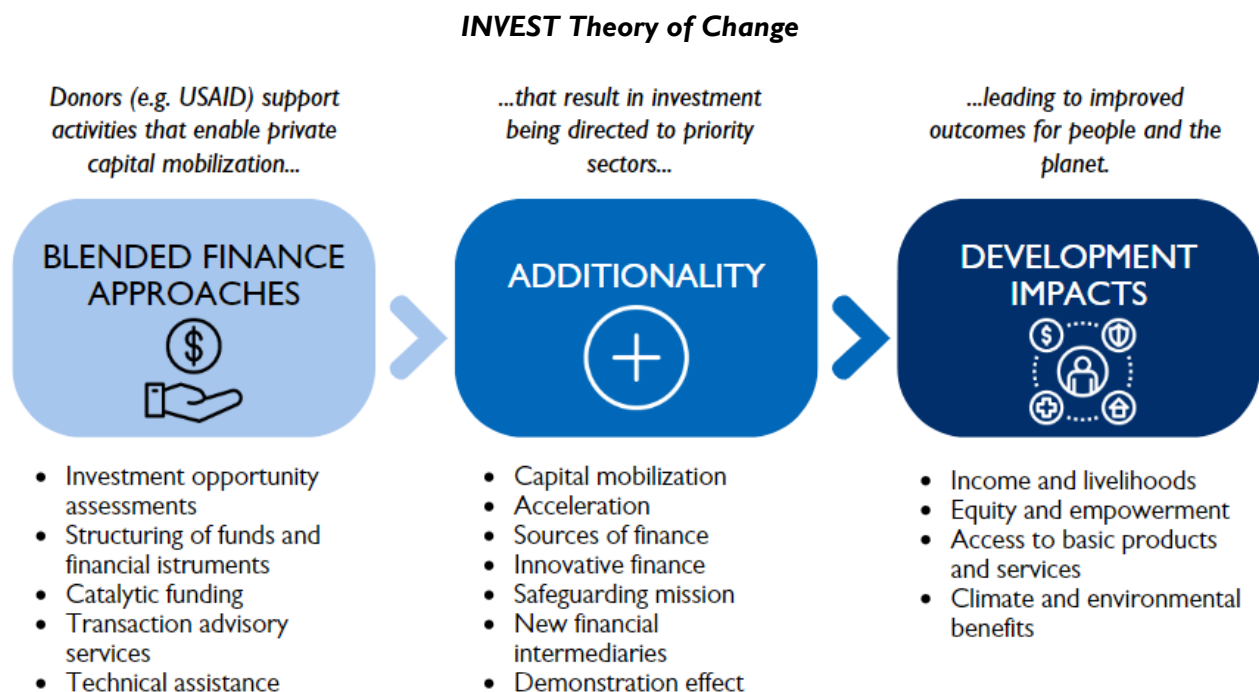


**104
PARTNERS**
subcontracted that are
new or nontraditional

THEORY OF CHANGE

Blended finance is focused on mobilizing capital, but it is critical to ensure that this capital translates into real development impact. To ensure mission alignment, it matters who receives the capital, from what kind of investor, on what terms, and to what end. INVEST worked to align private capital flows with USAID’s development objectives.

INVEST’s theory of change, illustrated below, provided a foundation for understanding how the interventions supported under the project would ensure additionality and create long-term development impact. The project’s theory of change was considered a living document that was continually refined as experience proved or debunked the team’s assumptions and market scenarios and technical approaches evolved.



When designing an activity, INVEST worked collaboratively with USAID MBOs to understand their development objectives and the local context, designing blended finance activities that would mobilize private capital in service of USAID’s goals. At every phase of design and implementation, INVEST managed activities to ensure additionality – a term of art that means the achievement of a goal that would not have happened in the same way without donor intervention.

For example, INVEST mobilized new sources of financing for impactful SMEs, introduced innovative financial vehicles to serve pressing market needs, and built the capacity of local intermediaries. INVEST activities focused on sectors, asset classes, and marginalized communities that are severely undercapitalized and that face significant barriers to accessing capital on purely commercial terms. Through INVEST, USAID assistance helped bridge that gap. By channeling or accelerating new investment into priority sectors, INVEST helped USAID MBOs achieve development impacts such as job creation, women’s economic empowerment, and increased climate resilience.

The project looked for opportunities to catalyze new investment, accelerate timelines for impactful deals, and ensure that impact-focused financial intermediaries could safeguard and achieve their own impact objectives. INVEST also sought opportunities to show that a new approach or type of transaction could be successful, absorbing “first-mover” risk and encouraging other market actors to follow.

Underpinning INVEST’s theory of change was a commitment to market-driven, locally led development. Throughout the solicitation and implementation process, INVEST sought input from private sector players on the ground about market gaps and the type of support that was needed to unlock capital and achieve additionality and impact. For example, INVEST learned that it was critically important to craft subcontract RFPs and Statements of Objectives that were not too prescriptive – laying out specific development objectives but leaving plenty of room for partners to propose what approach would be effective, based on their practical, market-specific knowledge. The project was also dedicated to continuous feedback loops with its partners, adjusting approaches in response to changing market conditions and taking advantage of opportunities to maximize additionality.

TECHNICAL SERVICES

INVEST was designed to be a demand-driven mechanism, and it did not launch with a set menu of service offerings. However, over time, the project began to see patterns in the services that were most often needed and that most often delivered results. These services fell into four broad categories: investment opportunity assessments, transaction advisory services, structuring funds and financial instruments, and technical assistance. Throughout the project, INVEST worked closely with USAID activity managers to design tailored interventions, building upon templates from similar engagements and applying lessons learned from previous work.



Investment opportunity assessments

INVEST carried out investment opportunity assessments to help USAID understand market conditions and identify investment opportunities in 56% of buy-ins. These were often done as a first phase before designing a specific intervention; or at times the Missions used these to inform their own bilateral programming they went on to procure separately from INVEST.

For example, prior to launching its gender lens investing portfolio, INVEST carried out an assessment to understand the market actors and possible pipelines in key regions. This helped to identify priority regions and design new procurements that would attract relevant partners and address the most pressing challenges. In Vietnam, INVEST completed an assessment of investment opportunities for disability-inclusive investments that will inform the Mission’s future programming after INVEST ends.



Transaction advisory services

INVEST provided transaction advisory services to link businesses who needed financing with investors and other capital providers. USAID and INVEST staff initially believed that transaction advisory services would be the project’s primary focus. However, over the project’s lifetime, only 40% of buy-ins used this approach. This reflects the gap between initial expectations about investment readiness in the countries where USAID works and the reality – that other interventions were needed to complement or prepare for transaction support. Still, transaction advisory services accounted for 85.2% of the total capital mobilized under INVEST and proved to be an effective intervention for achieving a range of development objectives across diverse geographies.

For example, in Nigeria, transaction advisory services were deployed to support investment in infrastructure and focused on engaging institutional investors, primarily pension funds. In Haiti, however, the focus was on small and medium enterprise (SME) support and building the ecosystem of transaction advisors locally. Both engagements were able to successfully achieve financial closes and mobilize capital, and both achieved strong development impact despite the large difference in target markets, deal size and approach.

INVEST created a number of learning products related to its work in transaction advisory services including a [learning brief](#) and [resource guide](#).



Structuring funds and financial instruments

INVEST designed or structured blended finance funds, investment platforms, and other financial products; 29% of buy-ins included this component. INVEST found that MBIOs had a growing interest in creating new vehicles where they saw gaps in the market or supporting new funds targeting investment into development results. In implementing this approach, INVEST played a variety of roles to support funds and financial vehicles. In some cases, INVEST worked with USAID to design a new fund or vehicle from scratch, while in other cases partnered with existing funds or facilities to support their structuring, capital raise and launch.

For example, INVEST supported the structuring of a new housing bond in West Africa that brought together a large consortium of key actors, including the U.S. Development Finance Corporation (DFC), Bank of America, Brean Capital, and The Bank of New York Mellon, that resulted in lower-cost, longer-term mortgages. In Southern Africa, INVEST provided operational support to partner Linea to design their new revenue-based financing vehicle, a product which is absent from the market and will provide critical non-dilutive capital to small growing businesses.

INVEST developed a [learning brief](#) and [resource guide](#) detailing lessons learned in providing catalytic funding to structure these funds and financial instruments.



Technical assistance

INVEST helped improve the commercial viability of transactions at pre- or post-investment stages by strengthening the capabilities of investors or the businesses and projects in which they invest; 57% of buy-ins included this component. This was often needed to lay the groundwork for future investment or to ensure businesses receiving capital had the capacity to effectively grow and expand their businesses. In some cases, technical assistance was employed alongside another intervention such as transaction advisory or fund support.

For example, in Vietnam INVEST supported feasibility studies and environmental and social impact assessments for several renewable energy projects using international standards to position the projects for future international investment. In the gender lens investing portfolio, INVEST coupled catalytic capital with technical assistance to support the Women's World Banking Capital Partners Fund II. This activity was designed to increase financial access for women, with a focus on digital financial inclusion. INVEST provided catalytic funding to support the successful capital raise of the fund while also providing technical assistance to ensure the fund manager had the capacity to effectively assess the digital needs of each investee company and provide targeted capacity building support to address those needs.

See more examples of INVEST's technical assistance in this [resource guide](#).

PORTFOLIO HIGHLIGHTS



ACCELERATING SME INVESTMENT IN TUNISIA

Tunisian SMEs create the lion's share of the country's jobs but have trouble accessing the financing they need to grow. INVEST provided **transaction advisory** support to 26 Tunisian companies across high-impact sectors, ultimately mobilizing \$37 million. Thanks to this support, dairy company Natilait, one of the biggest employers in northern Tunisia, recently raised \$7 million. The investment will allow Natilait to increase its production capacity and ensure job stability for almost 800 employees.



CATALYZING INVESTMENT INTO SUSTAINABLE AGRICULTURE

Mobilizing private capital is critical in building resilient communities and achieving food and water security. With **catalytic funding** through INVEST, MCE Social Capital launched the MCE Empowering Sustainable Agriculture (MESA) Fund to scale economic opportunities within local communities, enhance the climate resilience of smallholder farmers, and empower women in agriculture. As of late 2023, the fund had raised \$41.6 million and begun to make its first investments into agri-SMEs around the world, such as Colombian sustainable coffee company Azahar and Zambian agricultural social enterprise COMACO.



PILOTING RENEWABLE ENERGY INNOVATIONS IN VIETNAM

Wave energy has the potential to provide a reliable and renewable source of energy for Vietnam's vast network of islands, but the technology is not yet commercially viable. INVEST provided **technical assistance** to pilot a new wave energy plant on Vietnam's Ly Son island. The project conducted an environmental impact assessment and supported energy company Ingene in navigating Vietnamese and international regulatory environments. The work is providing a template to open a new market and empower the private sector to scale this technology in the future without donor support.

PRACTICE AREAS

Just as INVEST's technical service offerings emerged through experience over time, a few key practice areas emerged based on demand from USAID Missions and Bureaus. These are portfolios in which INVEST implemented activities in a wide range of contexts with many partners and where the team captured particularly rich evidence and lessons learned. These allowed for learnings to be built upon and shared across MBIOS for replication and scale.



Supporting emerging fund managers

INVEST worked with a number of new or emerging fund managers who have the potential to bring new approaches to impact investing and represent minority voices in the investment ecosystem. Within this practice area INVEST often combined technical assistance with catalytic funding in the form of operational capital or first-loss support. INVEST developed an approach to deploying USAID resources via subcontracts to support the development of first-loss tranches in new investment funds. This helped lower risk and make the funds more attractive for private investors. In other cases, fund managers identified operational capital as the support they needed most and used USAID resources to structure and register their fund, develop a pipeline of investable companies, and line up investors.

In addition to catalytic funding, INVEST often provided technical assistance to new or emerging fund managers to build their capacity to raise and manage investments. For example, through the Women Empowerment Mentoring and Incubation Fund Manager Programme (WE>MI), INVEST supported 11 women-owned and women-managed fund managers in Southern Africa. The program provided necessary technical assistance and investment facilitation to mobilize local and international investments to participating funds. By the end of the program, two of the fund managers raised \$21.7 million from institutional investors.



Gender lens investing

When women are economically empowered, they invest in their businesses, families, and communities, producing a multiplier effect that spurs economic growth. In support of women's economic empowerment, INVEST worked with the USAID Gender Equality and Women's Empowerment Hub (GenDev) and USAID Missions to develop a large gender lens investing practice. These activities focused on unlocking private investment for women around the world. Under INVEST, nearly \$200 million was mobilized towards gender equality through 11 buy-ins.

Most of INVEST's support in this portfolio was in the form of catalytic funding – both operational capital and first-loss funding – and it had a strong focus on learning. INVEST partners created numerous learning products and practical tools, which are publicly available in a [resource guide](#), along with stories and information about the INVEST gender work.



Climate finance

USAID plays a vital role in mitigating climate change and addressing its impacts, all while building resilience and increasing the flow of capital toward climate-positive investments. INVEST's climate finance practice area grew significantly over the years as the focus on climate change mitigation and adaptation gained increasing importance for the Agency. INVEST partnered with the private sector to identify and pursue opportunities for additionality and impact in climate finance and tested new approaches to effectively implement and scale interventions.

INVEST's work in this space was primarily focused on financing renewable energy projects, closing clean energy transactions in 10 countries. INVEST also carried out buy-in activities in sustainable landscapes and adaptation. The project's climate finance work was sometimes done

as part of a buy-in with a larger focus such as engaging institutional investors or supporting infrastructure. For example, INVEST implemented the Transaction Advisory Fund (TAF) for the Infrastructure Transaction and Assistance Network (ITAN), a whole-of-government initiative to advance sustainable, transparent, high-quality infrastructure across the Indo-Pacific region. Under this activity, INVEST supported pre-investment activities for a floating solar project in Sri Lanka by conducting a site selection and drafting feasibility studies, and in Vietnam provided financial modeling and transaction development support to a large green hydrogen project under consideration by the DFC.

Other buy-ins had mandates to focus specifically on climate finance, such as INVEST's work with Power Africa. In Kenya, INVEST supported Power Africa's goals by providing transaction advisory support to four critical renewable energy transactions, closing more than \$105 million in investment capital. INVEST's learning and stories on climate finance is summarized in this [learning brief](#) and [resource guide](#).



Institutional investor engagement

Institutional investors are entities that pool, manage, and invest capital on behalf of other people or organizations, and include insurance companies, pension funds, and foundations. They are responsible for managing significant amounts of capital; in some countries, institutional investors' assets exceed national GDP. USAID is interested in working with institutional investors as they possess long-term patient capital and are not dependent on immediate returns, which fits well with certain investments in emerging markets, particularly those with longer timelines such as infrastructure investments. Many institutional investors have increasing mandates to make investments that support diversity, climate action, and other socially and environmental goals. But they also may need to follow certain regulations and have specific requirements – for example, they will typically only make larger, low-risk investments – that might make it more difficult to align with areas where they'll have the greatest impact. USAID assistance can help overcome those challenges and channel institutional investor funds into impactful investments.

Institutional investment has been a significant area of focus in Africa under INVEST. INVEST mobilized \$774.2 million in capital from institutional investors, and most of that came from investors local to the place of investment – for example, South Africans investing in South Africa. INVEST's work with domestic pension funds proved particularly fruitful. For example, through INVEST, MiDA Advisors and its partner Batseta Council of Retirement Funds of South Africa launched the Asset Owners Forum South Africa (AOFSA), a consortium of 15 South African pension funds with combined assets under management of \$150 billion. By the end of the activity, AOFSA members had committed more than \$400 million to infrastructure investments and other alternative assets.

INVEST's work with institutional investors also included engagements with U.S. and international investors interested in learning more about opportunities for investment in Africa. INVEST supported pension fund delegations and roadshows to Nigeria, South Africa, Senegal, and Kenya, which saw investors travel to these markets to gain exposure to real investment opportunities and build relationships with African financial institutions, regulators, and fund managers. More on INVEST's work in institutional investment can be found in this [resource guide](#), [learning brief](#), and [case studies](#).

PORTFOLIO HIGHLIGHTS



IMPROVING WOMEN'S ACCESS TO FINANCE

Women entrepreneurs face significant obstacles in launching and scaling their businesses. In Colombia, INVEST supported a co-creation process that brought together a wide range of local stakeholders around financial inclusion for women. Now, these stakeholders are fostering a more inclusive financial ecosystem by delivering accessible financial products and complementary services for women. They have also helped financial service providers incorporate a gender approach into their operations and policies. Together, they have provided over \$12.3 million in credit to over 8,500 women and financial services to over 16,000 women, including Adriana López, who received a \$4,600 loan for her hydrangea business.



BRIDGING THE FUNDING GAP FOR CARIBBEAN CLIMATE RESILIENCE

The Caribbean is on the front lines of climate change. Investing in renewable energy is a key priority for the region, both to reduce carbon emissions and accelerate economic growth. Technical assistance from INVEST helped launch the CARICOM Resilience Fund (CRF), a groundbreaking fund that aims to mobilize \$100 million and will be managed by a local fund manager entering the impact space for the first time. The Fund will invest in critical resilience projects in the region as well as SMEs focused on renewable energy, clean transportation, the blue economy, sustainable agriculture, and more.



MOBILIZING INSTITUTIONAL CAPITAL FOR AFRICAN INFRASTRUCTURE

African countries have huge infrastructure needs, and institutional investors such as pension funds represent a significant yet untapped source of finance. INVEST brought together a consortium of Kenyan pension funds to collaboratively invest in Kenyan infrastructure for the first time. Since 2020, the Kenya Pension Funds Investment Consortium (KEPFIC) has grown from five to 24 members and mobilized \$115 million for infrastructure investments, with three investments so far into affordable housing, student housing, and a road project.

A NETWORK APPROACH

The USAID Finance and Investment Network (FIN) was at the core of INVEST’s partnership approach. INVEST launched and cultivated this network to support the Agency’s desire to tap into private sector actors in support of mobilizing additional capital.

The network approach held benefits for USAID and its private sector partners. For USAID, it enabled MBIOS to access a wide variety of technical skills on demand – often from local firms with local knowledge of the market – and obtain a deeper understanding of private sector approaches. For private sector partners, the network provided visibility into opportunities to work with USAID and resources to help them implement USAID activities successfully. In its role as a facilitator, INVEST helped translate development objectives into interventions aligned with the services offered by the private sector.

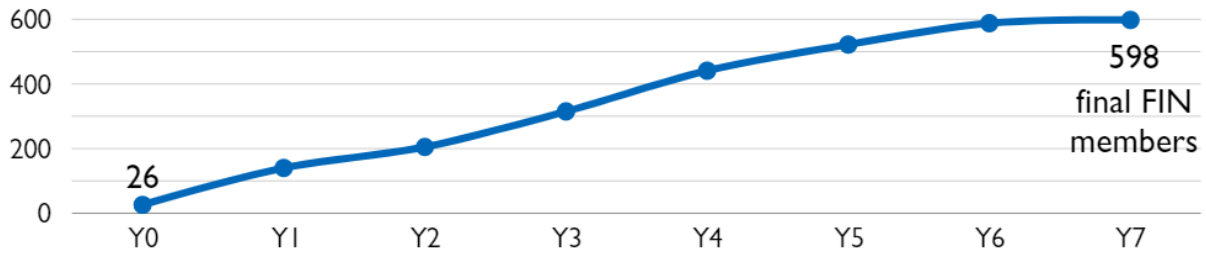
INVEST’s Network Approach



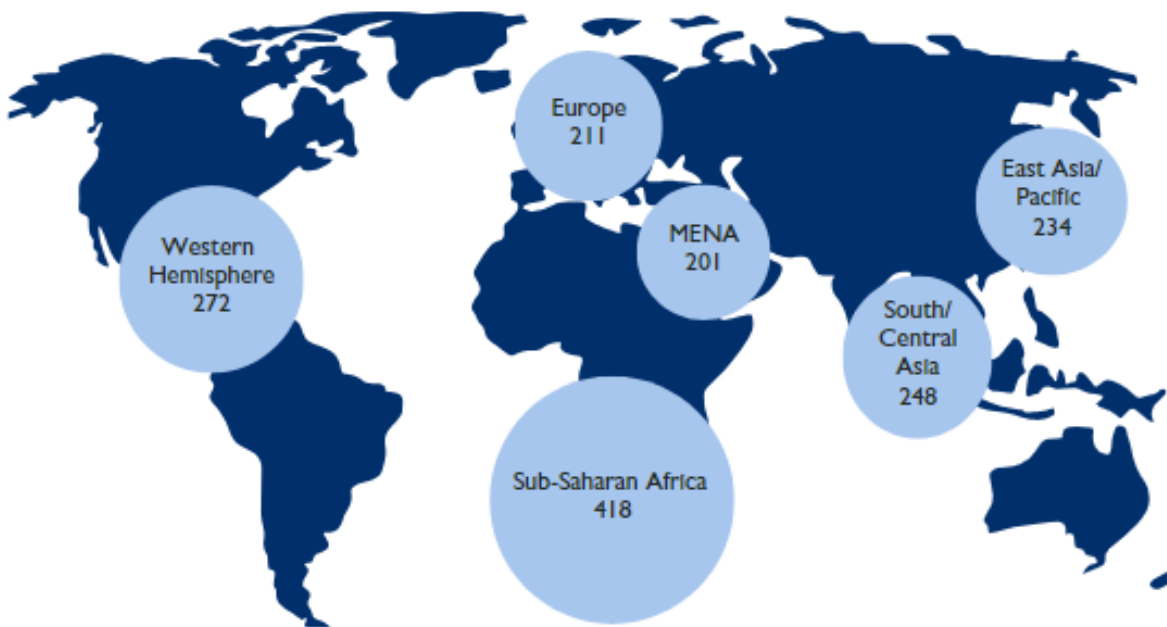
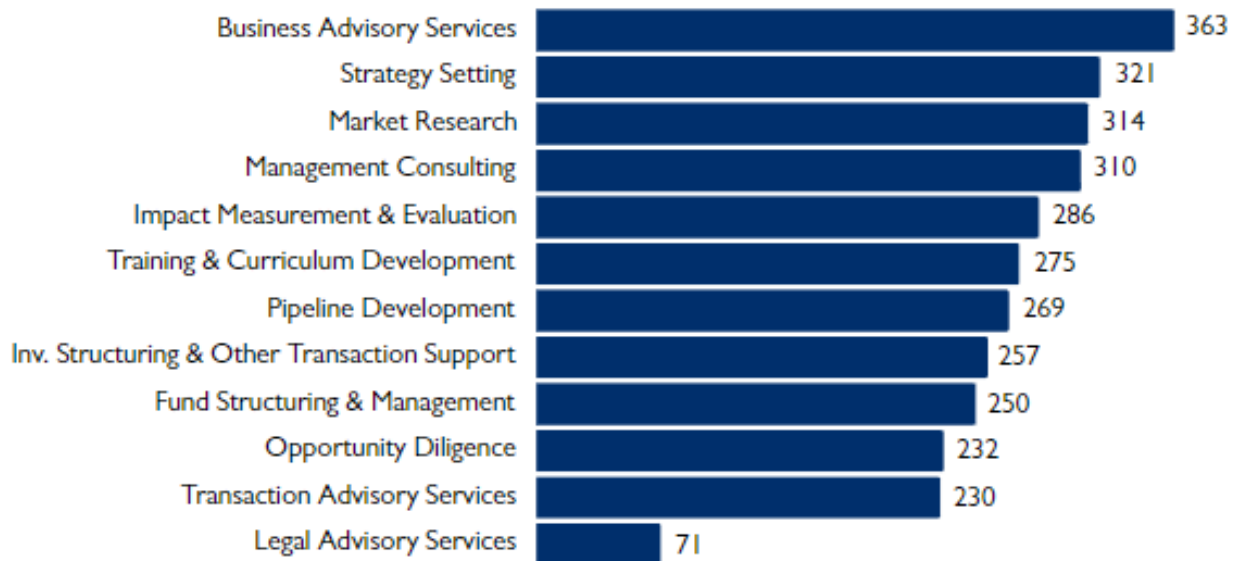
The FIN is an innovation with significant potential for replication and scale. INVEST captured insights from its experience with the FIN in a [learning brief](#) to encourage replication of what had proven to be a highly impactful approach.

The 598 firms in the FIN represent the diversity of the investment ecosystem. Members include fund managers, investment banks, advisory firms, and organizations with financial expertise across geographies and sectors, as well as firms providing support services such as legal, engineering, and marketing. INVEST’s streamlined procurement and onboarding processes ensured that USAID could work with the best firm for the job, regardless of previous experience with government contracting.

FIN Membership Growth



FIN Members by Expertise and Geography



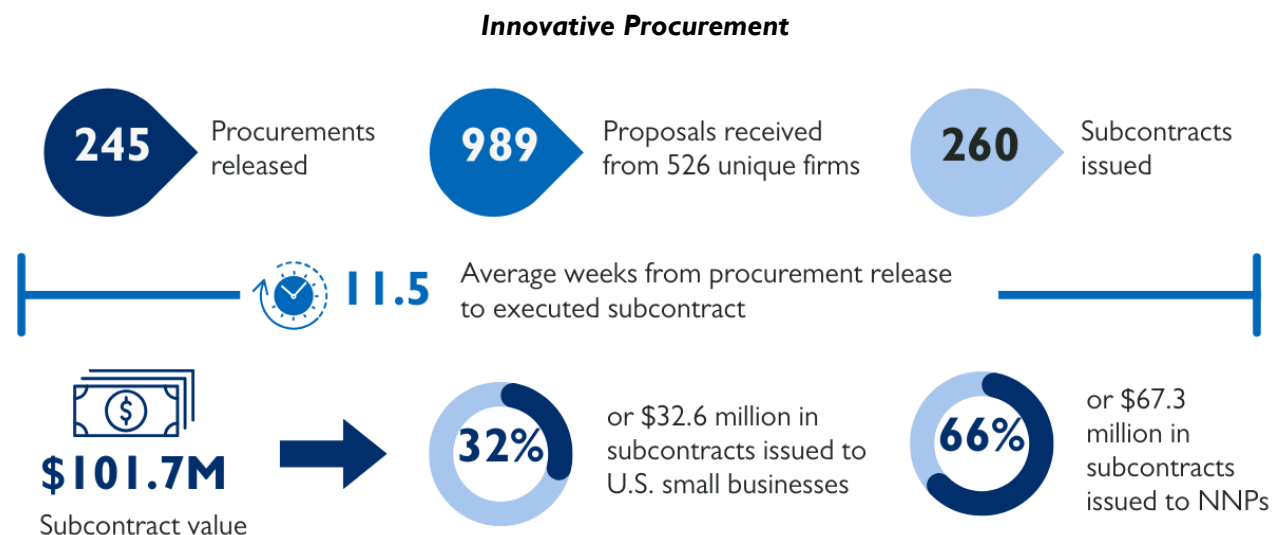
INNOVATIVE PROCUREMENT AND PARTNERSHIPS

INVEST engaged 198 partner firms over the life of the project, including subcontractors and their consortia partners. Its partner-oriented procurement approach aimed to reduce barriers to entry while adhering to U.S. Government and DAI procurement regulations.

INVEST used a streamlined proposal and subcontracting process, which typically meant no more than twelve weeks from procurement release to executed subcontract. The project's partnership team provided members of the network with information on upcoming procurements, resources for successful proposal-writing, and feedback on unsuccessful proposals. The team also provided dedicated support to help partners navigate USAID subcontracting processes with relative ease – for example, by offering templates and guides for compliance documentation and holding orientation calls and check-ins with a dedicated subcontracting point of contact throughout the process.

INVEST held FIN webinars twice a year, in which members could learn about USAID priorities and connect with the work of other members. The FIN webinars provided a forum to highlight and share private sector partners' experiences and lessons learned in working with USAID through INVEST. INVEST also used these occasions to solicit feedback from organizations about INVEST's services and their expectations for USAID partnership in the future.

These practices, along with effective, partner-centric communication, resulted in significant engagement from first-time USAID partners. Notably, two-thirds of the value of all INVEST subcontracts were awarded to new or nontraditional partners (NNPs) as defined by USAID.



WORDS FROM OUR PARTNERS

“

My understanding of USAID’s vision around blended finance is to support companies and models across the debt, equity, and mezzanine spectrum, and really use those instruments in a smart way to finance projects. This is one of the most satisfying funding processes that I’ve been through in my career. And my advice would be unreservedly to pursue any opportunity to partner with USAID and find common ground with USAID in the impact that you hope to deliver. We found enormous amounts of enthusiasm and goodwill as we’ve shared the partnership with investors. And there’s a lot of credibility that a partnership with USAID provides to us.



Julia Price, Linea Capital

”



This partnership has been great. It gave our firm the ability to add deep, on-the-ground networks, enabling our teams to really work efficiently and effectively to get deals across the line, catalyze new capital, and thereby accelerate the potential for social impact benefits to be realized for underserved populations. The way USAID is set up through INVEST, working together very closely to set, reset, iterate, and ultimately achieve regular, ambitious milestones; and constantly adapt them to meet the market needs, has helped us overcome any challenges.

Reza Fazel, Open Capital

“

There is a very broad range of specific sector and geographic expertise needed to tackle the issues we are facing, and INVEST has proven that USAID can adapt to specific gaps they see in the market and draw on specific expertise from across the world to unlock the full socio-economic potential in emerging and frontier markets, and support sustainable and inclusive growth.



Jasper Siegfried, Lion’s Head Global Partners

”



Donors and development agencies have the ability and mandates to absorb more risk than traditional finance institutions do. What USAID is doing by providing catalytic capital that is ready to absorb more risk to crowd in additional conventional capital and bring different types of investors to the table—that’s actually exactly what needs to be done.

Virginia Schippers, CARE Enterprises

“

We're relatively small. We're specialized. We don't always get to work with large public donors, so we appreciated INVEST's streamlined procurement process. It was key for a company like ours to be able to participate and engage directly with USAID and bring forward our specialized set of skills.



Serena Guarnaschelli, KOIS

“

We started the fund with our own capital pooled from the investment club. Now with the support of INVEST, we are fundraising from outside institutions, foundations, high-net-worth individuals, and local capital. USAID's support provides our Fund with more legitimacy and shows other institutions that a huge entity like USAID has trusted us to safely and smartly deploy capital.



Evelyne Diah Simpa, WIC Capital

“

We're really grateful for the opportunity to work with USAID. Through projects like this, the Agency is buying down the risk for fund managers and investors to get involved in gender-lens investing by establishing the research and infrastructure to get started. We're excited to be a part of that effort.



Laura Davis, RENEW Capital

“

This partnership with USAID and INVEST allowed us to go deeper with our ecosystem-building efforts. We have reached out to over 500 Indonesian enterprises across a multitude of sectors, many in some of Indonesia's poorest regions. Through this activity, we will be able to unlock seven to ten million dollars of new private sector capital, which is very much needed in these communities.



Durreen Shahnaz, Impact Investment Exchange (IIX)


“

The entire project that USAID and INVEST are doing together in this space is to crowd private capital into this high-growth, medium-sized entrepreneurial sector in Southern Africa. Having the backing of USAID has assisted in our discussions, as we've managed to encourage some financial institutions who were only investing in the private equity space to pilot investing in the earlier stage of venture capital with us.




Alison Collier, Endeavor South Africa


CAPITAL MOBILIZED



23
buy-ins that mobilized capital



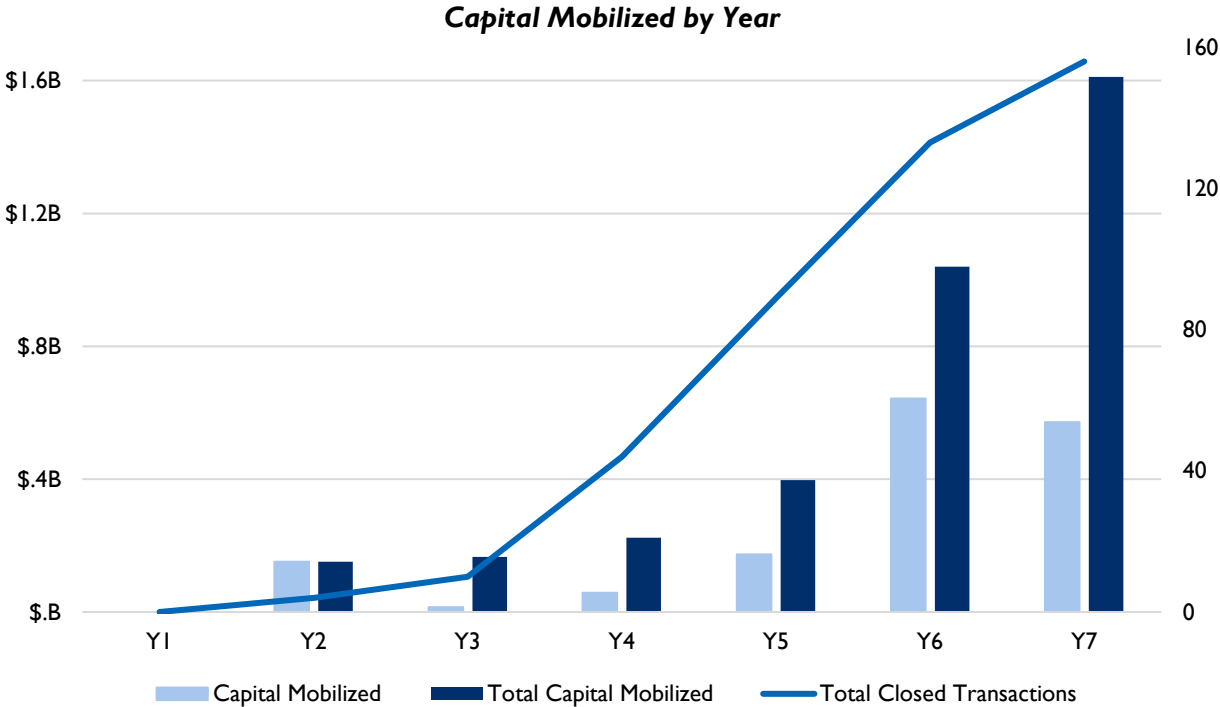
156
transactions closed



\$1.61 billion
total capital mobilized

From 2017 through 2024, INVEST mobilized \$1.61 billion for USAID’s development objectives. The pattern of initial slow growth followed by rapid acceleration, as shown in the graph below, reflects the time required to build INVEST’s portfolio and to cultivate new investment opportunities in complex developing markets. It also reflects the reality that external market shocks can have an outsized impact on blended finance projects in developing countries, where economic resilience is generally lower and perceived risk is higher than in developed markets. Notably, during INVEST’s period of performance, global conflicts and the COVID-19 pandemic upended global markets and led to currency volatility, soaring inflation, interest rate hikes, and other barriers that slowed down investment in the markets where USAID operates.

INVEST’s two-year extension was critical. INVEST’s last two years of implementation represented a marked acceleration in transaction closures, with \$642 million mobilized in Year 6 and \$571 million mobilized in year 7. Together, this represents 75% of the project’s total capital mobilized. Investments that occurred in Year 7 varied in size and sector, from a \$12,963 bank loan to allow a female entrepreneur to buy a restaurant to a \$291 million government renewable energy and agriculture infrastructure bond issuance.



While it is impossible to forecast how much additional capital will be mobilized after INVEST's period of performance ends due to INVEST's activities, it is likely to be a significant amount. For example, a South African investment firm received support from INVEST to finalize a partnership with one of the world's largest asset management companies to support their Outsourced Chief Investment Officer work for U.S. pension fund clients. This partnership is expected to channel large amounts of capital to African and other emerging market fund managers in the coming years once finalized. Similarly, in Vietnam, company TGS is expected to raise more than \$400 million from the DFC and other lenders in the coming year to implement its green hydrogen project, thanks to transaction advisory support received through INVEST.

ADDITIONALITY

Throughout each of INVEST's activities, the project sought to design and manage for additionality, ensuring USAID's resources were being used efficiently to catalyze investment, safeguard development impact, and strengthen investment ecosystems.

Based on the INVEST theory of change, additionality is a critical step towards achieving development results, and the value of capital mobilized was an important indicator by which to measure it. INVEST monitored both the total value of capital and a leverage ratio that compared capital mobilized to the value of USAID support. Leverage helped to quantify the multiplier effect of donor resources. Across 52 subcontracts, this ratio ranged from zero to 357, with a median leverage ratio of 9.06. The range was similarly wide at the buy-in level, from zero to 250, reflecting varying development objectives and market contexts in which INVEST worked. Overall, with \$1.61 billion of capital mobilized and a total contract budget of \$170.4 million, INVEST's leverage exceeded 9.45:1. In other words, for every dollar spent by USAID through INVEST, \$9.45 was raised from external sources.

Beyond leverage, there were other forms of additionality that INVEST worked to achieve. Although more challenging to quantify, outcomes like the acceleration of investment deals, the engagement of new types of investors, and the piloting of innovative financial products were especially noteworthy. INVEST also supported pioneering financial intermediaries that lacked the resources to establish their commercial viability and helped safeguard the missions of impact-oriented firms and financial vehicles. Moreover, USAID's support played a crucial role in raising the profile of these initiatives, helping to create a demonstration effect that could encourage investors to explore similar opportunities in the future.

For example, with support from USAID GenDev, INVEST supported Deetken Asset Management in a \$5.8 million capital raise for its Ilu Women's Empowerment Fund, which advances gender equality in Latin America and the Caribbean. USAID resources played a critical role, lowering risk and engaging new investors for the first gender-focused fund in the region, resulting in a leverage ratio of 4.5:1.

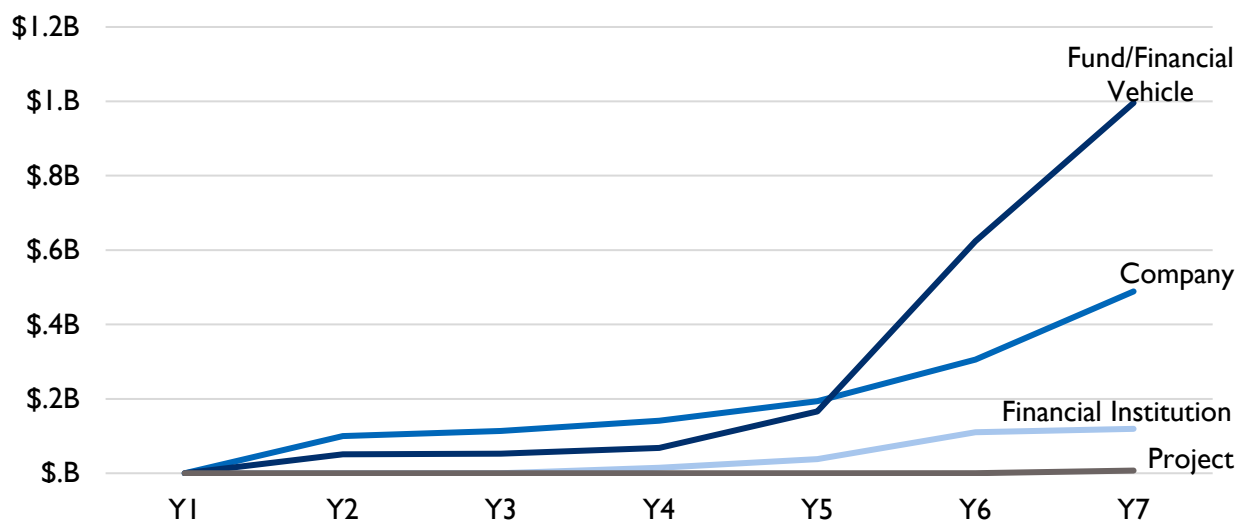
INVEST furthered its engagement with Deetken with support from the USAID Mission in El Salvador to build a pipeline of impactful investees for the Ilu Fund in alignment with USAID's development objectives in the country. One Ilu Fund investee was Acceso Financiero, a lending institution that services several Latin American countries. It received a loan from the Fund and support to establish concrete gender objectives that Acceso is expected to meet over the investment period of three years. Deetken is also working with the Acceso Financiero team directly to strengthen impact and gender business practices. As a result of the investment, Acceso has increased its customer base by over 2,000 women and added 38 jobs.

INVESTEES TYPES

With INVEST’s flexibility to work in any sector and any geography in which USAID is present, the project mobilized investment for a diverse array of recipients spanning individual companies, funds and financial vehicles, financial institutions, and projects. For the first three years, investment was directed primarily to companies and funds and financial vehicles. In year four, INVEST added a new type of investee by mobilizing capital for financial institutions that provide services to many of USAID’s priority markets, including SMEs and women-owned businesses.

The later years of the project were notable for the significant value of capital mobilized for funds and financial vehicles relative to other types of investees. This is due primarily to the much larger transaction sizes for these investees. For example, INVEST closed the *Caisse Régionale de Refinancement Hypothécaire* (CRRH) bond offering for \$277 million in Year 6 to fund nearly 6,000 affordable home mortgages in West Africa and closed a \$291 million transaction in Year 7 for a Lagos State bond to finance more than 200 social and infrastructure projects in Nigeria.

Total Capital Mobilized by Investee Type



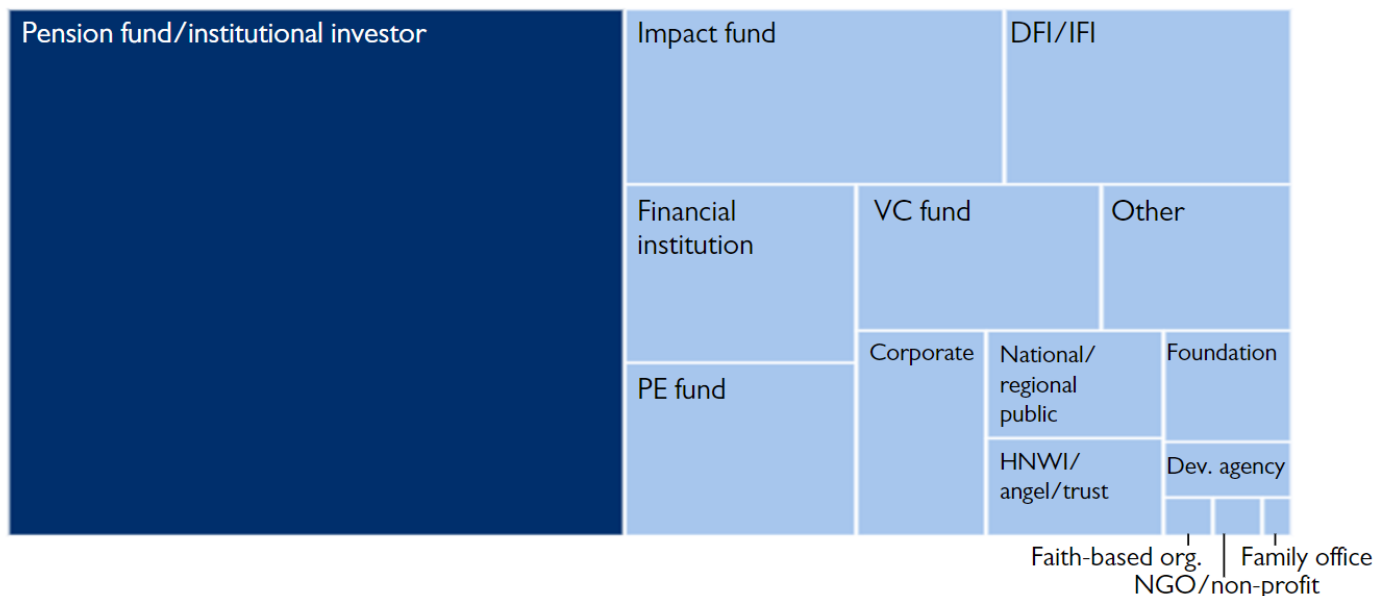
Investee type	Capital mobilized	Percent of total	Number of investees
Fund/financial vehicle	\$995,964,462	61.82%	30
Company	\$488,495,964	30.32%	110
Financial institution	\$119,413,106	7.41%	13
Project	\$7,224,160	0.45%	3

INVESTOR TYPES

The engagement of a wide range of investors can positively impact the development of investment ecosystems. This diversity is critical for addressing the distinct needs of investees who vary by stages of growth, risk profiles, and market environments. INVEST tracked 14 distinct investor types and was able to use the data to analyze trends and gain insight into market actors engaged in different contexts.

As illustrated in the graphics below, the capital mobilized by INVEST was derived from a broad spectrum of investor categories, including pension funds, private equity firms, development finance institutions or international finance institutions (DFI/IFI), and impact investors. Nearly half of all capital mobilized was from pension funds, an investor category that USAID has recognized for its immense potential. Pension fund managers typically seek lower-risk, long-term investments, which differentiates them from many commercial investors. Coupled with their tendency to invest in large sums – averaging \$20.1 million in the INVEST portfolio – they are an ideal source of finance for development priorities like infrastructure projects, including vital climate mitigation and adaptation initiatives.

Total Capital Mobilized by Investor Type



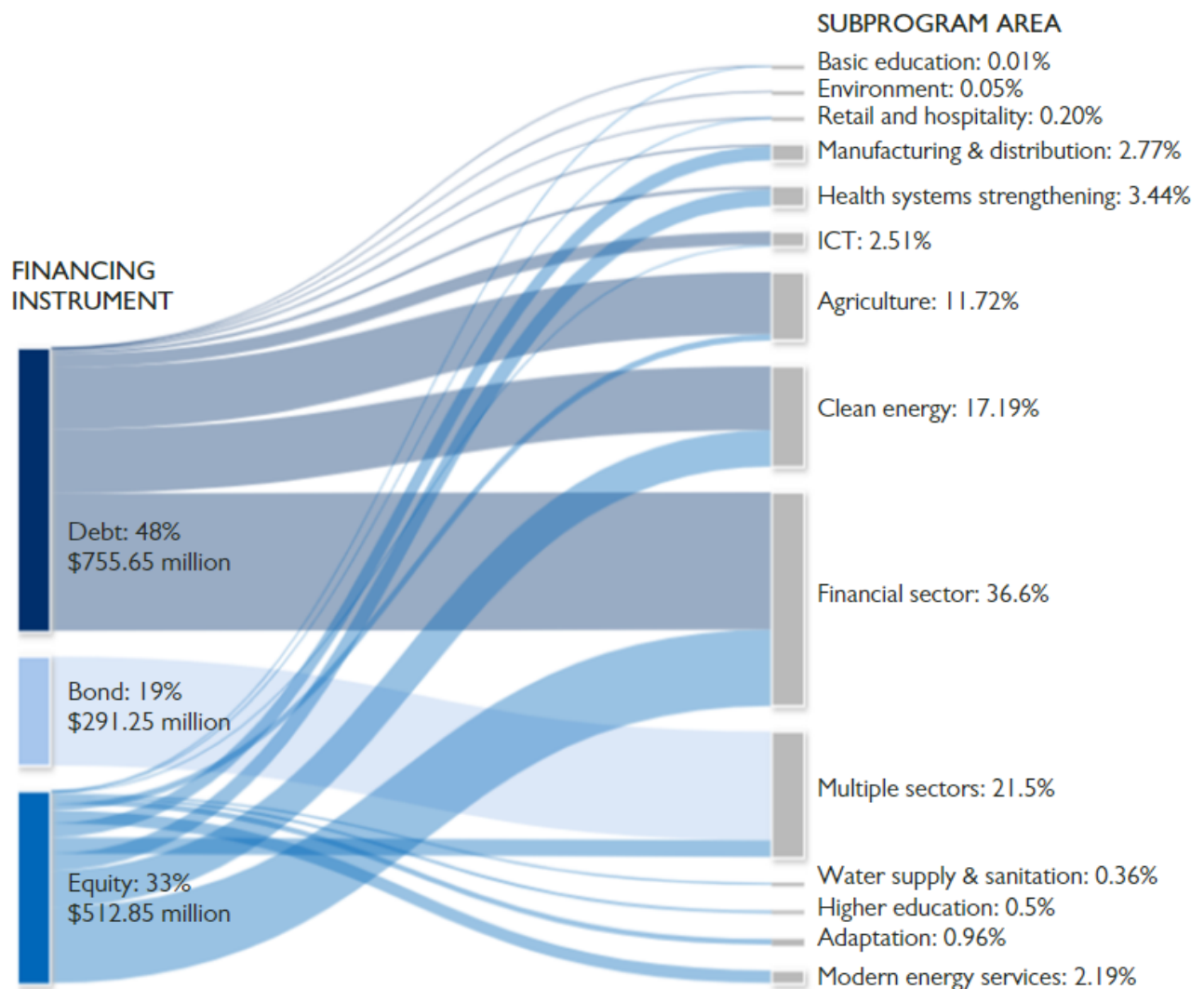
Investor Type	Investment	Percent of total
Pension fund/institutional investor	\$774,205,141	48.0%
Impact fund	\$159,153,264	9.9%
DFI/IFI	\$120,208,225	7.5%
Financial institution	\$98,065,124	6.1%
Private equity fund	\$96,283,301	6.0%
Venture capital fund	\$84,928,914	5.3%
Other (including confidential)	\$65,972,766	4.1%
Corporate	\$62,960,037	3.9%
National/regional public institution	\$45,094,321	2.8%
Foundation	\$41,337,738	2.6%
HNWI/Angel/Trust	\$34,017,259	2.1%
Development agency	\$17,101,922	1.1%
Faith-based organization	\$4,525,699	0.3%
NGO/non-profit	\$4,504,385	0.3%
Family office	\$2,699,600	0.2%

FINANCING INSTRUMENTS AND AREAS OF INVESTMENT

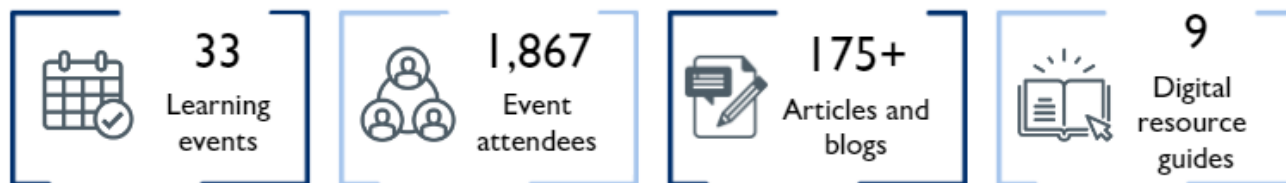
Developing markets need a variety of financing options that cater to the diverse needs of businesses while satisfying the expectations of investors navigating new and unfamiliar opportunities. INVEST partners excelled in identifying and addressing these needs by structuring deals using debt, equity, bond issuances, and other instruments. This ability to create and innovate as the market dictated led to investments across a wide range of sectors.

More than a third of the total investment mobilized by INVEST flowed into financial service providers that serve USAID target populations like female entrepreneurs and SMEs. Sizeable investments also flowed into clean energy and agriculture. Investments in burgeoning areas like health and information technology, while smaller in scale, also attracted notable attention and support. The graphic below illustrates the financing instruments used to fund opportunities in various sectors.

Flow of Capital Mobilized from Distinct Financing Instruments



LEARNING AND COMMUNICATIONS



Learning was one of INVEST’s key tasks and is one of INVEST’s most important legacies. The project’s goal was to generate insights and evidence to improve USAID’s ability to mobilize investment for critical development priorities. Core learning areas included catalytic funding, transaction advisory services, a network approach to private sector engagement, and the mobilization of institutional investment. The innovations in these areas, coupled with extensive experience across diverse countries and market contexts, strengthened INVEST’s capacity for iterative adaptation while helping to inform USAID’s broader strategy in blended finance.

INVEST disseminated lessons learned through numerous blogs and technical briefs. The project also held 33 in-person and online learning events, with a cumulative 1,867 attendees, including 442 attendees from USAID. These events included webinars on landmark learning products and notable transactions, in-person Pause and Reflect sessions for strategy refinement, and a large closeout event in Washington, DC, which included remarks from USAID and INVEST, a private sector partner panel, and nine technical breakout sessions.

INVEST’s strategic communications efforts supported the project’s technical goals and learning agenda. Early in the project, communications efforts focused on attracting new partners and helping them implement INVEST subawards successfully. Later communications efforts focused on amplifying the work of members of the Finance and Investment Network, especially new and nontraditional partners, with key audiences in the investment and development communities, including USAID staff. Throughout the project’s lifecycle, INVEST shared the approaches it tested with USAID staff, identifying successful approaches to consider for replication and sharing lessons learned.

INVEST developed two eLearning courses for USAID University focused on the capabilities of fund managers and transaction advisors in USAID-presence countries, with an emphasis on writing effective Statements of Objectives (SOOs) to engage them. INVEST also developed nine sector-specific digital resource guides with practical tools for USAID staff.

In addition, the project published more than 175 [articles and blogs](#) in outlets like *Impact Alpha*, *Institutional Investor*, *NextBillion*, *Devex*, *AllAfrica*, *Marketlinks*, *Climatelinks*, and *Medium*. These pieces typically featured INVEST partners or SMEs that accessed finance or investment through INVEST’s support. INVEST shared these publications, transaction closes, learning products, and other project updates through weekly newsletters to USAID staff and monthly newsletters to the Finance and Investment network.

As the project reached an end, INVEST developed an easily accessible online [learning resource guide](#) to facilitate access to all of INVEST’s learning products. This guide includes practical tools like a searchable database of Statements of Objectives and a summary of INVEST’s approach to performance incentives along with a variety of technical briefs and blogs. (See a static version of the resource guide in Annex I below.)

CONCLUSION

Seven years ago, USAID set out to understand how best to leverage its own resources and engage market actors to mobilize capital for development impact. Today, INVEST can draw from a meaningful set of data and experiences garnered from a wide range of blended finance activities around the world through collaborations with 39 USAID MBIOS and 156 closed transactions. This evidence base provides important insights for USAID to consider as it continues to pursue blended finance approaches that offer a multiplier effect in scaling impact.

One of the clear insights from INVEST, and arguably the most important, is the demonstration that USAID does indeed have an essential role to play in mobilizing private capital across key markets, sectors, and asset classes. One of USAID's greatest advantages in this space is its ability to take on risk in the pursuit of development impact. While investors may perceive transactions in unfamiliar geographies or sectors as too risky to undertake on their own, USAID can mitigate these risks or demonstrate the viability of deals in unfamiliar territory. This pathbreaking work opens up a world of financing options to severely undercapitalized asset classes like SMEs, women-led businesses, and climate solutions.

With its uniquely flexible mandate, freedom from specific targets, and the instruction to go out and test new approaches, INVEST deployed innovative blended finance interventions across a wide range of development sectors and geographies, achieving an equally wide range of results. INVEST demonstrated that blended finance could be used to close large transactions worthy of international headlines, while also closing smaller deals in frontier markets, underserved sectors, or marginalized communities that offered outsized impacts. INVEST's experience shows that blended finance is just as applicable to clean energy objectives in Southern Africa as it is to foundational literacy and numeracy in India. The portfolio delivered results not just in the obvious areas of economic growth or clean energy, but in areas like food security, WASH, and health as well – sectors where capital has long proven more difficult to mobilize.

In its final year, INVEST examined the potential for blended finance to meet the needs of Syrian businesses and to reduce harmful lead contaminants in supply chains leading to actionable recommendations for USAID's future programming and partnerships in these areas. Exploratory assessments like these have been a core service offering of INVEST since its inception, helping to form longer-term strategies and setting the stage for future USAID programming and private sector investment. Not all donor-funded blended finance interventions end in capital mobilized; USAID support in upstream activities can be just as valuable as those targeting financial close. In some cases, early-stage support can be even more impactful than support aimed at deal closure as risk is often higher in the early stages, making private sector investment less likely and donor funds more valuable.

In working across sectors and contexts, INVEST has also demonstrated that blended finance is far from a one-size fits-all approach. Providing transaction advisory services to green SMEs in Tunisia, for example, is worlds apart from conducting feasibility studies for floating solar infrastructure in Sri Lanka – though both ultimately aim to mobilize private capital and achieve development impact. USAID should continue to tailor its expectations of the funding required, timeline to results, and scale of impact according to the investment opportunity at hand. The support provided by USAID was as varied as the activities INVEST implemented, but the overall lessons of INVEST show that USAID's resources, its deep technical knowledge in critical development areas, and its vast convening power can all be put to good use through blended finance approaches, allowing the Agency to multiply its impact exponentially.

Another key insight stemming from INVEST's experiences is that there is a universe of new partners who bring much needed market knowledge and technical capacity to the implementation of

development activities, and who are excited to work with USAID when given the chance. Through clear communications using language free from jargon and providing efficient and simple procurement processes and support to navigate compliance and subcontracting, INVEST cultivated a new network of actors that will continue to seek opportunities to work with USAID. These actors believe they have a role to play in achieving impact and view USAID as a viable partner.

While INVEST has proven to be a success by most measures and has achieved more than was thought possible seven years ago, there is still much work to be done. Demonstration effects and proof of concept activities are critical first steps, but they alone do not shift global market trends or eliminate market information asymmetries. To further scale these efforts, USAID should continue to listen to the market as it inevitably shifts and use its resources to mitigate risks, provide information to market actors, and incentivize investors to seek out impact alongside return.

The donor community has recognized the need to marshal much greater resources than ODA flows allow; and the power of blended finance enables it to do so. Through INVEST, USAID has demonstrated it has a clear role and a deep set of experiences from which to draw to lead in this effort.

ANNEX I: INVEST LEARNING RESOURCE GUIDE

See the full interactive INVEST Learning Resource guide online at bit.ly/INVESTResourceGuide.
Below is a static version of the guide with links.

INVEST Learning Resource Guide

MOBILIZING CAPITAL FOR DEVELOPMENT OBJECTIVES

USAID Mission staff know that working with the private sector can help achieve their development objectives, but it can be hard to know where to start.

Over the course of seven years, from 2017 to 2024, INVEST mobilized \$1.61 billion, working together with 39 USAID MBIOs and almost 200 private sector partners.

Through this work, INVEST amassed a great deal of knowledge on how to scope, implement, and measure activities that mobilize capital for development.

INVEST was designed to test new approaches and tools to help USAID MBIOs mobilize capital to achieve their Development Objectives. This guide offers learning resources and practical tools to help USAID staff reach their goals.



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FOUR KEY APPROACHES TO MOBILIZE PRIVATE CAPITAL

INVEST's buy-in model relied on co-creation with USAID MBIOs to design scopes for every activity. In many cases, USAID MBIOs started with an investment opportunity assessment to inform the design of follow-on activities with INVEST. These activities typically used one of four approaches:

1. Transaction advisory services
2. Catalytic funding
3. Mobilizing institutional investment
4. Technical assistance

You can find learning resources for each approach in the sections below.

1. Transaction advisory services

- [Mobilizing Investment for Development with Transaction Advisory Services: Learning Brief](#)
- [Transaction Advisory Services I01: Resource Guide](#)
- [Performance Incentives for Capital Mobilization](#)

2. Catalytic funding

- [Mobilizing Investment for Development with Catalytic Funding: Learning Brief](#)
- [Catalytic Funding I01: Resource Guide](#)

3. Mobilizing institutional investment

- [Accelerating Institutional Investing for Development Impact at Scale: Learning Brief](#)
- [Scaling Private Investment to Close the Development Financing Gap: Case Studies](#)
- [Mobilizing Institutional Investment for Impact at Scale: Resource Guide](#)

4. Technical assistance

- [Technical Assistance I01: Resource Guide](#)



STATEMENT OF OBJECTIVES (SOO) DATABASE

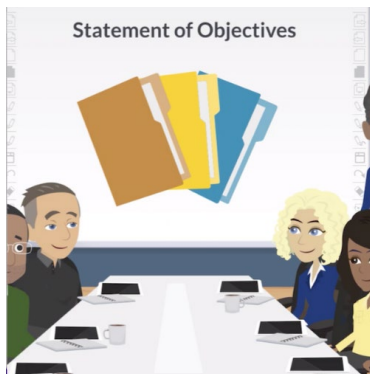
When developing a Statement of Objectives (SOO) or Request for Proposals (RFP) for a new activity to mobilize private capital, it can be helpful to have a model to draw from. INVEST created a database with hundreds of SOOs and RFPs, which you can filter by sector, region, country, or technical approach.

Watch the [video tutorial](#) and [access the database](#).

Name	Region	Country	Sector/Theme	Link	Approach	MBO	Awardee
RFP-002 Power Africa/USAID Kenya	Africa (Sub-Saharan)	Kenya	Energy	https://static1.squarespace.com/static/6116c49d01c72a78f3d41bae70614477484139222a0e5b1f5a7163188...	Transaction Advisory Services	Power Africa USAID/Kenya	CrossBoundary partnering with Open Capital Advisors
RFP-005 USAID Democratic Republic of Congo Assessment of Finance Needs and Opportunities	Africa (Sub-Saharan)	Democratic R...	Agriculture	https://static1.squarespace.com/static/6116c49d01c72a78f3d41bae706144aa2d09968364157e3961631...	Opportunity Assessments	USAID/Democrati...	CrossBoundary
RFP-019 Water and Energy for Food (WE4F) Grand Challenge for Development Landscape Analysis – West Africa Regional Hub	Africa (Sub-Saharan)	N/A	Agriculture Energy Gender Water Sanitation and Hygiene ...	https://static1.squarespace.com/static/6116c49d01c72a78f3d41bae70614460488e99a43ba0c0e1516318...	Opportunity Assessments		CrossBoundary
RFP-024 Market-Based Approach Evaluation for South Africa CDC's	Africa (Sub-Saharan)	South Africa	Economic Growth	https://static1.squarespace.com/static/6116c49d01c72a78f3d41bae706144b237b5107d2b05ac07a216318...	Opportunity Assessments	USAID/South Afric...	Genesis Analytics
RFP-025 Prosper Africa Pipeline Development and Transaction Advisory	Africa (Sub-Saharan)	N/A	Economic Growth	https://static1.squarespace.com/static/6116c49d01c72a78f3d41bae706144b290c88dc4680f006e516318...	Transaction Advisory Services	Prosper Africa	Multiple Awards: <ul style="list-style-type: none"> Lion's Head Global Partners (\$327,450) Open Capital Adviso...
RFP-027 Mobilizing U.S. Institutional Investment and Financial Service Exports in Africa	Africa (Sub-Saharan)	N/A	Financial Sector Trade	https://static1.squarespace.com/static/6116c49d01c72a78f3d41bae7061443595ca0e451005cd12916318...	Transaction Advisory Services	Prosper Africa	Multiple Awards: <ul style="list-style-type: none"> Interlink Capital Strategies partnering with New America (T...
RFP-049 Southern Africa Catalytic Contribution	Africa (Sub-Saharan)	Angola Botswana Lesotho	Economic Growth Entrepreneurship	https://static1.squarespace.com/static/6116c49d01c72a78f3d41bae706144b181a3e11e32005cd129163182...	Structuring Funds and Financia...	USAID/Southern...	Multiple Awards: <ul style="list-style-type: none"> Creative CFO Pty Ltd (\$150,000) Endeavor South Afric...
RFP-070 GAIN'S Nutritious Foods Financing Facility (N3F) Fund Assessment & Facilit...	Africa (Sub-Saharan)	N/A	Food security	https://static1.squarespace.com/static/6116c49d01c72a78f3d41bae706144160811...	Structuring Funds and Financia... Technical Assistance	RFS	ISF Advisors

YOU DON'T HAVE TO DO IT ALONE

There are many private sector firms, like transaction advisors and fund managers, that operate in USAID-presence countries and can offer valuable expertise and familiarity with local markets. INVEST engaged 198 partners – mostly private sector firms – to implement activities that reach USAID's development objectives in 86 countries.



eLearning

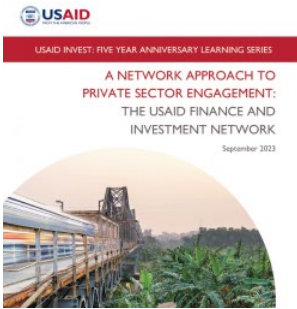
In this self-paced course, USAID staff can learn how to work with investment intermediaries like fund managers and transaction advisors. You will learn more about partner capabilities and how to write effective Statements of Objectives to engage them.

Access via [USAID University](#).

Organization Name	Technical Expertise	Sector Expertise
17 Asset Management	Business Advisory Services Fund Structuring & Management Impact Measurement & Evaluation Market Research Strategy-Setting	Economic Growth Education Financial Sector Global Health Social Inequality Infrastructure Sustainable Livelihoods Water Sanitation and Hygiene (WASH)
40 Credits	Business Advisory Services & Facilitation Market Research Opportunity Origination	Agriculture Economic Growth Education Financial Sector Global Health Water Sanitation and Hygiene (WASH)
A. Marwan Tawfik		Global Health Water Sanitation and Hygiene (WASH)
A7 Capital	Business Advisory Services Fund Structuring & Management Investment Structuring and Other Transaction Support	Agriculture Economic Growth Environment Financial Sector Global Health Infrastructure

USAID Finance and Investment Network (FIN) database

The FIN includes almost 600 firms in the investment and international development communities. You can explore organizations in the network by filtering this [database](#) by expertise and geography.



Using a network approach

- [Learning Brief: A Network Approach to Private Sector Engagement: The USAID Finance and Investment Network](#)
- [A Network Approach to Engaging the Private Sector: Resource Guide](#)
- [Reflections from the USAID Finance and Investment Network \(Video\)](#)

PRACTICAL TOOLS AND JOB AIDS

Are you wondering how to translate your development objectives into an activity that engages the private sector? Or how to mobilize private capital for a desired impact? The tools below can help:

Innovation Roadmap series

The PSE Innovation Roadmap series documents approaches that have shown positive outcomes through collaboration with the private sector. Their objective is to facilitate learning for USAID staff. They can help you determine whether an approach would be viable for replication in your context, offering key technical and operational information for project design. The roadmaps below focus on INVEST activities and are only available internally within USAID via [MyUSAID](#).

- Infrastructure Investment: The Pension Consortium Model
- Launching the CARICOM Resilience Fund
- Assessing Voluntary Carbon Markets in Pakistan
- Investment Facilitation in El Salvador



Resources for activity design

- [Blended Finance Starter Kit: 10 Questions About Mobilizing Private Capital for Better Development Results](#)
- [Using Blended Finance to Generate Additionality and Human Impact: Guidance Note](#)
- [Performance Incentives for Capital Mobilization: Determining Compensation for Transaction Advisors](#)
- [How Much USAID Funding is Needed in a Blended Finance Transaction? Ask the Market.](#)
- [Statements of Objectives database and video tutorial](#)

RESOURCES BY TECHNICAL SECTOR

The approaches INVEST has tested can be applied in a wide range of sectors and countries. See examples specific to the technical sector in which you work via the resource guides below.



Gender

Gender Lens Investing Resource Guide

INVEST has worked with the USAID Gender Equality and Women's Empowerment Hub (GenDev) and USAID Missions to advance women's economic empowerment by unlocking private investment in women around the world. The stories and tools captured in this resource guide share what we've learned from partnering with the private sector to mobilize capital, mainstream gender-smart policies and practices, and increase access to capital for women and women-led businesses.



Climate

Catalyzing Finance for Climate Action Resource Guide

Through INVEST, USAID partnered with the private sector to identify and pursue opportunities for additionality and impact in climate finance. USAID and INVEST tested and refined new approaches to effectively implement and scale interventions to have a greater impact on climate change. The Catalyzing Finance for Climate Action Resource Guide shares what we've learned.

Catalyzing Private Finance for Climate Action: Learning Brief

The learning brief provides an overview and framework of how USAID can build on its use of blended finance to continue mobilizing private investment for climate mitigation, adaptation, resilience, and enabling environment solutions. Find select learning brief graphics for use in climate presentations [here](#).



Health

Mobilizing Finance for Health Resource Guide

USAID and other donors can play a key role in catalyzing private sector engagement for addressing infectious diseases and strengthening health systems. This resource guide provides learning resources and blogs that INVEST has produced over the course of project implementation.

Greater than the Sum of its Parts: Blended Finance Roadmap for Global Health

This practical resource identifies blended finance opportunities and instruments for USAID, other donors, and partners to design, develop, and implement activities to achieve health goals.



Agriculture

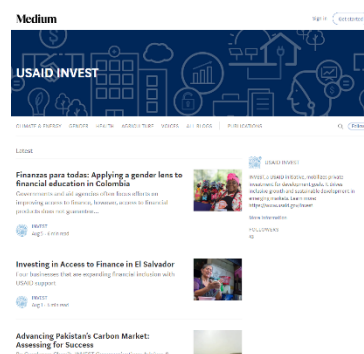
Mobilizing Investment for Agriculture Resource Guide

INVEST has collected a series of blogs and lessons learned in the project's work to mobilize private sector engagement towards agriculture investments and food security.

STORIES AND BLOGS

USAID INVEST Medium Blog

Explore 160 stories and articles from INVEST and our partners about our approaches, activities, human impact, and lessons learned over the course of the project. Watch an additional 25 video interviews with partners in our “Voices from the Network” series.



Year 3 (October 2019-September 2020)

- [Charity vs. Investment: USAID’s Journey to Self-Reliance and the INVEST Initiative](#)
- [Investments in Off-Grid Energy Businesses Are Bringing Electricity to Hundreds of Thousands in Kenya](#)
- [Mobilizing \\$100 Million in Private Capital for Women’s Economic Empowerment](#)
- [Private Investment Is Changing International Development. Here’s What You Need to Know.](#)
- [Meet the Entrepreneur Who’s Making Clean Water Accessible Across Haiti](#)
- [From Candy Princess to Toilet Paper Queen: How Haitian Entrepreneurs Like Myrtha Vilbon Are Improving Their Country and Why Investors Should Pay Attention](#)
- [Women’s Economic Empowerment: Smartphones, Fintech, and Indonesia’s Fisheries](#)
- [INVEST: On the Frontier of Gender-Lens Investing](#)
- [Investing from the ‘Frontier of the Frontier’: Lessons from Ten Years as an Investment Advisor in Africa](#)
- [Lessons from Ten Years as an Investment Advisor in Africa: Part II](#)
- [Gender-Lens Investing Shouldn’t Be a Niche Strategy. It’s Time to Apply It Broadly.](#)
- [A Layman’s Introduction to Blended Finance: Five Questions about Mobilizing Private Capital for Better Development Results](#)
- [A Layman’s Introduction to Blended Finance: Five More Questions about Mobilizing Private Capital for Better Development Results](#)
- [How High-impact Businesses in Emerging Markets Are Pivoting in the COVID Crisis](#)
- [A Watershed Moment for the Future of Corporations](#)
- [The Rise of Corporate Investment Partnerships for Social and Environmental Impact](#)
- [International Development Agencies Need Private Sector Partners: USAID, Connectivity Capital, and Expanding Internet Access to the Next Billion People](#)
- [With the Help of a Transaction Advisor, This Haitian Company Has Expanded Its Production in the Face of COVID-19](#)
- [Overcoming an Outdated Narrative: Why Investors Need to Recognize Africa’s True Potential](#)
- [Beyond Gender-Lens: CARE’s New Impact Fund Opts for ‘Gender Justice’](#)
- [A Well-Timed Investment: How Investing in Tech-Driven Healthcare SMEs Is Boosting Africa’s COVID-19 Response](#)
- [A Nigerian Tomato-Farming Business Shows the Human Impact of Private Investment](#)
- [An African Model for This Moment: Local Institutional Funding of Infrastructure](#)
- [A New Way Forward for Southern Africa: USAID Pilots a New Approach to Private Sector Engagement](#)
- [Delphin Investments and USAID: Working Together to Mobilize the Haitian Diaspora to Invest “Back Home”](#)
- [Investing in Africa: An Interview with Lauren Cochran](#)
- [Investing in Africa: An Interview with Jake Cusack](#)

Year 4 (October 2020-September 2021)

- [African Agriculture Is Ripe for Investment: An Interview with Tomato Jos](#)
- [Blended Finance, Clean Energy, and Lasting Peace in Colombia \(in Spanish\)](#)
- [No Real Estate? No Problem. A Look at the Potential of Asset-Based Lending to Empower Women in Colombia](#)
- [Q&A with DPI's Runa Alam: How Africa's Impact Ventures Became Essential During COVID-19](#)
- [Using Blended Finance Interventions to Support a Long-Time Ally in Coping with COVID-19](#)
- [How USAID Brought Co-Creation Online in the Era of Social Distancing: Part I](#)
- [How USAID Brought Co-Creation Online in the Era of Social Distancing: Part II](#)
- [How USAID Brought Co-Creation Online in the Era of Social Distancing: Part III](#)
- [How USAID Brought Co-Creation Online in the Era of Social Distancing: Part IV](#)
- [ICT, Wine, and Fintech: What USAID Moldova Can Teach Other Countries About Private Sector Engagement Approaches During COVID-19](#)
- [INVEST Video: Tips for Stronger Proposals](#)
- [Co-Creation 101](#)
- [Entering New Markets in Africa: An Interview with African FinTech Company Muku](#)
- [Private Sector Thinking Meets Public-Sector Compliance: What INVEST Has Learned from Private Sector Partners](#)
- [Kenyan Coconut Enterprise Tries Out New Recipe: Gender Equity](#)
- [Creating Opportunity for Haitian SMEs Amid Instability: A Conversation with Local Transaction Advisory Firm GECA](#)
- [Using Blended Finance to Solve Global Health Challenges](#)
- [Not All Traditional Investment Models Work for Emerging Markets. It's Time to Test New Ones.](#)
- [How Technology is Changing Trade and Investment with Africa: An Interview with Asoko Insight](#)
- [Promoting Productive Use of Energy in Uganda](#)
- [How the U.S. Government is Helping Italian Businesses Contribute to Italy's Pandemic Response \(in Italian\)](#)
- [Considering a Regional Investment Strategy to Drive Development in Higher-Risk Countries](#)
- [COVID-Era Innovations with Long-Term Impact: How the Pandemic Is Changing Investment in Frontier Markets](#)
- [Celebrating International Women's Day by Making Gender Lens Investing the Status Quo](#)
- [Development Pros: You Don't Need to be a Finance Expert to Use Catalytic Funding](#)
- [USAID Southern Africa is piloting new approaches to deepen capital markets in Southern Africa](#)
- [Investing in Black Entrepreneurs: A South African Fund Leads the Way](#)
- [Using Co-Creation to Construct a Portfolio for Women's Economic Empowerment](#)
- [What USAID India is Learning from Working with Private Sector Partners to Improve the Delivery of Public Services](#)
- [Tanzania Looks to Blended Finance Solution for Hospital Network Modernization](#)
- [Five Things You Need to Know About Engaging the Private Sector in Public Goods](#)
- [Women Investing in Women in Senegal: A Look at How One Fund is Using Gender Lens Investing to Reach Women-Led Businesses in West Africa](#)
- [Institutional Investor Emphasizes the Advantages of Investing in Emerging Markets Across Africa](#)
- [Technical Assistance: A Game Changer for Gender Lens Investing?](#)
- [Chicago Teachers Invested in Africa and You Should Too](#)
- [Disrupting the Mom and Baby Products Market in Nigeria: An Interview with BabyBliss](#)

- [Consider Yourself a Fiduciary? Then It's Time to Invest in Africa](#)
- [How One Pension Fund Identified Investment Opportunities in Africa](#)
- ["There is a World of Opportunity When It Comes to Healthcare in Africa" — An Interview with Sona Shah, the CEO of Neopenda](#)
- [E-Commerce Unlocks New Potential in Kenya's Apparel Market — an Interview with Zumi](#)
- [Health Tech Is Not a Fad; It's Desperately Needed — an Interview with LifeBank](#)
- [Why Investing in Emerging Markets is a Win for Investors and African Companies](#)
- [Pension Funds Could Close the SDG Gap. What's Holding Them Back?](#)

Year 5 (October 2021-September 2022)

- [A New Wave of Private Investment for Climate Solutions — Part I: USAID Answers the Call to Climate Action](#)
- [Climate Finance in Action: A Look at the INVEST Portfolio](#)
- [Responding to Vietnam's Healthcare Challenges: Bolstering Sustainable Funding Models for Community-Based Organizations and Social Enterprises](#)
- [A Home Team Advantage: Deeper Markets and a More Resilient Haiti](#)
- [A New Wave of Private Investment for Climate Solutions — Part II: Climate Finance in Action](#)
- [Wave Energy Could Power Vietnam's Islands, But Start-Ups Need USAID's Help](#)
- [Tunisian Business Proves That Global Tech Companies Don't Just Grow in Silicon Valley](#)
- [Financial Leverage is not a Good Measure of Impact. Here is What to Use Instead.](#)
- [A New Wave of Private Investment for Climate Solutions — Part 3: Funding Ocean Solutions](#)
- [This Bond Could Be a Breakthrough in Combatting West Africa's Housing Shortage](#)
- [Uganda: Using the Sun to Make Ice](#)
- [The case for Africa as an infrastructure and real assets investment destination](#)
- [Generating Prosperity through Development of Small and Growing Businesses in the Northern Triangle](#)
- [USAID Bureau for Resilience and Food Security \(RFS\) Support to Agriculture-Oriented Funds](#)
- [Investments Bring Light to Haitian Households](#)
- [Changing the Gatekeepers: Why Female Fund Managers Are the Key to Unlocking More Inclusive Capital](#)
- [Africa: Improving U.S. Pension Outcomes While Boosting African Growth Prospects](#)
- [Building Pathways Between Wall Street and the Global South — A Conversation with IIX](#)
- [How six impact investors are giving their portfolios a 'gender-smart' boost](#)
- [Seizing Africa's overlooked investment opportunities with an inclusivity lens](#)
- [Africa: Women Entrepreneurs Can't Get Access to Capital ... Unless Other Women Are Managing It](#)
- [Kenya: Partnering with a coconut processor to improve business by benefiting women](#)
- [Womvest and Secha Capital Pilot Gender-Based Debt Fund for South Africa's Small Businesses](#)
- [Investing in the Planet by Investing in the People Who Know It Best](#)
- [Nigeria: Partnership Provides Secret Sauce that Creates Growth from Wasted Produce](#)
- [Lavi Spicy Peanut Butter is Unlocking International Markets](#)
- [Tunisian Company Helps Dairy Farmers Convert Waste into Revenue](#)
- [How a Unique Trilateral Partnership Is Bringing Stronger Internet to Palau](#)
- [Meet the Tech Startup Transforming the Dairy Market in Tunisia and Beyond: An Interview with MooMe](#)
- [Sustainable agriculture needs more investment in women at the top — not just bottom — of the pyramid](#)

- [\\$22 Million Investment Needed to Connect 2300 Anchor Institutions in the Most Unconnected Counties in Kenya](#)
- [Tips for Strengthening ESG Investing from Emerging Market Fund Managers](#)
- [Vietnam: Making the Financial System Work Better for Women Entrepreneurs](#)

Year 6 (October 2022-September 2023)

- [The Power of Partnership Among U.S. and African Investors](#)
- [Engaging Investors on the Ground](#)
- [The Supply and Demand Challenge: Getting More Capital to Women-Led Businesses](#)
- [The Global Development Sector Is Focused on Gender-Based Violence: Investors Should Be Too](#)
- [Five Lessons Learned in Mobilizing Institutional Investment in African Economies](#)
- [Why Investors Should Pay Attention to Africa](#)
- [From Relationship Building to Co-investment](#)
- [Renewable Energy Project Advances Gender Lens Equity in Honduran Community](#)
- [USAID Support Catalyzes New MCE Fund Focused on Sustainable Agriculture](#)
- [INVEST and Partners Announce \\$274 Million in Financing for Affordable Housing Across West Africa](#)
- [Innovative West Africa Affordable Housing Transaction Realizes Promises of Renewed U.S.-Africa Partnership](#)
- [INVEST and Partners Announce \\$12.1 Million Investment in Clean Energy in South Africa](#)
- [A Blueprint for Closing the SDG Financing Gap: How to Raise \\$290 Billion in 12 Months to Tackle the World's Biggest Problems](#)
- [Mobilizing Kenyan Pension Funds to Invest in Local Infrastructure](#)
- [PSE Perspective: Trevor Hublin, USAID Vietnam \[PSE Hub internal newsletter\]](#)
- [Enabling Public-Private Partnerships to Spur Growth and Development in Vietnam](#)
- [Colombia: Improving Access to Finance Among Rural Women](#)
- [How to Apply PSE Across Development Sectors: 7 Tips from USAID Vietnam](#)
- [#MindTheGap: How Catalytic Funding Mobilized \\$1 Billion for Clean Energy, Gender Equality, and Resilient Agriculture](#)
- [Addressing India's Education Crisis: Creative Ways to Bring in the Private Sector](#)
- [The View from Vietnam: Five Ways USAID Can Better Engage Local Partners](#)
- [What Additionality Brings to Blended Finance](#)
- [Investing in Infrastructure to Spur Development in Nigeria](#)
- [Working with Transaction Advisors: Setting the Right Incentives](#)
- [How Africa's Pension Funds are Financing the Continent's Infrastructure Gap](#)

Year 7 (October 2023-September 2024)

- [Scaling Solutions: How Blended Finance Can Bring Safe Water to 30 Million People in Africa and Asia](#)
- [From East Africa to Latin America: Expanding Incentive Models for Agri-SME Growth](#)
- [Unlocking Investment in Frontier Markets: A Challenge in the Agriculture Sector](#)
- [Creative Capital Helps Entrepreneurs Scale Impact in a Down Market](#)
- [PSE Perspective: German Sanz, USAID Colombia \[PSE Hub internal newsletter\]](#)
- [Five Years, One Billion Dollars, and the Lessons Learned Along the Way](#)

- [Assessing Gender-Forward Organizational Practices: Kiva's Gender Equity Assessment Rating Tool](#)
- [Channeling Investment into Water and Sanitation in Lagos](#)
- [Scaling Private Investment to Close the Development Financing Gap: Five Case Studies](#)
- [Demography is Destiny: Why U.S. Institutional Investors are Looking to Africa](#)
- [Catalyzing Investment for Climate Toward USAID's \\$150 Billion Target](#)
- [Powering Up Communities](#)
- [USAID and Partners Launch the CARICOM Resilience Fund](#)
- [Making Blended Finance Work for Climate](#)
- [PSE Perspective: Abdi Aguirre, USAID El Salvador \[PSE Hub internal newsletter\]](#)
- [Tunisia: Making Shoes, Creating Jobs](#)
- [Coffee and a Cause: How a New Fund is Improving Farmer Livelihoods in Colombia and Beyond](#)
- [USAID Tests a New Approach to help Female Entrepreneurs in St. Lucia Get Loans](#)
- [Reving Up Financial Inclusion in El Salvador \(in Spanish\)](#)
- [How Much USAID Funding is Needed in a Blended Finance Transaction? Ask the Market.](#)
- [Advancing Pakistan's Carbon Market: Assessing for Success](#)
- [Investing in Access to Finance in El Salvador \(in Spanish\)](#)
- [Finanzas Para Todas: Applying a Gender Lens to Financial Education in Colombia](#)
- [Finance Champions: April 2024 Summaries and Takeaways from the INVEST Activity](#)
- [Energy for Peace: Blended Finance for Clean Energy and Economic Development in Colombia](#)

Voices from the Finance and Investment Network series:

- [Voices from the USAID Finance and Investment Network: Boston Consulting Group](#)
- [Voices from the USAID Finance and Investment Network: CARE Enterprises](#)
- [Voices from the USAID Finance and Investment Network: CollaborateUp](#)
- [Voices from the USAID Finance and Investment Network: Connectivity Capital](#)
- [Voices from the USAID Finance and Investment Network: Convergence Blended Finance](#)
- [Voices from the USAID Finance and Investment Network: Creative CFO](#)
- [Voices from the USAID Finance and Investment Network: Deetken Impact](#)
- [Voices from the USAID Finance and Investment Network: Dopkins & Company](#)
- [Voices from the USAID Finance and Investment Network: Endeavor South Africa](#)
- [Voices from the USAID Finance and Investment Network: FINCA Ventures](#)
- [Voices from the USAID Finance and Investment Network: Genesis Analytics](#)
- [Voices from the USAID Finance and Investment Network: Intellectap](#)
- [Voices from the USAID Finance and Investment Network: KOIS](#)
- [Voices from the USAID Finance and Investment Network: Linea Capital](#)
- [Voices from the USAID Finance and Investment Network: Lion's Head Global Partners](#)
- [Voices from the USAID Finance and Investment Network: MEDA](#)
- [Voices from the USAID Finance and Investment Network: MiDA Advisors](#)
- [Voices from the USAID Finance and Investment Network: OCO Global](#)
- [Voices from the USAID Finance and Investment Network: Open Capital Advisors](#)
- [Voices from the USAID Finance and Investment Network: Patamar Capital](#)
- [Voices from the USAID Finance and Investment Network: RENEW](#)
- [Voices from the USAID Finance and Investment Network: Roncucci & Partners](#)
- [Voices from the USAID Finance and Investment Network: Teal Media](#)
- [Voices from the USAID Finance and Investment Network: ThirdWay Africa](#)
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USAID INVEST Buy-In Summary: Afghanistan Trade and Investment

Buy-in Name	Afghanistan Trade and Investment
Buy-in Client	USAID Afghanistan
Period of Performance	August 2018 to December 2021
Buy-in Amount	\$13,500,000
Buy-In Support Type	Investment Opportunity Assessment, Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Trade and Investment
Subcontractors/Sub-Awardees	AeroAsia Consulting Service CrossBoundary LLC Global Event Management Global Venture Consulting LLC The Bengal Chamber of Commerce and Industry

OBJECTIVE

USAID Afghanistan sought to weave Afghanistan’s economy into international markets and reduce dependence on foreign aid and support its journey to self-reliance. Through a multi-phased, five-year buy-in, INVEST worked to build business-to-business linkages between Afghanistan and foreign investors and partners.

Through INVEST, sector-specific transaction advisors and firms identified and closed deals across civil aviation/airport services, mining, marble, carpets, and gems and jewellery, and provided support to strengthen the India-Afghanistan trade relationship. INVEST provided bespoke solutions appropriate to each sector and transaction, spurring investment and prioritizing opportunities that would support Afghanistan’s journey to self-reliance.

ACTIVITIES

INVEST implemented a phased approach across this buy-in, re-evaluating sector focus and investment priorities each year together with USAID Afghanistan. INVEST used a suite of service offerings appropriate for each partner or transaction identified in INVEST’s core activity streams – civil aviation, carpets, energy, mining, marble, and gemstones. This included direct or procured transaction advisory support, investor matchmaking, and other risk-mitigating approaches to catalyze commercial investment or the development of new financial instruments. Over the life of the activity, INVEST also built its network of partners and investors in Afghanistan, India, central Asia, the Gulf, the U.S., and other target regions to ensure investment and private sector engagement was at the forefront of our activities aimed at achieving USAID’s priorities and development objectives.

During Year 1 of implementation, INVEST leveraged the USAID-funded “Passage to Prosperity” trade show in Mumbai, India to strategically introduce Afghan and Indian firms and investors, resulting in 44 agreements signed at the event. INVEST continued to work across the six sectors for the next year, and

each subsequent year worked with the Mission to refocus the activity's sectors based on client feedback and the geopolitical climate.

The buy-in started with an anticipated timeline of five years; however, due to security concerns, all activities were ended by December 2021. The activities below are categorized by export and investment sector.

Energy (2018-2019)

- **Overview:** CrossBoundary was subcontracted to work with USAID Afghanistan's Office of Infrastructure (OI) to facilitate private sector investment into Afghanistan's energy sector. This was intended to be done through the execution of a competitive power procurement auction series, which would have procured 2,000 megawatts (MW) of renewable energy. CrossBoundary's workstreams covered both the technical design and investment facilitation of the auction series, with collaboration between OI, Da Afghanistan Breshna Sherkat (DABS, Afghanistan's energy infrastructure, generation, transmission and distribution company), the Ministry of Energy and Water (MEW), and the Central Partnership Authority (CPA). In September 2019, due to the regime change, USAID Afghanistan requested a stop work order be issued prior to kicking off the auction series.
- **Key deliverables:**
 - Commercial principles
 - Procurement strategy and auction design
 - Market engagement
 - Technical feasibility proposals
 - Financial model

Gemstones (2018-2021)

- **Overview:** INVEST, working in conjunction with investment advisors and gem industry experts, facilitated the formation of Afghanistan's first private gemstone certification lab, the Silk Road Heart Gemmological and Lapidary Center, in Kabul. Silk Road was officially registered in 2019 and launched a limited service offering in July 2020; however, the lab closed, and the gemstone expert demobilized in 2021 due to security concerns.
- **Key deliverables:**
 - Procurement of lab equipment
 - Established a gemstone certification laboratory

Mining (2018-2020)

- **Overview:** INVEST consultants and Global Venture Consulting (Global Venture) assessed the landscape of investment opportunities in Afghanistan and identified complementary investors in target geographical markets such as central Asia, Europe, and India. Investment advisor Global Venture supported the Ministry of Mines and Petroleum (MoMP) in closing transactions in the marble and mining sectors and provided transaction advisory for ongoing deals in chromite and cement. At the end of the subcontract, the deals were still pending MoMP approval and since then have dissolved due to the current geopolitical climate in Afghanistan.

- **Key deliverables:**
 - Key documentation package: Samangan cement
 - Key documentation package: Chromite
 - Market sounding report: Chromite
 - Development plan template: Cement
 - Deal documentation package: Samangan cement
 - Deal documentation package: Chromite
 - Mining event: event preparation, scoping trip, execution, and assessment pitch deck
 - Enterprise pipeline

Marble (2018-2019)

- **Overview:** INVEST's facilitated two deals, one in marble, and another in travertine. The activity's direct transaction support led to the first-ever award of exploration rights for marble and travertine.

Civil aviation (2018-2021)

- **Overview:** To facilitate four public private partnership (PPP) projects in the civil aviation sector, INVEST partnered with AeroAsia Consulting Service to work with the Afghanistan Civil Aviation Authority (ACAA) in developing projects to provide world-class aviation-related services and facilities in Afghanistan while creating sustainable revenue streams in support of aviation regulatory oversight. AeroAsia successfully developed business cases, expressions of interest (EOIs), and technical output specifications for the projects and conducted two of three PPP training courses for ACAA staff. The third PPP course was postponed due to Covid-19, and later cancelled after activities stopped in Afghanistan. The firm also supported the ACAA in conducting investor outreach, administering the final PPP certification course, and preparing the bidding packages for the four projects – an international passenger terminal, air cargo terminal, international airport hotel and convention center, and export processing zone.
- **Key deliverables:**
 - Business cases
 - Market sounding event
 - Preparation and release of EOIs
 - PPP course certification
 - Output specifications
 - Bidding package preparation

Carpets (2018-2019)

- **Overview:** INVEST provided direct advisory support to Afghan carpet manufacturers, working with them on business plans and investment strategy, introducing companies to international buyers, and working with the Overseas Private Investment Corporation (now the U.S. International Development Finance Corporation) and other financial institutions on financing options. INVEST also prepared carpet manufacturers to travel to international trade shows and exhibits.

India market assessment (2020-2021)

- **Overview:** INVEST partnered with the Bengal Chamber of Commerce and Industry (BCCI) to conduct an assessment to determine how trade could best contribute to Afghanistan's development. The focus of this assessment was on the trade relationship between Afghanistan and India, as India's large population and growing prosperity make it a valuable market. USAID sought to understand opportunities and limitations based on India's appetite for Afghan products and identify which Afghan product categories and their corresponding Indian markets would result in optimal trading relationships and benefits. The assessment incorporated a gender and youth lens as women and youth play a fundamental yet disadvantaged role within Afghanistan's economy and represent a large portion of the population. The assessment included the following activities:
 - Value chain mapping: BCCI used existing value chain analyses and field interviews to map value chains for principal Afghan products from production to commercial sales. The mapping stipulated processes, costs, incomes, margins, financing requirements, costs and transit times for delivery to final retail markets.
 - Indian market assessment: The landscape assessment provided a qualitative and quantitative assessment of the ten most promising markets regarding consumer product and marketing preferences, retailer requirements, value chains, and any structural economic constraints and barriers to trade and market expansion.
 - Product category recommendations: BCCI conducted an impact assessment of the identified investment opportunities and recommended the best suited investment markets and investment scenarios.
 - Trade and business enabling environment: BCCI provided an overview of the current regulatory and trade policies per each targeted market.
- **Key deliverables:**
 - Value chain mapping report
 - India market assessment report
 - Product category recommendation report
 - Trade and business enabling environment report

Multi-purpose disinfecting cleaner partnerships (October 2020-April 2021)

- **Overview:** During the COVID-19 pandemic, INVEST worked with Global Venture on two response activities. The first activity included the research, identification, and establishment of two partnerships between international cleaning brands and local Afghan distributors. The following activities were conducted during this engagement:
 - Desk study: Global Venture profiled the current disinfecting products in the Afghan market, presented possible distributorship models, and explored the potential for local manufacturing.
 - Partner vetting: Global Venture conducted a legal and supply chain vetting of the top five potential Afghan partners, with the goal of matching international partnership candidates to vetted Afghan partners. Global Venture identified three verified opportunities for partnership and outlined the support required to bring the deals to close.

- Partnership close: Global Venture prepared a risk assessment, financial model, business case, and six-month operational plan for review and commitment from the manufacturers, suppliers, local Afghan stakeholders, and INVEST.
- **Key deliverables:**
 - Desk study report
 - Opportunity packages and survey summary report
 - Supply chain assessment and legal partnership document
 - Financial model and business case/pitch deck
 - Operational model
 - Deal close and final report

Domestic hand sanitizer production (December 2020-August 2021)

- **Overview:** Global Venture’s second COVID-19 response activity included technical assistance solutions for two local Afghan hand sanitizer and disinfectant producers to offer an affordable and effective alternative to the products currently in circulation in Afghanistan. This activity was implemented through the three phases: landscape assessment, technical assistance assessment, and technical assistance delivery. In August 2021, due to the regime change, the pharmaceutical producers that Global Venture was supporting – Asia Star and Moon Bright – closed operations, including production and retail sales.
- **Key deliverables:**
 - Landscape assessment and vetting report
 - Technical assistance assessment
 - Operational, financial, and technical plans
 - Supply chain analysis and value chain analysis for import of ethanol
 - Formula importation logistics – delivery
 - Formula importation logistics – product bottling and placement

RESULTS

- Facilitated four major deals in cement, marble, and travertine. The activity’s direct transaction support led to the first-ever award of exploration rights for marble and travertine, paving the way for Afghanistan-based Natural Stone Company to develop both projects, which are estimated to generate \$1.6 million in annual tax and royalty revenue.
- Brokered a deal between Revival Rugs, a California-based online carpet retailer, and Kabul-based Afghan Rug for the initial purchase of 30 carpets.
- Convened the first Afghanistan Mining and Investment Forum in Dubai, providing a platform to announce 43 tenders for natural resource projects in talc, cement, chromite, oil, gas, and more.
- Released EOIs for four PPP projects at HKIA, Kabul’s international airport, as part of INVEST’s PPP support to the Afghanistan Civil Aviation Authority.
- Facilitated the establishment and launch of Silk Road Heart Gemological Laboratory and Lapidary – a private entity that was intended to provide certification, grading reports, and cutting and polishing services to enhance the local value chain, allowing Afghanistan to capitalize on the true value of its gemstone exports.
- Established a partnership with Salah Kakar to purchase hand sanitizer concentrate from BioProtect and import the concentrated product to its facility in Kabul to dilute, bottle, and

package the product for sale throughout Afghanistan. By the end of the one-year partnership, Salah Kakar was expected to generate \$180,000 in profits from projected sales of this critical hygiene product needed to combat COVID-19.

LESSONS LEARNED

- **Conduct supply chain and Afghan company analyses as a first step.** Sector work in Afghanistan should begin by assessing how the industry functions at the global level and providing a clear outline of the ways that Afghan companies may integrate into existing supply chains.
- **Set clear expectations.** Expected outcomes of activities and time-sensitive events should be clearly defined and based on the location and sector with contingency plans for emergencies and conflict. This applies to short-term activities, but especially investment and capital raise goals.
- **Be sector-specific in trade and investment engagements.** Each economic sector requires a different approach; sector-specific engagements are more impactful. In INVEST's experience, they generated more serious interest from companies and potential investors and helped ensure a tailored approach to present the sector and provide useful content for attendees and effective outreach to the right companies. It may be more useful and cost effective to support Afghan attendance at existing international shows/conferences for their respective industries.
- **Follow-up is essential.** For any business arrangements, contracts, and/or investment agreements that emerge during an event, follow-up is extremely important to guide these agreements to conclusion. Business relationships developed during these events require several months of continuous follow-up work and dialogue facilitation. More complex business arrangements between an Afghan company and a foreign company require input from experts with market understanding and experience in structuring and financing deals.
- **Adapt and learn.** The phased approach of the buy-in was instrumental in the team being able to adapt and learn from successes and challenges of the previous years.

USAID INVEST Buy-In Summary: AFR Pensions

Buy-in Name	AFR Pensions
Buy-in Client	USAID Africa Bureau (AFR)
Period of Performance	October 2020 to June 2024
Buy-in Amount	\$2,807,966
Buy-In Support Type	Transaction Advisory Services, Technical Assistance, Fund/Financial Instrument
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Financial Sector
Subcontractors/Sub-Awardees	Convergence Blended Finance Corporate Council on Africa Dalberg Consulting US LLC Global Sovereign Advisory MiDA Advisors and partner CrossBoundary LLC

OBJECTIVE

The AFR Pensions buy-in focused on the intersection of three key activity areas: 1) public financial management, 2) functioning financial markets, and 3) building private sector engagement capacity within USAID’s Africa Bureau and throughout the Agency. It leveraged the efforts of sub-Saharan African governments, U.S. and African institutional investors, and the full range of U.S. Government tools and assistance under the framework of Prosper Africa, while building on the momentum of INVEST’s existing institutional investment work.

This buy-in sought to mobilize institutional capital between the U.S. and Africa; solidify relationships between African leaders and their counterparts in American public finance at the state and local level; and capture critical learnings, insights, and proven strategies for harnessing private capital for development. These activities aimed to increase public finance capabilities on the continent and strengthen the U.S.-African trade and investment partnership.

ACTIVITIES

This buy-in included the following activities:

Caisse Régionale de Refinancement Hypothécaire (CRRH) transaction support (July 2020-May 2024)

- Overview:** MiDA and its partner CrossBoundary provided advisory services to Togo-based CRRH, a West African regional mortgage refinancing company that provides its member banks with fixed-rate loans to provide mortgages to low- and middle-income households across West Africa. MiDA supported CRRH to prepare for a global bond issuance in partnership with the U.S. Development Finance Corporation (DFC) and private investors. This bond issuance, which was successfully completed in January 2023, is expected to support access to affordable homeownership for 6,000 individuals across the West African region.

- **Key deliverables:**
 - Initial review of term sheet, legal structure, and due diligence plan
 - Information package and transaction structure
 - Rating agency package
 - DFC credit committee and board meeting approvals
 - Capital raise from bond issuance, totalling \$277 million
 - Final activity report, which provided a detailed overview of the transaction process from inception to close, analysis of the transaction impact on CRRH and member banks, comparison group household data to inform future studies, and a discussion of replicability and key lessons learned from the transaction

Support to credit ratings in Africa (April-August 2021)

- **Overview:** Global Sovereign Advisors sought to identify, assess, and prioritize the most impactful avenues through which the U.S. Government (USG) can improve sovereign and sub-sovereign credit ratings in Africa. The activity culminated in a final report providing actionable recommendations that demonstrate the potential and feasibility of supporting African countries in achieving investment-grade credit ratings and contributing to broader USG priorities.
- **Key deliverables:**
 - Summary report and final report
 - Final financial guarantee feasibility assessment

Institutional investment panel at U.S.-Africa Business Summit (June 2021-July 2022)

- **Overview:** The Corporate Council on Africa (CCA) convened an institutional investment panel of five experts at the U.S.-Africa Business Summit, held in July 2022. CCA conducted audience research and private sector outreach to identify appropriate experts; provided strategic advisory support to Prosper Africa on events to prioritize at the Summit; and handled event coordination, sponsorship, and execution.
- **Key deliverables:**
 - Audience research and private sector outreach
 - Event sponsorship and support
 - Pitch session scheduling and facilitation
 - Institutional investment panel execution

Africa Investment Forum support (November-December 2021)

- **Overview:** MiDA Advisors facilitated attendance and participation in the Africa Investment Forum (AIF) in Abidjan, Cote d'Ivoire in December 2021, with representatives from U.S. institutional investors, a Member of Congress, and supporting congressional staffers.
- **Key deliverables:**
 - Attendance at AIF Market Days

Action Plan for Climate and SDG Investment Mobilization (April-December 2022)

- **Overview:** Convergence developed and disseminated the Action Plan for Climate and SDG Investment Mobilization, a clear, concise, and actionable strategy centered on increasing private capital mobilization in developing countries. Working closely with INVEST and Prosper Africa,

Convergence engaged with a global coalition of donors and investors to develop the Action Plan, secure endorsements from investors and donors, and present the Action Plan recommendations at the United Nations Climate Change Conference of Parties (COP27).

- **Key deliverables:**
 - Action Plan—endorsed by core donors, private investors, and foundations—profiled at COP27 and adopted into the Guide for the Coalition of Finance Ministers for Climate Action

U.S.-Africa Leaders Summit delegation support (October 2022-February 2023)

- **Overview:** MiDA Advisors supported the travel and attendance of nine U.S. asset owners and other key delegates to Washington, DC to attend the U.S.-Africa Leaders Summit and the U.S.-Africa Business Forum from December 12-14, 2022, including targeted media appearances, deal room interactions, and receptions and networking events.
- **Key deliverables:**
 - Identification of nine delegates
 - Delegation agenda, media materials, and talking points
 - Final after-action report

Global blended finance transaction briefs (March-October 2023)

- **Overview:** Dalberg produced a Global Blended Finance Transaction Brief, consisting of five two-page fact sheets highlighting the transformative impact of recent pioneering blended finance transactions identified by USAID. Dalberg drew on expert interviews, shared documentation, and desk research to extract and synthesize lessons relevant to the role of USAID and Prosper Africa, other donors, and the global multilateral development bank community.
- **Key deliverables:**
 - Transaction briefs on Room2Run, Asset Owners Forum of South Africa, Trade and Development Bank share issuance, Green Guarantee Company, and CRRH
 - Narrative report

Catalytic capital product assessment (July 2023-February 2024)

- **Overview:** INVEST partnered with Dalberg to generate a comprehensive product assessment to examine the viability of launching a pooled catalytic capital investment between Prosper Africa and major foundations. Dalberg incorporated findings from consultations with the philanthropic sector and desk research.
- **Key deliverables:**
 - Inception report with methodology, workplan, and interview guide
 - Two versions of the draft catalytic capital product assessment incorporating insights from successive rounds of consultations with philanthropic investors
 - Final catalytic capital product assessment, in detailed and summary versions
 - Internal briefing note for USAID and Prosper Africa highlighting progress to date and potential next steps for executing the vision laid out in the product assessment, including profiles of potential champions and participants from the philanthropic sector and other partners

RESULTS

- Closed a \$277 million deal to invest in affordable housing across West Africa. INVEST support was critical in identifying, structuring, and closing the transaction, and engaging with and coordinating the many stakeholders involved. Technical assistance also helped to ensure the transaction remained affordable for participants and developed the internal knowledge that key stakeholders needed to execute the bond issuance. This deal represents an innovative approach to mobilize transparent, market-oriented financing at scale and is expected to help about 6,000 households gain access to homeownership.
- Presented an Action Plan for Climate and SDG Investment Mobilization at COP27 in Sharm El-Sheikh, Egypt in November 2022. The event was co-organized by USAID, Convergence, Norway's Norad, Denmark's Danida, Sweden's Sida, Finland's Ministry of Foreign Affairs, and Iceland's Iceida.
- Coordinated the travel, logistics, and participation of nine asset owners, four private sector business leaders, and two officials from the New York City Mayor's Office for the U.S.-Africa Leaders Summit, which was held in Washington D.C. in December 2022. Delegates participated in Africa-focused educational and relationship-building side events and meetings on the margins of the Summit. Delegates also attended the Prosper Africa-hosted Innovators Gathering and a networking program at the U.S. State Department. Select delegates were able to also attend the U.S.-Africa Business Forum, which was hosted by the U.S. Department of Commerce, U.S. Chamber of Commerce, and the Corporate Council on Africa, in partnership with Prosper Africa.
- Coordinated the travel, logistics, and participation of an institutional investor and U.S. congressional delegation for the Africa Investment Forum Market Days held in Abidjan, Cote d'Ivoire in December 2021. Participation in the AIF Market Days by U.S. institutional investors and a key U.S. Government representative provided a critical platform for discussion, collaboration, and expanded engagement between key partners.
- Produced a detailed report highlighting key challenges and recommended interventions associated with enhancing credit ratings in Africa. The three interventions centered around credit ratings ecosystem enhancement (e.g., through collaborating with credit rating agencies to strengthen credit rating analyses); investment facilitation using blended finance tools; and in-house sovereign capacity building to decrease information asymmetries and ensure more accurate risk assessments by credit rating agencies.
- Developed an in-depth evaluation of potential collaboration opportunities with the philanthropic community centered around catalytic capital mechanisms, including conducting two workshops and 16 interviews with foundation leaders to test proposed collaboration methods. The final activity deliverables contained insights on the factors that would make foundations more open to collaboration with Prosper Africa (including strategic alignment, collaboration structures, and windows of opportunity) and recommendations on key organizations to target moving forward.

LESSONS LEARNED

- **Adaptability and flexibility in implementation timeframes and approaches are critical to successfully close a landmark blended finance transaction like CRRH.** Embracing a flexible, iterative approach is essential for the successful launch of innovative blended finance initiatives. To close this type of transaction, donors must be willing to learn and

iterate, realign to meet private sector investment mandates, and persist through the multi-year timeframes required to execute transactions and generate impact. For example, the CRRH bond issuance ultimately took more than three years to complete, with numerous subcontract modifications required to account for unexpected delays resulting from legal complexities, stakeholder coordination challenges, and fluctuations in global macroeconomic conditions. This is on top of the years spent priming the deal before INVEST support. The original plan was to issue the bond in U.S. dollars to protect against currency risk, but this would have required an expensive and complex currency hedging strategy. With support from Bank of America, the bond was issued in Euros instead, appealing to institutional investors who preferred Euro risk and wanted the credit risk guarantee from the DFC.

- **Guarantees and risk mitigation tools can help to establish a track record for innovative transactions.** These tools can help attract institutional investors, especially for transactions in new markets or sectors with limited track records. Once a concept is proven and investor trust is built, incentives can be redesigned to promote replicability and reduce dependence on multilateral development banks or donor funding. In the case of CRRH, INVEST's work in coordinating with the DFC to establish a guarantee was critical in crowding in private sector funding from European institutional investors.
- **Coordinating interactions between U.S. Government agencies and the institutional investment community is critical to fostering deeper coordination on private capital mobilization in Africa.** INVEST facilitated institutional investor participation in several key U.S.-Africa events – including the U.S.-Africa Leaders Summit, Africa Investment Forum, and U.S.-Africa Business Summit – and received feedback from participating investors that the U.S. Government's commitment to Africa at the highest level is critical so they can make the case to their respective organizations to invest in Africa. Investors highlighted that they received a lot of useful information and that these convenings have been important sources of education on investment opportunities and strategies in Africa. However, they would have preferred more targeted discussions with key actors relevant to their investment strategies and needs, better clarity on U.S. Government agencies' roles within the investment mobilization ecosystem, and more understanding of how perceived and real risks can be managed through blended finance approaches. There is scope and potential to build on INVEST's existing efforts through more targeted institutional investor delegations and conferences.
- **Collaboration with the philanthropic community to scale catalytic capital requires strategic alignment, an appropriate collaboration structure, and shared windows of opportunity.** INVEST's catalytic capital product assessment validated that major foundations are increasingly seeking to deploy catalytic capital to mobilize investment into Africa at scale, with a particular focus on climate resilience. However, building cohesive collaboration mechanisms with philanthropic funders can be challenging due to these organizations' varying strategic priorities and resources. Consequently, USAID and Prosper Africa should seek to engage potential anchor funders to build relationships, establish the potential for strategic alignment, and align on potential modes of collaboration. Ultimately, continually sourcing partnership leads and remaining agile will enable USAID and Prosper Africa to capitalize on intermittent windows of opportunity when high-impact collaborations become possible.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Voices from the USAID Finance and Investment Network: Aymeric Saha](#), Medium, August 2020
- [Through Prosper Africa, USAID Drives Investment in Affordable Housing Across West Africa](#), USAID press release, October 2021
- [This Bond Could be a Breakthrough in Combatting West Africa’s Housing Shortage](#), Medium, December 2021
- [The Action Plan for Climate and SDG Investment Mobilization](#), Convergence, November 2022
- [Why Investors Should Pay Attention to Africa](#), Institutional Investor, December 2022
- [INVEST and Partners Announce \\$274 Million in Financing for Affordable Housing Across West Africa](#), Medium, March 2023
- [Innovative West Africa Affordable Housing Transaction Realizes Promises of Renewed U.S.-Africa Partnership](#), Medium, March 2023
- [Prosper Africa Partners with Major Financial Institutions to Invest \\$274 Million in Affordable Housing Across West Africa](#), Prosper Africa blog, March 2023
- [A Blueprint for Closing the SDG Financing Gap: How to Raise \\$290 Billion in 12 Months to Tackle the World’s Biggest Problems](#), NextBillion, April 2023
- [Scaling Private Investment to Close the Development Financing Gap](#) case studies, December 2023
- [Scaling Private Investment to Close the Development Financing Gap: Five Case Studies](#), Medium, December 2023

USAID INVEST Buy-In Summary: Bangladesh/World Bank

Buy-in Name	Bangladesh/World Bank
Buy-in Client	USAID Bangladesh USAID Global Health (GH) Bureau, Center for Accelerating Innovation and Impact (CII) World Bank/Global Financing Facility (GFF)
Period of Performance	April 2020 to November 2022
Buy-in Amount	\$271,000
Buy-in Support Type	Investment Opportunity Assessment, Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Health/Systems Strengthening
Subcontractors/Sub-Awardees	Social Finance Limited, in consortium with International Centre for Diarrheal Disease Research Bangladesh (icddr,b) and British Asian Trust (BAT)

OBJECTIVE

This activity was funded jointly by the USAID Bangladesh Office of Population, Health, Nutrition, and Education; the USAID Global Health (GH) Bureau's Center for Accelerating Innovation and Impact (CII); and the World Bank's Global Financing Facility for Women, Children, and Adolescents (GFF). Together, they sought INVEST support to assess how blended finance could enhance health outcomes in their project portfolio. Under the activity, INVEST mapped and evaluated Bangladesh's health sector and identified opportunities to integrate blended finance solutions.

ACTIVITIES

Within the health sector, USAID and the GFF were specifically interested in improving maternal, child, and adolescent health, expanding family planning and reproductive health, integrating family planning and nutrition into basic health care, improving detection and treatment of tuberculosis (TB), and strengthening public health systems to improve the quality and availability of services across the country. In support of these goals, USAID and GFF engaged INVEST and a consortium of partners led by Social Finance Limited to conduct the following activities:

Initial desk research

Prior to in-country field work in Bangladesh, Social Finance conducted initial desk research to collect information on the health sector and past blended finance models in Bangladesh. From this rapid context analysis, Social Finance produced a report on Bangladesh's maternal, neonatal, and child health (MNCH) sector's goals, challenges, stakeholders, and financial state, as well as a country profile based on USAID's *Blended Finance for Health Roadmap* methodology. The report also included a review of potentially applicable blended finance examples and models.

Workshops

The consortium facilitated workshops with the USAID Bangladesh and World Bank/GFF teams to present the key issues within the Bangladesh health system, financing challenges, and opportunities for blended finance.

The first workshop was held remotely and presented the methodology, summary insights from consultations with key stakeholders, and a comprehensive list of blended finance models. Following the workshop, the consortium developed an action report summarizing next steps and specifying the scope and instruments to present during the second workshop. The consortium carried out additional research and preparation of materials for the second workshop.

The second workshop was held in person in Bangladesh. The meeting brought together stakeholders to discuss investor appetite for identified blended finance models, develop a deeper understanding of financing needs, and identify Bangladeshi innovations and policy provisions and restrictions.

A third workshop was originally planned. However, following the second workshop, USAID and the World Bank/GFF felt that there was an inadequate evidence base, stakeholder inputs, and technical feasibility developed by the consortium to substantiate the selection of models and associated roadmaps. Instead of planning a workshop, the team contracted a locally based consultant with a strong understanding of innovative finance in Bangladesh who conducted a series of additional stakeholder interviews to further validate the blended finance models chosen. From there, Social Finance pivoted to the production of a report on findings and recommendations that described the selection criteria used to evaluate blended finance models and provided inputs to support the prioritization of recommended models.

Final report and out-brief

The workshop-style out-brief included an interactive presentation of data and research methodology, short-listed transactions, and potential funding and investment options. Its purpose was to help USAID Bangladesh and World Bank/GFF understand their role in the design and implementation of activities and increase their awareness of potential pitfalls and challenges when engaging the private sector in mobilizing investment for health goals.

- **Key deliverables:**

- Report on the Bangladesh MNCH sector's goals, challenges, stakeholders, and financial state; and a review of blended finance examples and models
- One virtual and one in-person workshop that outlined a methodology for assessing approaches, potential blended finance instruments, and proposed prioritization criteria; and a report summarizing findings for stakeholders, shortlisted models, and next steps
- Final report that included a model assessment framework explaining how and why the blended finance models were chosen, what problem each model aimed to address, how the model would address the problem, and why the model was both effective and cost-efficient

RESULTS

- This activity demonstrated that there are blended finance approaches that have the potential to support better MNCH in Bangladesh. It provided the World Bank and USAID with a pathway to continue engagement with other donors, government partners, and local stakeholders.
- Social Finance identified three potential blended finance models:
 - A health impact fund providing impact-linked funding for services and products targeted to low-income and hard-to-reach populations;
 - A health loan facility to expand access to finance for health-focused small and medium enterprises (SMEs) providing critical MNCH services; and
 - An MNCH public private partnership (PPP) – a flexible financing tool that can be used to address a range of health issues.
- Research also outlined the significant efforts needed to build a supporting ecosystem, including the need for market-building and awareness-raising activities targeted to government and private stakeholders.

LESSONS LEARNED

- **Manage scope creep.** Multiple funding sources can lead to competing priorities and scope creep. The scope of this buy-in evolved throughout the timeframe of this activity, while the budget remained limited, which led to management challenges such as lack of budget for INVEST to travel to attend the workshop and challenges collaborating with multiple clients across multiple time zones.
- **Blended finance has potential to address systemic issues.** Through stakeholder consultations and primary research, this activity identified additional interventions needed to address wider systemic issues within Bangladesh:
 - Market education is needed to increase awareness of blended finance for health. Given the relative nascency of blended finance in Bangladesh, significant market education is needed to build a strong understanding of the approach and its potential for key stakeholders. Existing primary materials could be adapted for and shared with key stakeholders, alongside roundtable discussions and ongoing bilateral engagements.
 - Development of demand-side financing mechanisms is required. All three models evaluated by Social Finance rely on demand-side financing to ensure accessibility of health care services. Several demand-side financing schemes have been piloted, but more comprehensive coverage is needed.

USAID INVEST Buy-In Summary: Colombia Energy for Peace

Buy-in Name	Colombia Energy for Peace (E4P)
Buy-in Client	USAID Colombia
Period of Performance	May 2020 to July 2024
Buy-in Amount	\$5,780,000
Buy-in Support Type	Investment Opportunity Assessment, Transaction Advisory Services, Technical Assistance
Program/Sub-program/Cross-Cutting Area	Economic Growth/Clean Energy
Subcontractors/Sub-Awardees	Tetra Tech ES, Inc. Ingeniera Especializada S.A. (IEB) Dalberg Consulting US LLC Independent Consultant(s)

OBJECTIVE

The Colombia Energy for Peace (E4P) buy-in aimed to create a favorable socio-economic environment to support the implementation of peace agreements in communities prioritized under the government’s Territorial Development Programs (*Programas de Desarrollo con Enfoque Territorial*, or PDET).

E4P sought to strengthen the production, incomes, and welfare of these communities by introducing abundant and low-cost renewable energy. A portfolio of solar mini-grids with battery backup was designed specifically for the PDET communities targeted by the program and has USAID’s technical and economic support to increase profitability and sustainability over time.

ACTIVITIES

E4P used blended finance to unlock private capital to plan, build, and operate sustainable energy generation in a portfolio of sites selected through a robust opportunity assessment.

Phase 1: Investment opportunity assessment (October 2020-May 2022)

- **Overview:** Phase I was completed through two tasks. The first, completed in June 2021, identified and assessed 40 candidate PDET sites; ultimately, nine were selected based on probability of driving economic growth, generating revenue, and paying for energy once available. The second task, completed in May 2022, included preliminary designs, financial analysis, and development of business plans for the productive clusters and associated mini-grids. Phase 2 also included a full environmental analysis and development of a gender equality and social inclusion (GESI) strategy.
- **Key deliverables:**
 - Site prioritization
 - Preliminary designs and financial analysis of the productive clusters and associated mini-grids
 - Initial Environmental Examination (IEE)

- Environmental analysis
- GESI analysis and strategy

Phase 2: Structuring of blended finance approach (November 2021-May 2022)

- **Overview:** Following the preliminary designs, INVEST explored different blended finance approaches, selecting a private sector-led model combined with a catalytic contribution from USAID, and designed the blended finance structure for the E4P mini-grids and productivity hubs. During Phase 2, the E4P business and financial models were also reviewed and validated to enhance project viability.
- **Key deliverables:**
 - Enhanced business model report
 - Blended finance solution report
 - Investment strategy and high-level implementation roadmap
 - E4P Master Plan

Phase 3: Validation and dissemination of the E4P model (April 2022-April 2023)

- **Overview:** Phase 3 focused on outreach to energy companies, investors, offtakers (private sector companies), and communities to publicize the E4P opportunity. For offtakers, outreach included facilitating site visits to the communities designing the appliance and equipment financing concept and obtaining letters of interest from financial institutions. This phase also included design of the capacity-building and investment incubation program for the productivity hubs to increase demand for energy.
- **Key deliverables:**
 - Project sponsor and investor outreach and advisory report
 - Facilitation of offtaker agreements
 - Appliance and productive infrastructure financing concept and letters of interest from financial institutions
 - Design of capacity-building and investment incubator program
 - Community outreach and communications support
 - Organization of and participation in multiple events to engage potential partners and promote the E4P activity

Phase 4: Consolidation of partnerships to implement E4P model (April 2023-June 2024)

- **Overview:** In April 2023, USAID Colombia released a Call for Partnership Concepts under a Global Development Alliance (GDA) mechanism to select private sector partners to support the energy transition for municipalities located in PDET areas. This GDA was designed to engage investors and private sector partners whose businesses are equipped to implement and operate the E4P portfolio of five solar-generation sites and achieve E4P's objectives. INVEST and its partners served as advisors to USAID during the GDA process to support the establishment of a successful partnership at its conclusion.
- **Key deliverables:**
 - GDA Advisory: Phase 1 Concept Note
 - GDA Advisory: Phase 2 Co-creation
 - Capacity building and investment incubator program design
 - Community outreach and communications support

- Portfolio consolidation and financial close report
- Due diligence analysis
- Co-created capacity-building program and implementation plan
- Letters of intent (3)
- Launch and communications strategy for E4P

Energy for Peace learning report (February 2024-June 2024)

- **Overview:** The purpose of the learning report was to document the E4P model for use in other regions or countries where USAID strives to improve the well-being of rural communities through access to renewable energy in conditions where the private sector does not normally invest due to high risks, elevated costs, and low rates of return. This activity included interviews with key stakeholders including investors, offtakers, and key USAID staff that were interested and involved in the E4P model.
- **Key deliverables:**
 - “Energy for Peace: A blended finance model for renewable energy in off-grid communities” learning report

Reconstruction efforts in Providencia Island (September 2021-January 2024)

- **Overview:** In parallel to the E4P activity, INVEST also supported USAID’s contributions to reconstruction efforts in Providencia Island following the devastation caused by Hurricane Iota in 2020. The reconstruction effort hoped to bolster nature tourism in Providencia and support the preservation of the island. INVEST engaged Ingenieria Especializada S.A. (IEB) in September 2021 to provide high-level technical support and engineering advisory services to USAID in procuring solar equipment to be donated to the Providencia energy recovery plan.
- **Key deliverables:**
 - Review of technical specifications
 - Final list of equipment
 - Inputs for solicitation

RESULTS

- Selected nine sites based on their potential to drive economic growth, revenue, and ability to pay once access to new renewable energy is available.
- Developed an operational and financial model utilizing an innovative blended finance vehicle to increase the rate of return on investment to levels sufficient to attract private investors. This model also strengthens community members’ ability to pay through a capacity development program and relationships with private sector anchor offtakers.
- Advised USAID Colombia on the launch for a Call for Partnership Concepts under the GDA mechanism to select a partner to implement the E4P portfolio; and established public-private partnerships under the GDA. The GDA partnership was signed in August 2024 with a \$13M investment commitment.
- Built relationships with the selected communities and community leaders to ensure their involvement and buy-in to the E4P model through site visits to the E4P sites.
- Connected local producers to reputable goods and services purchasers in the national economy.

LESSONS LEARNED

- **Blended finance is key to renewable energy access in non-interconnected regions.** Along with private sector buy in, USAID’s support in this project is key to creating a sustainable model for energy in rural areas. USAID’s catalytic funding increased the probability of success by creating the conditions for a commercially viable model that can attract private sector investment and buy-in for long-term sustainability.
- **A phased project development process allows for greater innovation in design.** Given the innovative nature of the E4P initiative, a multi-phased approach was followed to test the design of the E4P model with the private sector and incorporate private sector feedback in the project’s design. This was key in ensuring interest in the model and making the opportunity attractive to the private sector.
- **The implementation of the E4P model could have broader positive development outcomes,** including enhanced connection to markets for producer clusters, upskilling of the local workforce, better education outcomes and diminished gender inequalities.
- **Stakeholder engagement is a key enabling condition.** Extensive relationship management with stakeholders is critical for project success. INVEST engaged with private sector actors to socialize opportunities and create interest. This included contact with public sector actors such as regulatory agencies and public ministries to foster government support, and with local communities to ensure buy in.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Blended Finance, Clean Energy, and Lasting Peace in Colombia](#), Medium, November 2020
- [Energy for Peace: A Blended Finance Model for Renewable Energy in Off-Grid Communities](#), learning report, July 2024
- [Energy for Peace: Blended Finance for Clean Energy and Economic Development in Colombia](#), Medium, August 2024

USAID INVEST Buy-In Summary: Colombia Sustainable Banking Alliance

Buy-in Name	Colombia Sustainable Banking Alliance (SBA)
Buy-in Client	USAID Colombia
Period of Performance	October 2022 to February 2024
Buy-in Amount	\$700,000
Buy-in Support Type	Investment Opportunity Assessment, Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Financial Sector, Environment/Capacity Building
Subcontractors/Sub-Awardees	Dalberg Consulting LLC and partner Guidehouse

OBJECTIVE

The financial sector plays an important role in mobilizing climate finance by ensuring that capital flows away from carbon-intensive activities and toward investments in climate adaptation and mitigation activities. To mobilize investment in climate-smart projects and businesses, Colombian financial institutions (FIs) need to have a better understanding of green financing, climate risk, and carbon footprint strategies in their lending practices.

Through INVEST, USAID Colombia executed a climate finance acceleration program that provided local banks and other Colombian FIs with training and tools to evaluate climate risks, measure their carbon footprints, and increase the use of green financing.

ACTIVITIES

INVEST partnered with Dalberg and Guidehouse, both of which have ample familiarity with the Colombian green banking landscape. The consortium worked primarily with six FIs – with some activities open to all 38 members of the Colombian banking association Asobancaria – to enhance their understanding of climate risk reporting and carbon accounting methodologies, increase green lending capacity, and encourage net-zero target setting. Activities were implemented from March to December 2023 in close coordination with Asobancaria, and included the following:

- Baseline diagnostic and roadmap of key opportunities for Colombian FIs and tailored roadmap for each of the six engaged FIs, outlining recommended strategies for climate finance adoption and integration.
- Development of a tool that FIs can use to estimate financed greenhouse gas (GHG) emissions – the *Calculadora NetZero* (NetZero Calculator). The solution was built using the global Partnership for Carbon Accounting Financials (PCAF) best-in-class methodologies, adapted to Colombia’s local context.
- Five joint training sessions open to all Asobancaria members and other key stakeholders in the climate finance sector, based on the framework developed during the diagnostic phase. The goal of these trainings was to improve FIs’ climate finance offerings and help them advance towards net-zero status. The trainings included sessions on the path to net-zero; how to use the financed

emissions calculator; setting goals, understanding scenarios and abatement curves, and measuring climate risks; net-zero strategies for portfolio management; and monitoring and reporting.

- One-on-one consultations with the six selected banks. These consultations were tailored to each bank's specific needs and interests, and included sessions on opportunities in the carbon market, advice for decarbonization, emissions measurement, sustainability at the board level, decarbonizing the oil and gas sector, and net-zero strategy development.
- **Key deliverables:**
 - Diagnostic report and roadmap
 - Capacity building and training materials
 - Financed emissions tool and user guide
 - Training delivery

RESULTS

- Eighty participants representing 22 FIs participated in the capacity-building workshops facilitated by INVEST partners. Participating banks reported a better understanding of how climate risk reporting, carbon footprint methodologies, and green lending could be integrated into their operations.
- Six banks received one-on-one advisory sessions focused on key areas tailored to each FI, including opportunities in the carbon market and decarbonization advisory. As a result, the FIs reported improved capacity to assess or address climate risks and confirmed that they were using climate information or implementing risk-reducing actions to improve their resilience to climate change. Four FIs are taking steps to improve reporting on the carbon intensity of their portfolios.
- All 38 Asobancaria members have access to the Calculadora NetZero. Asobancaria has committed to working with their members to establish a sectoral financed emissions baseline and reduction targets for the Colombian financial sector.
- INVEST produced an internal learning report synthesizing the major activities, outcomes, and insights from this activity. These insights were drawn from project documents and deliverables as well as interviews with implementing partners, Asobancaria, four participating FIs, and the Colombian Department of National Planning (DNP), the government agency responsible for designing public policy and directing public investment.

LESSONS LEARNED

- **There is a strong push in Colombia to align with international green banking and climate standards.** Colombian FIs acknowledge the benefit of green banking practices and are driven to align their institutions' reporting practices with global standards. There is also appetite to explore approaches to setting and achieving net-zero targets and developing green products.
- **FIs have varied levels of sophistication and commitment to net-zero goals.** Colombia has a vibrant financial sector, but organizational capacity and level of commitment to net-zero goals and green banking vary widely among FIs. While some large banks have made meaningful progress and are leaders in the space, others – especially microfinance institutions – have much more limited capacity. Future programming should consider tailoring offerings based on the differentiated needs of each institution to maximize impact.

- **USAID-sponsored tool development requires careful analysis of available approaches and potential trade-offs.** Tool development requires careful consideration of many issues that often do not need to be contemplated under more traditional USAID work. These include ownership transfer (particularly when developed for third parties), intellectual property protections, and maintenance/update capabilities beyond the period of performance. USAID and implementing partners should carefully consider these issues to determine the pros and cons of different approaches and agree on optimal solutions prior to activity kick-off.
- **Ensure stakeholder engagement and buy-in early in the process.** Involving stakeholders who are key to an activity's success as early as possible helps set realistic expectations and a common understanding of what can be accomplished. While expectations may shift, involving partners and stakeholders and maintaining regular communication helps ensure their commitment throughout implementation and satisfaction with final outputs, which is essential to drive adoption of tools and products at scale. Securing access to senior leadership within the FIs posed a challenge during this activity, but after one-on-one sessions and dedicated hands-on support, the FIs demonstrated greater buy-in and engagement.

LEARNING AND COMMUNICATIONS PRODUCTS

- [USAID/INVEST: Alianza de banca sostenible fase I: Diagnóstico rápido y hoja de ruta](#), report, June 2023

USAID INVEST Buy-in Summary: Digital Connectivity and Cybersecurity Partnership (America Connects)

Buy-in Name	Digital Connectivity and Cybersecurity Partnership (DCCP)
Buy-in Client	USAID Center for Digital Development (CDD)
Period of Performance	September 2019 to May 2020
Buy-in Amount	\$147,211
Buy-In Support Type	Investment Opportunity Assessment
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Information and Communications Technology
Subcontractors/Sub-Awardees	Connectivity Capital

OBJECTIVE

The USAID Global Development Lab’s Center for Digital Development (CDD) works to increase free, open, and interoperable internet access and mobile connectivity in developing countries. The Digital Inclusion team within CDD has funded research on mobilizing private capital to meet this development priority, including on blended finance, development credit mechanisms, and investment funds. This buy-in was designed to support USAID’s Last-Mile Connectivity (LMC) Initiative, which sought to expand the reach of enterprise-funded internet and mobile networks and examine new approaches to facilitate financing for connectivity projects. The initiative aimed to provide information and tools that can help investors identify quality network infrastructure projects, for example by studying innovative business plans and service deployments.

Through INVEST, USAID engaged partner Connectivity Capital to help Agency staff better understand the investment climate for last-mile connectivity. INVEST provided a market assessment focused on key barriers preventing investment in this important sector.

ACTIVITIES

INVEST partner Connectivity Capital analyzed failed transactions to determine where deals typically stalled, what barriers were most common, and any additional considerations preventing successful investment across the transaction timeline. INVEST and Connectivity Capital:

- Developed an initial landscape analysis, including background desk research, a review of the investor landscape and internet service providers (ISPs) looking to source capital, and an overview of supply and demand-side dynamics that explain the transaction process and engagement in this space.
- Conducted interviews with more than 30 stakeholders, including investors and other key ecosystem actors, to better understand the challenges faced by investors and ISPs in the last-mile connectivity sector. Through these interviews, INVEST was able to identify key attributes of failed transactions, highlighting the perspective of investors in sourcing deals or closing

transactions. The interviews focused on understanding the main investors in last-mile connectivity and their investment objectives, key risks or barriers encountered during the investment transaction process, and best practices for structuring transactions to mitigate risk or avoid failure.

- Drafted four case studies of failed transactions in Africa and Southeast Asia to explore why there were limited transaction closes in the last-mile connectivity space. These included the World Link Group in Nepal, Wi-Fi Interactive Networks in the Philippines, Extreme Broadband in Malaysia, and American Tower Corporation in Tanzania.
- Developed a report outlining macro- and micro-level policy interventions in the last-mile connectivity space, based on the findings from previous activities. The report included actionable recommendations on how USAID can implement interventions to facilitate transactions and remove barriers in last-mile connectivity.
- Presented findings to USAID and held the “Barriers to Last-Mile Connectivity” webinar to present findings to a broad audience of 175 USAID staff and other key stakeholders.
- **Key deliverables:**
 - Analysis of the last-mile connectivity investment landscape and market dynamics
 - "Barriers to Investing in Last-Mile Connectivity" final report
 - Presentation of findings via a webinar

RESULTS

- Completed a comprehensive landscape and opportunity analysis to better understand the last-mile connectivity investment landscape as well as four case studies providing insights into why previous transactions in this space had failed.
- Completed an identification and analysis of key barriers to investing in last-mile connectivity, and provided a list of short-, medium-, and long-term programming recommendations to USAID to unlock the potential of private capital to expand access to connectivity for inclusive growth. These included supporting the dissemination of proven business models, offering technical assistance to improve investment readiness, supporting blended finance for "missing middle" deals, and facilitating regulation transparency and enabling infrastructure.
- Presented report findings to an audience of 175 participants at a webinar. The presentation was followed by a panel discussion moderated by USAID, with representatives from Microsoft's Airband Initiative and the Alliance for Affordable Internet; and two breakout groups discussions facilitated by Connectivity Capital.

LESSONS LEARNED

- **Last-mile connectivity is a challenging sector with multiple external dependencies.** ISPs depend on the availability and cost of multiple external elements, such as commercial credit, equipment and hardware, upstream bandwidth, customer segmentation, and the network infrastructure environment, which adds uncertainty to investment.
- **The majority of last-mile connectivity companies struggle to secure investment due to their company growth stage.** As a largely nascent industry, the majority of last-mile connectivity companies are not deemed attractive by outside investors, which limits access to credit.

- **Investor economics and return expectations often don't align with available ISP potential transactions.** Last-mile connectivity providers' capital needs are often misaligned with ticket sizes from suitable investors and most end up trapped in the "missing middle": too big for seed funding, and too small for development finance institutions.
- **Regulatory uncertainty and ineffectiveness often add significant complexity to any potential transaction.** Policies are often not designed to enable shared access to network infrastructure, and many regulations favor incumbents and hinder competition, which makes investing in LMC more costly.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Barriers to Investing in Last Mile Connectivity](#), report, May 2020

USAID INVEST Buy-In Summary: DCHA/ASHA Blended Finance Opportunity Assessment

Buy-in Name	DCHA/ASHA Blended Finance Opportunity Assessment
Buy-in Client	USAID Bureau for Democracy Conflict and Human Assistance Office of American Schools and Hospitals Abroad (DCHA/ASHA)
Period of Performance	April 2019 to August 2019
Buy-in Amount	\$76,000
Buy-In Support Type	Investment Opportunity Assessment
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Trade and Investment
Subcontractors/Sub-Awardees	Independent Consultant

OBJECTIVE

USAID’s Office of American Schools and Hospitals Abroad (ASHA) aimed to explore non-traditional financing tools and risk management approaches to help achieve its goal to increase engagement among USAID and its strategic partners to tailor education programs to the unique needs of each country. ASHA was interested in identifying opportunities to use its resources to apply innovative and blended finance tools to achieve said goals in the development, education, and health sectors.

Through this buy-in, INVEST identified opportunities, recommended a strategic role for ASHA in the blended finance for education space, and explored potential blended finance structures in line with ASHA’s institutional programming to support the next generation of ASHA-related investments.

ACTIVITIES

The work under this buy-in proceeded in three key phases:

Phase I: Blended finance framework and roadmap (April 2019)

- **Overview:** INVEST developed a framework to identify where and how ASHA can strategically apply blended finance and shared risk management approaches to achieve its goals.
- **Key deliverables:**
 - Blended finance framework which included ASHA’s goals and tools that ASHA could potentially offer U.S. and overseas partners
 - Roadmap presentation for proposed next steps
 - Progress report summarizing materials and individuals interviewed for the framework
 - Framework and roadmap presentation on findings and next steps

Phase II: Opportunity identification and three pilot case studies (May-July 2019)

- **Overview:** INVEST used the framework developed in Phase I to identify countries, ASHA institutions, and projects in which blended finance approaches are most likely to succeed. Based on ASHA priorities and resources, as well as interest and activities among the private sector, the team identified three case study opportunities where these approaches could demonstrate the most

impact for blended finance: Baylor University / Bangalore Baptist Hospital; Orbis International / Orbis Bangladesh; American University of Armenia Corporation / AUA.

- **Key deliverables:**
 - Key informant interviews with non-USG stakeholders, as well as USAID Washington and Mission staff
 - Report of shortlisted opportunities and recommendations for investment pilots from ASHA's 2018 applicant portfolio
 - Three case studies of blended finance opportunities and recommendations from ASHA's 2018 applicant portfolio

Phase III: Final report presentation and roundtable workshop (August 2019)

- **Overview:** INVEST developed a final report that included the framework, roadmap, and opportunities in three pilot case studies as an externally facing report for various stakeholders. In addition, a roundtable workshop was held with ASHA partners to detail findings, studies, and the solutions proposed.
- **Key deliverables:**
 - Final report and roundtable workshop presentation

RESULTS

- Completed a comprehensive blended finance framework to identify where and how ASHA could strategically and systematically apply blended finance approaches to achieve ASHA goals and meet funding needs. The framework identified ASHA's comparative advantages, lessons learned from government engagement with organizations similar to ASHA partner social enterprises, and potential risks for USAID.
- Conducted a deep investigation and analysis of ASHA's 2018 applicant U.S. organizations (USOs) and partner overseas institutions (OSIs) pairs to identify opportunities for different financing structures and financing support partners.
- Completed and published a final report that laid out the framework, roadmap, and three pilot case studies. The findings and recommendations were used to initiate discussions and opportunities for blended finance among ASHA and its USO and OSI partners around the world.

LESSONS LEARNED

- **Explore creative opportunities for private investment in existing program structures.** INVEST and ASHA demonstrated that, even within grant programs, opportunities may exist to leverage private and concessionary capital and to finance some needs of beneficiaries and to make grant dollars stretch further.

LEARNING AND COMMUNICATIONS PRODUCTS

- [USAID INVEST Year 2 Annual Report](#) Spotlight, September 2019

USAID INVEST Buy-In Summary: Dominican Republic

Buy-in Name	Dominican Republic
Buy-in Client	USAID Dominican Republic
Period of Performance	July 2023 to October 2023
Buy-in Amount	\$258,000
Buy-In Support Type	Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Trade and Investment, Clean Energy, Sustainable Landscapes, Modern Energy Services
Name of Subcontractors/Sub-Awardees	ReShift (formerly DesignThinkers Group)

OBJECTIVE

The USAID Dominican Republic (DR) Northwest Economic Growth and Development Activity aims to promote sustainable and equitable economic development in the Dominican Republic, with a focus on the northwest region. Under this activity, this buy-in was designed to identify opportunities for nearshoring, free trade zone expansion, supply chain realignments, and building resilience.

USAID DR and INVEST planned a two-day stakeholder engagement event to bring together USAID, the Government of the Dominican Republic (GODR), and private sector stakeholders to identify and prioritize entry points for USAID assistance, as well as to assess the obstacles and unmet needs that hinder private sector investment in nearshoring development in the northwest region and the country.

ACTIVITIES

Recognizing the need for locally driven solutions to improve and implement economic growth strategies, INVEST worked with ReShift over a four-month period to organize, design, and facilitate a two-day workshop in Santo Domingo, which took place on August 30-31, 2023. The event brought together ministers and representatives from the GODR, the private sector, the donor community, and civil society.

USAID DR and INVEST implemented the activity through the following three components:

Component 1: Workshop planning and communication

- **Overview:** ReShift conducted a virtual planning meeting with USAID DR and INVEST to clarify the objectives and desired outcomes and establish a shared understanding of success. USAID DR and INVEST collaborated weekly to finalize the workshop agenda, select a venue in Santo Domingo, and create a participant list.
- **Key deliverables:**
 - Desk research and assessment: ReShift reviewed previously conducted research on USAID DR activities in the region to prepare a five-page summary report in English and Spanish. The report set the stage for what has already been achieved in the northwest region and avenues to build on private sector productivity and growth.

Component 2: Workshop delivery

- **Overview:** Leading up to the workshop, ReShift collaborated with USAID DR and the participating government ministries to develop concise, impactful presentations that conveyed GODR and USAID's interests and capabilities. The materials also included key information about the Border Productive Zoning Report, the Manzanillo Masterplan, DR's nearshoring strategy, and other relevant background documentation. During the event, ReShift facilitated discussions and collaborative activities to map gaps in strategy and common themes, highlight priorities, and identify potential entry points for USAID engagement. These discussions were held in breakout room settings, where participants were encouraged to identify obstacles to and elaborate on the need for increased private sector investment in the region's economic development.
- **Key deliverables:**
 - Workshop design, organization, and preparation. ReShift held a dry run of the event with USAID DR and INVEST to confirm the flow and activities of each workshop.
 - Workshop facilitation

Component 3: Post-workshop activities

- **Overview:** ReShift developed a workshop report, which documented activities, discussions, and outputs, and a recommendations report which highlighted key priorities and specific opportunities for USAID interventions. ReShift delivered a virtual presentation to USAID DR and INVEST covering key points and recommendations highlighted in the reports.
- **Key deliverables:**
 - Workshop report, including a set of recommendations, and final presentation to the Mission

RESULTS

- The activity engaged approximately 90 participants from the public and private sectors in Santo Domingo in meaningful discussions. It identified key areas for regional economic development such as infrastructure (roads, basic services) and the development of value chains (agribusinesses, sustainable tourism). It also identified regulatory constraints.
- Based on the workshop findings, ReShift drafted a series of recommendations for the USAID/Dominican Republic Northwest Economic Growth and Development Activity to consider in its next phase of implementation. They include:
 - Map the relationships among actors at the sub-regional and regional level.
 - Eliminate or limit duplication of efforts by identifying and collaborating with municipal programs, ministries, or other national or international organizations.
 - Develop a community outreach and engagement action plan that ensures active participation.
 - Develop and deliver interactive fact-finding or solutioning workshops with communities.
 - Develop workforce development partnership and plans that are tailored to the strengths and needs of each subregion.

- Develop a program to support and build capabilities of micro, small, and medium businesses.
- Develop and host a governance summit series to bring together key stakeholders to develop governance structures that enable productive collaboration and transparency.
- Ensure that infrastructure planning and development programs measure their own impact on community safety and prioritize innovation.
- Establish protocols for environmental protection to ensure that currently protected areas are not negatively affected by development.

LESSONS LEARNED

- **Community engagement plans enable meaningful participation among different stakeholder groups.** Embracing an approach of “designing with” rather than “designing for” is critical. The way local stakeholders are approached and engaged can either build or erode trust. If participants have meaningful ways to co-create improvements to their community and economy with external partners, they will have a greater sense of ownership and are more likely to be active participants who enable and help accelerate economic development projects.
- **The importance of leveraging “quick wins.”** There are clear incentives to start working now with the resources that already exist in the region, rather than stalling progress until future projects are underway. Supporting “quick wins” can help to build credibility and confidence among local, national, and international stakeholders in the broader efforts for economic development in the northwest region.
- **Align expectations.** When establishing the logistics and expectations for programs and events, it is important for both the implementer and the Mission to communicate and align their vision early on. Initially, expectations for high-level stakeholder engagements in the Dominican Republic were not adequately communicated. Because of this, last-minute requests that were not accounted for during the planning phase caused additional delays to the activity timeline.

USAID INVEST Buy-In Summary: DRC Blended Finance Opportunity Assessment

Buy-in Name	DRC Blended Finance Opportunity Assessment
Buy-in Client	USAID Democratic Republic of the Congo (DRC)
Period of Performance	August 2018 to December 2018
Buy-in Amount	\$102,577
Buy-In Support Type	Investment Opportunity Assessment
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Trade and Investment
Subcontractors/Sub-Awardees	CrossBoundary LLC

OBJECTIVE

USAID Democratic Republic of the Congo (DRC) aimed to develop and deliver a sustainable, private sector-financed model for a transparent, clean, gold supply chain that could be effectively scaled. USAID also sought to explore a vertically linked artisanal and small-scale miners (ASM) cooperative-based model. The model would build the capacity of ASM cooperatives to enhance economic outcomes for artisanal miners, engender a more transparent and regulated conflict-free gold trade, and reduce the influence of armed groups on mining communities.

Through this buy-in, USAID aimed to deploy blended finance strategies to foster economic growth in the eastern Congo. INVEST was engaged to create appropriate tools and approaches to unlock investment into businesses operating in the DRC.

ACTIVITIES

The work under this buy-in was implemented rapidly in a three-month timeframe and included three complementary workstreams:

1. *Investment opportunity landscape assessment*: The focus of this workstream was to engage financial institutions, investors, and development finance institutions (DFIs) to identify key financing challenges for target sectors in DRC.
 2. *Assessment of tools and approaches appropriate for DRC*: Building off the work completed in workstream one that identified challenges and constraints, INVEST identified areas most promising for intervention. Along with USAID, INVEST worked to design innovative tools and approaches to overcome the challenges and unlock investment for critical DRC sectors.
 3. *Transaction identification*: In assessing opportunities for intervention, INVEST identified a pipeline of potential transactions for which USAID could partner with investors and other donors to unlock capital. The transactions identified were assessed to identify the specific hurdles they faced and recommended tools or approaches that were most suited to their needs.
- **Key deliverables:**
 - Investment opportunity landscape assessment
 - Identification of investment opportunities in DRC
 - Final Report and presentation of findings and recommendations for next steps for USAID

RESULTS

- Completed a comprehensive investment opportunity landscape assessment to better understand the portfolio of activities and investment context in eastern Congo and identify where and how USAID could apply blended or innovative finance approaches to achieve economic growth goals.
- Completed a comprehensive assessment of investment opportunities to illuminate the range of tools USAID can utilize to unlock private capital.
- Developed and completed an internal report for USAID that provided an overview of the blended finance opportunities and tools applicable to the DRC.

LESSONS LEARNED

- **The investment environment in eastern DRC proved challenging, and opportunities were not equally distributed across value chains.** The majority of investors in the region were not willing to enter the market in eastern DRC due to insecurity, the lack of transportation and agri-infrastructure, and difficulty understanding the market and relevant sectors. However, there was an appetite for investors and fund managers to review investment opportunities in the region if there was a trusted partner to guide them.
- **Hybrid projects can help bridge the gap from debt to equity.** During the landscape assessment, hybrid products were identified to align incentives for investors and companies. Hybrid products have elements of both equity and debt to reduce a company's obligations and protect investors.

USAID INVEST Buy-In Summary: E&E Investment Transparency Assistance

Buy-in Name	Europe & Eurasia Investment Transparency Assistance (ITA)
Buy-in Client	USAID Bureau for Europe & Eurasia
Period of Performance	October 2022 to April 2024
Buy-in Amount	\$516,000
Buy-In Support Type	Investment Opportunity Assessment
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Financial Sector
Subcontractors/Sub-Awardees	OCO Consulting with Elson Solutions and Valians International

OBJECTIVE

In recent years, countries in Europe and Eurasia have experienced a dramatic increase in foreign investment, which can play a critical and positive role in their economic development and growth. However, certain investments can threaten a country’s national security, sovereignty, and economic growth, and preclude U.S. and Western partners from competing for investment opportunities. The Investment Transparency Assistance (ITA) activity aimed to address the negative impact of non-transparent investment on economic growth and good governance.

To better understand investment transparency issues and identify USAID’s catalytic role in overcoming these barriers, INVEST supported the USAID Bureau for Europe & Eurasia (USAID E&E) in conducting an investment transparency landscape analysis in eleven focus countries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia, Armenia, Azerbaijan, Georgia, Moldova, and Ukraine. Ultimately, USAID sought to develop a cumulative and comparable set of country data regarding investment transparency to inform potential pilot activities in the region. The ITA activity focused on the economic growth and good governance aspects of investment transparency as well as instances of and opportunities to counteract malign influence.

ACTIVITIES

INVEST subcontracted OCO Consulting (working with consortium partners Elson Solutions and Valians International) to conduct the investment transparency landscape analysis, looking primarily at regulatory and environmental factors, current trends, and opportunities. The analysis included two additional countries, Croatia and Poland, which were considered comparable to the eleven under review and offered good practices in investment transparency.

The data collection portion of the analysis included desk research and in-person and virtual interviews with key informants identified by USAID E&E and Missions in the region, taking place between April and July 2023. Data collection focused on 1) a review covering the investment environment, national public procurement systems, digitalization of investment transactions, state-owned enterprises, ultimate beneficiary owner review, and regulatory frameworks; and 2) a trends and opportunities review covering economic shocks, forms of investment, companies making investments, sector opportunities

for foreign investors, risks, and existing and high-potential markets that could serve as investment sources.

Following the data collection, OCO Consulting and partners completed an initial interim report and a methodology to score and rank the eleven focus countries across the various factors under consideration. This methodology was presented to focus country points of contact in October 2023 to ensure understanding of the model and buy-in to the country scoring process. The consortium then used the scoring methodology to conduct a comparative analysis across countries and develop regional and country-specific findings.

In January 2024, the consortium finalized a comprehensive regional report and eleven individual country reports covering their methodology and approach, modeling and analysis, and key findings regarding the current state of investment transparency across the focus countries. In February 2024, OCO Consulting delivered two final summary presentations covering key findings to colleagues from USAID and other U.S. government agencies, including the Departments of State and Commerce.

- **Key deliverables:**
 - Interview questionnaires by stakeholder
 - Completed scoring model
 - [Regional investment transparency landscape analysis report](#) and individual country reports
 - Final presentation

RESULTS

- Coordinated with eight USAID Missions and one United States Embassy.
- Conducted consultations with 97 stakeholders, including 32 government officials, 20 foreign investors, 23 representatives from business associations, 15 representatives from domestic companies, and seven representatives from state-owned enterprises.
- Engaged 30+ USAID staff members and interagency colleagues during scoring methodology and final summary presentations.
- Identified six key areas of opportunity with the potential to facilitate investment transparency in the region including: establish a one-stop shop for investors; improve dispute resolution mechanisms; increase public visibility into policy changes; enhance communication and coordination between investment organizations; improve enforcement of anti-corruption mechanisms; and improve state-owned enterprise monitoring mechanisms.

LESSONS LEARNED

- **Logistics and coordination are crucial.** For activities funded and managed at the regional Bureau level but requiring deep involvement by USAID Missions, significant coordination is critical. Logistics, specifically regarding travel clearances and approval of key informant interviewee lists for stakeholder consultations, proved to be challenging; in some countries, it took several weeks from initial outreach to Mission/Embassy points of contact before the consortium could contact potential interviewees and begin scheduling consultations. Clear and frequent communication between OCO Consulting, consortium partners on the ground in

Europe, USAID E&E, and Mission and Embassy counterparts was key in overcoming logistical and coordination challenges and preventing delays in the overall activity timeline.

- **Ensure country buy-in for successful engagement.** Ensuring individual country buy-in during scoping and early implementation of the activity is beneficial for activities funded and managed at a regional Bureau level. Due to political circumstances or bandwidth constraints at Missions, the activity experienced varying levels of involvement and engagement from individual Missions. This resulted in the omission of certain countries from in-person and/or virtual consultations, ultimately affecting their incorporation into the findings and scoring model results. The consortium was able to quickly adapt to this change while conducting desk research and stakeholder consultations. It made necessary adjustments to develop the scoring model while also adjusting subsequent deliverables.
- **Carefully select and manage regional experts for timely delivery and quality of content.** The initial coordination and data collection portions of this activity demonstrated the importance of both careful selection of niche regional experts and correct management and deployment of their expertise. OCO Consulting and partners Elson Solutions and Valians International made up a unique consortium that possessed the required expertise in each topic and region relevant to the activity. OCO Consulting ensured each partner was tasked according to their skills and expertise to best contribute to the quality of research and findings. This division of responsibilities enabled the timely implementation of this activity and allowed for the real-time adaptations that arose from the above lessons learned.

USAID INVEST Buy-In Summary: El Salvador

Buy-in Name	El Salvador
Buy-in Client	USAID El Salvador
Period of Performance	October 2020 to July 2024
Buy-in Amount	\$5,380,037
Buy-In Support Type	Investment Opportunity Assessment, Transaction Advisory Services, Technical Assistance, Fund/Financial Vehicle
Program/Subprogram/Cross-Cutting Area	Economic Growth/Financial Sector/Agriculture/Clean Energy/Gender
Subcontractors/Sub-Awardees	CrossBoundary LLC Dalberg Consulting US LLC Deetken Asset Management Inc Innogen Management Independent Consultant

OBJECTIVE

USAID seeks to foster growth within the formal economy in El Salvador, increasing economic opportunities, jobs, and earning potential for its citizens. Through INVEST, USAID aimed to mobilize private sector investment for financial inclusion, agriculture, infrastructure, and climate action to help El Salvador become a more prosperous, safe, and resilient country where Salvadorans can thrive.

ACTIVITIES

INVEST conducted a rapid scoping activity in late 2020 with an independent consultant to assess the viability and impact of different private sector engagements and identify short-, medium-, and long-term opportunities, prioritizing them based on USAID El Salvador’s Country Development Cooperation Strategy (CDCS).

The activities under this buy-in included three core elements: transaction advisory, catalytic funding, and acceleration support, implemented through four activities:

Transaction advisory and acceleration support to facilitate strategic investment opportunities in El Salvador (August 2021-June 2024)

- **Overview:** USAID advanced strategic investment opportunities with significant development impact through two key initiatives:
 - I. Investment, Enterprise, and Sustainability (INES) initiative: INVEST subcontracted Deetken Impact in August 2021 to rapidly accelerate enterprises toward bankability. Under INES, Deetken provided acceleration services to twelve companies and raised

\$23.2million¹ in capital for five companies. These companies operate in sustainable sectors that support economic growth while generating meaningful social or environmental benefits, including renewable energy, trade infrastructure, financial inclusion, and sustainable manufacturing.

2. Investment Facilitation El Salvador (IFES) initiative: CrossBoundary supported twelve local businesses in raising \$19.3² million in capital for growth. These businesses will foster inclusive and sustainable economic growth in key sectors, including agriculture, technology, and financial inclusion.
- **Key deliverables:**
 - 24 unique letters of engagement
 - Advisory support packets
 - Technical assistance and acceleration documentation
 - Transaction closeout reports demonstrating \$42.4 million³ in capital mobilized for twelve companies

Catalytic funding to support the launch of a new investment fund (December 2022-July 2024)

- **Overview:** To catalyze and accelerate private capital mobilization and deployment in El Salvador, Innogen Capital launched the ICV Delta Fund, a \$10 million venture capital fund that will invest in early-stage startups in El Salvador, Honduras, and Guatemala. With catalytic funding from USAID and support from Impact Hub San Salvador, Innogen Capital will finance startups looking to solve latent problems for the bottom of the pyramid, targeting key sectors such as financial inclusion, accessible medical services, affordable quality education, solutions for local businesses, and e-commerce. The ICV Delta Fund I is projected to make 18 to 20 investments over a four-year period (extending beyond the INVEST period of performance), with at least 40% anticipated to go to Salvadoran startups. Innogen will utilize its extensive network to mobilize regional investors, development finance institutions, high-net-worth individuals, and local family offices to invest in the region.
- **Key deliverables:**
 - Investment materials and pipeline of potential investees
 - Proposed fund structure
 - Vehicle structuring and registration
 - Evidence of capital managed
 - Investor negotiation progress reports
 - Evidence of capital deployed to two firms totaling \$400,000
 - Final report detailing lessons learned and results achieved

Pilot of new credit approaches to support asset building among remittance receivers (January 2023-January 2024)

- **Overview:** The use of financial services by remittance receivers in El Salvador is low, leaving a large source of capital for productive purposes unused. To address the role of remittances in El

¹ \$23.2 million is the reported amount at the INVEST portfolio level. Buy-in level includes 11u investments and an in-kind investment, totaling \$24.4 million.

² \$19.3 million includes investments outside of El Salvador, whereas at the buy-in level we include only those investments in El Salvador

³ \$42.4 million at the INVEST portfolio level, though buy-in level reporting is \$39.4 million.

Salvador in promoting asset building and productive investment, INVEST partnered with global consulting firm Dalberg Advisors and financial technology company Tigo Money to complete a market assessment to better understand existing barriers facing end users and develop innovative solutions that can transform existing products and spearhead change in the financial ecosystem. Tigo designed a ‘Remittance Advance’ prototype to test new products to serve remittance-receiving entrepreneurs in El Salvador and began securing regulatory agency approval. However, in the Fall of 2023, Tigo Money underwent extensive changes to their corporate structure, impacting Tigo’s ability to engage the regulator in a timely manner for approval and testing of a lending product. USAID therefore halted project activities given the low likelihood of securing regulatory approval within INVEST’s period of performance.

- **Key deliverables:**
 - Inception report
 - Market assessment report

El Salvador Investment and Trade Promotion activity (February 2024-June 2024)

- **Overview:** USAID partnered with El Salvador’s Investment and Export Promotion Agency (InvEst in El Salvador) to facilitate increased private sector investment and promote trade opportunities in El Salvador. Under this activity, two events were held. First, the U.S. Investment Promotion Forum was held in Washington in May 2024, focusing on three sectors: tourism, clean energy, and technology services such as software development. Second, a local business matchmaking round was held in San Salvador the following week, focusing on four sectors: textiles and apparel production, food and beverage, plastics, and technology services such as software development.
- **Key deliverables:**
 - Key stakeholder mapping
 - Event execution
 - Final execution report

RESULTS

- Transaction advisors CrossBoundary and Deetken together mobilized \$42,433,262 in capital for twelve investees in financial inclusion, clean energy, and workforce development.
- Innogen Capital launched the ICV Delta Fund I, a \$10 million venture capital fund to invest in startups in Guatemala, Honduras, and El Salvador. The fund has the potential to create over 800 jobs and will prioritize companies promoting gender equality and economic growth among local communities, providing a safe working environment and offering fair and sustainable wages. As of June 2024, the ICV Delta Fund I achieved the following milestones:
 - The ICV Delta Fund I reached due diligence stages with four investors, securing a commitment letter and three letters of intent for \$6.6 million in capital commitments, primarily from development finance institutions (DFIs) and corporate sources.
 - The Fund invested in two financial services technology companies, with five other startups receiving investment readiness coaching and undergoing due diligence with the fund.
- CrossBoundary facilitated two investments from the U.S. Development Finance Corporation (DFC) totaling \$8.5 million—in the Innogen ICV Delta Fund and Flexiplan, a Salvadoran fintech.

- Dalberg, in partnership with Tigo Money, completed a market assessment to understand how remittance use can increase opportunities for productive investment in El Salvador.
- Two investment and trade promotion events were held in Washington D.C. and San Salvador. The events resulted in:
 - 105 attendees in Washington, D.C. representing 61 entities—including key private sector actors such as Google, Hilton, and Grupo Aristos, investors, and development financial institutions such as the IDB, World Bank, and DFC—exploring strategic investment partnerships in the technology, tourism, and clean energy sectors
 - 246 attendees in San Salvador, representing 140 high-level entities including 20 international buyers and 87 Salvadoran sellers; and facilitation of 203 formal B2B meetings
 - An exhibition hall of Salvadoran exports, showcasing the country’s economic offerings and diversity of products and services opportunities, focusing on technology services, textile and apparel, plastics, and food and beverages
- 131,107 clients benefited from financial services provided through USAID-assisted financial intermediaries, including non-financial institutions or actors.
- An estimated 18,739 tons of CO₂e was reduced, sequestered, or avoided, through clean energy activities supported by U.S. government assistance.

LESSONS LEARNED

- **The business and investment environment improved in 2023, in contrast to the country’s previous dangerous reputation.** An improved country image, investment of local family offices, ground-breaking transactions in technology enabled firms, and the launch of the ICV Delta Fund has helped to improve the perceived maturity and dynamism of the market.
- **Integrate gender and broader inclusivity explicitly into future project requirements.** There is a need and appetite to integrate gender into acceleration and technical assistance services. This could include gender considerations in gap analyses, investor materials, community engagement, and impact strategies. A greater understanding of gender gaps and opportunities through training is key to awaken genuine interest and commitment to inclusive business practices and gender equality among investors and companies.
- **Regional platforms for investment facilitation can offer the scale investors are seeking.** Investor outreach could be made more efficient and potentially more effective on a regional scale. Expanding geographic scope holds the promise of greater scalability, which, in turn, can serve as a risk-mitigation strategy and justify larger, more cost-effective investments for potential investors. Moreover, targeting specific firms and sectors that exhibit the potential for regional growth and integration can open new pipelines of opportunity with a high capacity for job creation and economic impact.
- **Ensure visibility of USAID’s support during fundraising to better market the opportunity.** For future catalytic funding activities, further support can be provided by coordinating USAID communications and messages supporting the project, facilitating more connections or introductions with potential limited partners (LPs), and helping structure more meetings in the region.
- **DFI engagement requires dedicated transaction advisory support.** DFIs are currently the largest source of investment capital in the INVEST El Salvador program. DFI involvement is generally seen as an effective means to crowd in private investors that otherwise might not

participate, and expected commitments from the DFC will further demonstrate their catalytic role. However, transactions with entities like the DFC rely on long and complex due diligence processes, so both sides benefit from having a trusted third party that can help bring these deals to completion. This is particularly true for early-stage companies who have limited resources to dedicate to the due diligence process without negatively impacting operations. This means USAID support and catalytic capital can be especially helpful at this point.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Generating Prosperity through Development of Small and Growing Businesses in the Northern Triangle](#), Medium, January 2022
- Innogen ICV Delta Fund launch announcements in [Forbes Centroamerica](#) and on [Twitter](#) and [LinkedIn](#), May 2023
- [El Salvador INVEST: Pause and Reflect Learning Synthesis](#), report, November 2023
- [Powering Up Communities](#), USAID Medium, January 2024
- [El Salvador Investment Opportunities Forum, Invest in El Salvador release](#), May 2024
- [El Salvador impulse rueda de negocios para promover exportaciones, Embassy press release](#), May 2024
- [Investment Forum Official Video](#), May 2024
- [Reving up financial inclusion in El Salvador](#), Medium, June 2024
- [Catalyzing the Investment Ecosystem in El Salvador: PSE Innovation Roadmap](#), report, June 2024 [USAID Intranet]
- [Investing in access to finance in El Salvador](#), USAID Medium, August 2024

USAID INVEST Buy-In Summary: ESC Technical Advisory Services to Mobilize Capital for Resilience

Buy-in Name	ESC Technical Advisory Services to Mobilize Capital for Resilience
Buy-in Client	USAID Eastern and Southern Caribbean (ESC)
Period of Performance	August 2022 to June 2024
Buy-in Amount	\$1,581,597
Buy-in Support Type	Technical Assistance, Fund/Financial Instrument, Transaction Advisory Services
Program/Subprogram/Cross-cutting Areas	Economic Growth/Agriculture, Trade and Investment, Clean Energy, Modern Energy Services, Environment/Resilience
Name of Subcontractors/Sub-Awardees	CrossBoundary LLC and partners Deloitte and Pan American Development Foundation (PADF)

OBJECTIVE

The objective of this buy-in was to increase the investment flow for adaptation and climate change-related opportunities and help close the resilience financing gap in the Eastern and Southern Caribbean (ESC). Countries in the region are especially vulnerable to the impacts of climate change and have a vested interest in reducing carbon emissions. Many also struggle with the high cost of electricity, which hampers economic activity. Investing in renewable energy and energy efficiency is therefore a key priority for the region, both as a strategy for climate action and an approach to accelerate economic growth. Despite the region’s high renewable energy potential, businesses grapple with limited access to finance which affects their ability to implement and scale capital-intensive renewable energy and energy-efficiency projects.

ACTIVITIES

This activity leveraged and built upon USAID ESC’s current partnership with the Caribbean Community (CARICOM) Development Fund (CDF). INVEST provided tailored transaction advisory services to help the CDF structure, launch, and fundraise for a new investment vehicle focused on growth and resilience investing: the Caribbean Community Resilience Fund (CCRF). INVEST also supported the creation of a pipeline of investable opportunities to showcase the region’s potential and help attract investment for the new asset class.

Phase I: Analysis and vehicle structuring (January 2023-October 2023)

- Overview:** Technical assistance under Phase I focused on analyzing options for establishing a new investment vehicle, recommending an optimal structure based on the needs of CDF and the ESC region, and developing an investment strategy and fund financial model. Once these recommendations were finalized, CrossBoundary and its partners provided commercial and legal advisory services to the CDF to recommend a legal jurisdiction and develop appropriate fund

management internal governance structures and processes. Finally, CrossBoundary assisted the CDF in short-listing potential fund managers for the CDF vehicle.

- **Key deliverables:**
 - Market analysis and assessment report to identify climate resilience investment gaps
 - Draft fund strategy
 - Internal fund financial model and final fund strategy
 - Report on recommended legal jurisdiction and fund management structure and internal governance mechanisms and processes
 - Report on fund manager selection process, criteria, and shortlist of high-potential managers
 - Report on commercial and legal advisory for the creation of the CDF Special Purpose Vehicle

Phase II: Fund deployment (September 2023-June 2024)

- **Overview:** CrossBoundary assisted the CDF in identifying a credible, experienced fund manager, Sygnus Capital, to manage and deploy the CDF vehicle. Support included developing key fund marketing materials and documentation, providing support on investor engagement and outreach, organizing a launch event for the CDF vehicle, and generating an investment pipeline of relevant opportunities totalling \$95 million in aggregate deal value. CrossBoundary also strengthened Sygnus Capital's ability to assess the resilience potential of possible investees through the development of a resilience scorecard. This was critical to ensuring the deployment of capital through the CCRF was aligned with USAID and CDF's development objectives.
- **Key deliverables:**
 - Fund manager due diligence analysis and final fund manager recommendations
 - Fund informational and marketing materials, including investor pitch decks, an investor-facing fund financial model, and a fully populated due diligence data room containing relevant materials in line with global best practices for investors including valuation policies, due diligence questionnaires, and reference lists
 - Comprehensive shareholder agreement following lengthy negotiations with the involved parties, CDF, and Sygnus
 - An investor target list with 73 contacts at 53 different firms, detailing firms' names, preferred ticket sizes, contact information, and other relevant information; key criteria used to select priority investors; and evidence of outreach and engagement with three potential investors in the form of email correspondence or meeting minutes
 - Organization and execution of a fund kick-off event for the CDF vehicle in Barbados, supporting promotional and event materials, and a marketing and investor engagement plan
 - Investment pipeline of \$95 million in aggregate value and associated pipeline selection criteria
 - Fund Resilience Scorecard enabling the fund manager to evaluate potential investments, outlining specific criteria and an accompanying scoring framework enabling the fund manager to generate a quantitative resilience score and establish a minimum threshold score for investments in the fund
 - Sixteen introductory meetings or pitches facilitated by the subcontractor to new investor prospects for the CDF vehicle

- Report detailing investment support to five investor prospects that undertook formal due diligence on the CCRF and recommendations for the CDF and fund manager on specific next steps for securing commitments from investor prospects moving forward
- Transaction documentation showing \$10 million in capital commitments to the Fund from prospective investors

RESULTS

- Conducted a comprehensive market analysis and assessment to inform the design and development of the CCRF, a pioneering vehicle seeking to address the financing gap for businesses in the ESC region, with a particular focus on climate adaptation.
- Coordinated and hosted a high-profile kick-off event for the CDF vehicle in January 2024 in Barbados, featuring keynote speeches from Barbados President Mia Mottley and U.S. Ambassador Roger Nyhus.
- Created a resilience scorecard to measure the pipeline of opportunities for strong social and environmental impact in the region. The scorecard screens CCRF investment opportunities for their potential resilience impact and identifies relevant impact metrics, and the fund manager will use the scorecard to complement its financial evaluation of potential investees in the investment decision making process.
- Secured \$25 million in investor commitments, including the CDF's \$15 million anchor investment which was approved by the CDF board in October 2023. The \$15 million will be split between a first-loss tranche and a technical assistance sidecar. An additional \$10 million was committed by IDB Invest pending due diligence, with a proposed investment of \$5 million to the debt sub fund and \$5 million to the equity sub fund.

LESSONS LEARNED

- **There is a strong market need for blended finance investment solutions focused on climate and economic resilience sectors in the ESC region.** ESC countries face numerous resilience challenges, including relatively low productive capacity, import resource dependency, and vulnerability of key industries to the effects of climate change. However, there is a promising opportunity for resilience investments in the region due to growing global private sector interest in resilience and a budding entrepreneurial environment, with key opportunities emerging in sectors such as agriculture, energy, financial services, and transport. Consequently, the CCRF appears uniquely positioned to fill the existing financing gap in the region for equity and debt-like investments in climate-resilient sectors.
- **Pairing investment with technical assistance is critical to increasing the investment readiness and bankability of the private sector in the ESC region.** Based on the market assessment conducted by the CrossBoundary consortium and feedback provided by development finance institutions and other regional players, there is a large pool of equity and equity-like investment opportunities. However, a lack of capital supply and investment readiness support prevents early-stage firms and projects from being funded. Some existing regional funds have incorporated grant-funded technical assistance facilities into their strategies to support the development of a bankable pipeline. Based on these findings, the CCRF will incorporate a technical assistance facility into its capital structure to strengthen the capacity of investee companies and reduce operational risks in deployment.

- **Selecting an experienced fund manager to spearhead large-scale resilience investment activities is critical in building market credibility, raising capital, and deploying capital in line with commercial and impact objectives.** Early in activity implementation, CDF indicated a willingness to directly manage the investment vehicle. However, it became clear that CDF's lack of investment experience and track record, combined with internal resource constraints, could hamper the vehicle in attracting investors and executing on the resilience mandate. The CrossBoundary consortium conducted a robust analysis of global impact-oriented investment firms to identify a fund manager with the resources, market knowledge, and track record to deploy a \$100 million resilience fund in the region. INVEST and partners ultimately selected a regional fund manager with experience raising and deploying Caribbean-focused funds, instead of a larger global firm possessing a solid impact-focused track record but limited investment experience in the region. The selected fund manager's market knowledge and networks have proven to be a key selling point for the fund that has resonated with prospective investors, particularly local pension funds.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Caricom Development Fund and the United States Partner to Launch US \\$100 Million Fund for Regional Development](#), press release, January 2024
- [CARICOM Resilience Fund Launch livestream](#), January 2024
- [CARICOM Resilience Fund Launch Digital Program](#), January 2024
- [Investing in Resilience in the Eastern and Southern Caribbean: PSE Innovation Roadmap](#), report, June 2024 [USAID intranet]

USAID INVEST Buy-In Summary: Eastern and Southern Caribbean (ESC)

Buy-in Name	Eastern and Southern Caribbean (ESC)
Buy-in Client	USAID ESC
Period of Performance	June 2020 to July 2024
Buy-in Amount	\$2,548,218
Buy-in Support Type	Investment Opportunity Assessment, Transaction Advisory Services, Technical Assistance
Program/Sub-program/Cross-Cutting Areas	Economic Growth/Clean Energy/Gender
Name of Subcontractors/Sub-Awardees	Deloitte Consulting LLP CrossBoundary LLC Making Cents International

OBJECTIVE

In 2021, USAID Eastern and Southern Caribbean (ESC) launched its Regional Development Cooperation Strategy (RDCS), which included a strategy for increasing financing for sustainable development approaches that help countries overcome systemic constraints to mobilize and manage financial resources. USAID ESC also received earmarked funding to address predatory practices and damaging influences in the region through activities that target transparency and good governance.

Building on these efforts, this activity sought to bolster regional governments' technical capacity to review public private partnership (PPP) proposals or transactions and support countries' investment readiness through transaction advisory services. This activity aligned with the INVEST Private Sector Engagement (PSE) Strategy Report, commissioned by USAID ESC in 2020 to identify opportunities for private sector engagement by regional Missions. This activity also built on existing relationships and engagements with Caribbean Community and Common Market (CARICOM) entities and the Organization of Eastern Caribbean States (OECS), which requested similar support to strengthen their PPPs and support regulatory frameworks around capital-raising structures aimed at bolstering small and medium enterprises (SMEs).

ACTIVITIES

The following activities took place under this buy-in:

Assessment to inform the ESC RDSCS PSE strategy (September-November 2020)

- **Overview:** CrossBoundary conducted an assessment to identify the underlying barriers to private sector involvement addressing development challenges in key sectors. CrossBoundary categorized opportunities by their potential for private sector involvement and/or investment and contributions to USAID ESC's regional development outcomes.
- **Key deliverables:**
 - Interim and final reports

Review of regulatory framework (February-September 2022)

- **Overview:** Working in partnership with the OECS Commission and the CARICOM Development Fund (CDF), INVEST engaged Deloitte to develop a transparent regulatory framework for good governance, develop OECS's entrepreneurial incubation platform, and provide transaction advisory services for the CDF, with an emphasis on climate adaptation, renewable energy (RE), and energy efficiency opportunities.
- **Key deliverables:**
 - Rapid assessment of regulatory needs in OECS countries and Barbados
 - Stakeholder engagement webinar in May 2022
 - Alignment on roadmap of preliminary opportunities in OECS countries and Barbados
 - Pipeline review and prioritized project list
 - Fast-track transaction support summary

Pilot of inclusive lending products for women entrepreneurs in St. Lucia (February 2023-March 2024)

- **Overview:** INVEST subcontracted Making Cents International (MCI) to conduct a two-phase activity to support financial product development and piloting for inclusive lending in St. Lucia. MCI identified a gap in financing options for women entrepreneurs and used a women-centered design process to develop an inclusive lending product and appropriate support and advisory services for business growth. In Phase I, MCI assessed and selected financial institutions (FIs) and female entrepreneurs to participate in the pilot. This included hosting two co-creation workshops with entrepreneurs, FIs, the OECS, and business support organizations (BSOs) to develop a financial solution that meets the operational needs of FIs and demand from the target market. In Phase II, MCI worked with selected participants and local business support organizations to design and pilot the product.
- **Key deliverables:**
 - Rapid assessment of FIs and criteria for partnership
 - Assessment of women-owned businesses from OECS initiatives
 - Partner recommendation report
 - Report on two in-person co-creation workshops held in May and June 2023 with selected FIs to inform pilot design
 - Monthly reports on advisory services to high potential businesses and FIs
 - Pilot summary presentation and report, program design toolkit, and BSO advisory toolkit

Access to credit and financing in Guyana (June 2023-July 2024)

- **Overview:** In partnership with the Guyana Economic Development Trust, CrossBoundary conducted a rapid assessment of challenges and opportunities in the Guyanese financial sector, including supply and demand for capital and underserved market segments. Building on these findings, CrossBoundary developed an investment opportunity presentation, making the business case and providing a roadmap for U.S. FIs to enter the Guyanese market.
- **Key deliverables:**
 - Rapid assessment
 - Investment opportunity presentation
 - Report identifying high-potential U.S. FIs, promotion strategies, and market-entry strategies

- Pipeline of four high-potential local businesses to showcase market opportunity
- Tailored light touch transaction advisory support packets demonstrating market entry support to four U.S. FIs
- Monthly engagement tracker reports
- Activity closeout report, outlining key activity achievements, development and market impact, learnings, recommendations, and next steps on additional support needed to support market entry for U.S. FIs in Guyana and enhance access to credit for local businesses

RESULTS

- Identified high-potential strategies for USAID ESC to optimize its PSE approaches within the Mission’s RDCS across key sectors: agriculture, citizen security and youth, education, resilience to climate variability and natural disasters, and clean energy.
- Developed a roadmap for USAID ESC and OECS to pursue six targeted programs uniquely designed to address the specific constraints facing women entrepreneurs and businesses in advancing solutions in climate adaptation, mitigation, and resilience.
- Provided intensive transaction advisory support to two local businesses to increase their capacity to pursue financing for specific renewable energy and energy efficiency-related projects and accelerate their progress towards financial close. As a direct result of this activity, both gained new relationships with financial providers, progressing towards potential financial close.
- Working collaboratively with the Bank of St. Lucia and Laborie Credit Union, INVEST supported the creation of a new inclusive lending product from the Bank of St. Lucia, which included more flexible credit requirements and benefited from a guarantee facility provided by the Eastern Caribbean Partial Guarantee Corporation. INVEST also engaged local BSOs, which are key players in the financial ecosystem, to provide advisory support to four women business owners and accelerate development of the inclusive lending ecosystem.
- Designed and launched a pilot for inclusive lending solutions focused on women entrepreneurs in St. Lucia, ultimately disbursing loans totalling \$44,000 to three women business owners.
- Identified 39 U.S. FIs with products and services that could address gaps in the Guyanese market. Of the 39 FIs identified, the team provided transaction advisory support to three high-potential U.S. FIs seeking to enter the Guyanese SME market, including developing a pipeline of investable opportunities meeting these institutions’ requirements, supporting potential investment targets to respond to due diligence needs, and assessing the Guyanese regulatory framework and responding to specific inquiries on asset-based lending.
- Screened seven potential SME opportunities for FIs to consider.

LESSONS LEARNED

- **Empowering local actors is key to ensuring the long-term sustainability of initiatives.** Close collaboration with a diverse range of regional actors has been critical to ensuring buy-in for private sector engagement strategies across the region and laying a foundation for an intervention’s long-term sustainability. In the regulatory framework activity, INVEST’s interventions produced feasible and practical strategies that could be adopted by OECS to enhance PSE in climate-focused initiatives. In the inclusive lending pilot, MCI’s close

collaboration with FIs and BSOs enabled these firms to develop new documentation and processes to support women entrepreneurs and launch new types of inclusive lending products.

- **Bolstering the private sector’s contribution to development outcomes requires a holistic, multifaceted approach.** The PSE strategy assessment and regulatory framework activities highlighted significant differentiation in PSE across key priority sectors. In some cases, this is due to regulatory complexity and/or barriers to investment, while in others, it is due to enabling environment issues and a lack of appropriate financing mechanisms. Based on these findings, activities were designed to focus on laying out specific approaches and tools for addressing key regulatory, enabling environment, and local capacity constraints to unlock private sector funding for development through a combination of technical assistance, transaction advisory, and financial product development.
- **The ESC region has an appetite to finance renewable energy and energy efficiency projects.** Investors expressed interest in the CDF’s Credit Risk Abatement Facility (CRAF), which offers partial credit guarantees for commercial and national development banks and other local FIs to provide credit to SMEs for renewable energy and energy efficiency projects in the Caribbean. Given the region’s geographic vulnerability to climate change, regional governments, institutions, and a broad spectrum of private sector actors (from foundations to commercial investors) are seeking activities that address climate mitigation and adaptation.
- **Developing an inclusive lending ecosystem to increase access to finance for women requires incentives and collaboration between technical assistance providers and financial institutions.** Activities should be structured to produce frameworks or plans for structured collaboration between technical assistance providers and financial institutions over time, including setting objectives related to information sharing and loan applications. USAID can play an important role throughout the ESC region in supporting technical assistance providers to understand documentation and other requirements for a range of lending products, enabling them to better customize solutions for their clients. These types of initiatives may require longer and more flexible implementation timeframes of 18-24 months. Many stakeholders noted that completing the key activity objectives within a twelve-month period was challenging.
- **U.S. investors – particularly asset-based lenders – may require intensive support in pipeline development and regulatory analysis to enter new markets in the ESC region.** INVEST’s engagement with U.S. financial institutions through the Guyana activity has demonstrated that many U.S.-based investors are open to entering relatively small but high-growth markets in the ESC region. However, these investors often struggle to understand the specific regulatory hurdles for registering and deploying capital, particularly as laws pertaining to movable property and asset-based lending may be ill-defined or non-existent. Transaction advisors with local market knowledge can play an important role. Moreover, while this activity identified a clear market gap for Guyanese SMEs that are unable to access credit due to burdensome collateral requirements or a lack of flexible investment options, information asymmetries between investors and companies persist. As a result, foreign investors may require transaction advisory support to map out investable opportunities and assess priority transactions in new markets, while potential investment targets can benefit substantially from targeted investment readiness support that enables them to meet specific investor requirements. Any such activity should begin with a rapid assessment to identify and validate key investment opportunities within the target country or region and proactively pinpoint regulatory hurdles.

LEARNING AND COMMUNICATIONS PRODUCTS

- [USAID Tests a New Approach to help Female Entrepreneurs in St. Lucia Get Loans](#), Marketlinks, May 2024
- [Improving Advisory Service Offerings: A Toolkit for Business Support Organizations](#), Marketlinks, May 2024
- [Developing Inclusive Lending Strategies to Support Women-Owned Small and Medium Enterprises: A Toolkit for USAID Implementing Partners](#), Marketlinks, May 2024

USAID INVEST Buy-In Summary: GenDev Challenge in Colombia

Buy-in Name	GenDev Challenge in Colombia
Buy-in Client	USAID Gender Equality and Women's Empowerment Hub (GenDev) with USAID Innovation, Technology, and Research Hub (ITR)
Period of Performance	September 2020 to July 2024
Buy-in Amount	\$4,500,000
Buy-In Support Type	Fund Financial Instrument, Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Financial Sector/Gender
Subcontractors/Sub-Awardees	<p>Caja de Compensación Familiar de Antioquia (COMFAMA) with Secretaría de las Mujeres, MET Community, Développement International Desjardins (DID), AgriCapital, Bancolombia, Ella Global Community, and ImpactHub Medellín</p> <p>Corporación para el desarrollo de la microempresa en Colombia (Microempresas de Colombia) with Universidad Pontificia Bolivariana</p> <p>Fundación Capital with CoreWoman and Cooperativa Financiera Antioquia (CFA)</p> <p>Microempresas de Colombia Cooperativa with Prodepaz, MET Community (MET), Comfenalco, Secretaría de las mujeres, and Cámara de Comercio de Medellín</p> <p>ReShift (formerly Design Thinkers Group) with Pro Mujer Inc.</p>

OBJECTIVE

USAID’s Gender Equality and Women’s Empowerment (GenDev) Hub and Innovation, Technology and Research (ITR) Hub engaged INVEST to launch a global challenge to increase women’s access to commercial finance. Women’s access to finance is often confined by restrictive laws, regulations, policies, administrative practices, and social norms. The Challenge in Colombia: Expanding Women’s Access to Commercial Finance was designed to break these barriers by convening stakeholders to create and implement locally led solutions that support partnerships between financial service providers (FSPs), financial intermediaries, business support service providers, and community organizations to improve financial and nonfinancial services for women, prioritizing vulnerable groups of women. The challenge was deployed in two phases, co-creation and implementation. Prospective partners were encouraged to identify countries with the potential to increase women’s access to credit, and Colombia was selected in Phase I given the country’s robust financial sector, its existing gender gap in financial inclusion, and the opportunity to leverage USAID’s ongoing investments and programming in the country.

ACTIVITIES

INVEST implemented the challenge in two phases with ongoing support to capture and share learning:

Phase 1: Whole System in the Room (WSR) workshop (January-June 2021)

- **Overview:** ReShift and Pro Mujer designed and facilitated a virtual WSR workshop focused on Antioquia, Colombia. This region has a high number of municipalities affected by violence, poverty, and illicit economies – which are priority issues for the Mission – with geographic features that represent much of Colombia. It also includes the financial hub of Medellín, making it a good candidate for this type of activity. During the workshop, 81 participants across 53 entities jointly defined challenges limiting women’s access to finance, prototyped solutions, and developed action plans to be turned into proposals for USAID funding through INVEST in Phase 2.
- **Key deliverables:**
 - WSR workshop
 - Phase 1 final report with preliminary action plans, lessons learned, and recommendations for Phase 2

Phase 2: Implementation of action plans (June 2021-July 2024)

- **Overview:** Building off the action plans created during the WSR workshop, INVEST selected three consortia of diverse partners to create strategies, actions, and policies to foster a more inclusive financial ecosystem in Antioquia. Partners designed and delivered accessible financial products; offered complementary services for women, including financial education and skills training; strengthened women’s social and economic networks; and incorporated policies to promote gender equality. Activities by the consortium included:
 1. Microempresas de Colombia Cooperativa (Microempresas), in partnership with Prodepaz, MET Community (MET), Comfenalco, Secretaría de las Mujeres, and the Cámara de Comercio de Medellín, implemented the “Closing Gaps to Women’s Financial Inclusion” project, which:
 - Increased women’s access to finance through an adapted line of credit with a lower interest rate and flexible terms
 - Strengthened women’s entrepreneurship through skills training, financial education, and increased access to markets
 - Engaged families, communities, and institutions to address the beliefs and policies that negatively impact the socioeconomic development of women
 2. Fundación Capital, in partnership with CoreWoman and Cooperativa Financiera Antioquia (CFA), implemented the “Protagonists: Finance with Gender Equity” project, which:
 - Improved CFA’s financial product and service offering for different profiles of women, offering multiple credit, savings, and insurance products
 - Strengthened women’s economic empowerment through supporting new and existing women’s networks, providing online training for entrepreneurs, and offering financial education workshops with a gender focus
 - Addressed unconscious gender biases in CFA through gender equity training with 365 employees, promoted community discussions of social gender norms, and publicized lessons learned

3. Caja de Compensación Familiar de Antioquia (Comfama), in partnership with Secretaría de las Mujeres, MET, Developpement International Desjardins (DID), Fundación Bancolombia, AgriCapital, Ella Global Community, ImpactHub Medellin, and Prodepaz, implemented the “Germina” project, which:
 - Developed and offered a line of credit with favorable terms for three profiles of rural women: women with new and small-scale businesses, women who manage businesses with family members, and women with established businesses
 - Built women’s capacity and skills through training, mentorship, and psychosocial support services. Training focused on entrepreneurial leadership skills, business model strengthening, financial education, and gender, diversity, and inclusion
 - Expanded women’s networks by connecting them with potential clients, buyers, and existing networks of women
- **Key deliverables:**
 - Report on barriers to women’s access to finance (Microempresas)
 - Women accessing finance: reporting template and verification of savings, credit, and training products (Microempresas)
 - Gender equity action plan and adapted training platform (Fundación Capital)
 - Market assessment report and systemic change strategy report (Fundación Capital)
 - Final report with case study (Fundación Capital)
 - Adapted gender strategies for the implementation of the program (Comfama)
 - Baseline report with intervention roadmap (Comfama)
 - Additional capital commitments (Comfama)
 - Framework for financial ecosystem case study (Comfama)

Extended support to financial ecosystem in Colombia (August 2023-June 2024)

- **Overview:** The Government of Colombia (GoC) in its National Strategy for Economic and Financial Education recognizes the essential role for FSPs to provide financial education. All consortia adapted their financial education offerings in Phase 2 to help address the barriers facing women’s access to finance, so USAID and INVEST recognized an opportunity to contribute to learning on effective financial education for women. Microempresas de Colombia and Universidad Pontificia Bolivariana (UPB) completed quantitative and qualitative research on the needs and preferences of women and existing financial education, focusing on women entrepreneurs, women living in rural areas, Afro-Colombians, indigenous women, and migrants. The research informed the design of an interactive tool to provide practical guidance to FSPs on the design and delivery of financial education using an intersectional approach. The tool includes a survey instrument to help FSPs evaluate the effectiveness of their financial education programs.
- **Key deliverables:**
 - Research summary and data analysis on best practices for financial education
 - Design of the [Finanzas para todas](#) financial education tool
 - Learning report with evaluation tools and methods
 - Socialization of the financial education tool through in-person and virtual events

RESULTS

- Engaged three consortia made up of 15 local and international organizations to combine their financial, entrepreneurship, social, and gender expertise to better meet the financing needs of women and build a more inclusive financial ecosystem in Antioquia.
- Extended access to finance for women and women entrepreneurs in Antioquia through adapted credit products and tailored savings and insurance products. In total, 16,787 women in Antioquia accessed some kind of improved financial products. 9,526 women accessed \$13,607,466 in adapted credit products, and 15,996 women opened a savings product.
 - Microempresas provided \$7,679,651 in credit to 7,120 women, and 7,731 women opened a savings product.
 - CFA issued a total of \$5,683,106 in credit to 2,108 women. Additionally, 8,265 women opened a savings product and 1,629 women purchased insurance products.
 - AgriCapital extended \$244,710 to 288 women through the Germina line of credit, and Comfama committed \$515,148 to continue lending after the project.
- Launched eight adapted credit products that offer lower interest rates and more flexible requirements and terms, including allowing alternative sources of income (such as remittances), researching negative credit scores, removing the requirement for guarantees on lower amounts of credit, and allowing adjustable repayment schedules.
- Improved non-financial services, especially financial education, to better adjust to needs of women by holding in-person workshops, adjusting training schedules to offer evening times, reducing time required for training, offering virtual training, and providing tailored support virtually and by phone.
- Adjusted and adapted institutional policies for financial service providers to better address barriers facing women. Even past the end of INVEST, CFA will continue to test and integrate a psychometric credit scoring assessment in its microcredit product, develop training initiatives for its staff with a gender lens, and equip staff in the field to better identify existing social norms. Microempresas revamped its institutional gender policy and established a gender equity committee to mainstream gender throughout the organization, which will be continued by the human resources department. AgriCapital will maintain the adjusted policies to reduce required documents when applying for a loan.
- Connected women entrepreneurs, associations, and cooperatives with new and existing networks to receive training, become more formalized, advocate for gender-focused policies, and access marketing opportunities. The Microempresas consortium established the Network of Women Producers and Entrepreneurs of Antioquia, comprising 41 women's organizations or collectives. Comfama's consortium helped connect 22 additional women to the network. Fundación Capital's consortium connected 42 women's collectives to the Network of Women Entrepreneurs supported by Fundación CFA.
- Launched *Finanzas para todas*, an interactive tool that introduces FSPs to using an intersectional approach to financial education, sharing research on the needs and preferences of women, offering distinct profiles for priority population segments with guidance on the design and delivery of financial education, and a survey instrument to help FSPs measure change in the knowledge, attitudes, and behaviors of women following financial education.

LESSONS LEARNED

- **Locally led collective action requires dedicated resources to support partnership development.** The Challenge was designed to address complex barriers restricting women's access to finance through locally led partnerships of diverse stakeholders and relied on active participation and leadership among local stakeholders in women's financial inclusion. INVEST provided light-touch guidance during Phase 1 but should have provided additional guidance before and during Phase 2 to consortium leads that were new or non-traditional partners to USAID to strengthen their partnerships and support implementation. This could have included an additional phase between the WSR workshop and the implementation of action plans to allow for more detailed negotiations, periodic capacity building for consortium leads, or ongoing support in Phase 2 to strengthen partnerships between organizations. While the partnerships were successful, early support and guidance would have helped partners align on expectations for management and communications, encouraged problem-solving as partners, and resolved questions on expected deliverables and reporting early in the process to kickstart implementation and better sustain partnerships.
- **Lowering barriers to financial access for women requires changes in existing policies.** Financial service providers created accessible credit products by adapting their existing policies. All partners worked with women that had negative credit history, simplified the loan application process, and reduced the requirement for years in business. For women with poor credit history, partners offered financial education and access to savings products and examined negative credit reports more closely. To streamline the application process, partners adjusted the required supporting documentation, accepted documents digitally, and improved time for review and approval of credit. Some women seeking smaller loan amounts received approval in less than 24 hours. When assessing a business, partners reduced the requirement for time in business, which is typically two years. Some partners even extended small amounts of credit to women with businesses less than a year old or with well-developed business plans. While all partners reduced the interest rate for the adapted credit products, women often cited the speed and simplicity of the application process and approachability of credit advisors as what they like most about the product.
- **Persistent barriers require creative solutions from FSPs.** Partners tested different approaches to further address persistent barriers such as poor credit history, lack of collateral, and rurality. Microempresas removed collateral requirements for loans under approximately \$1,240 and had an average loan amount of approximately \$1,135. Fundación Capital and CFA designed and tested a psychometric credit scoring assessment to complement the traditional credit analysis for the microcredit product – the most popular loan during the project. To extend credit more effectively to rural populations, AgriCapital offered credit through its network of agricultural input suppliers, *agrocómeros*. Through this model, women would receive a loan from AgriCapital to cover the cost of the supplies needed for their business and repay the loan at any Bancolombia branch office. This model led to a lower average loan amount of approximately \$845, with 56% of women accessing credit through the input suppliers.
- **Improving women's financial inclusion requires more than access to credit.** Each consortium included organizations with multiple training offerings to serve the diverse needs of women entrepreneurs in Antioquia, including financial education, marketing and sales, communication and leadership, and psychosocial support services. Partners initially publicized training opportunities widely to all potential participants but struggled with high attrition rates.

As implementation continued, partners matched women to the appropriate types of training based on the stage of their business, previous training and education, and availability. Partners approached training with flexibility, ready to make pivots in response to feedback from participants. They adjusted training schedules, adapted delivery methods, improved follow-up mechanisms to strengthen relationships with and among participants, and offered incentives for completing training, such as prizes.

- **Support women entrepreneurs with a range of tailored training and opportunities to expand their networks.** To help women build networks, learn from each other, and access training and markets, partners helped develop networks of women entrepreneurs, cooperatives, and associations. The Microempresas consortium established the Network of Women Producers and Entrepreneurs of Antioquia, hoping it will become a self-directed and sustained network; Comfama's consortium later supported the network with additional training. Fundación Capital's consortium supported the Network of Women Entrepreneurs to help women's collectives adopt practices for business management, financial health, and fair trade. Each consortium helped connect entrepreneurs with market opportunities by facilitating participation in fairs and exhibitions, inclusion in catalogues, and direct connections with anchor firms. Microempresas and Comfama's consortia included organizations that were able to leverage existing relationships with larger businesses to support more inclusive supply chains, enabling them to match businesses seeking services directly with entrepreneurs. This also helped strengthen the relationships between the FSPs and entrepreneurs.
- **Institutional changes set the stage to promote gender equality in the long term.** All partners initiated their activities with gender training. Comfama's consortium received gender training from the *Secretaría de las Mujeres de Antioquia* to ensure partners understood the situation facing rural women entrepreneurs and gender gaps in access to finance, economic autonomy, and development of their business ventures. The Microempresas and Fundación Capital consortia created gender action plans to accompany their activities. Fundación Capital's consortium completed an initial assessment of gender biases and completed training of CFA's workforce that helped to sensitize other departments and create buy-in to enable changes to the organization's policies, such as piloting an alternative credit scoring mechanism. Partners also promoted gender integration with other organizations. Microempresas updated its institutional gender policy, and the consortium also implemented 12 action plans with corporate and business entities to help them integrate gender equity policies. Fundación Capital and CFA shared their experiences through the Financial Inclusion Forum led by the WWB Foundation and will continue to participate in the forum and its working groups.

LEARNING AND COMMUNICATIONS PROJECTS

- [Women who inspire: stories that motivate the economic empowerment of Antioquian women entrepreneurs](#), CoreWoman and Fundación Capital, September 2022
- [How to overcome the barriers to access financial products and services for women in Antioquia?](#), Fundación Capital, November 2022
- [In Antioquia, women are protagonists](#), Fundación Capital, April 2022
- [Colombia: Improving Access to Finance Among Rural Women](#), PSE Hub Exposure, May 2023
- [Mujeres que creen, crean y crecen](#), Microempresas de Colombia, September 2023
- [Finanzas para todas: Applying a gender lens to financial education in Colombia](#), Medium, August 2024

USAID INVEST Buy-In Summary: GenDev Gender Lens Investing (GLI)

Buy-in Name	GenDev Gender Lens Investing (GLI)
Buy-in Client	USAID Gender Equality and Women’s Empowerment Hub (GenDev)
Period of Performance	October 2019 to June 2024
Buy-in Amount	\$12,600,000
Buy-in Support Type	Fund/Financial Instrument, Technical Assistance
Program/Subprogram/Cross-Cutting Area	Economic Growth/Financial Sector/Gender
Subcontractors/Sub-Awardees	Aceli Africa CARE USA Deetken Asset Management Inc. Deloitte Consulting Innpact SA Kiva Microfunds Mennonite Economic Development Associates (MEDA) Patamar Capital RENEW ReShift (formerly DesignThinkers Group) Sagana GmbH WIC Capital World Council of Credit Unions (WOCCU)

OBJECTIVE

USAID’s Gender Equality and Women’s Empowerment (GenDev) Hub aimed to catalyze commercial investment into meaningful solutions for women around the world through blended finance initiatives. This buy-in was designed to engage the private sector and support innovations focused on empowering women economically, allowing them to invest back into their families and communities to spur economic growth. The solutions aimed to increase women’s global labor force participation, increase women entrepreneurs and business owners’ access to financing, and promote an enabling environment for women’s economic empowerment.

ACTIVITIES

USAID provided flexible support to engage new private sector partners and complement ongoing gender lens investing (GLI) activities under the GenDev Women’s Economic Empowerment and Equality (WE3) buy-in, an earlier INVEST buy-in, which expanded the use of gender lens investing through catalytic funding and technical assistance. USAID and INVEST chose to use four mechanisms to identify partners and activities for the Gender Lens Investing buy-in:

1. *Empowering women through gender lens investing (October 2019-September 2023)*

- WIC Capital used catalytic funding to mobilize \$2.18 million in capital into its open-ended investment vehicle, which partners with angel investors to provide equity and quasi-equity investments to women-led businesses in Senegal and Cote d'Ivoire.
- CARE USA used catalytic funding to mobilize \$3.65 million in capital to launch and support the initial capitalization of the CARE SheTrades Impact Fund to bridge the gap for women-centered businesses in emerging markets while applying a climate lens. CARE also designed and structured the fund's technical assistance facility and shared the fund's gender-justice approach through webinars and blogs.
- **Key deliverables:**
 - WIC Capital final report and transaction closeout reports for capital raises
 - Legal structuring of the CARE SheTrades Impact Fund, technical assistance reports, investor and marketing materials, supporting documentation for capital raise, and final impact report

2. *Blended finance solutions for women's economic empowerment (October 2019-September 2023)*

- ReShift (formerly DesignThinkers Group) designed and led a co-creation workshop with USAID, INVEST, and 17 development and finance organizations that identified different approaches to use blended finance to increase private sector investment in women's economic empowerment and led to the selection of the seven partners and activities below.
 1. Deloitte researched how blended capital paired with technical assistance can incentivize financial service providers (FSPs) to expand their movable property lending (MPL) offerings for women in Indonesia, Vietnam, and Kenya to increase commercial bank lending to women-led enterprises.
 2. Kiva completed a listening tour to inform the design of the Invest in Women Fund, published a GLI Landscape Report, and held a Gender Equity and Financial Inclusion Forum. While the fund was not ultimately launched, Kiva developed and published a gender equity assessment rating (GEAR) tool. The tool will be used across Kiva's existing investment processes with over 180 partners that reach approximately 6.4 million end borrowers globally to deepen financial inclusion of low-income women.
 3. MEDA, in partnership with BPI East Africa (BPI), Volta Capital, and Criterion Institute, identified and addressed the challenges women-owned businesses face in accessing capital in Rwanda and Kenya. MEDA supported BPI with gender equality and social inclusion (GESI) training, improving BPI's ability to create and disseminate gender-responsive marketing, diversify its hiring teams, include GESI-related data in its data collection strategy, and provide GESI-responsive training for supported businesses. MEDA, with support from Volta Capital and local business development service firms, provided technical assistance to 19 firms and prepared four firms to reapply for "second chance" funding with BPI.
 4. Patamar Capital raised \$10.3 million and launched the Beacon Fund in Southeast Asia with catalytic funding from USAID. The fund provides fit-for-purpose financing, including term loans and mezzanine finance, for moderate growth companies through an evergreen structure to better meet the needs of women-owned businesses.

5. WOCCU piloted and implemented a Gender Investment Framework and Toolkit (GIFT) with *Union des Mutuelles du Partenariat pour la Mobilisation de l'Epargne et du Cr dit au Senegal* (UM-PAMECAS), a network of savings and credit cooperatives, and four credit unions in Senegal to increase investment in women-owned enterprises. GIFT led to improved credit terms (lower guarantees and higher loan ceilings), the design of two new credit products customized for women (lower interest rates and lower collateral requirements), increased visibility of women's access to financial products with proposed performance indicators and required sex-disaggregated data, and broader support for women's entrepreneurship.
 6. RENEW developed and tested the small and medium enterprise (SME) gender-growth acceleration playbook, SG2X, with a consortia of fund managers, gender experts, and SMEs. The playbook provides practical guidance for fund managers and SMEs to incorporate GLI in core business operations. RENEW enhanced its executive program curriculum with a gender equality and diversity component, which was delivered to 37 participants from 29 SMEs, and held its Private Equity 101 Training for 103 SMEs to strengthen the investment ecosystem in Uganda and Rwanda.
 7. Deetken Impact and Pro Mujer used catalytic funding from USAID to structure a first-loss tranche and mobilize \$5.83 million for the Ilu Women's Empowerment Fund from a new subset of investors by offering impact bonds. The partners also activated a technical assistance facility that provided assistance to 14 companies, created easy-to-use tools for businesses to apply a gender lens to their operations, and advocated for wider use of gender lens investing approaches.
- **Key deliverables:**
 - Learning report: "Can Blended Finance Drive Gender-Sensitive Moveable Property Lending?"
 - Gender lens investing landscape 2021
 - [Gender Equity Assessment Rating \(GEAR\) tool](#), [gender survey](#), and [user manual](#)
 - Second chance success project: final report and transaction closeout report for second chance success window
 - Beacon Fund final report and transaction closeout reports for capital raises
 - Gender Investment Framework and Toolkit (GIFT) for credit unions
 - [The SME Gender Growth Acceleration \(SG2X\) Playbook](#)
 - Ilu toolbox in [English](#) and [Spanish](#)
 - Transaction closeout report for capital raise for the Ilu Women's Empowerment Fund
3. *Mainstreaming gender-smart policies and practices (February 2021-September 2022)*
 - Aceli Africa and Value for Women provided practical training on GLI to help FSPs lending to agricultural SMEs in East Africa adopt gender-aware lending practices; supported the Mango Fund and Family Bank in identifying new entry points for gender inclusion and developing and implementing a gender lens action plan; and analyzed Aceli's loan portfolio to assess trends in gender-inclusive lending.
 - Sagana and Circulate Capital developed and implemented a gender-smart investing approach for Circulate Capital's Ocean Fund I and six of its waste and recycling portfolio companies. Circulate Capital committed to the 2X Challenge and aims to strengthen the performance of its

portfolio companies as attractive and safe places for all people, including women, to work and thrive.

- **Key deliverables:**
 - Case studies on support to [Mango Fund](#) and [Family Bank](#)
 - Gender analysis of Aceli's loan portfolio
 - Aceli Africa and Value for Women summary report
 - Case studies on support to Circulate Capital and two portfolio companies
 - "[Investing in Waste Management and Recycling with a Gender Lens](#)" guide

- 4. *Unlocking gender-smart capital for female and gender-diverse fund managers (November 2023-June 2024)*
 - Inn pact S.A. supported 2X Ignite to help establish its \$75 million Africa Warehouse Facility by providing advisory services on legal structuring and registration, fund policies and procedures, and an impact management and measurement (IMM) framework. The facility will provide concessional loans to female-led and gender-diverse funds managers applying gender lens investing strategies to build a track record of deal execution, thereby improving their chances of a successful fundraise.
 - **Key deliverables:**
 - Key legal documents for registration
 - Draft policies and procedures for the fund
 - IMM gap analysis and key documents

RESULTS

- Through catalytic funding, fund managers have mobilized \$23.9 million for five gender lens investment vehicles. The funding mobilized comes from foundations, high-net-worth individuals, faith-based organizations, non-profits, impact funds, institutional investors, national public entities, and corporates.
- The activity supported innovative fund structures that offer more appropriate investment terms to reach female and gender-diverse fund managers and women-owned businesses. These structures also provide gender-smart technical assistance or track gender impact and performance among portfolio companies. The activity also improved access to finance through adapted credit products, investment readiness training, and promoted moveable property lending.
- Two investors, 19 financial service providers, and 37 SMEs have integrated gender-smart practices and policies through tailored technical assistance, benefitting women as business owners, employees, suppliers, and consumers.
- The activity created publicly available and easy-to-use tools for SMEs and fund managers to apply a gender lens to increase women's leadership, improve gender equality within organizations, and better adapt products and services to meet the needs of women.

LESSONS LEARNED

- **Catalytic funding should be tailored to meet the distinct needs of individual fund.** With multiple catalytic funding activities to support seven GLI vehicles, each activity and subcontract had targets and deliverables tailored for the partner and its fund. However, during implementation it became clear that further adjustments were needed to timelines, targets, and structure of the subcontracts given the variety of funds and fund managers supported. Some of the supported funds had first-time fund managers or first-time female fund managers, who often face additional challenges raising capital. These fund managers benefitted from extended timelines and catalytic funding for operating and startup expenses. A few of the funds had already completed an initial close or had a committed anchor investor, which allowed them to crowd-in additional investors in a challenging investment environment with fewer delays. The funds also varied in size, ranging from targeted fund sizes of \$20 to \$100 million, with smaller funds often struggling to receive larger investments from development finance institutions. This led to varying levels of success in fundraising and different timeframes to achieve funding goals.
- **A challenging investor environment requires flexibility.** Given a challenging investor environment during the COVID-19 pandemic, INVEST and its partners pivoted to extend capital raise timelines, adjust catalytic fundraising deliverables to support broadened investor outreach, and adjust fund strategy to be responsive to investor demands. For some partners, this included simplifying the fund structure and broadening the geographic focus of the fund.
- **Tailored technical assistance raises gender awareness and encourages lasting change.** As more investors, FSPs, and SMEs begin to better integrate gender-smart policies and practices, many still require practical guidance and accompaniment to adopt and adapt gender-smart policies and practices. Training on gender awareness and GLI practices is key to drive meaningful change. Training should also incorporate an intersectional approach to understand the varied experiences of women and be aligned with the overall strategic priorities and growth of the organization. This will help ensure leadership will commit required resources to implement technical assistance, adhere to timelines, and work to sustain results. As results will often be seen in the medium to long term, monitoring and reporting should be incorporated into the processes of either investors providing the technical assistance or the FSPs and SMEs receiving technical assistance.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Movable Property Lending: Lessons Learned from Promoting Innovative Finance in Colombia, Kenya, Indonesia, and Vietnam, Marketlinks presentation](#), December 2020, with Deloitte and Dopkins
- [Celebrating International Women’s Day by Making Gender Lens Investing the Status Quo](#), webinar with Pro Mujer, WIC Capital, and Beacon Fund, April 2021
- [Using Co-Creation to Construct a Portfolio for Women’s Economic Empowerment](#), Medium, May 3, 2021
- [Women Investing in Women in Senegal: A Look at How One Fund is Using Gender Lens Investing to Reach Women-Led Businesses in West Africa](#), Medium, June 2021
- [Marketlinks event: Promoting Gender Equity through Finance](#), February 2022
- [How Six Impact Investors Are Giving Their Portfolios a ‘Gender-Smart’ Boost](#), Impact Alpha, March 2022

- [Seizing Africa's Overlooked Investment Opportunities with an Inclusivity Lens](#), AllAfrica, March 2022
- [Risk and return for impact investors: assessing and addressing sexual harassment and violence](#), webinar with CARE Enterprises, Criterion Institute, and Milliman, March 2022
- [Gender Equity and Financial Inclusion Forum](#) event, April 2022
- [Beyond gender lens: CARE's new impact fund opts for 'gender justice'](#), Impact Alpha, July 2022
- [Gender Lens Investing Journey](#), webinar with Value for Women and Aceli Africa, September 2022
- [Both/And: Facilitating gender inclusive lending for agricultural enterprises](#), Aceli Africa blog, September 2022
- [Vietnam: Making the Financial System Work Better for Women Entrepreneurs](#), PSE Hub Exposure, September 2022
- [Tips for Strengthening ESG Investing from Emerging Market Fund Managers](#), Impact Alpha, September 2022
- [One year strong: Business after the SG2X Gender-Smart Exec's Program](#), Renew Capital, November 2022
- [The Supply and Demand Challenge: Getting More Capital to Women-Led Businesses](#), ANDE blog and Marketlinks, November 2022
- [Assessing gender-forward organizational practices: Kiva's Gender Equity Assessment Rating tool](#), Kiva blog, November 2023
- [Gender Lens Investing USAID INVEST Resource Guide](#)

USAID INVEST Buy-In Summary: GenDev Women's Economic Empowerment and Equality (WE3)

Buy-in Name	GenDev Women's Economic Empowerment and Equality (WE3)
Buy-in Client	USAID Gender Equality and Women's Empowerment Hub (GenDev)
Period of Performance	June 2018 to March 2023
Buy-in Amount	\$3,658,692
Buy-in Support Type	Investment Opportunity Assessment, Fund/Financial Instrument, Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Financial Sector/Gender
Subcontractors/Sub-Awardees	AlphaMundi Foundation CrossBoundary LLC Dopkins & Co Milliman Pro Mujer Toronto Centre Women's World Banking Yayasan Masyarakat dan Perikanan Indonesia (MDPI)

OBJECTIVE

USAID's Gender Equality and Women's Empowerment Hub (GenDev) aims to address the barriers women face in participating in the economy, specifically a lack of basic financial services, restricted access to capital, and the inability to move upward into management or leadership positions, reducing their earning potential. To increase women's access to affordable finance, USAID implemented three distinct but mutually reinforcing approaches through this buy-in:

1. Promote the ongoing expansion of financial services through technical innovations.
2. Expand the uptake of systemic reforms to lead to greater access to commercial lending.
3. Drive change at scale through expanding gender-lens investing (GLI) with banks, investors, and even insurers to encourage better gender balance at the company or project level and promote investment in women-owned and -led companies.

ACTIVITIES

USAID support was designed to incorporate a "whole-of-pyramid" approach by working both at the bottom of the economic ladder to bring women into the financial system and at the top by promoting greater equity and commercial credit with attention to small and medium enterprises (SMEs) and their employees. This buy-in included the following activities:

Activities to bring women into the financial system:

- MDPI worked with Marine Change to increase women fish traders' financial knowledge, improve their financial records, and build their business acumen to increase access to loans. MDPI also helped empower women to participate in sustainable fisheries management in Indonesia.
- **Key deliverables:**
 - Fish catch and traceability app Trafiz adapted to allow women to track sales, expenses, and loans.
 - Lessons learned report on the intersection of financial access, women's empowerment, and sustainable fisheries management.

Activities to promote greater equity and commercial credit:

- The Toronto Centre assessed five regulatory authorities' awareness of and commitment to using sex-disaggregated data to improve women's financial inclusion, including for digital services. The assessment highlighted the lack of use cases for how to deploy technology solutions to enhance financial inclusion, which led Toronto Centre to create public good tools and resources.
- Dopkins developed and validated an asset-based lending (ABL) handbook and field examination templates for use by Colombian banks and lending institutions to increase women's access to finance without using property as collateral.
- Milliman worked with Making Cents International (MCI) to design and launch the Gender-Based Violence (GBV) Aware Investing Tool to help institutional investors with strategic asset allocations focused on the "social" aspect of environmental, social, and governance (ESG) considerations.
- **Key deliverables:**
 - [Gender-Aware Supervision Toolkit](#) to assist financial supervisors from emerging markets with integrating gender awareness into their supervisory practices.
 - Field examination handbook and templates for ABL in Spanish and English.
 - [GBV Aware Investing Tool](#) to provide institutional investors with a baseline understanding of GBV within certain industries and countries that they can incorporate into their decision-making and portfolio construction processes.

Activities to support women-owned and -led SMEs and women employees through GLI strategies:

- CrossBoundary conducted an assessment and opportunity analysis of GLI transactions in sub-Saharan Africa.
- Women's World Banking Asset Management (WAM) mobilized investment into digital financial services for low-income women through catalytic funding for the Women's World Banking Capital Partners II Fund (WWBCP II).
- AlphaMundi Foundation and Value for Women provided tailored gender-smart technical assistance to nine SMEs that received capital from one of AlphaMundi's GLI investment vehicles.
- Pro Mujer worked with Acrux Partners to engage five mainstream investors in Latin America to help identify the specific barriers affecting women's access to capital and create solutions to address these barriers. These engagements also led to the development and launch of The Gender Platform, which compiles resources for investors and the financial sector.
- **Key deliverables:**
 - GLI research report that identified opportunities for USAID to support the growth of GLI strategies and funds (CrossBoundary).

- Enhanced digital due diligence process to map out opportunity points for financial service providers, including processes, products, services, and delivery channels to be digitalized. This laid the groundwork for subsequent Women’s World Banking technical assistance to improve digitalization (WAM).
- [Achieving Social & Business Impacts through Gender-Smart Strategies Report](#) to share practical guidance and tested approaches for how to provide business-first, gender-smart technical assistance (AlphaMundi).
- [The Gender Platform](#), an open-source knowledge hub for diverse, gender-mainstreaming strategies for various financial sector actors. The platform includes case studies, online training, and tools to advance gender equality and inclusion in the financial sector (Pro Mujer and Acrux Partners).

RESULTS

- Developed and launched publicly available resources and tools for financial-sector actors to increase their adoption of gender-smart practices and policies.
- Completed research on GLI in sub-Saharan Africa to identify opportunities and mechanisms for USAID to support the growth of GLI funds.
- Launched a catalytic funding activity with WAM and mobilized \$102.95 million for the WWB Capital Markets II Fund (WWBCP II).
- Paired catalytic funding with technical assistance to support investors and asset managers in deepening the impact of investments.

LESSONS LEARNED

- **Using a portfolio approach allowed GenDev to engage a diverse set of partners** and ensure that activities directly impacted individual women and addressed systemic barriers, such as among financial regulators. GenDev was able to partner with other USAID Missions and multilateral organizations like the International Finance Corporation (IFC), which helped amplify activity results and support their sustainability.
- **Catalytic funding required flexibility from USAID and INVEST** to extend timelines, as fund managers must be responsive to ongoing investor conversations, allow sufficient time for investors to review fund documentation, conduct due diligence, and get appropriate approvals for the investment.
- **Pairing catalytic funding with technical assistance has proven effective.** INVEST used technical assistance alongside the catalytic funding for WWBCP II to improve the fund’s due diligence and assessments of financial institutions’ digital strategies. It allowed WAM to better understand how to leverage digital tools within portfolio companies to reach greater numbers of women.
- **Publicly available tools or guides should be hosted and owned by the private sector partner** to ensure that they can be maintained and updated. Conversations around the tool’s maintenance and required updates should take place early and, if possible, the planning should be included as part of the activity. Ensuring appropriate acknowledgment of the involvement of both USAID and the private sector partner can ensure USAID’s contribution continues to be acknowledged.

LEARNING AND COMMUNICATIONS PRODUCTS

- [INVEST Close Up: Catalyzing Private Investment for Women’s Economic Empowerment](#), USAID.gov, October 2019
- [Mobilizing \\$100 Million in Private Capital for Women’s Economic Empowerment](#), Medium, November 2019
- [Women’s Economic Empowerment: Smartphones, Fintech, and Indonesia’s Fisheries](#), Medium, February 2020
- [No Real Estate? No Problem. A Look at the Potential of Asset-Based Lending to Empower Women in Colombia](#), Medium, November 2020
- [Movable Property Lending: Lessons Learned from Promoting Innovative Finance in Colombia, Kenya, Indonesia, and Vietnam](#), Marketlinks, December 2020
- [Kenyan Coconut Enterprise Tries Out New Recipe: Gender Equity](#), Medium, February 2021
- [Technical Assistance: A Game Changer for Gender Lens Investing?](#) Medium, June 2021
- [USAID-TC Webinar on Gender Aware Supervision Toolkit](#), USAID and Toronto Center, January 2022
- [Kenya: Partnering with Coconut Processor to Improve Business by Benefiting Women](#), Exposure, March 2022
- [Tips for Strengthening ESG Investing from Emerging Market Fund Managers](#), Medium, September 2022
- [The Global Development Sector Is Focused On Gender-Based Violence: Investors Should Be Too](#), NextBillion, November 2022
- Launch of the Gender-Aware Investing Tool (event), July 2023
- [Gender Lens Investing: USAID INVEST Resource Guide](#), September 2023

USAID INVEST Buy-In Summary: Georgia Exports Promotion

Buy-in Name	Georgia Exports Promotion
Buy-in Client	USAID Georgia
Period of Performance	October 2022 to June 2024
Buy-in Amount	\$900,789
Buy-In Support Type	Transaction Advisory Services
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Trade and Investment
Name of Subcontractors/Sub-Awardees	OCO Consulting LLC

OBJECTIVE

USAID Georgia seeks to support Georgian businesses to diversify into new international export markets, helping to drive quality job creation and reduce dependence on the Russian and Chinese markets; in 2021, one-third of all Georgian exports were destined for Russia and China. Strengthening export linkages with the European Union (EU) and other high-value markets is an important part of Georgia’s path toward Euro-Atlantic integration. The 2014 EU-Georgia Association Agreement reduces tariffs and removes technical barriers for Georgian exports, improving access to the EU market for Georgian companies. The Georgia-Turkey Free Trade Agreement and the Diagonal Cumulation Treaty with Turkey provide additional opportunities for increased trade. However, Georgian companies need support in meeting international standards, identifying buyers abroad, and transacting deals. Promoting Georgian products in high-value markets requires new forms of collaboration between Georgia’s businesses, USAID, the Government of Georgia, and international buyers.

To promote export diversification in non-agricultural sectors, USAID Georgia aimed to support Enterprise Georgia, a legal entity under the Ministry of Economy and Sustainable Development, by providing export facilitation services between the Government of Georgia, Georgian enterprises, and international buyers. The war in Ukraine highlights the need to bolster Georgia’s economic independence from Russia, and USAID has historically prioritized European and other alternative markets. In this light, Enterprise Georgia sees this moment as an opportunity to diversify the country’s export structure and markets.

ACTIVITIES

Recognizing the need to help Georgian businesses improve their overall competitiveness and increase the volume of goods directed towards international markets, INVEST subcontracted OCO Consulting LLC to take a two-phased approach to support USAID Georgia and Enterprise Georgia. In phase one, OCO conducted a rapid assessment of over 200 export-ready or nearly export-ready companies, in accordance with agreed-upon criteria identified by Enterprise Georgia in priority target markets. In the second phase, OCO selected and worked closely with 50 companies with the highest potential and lowest barriers to entry to increase the probability of export agreements within the identified priority markets.

Phase 1: Rapid assessment and prioritization of Georgian companies and export markets

- **Overview:** Phase one involved research by OCO and coordination with USAID Georgia's Georgia Economic Security Program and Enterprise Georgia to identify a large pool of possible participant companies. Over 200 companies received a co-designed questionnaire, and answers were used to determine the most promising companies to participate in an export promotion program. In coordination with Enterprise Georgia, OCO categorized companies on three different levels: high potential (strong company with experience), moderate potential (quality company with limited experience or other constraints), or beginner (start-up or early stage of development). OCO then selected 10, 20, and 50 companies respectively that have the most opportunity for export diversification. OCO also supported research on and analysis of Georgian export markets in coordination with Enterprise Georgia and gathered historical export data, country-specific certification and export requirements, market intelligence including current trends, and other information related to export requirements and potential niches in target markets and sectors.
- **Key deliverables:**
 - Shortlist of 50 companies
 - Export sector and market prioritization reports

Phase 2: Export facilitation services

- **Overview:** In phase two, OCO provided export facilitation services to promote Georgian exports in targeted sectors, with a particular focus on companies with high potential for diversification of export markets. This support included the following two components:
 1. After meeting with each company to understand their business, product, and marketing activities, OCO developed a tailored marketing package for each company according to its current marketing practices. OCO compiled detailed market research and market intelligence on target sectors and sub-sectors in the five identified target markets: apparel, electronics, pet food, packaging, and toys. OCO then ensured that all 50 companies were enrolled in the OCO Connect Community Platform and facilitated a concise presentation and visual showcase for target buyers (localized for each market) on the Connect platform.
 2. Using a multichannel approach (Velociti database, Pitchbook, and LinkedIn), OCO identified qualified leads and established connections between selected companies and buyers. In April 2024, OCO held a buyer trade mission to Georgia to gain direct insights into international market demands and buyer expectations and to explore potential partnerships for future economic collaboration and market expansion. Leading up to the trade mission, OCO conducted tailored one-on-one sessions with each participating company to provide effective communication and negotiation practices with potential international partners.
- **Key deliverables:**
 - Tailored export plans and marketing materials
 - Buyer trade mission to Georgia
 - Final report and lessons learned

RESULTS

- Defined and finalized selection criteria for Georgian companies to be supported under this activity, including but not limited to ownership, growth, resources, proven capacity, international positioning, differentiation, scalability, sustainability, ESG, and current export arrangements.
- Identified five priority new market sectors for the 50 companies with the highest potential and lowest barriers to entry to increase the probability of export agreements: apparel, electronics, pet food, packaging, and toys.
- Carried out a Buyer Trade Mission to Georgia in April 2024, facilitating the participation of four buyers and conducting 17 targeted meetings across the targeted sectors.
- Established a digital community through the OCO Connect platform to engage international buyers and promote beneficiaries via company showcases.
- Provided trade show support and facilitated meetings with pre-qualified businesses interested in exploring new products and partnerships at four international trade shows: the Spielwarenmesse Trade Show in Germany, Micam and Mipel in Italy, the Amper Expo in the Czech Republic, and the VIV MEA—the leading animal husbandry show in the Middle East.
- Successfully delivered four professional development webinars to participating companies. These sessions included:
 - Marketing 101
 - Exporting to Europe: Understanding Target Markets and How to Position Your Company (packaging)
 - Let's Talk About Our Brands (apparel)
 - Future-proofing Your Brand (apparel)
- Identified over 150 potential buyers and conducted extensive outreach through various channels including email, phone calls, and LinkedIn. The team organized 80 meetings, both virtual and in-person.

LESSONS LEARNED

- **Collaboration and coordination with in-country counterparts is crucial.** The objective of the activity was to work with and support Enterprise Georgia to ensure continuation and continuity of export promotion following the conclusion of the activity. Enterprise Georgia also brings a wealth of knowledge regarding the in-country context and local business landscape. Therefore, Enterprise Georgia's deep involvement was critical to the long-term success of the activity and required significant coordination. This coordination, specifically surrounding the selection of market sectors and companies, proved to be challenging. A balance had to be struck between Enterprise Georgia's on-the-ground experience and background knowledge and OCO's unbiased assessments. This required additional time for further discussions and deliberations to come to an agreement during phase one. Clear and frequent communication between OCO and Enterprise Georgia, with direction from INVEST, was key in overcoming the challenges and preventing further delays in the overall activity timeline.
- **A sector-focused approach is beneficial.** The activity, while working across diverse sectors, focused on only non-agriculture export sectors, such as apparel, packaging, toys, pet food, furniture, and electronic equipment and devices, which were further assessed and carefully selected. Following assessments in phase one and input from Enterprise Georgia, only five sectors were ultimately selected to be addressed through this activity. The same approach was

applied to identification and selection of export markets to be looked at as part of this activity. Target markets were selected through market analysis and assessing market trends within the selected sectors and the current market opportunities and arrangements of the selected companies under phase one. OCO used a macroeconomic and industry-specific approach to identify and prioritize three markets for the selected companies. Overall, this approach has proven to be more manageable and appropriate, as opposed to sector-agnostic approaches used in the past.

- **Project timelines should account for complexity across and within sectors.** Export promotion activities require a long period of preparatory tasks, including scoping and preparing companies for export through individualized technical assistance. This long-term process should also include specialized technical assistance at each stage of company development. The companies receiving technical assistance under this buy-in represented varying levels of export readiness and business acumen. Future export promotion activities should consider disparity across sectors and companies while planning timelines.

LEARNING AND COMMUNICATIONS PRODUCTS

- [OCO Connect Community Platform](#)
- [Voices from the Finance and Investment Network: OCO Global](#), July 2021, Medium

USAID INVEST Buy-in Summary: Georgia Foreign Direct Investment (FDI)

Buy-in Name	INVEST Georgia Foreign Direct Investment (FDI)
Buy-in Client	USAID Georgia
Period of Performance	November 2020 to February 2023
Buy-in Amount	\$589,211
Buy-in Support Type	Transaction Advisory
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Trade and Investment/Capacity Building
Subcontractors/Sub-Awardees	OCO Global

OBJECTIVE

USAID Georgia aims to unlock the potential of private capital—via foreign direct investment (FDI), diaspora investment, and local sources—to drive high-value job creation. Increasingly, multinational companies are looking to emerging markets for new opportunities. Encouraging investment in high-impact areas requires new forms of collaboration between USAID and the international investment community. Through this buy-in, USAID Georgia sought to raise awareness of investment opportunities; lower transaction costs; and mitigate the risk of investments that generate positive social, economic, and environmental impact.

To attract more international private investments, USAID Georgia supported the Invest in Georgia division of Enterprise Georgia (EG)—a government program dedicated to business development, export promotion, and foreign investment—with transaction advisory and investment facilitation services. Invest in Georgia plays the role of a moderator between foreign investors and the Government of Georgia (GoG), ensuring that investors have access to updated information and have the means to communicate effectively with government bodies. Invest in Georgia serves as a “one-stop shop” for investors to support companies before, during, and after the investment process.

ACTIVITIES

The activity took a two-phased approach. First, INVEST subcontractor OCO Global conducted a rapid assessment of 100 target companies identified by Enterprise Georgia and an additional 300 high-potential companies that OCO Global identified, selecting viable greenfield and brownfield investment opportunities in the light manufacturing sector. Second, OCO Global provided investment facilitation between vetted Georgian companies and potential foreign, targeted investors to assist in investments in Georgia.

Phase 1: Rapid assessment of companies and relevant investment documents (December 2020-March 2021)

- **Overview:** Through INVEST, OCO Global worked with EG to gather investment sector reports, value propositions, macroeconomic indicators, grant opportunities, government guidelines and processes for FDI, and other information related to targeted companies. OCO simultaneously, worked with EG to compile and present information on the Georgian economy

with a focus on promoting investments into Georgia. This was done through the design and set up of a website that presented valuable and opportune information for foreign investors about Georgia. OCO Global established core criteria for assessing international companies, which included sector, value proposition, potential for job creation, previous investments in Georgia and/or the region, and the impact of COVID-19 on company operations.

- **Key deliverables:**
 - Investor company pipeline with assessment of over 400 target companies and tailored marketing packages by sector

Phase 2: Investment facilitation and transaction advisory services (April 2021-December 2022)

- **Overview:** Tailored investment facilitation and transaction advisory services to position Georgian companies to foster foreign investment with a particular focus on job creation in the light manufacturing and pharmaceutical sectors. OCO Global coordinated closely with EG and the GoG to strengthen targeted Georgian companies' approaches to attract foreign partners and investors as well as training these companies on pitching and presenting to external investors to facilitate interest. Finally, OCO Global worked closely with a targeted group of 16 companies as their investment opportunities progressed, providing a tailored marketing package and pitch deck for each company.
- **Key deliverables:**
 - Refined investor company pipeline with 200 prioritized investor companies and 40 Tier I investment profiles and location proposals
 - Designed website, content, development, and launch of the InvestInGeorgia.org website
 - Generated new leads through support at seven trade shows
 - Facilitated one investor company market visit to Georgia
 - Established a potential pipeline that could be converted into investments through facilitation and follow-up meetings. Identified 16 initial leads.

RESULTS

- **Pipeline development:** Although no foreign direct investment deals were secured, OCO Global helped to build a pipeline of investment opportunities pending resolution in the geopolitical environment. Marketing materials and pitch decks were tailored to priority prospects. Enterprise Georgia has access to a strong network of investors that can be further developed and 16 companies in the pipeline began working with investors who confirmed interest.
 - Four of those companies were planning to visit Georgia after INVEST's activity concluded. Ultimately, two companies reached the final stage of investment decisions, and one company (APCO Aviation) expressed the intention to make an investment.
 - APCO Aviation, an Israeli aircraft manufacturer, expressed that Georgia is the selected location for its investment and is planning to implement a \$5 million investment project that creates up to 500 jobs in the next 3-5 years. However, this was not solidified during INVEST's period of performance, as investment decisions were on hold due to the war in Ukraine.
- Supported seven trade shows, providing greater visibility, investment awareness, and promotion in international markets.

- Facilitated 70 in-person business-to-business meetings to support the trade shows and exhibitions. These helped improve the reputation of Georgia, present viable investment opportunities, and connect Georgian businesses and potential international investors.
- Supported EG in presenting Georgia as an attractive country for investments with a website that highlighted the opportunities that the Georgian market provides.

LESSONS LEARNED

- **There is a lack of awareness about Georgia as an investment location for manufacturing activities.** Most investors were not aware of the investment opportunities and location advantages that Georgia has to offer. Therefore, investment attraction activities are essential to reduce the information gap, overcome misperceptions, and raise awareness of Georgia’s true value proposition—highlighting the case for Georgia as an attractive and sustainable location outside of the European Union.
- **During the implementation of this work, two significant challenges arose** that negatively affected the investment environment and the attraction of foreign companies to the country. The first was the Omicron variant of COVID-19 that extended travel restrictions and maintained the cautious investor appetite for expansion that began with the initial COVID-19 pandemic. The second was the war in Ukraine, which also resulted in investors taking a cautious view of Georgia investment opportunities amidst a concern that the war might impact Georgia and the region.
- **Collaboration between OCO Global and Enterprise Georgia was key**, especially in preparing pitch presentations ahead of international exhibitions. The OCO Global team worked side by side with Enterprise Georgia to meet companies at trade events and follow up after meetings with action items. OCO Global helped prepare Enterprise Georgia for the trade shows that they attended throughout Europe that catered to different sectors and helped match them with the appropriate companies, facilitating not only the meetings but the conversations within them. Next steps for the companies and Enterprise Georgia were highlighted in reports shared with Enterprise Georgia, INVEST and USAID. OCO Global also supported Enterprise Georgia in building out a website that highlighted Georgia and its comparative advantage in the region.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Voices from the Finance and Investment Network: OCO Global](#), Medium, July 2021
- [Invest in Georgia website](#), newly updated as a result of USAID support

USAID INVEST Buy-In Summary: Ghana Financing Ghanaian Agriculture Project (FinGAP) Legacy Assessment

Buy-in Name	Ghana FinGAP Legacy Assessment
Buy-in Client	USAID Ghana
Period of Performance	February 2018 to April 2018
Buy-in Amount	\$60,834
Buy-In Support Type	Investment Opportunity Assessment, Transaction Advisory
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Agriculture, Financial Sector
Subcontractors/Sub-Awardees	CrossBoundary LLC

OBJECTIVE

USAID Ghana sought support for an assessment of a sustainability plan for a legacy arrangement, which was developed and proposed as part of an original Financing Ghanaian Agriculture Project (FinGAP) task order deliverable. The FinGAP Project (2013-2018) was designed to address a key constraint restricting the development of commercial agriculture in Ghana: access to finance to enable investment in agricultural value chains. FinGAP was a comprehensive intervention, which simultaneously addressed barriers to supply and demand for finance and the enabling environment by deploying a range of pay-for-results (PfR) methodologies and intensive technical assistance (TA). The assessment would allow the finance facilitation function within the FinGAP project to continue past the end of the project in mid-2018. USAID Ghana wanted to make a lasting impact on agriculture-related financing constraints, and it was considering a legacy arrangement to do so, but the Mission needed to assess the long-term sustainability of the arrangement in order to give FinGAP a greenlight for further development.

Under this buy-in, INVEST worked with USAID Ghana to provide an assessment of the legacy arrangement, recommendations and guidance for the best structure for this finance vehicle, and advisory services to the Mission regarding potential challenges or barriers to implementation.

ACTIVITIES

The work under this buy-in proceeded in two key phases:

Phase I: Assessment of FinGAP proposal (March 2018)

- Overview:** INVEST and its partner CrossBoundary assessed the viability of the legacy vehicle proposal and identified potential issues that USAID Ghana could face in implementation. INVEST assessed the legal and regulatory authorities and policy requirements within Ghana and with respect to compliance with the Federal Acquisition Regulations System (FAR), Code of Federal Regulations (CFR), and USAID Automated Directives System (ADS). INVEST also analyzed the likelihood of successful implementation, additionality, profitability, and sustainability. The team reviewed the cost effectiveness and utilization of USAID resources depending on the type of

financing products and services this legacy vehicle might offer to meet agriculture finance requirements in Ghana.

- **Key deliverables:**
 - FinGAP project workplan
 - Legacy vehicle proposal assessment
 - FinGAP potential issue identification
 - FinGAP summary report presentation

Phase II: Advisory support to Mission (March 2018)

- **Overview:** INVEST provided ongoing advisory support and feedback to USAID Ghana to address recommendations from the Phase I report and as implementation details were defined and structured with FinGAP.
- **Key deliverables:**
 - Incorporation of Mission feedback on the summary report presentation into associated advisory activities.

RESULTS

- Completed a comprehensive FinGAP opportunity assessment to better understand the feasibility of the vehicle within Ghana's legal regulatory framework.
- Identified and provided recommendations to USAID Ghana regarding the market niche and products and services which would catalyze agriculture-related financing most effectively.
- Identified potential issues as the vehicle was developed and provided ongoing advisory support as USAID Ghana worked with FinGAP to implement the vehicle.

LESSONS LEARNED

- INVEST determined that FinGAP could use its existing competitive advantages to meet financing needs that are not met by other players in the Ghanaian market. These advantages include existing financial institutional networks and trusted partners that could expedite the development of potential investments, the positive track record and reputation of the USAID brand, and the higher loan sizes provided by FinGAP with flexibility to grow.
- INVEST identified that the proposed legacy vehicle, a Ghana agriculture credit fund, could be scaled significantly beyond USAID Ghana's contributions and could assist in channelling international impact capital into Ghanaian companies. In addition, the fund would have the ability to work with financial intermediaries and the flexibility to invest across agriculture value chains, not just the maize, rice, and soy sub-sectors.

USAID INVEST Buy-In Summary: Ghana Market Systems and Resilient Assessment Update

Buy-in Name	Ghana Market Systems and Resilience Assessment (GMSRA) Update
Buy-in Client	USAID Ghana
Period of Performance	May 2020 to September 2020
Buy-in Amount	\$90,000
Buy-In Support Type	Investment Opportunity Assessment
Program/Subprogram/Cross-Cutting Areas	Economic Growth, Agriculture/Health Sector, Systems Strengthening
Subcontractors/Sub-Awardees	Dalberg Consulting U.S., LLC

OBJECTIVE

In early 2020, USAID Ghana completed a Ghana Market Systems and Resilience Assessment (GMSRA) to develop a better understanding of the inter-relationships among the existing market systems, constraints, and various actors within Ghana’s agricultural market system. The assessment covered the analysis of several value chains, mapping of key constraints and key actors, and proposed interventions to improve the overall performance of agricultural market systems. Building on this assessment, USAID Ghana sought to strengthen selected market systems by identifying and better understanding key constraints and leverage opportunities to facilitate improved market performance or correct market failures.

Given the timeframe of the assessment, USAID Ghana determined it was critical to add to the assessment an understanding of how the COVID-19 pandemic was disrupting agricultural market links, supply chains, and economic systems to evaluate the best way to respond. The World Food Programme estimated in 2020 that over 40 million people in West Africa could face desperate food shortages in the following months as COVID-19 brought new restrictions.

Under this buy-in, INVEST worked with USAID Ghana to provide an updated GMSRA, factoring in the global and country-specific impacts of COVID-19. The goal was to inform the design of future interventions accounting for COVID-19-induced realities, as the Mission worked to relieve constraints, increase productivity, profitability and resilience, and improve the overall performance of Ghana’s agricultural market systems.

ACTIVITIES

The work under this buy-in proceeded in two key phases:

Phase I: Rapid revision of the Ghana Market Systems and Resilience Assessment (July-August 2020)

- Overview:** Dalberg Consulting updated key aspects of the GMSRA through a COVID-19 response lens to help the Mission identify the pandemic’s effects on food security and nutrition, and how to implement interventions effectively and rapidly. The team assessed the agricultural sector in Ghana and COVID-19 global trends to update the GMSRA. Virtual stakeholder

interviews were conducted to validate the findings concerning the scale and severity of COVID-19 related impacts in Ghana, including the most impacted agricultural sub-systems, enabling services, and cross-cutting sectors.

- **Key deliverables:**
 - GMSRA COVID-19 updated inception report with updated findings

Phase II: Revised GMSRA final assessment and presentation (August-September 2020)

- **Overview:** INVEST and Dalberg Consulting finalized the revised GMSRA final assessment, including new data and key findings from the updated desk research and stakeholder interviews. The report included updated recommendations for the Mission's role and proposed interventions that fully encompass the latest COVID-19 realities.
- **Key deliverables:**
 - Revised GMSRA final assessment executive summary
 - Final presentation: addendum to the GMSRA with new COVID-19 findings

RESULTS

- Completed rapid and extensive desk research and remote interviews to better understand the impact of COVID-19 on Ghana's agricultural market system, including several key value chains.
- Identified the pandemic's effects on cross-cutting issues such as food security and nutrition and provided recommended interventions to guide USAID Ghana's activities in the COVID-19 pandemic and post-COVID-19 context. Key findings included that the production sub-system was severely affected by the COVID-19 pandemic because of delayed delivery of inputs, shortages of labor and mechanization services, and the decline of already-limited extension services. Access to agri-finance also tightened as financial institutions reassessed the operating environment and their risk tolerance and scaled back financing to processing plants.

LESSONS LEARNED

- **Efforts to mitigate the impacts of the COVID-19 pandemic on Ghana's agricultural market system had to focus on both the short and medium term.** Recommendations identified by Dalberg included expanding existing small-scale irrigation (SSI) systems for seed farmers to improve seed provision; providing transportation and logistical services especially to vulnerable populations; and promoting the recruitment of locally based labor.

USAID Buy-In Summary: Global Health Bureau’s Center for Accelerating Innovation and Impact (CII)

Buy-in Name	USAID Global Health (GH) Bureau, Center for Accelerating Innovation and Impact (CII)
Buy-in Client	USAID Global Health Bureau
Period of Performance	September 2021 to June 2024
Buy-in Amount	\$165,000
Buy-In Support Type	Transaction Advisory Services
Program/Subprogram/Cross-Cutting Areas	Health/Systems Strengthening
Subcontractors/Sub-Awardees	Open Capital Group Limited

OBJECTIVE

The USAID Global Health (GH) Bureau’s Center for Accelerating Innovation and Impact (CII) pursues the most promising ideas and applies a rigorous, market-oriented approach to rapidly transform discoveries in the lab to impact on the ground. In April 2023, CII identified an opportunity to support LifeBank, a medical logistics company that transports medical products such as donor blood, medicines, vaccines, and oxygen tanks in Nigeria and other African markets. CII requested support from INVEST to provide transaction advisory services in support of LifeBank’s Series A fundraiser.

ACTIVITIES

Building off a prior CII buy-in that resulted in the Blended Finance Roadmap for Global Health, a practical resource for USAID and other donors and partners to catalyze blended finance transactions, CII identified an opportunity to support LifeBank, in collaboration with the U.S. African Development Foundation (USADF) and the U.S. International Development Finance Corporation (DFC). CII requested support from INVEST to provide transaction advisory services in support of LifeBank’s Series A fundraiser. Under this activity, INVEST partner Open Capital Group Limited (Open Capital) provided transaction advisory support to LifeBank across three key phases:

Phase 1: Financial model review

- **Overview:** Open Capital conducted an initial assessment with LifeBank and advised on the suitability and investor readiness of LifeBank’s financial model by evaluating existing documents, testing assumptions, and providing recommended revisions as needed. Open Capital conducted an extensive review and updated and finalized LifeBank’s financial model based on findings.

Phase 2: Business valuation

- **Overview:** Open Capital leveraged the financial model to conduct a valuation analysis of LifeBank’s business by reviewing existing financial statements, using appropriate valuation methodologies, and taking market and investor expectations into consideration. Valuation methodologies included a market approach, discounted cash flow, and the venture capital method.

Phase 3: Transaction support

- **Overview:** Open Capital advised on investor engagement and outreach strategy, developed an investor target list, and supported LifeBank's outreach efforts. Open Capital also advised on LifeBank's Frequently Asked Question (FAQ) document, ensuring the list of questions was comprehensive, and provided recommendations on how to improve existing responses.
- **Key deliverables:**
 - Financial model
 - Valuation analysis and valuation report
 - Fundraising strategy and investor list
 - Transaction support: quarterly report, FAQ document, and investor outreach
 - Closeout report

RESULTS

- Open Capital refined LifeBank's financial model, investor engagement strategy, pitch deck, and other investor-facing materials, ensuring all documents were investor ready.
- Open Capital conducted two workshops to set up LifeBank for success in future engagements.
- Open Capital identified a long-list of 63 target investors and worked with LifeBank to identify and connect with ten high-priority investors.
- Open Capital facilitated introductions with ten investors and joined three investor calls to provide strategic inputs to advance discussions.

LESSONS LEARNED

- **Allocate more time for deeper engagement on critical strategic and operational topics.** Open Capital needed more time than expected to refine LifeBank's financial model for two reasons: 1) LifeBank took longer than anticipated to provide the required level of detail for key inputs such as revenue, cost drivers, working capital, and information on its growth plan. 2) LifeBank needed to re-evaluate key operational aspects such as its operational expenses and capital expenditures as the company scales up, which resulted in additional adjustments to the financial model. This iterative refinement process affected fundraising timelines and delayed outreach to investors. However, the additional time spent building the financial model led to a stronger strategy, investor narrative, and overall alignment across the various materials. LifeBank is now better positioned to handle rigorous investor requirements during due diligence.
- **Factor in market sentiment and set realistic expectations.** Recognizing that markets for venture capital investments in Africa are challenging, Open Capital anticipated that LifeBank may receive unattractive offers from investors. To address this, Open Capital factored in previous investor feedback and outlined a more realistic valuation for LifeBank. While this was initially challenging for LifeBank to accept, it positioned them more realistically for investor engagement and a successful raise given market conditions.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Health Tech Is Not a Fad; It's Desperately Needed — An Interview with LifeBank](#), Medium and Prosper Africa Blog, July 2021

USAID INVEST Buy-In Summary: Global Health Center for Accelerating Innovation and Impact Blended Finance Roadmap

Buy-in Name	Global Health CII (GH/CII) Blended Finance Roadmap
Buy-in Client	USAID Global Health
Period of Performance	May 2018 to January 2019
Buy-in Amount	\$350,000
Buy-In Support Type	Investment Opportunity Assessment
Program/Subprogram/Cross-Cutting Areas	Health Systems Strengthening
Subcontractors/Sub-Awardees	Access Partnership KOIS SA

OBJECTIVE

The Center for Accelerating Innovation and Impact (CII) in USAID’s Global Health Bureau has used non-traditional financing tools and approaches such as Development Credit Authority (DCA) agreements and Development Impact Bonds (DIBs) to achieve the Bureau’s global health goals. CII was interested in identifying opportunities to apply these tools more systematically and strategically, including by engaging the private sector and other non-traditional donors in blended finance opportunities.

Through this buy-in, INVEST worked closely with CII to identify roles and opportunities for USAID in the blended and innovative finance space for health by considering three country archetypes and five potential transactions.

ACTIVITIES

The work under this buy-in proceeded through three activities:

Activity I: Blended finance roadmap development (June 2018)

- **Overview:** In alignment with Agency goals, this activity built on existing work in sustainable financing to further define USAID’s comparative advantage and possible role in the blended finance for health space. Through a combination of desk research and key informant interviews with external stakeholders, INVEST and partner Kois developed a roadmap to identify where and how USAID Global Health can strategically and systematically apply approaches to achieve Bureau goals.
- **Key deliverables:**
 - Mobilizing Private Investment for Development roadmap: Guidance to support Mission teams in identifying financing issues and developing a list of potential instruments to solve them. The roadmap also further identified potential risks or constraints for USAID.

Activity II: Country case studies - Blended finance framework application (July-November 2018)

- **Overview:** INVEST and Kois collaborated with USAID to create a framework to identify countries where blended finance approaches are most likely to succeed. Based on Mission priorities and resources as well as interest and activities among the private sector and multilateral donors, the team identified three countries that offered three different profiles where blended finance approaches could demonstrate the most impact.

The three country archetypes were visualized as a spectrum: build, strengthen, and transition. Countries in the “Build” archetype often have less-developed health systems and lower private investor attractiveness, such as Liberia, while “Transition” archetype countries have more developed health systems and greater levels of private sector investors. India was identified as a “Transition” country because it continues to strengthen its health systems, as demonstrated by its improving health indicators and private sector-driven health system. Tanzania falls in the “Strengthen” archetype, which is reflected in its health indicators and its developing financial sector, in which private sector players have demonstrated interest in lending to the health sector.

- **Key deliverables:**
 - Preliminary list of country investment opportunities in three countries (India, Tanzania, Liberia)
 - Country archetype reports for India, Tanzania, and Liberia

Activity III: Final report (December 2018)

- **Overview:** INVEST and Kois completed a final report that included the framework, roadmap, and opportunity deals as case studies in a publishable external report for various stakeholders.
- **Key deliverables:**
 - Final report

RESULTS

- INVEST developed a six-step roadmap that detailed where and how USAID could apply blended finance approaches strategically to achieve global health goals.
- INVEST created a comprehensive framework—the country archetype—determined by two composite indicators, to help USAID identify countries where blended finance approaches would be most likely to succeed and which types of approaches were most appropriate.
- The six-step blended finance roadmap was tested in three countries: India, Tanzania, and Liberia. The roadmap defined three country archetypes which were designed to guide the shortlisting of blended finance instruments that would be relevant in a given context.
- INVEST completed and published a final report as part of CII’s Investing for Impact series, which lays out the framework, roadmap, and country case studies.

LESSONS LEARNED

- **USAID has a role to play in deploying blended finance approaches to improve health outcomes.** As the roadmap and framework demonstrated, there are a number of entry points for blended finance approaches to support health outcomes in USAID target countries.

The build-strengthen-transition archetypes provide Missions with a starting point to understand their context and appropriate interventions and demonstrate that their opportunities even in less developed markets that often aren't thought of for private sector solutions.

- **Different country contexts require different approaches.** While this lesson is generally understood within development, the work under this buy-in helped to segment the different types of countries in which USAID works and the considerations for Missions to think about when designing an intervention that integrates blended finance.

LEARNING AND COMMUNICATIONS PRODUCTS

- [More Than the Sum of Its Partners: Blended Finance for Global Health](#), report, February 2019.
- [Using Blended Finance to Solve Global Health Challenges](#), Marketlinks, February 2021
- [Tanzania Looks to Blended Finance Solution for Hospital Network Modernization](#), Medium, May 2021

USAID INVEST Buy-In Summary: Greenland Economic Growth and Community Development Landscape Assessment

Buy-in Name	Greenland Economic Growth and Community Development Landscape Assessment
Buy-in Client	USAID Bureau for Europe and Eurasia Technical Support Office
Period of Performance	March 2020 to March 2021
Buy-in Amount	\$250,000
Buy-In Support Type	Investment Opportunity Assessment
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Trade and Investment
Subcontractors/Sub-Awardees	CrossBoundary LLC

OBJECTIVE

In June 2020, the United States re-opened a Consulate in Nuuk, Greenland, 80 years after the first U.S. Consulate was first established. For diplomatic, economic, and geopolitical interests, the U.S. sought to deepen its engagement with Greenland and Denmark through the judicious use of foreign assistance under three pillars: (1) supporting positive influence by supporting mineral resource and energy sector governance; (2) strengthening bilateral ties by enhancing economic competitiveness; and (3) advancing economic opportunities through tourism and the development of sustainable rural communities.

Under this buy-in, INVEST contributed to the third pillar by conducting an economic growth and community development landscape assessment to help USAID better understand potential opportunities for Greenland to strengthen the country’s capacity, economic resilience, and self-reliance, with particular attention on opportunities in tourism expansion, export development, and community development and special emphasis on the socio-economic impact and social value added for women, indigenous people, and marginalized communities.

ACTIVITIES

The work under this buy-in proceeded in two phases:

Phase I: Desktop research and stakeholder consultations (August-November 2020)

- **Overview:** INVEST and CrossBoundary conducted a rapid assessment that included a combination of desk-based research, and virtual and in-person key stakeholder interviews, including state-owned and private enterprises, national ministries, municipal governments, and capital providers. The analysis from a diverse set of stakeholders provided insight into economic opportunities and priority sectors that demonstrated the highest impact potential for future U.S. Government partnerships.
- **Key deliverables:**
 - Concept note outlining initial findings and priority sectors to the Mission

Phase II: Economic growth and community development landscape assessment (November 2020-January 2021)

- **Overview:** Based on the insights from the initial desk research, stakeholder interviews, and feedback from the Mission, CrossBoundary developed the Greenland Economic Growth and Community Development Landscape Assessment that identified existing socio-economic challenges, constraints to economic growth, and five deep dive opportunities in priority sector areas for potential U.S. government support to bring equitable economic growth and community development in Greenland.
- **Key deliverables:**
 - Economic growth and community development landscape assessment: Final report

RESULTS

- In conjunction with the Mission, CrossBoundary conducted over 55 interviews with key stakeholders and a desk review of more than 80 reports, academic articles, company annual reports, and news articles.
- The landscape assessment identified four exogenous constraints that are unique to Greenland:
 1. Vast geography with low population density
 2. Small population and limited workforce that create limitations in industry expansion
 3. Unique political structure of shared responsibilities and powers between the Greenlandic government and the Government of Denmark
 4. Harsh operating environment and geographic isolation of Greenland
- The landscape assessment reviewed five important economic constraints along with six potential areas in which the U.S. and Greenlandic governments could partner to overcome said constraints:
 1. The workforce is limited in size and is characterized by a lack of qualified and skill workers. Thus, large scale educational efforts to increase productivity and reduce the dependence on imported labor is required. In addition, opportunities for education, English language training, and vocational training are critical to support the projected increase of the tourism sector.
 2. Fisheries are the most heavily utilized natural resource in the Greenlandic economy, but there are concerns around natural resource sustainability. The assessment included recommendations to continue the pursuit of sustainability certifications and proper management of the fishing industry.
 3. The high cost and low bandwidth to invest in infrastructure development leads to a lack of infrastructure and creates high operating costs for businesses, particularly in sectors that rely heavily on transportation and commercial infrastructure. Technical assistance and transaction advisory services for municipal and central governments can help address this lack.
 4. The prevalence of Greenland's state-owned enterprises (SOEs), which dominate major sectors including air travel and shipping, discourages entrepreneurship and private sector competition. Recommendations for improving SOEs include potential divestitures, and pricing and operation reviews for specific SOEs.
 5. The lack of knowledge of and access to the U.S. market limited the potential for export growth and trade with the United States. Recommendations for improving access to U.S. markets include establishing interline agreements and direct air routes, facilitating

lower shipping costs between Greenland and the United States, and value-added trade and investment facilitation.

LESSONS LEARNED

- **The U.S. Government is well positioned to support economic growth opportunities in Greenland’s tradeable sectors** including fishing, ice and water, sustainable tourism, and consumer goods. Some of these opportunities include the diversification of fishing revenues and providing technical assistance to companies for developing new sub-sectors; building vocational partnerships and English language training programs to tourism operators; and providing technical assistance and expertise on sustainability in tourism to access exclusive travel markets.
 - The U.S. Government’s trade and investment facilitation toolkit can support Greenlandic businesses to grow and access new markets, particularly in North America, that can open the market to a wide pool of investors. Greenland has a robust financial system relative to the size of its population. Greenland also boasts a two-pronged business incubation and acceleration unit financed through the government. Together they support new businesses and projects, making the Greenlandic ecosystem dynamic and robust to help prospective entrepreneurs.
 - The U.S. Government can also support the development of critical education infrastructure and professional exchange programs between businesses to expand and increase the quality of education in Greenland. Potential initiatives include financial support to educational institutions, technical assistance, partnerships with U.S. schools, cultural exchange programs, and e-learning opportunities to increase education levels in Greenland.

USAID INVEST Buy-In Summary: Haiti Agriculture

Buy-in Name	Haiti Agriculture
Buy-in Client	USAID Haiti
Period of Performance	September 2023 to July 2024
Buy-in Amount	\$995,000
Buy-In Support Type	Transaction Advisory
Program/Subprogram/Cross-Cutting Area	Economic Growth, Agriculture
Subcontractors/Sub-Awardees	CrossBoundary LLC Gestion, Etudes, Comptabilité, Audit (GECA) National Alliance for the Advancement of Haitian Professionals (NAAHP) ProCroissance

OBJECTIVE

The objective of the Haiti Agriculture buy-in was to stimulate private sector investment in the agriculture sector and advance food security in Haiti. The activity focused on enterprise-led development to unlock the potential of the private sector and create lasting employment and economic growth. Using a pay-for-performance compensation model to incentivize financial intermediaries and other actors, the activity sought to facilitate investment in agriculture-focused small and medium enterprises (SMEs) by bridging the gap between companies' needs and the supply of capital. Haiti Agriculture also aimed to engage the investor community and the advisors that facilitated the flow of private capital to target companies.

The Haiti Agriculture buy-in was a follow-on to the Haiti INVEST Platform buy-in. In July 2023, USAID Haiti added \$1 million of Ukraine supplemental funding to INVEST to support transaction closes for agriculture-related SMEs and promote food security across Haiti.

ACTIVITIES

The buy-in prioritized working with a small set of partners that could quickly close transactions supporting agriculture-focused SMEs or agribusinesses. The buy-in focused on three main pillars to achieve its overall objective:

1. Transaction origination and support to increase finance and investment for SMEs

- Overview:** INVEST subcontracted three transaction advisors (TAs) that had previously been engaged under the Haiti INVEST Platform—CrossBoundary, GECA, and ProCroissance—to identify high-impact agriculture SMEs and provide tailored transaction advisory services to close transactions. Support services included business plan development, financial model refinement, teaser development, and investor identification and engagement. INVEST employed a pay-for-results mechanism with the TAs, using fixed-price, deliverable-based contracts with payments in proportion to the size of deals closed. Payments were structured to occur at key milestones

during the investment transaction process, such as when a letter of engagement was signed, and additional payments were disbursed at deal closure.

- **Key deliverables:**
 - Nine letters of engagement signed with Haitian agriculture SMEs
 - Technical assistance provided to seven SMEs
 - Transaction closeout reports for three SMEs mobilizing \$5,400,000 in capital

II. Investor engagement and improving access to finance for SMEs

- **Overview:** Haiti Agriculture sought to actively engage investors to encourage investment flow into agriculture-focused SMEs in Haiti. INVEST prioritized engagement with impact investors and the diaspora community to highlight high-potential businesses in Haiti and offer a platform for partnership and investment. In February 2024, INVEST partnered with the event coordination firm NAAHP to host the three-day USAID Haiti “Connect, Partner, and Invest for Economic Recovery and Development” conference in Miami, Florida. The conference convened Haitian SMEs, TAs, impact investors, diaspora members, buyers, Haitian financial institutions, development finance institutions, and others.
- **Key deliverables:**
 - Investment facilitation event with 124 participants

III. Strengthening the local ecosystem

- **Overview:** INVEST launched the Haiti INVEST Advisory Committee under the Haiti INVEST Platform buy-in in March 2021, bringing together key stakeholders in the Haitian investment ecosystem tasked with identifying specific issues that impede investment and providing innovative solutions. Advisory committee sessions were held every quarter; each highlighted a different priority area for USAID Haiti.

Under this buy-in, INVEST convened an advisory committee session in September 2023 that focused on agriculture finance. Committee members discussed the challenges, opportunities, and potential synergies to move the agriculture sector forward. Another advisory committee meeting was held in June 2024. Committee members discussed achievements and lessons learned under INVEST’s full portfolio of activities in Haiti, including this one, and ways to continue to support agriculture SMEs after project close.

- **Key deliverables:**
 - Two advisory committee meetings

RESULTS

- Provided transaction advisory services to seven Haitian agriculture SMEs.
- Facilitated \$5,400,000 of capital into three SMEs.
- Supported 136 jobs, 32 of them held by women.
- Facilitated one investment networking event focused on diaspora engagements with 124 participants.

LESSONS LEARNED

- **Understand the specific challenges and opportunities for agriculture SMEs in Haiti.** In Haiti, agriculture has always been a challenging sector in which to operate and secure investment. Local commercial banks are reluctant to loan money to a sector that it deems too risky; interest rates are very high; and landowners are not protected against land stealing. Near the end of the timeframe for this buy-in, roads leading to the greater Port-au-Prince area came under the control of gangs, limiting business activities. Investment facilitation proved to be most effective when targeting international investors and when SMEs could demonstrate revenue streams from export activities. Despite the challenging socio-political environment, INVEST was able to facilitate three transaction closes for Haitian SMEs in the agriculture sector.
- **Continue dialogue with businesses and maintain a strong ecosystem to respond to the challenging security situation.** The security situation in Haiti significantly worsened in March 2024, when gangs took control of most of Port-au-Prince and forced the international airport to close for almost three months. This significantly affected business operations; SMEs reported limited or halted operations, less production and revenue, and disrupted movement and activities, especially around Port-au-Prince. TAs also reduced their transaction closure confidence, as investment activities were largely at a standstill until there was more clarity on near-term stability. INVEST maintained close dialogue with TAs and SMEs to understand their status and progress, and in the meantime focused on maintaining a strong ecosystem by connecting its partners to encourage continued support to SMEs after the end of the project. INVEST also reprogrammed funding originally planned for a final event to support the safe return of participants at the USAID Haiti networking conference in February 2024 and conduct an analysis of previously supported SMEs to recommend future USAID programming supporting Haitian SMEs.
- **Encourage the sustainability of partnerships and support beyond INVEST.** As the buy-in ended in June 2024, USAID and INVEST encouraged continued support to Haitian SMEs beyond INVEST. The USAID Connect, Partner, and Invest conference in February 2024 encouraged partnerships between the diaspora community, development finance institutions, Haitian financial institutions, and Haitian SMEs. The dialogues initiated at the conference can continue beyond INVEST. INVEST also hosted the final advisory committee in June 2024, which focused on presenting results and lessons learned during the life of the project and providing a forum for discussing avenues for continuing support to SMEs, including opportunities for future coordination, resource sharing, and organizing a sustainable TA network to catalyze investment for Haitian enterprises.

LEARNING AND COMMUNICATIONS PRODUCTS

- [USAID Haiti Connect, Partner & Invest for Economic Recovery and Development Conference](#) press release, February 2024
- [Haiti – Economy: The Haiti INVEST project mobilized US\\$31 million \(Haiti Libre\)](#) media coverage on Haiti closedown event, June 2024

USAID INVEST Buy-in Summary: Innovative Finance for Cholera in Haiti

Buy-in Name	Innovative Finance for Cholera in Haiti
Buy-in Client	USAID Global Health
Period of Performance	August 2018 to April 2019
Buy-in Amount	\$617,500
Buy-in Support Type	Investment Opportunity Assessment
Program/Subprogram/Cross-Cutting Areas	Health Systems Strengthening
Name of Subcontractors/Sub-Awardees	Dalberg Consulting US, LLC (Dalberg Advisors)

OBJECTIVE

Cholera emerged in Haiti following the earthquake in 2010, and while the epidemic was brought under control, there were still a significant number of cholera-related deaths between October 2010 and May 2018. The Government of Haiti (GoH), the United Nations (UN) Special Envoy to Haiti, and development partners wanted to explore the role that innovative financing mechanisms could play in fighting cholera in 18 hotspots. Through this buy-in, INVEST supported an evaluation of innovative financing mechanisms to eliminate cholera in Haiti.

ACTIVITIES

The work under this buy-in proceeded in three key phases:

Phase I: Feasibility study (September-October 2018)

- **Overview:** INVEST and its partner Dalberg Advisors conducted a feasibility study on existing water, sanitation, and hygiene (WASH) efforts and related activities. INVEST and Dalberg identified appropriate innovative financing mechanisms to help overcome key challenges and barriers to cholera elimination in Haiti.
- **Key deliverables:**
 - Inception report and presentation of the project’s vision and priorities and a preliminary stakeholder list.
 - Landscape and opportunity assessment: Conducted desk research and 80+ interviews with USAID, the GoH, and other external stakeholders. Evaluated partner activities related to cholera in Haiti to identify appropriate innovative financing mechanisms, including a Development Impact Bond (DIB).

Phase II: Potential financing mechanism design (November-December 2018)

- **Overview:** Based on the findings from the previous phase, Dalberg Advisors identified potential structures for innovative WASH financing mechanisms to eliminate cholera in Haiti.

- **Key deliverables:**
 - Innovative mechanism design for finance tools for the elimination of cholera: The illustrative economic model included program cash flows, governance structures, and innovative approaches like blended finance and pay-for-success activities.

Phase III: Business case and final report (April 2019)

- **Overview:** Dalberg developed a business case and final report on mobilizing investment for the elimination of cholera in Haiti.
- **Key deliverables:**
 - Business case report: Provided an overview of the cholera concerns in Haiti, the unique opportunity for innovative finance mechanisms to eliminate cholera transmission, and how key stakeholders, particularly the UN Special Envoy to Haiti, could generate financial support for cholera elimination.

RESULTS

- Completed a comprehensive landscape and opportunity assessment through desk-based research and conducted 80+ key informant interviews with experts from relevant entities. The assessment identified appropriate and feasible innovative financing mechanisms, including DIBs, to overcome challenges and move towards the elimination of cholera.
- Developed an innovative mechanism design aimed at eliminating cholera in Haiti.
- Published a final business case report that laid out a problem statement and the opportunity for innovative finance mechanisms to eliminate cholera transmission in Haiti. The report highlighted a Development Impact Bond—which uses a pay-for-success model—as a promising mechanism within Haiti since it has the potential to bridge the humanitarian-development divide and create new coordination platforms for UN cooperation that can be replicated. The report included immediate next steps for key stakeholders such as providing urgent funding for cholera immunization campaigns, investing in monitoring and evaluation systems that require technical assistance, and sharing knowledge with the broader development sector around innovative financing.

LESSONS LEARNED

- While public health crises are not often considered ripe for blended finance solutions, this activity demonstrated that there are opportunities to engage the private sector and investors to bring in the necessary resources to the table.

USAID INVEST Buy-In Summary: Haiti INVEST Platform

Buy-in Name	Haiti INVEST Platform
Buy-in Client	USAID Haiti
Period of Performance	September 2018 to June 2024
Buy-in Amount	\$5,930,834
Buy-In Support Type	Transaction Advisory, Investment Opportunity Assessment, Fund/Financial instrument
Program/Subprogram/Cross-Cutting Area	Economic Growth, Health, Education and Social Services, Agriculture, Financial Sector, Clean Energy, Water Supply and Sanitation, Basic Education
Subcontractors/Sub-Awardees	CEDEL Haiti CrossBoundary LLC Delphin Investments LLC Gestion, Etudes, Comptabilité, Audit (GECA) National Alliance for the Advancement of Haitian Professionals (NAAHP) ProCroissance ProFin Société d'Information, en Communication Sociale et Economique (SIKSE) Société Financière Haïtienne de Développement S.A. (SOFIHDES)

OBJECTIVE

The overall object of the Haiti INVEST platform was to stimulate private sector investment in Haiti. The activity focused on enterprise-led development to unlock the potential of the private sector and create lasting employment and economic growth. Using a pay-for-performance compensation model to incentivize financial intermediaries and other actors, the activity sought to facilitate investment in small and medium enterprises (SMEs) by bridging the gap between companies’ needs and the supply of capital. Haiti INVEST aimed to engage the investor community and the advisors that facilitated the flow of private capital to target companies. Haiti INVEST also sought to connect and convene relevant actors in the Haiti investment landscape, both domestically and abroad. One important objective was to engage the Haitian diaspora meaningfully to encourage investment back into Haitian SMEs.

ACTIVITIES

The buy-in focused on three main pillars implemented simultaneously to achieve its overall objectives:

1. Transaction origination and support to increase finance and investment for SMEs

- Overview:** Haiti INVEST utilized a network of transaction advisors (TAs) to identify businesses in need of capital, assist them in preparing for investments, and bring them to financial close. Starting in 2018, Haiti INVEST engaged with seven TAs—six local and one international—to

support promising Haitian SMEs. Support services included business model refinement, investment pitch decks and memorandum development, due diligence support, financial forecasting and modelling, and deal structuring. INVEST employed pay-for-results mechanisms with the TAs, such as fixed-price, deliverable-based contracts designed to balance incentives for deal completion with those meant to ensure impact and alignment of USAID’s development goals. Deliverable payments were made at key milestones during the investment transaction process, such as when a letter of engagement was signed, and additional payments were disbursed at deal closure. CrossBoundary LLC, GECA, CEDEL, and SOFHIDES were contracted in 2018; ProFin and ProCroissance in 2020; and SIKSE with InterConsultants in 2021.

In 2024, CrossBoundary was contracted to conduct a final analysis on the pipeline of SMEs they supported. The report assessed reasons for the success or failure of SMEs’ transaction closes under Haiti INVEST and provided considerations for future programming, including an overview of three key sectors ripe for growth within Haiti. Overall, 29 SMEs and investors were interviewed and provided their feedback on Haiti INVEST.

- **Key deliverables:**
 - 61 letters of engagement signed with Haitian SMEs
 - Transaction closeout reports received for 20 SMEs representing over \$30 million in capital mobilized
 - Report analyzing CrossBoundary’s pipeline of SMEs under Haiti INVEST

II. Investor engagement and improving access to finance to SMEs

- **Overview:** Haiti INVEST sought to help investors and lenders see how investment capital could flow to smaller enterprises that had not yet been able to access funds to meet their investment needs. The platform prioritized engagement with a broad range of finance providers that offer a spectrum of financial instruments through investment facilitation events and direct engagements. For example, in 2020 Haiti INVEST selected Delphin Investments, an asset manager based in New York, to create the Caribbean Resilience Fund (CRF), a vehicle that allowed overseas and local investors to invest in Haitian SMEs. Haiti INVEST also maintained an active dialogue with local banks and investors to keep them updated on activities carried out by its TA partners and supported SMEs. Finally, throughout the lifecycle of the buy-in, the platform hosted and sent members to attend investor and diaspora-focused events. These events allowed TAs and SMEs to network and connect with relevant investors, buyers, and potential partners.
- **Key deliverables:**
 - 17 investment facilitation events held by Haiti INVEST
 - \$407,200 in capital raised by Delphin for CRF

III. Strengthening the local ecosystem

Overview: To strengthen Haiti’s overall investment ecosystem, Haiti INVEST worked with development finance institutions and impact investors to identify synergies and areas for collaboration. Haiti INVEST launched the Haiti INVEST Advisory Committee in March 2021, bringing together key stakeholders in the Haitian investment ecosystem tasked with identifying specific issues that impeded investment and providing innovative solutions. Advisory committee sessions were held every quarter; each highlighted a different priority area for USAID Haiti. Haiti INVEST also held investment facilitation events each year, bringing together Haitian

businesses, local and international investors, development finance institutions, the diaspora network, and other relevant stakeholders for networking and information sharing.

- **Key deliverables:**
 - Formation of advisory committee
 - Nine advisory committee meetings

RESULTS

- Facilitated over \$31 million of debt and equity financing into 20 local SMEs across various sectors, including renewable energy, manufacturing, agribusiness, financial services, and recycling. The value of investment mobilized represents 12.71 times the value of donor resources used.
- Partnered with various local and international organizations, including six domestic TAs and one international TA, and provided technical assistance to 61 SMEs
- Partnered with one international asset manager that raised \$407,200 for the Caribbean Resilience Fund
- Supported 996 jobs, 385 of them held by women
- Provided technical assistance to three financial and non-financial institutions that extended loans and other financial products to SMEs
- Facilitated 17 investment networking events focused on diaspora engagements, discussing regulatory and environmental constraints to private investment and investor outreach and connections

LESSONS LEARNED

- **Capital raises take time.** The lasting negative image of the Haitian socio-economic environment and the deteriorating security situation during the course of Haiti INVEST affected investor appetite for Haitian-focused investments. Both the asset manager and the TAs saw lengthy delays in their capital raise processes. Furthermore, mediocre results from other fund vehicles in Haiti led investors to approach the market very cautiously. Investors sought safer assets and were reluctant to allocate capital in geographies and markets they perceived as too risky. While the Caribbean Resilience Fund managed by Delphin targeted a broad range of potential investors, both in-country and overseas, progress remained slow as many potential investors took a “wait-and-see approach” to committing funding to Haiti. The lack of viable prospects for the CRF led Delphin to request an early conclusion for their subcontract under INVEST. Learning from this experience, Haiti INVEST set more realistic capital-raise and transaction-close targets for the work under the Haiti Agriculture buy-in.
- **Support local transaction advisors to strengthen the market.** Supporting local transaction advisors can benefit the overall investment climate in a country such as Haiti where instability hampers the development of skilled financial intermediaries. The growth and advancement of local advisors contributes to the development of a more sustainable market of services that can benefit SMEs and capital providers in the future. USAID and INVEST helped local transaction advisors build the credibility and experience necessary to win future donor-supported transaction-advisory-based awards and eventually, as the market strengthens, for SMEs to solicit their expertise on a commercial basis.
- **Convening power is critical.** Providing a forum for financial and investment ecosystem players to convene and discuss ongoing or new challenges and opportunities was a major

component of Haiti INVEST's work. Local and international organizations active in Haiti sought ways to coordinate and share ideas. Although the primary objective of the Advisory Committee was to address constraints on investment in the private sector, members of the committee were also asked to share the activities of their respective organizations with each other. Members had expressed how valuable the forum was for their own learning and ability to share ideas. They also expressed that these convenings helped them to gain awareness of overlapping initiatives and opportunities for partnership. When Haiti INVEST concluded, convening relevant actors in Haiti's financial and investment ecosystem remained important given the country's continued security challenges. Regular convenings offer participants a platform to share insights on adapting to remote operations, maintaining investor relations, and remaining aware of viable investment opportunities. The members of the Haiti INVEST Advisory Committee indicated that they'd like to stay in touch and thought it was important to maintain a network of transaction advisors.

- **Partners require orientation to U.S. Government monitoring, evaluation, and learning (MEL) requirements.** MEL processes should be established at the onset of a project, and reporting requirements and expectations should be clearly and continually communicated with subcontracted partners and their beneficiaries—in this case Haiti INVEST's TAs and their portfolios of supported SMEs. Partners were used to working in the private sector and were unfamiliar with the rigorous reporting requirements of a government entity like USAID. TAs were at times late or reticent to report updates on the progress of the SMEs they had supported. Haiti INVEST attempted to rectify this misalignment in understanding by holding MEL-specific calls with each TA, simplifying and clarifying reporting templates, and reaching out to SMEs to let them know they would be asked to report on specific indicators if they received support from TAs through INVEST.
- **Deal sizes remain a constraint.** Deal sizes are a major consideration for investors. Smaller investments are costly to execute in markets like Haiti where investors have very limited access to information. In the market conditions present at the close of Haiti INVEST, the program's median investment of around \$100,000 would not be commercially viable without donor support. This sentiment was echoed at the June 2023 Haiti Investor Forum during a panel led by the DFC, where speakers emphasized that it was just as expensive and time-consuming for them to conduct due diligence for small transactions as for larger transactions. Haiti INVEST continued to try and bolster relationships with key investors to show them the value and necessity of these smaller transactions for building Haiti's economy. It also shifted to engage more with impact investors, who are motivated by impact and not just returns, during the last year of Haiti INVEST.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Haiti - Economy: Launch of a USAID project to mobilize investment funds](#), Haiti Libre, May 2019
- [New Initiative Looks to Drive Growth in Haiti's Private Sector](#), The Haitian Times, May 2019
- [Meet the Entrepreneur Who's Making Clean Water Accessible Across Haiti](#), Medium, November 2019
- [Haiti Invest: Presentation of the first group of transaction advisors](#), Juno7, January 2020
- [From Candy Princess to Toilet Paper Queen: How Haitian Entrepreneurs Like Myrtha Vilbon Are Improving Their Country and Why Investors Should Pay Attention](#), Medium, January 2020

- [With the Help of a Transaction Advisor, This Haitian Company Has Expanded Its Production in the Face of COVID-19](#), Medium, July 2020
- [Delphin Investments and USAID: Working Together to Mobilize the Haitian Diaspora to Invest “Back Home”](#), Medium, September 2020
- [Creating Opportunity for Haitian SMEs Amid Instability: A Conversation with Local Transaction Advisory Firm GECA](#), Medium, February 2021
- [Considering a Regional Investment Strategy to Drive Development in Higher-Risk Countries](#), Medium, March 2021
- [A Home Team Advantage, Deeper Markets, and a More Resilient Haiti](#), Medium, October 2021
- [Investments Bring Light to Haitian Households](#), Medium, February 2022
- [Off Grid Electricity Backs Solengy’s Solar Products for Rural Haiti](#), ImpactAlpha, March 2022
- [Lavi Spicy Peanut Butter is Unlocking International Markets](#), Medium, May 2022
- [Mobilizing Investment for Development with Transaction Advisory Services](#), Learning Report, June 2023
- [Caribbean Investor Capital eyes \\$4.5 million stake in Solengy for solar in Haiti](#), ImpactAlpha, July 2023

USAID INVEST Buy-In Summary: Haiti Public-Private Partnership (PPP)

Buy-in Name	Haiti PPP
Buy-in Client	USAID Haiti
Period of Performance	September 2018 to June 2022
Buy-in Amount	\$2,145,359
Buy-In Support Type	Investment Opportunity Assessment; Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth; Clean Energy; Resilience
Subcontractors/Sub-Awardees	Gide Loyrette Nouel, Tractebel-Engie

OBJECTIVE

The Haiti Public-Private Partnership (PPP) buy-in was one of the first buy-ins under INVEST. Its purpose was to source technical assistance services to assist the Government of Haiti (GoH) with modernization of the energy sector through the implementation of PPPs to privatize the operation, management, maintenance, and possible expansion of regional Haitian electrical grids. INVEST support was initially envisioned to provide international transaction advice to assist USAID and the GoH in implementing a PPP for the Caracol Power Utility (CPU), located in northern Haiti. Support was then expanded to include two southern regional grids – Petit-Goave and Les Cayes.

ACTIVITIES

Through INVEST, USAID provided comprehensive technical assistance to the GoH to support the privatization of the electricity sector in the Nord-Est, Sud, and Miragoane regions of Haiti. The advisory team, composed of legal (Gide Loyrette Nouel), engineering (Tractebel-Engie), and financial advisors (independent consultant), worked with the Haitian National Regulatory Authority of the Energy Sector (ANARSE) and the energy cell of the Ministry of Public Works, Transportation and Communications to structure a request for proposals for concessions to the private sector to operate the electricity grids in these regions on a “bundled” basis (including generation, distribution, and sale). The buy-in activities were structured in four phases:

Phase I: Structuring of transaction (September 2018-September 2019)

- **Overview:** During Phase I, the advisors determined how bids would be structured and whether there would be a technical proposal and evaluation or a price-only bid for the Caracol PPP. The structure and financial and economic impacts of different tender evaluation criteria and how these might be weighted was explored with GoH officials. In March 2019, the two regional grids – Petit-Goave and Les Cayes – were also added to the scope and began another structuring for a single tender for the two southern grids.
- **Key deliverables:**
 - Inception report
 - Draft and final transaction structuring

Phase 2: Pre-qualification process; (September 2019-October 2020)

- **Overview:** INVEST engaged a team of advisors to support the GoH and provide technical assistance to ensure an open, transparent, and competitive procurement for the two tendering processes.
 - Legal advisor: INVEST engaged Gide in September 2019 to assist the GoH in its efforts to privatize ongoing operations, maintenance, and management for all three grids and the potential expansion of the CPU while protecting the interests of current consumers for reliable and affordable electricity supply. Gide acted as the transaction legal advisor, working closely with the engineering and financial advisors to draft the tender documentation.
 - Engineering advisor: INVEST engaged Tractebel-Engie in October 2019 to serve as an engineering advisor, providing technical analysis and advisory services to support the drafting of the tender documentation, reviewing bids, and assisting negotiations.
 - Financial advisor: INVEST hired an independent consultant to provide financial advisory services for the procurement process.

The bidders were pre-qualified through a Request for Prequalification based on their technical and financial qualifications and were then invited to participate in a full Request for Proposal (RFP) process. The Request for Prequalification process was delayed because the qualification process required significant clarification and feedback to bidders to pre-qualify applicants for the full proposal process. Requests for Prequalification for the tenders were released in September 2019 and due in early 2020. The prequalified bidders received an RFP following their submission of the Request for Prequalification and were invited to participate in a bidders' conference in June 2020.

- **Key deliverables:**
 - Revised qualification document incorporating the IDB term sheet (Gide) and incorporating comments from negotiations with the IDB, USAID, and GoH
 - Revised draft concession agreement
 - Bidders' conference presentation
 - Final RFP

Phase 3: Tendering process and negotiations phase (October 2020-September 2021)

- **Overview:** Following the prequalification stage, the pre-qualified bidders received an RFP, were invited to participate in the bidders' conference, and entered a tender phase. The tenders for all three grids – the Northeast Caracol plant and two Southern grids – ran in parallel. This tender phase allowed bidders the opportunity to ask questions and propose changes to the concession agreement and its specifications. Following the RFP release, bids were received in November 2020 and the procurement committee, including USAID, GoH, and the INVEST advisor team, reviewed and shared clarification questions with the bidders in December 2020. The procurement committee opened the financial proposals in January 2021.
 - During the review of the Caracol proposals, it became clear that one of the two proposals was the preferred bid and the committee continued negotiations with the preferred consortium. However, even though the bid was preferred, it included deviations from the RFP documents and required further clarification and negotiations between the procurement committee and the selected consortium. Despite further

negotiations, the parties could not agree on a price and the tender was declared unsuccessful in September 2021.

- During the review of the Southern grid proposals, there was only one bidder who suggested merging the two Southern grids to lower the price. The Government of Haiti entered into direct negotiations with the bidder for the Southern grids and after months of negotiations with the support of the advisory team, the proposal was ultimately deemed unaffordable for Haitian consumers by the Government of Haiti and declared unsuccessful at the end of May 2021.
- **Key deliverables:**
 - Final negotiation and letters for Les Cayes and Miragoane
 - Final negotiations, proposed concession agreement & MOU with selected bidder; draft of power purchase agreement (PPA) between the Caracol Industrial Park (PIC) Operator and the NE Concessionaire

Phase 4: Transfer & lessons learned phase (September 2021– June 2022)

- **Overview:** Following the unsuccessful tender, the GoH requested support in negotiating a provisional contract with NRECA International, the private operator running the Caracol power plant. NRECA had a contract with USAID to operate the plant that was set to expire on January 30, 2022, with no possibility of extension, and the GoH wanted to ensure continued operation and electricity to the grid. INVEST legal and financial advisors provided advisory services and support in this effort through revision of the financial model, operation projections, and drafting and negotiation of the final contract.

In parallel, INVEST legal and financial advisors conducted an assessment of the unsuccessful tendering process. This assessment provided an overview of key activities, analysis of how decisions impacted the outcomes of the tendering process, lessons learned throughout the process, and recommendations for USAID and the GoH on how to improve the likelihood of success for future similar initiatives.

- **Key deliverables:**
 - Final transfer memo
 - Draft and final NRECA contract
 - Lessons learned report

RESULTS

- Completed a lengthy tendering process including the drafting of tender documents in support of the procurement.
- Supported the negotiations process for the tender of regional grids.
- Developed a lessons learned report.

LESSONS LEARNED

- **Consider both local expertise and technical and financial capacity and experience.** Even though there was strong interest from Haitian electricity companies, they did not have the capacity to implement the tenders. No matter how much interest may be shown, technical and financial capacity and experience are needed to implement projects independently.

- **Marketing efforts are necessary to attract qualified firms.** Even with time and resource constraints, marketing efforts should not be overlooked or diminished. Future projects should include significant marketing efforts before launching tenders to garner the anticipated responses from the private sector.
- **Reassess the bundled utility model prior to tender.** In many mature markets, the electricity sector is unbundled, and several or all segments are delegated to the private sector. However, in this tender the GoH replicated the existing model to transfer bundled regional concessions to the private sector. From the responses received it was clear that some bidders had trouble finding the right partners to implement all segments of the bundled model (generation, transmission, distribution, and sale). For future projects, the GoH should consider other models or unbundle the sector and delegate certain segments (such as generation) to the private sector to attract their interest, keeping other segments within the scope of the public sector.
- **Subsidies and grants may be necessary in high-risk undeveloped markets.** The GoH's main priority was to structure transactions that would result in a price of electricity that was affordable for Haitian consumers. Based on market feedback, private sector actors believed that it was impossible to reach the Haitian authorities' target price without some form of Government support and subsidy.
- **Size matters in the energy sector: Larger energy projects attract the private sector.** The lack of economies of scale in operating small utilities makes it challenging to keep costs low. Typically, utilities are privatized on a national rather than regional scale. The GoH should consider merging grids before relaunching the tender, though further technical and feasibility studies would be required.
- **Energy mix should be clearly defined, and an increase of renewable energy could be considered.** Each transaction was structured by mandating the energy mix and the sources of energy. By imposing the energy source, bidders were prevented from having the freedom to evaluate the best and most economical generation solution for the grid they would be responsible for operating. As a result, bidders could only focus on operating efficiencies that could be achieved by running generation facilities at optimum levels. Before relaunching the tender, the GoH should consider the following: some bidders and/or investors have clear mandates to invest in renewable energies; some grants are tied to renewable energy projects; and reducing the thermal generation allocation would result in lower cost uncertainty given how drastically the price of fuel or gas fluctuates.
- **Reduce the demand risk.** Most bidders seemed to agree that the installation of pre-paid smart meters was a very efficient policy to mitigate the payment risk and that this requirement should be kept for future projects. However, if there is little certainty on demand levels, the GoH should either provide reliable data to give more comfort to the bidders or agree to bear part of this risk.
- **Reliable data and statistics are needed.** Having more reliable studies and data on demand will inevitably increase the credibility of projects and reduce their uncertainty and price.
- **Pivots are necessary when force majeure and external factors beyond control affect a project.** Pivots in implementation are necessary when barriers to implementation are encountered.

USAID INVEST Buy-In Summary: Haiti Renewable Energy Market Assessment

Buy-in Name	Haiti Renewable Energy Market Assessment
Buy-in Client	USAID Haiti
Period of Performance	July 2022 to March 2023
Buy-in Amount	\$450,000
Buy-in Support Type	Investment Opportunity Assessment
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Clean Energy/Resilience
Subcontractors/Sub-Awardees	CPCS Transcom Limited

OBJECTIVE

The electricity sector in Haiti is still struggling to unlock its full potential, with average access to electricity at 45.4% overall and less than 2% in rural areas as of 2019⁴. The goal of this activity was to help USAID Haiti understand market conditions and identify investment opportunities for off-grid renewable energy solutions for households and small and medium enterprises (SMEs) in Haiti. With a better understanding of the supply and demand for renewable energy solutions, USAID Haiti is better equipped to support market development for affordable, reliable energy sources for households and SMEs that will lower their production and distribution costs, promoting long-term competitiveness and profitability. The findings, insights, and recommendations by INVEST's subcontractor CPCS Transcom Limited were intended to significantly contribute to Haiti's ability to meet its energy needs in the future.

ACTIVITIES

The activity consisted of an extensive off-grid energy market assessment, including over 100 focus group discussions (FGDs) with households, SMEs, suppliers, and financial institutions. Implementation focused on two workstreams: a market assessment followed by an assessment and recommendations on financing solutions to meet market needs.

Phase I: Market assessment overview

- Overview:** Based on the primary data collected, the market assessment determined the market size for off-grid solar (OGS) products, identified barriers facing the sector, and determined the potential for off-grid products and solutions. To ascertain demand for OGS products, CPCS paired FGDs with individual surveys among the focus group participants, which complemented the FGDs by allowing for the collection of more sensitive information, such as willingness to pay. Targeted customers included households, SMEs, and institutional consumers such as schools or medical centers. Due to the differences in the needs and financing capacities of each potential user, surveys were designed specific to each sub-group. CPCS ultimately conducted 105 total FGDs, with 6-8 individuals per group, for a total of 645 participants: 260 households, 335 SMEs, and 50 institutional consumers. To study the supply of OGS products, 18 suppliers (businesses that sell off-grid equipment, either wholesale or retail) were interviewed to collect specific

⁴ W. B. Data, «World Development Indicators,» [Online]. [Accessed January 05, 2023].

information about the products they sell, their business models, their financing needs, the barriers they encounter, and the opportunities they foresee.

- **Key deliverables:**
 - Electricity sector and financial landscape report
 - Off-grid solutions final market assessment
 - Validation workshop

Phase 2: Financing solutions assessment of off-grid energy solutions

- **Overview:** The objective of this phase was to identify and design financing solutions to meet off-grid energy market needs for both SMEs and households in Haiti, looking at current credit structures and exploring additions and alternatives that might be feasible and impactful. The recommendations included both policy and non-policy support measures on the supply side as well as financing options.
- **Key deliverables:**
 - Off-grid solutions financing solutions report

RESULTS

- For the market assessment, CPCS conducted 105 focus groups and 645 surveys with households, SMEs, and institutional consumers. Conclusions and recommendations included:
 - Potential for growth: CPCS determined that the Haitian off-grid market has the potential to grow by about 700,000 households, 250,000 SMES, and 5,000 institutional consumers.
 - Market barriers: There are several barriers facing the OGS industry in Haiti, most related to taxation, customs procedures, and—most importantly—fundraising. The need for financing is great, as 80% of the companies surveyed are financed by their own funds and face significant challenges raising funds from banks or government subsidies.
 - Importance of quality control: It is crucial that companies selling off-grid energy solutions focus on quality and reliability to ensure customer satisfaction and build trust in the market. Offering high-quality products that work well and deliver value to customers can help build a strong reputation for the industry and can support growth in the off-grid energy market.
- From the financing solutions assessment, findings included both demand-side and supply-side recommendations, including:
 - Demand side:
 - *Donor funded projects:* Donor funded projects are fully paid systems and should be restricted to certain institutional recipients.
 - *Cash sales:* Cash sales are the most straightforward way to purchase OGS products but face affordability obstacles. Therefore cash sales are to be adopted where possible, but alone won't allow for the advancement of the OGS market in Haiti.
 - *PAYGO:* PAYGO has proved its worth in other geographies and can be applied in Haiti in certain situations. However, considering i) the availability and reliability of the mobile network in Haiti, especially in isolated areas, ii) the low distribution of OGS suppliers in the country, iii) the current security situation, and iv) the regulatory constraints for financial institutions offering micro-finance

services (if considered as such) to have a minimum share capital, PAYGO is not the best choice to address short-term OGS needs.

- *Micro-credit*: In contrast to PAYGO, MFIs are well distributed in the country and adopted by the population and no telecom technologies are mandatory. Therefore, the micro-credit by MFIs is a relevant candidate to solve a large part of the demand-side OGS financing issue.
- *Demand side subsidy*: The above-mentioned models at times need to be supplemented by demand-side subsidies covering a portion of the system's selling price to remove barriers related to upfront cost, cost of money, and eligibility requirements to usually better include poor, remote, and isolated communities. However, they need to be used with caution to avoid market distortion, which can hamper other energy access efforts.
- Supply side:
 - A variety of financing instruments exists for the use of suppliers. These include grants, debt, equity, catalytic tools (guarantees, incentives, insurance), and innovative mechanisms (carbon credits, off-balance-sheet financing).

LESSONS LEARNED

- **Adaptation was key.** Worsening security issues in Haiti made gathering in person extremely difficult. CPCS identified a number of households, SMEs, and institutional customers to be part of focus groups for the market assessment. However, due to security concerns towards the end of 2022, the implementation timeline had to be extended. The activity had to adapt its approach to collect the information needed while taking safety and security measures into consideration.
- **The OGS market is a commercial market unlike other segments of the power industry** (e.g., utility-scale generation, transmission, and distribution). Most other segments in the energy space in Haiti are driven and managed by government agencies, such as *Electricité d'Haiti* (EDH) and *Autorité Nationale de Régulation du Secteur Energétique* (ANARSE). These segments of the energy sector are driven by institutional decisions with projects implemented through public procurements. By contrast, the off-grid market segment is currently dominated by private investors and lacks intervention by public institutions.
- **Financing instruments alone are not sufficient to ensure the sustainable development of an OGS market.** Financing needs to be accompanied by support such as public policies supportive of OGS and non-policy measures such as consumer awareness campaigns, a national OGS organization, and technical assistance to implement financial solutions.
- **Off-grid solar products can increase energy access if the industry can overcome barriers.** These barriers include a lack of a clear national strategy, complex customs procedures, opaque tax structures, security concerns, and fundraising challenges for off-grid businesses. There is an acute need for financing, as 80% of off-grid suppliers rely on their own funding due to high interest rates for loans or challenges qualifying for government subsidies. Still, there is strong demand and opportunities for market growth. Policy and regulatory reform, favorable SME tax policies, a national green energy strategy, improved customs procedures, and better training could all strengthen the off-grid solar market. In addition, educating consumers about financing options such as pay-as-you-go, microcredit systems, and donor support could supplant their heavy reliance on upfront cash payments and expand energy access.

USAID INVEST Buy-In Summary: India 3.0 Innovative Funding Platform

Buy-in Name	India 3.0 Innovative Funding Platform
Buy-in Client	USAID India
Period of Performance	June 2018 to September 2018
Buy-in Amount	\$493,722
Buy-In Support Type	Investment Opportunity Assessment/Fund/Financial Instrument
Program/Subprogram/Cross-Cutting Areas	Health/Water Supply and Sanitation, Systems Strengthening
Subcontractors/Sub-Awardees	Dalberg Consulting US, LLC

OBJECTIVE

USAID India aimed to identify new and enterprise-driven ways to catalyze development in India, exploring the possibility of a “USAID India 3.0” platform to fund development activities across three key sectors – tuberculosis (TB); water, sanitation, and hygiene (WASH); and environment, energy, and health (EEH). The USAID-seeded platform was intended to mobilize private sector funding to achieve development objectives in each sector.

Through this buy-in, INVEST worked with USAID India to develop a market landscape assessment of the three sectors and devise a complete business plan, financial model, and recommended rollout plan for the platform under a variety of budget scenarios. The platform, a new legal entity, was expected to issue debt; make grants, equity investments, and first-loss mechanisms; provide letters of credit; provide technical support to the Government of India or the private sector in India, raise or crowd-in investment; source deals; and commission and issue research reports.

ACTIVITIES

The work under this buy-in proceeded in two key phases:

Phase I: Market and legal assessment (June-July 2018)

- **Overview:** INVEST partnered with Dalberg Consulting to carry out a market and legal assessment for the TB, WASH, and EEH sectors. The market assessment included major actors currently operating in these sectors in India, a gap analysis outlining USAID’s value proposition to offer catalytic impact, opportunities for investment or co-investment, potential financial risks and viability, and details on similar initiatives undertaken by other development donors. Dalberg then engaged a local Indian law firm with experience in corporate structuring and impact investments to deliver a legal assessment that detailed the legal requirements to house the USAID India 3.0 platform.
- **Key deliverables:**
 - Market assessment and final recommendations report and presentation
 - Legal assessment and final recommendations report and presentation

- Technical annexes, including primary information from surveys, interviews, and other sources

Phase II: Business plan and financial model (July-September 2018)

- **Overview:** Dalberg conducted 31 interviews with experts in the TB, WASH, and EEH sectors and developed a full business plan, financial model, and suggested roll-out plan with branding strategy and timeline for the chosen USAID India 3.0 platform under different budget scenarios.
- **Key deliverables:**
 - Business plan and final report and presentation
 - Financial model, including a variety of budget scenarios
 - Rollout timeline and plan for incorporation of the new platform, including branding strategy

RESULTS

- Completed a comprehensive market landscape assessment in three focus sectors (TB, WASH, and EEH) to inform the design of the USAID India 3.0 platform. The assessment included 18 interviews with donors, foundations, non-profits, private sector investors, and companies, along with secondary literature reviews. It identified capital availability in India, relevant opportunities, and intervention stages within the identified sectors given their unique readiness for direct private capital funding. It also identified potential partnerships and co-investors in different technical sectors including NGOs, private sector actors from the United States and India, and academic or research institutes.
- Completed a legal assessment and provided recommendations on five potential structures for the USAID India 3.0 platform.
- Held a workshop with USAID India, USAID Asia Bureau, the Private Capital Microenterprise (PCM) office, and the INVEST team to share Phase I findings and emerging risks for feedback.
- Developed a business model for a separate entity, based on Phase I findings and feedback, including a theory of change to help define the entity's strategy, financial model with various seed capital scenarios, roll-out timeline, and branding strategy.

LESSONS LEARNED

- **Market landscape assessments are a crucial first step.** While there are relevant opportunities in the three focus sectors, USAID 3.0 platform's interventions were recommended to occur at different stages across the sectors based on their readiness and maturity for direct private capital funding and potential for returnable capital. The market landscape assessment helped inform USAID's strategy to leverage innovative funding mechanisms and launch potential partnerships at the entity and sector levels.

USAID INVEST Buy-In Summary: India Education

Buy-in Name	India Education
Buy-in Client	USAID India
Period of Performance	December 2021 to July 2024
Buy-in Amount	\$4,230,000
Buy-In Support Type	Investment Opportunity Assessment, Fund/Financial Instrument
Program/Subprogram/Cross-Cutting Area	Education and Social Services/Basic Education/Youth
Subcontractors/Sub-Awardees	Boston Consulting Group British Asian Trust with partners Central Square Foundation and Dalberg Consulting US LLC

OBJECTIVE

USAID India aims to increase the capacity of state governments in India to implement evidence-based service delivery in foundational learning. Through this buy-in, INVEST worked with USAID India to leverage private and public-sector resources to improve foundational literacy and numeracy (FLN) in Indian pre-primary and primary schools.

ACTIVITIES

The work under this buy-in proceeded in two key phases:

Phase I: Market and regulatory landscape assessment (January-April 2021)

- **Overview:** INVEST partnered with Boston Consulting Group (BCG) to conduct a private sector engagement (PSE) market landscape and regulatory environment assessment of the primary and pre-primary education sector in India. BCG assessed the financial instruments available by studying examples found in the development and education sectors and analyzed the pros, cons, capabilities, and risks for each instrument. With this information, BCG selected potential partner states for a catalytic funding initiative and conducted state-specific market assessments to identify key gaps with the highest potential for positive impact.
- **Key deliverables:**
 - Market landscape and regulatory assessment of PSE in the Indian basic education sector
 - Assessment and recommendations on PSE and financial instruments
 - State-specific market assessment, regulatory assessment, and recommended PSE options

Phase II: Implementation of targeted and tailored PSE instruments in the education sector (November 2021-June 2024)

- **Overview:** INVEST worked closely with the British Asian Trust (BAT) and its affiliates to leverage USAID resources to catalyze commercial investment in alignment with USAID India’s objectives. This activity aimed to improve foundational literacy and numeracy (FLN) among

children in Uttar Pradesh, Bihar, Jharkhand⁵, Haryana, Himachal Pradesh, and Municipal Corporation of Delhi.

1. Fund design (November 2021-April 2022): BAT designed the LiftED fund (formerly named the Back-to-School Outcomes Fund, or B2SOF) to address poor educational outcomes in FLN across India, compounded by significant learning losses due to pandemic-related school closures. LiftED includes a Development Impact Bond (DIB), an accelerator, and an outcomes-based challenge for districts to encourage government stakeholders to adopt FLN solutions.
2. Launch and implementation (May 2022-April 2024): BAT launched and began to implement elements of LiftED. This included:
 - Runway year (August 2022-March 2023): BAT first implemented a "runway year" for the DIB, a grant-funded program that was designed to enable four high-quality implementing partners to launch interventions and prepare for scale-up in advance of a formal DIB launch. The runway year was followed by a three-month bridge period to finalize the DIB's implementing partner portfolio and re-design outcomes frameworks for the DIB based on learnings gathered from baseline/endline assessments.
 - DIB: The DIB, launched in January 2024, is a four-year program, with four implementing partners (IPs) in five states. The overall objectives are to 1) Demonstrate proven in-school FLN solutions at scale, using results-based financing and rigorous performance tracking; 2) Support low-cost indirect interventions, intended to work at scale, and measure direct learning gains in children; and 3) Align with the Government of India's objectives in the national FLN initiative (NIPUN Bharat).
 - Accelerator: The accelerator was launched in December 2022 as a three-year program. It was designed to catalyze innovative home- and community-based FLN solutions in the EdTech sector, preparing the best solutions for scale to complement the DIB and improving learning outcomes for low-income children in India.
3. Outcomes-based challenge design (April 2023-April 2024): BAT designed an outcomes-based District Innovation Challenge to boost government capacity and motivation to absorb and integrate effective FLN solutions. The District Innovation Challenge uses a pull-based approach to incentivize government stakeholders to drive FLN outcomes. After completing a high-level feasibility study on the challenge, BAT selected Jharkhand for the first year and plans to scale up to other states the following year. All of Jharkhand's districts will participate and the challenge will be implemented over three years through three program phases: 1) Districts compete to improve their FLN outcomes; 2) Districts' performances are evaluated periodically (monthly, quarterly, and annually); and 3) Districts are incentivised and rewarded based on their performance.

⁵ Work in Jharkhand was under the Accelerator only.

- **Key deliverables:**
 - Fund design report
 - Accelerator and DIB design report
 - Quarterly and annual reports
 - Challenge design report
 - Supporting documentation for a successful capital raise for the DIB and accelerator
 - Design of learning platform
 - Plan for engagement with USAID India

RESULTS

- BCG completed a comprehensive market and regulatory landscape at both a national and state level to identify impactful and achievable catalytic interventions for USAID in the Indian education sector. The report identified 12 Indian states that could be strong candidates for intervention based on demographic and educational data and state governments' willingness and ability to implement FLN initiatives. The report identified Development Impact Bonds and outcomes-based financial instruments as critical tools for complementing existing initiatives.
- BAT mobilized \$15.6 million for a series of innovative and complementary initiatives to address pandemic-related learning losses in FLN among children in India. Overall, these initiatives are expected to affect four million children across six Indian states through 26 organizations providing FLN solutions for base-of-the-pyramid students.
 - The runway year in preparation for the DIB was delivered successfully, reaching 735,028 students and 17,663 stakeholders. The DIB itself launched in October 2023, surpassing the original target of \$10 million to raise \$13.2 million.
 - BAT also secured \$2.3 million for its accelerator program to support impact-first remote FLN providers to scale, enhance cost effectiveness, and collaborate with local and regional governments.
- BAT developed a strategy document detailing the objectives of the platform, intended audience groups, structure, types of resources for the DIB and Accelerator, and a high-level workplan detailing the launch of learning platform.
- BAT developed a plan for engagement with USAID/India detailing USAID's anticipated role and involvement in the DIB and Accelerator programs to facilitate engagement after the completion of the INVEST support.

LESSONS LEARNED

- **Market and regulatory assessments are a critical first step in identifying catalytic FLN initiatives.** The education sector in India is complex, and challenges and opportunities for private sector-led educational development vary by state according to the regulatory landscape, the priorities and resources of state governments, and the existing level of educational attainment. Conducting a market and regulatory assessment was crucial in determining which states would have the willingness and capability to commit to a complex, long-term FLN initiative. The assessment was also critical in identifying existing private sector actors and funders to assess possible partnerships and potential financial instruments which would be effective and acceptable within the operating environment.

- **Implementing a runway year for outcomes-based financing instruments is valuable.** Endline results from the DIB runway year produced lower-than-anticipated effect sizes, with statistically insignificant differences between the treatment and control groups. Accordingly, BAT elected to push back the DIB launch by several months to reassess DIB targets and adapt their MEL plan to capture the measurable improvement critical to demonstrate a return on investment. Identifying and addressing these challenges prior to the formal launch of the DIB was crucial in enabling BAT to effectively monitor the progress of the DIB prior to investment capital being deployed.
- **Close coordination with local implementing partners is vital to success for outcomes-based financing mechanisms.** In collaboration with USAID, the lead partner(s) should clearly articulate the roles and responsibilities of different parties before the outcome years begin and ensure that IPs receive adequate support and flexibility. In designing this type of activity with multiple IPs, it is critical to maintain a flexible approach to navigating challenges and to adjusting intervention design, since external events (e.g., the announcement of elections) can impact IPs' ability to work with system actors. Moreover, the lead partner(s) should ensure clarity on the outcomes assessment framework for IPs and ensure alignment with government priorities.
- **Flexible contract payment structures are critical for supporting partners' capital raises.** Due to the unpredictable nature of capital raises, INVEST found that payments associated with specific thresholds were difficult to manage. They required the subcontractor to raise all the way to the threshold before receiving payment, even if they were close to the threshold for some time. This restricted funding to partners and made it difficult for INVEST and USAID to predict the financial pipeline for payments. INVEST switched to a rolling, pro-rated contract structure that enabled the partner to invoice for capital raised on an ongoing basis.

LEARNING AND COMMUNICATIONS PRODUCTS

- [What USAID India is Learning from Working with Private Sector Partners to Improve the Delivery of Public Services](#), Medium, May 2021
- [Voices from the USAID Finance and Investment Network: Boston Consulting Group](#), Medium, May 2021
- [5 Things You Need to Know About Engaging the Private Sector in Public Goods](#), Marketlinks, June 2021
- [EdTech-focused Accelerator launched to support foundational learning for children from low-income communities in India](#), press release, December 2022
- [Addressing India's Education Crisis: Creative Ways to Bring in the Private Sector](#), Medium, May 2023

USAID INVEST Buy-In Summary: India Tibetan Finance

Buy-in Name	India Tibetan Finance
Buy-in Client	USAID India
Period of Performance	October 2019 to March 2023
Buy-in Amount	\$630,000
Buy-in Support Type	Transaction Advisory
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Financial Sector/Capacity Building
Subcontractors/Sub-Awardees	Dalberg Development Advisors, in consortium with Unitus Capital and Shardul Amarchand Mangaldas (SAM)

OBJECTIVE

Tibetan refugees in India are an underserved community, further disadvantaged by a lack of access to financial support. This lack of access to finance impedes start-ups and enterprises within the community, reducing financial resilience.

In 2017, USAID supported the Social and Resource Development (SARD) Fund in launching the Tibetan Refugee Livelihood Support Programme (TRLSP) under the Central Tibetan Authority’s (CTA) Department of Finance. TRLSP was established as a part of the SARD Fund to provide soft loans to Tibetan businesses and enterprises to resolve their capital needs, reducing their dependence on informal high-cost loans and improving economic opportunities for Tibetans in India. TRLSP supports economic growth for the Tibetan refugee community by increasing household incomes and employment. Entrepreneurship and micro- and small- and medium-enterprise (MSME) development are key focus areas.

Through this buy-in, USAID India provided capacity-building support to CTA’s fundraising efforts for the TRLSP. The actual fundraising process was run by CTA, using the strategy, collateral, and other inputs created by INVEST.

ACTIVITIES

TRLSP was established to address credit needs for Tibetans in India who are excluded from formal financial systems. In its first two years, from 2017-2019, TRLSP provided INR 277 million (approximately \$3.9 million) in financial assistance to more than 2,000 Tibetans. Building on the success of the TRLSP pilot and recognizing the need for a formal institution dedicated to Tibetan refugees, Gang-Jong Development Finance (GDF) was incorporated as a non-banking financial institution in December 2018, backed by the CTA to build on the work started by TRLSP and expand offerings to reach more Tibetan refugees.

In April 2020, INVEST subcontracted Dalberg, in consortium with Unitus Capital and Shardul Amarchand Mangaldas (SAM), to support GDF with 1) an organizational capacity assessment and 2) a capital raise of \$10 million. Dalberg completed the organizational assessment work with GDF in the first phase of the initiative.

In May 2021, CTA welcomed new leadership, who did not believe support for Tibetans through GDF was as successful as support through TRSLP and requested INVEST redirect support to the fundraising process for the TRSLP program. This led to a stop work order from February to September 2022 as USAID, CTA, and INVEST aligned on a revised scope. CTA had found great value in the TRSLP soft loan program and wanted to support the growth of the program by identifying additional potential donors and expanding fundraising activities, which informed the revised scope of work under INVEST.

Dalberg's revised scope of work (modified in September 2022) focused on supporting CTA in preparation for a \$2.2 million fundraiser for TRSLP. Dalberg worked closely with CTA to build its capacity and develop a successful fundraising plan. The actual fundraising process was implemented by CTA, which aimed to close its first round in Q3 2023 following the end of INVEST's support, utilizing the strategy, collateral, and other inputs created through the INVEST engagement.

Dalberg's engagement in this second phase, from September to December 2022, focused on the following objectives:

1. Building a case for additional funding to drive the expansion of the TRSLP program and identification of potential funding partners who can support it in the long term.
 2. Assessment of funder interest and shortlisting interested funders.
 3. Internal capacity development of CTA so it can lead future fundraising independently and effectively.
- **Key deliverables:**
 - Organizational capacity assessment report for GDF
 - Action plan for GDF
 - Investment package for GDF
 - Pitch deck and potential donor list for TRSLP
 - Funder guides for TRSLP

RESULTS

- Dalberg developed a detailed pitch deck and an executive summary, using insights from CTA and SARD Fund consultations and Dalberg's own market analysis to inform future fundraising efforts. Key components of the pitch deck included socio-economic context, financial inclusion overview and impacts, scale-up plans, funding requirements, and proposed next steps.
- Dalberg held two capacity-building workshops, focused on pitch development and organizational strategies.
- Dalberg crafted funder guides and facilitated funder conversations. Funder guides leveraged findings from conversations held with high-potential funders that included notes from investor meetings and recommendations on next steps to guide future conversations.

LESSONS LEARNED

- **Gauging donor commitments and interests is challenging due to perceived risk in this context.** Several donors are committed to financial inclusion in India, and the impact thesis of TRSLP has resonated strongly. However, CTA's unique socio-political context does raise perceptions of risk and limits interested pools of capital. Combined with fundraising capacity challenges, current small-scale operations and limited scalability make this a challenging

fundraising process. However, a set of committed and mission aligned donors will likely emerge, and CTA will need to be ready for long-term partner engagement.

- **Continuous capacity-building support is needed.** During the workshops, CTA emphasized the need for increased fundraising capacity, including both human resources and systems. While Dalberg highlighted certain areas of focus (e.g., building out a centralized fundraising team), rapid scoping of capacity-development needs and subsequent long-term support will be needed to position CTA successfully for future fundraising processes. Based on the initial assessment, the skills that should be prioritized include business planning and coordination, data collection and analysis (especially around impact measurement and creation of financial models/plans), and effective pitching to donors.
- **Developing a MEL framework and implementation plan is key.** One of the key challenges faced by CTA and Dalberg in building out the impact thesis of TRLSP was the lack of robust beneficiary-level impact data. Developing a stronger data/MEL framework, along with a practical implementation plan, will be a key next step to enhance CTA's fund-raising efforts.
- **Building on CTA's strategic understanding of financial inclusion is needed.** Dalberg's discussions with top CTA leadership indicate that there is limited strategic understanding of its financial inclusion activities and the importance of such initiatives, resulting in inconsistent internal support. Clarity on strategy may be needed to ensure that programs such as TRLSP respond to the needs that CTA leadership perceive, and consequently garner stronger support.

USAID INVEST Buy-In Summary: India WASH

Buy-in Name	India WASH
Buy-in Client	USAID India
Period of Performance	June 2020 to December 2022
Buy-in Amount	\$876,671
Buy-in Support Type	Investment Opportunity Assessment, Fund/Financial Instrument, Transaction Advisory Services
Program/Subprogram/Cross-Cutting Areas	Health/Water Supply and Sanitation
Subcontractors/Sub-Awardees	Intellectap Advisory Services Unitus Capital and partner Sattva Consulting

OBJECTIVE

USAID India aimed to mobilize private sector resources and develop innovative, market-oriented solutions to improve access to safely managed water, sanitation, and hygiene (WASH) services. The Mission and INVEST designed an activity to unlock long-term, sustainable financing to support the Government of India’s ongoing efforts to address WASH challenges and improve the delivery of WASH-related goods and services. USAID’s support focused on addressing the principal constraints to investment, namely access to market information associated with WASH-related business models and the availability of appropriate financial instruments that could support private sector development.

ACTIVITIES

Recognizing the need to identify and prioritize opportunities for private sector engagement (PSE), USAID India and INVEST developed a three-phase approach to understand the investment landscape and define a private sector response to support the efficient delivery of WASH services. Phases 1 and 2 were focused on defining needed financial instruments and non-financial technical support services, while Phase 3 involved implementation of the identified vehicle based on the findings of Phases 1 and 2.

In Phase 1, INVEST worked with Unitus Capital to conduct a landscape and opportunity analysis to better understand the WASH PSE context and identify PSE opportunities. In Phase 2, Intellectap identified an appropriate financial vehicle and supportive non-financial services based on the findings and recommendations from Phase 1. In Phase 3, INVEST worked with Intellectap to validate the vehicle’s design and implement the new financial vehicle, which was envisioned to be a \$15 million facility supporting enterprises in the states of Maharashtra, Madhya Pradesh, Karnataka, and Andhra Pradesh.

This buy-in included the following activities:

PSE landscape review and opportunity analysis of the Indian WASH sector (November 2020-May 2021)

- Overview:** Unitus Capital, in partnership with Sattva Consulting, developed two reports. The PSE Landscape Report analyzed the WASH sector, including PSE trends and important metrics such as water composite index scores, WASH supply, and demand data with a focus on geography. This report included a key informant interview list and questions for stakeholders.

The Opportunity Analysis Report summarized the comprehensive analysis of regional case studies and provided an assessment of the identified opportunities. The report included key learnings from surveys and detailed the unique elements of various identified opportunities. A profitability analysis identified opportunities and recommendations for the right financing methods, level, and financing terms.

- **Key deliverables:**
 - PSE landscape report
 - Opportunity analysis report

PSE facility design (December 2021-October 2022)

- **Overview:** This activity focused on implementation of the selected vehicle, a PSE facility with a target \$15 million debt raise that would comply with Indian regulations, attract, and leverage private and philanthropic capital, and provide a sustainable and scalable solution to improve development outcomes in the WASH sector. Intellectap set out to complete this through the following three components:
 - PSE facility design
 - Capital raise
 - Pipeline development and capital deployment
- **Key deliverables:**
 - PSE facility design report
 - Investor pitch deck
 - Enterprise pipeline
 - Investor engagement report
 - Investor pipeline
 - Capital raise report
 - Enterprise investment memorandum

RESULTS

- Completed a comprehensive landscape and opportunity analysis to better understand the WASH PSE context and identify PSE opportunities.
- Developed the design for the WASH financing facility.
- Developed a pipeline of applicable investors interested in the Indian WASH sector.
- Identified regulatory constraints and barriers to capital raise.
- Completed formal fund registration as an offshore facility aligned with Indian regulations.

LESSONS LEARNED

- **Market assessments are a crucial first step.** In the WASH sector it is critical to understand the regulatory environment, the disposition of the government to engage with the private sector, the value chain segments where the prospects of returns are sufficient to attract investment, and the capacity of providers overall. In addition to informing USAID's support strategy, the assessments developed by INVEST partners served to educate both public and private sector stakeholders.

- **Low projected returns require a strategic blending of finance.** WASH business models have demonstrated relatively low rates of return, limiting their ability to take on debt with commercial rates of interest. A careful mix of philanthropic, concessional, and commercial capital is required for a financial vehicle to be viable. An anchor investor that can provide the needed grant or concessional capital is critical. Securing this type of investor would have greatly facilitated fundraising during the buy-in period of performance.
- **Investment in WASH requires a long-term strategy.** WASH has long been considered a public good, so there is only limited awareness of private sector opportunities for investment. As such, timelines for fundraising should be longer than those in more developed sectors with greater private sector engagement. Government regulations and potential interference impacts risk perceptions, which makes the capital raise process more challenging.
- **Small fund size and a single-country focus are deterrents to potential investors:** The India WASH fund's size of \$15-30 million deterred potential investors whose starting ticket size ranged between \$10-20 million, thus creating more than the mandated exposure for them in a given facility. Some funds prefer to invest in multi-country facilities to create large-scale impact from their capital. This is especially true in an unproven market like WASH.
- **Research into the regulatory environment is critically important in defining a fund strategy.** The fund faced new regulations in India which required additional and unforeseen steps for formal registration. These delays and challenges slowed the fund's legal incorporation process and delayed the capital raise process. However, while formal financial commitments from investors were not obtained during the buy-in period of performance, the implementing partner planned to continue to market the fund following their engagement with USAID.
- **Adapt and learn.** The timeline put forth by Intellecap was unrealistic, with incorrect assumptions about the time needed for the formation of the financial vehicle and for investor education and fundraising. When confronted with several challenges, including investor hesitancy and regulatory constraints, INVEST modified the subcontract and reduced the scope, focusing on the completion of deliverables not tied to the capital raise, including an investor engagement report and investor pipeline. Modifying the contract enabled Intellecap to focus on short-term priorities that would improve the likelihood of the fund's success in the future.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Voices from the USAID Finance and Investment Network: Intellecap](#), Medium, December 2020
- [Voices from the USAID Finance and Investment Network: Unitus Capital](#), Medium, April 2021
- [What USAID India is Learning From Working with Private Sector Partners to Improve the Delivery of Public Services](#), Medium, May 2021
- [5 Things You Need to Know About Engaging the Private Sector in Public Goods](#), Medium, June 2021
- Webinar: Investment Opportunities in Water and Sanitation in India, [recording](#) and [slides](#), September 2022

USAID INVEST Buy-In Summary: Indonesia

Buy-in Name	Indonesia
Buy-in Client	USAID Indonesia
Period of Performance	October 2020 to October 2022
Buy-in Amount	\$1,350,000
Buy-in Support Type	Transaction Advisory, Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Financial Sector/Gender
Subcontractor/Sub-Awardees	Impact Investment Exchange

OBJECTIVE

Indonesia has achieved impressive development progress in recent years, but there is still a massive financing gap impeding the Indonesian government from achieving its development goals. At the same time, private investors and firms are increasingly exploring emerging markets like Indonesia for better returns and new market opportunities. USAID Indonesia seeks to unlock the potential of private capital to drive economic growth in Indonesia while meeting its development goals.

Before working with INVEST, USAID Indonesia conducted a preliminary assessment of the country's investment landscape and concluded that there were potential investments ready for transaction advisory support. The Mission brought in INVEST to support the sourcing, facilitating, and executing of deals to mobilize private investment capital into USAID priority sectors, which included environment/natural resource management, democracy and governance, health, inclusive economic growth, and education.

ACTIVITIES

USAID Indonesia and INVEST designed a blended finance promotion activity with two components. Component 1 focused on establishing the criteria to prioritize and pursue transactions, including target sectors and geographies, types and values of blended finance transactions, and financial and timing parameters. Component 2 included providing targeted assistance to firms or investors with the goal of reducing transaction costs and information asymmetries to mobilize capital.

In February 2021, INVEST awarded an Indefinite Quantity Contract (IQC) award to Impact Investment Exchange Pte. Ltd (IIX) to carry out these two components under two task orders.

Task Order 1: Sourcing and prioritizing transaction opportunities (February-April 2021)

- **Overview:** IIX sourced, reviewed, and validated potential investment opportunities according to selection criteria established in collaboration with USAID and INVEST.
- **Key deliverables:**
 - Pipeline development report: IIX sourced a pipeline of 14 transaction opportunities, predominantly focused on financial inclusion and agriculture, with over \$30 million in investment sought.

Task Order 2: Technical assistance, transaction advisory services, and deal closure (July 2021-September 2022)

- **Overview:** IIX provided tailored technical assistance (TA) and transaction advisory services (TAS) to enterprises with a goal of mobilizing \$7-10 million in private sector financing through at least four transactions. Support included business model refinement, financial modelling and analysis, impact assessment, capital raise strategies, and gender action plans. IIX created gender action plans for three microfinance institutions to strengthen their gender-inclusive practices and their applications for the Women’s Livelihood Bond Series, a series of blended finance products that empower women and girls across a multi-country, multi-sector portfolio. The bond series was created by IIX and is separate from this activity but a proved a viable source of financing for the enterprises supported through INVEST’s work.
- **Key deliverables:**
 - Pipeline development report
 - Investor pitch decks
 - Investor teasers
 - Financial models
 - Impact assessment reports
 - Transaction closeout reports

RESULTS

- Provided eight high-potential enterprises with tailored technical assistance to achieve deal closure, such as refining pitch decks, performing financial analysis, conducting impact assessments, and other services.
- Raised \$9.7 million for seven Indonesian enterprises in USAID priority sectors including financial services and agriculture, and investments that incorporated a gender lens, with a leverage ratio of 11:1.
- Helped three of these seven enterprises secure loans from the Women’s Livelihood Bond’s fourth series by creating gender action plans to accentuate the institutions’ impacts on gender.
- Contributed to building the impact investing ecosystem in Indonesia by acting as an intermediary between high-impact enterprises and international and local impact investors.
- Held an investor showcase that allowed two enterprises supported under the activity to present and pitch their businesses to key investors in the region.

LESSONS LEARNED

- **There is utility in combining technical assistance for investment readiness with capital raise support.** Most of the enterprises supported had limited fundraising experience. They needed investment readiness support, namely auditing and understanding their financial statements and refining their pitch decks to align with investor priorities. The introductions made by IIX to investors were also critical, as many of these enterprises, especially those in earlier stages of growth, had limited access to investors.
- **USAID subsidies encouraged enterprise buy-in.** Most enterprises in the “missing middle” require some form of subsidy to defray the cost of TA and TAS. The subsidy from USAID allowed enterprises to access support that is crucial for their fundraising. The enterprises also

contributed some of their own resources to participate in the TA, ensuring that they had “skin in the game” and actively participated in the TA process.

- **Communicating impact can strengthen a business’s story.** Some enterprises are unaware of the development impact of their businesses or do not know how to highlight their impact in communications with potential investors. IIX assessed the impact of each enterprise that received support and generated an impact report for each, which businesses could present to potential investors.
- **Innovative financing approaches are needed to overcome misperceptions of risk and stimulate the Indonesian market.** IIX facilitated access to financing mechanisms that are traditionally more common in more developed economies, where investors don’t have the same reticence to invest due to perceived risk. Using innovative financing instruments, such as the Women’s Livelihood Bond, allows enterprises to access more affordable loans at better repayment terms by pooling together a basket of borrowers. IIX also helped a foundation that invested in one of the supported enterprises design a revenue-based loan that was the first of its kind in Indonesia. Bridging financing gaps reduces investors’ risk perceptions and encourages more investors to enter the market.
- **Plan for holistic enterprise learning beyond the project timeline.** The capital raise process is long and dynamic, as enterprises must clear several checkpoints for due diligence with investors. Even after a successful capital raise, enterprises need to continue their integration into global value chains and achieve financial sustainability. For example, one of the enterprises supported under the program, PlasticPay, is a recycling company that installs plastic recycling drop boxes and resells materials to plastic recyclers. There is a general lack of investor knowledge in this niche industry, so PlasticPay needed continued support in investor engagement to help them integrate into global value chains, secure growth capital, and achieve financial sustainability.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Building Pathways Between Wall Street and the Global South: A Conversation with IIX](#), Medium, March 2022

USAID INVEST Buy-In Summary: Infrastructure Transaction and Assistance Network/ Transaction Advisory Fund

Buy-in Name	Infrastructure Transaction and Assistance Network/ Transaction Advisory Fund (ITAN/TAF)
Buy-in Client	USAID Asia Bureau
Period of Performance	October 2019 to July 2024
Buy-in Amount	\$9,500,000
Buy-in Support Type	Investment Opportunity Assessment, Transaction Advisory Services, Technical Assistance
Program/Subprogram/Cross-Cutting Area	Economic Growth/Infrastructure
Subcontractors/Sub-Awardees	CrossBoundary LLC with partner KPMG CPCS Transcom Inc. (CPCS) Delta Context BV with partners Witteveen & Bos and Institute of Water Modeling Dornier Suntrace GmbH Jacobs Government Services Company KPMG Services with partners Tetra Tech and UMBRA Kreller Business Information Group with partner Glass Ratner Group M Webb Ltd Macmillan Keck McCann Consulting International Pty Limited (MCI) Pinsent Masons Mpillay LLP Planet Partnerships University of Hawaii (HNEI) with partner Delphos

OBJECTIVE

The Infrastructure Transaction and Assistance Network (ITAN) is a U.S. whole-of-Government initiative to advance sustainable, transparent, high-quality infrastructure across the Indo-Pacific region. In October 2019, INVEST helped USAID’s Asia Bureau launch the Transaction Advisory Fund (TAF) function within ITAN.

Through TAF, INVEST responded to host-country governments’ requests for assistance on infrastructure projects, providing high quality, discrete transaction advisory services—primarily legal and other services for contract negotiation and bid or proposal evaluation—on a rapid-response basis.

ACTIVITIES

This buy-in included the following activities:

Republic of Marshall Islands (RMI): Due diligence transaction support (October 2020-August 2021)

- **Overview:** Under this activity, Kreller and partner Glass Ratner provided due diligence services and capacity building for RMI Ministry of Finance officials on how to analyze government initiatives with private entities, assess risk, and perform future due diligence checks. However, the activity faced disruptive delays, and planned TAF support for the creation of a Special Economic Zone in RMI was cancelled. USAID confirmed that there were no other eligible transactions to support and INVEST removed the due diligence component from the subcontract.
- **Key deliverables:**
 - Capacity-building training plan, reference materials, and toolkit

Indo-Pacific countries – Bangladesh, Indonesia, and Sri Lanka: Pipeline of infrastructure activities for TAF support (March 2021-June 2021)

- **Overview:** CrossBoundary and partner KPMG identified and shortlisted an actionable pipeline of infrastructure projects in Bangladesh, Indonesia, and Sri Lanka to be supported directly by TAF. INVEST then supported the projects identified in Indonesia and Sri Lanka; see relevant sections below.
- **Key deliverables:**
 - Framing workshop
 - Infrastructure project catalogue
 - Prioritization workshop

Palau: Belau Submarine Cable Corporation's second cable (January 2021-May 2024)

- **Overview:** The overall goal of this activity was to provide a more resilient, reliable, and plentiful supply of low-cost, high-quality, broadband Internet to Palau. McCann Consulting International (MCI) provided project management services to the Government of Palau and the Belau Submarine Cable Corporation (BSCC) to oversee and implement the installation and operationalization of a second Palau submarine cable system (PC2). The PC2 will connect with the Trans-Pacific Network's (TPN) Echo submarine cable, which runs between the U.S. and Singapore. In addition, MCI worked with the Organization for Economic Co-operation and Development (OECD) to finalize the project's Blue Dot Network (BDN) certification, an internationally recognized certification framework to assist countries in pursuing investments that maximize the positive economic, social, environmental, and development impacts of infrastructure. MCI also conducted an independent review of the certification process.
- **Key deliverables:**
 - Equipment installed in Cable Landing Station and land cable installed
 - PC2 marine section accepted by Project Management Unit
 - PC2 terminal equipment accepted by Project Management Unit
 - PC2 branch section tested and accepted by Project Management Unit
 - Deficiency list for PC2 branch section complete
 - Final versions of ten BDN criteria
 - BDN certification process feedback report

Mongolia: Copper smelter procurement structuring (May 2022-October 2023)

- **Overview:** Pinsent Masons provided legal advisory services to the Government of Mongolia (GoM) to design, structure, and implement a Request for Proposal process and associated documentation for the construction and operation of a copper smelter in Sainshand, Mongolia. Pinsent Masons completed tender documents and an investment agreement and submitted them to the GoM. However, after continued delays, partly caused by civil unrest and personnel changes within the government, GoM decided to no longer pursue a new procurement. This resulted in the early close of this activity.
- **Key deliverables:**
 - Inception report and legal environment memorandum
 - Final tender documents and investment/concession agreement

Sri Lanka: Floating solar photovoltaics (July 2022-July 2024)

- **Overview:** To overcome the scarcity of suitable land to develop utility-scale PV projects and take advantage of existing infrastructure, INVEST supported the Government of Sri Lanka (GoSL) to assess the potential of floating solar photovoltaics (PV) systems in the country and to estimate the construction cost, transmission costs, performance, and environmental and social site impacts of different floating PV options. Suntrace conducted pre-feasibility studies and identified three locations – Ridiyagama, Irakkamam, and Castlereigh – to advance to the feasibility study and environmental scoping stage. The study involved broad stakeholder engagement with government agencies at the national and local level as well as local community organizations. Suntrace also analyzed technical aspects of the sites, including topography, hydrology, geology, and grid connection. The environmental scoping statements identified several key issues that must be further explored, particularly around fishers’ livelihoods and impacts on aquaculture. A thorough Environmental and Social Impact Assessment (ESIA) would be the recommended next step for any site that moves forward. This work was done in close coordination with the USAID Sri Lanka Mission, the USAID Sri Lanka Energy Program (SLEP), and the Sri Lanka Sustainable Energy Authority (SLSEA).
- **Key deliverables:**
 - Pre-feasibility studies
 - Sites surveys
 - Feasibility studies
 - Environmental scoping statements
 - Final stakeholder workshop

Indonesia: Sikidang geothermal study (January 2023-July 2024)

- **Overview:** INVEST supported Indonesia government partner PT Geo Dipa Energy (GDE) in designing and implementing a procurement process to identify a private sector partner for the Sikidang Geothermal Project. An advisory consortium led by KPMG, with support from Tetra Tech and local law firm Umbra, provided the comprehensive technical, financial, and legal expertise required for the project’s success. This consortium was tasked with proposing the optimal structure for the partnership, developing a comprehensive procurement plan, finalizing the tender, and supporting GDE from tender release to contract negotiation and award. (Note that due to delays in obtaining GDE approvals to release the Request for Quotes, the procurement process will extend to Fall 2024, outside of the period of performance of the

INVEST mechanism.) The team also guided GDE in developing Standard Operating Procedures for the procurement process, ensuring clarity and transparency. This included conducting in-person presentations and creating internal marketing materials to secure buy-in from key stakeholders, such as GDE's Board of Directors and the Indonesian Ministry of Finance. Finally, the advisory team led a multi-stage market sounding and procurement process to identify qualified bidders for the Sikidang project; at the end of the activity six qualified bidders were identified.

- **Key deliverables:**
 - Partnership scheme assessment
 - Shareholder presentation support
 - Legal study on negative pledge
 - Market sounding and pre-qualification
 - Reconfirmation and transaction package preparation
 - Pre-bid conference
 - Response to RFP clarifications

Republic of Kiribati: East Micronesia Cable System (September 2022-July 2024)

- **Overview:** The Republic of Kiribati is in the process of implementing major telecoms infrastructure initiatives—one of which is the East Micronesia Cable System (EMCS)—to transform telecoms services for this small island developing state. The Republic of Kiribati established a state-owned entity, BwebwerikiNET Limited (BNL), to own, manage, and operate the infrastructure. Through this activity, M Webb provided legal assistance and project management support to facilitate BNL's participation as a member of the EMCS consortium. M Webb coordinated with suppliers, employers, customers, and other stakeholders to ensure representation of Kiribati interests. M Webb further provided guidance on the procurement of infrastructure such as the submarine cable and related civil works, ensuring compliance with the donor agreements and BNL procedures.

Federated States of Micronesia (FSM): East Micronesia Cable System (September 2022-July 2024)

- **Overview:** Along with Kiribati and Nauru, FSM is planning for implementation and operation of the EMCS submarine telecommunications cable system. Through this activity, Macmillan Keck provided legal assistance and project management support to facilitate participation in the EMCS consortium by the FSM Telecommunications Cable Corporation and the Department of Transportation Communications and Infrastructure. Macmillan Keck coordinated across all stakeholders to ensure representation of FSM's interests and provided guidance on the procurement of infrastructure such as the submarine cable and related civil works, ensuring compliance with donor agreements and FSMTCC procedures. Macmillan Keck also provided local technical advisory services for the planning, implementation, and acceptance of the submarine cable, including managing implementation of the environmental and social impact management plan (ESMP).

Bangladesh: Engineering advisory services for the Bangladesh inland waterways infrastructure activity – Mongla-Ghasiakhali Canal (July 2023-June 2024)

- **Overview:** Under this phased activity, Planet Partnerships provided technical expertise to the Bangladesh Inland Water Transport Authority (BIWTA) to support the Mongla-Ghasiakhali

Canal upgrading project. Planet Partnerships supported the procurement of an engineering firm as a project development partner to conduct a conceptual study of the Mongla-Ghasiakhali Canal and present solutions for the potential construction of one or more ship locks. More specifically, Planet Partnerships supported the development of the Terms of Reference and Statement of Objectives and proposed a coordination mechanism with BIWTA and other relevant stakeholders. The advisory team provided engineering expertise and served as technical advisors to BIWTA during the procurement, selection, and implementation of the engineering firm.

- **Key deliverables:**
 - Terms of Reference for Bangladesh inland waterways infrastructure activity
 - Procurement of project development partner
 - Roadmap for project development

Bangladesh: Conceptual study for the Mongla-Ghasiakhali Canal upgrading project (January 2024-July 2024)

- **Overview:** Delta Context, an engineering advisory firm specializing in water infrastructure, along with partners Witteveen + Bos, an engineering consultancy, and the Institute of Water Modelling (IWM), a local water-management think tank, were selected to complete a conceptual study for the Mongla-Ghasiakhali (MG) Canal upgrading project. The purpose of the study was to provide guidance to BIWTA in determining whether to construct one or two ship locks to upgrade the canal. Delta Context conducted stakeholder consultations; gathered and analyzed local data; and assessed the canal's morphology, analyzing historical data on sedimentation rates and evaluating the potential impacts of proposed interventions on the local hydrology and ecosystem. This work included detailed assessments of the canal's current conditions, such as slope, normal channel dimensions, and maximum variations in water levels. The team held a nationally focused workshop in Dhaka and a local stakeholder workshop in Khulna to introduce the project, establish links with key stakeholders, and share results to date. The conceptual study found that a one-lock system represents a cost-effective solution for addressing sedimentation in the MG Canal in a sustainable manner, offering a reasonable rate of return on investment while improving navigation conditions and reducing transport costs due to optimized waiting times. As the MG Canal upgrading project advances, the team recommended that BIWTA pursue a full feasibility study to assess the alternatives in greater technical detail.
- **Key deliverables:**
 - Final conceptual study

Republic of Marshall Islands (RMI): Transaction advisory support to Pacific International Inc. (October 2023-July 2024)

- **Overview:** The Majuro Dock Expansion Project has the potential to transform the tuna industry in RMI, enabling more efficient operations, increasing domestic value capture, and establishing the Port of Majuro as the region's premier tuna shipment hub. However, the dock owner and operator, Pacific International Inc. (PII), needed to secure financing to complete the expansion. INVEST partnered with CPCS to provide transaction advisory services to PII, helping the company navigate the complex process of obtaining financing from the U.S. International Development Finance Corporation (DFC) and other potential funders. PII submitted the loan application to DFC in February 2024, and CPCS continued to provide support through the due diligence process, including an independent engineering report, market assessment, and an

environmental analysis. This advisory work was critical in creating a bankable project, and ultimately the DFC gave preliminary approval for a \$28 million loan to PII, subject to on-site due diligence, with final approval expected by September 2024.

- **Key deliverables:**
 - Letter of engagement
 - Loan application to DFC
 - Environmental analysis
 - Independent engineering verification report
 - Market assessment

Republic of Marshall Islands (RMI): Renewable energy strategy for Majuro dock expansion (February 2024-June 2024)

- **Overview:** Under this activity, the Hawai'i Natural Energy Institute (HNEI) of the University of Hawai'i was subcontracted to assess the energy needs of the Majuro Dock after expansion and develop of an energy strategy for Pacific International Inc. (PII), that would maximize the use of renewable energy sources as much as technically and economically feasible. HNEI partnered with financial advisory firm Delphos International to assess financing options for the dock's expanded energy needs.
- **Key deliverables:**
 - Initial assessment report
 - Final energy strategy

Indonesia: Technical assistance for smart building and smart infrastructure guidelines in Indonesia's new capital city (February 2024-July 2024)

- **Overview:** The Government of Indonesia is undertaking an ambitious project to relocate its capital from Jakarta to Nusantara, a new city being developed in the province of East Kalimantan. The Nusantara State Capital Authority's (Otorita Ibu Kota Nusantara, or OIKN) goal is to develop Nusantara as a smart city that embraces cutting-edge technologies and sustainable design principles, prioritizing renewable energy, efficient water management, waste management, and sustainable transportation. To realize this vision, all buildings and infrastructure in Nusantara will adhere to smart building and smart infrastructure guidelines. INVEST partnered with Jacobs Government Services Company to provide technical assistance through two workstreams: smart building and smart infrastructure, which included developing operational and implementation guidelines for smart buildings to ensure compliance with OIKN technical guidelines as well as interoperability and integration in a smart city system. The advisory team conducted a thorough baseline analysis, reviewing existing documentation, engaging with stakeholders, and benchmarking against leading global smart city projects to identify gaps and opportunities.
- **Key deliverables:**
 - Smart building and infrastructure vision, objectives, and guiding principles
 - Operational guidelines and classification checklist and scoring for smart building compliance
 - Smart building and infrastructure compliance assessments
 - Value assessment framework and high-level smart services and infrastructure design

Vietnam: Transaction advisory support to The Green Solution Group (April-July 2024)

- **Overview:** Under this activity CrossBoundary provided transaction advisory services to The Green Solution Group (TGS), a Vietnamese renewable energy project developer, as they prepared to access financing from the DFC and other potential investors for a green hydrogen and green ammonia production plant in Tra Vinh. CrossBoundary provided targeted support to TGS to qualify for DFC funding and develop a clear roadmap to financial close.
- **Key deliverables:**
 - Commercial viability analysis and final report

Indo-Pacific countries – Nepal, Fiji, and Tuvalu: Pipeline refresher of infrastructure activities for TAF support (March 2024-July 2024)

- **Overview:** With INVEST closing, USAID identified a new mechanism to implement the next round of TAF-funded activities and sought a pipeline of viable infrastructure projects to support in three strategic countries: Nepal, Fiji, and Tuvalu. CrossBoundary identified and assessed the status of ongoing national, state/provincial, or municipal level infrastructure projects in the target countries to determine their appropriateness for discrete support available from TAF. CrossBoundary screened projects and conducted industry and government consultations to shortlist activities best suited for TAF support.
- **Key deliverables:**
 - Long list of opportunities
 - Prioritized pipeline report

RESULTS

- Supported and worked directly with 12 host country governments and private entities.
- Supported eight infrastructure projects across the Indo-Pacific region.
- MCI installed the PC2 submarine cable branch and land cable in Palau and completed the Blue Dot Certification process in coordination with the OECD.
- M Webb and MacMillan Keck finalized and awarded the EMCS wet plant supply contract, finalized land and permitting agreements in FSM, and executed all donor agreement and finalized terrestrial supply contracts for the construction of the cable landing station and civil works in both FSM and Kiribati.
- Suntrace conducted feasibility studies and environmental scoping statements on three sites in Sri Lanka to explore options to deploy floating solar PV technology on hydroelectric generating reservoirs, tanks, and other suitable bodies of water.
- CPCS worked with PII to submit a DFC loan application, estimated at \$28 million, with final approval expected in September 2024.
- HNEI completed an energy strategy in support of PII's dock expansion in Majuro.
- Delta Context completed a conceptual engineering study for the Mongla-Ghasiakhali Canal upgrading project.
- Jacobs supported the Government of Indonesia in providing operational guidelines for Smart Building and Smart Infrastructure in Indonesia's new capital city, Nusantara.

- CrossBoundary identified and provided a detailed overview of four potential projects each in Nepal, Fiji, and Tuvalu for follow-on TAF support.
- CrossBoundary developed a clear roadmap for TGS to secure an estimated \$418 million in debt capital from DFC and other project lenders and arrive at financial close by 2025.

LESSONS LEARNED

- **The engagement of host-country governments and other counterparts is crucial.** Given the nature of TAF, INVEST and partners directly collaborated with and supported host-country governments and other local counterparts in response to requests for assistance. Successful and timely implementation was therefore tied to the level of engagement and consistent involvement of the host government throughout the activity. The ITAN buy-in faced significant challenges on activities where host-country government involvement or communication was limited or where political issues slowed approvals, resulting in significant delays in activities and even cancellation. Support from local USAID Missions proved critical in providing country context and backchanneling with local stakeholders.
- **Stakeholder engagement and capacity building require dedicated effort and resources to foster local ownership and ensure long-term project sustainability.** This often takes longer than expected and can involve navigating complexities with multiple national government organizations and diverse community-level groups. The support of USAID Mission personnel can be crucial to this effort. Agility and adaptability in project design and implementation are essential to navigate complex and evolving regulatory landscapes and shifting political realities on the ground.
- **Project timelines should account for the complexity of infrastructure projects.** Infrastructure projects require a long period of preparatory tasks, including scoping, feasibility studies, environmental and social assessments, partnership scheme development, financing logistics, and more. This long-term process also requires specialized expertise at different stages of the project that vary based on sector, geographic location, regulatory environment, and other factors. While these present an opportunity for USAID to provide support, the complexity, scale, and political nature of these projects often resulted in much longer timelines and more unforeseen delays than typical INVEST transactions.

LEARNING AND COMMUNICATIONS PRODUCTS

- [How a Unique Trilateral Partnership Is Bringing Stronger Internet to Palau](#), Medium, May 2022
- Advancing Sustainable, Transparent Infrastructure in the Indo-Pacific: Snapshots of the Transaction Advisory Fund (TAF), case Studies, July 2024 [internal to USAID]

USAID INVEST Buy-In Summary: Innovation, Technology and Research Lab (ITR) Digital Invest

Buy-in Name	Innovation, Technology and Research Lab (ITR) Digital Invest
Buy-in Client	USAID Global Development Lab Center for Digital Development
Period of Performance	September 2022 to June 2024
Buy-in Amount	\$430,000
Buy-in Support Type	Technical Assistance, Transaction Advisory Support
Program/Subprogram/Cross-Cutting Area	Economic Growth/Financial Sector/Science, Technology, Innovation, and Research
Subcontractors/Sub-Awardees	Expectation State with partner CrossBoundary LLC

OBJECTIVE

In April 2022, the Bureau for Development, Democracy, and Innovation’s Innovation, Technology, and Research Hub, Technology Division (DDI/ITR/T) publicly launched Digital Invest. This blended finance program seeks to mobilize private capital for digital connectivity infrastructure and digital finance services that strengthen open, interoperable, reliable, inclusive, and secure digital ecosystems in emerging markets. Digital Invest supports global investment fund managers, project developers, and other intermediaries to accelerate sustainable market growth for internet service providers (ISPs) to build secure and reliable networks. The project also supports financial technology companies (fintechs) to provide safe and inclusive products, services, and platforms that drive financial inclusion and new income-generating opportunities for women and underserved populations. Through this buy-in, INVEST helped select funds connect with relevant investors and supported ITR program outreach and communications.

ACTIVITIES

Through INVEST, Expectation State and CrossBoundary supported four selected partners within the Digital Invest portfolio, at various stages of fundraising, fund development, and deployment, with targeted investor matchmaking. The type and extent of support was tailored to each partner’s specific fundraising status and process. This activity also included a second workstream focused on outreach and communications support for the USAID Digital Invest program.

Workstream 1: Transaction advisory support to Digital Invest partners

- **Overview:** The transaction advisory support workstream, led by CrossBoundary, included the following components:
 - Conducted light-touch assessments with each partner to explore capacity constraints and opportunities to improve their success in raising and deploying funds.
 - Developed individualized engagement and support plans that included action items.

- Implemented engagement and support plans, which included identifying high-potential investor opportunities aligned with the relevant fund manager’s investment approach; facilitating introductions to identified investors; and providing advisory support for a global fund manager.

Workstream 2: Communications support to the Digital Invest program

- **Overview:** In parallel, the communications support workstream, led by Expectation State, produced program-level outreach materials for the Digital Invest program. The work was conducted in coordination with USAID ITR/T, the Digital Invest team, and the U.S. Department of State communications team, with a focus on launching a call for proposals at the end of 2024 and developing a list of relevant conferences, speaking opportunities, and other networking and outreach opportunities to socialize the program.

Expectation State completed a diagnostic of communications and outreach completed to date for the Digital Invest program. They also developed a communications and outreach plan, including recommended content formats for Digital Invest communications and outreach materials (such as fact sheets, pitch decks, case studies, etc.) to reach potential fund and partner applicants; and recommended media partnerships and channels (including publications, events, networks, and digital channels) for outreach and increased visibility of the Digital Invest program.

- **Key deliverables:**
 - Nine monthly reports (August 2023-April 2024)
 - Digital Invest communications and outreach plan
 - Digital Invest communications materials
 - Final report

RESULTS

- Engaged four Digital Invest fund managers (Sturgeon Capital, Modus Capital, E3 Capital, and Connectivity Capital), conducted assessments to identify strengths and challenges in the fundraising process across all four funds, and identified targeted groups of potential Limited Partners.
- Prepared investment teasers for Sturgeon Capital and Modus Capital to test investor appetite and utilized existing teasers for E3 Capital and Connectivity Capital following a review of their available materials.
- Approached more than 30 potential investors, according to pre-agreed individualized investor lists, (predominantly DFIs, impact investors, and foundations); gathered feedback from more than 15 parties; and connected funds directly for follow-on engagements.
- Produced a set of communication products for the Digital Invest Program, including a website mock-up and content, program factsheet & brochure, slide deck, 13 partner case studies, editable map, statistics bank, FAQ document, and methodology for calculating the fintech funding gap in emerging economies.

LESSONS LEARNED

- **Early involvement of transaction advisers is important:** This activity was implemented after substantive outreach was already made by the Funds to Tier I investors. These were identified based on the teams' detailed analysis of typical Limited Partner (LP) investors in their respective regions. Eliminating the most likely investors severely limited the universe of high prospect LPs that the transaction advisory team could approach. Earlier involvement of transaction advisers in the planning of the fundraising process could ensure more traction and allow transaction advisers to support the funds throughout the whole fundraising process: including defining fund strategy and fund structure (perhaps including blended finance elements based on market sounding with prospective investors), crafting investor materials, conducting investor outreach, and supporting the due diligence and negotiation phase – maximizing the chances of a successful outcome.
- **Fundraising timelines should be responsive to market conditions:** Because of the challenging fundraising environment, the response rate of potential LPs and their willingness to commence discussions with new prospective funds was considerably lower than usual. Many first-time managers have resorted to funding deals individually to establish a track record before raising a blind pool fund. Therefore, a donor-funded capital raise mandate should reflect the fact that timelines may be protracted, and funds might be compelled to alter their strategy in reaction to the degree of market traction and the feedback they receive.
- **Beneficiary procedures and data availability should be considered when developing scopes and timeline for public-facing products:** The limited availability of case study examples and data hindered efforts to delve deeply into the case studies, impacting the depth and quality of communication efforts. Additionally, the co-creation of communication products with Digital Invest partners should be a key consideration moving forward so that communications materials are developed through collaboration.
- **Adapt and learn:** The scope for this work changed and evolved over time to accommodate the goals and interests of the USAID team. Initially, there was an unrealistic emphasis on investor matchmaking, which had to be aligned with partner engagements that would lead to investor outreach and connections. The subcontractor that was originally part of the consortium team intended to carry out this work but wasn't able to proceed as outlined. INVEST then procured a new subcontractor to lead the investor outreach and advisory support. This led to discussions of realistic timelines for transaction advisory services, emphasizing the importance of the assessment phase for successful investor matchmaking.
- **Management for new partners requires additional support:** Considerable support was given to the selected subcontractor, who was new to USAID contracting. This required INVEST to dedicate time to aiding their understanding of the distinct roles and responsibilities of a subcontractor, particularly as pertained to their role *vis-a-vis* their consortium partner.

USAID INVEST Buy-In Summary: Innovation, Technology and Research (ITR) Lab Open Radio Access Network (ORAN)

Buy-in Name	Innovation, Technology and Research (ITR) Lab Open Radio Access Network (ORAN)
Buy-in Client	USAID Global Development Lab/Center for Digital Development
Period of Performance	September 2022 to June 2024
Buy-in Amount	\$860,000
Buy-in Support Type	Technical Assistance
Program/Subprogram/Cross-Cutting Area	Economic Growth/Private sector Productivity/Science, Technology, Innovations and Research (STIR)
Subcontractor/Sub-Awardee	Deloitte Consulting LLP

OBJECTIVE

In January 2021, the Bureau for Development, Democracy, and Innovation’s Innovation, Technology, and Research Hub, Technology Division (DDI/ITR/T) launched the USAID International Open Radio Access Network (ORAN) initiative. An Open Radio Access Network allows interoperability between cellular network equipment provided by different companies. USAID’s ORAN initiative aims to strengthen open, secure, and inclusive digital ecosystems in emerging markets through targeted investor engagement and technical advisory support.

Under this buy-in, INVEST facilitated trial deployments of the ORAN approach and other innovative communications technologies in developing countries through private sector outreach, coordination, use case development, and the definition of learning objectives.

ACTIVITIES

Transaction advisory support to the Hospital das Clinicas OpenCare5G project (November 2023-June 2024)

- **Overview:** Through INVEST, Deloitte supported a Brazilian hospital, Hospital das Clínicas (HC), in successfully structuring and promoting the OpenCare5G project to expand the ORAN network for healthcare services in Brazil. As the OpenCare5G project enters its second phase, the hospital intends to pilot additional ORAN networks in both the urban São Paulo state and rural Amazon regions, enabling telehealth services for rural communities in the Amazon. Deloitte provided transaction advisory support to the hospital to attract funding for the second phase of the project through the development of a business model, related financials, and outreach materials targeting additional private sector investors and partners to ensure the long-term sustainability of the program. Deloitte provided support through four activities:

 - I. Initial assessment of partners and environment: Deloitte worked with organizations participating in the OpenCare5G project and gathered feedback on their efforts to date,

project goals, known and potential challenges, potential mitigation strategies, and interest and ability to continue as partners and champions.

2. **Business cases:** Deloitte conducted an analysis of three business models (telecom-driven, health-driven, and technology-driven) and determined that a hybrid model combining health-driven and technology-driven approaches would be the most feasible options for the hospital to pursue.
 3. **Investment and partnership model:** Building on the business model, Deloitte analyzed potential revenues and costs and developed an investment/partnership model detailing which services would best align with OpenCare5G's aspirations and capabilities. Deloitte and the hospital crafted a rollout strategy that included three stages: 1) targeting markets where healthcare disparities are the most pronounced; 2) targeting rural São Paulo State, close to the hospital's operational base; and 3) expanding throughout the rest of Brazil. Deloitte also identified potential legal structures, high-potential partners, and high-potential investors who would be well positioned to support the project expansion. This activity concluded with a financial feasibility study of OpenCare5G.
 4. **Investor/partner outreach and communications materials:** Deloitte supported HC in finding the right investors and partners to scale up the OpenCare5G project, developed project-level business case outreach materials, and facilitated initial conversations with investors.
- **Key deliverables:**
 - Initial assessment report
 - Business cases report
 - Investment model and related financials
 - Communication and outreach materials
 - Investor conversations and guides
 - Final report

Consultancy for ORAN planning project in the Philippines (April 2024-June 2024)

- **Overview:** Through INVEST, a consultant developed a plan for the first ORAN deployment in the Philippines, based on a telehealth use case between two sites: the University of the Philippines Manila/Philippine General Hospital and the geographically isolated and disadvantaged areas (GIDAs) of Danao, Bohol. Under this activity, the consultant developed:
 - An assessment of the existing information available about the proposed project, including preliminary site surveys conducted by the Asia Open RAN Academy (AORA) for University of the Philippines/Philippines General Hospital (UP/PGH) and the Danao, Bohol remote site for telemedicine application (specifically, the Community Sub-Project in Barangay Santa Fe) and additional information gathered by AORA.
 - A high-level investment framework checklist that covers these considerations for a typical ORAN project in a geographically isolated and disadvantaged area.
 - A draft roadmap that can be used by AORA to mobilize funding from the Philippines Department of Health, the World Health Organization, the Gates Foundation, the governments of Japan and Korea, and other sources.
- **Key deliverables:**
 - Three activity reports (written assessment, observations, and findings and checklist)
 - Final report

RESULTS

- Deloitte conducted two on-site visits with USAID and the HC. The second visit included facilitating the OpenCare5G Industry Day and Equity in Health Forum, which convened current and potential partners and investors to present and gauge interest in supporting OpenCare5G.
- Deloitte facilitated initial conversations with ten high-potential investors.
- Deloitte developed five investor guides to aid follow-on engagement.
- The consultant conducted a site visit to Philippines to validate the available information, identify gaps, and develop a roadmap for deploying ORAN in the region.

LESSONS LEARNED

- **Recognize capacities.** The OpenCare5G program is not yet ready for traditional commercial investment. It will be important to monitor the program over time and consider what is required (e.g., ability to show tangible and monetary return on investment, speak to how returns can be made from the partnership, etc.) to be able to secure future investment.
- **It can be beneficial to partner with non-terrestrial connectivity entities.** ORAN 5G technology is effective in delivering remote ultrasound telediagnosis via telecom and/or digital connectivity networks, yet everything will not be ORAN-compliant if OpenCare5G taps into macro networks. This prompts a potentially greater need to partner with non-terrestrial connectivity entities, which enable global access to services like mobile data, voice calls and messaging, regardless of geographical location or terrain.
- **Comprehensive stakeholder management is key.** There is a need for consortia like the one supporting OpenCare5G to maintain internal cohesion and deliver solutions and maintain strong relationships with champions in local and national government, academia, and civil society organizations.

USAID INVEST Buy-In Summary: Italy Economic Support Fund

Buy-in Name	Italy Economic Support Fund
Buy-in Client	Bureau for Inclusive Growth, Partnerships, and Innovation (IPI, formally the Bureau for Economic Growth, Education and Environment, or E3)
Period of Performance	April 2020 to June 2022
Buy-in Amount	\$9,000,000
Buy-In Support Type	Technical Assistance, Transaction Advisory Services
Program/Subprogram/Cross-Cutting Area	Health/Systems Strengthening
Subcontractors/Sub-Awardees	DEM Consulting Interlink Capital Strategies PEDAL Consulting Roncucci&Partners

OBJECTIVE

Through USAID, the United States supported its long-time ally Italy in recovering from the effects of the COVID-19 pandemic and building up economic and societal capacity to respond to emergency situations. Italy was among the earliest and hardest hit countries and, as COVID infections increased in other countries, its ability to access medical supplies in the global market diminished. To meet the demand for medical equipment and supplies, it was imperative that the Italian healthcare system work with the private sector to stimulate local production.

USAID established an Economic Support Fund (ESF) to support businesses engaged in the research, development, or manufacturing of therapeutics, medical equipment, and supplies to respond to COVID-19. INVEST provided catalytic funding and targeted technical assistance to reduce risk for private investors and stimulate investment and technical capacity to help personal protective equipment (PPE) manufacturers retool their production lines and increase their investment readiness.

ACTIVITIES

The activity targeted healthcare businesses and manufacturing firms already engaged in producing critical parts and equipment for PPE. It also supported businesses that had the capacity to reorient their operations to manufacture this equipment and expand production.

Technical assistance

- Overview:** INVEST partner DEM Consulting worked with five pre-identified factories in southern Italy to design, procure, install, and operationalize machinery to produce disposable face masks. Roncucci&Partners worked with 25 partners to overcome production bottlenecks and improve financial conditions of companies producing essential PPE. PEDAL Consulting worked with ten companies to improve their ability to contribute to the COVID-19 response.

- **Key deliverables:**
 - DEM Consulting produced a series of reports for beneficiary companies documenting retooling for PPE (model workplans, fit gap analysis report, model implementation reports, follow-up assessments).
 - Roncucci&Partners mapped, selected, and created an initial assessment of beneficiary companies. They also drafted reports for each beneficiary company addressing production, organizational, commercial, and financial issues. Additionally, Roncucci&Partners designed and implemented a technical assistance plan for each beneficiary company and a final assessment of business health, including investments that were made with INVEST support.
 - PEDAL Consulting created inception, assessment and diagnosis, and progress reports describing the preparation of a technical assistance package for beneficiary companies and selection criteria.

Catalytic funding

- **Overview:** Interlink Capital Strategies worked with 27 beneficiary companies to identify investments to catalyze additional funding for the COVID-19 response. PEDAL Consulting worked to catalyze investment deals for four companies in the Italian medical sector.
- **Key deliverables:**
 - Interlink Capital Strategies developed a funding platform establishment report; investee pipeline identification, evaluation, and selection reports; and funding commitments and disbursement reports. They used existing COVID-19 response initiatives to identify beneficiary companies with the greatest catalytic potential, including seven beneficiaries assisted by DEM Consulting and Roncucci&Partners.
 - PEDAL Consulting produced a sector needs assessment and diagnosis report, pipeline and evaluation reports, and tailored structuring for each catalytic transaction close. They also conducted research to identify investors and investees and assisted with the mutual preparation and coordination of investment deals.

RESULTS

- Supported 58 total beneficiary companies; 26 received technical assistance, 28 received catalytic funding, and 11 received both.
- Raised \$25.7 million for beneficiary companies. Every beneficiary company was a small or medium enterprise (SME) with no more than 500 employees; the majority were microenterprises with 1-10 employees.
- DEM Consulting's work created 70 jobs, helping to supply 12% of the regional mask need. Roncucci&Partners provided three distinct clusters of aid to beneficiaries across 10 regions. Through working with 51 funding partners, Interlink Capital Strategies achieved an 18× catalytic multiplier. PEDAL Consulting was able to leverage \$12.6 million in capital.

LESSONS LEARNED

- **Work through contractors or projects with the experience and know-how** to engage with the private sector and private funders and allow them to streamline processes and paperwork as appropriate for non-traditional partners. Select subcontractors with a track

record of working with a targeted industry or businesses, an existing client base, and extensive local contacts.

- **Set clear goals with subcontractors and clients.** Set clear goals but let subcontractors decide how they will achieve them, who they will support, and how catalytic funding should be deployed. Work with the client, upfront, to expressly define the scope of funds from atypical sources (in this case, Economic Relief Funds, appropriated directly by Congress) in order to manage expectations, demonstrate progress on high-profile activities, and establish a productive working relationship across USG, INVEST, and subcontractors.
- **When working in an emergency context, require subcontractors to consider immediate and future needs** and market opportunities; both can evolve significantly.
- **Facilitate guarantees and/or identify a market** for SMEs for their products or services; knowing there is a market is the greatest incentive for SMEs and private funders to invest.
- **Greatly shorten the time needed to provide technical assistance** with minor adaptations for the context, ready-to-go methodologies, tools, and online platforms for selecting and assessing SMEs.
- **Grants and guarantees to local commercial lenders are an effective use of catalytic funding** in the early stage of an emergency response. Specialized funds and equity take more time to structure and require higher returns.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Using Blended Finance Interventions to Support a Long-Time Ally in Coping with COVID-19](#), Medium, November 2020
- [Voices from the USAID Finance and Investment Network](#): Roncucci&Partners, Medium, December 2020
- [How the U.S. Government is Helping Italian Businesses Contribute to Italy's Pandemic Response](#), Medium, March 2021 (also posted in [Italian](#))
- [Private Sector Engagement in Emergency Response: Italy Economic Support Fund for COVID-19](#), internal USAID learning brief, September 2022
- [Private Sector Engagement in Emergency Response: The Italy Economic Support Fund for COVID-19](#), webinar, October 2022

USAID INVEST Buy-In Summary: ITR Lab

Buy-in Name	ITR Lab
Buy-in Client	USAID Innovation, Technology, and Research (ITR) Hub
Period of Performance	April 2020 to May 2022
Buy-in Amount	\$1,395,000
Buy-In Support Type	Investment Opportunity Assessment, Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth, Private sector Productivity/Science, Technology, Innovations and Research
Subcontractors/Sub-Awardees	Access Partnership Caribou Digital with Expectation State Dalberg Consulting The World Wide Web Foundation

OBJECTIVE

Through this buy-in, the USAID Innovation, Technology, and Research (ITR) Hub aimed to address gaps in digital access and affordability and advance the effective use of technology and data analysis in developing countries.

Activities were designed to provide technical assistance to developing countries, prioritizing: 1) developing financial and policy models that create secure, open, reliable, and inclusive connectivity for communities; 2) exploring strategies for effectively mobilizing private capital in rapidly evolving digital markets in ways that foster recognition of and protection for personal rights; and 3) identifying what makes a productive and inclusive relationship between traditional development actors and tech companies in the digital space.

ACTIVITIES

This buy-in encompassed the following activities:

1. Open network standard setting (December 2020-August 2021)

- **Overview:** INVEST partner Access Partnership supported research and outreach efforts to develop a business case for implementing virtualized network architectures (e.g., an Open Radio Access Network, or open RAN) in developing countries. Access Partnership also established contacts between companies operating in the ecosystem, including standards-setting bodies such as O-RAN Alliance and Telecom Infra Project, investors, and developing country governments to make connections, raise capital, and demonstrate the viability of this approach in developing countries.
- **Key deliverables:**
 - Stakeholder mapping report
 - Briefs for USAID Mission staff
 - Background for local stakeholders

- Report on U.S. and foreign stakeholders
- Final report

2. *Digital stakeholder landscape analysis (November 2020-July 2021)*

- **Overview:** To facilitate and strengthen mutually beneficial connections between USAID ITR technical teams and the private sector, Dalberg analysed the aforementioned stakeholder mapping report and identified private sector-led activities with a high potential to improve digital ecosystems that can help people live freer, healthier, and more prosperous lives. Dalberg defined what makes a productive and inclusive relationship between traditional development actors and technology companies in the digital space and established draft memorandums of understanding (MOUs) between USAID and some of the top technology firms in the United States.

Dalberg’s engagement was conducted across three phases. In Phase 1, the team conducted an external landscape scan to better understand which technology companies have priorities aligned with USAID ITR. In Phase 2, the team engaged with technology companies to validate priorities and identify potential, mutually beneficial opportunities for partnership across the digital ecosystem. In Phase 3, Dalberg continued discussions with the top five recommended companies (Google, Mozilla, Visa, PayPal, and Vodafone) to further refine the areas of strategic overlap and prepare for MOUs.

- **Key deliverables:**
 - Opportunity landscape analysis, internal-external map, and database of contacts
 - Research findings and partnership recommendations
 - Workshops and partnership agreements

3. *Financial analysis of secure, reliable connectivity policy and funding options in Kenya (June 2021-May 2022)*

- **Overview:** ITR, in collaboration with USAID Kenya, engaged the Alliance for Affordable Internet (A4AI), an initiative of the World Wide Web Foundation, to evaluate the challenges and opportunities driving investment in solutions that connect poor and underserved communities in Kenya to the internet. A4AI provided technical assistance to the Government of Kenya in financial and policy modelling of proposals to connect community anchor institutions, such as schools, health centers, and government offices, to open, interoperable, reliable, and secure internet services in three priority counties: Garissa, Mandera, and Wajir.
- **Key deliverables:**
 - Situational analysis report
 - Investment and cost analysis report
 - Policy roadmap to secure affordable and meaningful connectivity for education and community institutions in Kenya
 - “Securing Connectivity for Education Community Institutions in Kenya” report, a summary of key findings, policy recommendations, and financing approaches to achieve connectivity goals

4. *Scoping digital markets investments to bolster individual rights (February 2021-May 2022)*

- **Overview:** Under this activity, recognizing the potential risks to individual rights and freedoms digital technologies pose, Caribou Digital and Expectation State implemented a two-phased

approach to develop a set of best practices, practical guidance, shared strategies, and formal codes of conduct among digital ecosystem actors to protect individual rights while successfully growing private markets.

- First, Caribou Digital conducted a landscape analysis to identify key tensions between private sector digital investments in digital technology and rights protection. The findings suggested that though there have been many recent, positive developments in ensuring human rights are protected in the digital technology space, the impact of these emerging approaches and tools is limited by a lack of collaboration.
- In Phase 2, Caribou Digital convened a working group of industry stakeholders, including investors, human rights advocates, and donors, to conceptualize and implement a concrete initiative that addresses Phase I key tensions and develop a playbook that supports investor decision-making.
- Through outreach efforts and convening workshops, Caribou discovered that there was a similar initiative led by ESG Ventures that involved collaborating with industry stakeholders to provide investors with a framework or playbook to inform their decision-making. To avoid duplication of efforts and ensure that the outcomes of this activity added value, Caribou decided against launching a new working group and instead collaborated with implementing partners currently designing initiatives, resources, or tools that align with the goals of USAID/ITR. Specifically, Caribou identified three initiatives (led by ESG Ventures, PUBLIC, and GIZ), for which to develop initiative-specific roadmaps, detailing how they would leverage Phase I findings and meaningfully contribute to the initiative. Caribou also created investor resources that address specific tensions in the digital rights protection space.
- **Key deliverables:**
 - Landscape analysis and briefing note on priority tensions and lessons learned
 - Working group meeting report
 - Roadmap to action
 - Investor testing and application
 - Investor playbook
 - Internal briefing on specific tensions
 - Investor playbook communication and dissemination planning

RESULTS

- Access Partnership researched the open RAN landscape in key developing countries, focusing on the chief challenges and opportunities presented by the technology.
- Dalberg Consulting developed three draft MOUs with Visa, Google and Mozilla and a comprehensive handover document that captures best practices and key recommendations on engaging with private sector technology companies.
- A4AI developed a policy roadmap and corresponding recommendations to secure affordable and meaningful connectivity for education and community institutions in three counties in Kenya.
- Caribou Digital and its partner Expectation State conducted two workshops convening investors, human rights groups, and donors to address identified tensions between investment in digital technology and protection of human rights and to discuss initiatives working in the space.

- Caribou Digital developed an investor playbook to bridge knowledge gaps and provide guidance, specifically for early-stage companies and investors, on adapting internal processes to protect the human rights of vulnerable groups during their investment decision-making.

LESSONS LEARNED

- **Flexibility is needed in technology selection.** A4AI found that the varied nature of institutions, geographic constraints, and usage requirements underscore that there is no one-size-fits-all technology. Deployment models should be flexible to integrate the technology models that provide the best combination of CapEx and OpEx savings while meeting the requirements of the institution. This is more important as new technology models continue to emerge which may be better than traditional technology options.
- **There is a general lack of understanding from private sector partners on how USAID is structured and the best entry points for partnerships.** USAID is a large organization, and only those that have experience working with the Agency will have a good sense of USAID's goals, structure, and funding modalities. For stakeholders that have always been in the private sector, USAID can seem like a black box, and this is particularly true for a complex, cross-functional, and cross-sectoral team like ITR. There is also confusion about the boundaries of roles between USAID ITR and other parts of the U.S. Government engaged on similar issues (e.g., the State Department, the White House Office of Science and Technology Partnerships, and the U.S. International Development Finance Corporation) with which these tech companies may engage as part of their international business operations, Corporate Social Responsibility initiatives, and government affairs engagements. Acknowledging this lack of understanding exists and working to provide clear and timely information to allow private sector partners to more easily navigate USAID and USG resources can lead to more efficient and effective partnerships that might otherwise not materialize.
- **Identifying ongoing initiatives with similar goals is critical to avoiding duplication, yet challenging to do within such a crowded donor space.** A landscape analysis was conducted in the first phase of the activity and recommended convening a working group to increase the impact of emerging approaches to ensuring human rights are protected in the digital technology space. However, upon further outreach in the second phase of the activity, it was found that there were already similar initiatives developed by other stakeholders that involved collaborating with industry stakeholders to provide investors with a framework or playbook to inform their decision-making. Though the team was able to pivot their approach and provide meaningful support, this instance proved the importance of identifying existing and ongoing efforts early on and coordinating when possible.
- **Lack of awareness by governments and mobile network operators (MNOs) about the benefits of Open RAN is a chief barrier to entry.** MNOs tend to be conservative by nature and disinclined to take risks, and they have little incentive to adopt new technologies if the existing networks they operate are profitable. Open RAN proponents therefore need to spend a considerable amount of time explaining the technology and dispelling misinformation relating to the cost of deployment, maturity of technology, network security, energy efficiency, and suitability for urban vs. rural landscapes.
- **There is a fear among private sector partners that partnering with USAID will be a cumbersome and lengthy bureaucratic process.** The most impactful companies may be unwilling to work with USAID due to perceptions that government agencies move slowly and

are organizationally siloed with multi-layered review and clearance processes. Corporate staff worry that MOU agreements will not be large enough or broad enough to generate attention from their senior management, for example if an MOU is focused on a narrow set of issues or narrowly defined geography. There is a related concern around USAID's ability to follow through on opportunities due to procurement and other constraints. Recognition that there are different timelines and processes taken by public and private sector partners and being transparent and communicative about expectations can go a long way to building trust and understanding and ease the identification of windows of opportunity for partnership.

LEARNING AND COMMUNICATIONS PRODUCTS

- [\\$22 Million Investment Needed to Connect 2300 Anchor Institutions in the Most Unconnected Counties in Kenya](#), Medium, August 2022

USAID INVEST Buy-In Summary: Jamaica Education Public Private Partnership

Buy-in Name	Jamaica Education Public Private Partnership (PPP)
Buy-in Client	USAID Jamaica
Period of Performance	November 2023 to June 2024
Buy-in Amount	\$400,000
Buy-In Support Type	Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Education and Social Services/Basic Education
Subcontractors/Sub-Awardees	Azurest Partners Independent Consultant

OBJECTIVE

Through this buy-in, USAID Jamaica aimed to mobilize private sector resources to improve access, quality, and affordability for primary and secondary education in Jamaica. This activity supported USAID Jamaica's engagement with the Government of Jamaica's Ministry of Education and Youth's (MOEY) first public-private partnership in the Jamaican education sector. The activity included a feasibility study, a roadmap for implementation, and in-country workshops with MOEY to share results. It also served as a case study that will be included in the USAID Center for Education's Education Finance course.

MOEY received an unsolicited proposal for a public-private partnership (PPP) in education from a firm that proposed to build up to eight schools; recruit, hire and manage the teaching and administrative staff; and provide a high-quality curriculum. The firm proposed to build and then operate these schools for at least 20 years, with an option of transferring them to the Government of Jamaica in the last five years. To consider this proposal, the Ministry needed to carry out a feasibility study and asked USAID for support in doing so.

ACTIVITIES

USAID Jamaica and INVEST developed a two-phased approach to understand the capacity and constraints of MOEY, evaluate the unsolicited proposal, and offer a path forward to address key education challenges in the country. In Phase 1, the INVEST Education PPP Consultant developed a PPP Roadmap that included laying out the legal framework, outlined policies and procedures, and consulted with key government actors to outline implementation steps necessary to execute this PPP. In Phase 2, Azurest Partners focused on assessing the feasibility of the unsolicited proposal received by MOEY through the lenses of legal, fiscal, economic, financial, social, and climate-impact analyses so that MOEY could negotiate the deal should it be a beneficial and cost-effective one.

Phase 1: PPP roadmap (January 2024-March 2024)

- Overview:** INVEST assessed Jamaica's PPP policies and procedures, mapped out the key steps for MOEY to obtain formal approval for this PPP, and laid out key steps for implementation. The activity commenced with a presentation of the PPP roadmap to MOEY, USAID Jamaica, and other key stakeholders.

- **Key deliverables:**
 - Analysis of PPP policies and procedures
 - Mapping exercise for PPP roadmap
 - Workshop results and recommendations report

Phase 2: Feasibility analysis (February 2024-June 2024)

- **Overview:** In Phase 2, Azurest Partners reviewed the unsolicited proposal and conducted a feasibility analysis based on the PPP policy as well as the work carried out in Phase 1. Azurest Partners also completed a pre-feasibility climate analysis to help MOEY conduct the necessary due diligence to determine if it should proceed with this proposal and to prepare for the next step. The technical assistance included three components:
 1. **Concept note development:** Azurest Partners facilitated a co-creation workshop with the National Education Trust (NET) in June 2024 to tackle NET’s capacity constraints in incorporating Azurest Partners’ feasibility study findings and financial model into the project concept submission form, an integral part of the Government of Jamaica’s PPP submission process.
 2. **Workshop with MOEY:** Azurest Partners held a key findings and recommendations workshop with key stakeholders from MOEY, the Ministry of Finance (MoF), the Public Investment Appraisal Branch (PIAB), the Development Bank of Jamaica (DBJ), USAID Jamaica, and the Development Bank of Latin America and the Caribbean (CAF). During the workshop, Azurest Partners shared risks and recommendations for managing and implementing the PPP through the lenses of legal, fiscal, economic, financial, social, and climate impact analyses.
 3. **Case study:** Azurest Partners produced a five-page case study of the activity to contribute to the USAID Private sector Engagement Hub’s learning materials.
- 4. **Key deliverables:**
 - Feasibility study, financial model, risks and recommendations report
 - In-country workshops and summary of engagement report
 - Case study

RESULTS

- Completed a comprehensive literature review; legal, climate, and social impact assessment; and fiscal and economic evaluation; all with the goal to better understand the PPP context in Jamaica, the capacity of MOEY, and perceived risks and opportunities.
- Conducted a feasibility analysis and developed a financial model to provide detailed projections and cost analyses for the PPP, which informed the Project Concept Submission Form.
- Provided MOEY with a clear understanding of the feasibility of the proposed PPP, the next steps of actualizing the PPP, and how to identify key challenges or areas of risks and proposed recommendations to mitigate those risks.
- Produced a five-page case study of this PPP in Jamaica that will be used for training through the USAID Center for Education.

LESSONS LEARNED

- **A multi-disciplinary transaction advisory team is crucial to the success of social services-related engagements.** The range of issues involved in an education PPP—education policy, equity and inclusion, community impact, pedagogy, the economic development priorities of the nation and government, the provision of social and health services to students, etc.—means that the considerations for an education PPP are often much broader than for a typical commercial PPP like a power plant or toll road. INVEST onboarded an independent consultant to kick off this activity due to his specific expertise and experience implementing education PPPs. His initial assessment of Jamaican PPP policies and procedures was critical to inform Phase 2 of the activity, which was led by Azurest Partners. Azurest supplemented the consultant’s expertise with a diverse team comprised of both Jamaican nationals and experts in local law, financial modeling, and social equity. This two-phased approach emphasized the value of integrating the skill sets of multiple partners to fill skill gaps, integrate local knowledge, and fulfill the wide range of analytical components required for a thorough feasibility analysis.
- **Ensure dedicated local support to streamline and facilitate communication.** Maintaining in-person relationships with key government stakeholders sustains engagement, raises awareness of organizational concerns and priorities, promotes information sharing, and facilitates momentum across the project timeline. In the case of Jamaica, the key individuals involved in consultations were often overworked and managing a number of conflicting priorities, leading to data gaps and delayed communication. Regular in-country meetings and workshops were essential to coordinate among stakeholders, address capacity constraints, and meet deadlines throughout a short period of performance.
- **Community engagement plans are critical for meaningful participation among different stakeholder groups.** Often, the most challenging aspect of this work is collaborating with different stakeholder groups to achieve a shared understanding, alignment, and knowledge base to achieve common goals. The way local stakeholders are approached and engaged can either build or erode trust. This activity was initially met with some resistance by government stakeholders due to their limited bandwidth and interest in engaging in the rigorous data collection required for both Phase 1 and Phase 2 efforts. Co-creation workshops among key stakeholders, such as the National Education Trust, MOEY, Ministry of Finance, Public Investment Appraisal Branch, DBJ, CAF, and USAID Jamaica provided participants with meaningful discussions on education challenges in their communities. It helped emphasize a shared responsibility to address these needs and boosted motivation to collaborate with external partners on possible solutions through an education PPP.
- **Flexibility to pivot is essential when government capacity constraints are identified.** In March 2024, staff from INVEST and Azurest Partners traveled to Kingston, Jamaica to engage with local stakeholders on the viability of the unsolicited PPP proposal. Throughout these consultations, it became clear that the National Education Trust required significant support to develop the concept note required as part of the project concept submission form, which would initiate the proposal evaluation process. INVEST and USAID Jamaica pivoted to work alongside NET and ensure that activity funds were allocated towards both assessing the feasibility of the proposed PPP and ensuring that institutional constraints in the PPP approval process were addressed. As a result, the Azurest team added a co-creation workshop with NET to incorporate the feasibility study findings and financial model into the concept note.

USAID INVEST Buy-In Summary: Lead-free Future

Buy-in Name	Lead-free Future
Buy-in Client	PSE Hub
Period of Performance	April 2024 to July 2024
Buy-in Amount	\$869,903
Buy-In Support Type	Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Environment
Subcontractors/Sub-awardees	Dalberg Consulting US LLC

OBJECTIVE

Lead poisoning impacts 800 million children around the world and causes more than 900,000 premature deaths per year, but lower- and middle-income countries (LMICs) have yet to fully embrace it as a serious public health issue and/or are not equipped to mitigate its devastating effects. Reducing levels of lead poisoning around the world remains an important priority for USAID and its partners, including the [Global Alliance to Eliminate Lead Paint](#).

The PSE Hub sought to discover opportunities for private sector intervention to mitigate the effects of lead poisoning from used lead-acid batteries (ULABs) markets and supply chains containing lead chromate and lead bisilicate (lead additives) in LMICs.

This buy-in presented the status of ULAB and lead-additive supply chains, engaged field experts to identify roadblocks and challenges of adopting lead alternatives, and recommended clear, actionable points for intervention for USAID and its partners. As one of the initial activities under the Agency's work towards a lead-free future, the final findings and recommendations from this activity will serve as an important reference for the USAID and its partners moving forward.

ACTIVITIES

INVEST worked with Dalberg Consulting to formulate a four-phase activity process that studied supply chains in three LMICs to identify opportunities for USAID and private sector intervention. In Phase 1 Dalberg provided a thorough landscape analysis of key players and policies in the ULAB and lead additives markets. In Phase 2, Dalberg generated a research plan and strategy using the results of the landscape analysis created in Phase 1 to formulate hypotheses on existing barriers and intervention points. In Phase 3, Dalberg utilized the strategies developed during Phase 2 to conduct research and test hypotheses, and in Phase 4 they provided a thorough overview of the supply chains comprising the study, highlighted their barriers, and provided recommendations moving forward on opportunities for private sector intervention.

Phase 1: Landscape analysis (April 2024-May 2024)

- **Overview:** Dalberg conducted a landscape analysis of current conditions in ULAB markets and supply chains containing lead additives. The activity included the below components:

- Gain broad understanding of the ULAB recycling process.
- Identify targeted supply chains using lead additives: spices in India, paint in Nigeria, and ceramics in Mexico.
- Present and discuss findings with USAID during the first of three workshops conducted during the buy-in activity.
- **Key deliverables:**
 - Finalized workplan
 - ULAB landscape findings
 - Lead additives landscape findings

Phase 2: Research preparation (May 2024)

- **Overview:** In Phase 2 Dalberg built on the landscape analysis to develop hypotheses on existing barriers and possible opportunities and solutions for private sector intervention. To better understand and prioritize private sector intervention entry points, Dalberg completed the following components:
 1. Map ULAB and lead additives value chains to identify key barriers and formulate hypotheses for potential solutions and high-impact interventions.
 2. Develop interview guides and a research plan for stakeholder consultations and site visits, incorporating feedback from USAID and its partners.
- **Key deliverables:**
 - Presentation on chokepoints and hypotheses for potential interventions
 - Interview guides and research plan

Phase 3: Primary research (May 2024-June 2024)

- **Overview:** In Phase 3, Dalberg carried out research based on hypotheses from Phase 2 through in-country validation throughout the entire value chain, with the following components:
 1. Interviews with ULAB and lead additive producers, visits to production sites, and analysis of quantitative and qualitative data.
 2. Presented potential interventions developed during Phase 2 with local nonprofits, regulators, and other key stakeholders to get feedback and initial thoughts on feasibility.
 3. Workshop presenting primary research findings to USAID and discussing their implications.
- **Key deliverables:**
 - Synthesis report on primary research

Phase 4: Final assessment and opportunities (June 2024-July 2024)

- **Overview:** Dalberg drafted business cases using the findings from Phase 3, identifying high-level and/or illustrative potential financing needs for implementation. Dalberg completed this using the following three components:
 1. Updated the landscape analysis performed in Phase 1; evaluated market sizing and created stakeholder maps, aligned with the research findings from Phase 3.
 2. Presented business cases for selected opportunities for intervention in ULAB and lead-additives markets tailored to each country.
 3. Provided a clear roadmap for next steps in engaging the private sector to adopt lead-free practices.

4. Held a workshop presenting a detailed and holistic overview of the entire study to USAID and the Environmental Protection Agency (EPA).
- **Key deliverables:**
 - ULAB assessment report
 - Lead additives assessment report
 - Final findings and recommendations report

RESULTS

- Completed a comprehensive landscape analysis of ULAB and lead-additive supply chains in three countries and gained a better understanding of key public and private market players and existing regulations.
- Conducted over 70 expert interviews comprising a wide range of actors.
- Highlighted opportunities to reduce lead exposure in country-specific value chains.
- Identified regulatory constraints, gaps, and barriers to intervention, and recommended strategies for private sector intervention.

LESSONS LEARNED

- **Challenging barriers to transition to lead-free alternatives exist.** The study found that producers may be disincentivized to adopt current alternatives to lead additives as they are more expensive and rarely provide large economic gains. No major technological efforts for further development were found, opening the door to opportunities for private investment.
- **Recommendations for lead-free alternatives must be culturally sensitive and adapted to the local context.** For example, ceramics are integral to the culture and traditions of Mexico; over half of pottery produced there contains lead glaze, which has been used for centuries to provide shine and fortify ceramics used for cooking. Producers may continue to use lead glaze even if a lead-free alternative is available. Consumers often prefer ceramics with lead glaze due to its aesthetic properties and its lower cost. Producers continue to use it because it does not require them to modify their kilns to accommodate a difference in temperature. However, local organizations are making efforts to spread awareness of its dangerous effects while being sensitive to cultural understanding and could benefit from the support of USAID and its partners.
- **Limited testing capabilities constrains efforts to monitor lead impact and enforce regulation.** Governments are slowly realizing the devastating effects of lead exposure, which has relatively recently gained prominence as a public health issue, but they are not equipped to test lead levels and lack frameworks for regulation. Providing support to existing institutions working to reduce lead exposure helps close the gap in the technical testing abilities of LMICs, helps governments to prioritize lead as a public health issue, and strengthens awareness of lead poisoning as a public health issue.

USAID INVEST Buy-In Summary: Liberia

Buy-in Name	Liberia
Buy-in Client	USAID Liberia
Period of Performance	August 2019 to May 2021
Buy-in Amount	\$213,750
Buy-In Support Type	Investment Opportunity Assessment
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Information and Communications Technology
Subcontractors/Sub-Awardees	Independent Consultants

OBJECTIVE

INVEST supported USAID Liberia and the Government of Liberia (GoL) in their goal of efficiently and effectively building out the country's Information Communication and Technology (ICT) infrastructure. This activity was designed to conduct feasibility and market studies addressing the main barriers to the development of the ICT sector in Liberia and propose approaches that could help attract investment and foster economic growth.

ACTIVITIES

INVEST provided support to USAID Liberia through two distinct activities:

Activity 1: Telecommunications divestiture assessment

- **Overview:** USAID supported the GoL's initial efforts in 2019 to diversify Libtelco, the government-owned main supplier of telecommunication services, and the Cable Consortium of Liberia (CCL), a majority-government-owned company that is responsible for the internet submarine cable landing. INVEST engaged a team of expert consultants to conduct an initial feasibility study, which included an analysis of assets and liabilities, an assessment of the chances of a successful divestiture of both entities, and recommendations on suitable partnership models and approaches to maximize successful divestiture.
- **Key deliverables:**
 - Liberia divestiture assessment report and presentation

Activity 2: ICT pricing and regulatory comparative assessment

- **Overview:** INVEST commissioned a comparative study to examine best practices in establishing tax and regulatory fee structures on mobile network operators (MNOs) in the region and analyze the potential impact of various taxes/fees on MNOs, their users, and GOL revenue. The purpose of the study was to inform future USAID engagement in policy dialogue related to telecommunications regulatory fees and efforts to strengthen Liberia's digital economy.
- **Key deliverables:**
 - Liberia ICT pricing and regulatory assessment and presentation

RESULTS

- Presented findings and recommendations on telecommunications divestiture options to high-level government officials, including the President of Liberia.
- Shared findings from the comparative pricing and regulatory assessment with the region's donor community, including the United Nations and other key stakeholders, in a virtual meeting convened by USAID.
- Produced a series of infographics on internet cost and accessibility in Liberia to inform policy discussions and future USAID programming.

LESSONS LEARNED

- **Market assessments and feasibility studies are a crucial first step to successfully attract investment.** Government priorities will always inform policy decisions. To be successful, reforms aimed at attracting greater private sector participation should also be backed by robust feasibility studies that can help identify existing barriers and key conditions that must be met to attract private businesses and investors.
- **Local context is important, but international best practices can also yield meaningful insights.** The assessment in Liberia revealed that while sector-specific ICT taxes were not uncommon in West Africa, they were contrary to international best practices. The report found that the new pricing policies and regulations generated initial benefits for tax revenues but had detrimental effects on user accessibility. Reduced access to broadband affects economic growth and job creation potential, so the negative medium-to-long-term impact of the changes far outweighed the short-term benefits.

USAID INVEST Buy-In Summary: Mexico

Buy-in Name	Mexico
Buy-in Client	USAID Mexico
Period of Performance	February 2020 to April 2022
Buy-in Amount	\$405,000
Buy-In Support Type	Investment Opportunity Assessment, Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Sustainable Landscapes
Subcontractors/Sub-Awardees	CollaborateUp and various consultants

OBJECTIVE

USAID Mexico engaged INVEST to support its sustainable landscapes programming. INVEST helped identify partners to research, develop, test, and evaluate innovative approaches to increase access to finance and catalyze investments. This activity was designed to improve land management practices and reduce the drivers of land-use change, ultimately reducing deforestation and forest degradation.

ACTIVITIES

The INVEST Mexico buy-in included a virtual co-creation process, focus group discussions, and a mapping exercise:

Phase 1: Latin American Impact Investing Forum session

- **Overview:** INVEST helped develop and publicize the addendum released by USAID Mexico under the Broad Agency Announcement (BAA) for Catalyzing Private Investment during the Latin American Impact Investment Forum (*Foro Latinoamericano de Inversión de Impacto*, or FLII) in Mérida, Mexico in February 2020. At the event, USAID socialized the findings from an assessment conducted by Environmental Incentives and Dalberg to garner feedback for the final report and generate interest and ideas for a co-creation process.
- **Key deliverables:**
 - INVEST inception report and workplan
 - Draft BAA addendum

Phase 2: Co-creation

- **Overview:** INVEST provided technical advisory and facilitation services to USAID throughout the co-creation and partner selection process. USAID Mexico issued a call for expressions of interest in February 2020 to identify potential partners and innovative approaches to promote sustainable landscapes and reduce deforestation in Mexico. The co-creation workshop took place virtually in April 2020 due to the COVID-19 pandemic. The workshop facilitated networking among potential partners with the necessary expertise to research, develop, test, and evaluate innovative solutions to catalyze investment in smallholder farmers, small and

medium enterprises (SMEs), community and forestry enterprises (CFE), communities, and *ejidos*— farms that combine communal ownership with rights for individual use.

- **Key deliverables:**
 - Workshop agenda and materials, including instructions to facilitators and participation rules for virtual co-creation
 - Workshop outputs, including participant lists, templates, tools, and group assignments completed during virtual co-creation
 - Virtual co-creation workshop final report, detailing outcomes, a summary of proposed co-created solutions, an overview of the process, and key lessons

Phase 3: Consultation and focus groups

- **Overview:** INVEST supported the development of a concept paper for a new program to decrease greenhouse gas emissions and increase smallholder producer income in targeted regions by catalyzing innovative solutions and fostering collaboration among stakeholders along zero-deforestation value chains. INVEST held consultations to inform the concept paper and identify potential channels and strategies to attract private sector partners (e.g., investors, buyers, donors, community-based enterprises, NGOs, and other agroforestry businesses). The consultation consisted of five focus group discussions focused on priority landscapes in Mexico, including Campeche and Quintana Roo (Calakmul), Chiapas (Sierra Madre and Lacandona), and Oaxaca (Sierra Sur), as well as two global discussions with market catalyzers.
- **Key deliverables:**
 - “Strategies for Transforming Landscapes in Mexico: Communities as Agents of Sustainable Change” report

Phase 4: Stakeholder mapping to support USAID/Mexico programming

- **Overview:** Building on the consultations carried out under Phase 3, INVEST consultants carried out a follow-on mapping exercise to identify a comprehensive list of relevant stakeholders and initiatives in the Selva Maya landscape of southeastern Mexico. Data collection for the mapping exercise included desktop research, collaboration with key partners to decide what information to prioritize, and collection of primary data.
- **Key deliverables:**
 - Database of key stakeholders in the priority landscapes and value chains including relevant donors, collaborators, producers and other associations and companies working in the priority landscapes
 - Mapping webinar and corresponding report

RESULTS

- Facilitated USAID's first virtual co-creation workshop with 80 total participants representing 29 organizations. The gender balance among the co-creators was relatively even, with 26 women and 24 men.
- Conducted consultations with over 45 participants through five focus groups and consolidated findings in a report.

- Completed a mapping exercise to identify key stakeholders in the priority landscapes, ultimately developing a database of 433 key stakeholders. A webinar was held to showcase findings, which was attended by 58 participants.

LESSONS LEARNED

- **USAID can benefit from support to their procurement processes.** Both in marketing beforehand and during the co-creation process itself, USAID can benefit from specialized technical advisory support, particularly for projects and activities that involve more innovative or experimental approaches and sectors and those aimed at attracting nontraditional partners and private sector stakeholders. Specialized technical advisors can contribute niche expertise and expanded networks that complement USAID's knowledge and reach.
- **When facilitating a virtual workshop or meeting, logistics must be considered down to the finest detail.** For example, more than one person is needed for IT support as there are many roles that need to be filled during a virtual workshop. Facilitators should also consider establishing and enforcing security protocols and meeting norms from the onset to avoid uninvited attendees, confusion, or technical issues among participants. Having a high number of external participants with access to certain videoconferencing capabilities (*i.e.* screenshare, mute/unmute) may otherwise cause disruptions.
- **To garner trust and engagement in a virtual setting, meeting norms must be clearly established.** To encourage participation and the exchange of ideas, norms should be established from the get-go for participants to feel more comfortable sharing ideas virtually.
- **When collecting data and conducting stakeholder mapping, a clear methodology and maintenance plan are key for product longevity.** Manuals for data collection processes and how to update data should be delivered with a database of contacts to ensure that the product remains accessible, usable, and up to date.

LEARNING AND COMMUNICATIONS PRODUCTS

- How USAID Brought Co-Creation Online in the Era of Social Distancing: [Part I](#), [Part II](#), [Part III](#), [Part IV](#), Medium, November 2020
- [5 Questions about Co-Creation](#), Medium, January 2021
- Strategies for Transforming Landscapes in Mexico: Communities as Agents of Sustainable Change report ([English](#) / [Spanish](#)), March 2021
- [Resultados del Mapeo: de Empresas de Impacto en Paisajes Prioritarios en el Sureste de México](#), March 2022
- [Investing in the Planet by Investing in the People Who Know It Best](#), ImpactAlpha, April 2022

USAID INVEST Buy-In Summary: Moldova Private sector Landscape Assessment for Mobilizing Capital

Buy-in Name	Moldova Private sector Landscape Assessment for Mobilizing Capital
Buy-in Client	USAID Moldova
Period of Performance	April 2019 to August 2020
Buy-in Amount	\$432,130
Buy-In Support Type	Investment Opportunity Assessment
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Trade and Investment
Subcontractors/Sub-Awardees	CrossBoundary LLC

OBJECTIVE

USAID’s Private Sector Engagement (PSE) Policy, developed in 2018, underscored the need for all parts of the Agency to work with the private sector to co-create market-based development solutions. The policy required each USAID Mission to incorporate private sector engagement into its Country Development Cooperation Strategy (CDCS) or Regional Development Cooperation Strategy (RDCS). USAID Moldova sought to conduct a landscape assessment of private sector investment opportunities in Moldova to optimize private engagement in future activities and programs as the Mission embarks on the design and implementation of its next five-year strategy.

Through this buy-in, INVEST supported the Mission in conducting its investment landscape assessment, with particular focus on high-priority sectors including information and communications technology (ICT), agriculture, tourism, textiles, financial services, infrastructure, energy, health, and education.

ACTIVITIES

The work under this buy-in proceeded in two phases:

Phase I: Rapid scoping mission of USAID Moldova’s private sector engagement sectors (October 2019)

- **Overview:** INVEST conducted a rapid assessment that included a combination of desk-based research and an in-country scoping mission to interview key informants at USAID Washington, USAID Moldova, and other key stakeholders. The scoping mission provided insight into opportunities and priority sectors that demonstrated the highest potential for mobilizing innovative investment and further defined the required scope for the in-depth investment landscape assessment to come.
- **Key deliverables:**
 - Scoping mission report and recommendations to the Mission

Phase II: Investment Landscape Assessment (January-June 2020)

- **Overview:** Based on the scoping mission findings and recommendations, CrossBoundary conducted an investment landscape assessment to identify and develop a pipeline of potential private investment opportunities, aligned capital providers, and technical assistance and business advisory service providers to form the foundation of an investment platform activity in Moldova. The assessment provided insight into the viability and impact of different private sector engagement opportunities and challenges in Moldova's nascent investment environment.
- **Key deliverables:**
 - Final Moldova investment landscape assessment report

RESULTS

- The investment landscape assessment identified three opportunities for the Mission to fill gaps in the supply of capital and provide the services necessary to guide impactful transactions:
 1. Provide specialized services required to bridge the gap between capital seekers and capital providers.
 2. Support a regional hybrid fund to enter the market by utilizing the presence of regional capital providers with tailored and growth-oriented products to fill a key market gap in Moldova.
 3. Create a dedicated and tailored hybrid investment vehicle to address capital supply gaps.
- The investment landscape assessment also identified challenges in the investment environment and areas where Mission support could be transformational. It noted that enterprises have a low level of knowledge about how and where to secure equity investments and what such investments entail. It also identified that success stories can encourage other companies to consider external funding opportunities.

LESSONS LEARNED

- **Investment facilitation can provide the specialized services needed to close transactions and drive investment into Moldova** and enhance USAID's long history of success through technical assistance to critical industries. Beyond just enabling transactions, investment facilitation can provide insights into the macro-level challenges that often prevent investors from entering a market. Investment facilitation can directly support companies seeking capital to improve their operations in preparation for outside capital in existing USAID programs.
- **USAID can support the entrance of hybrid capital into the Moldovan market through a dedicated technical assistance facility.** By attracting regional capital that's well-suited to the country's context and needs, this investment strategy could drive economic growth and strengthen companies beyond the initial investment. In addition, the establishment of first-loss facilities, a type of risk mitigation tool, could provide a cushion and compensate investors for a portion of their losses in case the investment yields a negative return.

USAID INVEST Buy-In Summary: Moldova Investment Platform

Buy-in Name	Moldova Investment Platform
Buy-in Client	USAID Moldova
Period of Performance	May 2020 to August 2022
Buy-in Amount	\$2,717,870
Buy-In Support Type	Transaction Advisory, Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Trade and Investment
Subcontractors/Sub-Awardees	CrossBoundary LLC Gladei & Partners

OBJECTIVE

USAID Moldova aimed to leverage private sector expertise, networks, and resources to protect its historic investments in key economic sectors such as agribusiness, information and communication technology (ICT), tourism, and light industry. In response to the COVID-19 outbreak and its effect on businesses, USAID Moldova also aimed to support the survival of businesses in key sectors.

The Moldova Investment Platform buy-in was a follow-on of INVEST’s previous buy-in with USAID Moldova from January to June 2020, which supported a landscape assessment to identify high potential sectors and investment opportunities. Twenty of 63 enterprises were identified as high potential investment opportunities and 23 potential capital providers were also profiled.

Given that the COVID-19 outbreak occurred at the end of the landscape assessment, this buy-in aimed to support an immediate response to provide critically needed investments and interventions during and after the pandemic while maintaining the momentum of longer-term private sector engagement (PSE) efforts at the Mission.

ACTIVITIES

INVEST developed an agile and flexible investment platform to bring investment opportunities to financial close that aligned with USAID’s global COVID-19 response, Moldovan government stimulus packages and monetary policies, and investor requirements. The investment platform provided firm-level investor assistance to reduce transaction costs and/or information asymmetries to catalyze developmentally beneficial investments.

The activities were implemented in three phases. The first phase entailed a rapid COVID-19 impact assessment and structuring of the investment facilitation platform focused on survival, viability, and growth. Phase 2 focused on implementation of the platform through the provision of technical assistance and transaction advisory services to facilitate investment close among identified businesses. During phase 2, the Moldova Capital Fund (MDCF Fund), a €40 million fund managed by Gestion Capital Dezvoltare (GCD Management) that offers Moldovan SMEs tailored financing options, was identified as needing further support. In Phase 3, Gladei & Partners was subcontracted to provide legal services to GCD Management for structuring and legal registration of the fund.

Phase 1: Rapid COVID-19 impact assessment (September 2020-November 2021)

- **Overview:** CrossBoundary conducted a rapid assessment of 103 companies to capture the impact of COVID-19 on their business and their new financing needs. Results from the rapid assessment and the previous buy-in's landscape assessment were incorporated into the design of an investment facilitation platform.
- **Key deliverables:**
 - Rapid assessment: A vetted list of 103 businesses were surveyed and interviewed about the impact of COVID-19 on their businesses.
 - Investment facilitation platform design and structuring: CrossBoundary developed a scorecard covering sector, size, feasibility, additionality, and impact to evaluate businesses to receive support in the next phase. CrossBoundary developed an initial pipeline of six companies that could be immediately supported and set an investment target of \$20 million. They also profiled potential investors ranging from private investors to Moldovan financial institutions to DFIs.

Phase 2: Investment platform implementation (December 2020-August 2022)

- **Overview:** The platform's goal was to attract \$20 million in investment into Moldovan enterprises. CrossBoundary provided transaction advisory services to 11 high-potential enterprises in USAID priority sectors, ranging from financial analysis and investor engagement to due diligence support and deal structuring, depending on the status of the transaction in the investment cycle.
- **Key deliverables:**
 - Enterprise engagement letters: Agreements with 11 enterprises detailing the tailored support to be provided to the enterprise and the timeline.
 - Engagement supporting documents: Assistance to enterprises in refining or developing materials including pitch decks, teasers, and investor trackers.
 - Transaction closeout reports: Evidence for the three transaction closes and details of the transaction and associated development impacts.
 - Final report: Summary of the activities completed in this phase and lessons learned and recommendations to USAID for further support to Moldovan businesses.

Phase 3: Legal services to the MDCF fund (December 2021-August 2022)

- **Overview:** Gladei & Partners, in collaboration with Van Campen Liem, provided legal services to GCD Management to support fund structuring and registration and prepared the fund's internal policies.
- **Key deliverables:**
 - Legal roadmap: Options for registering the MDCF Fund and recommendations for the most feasible organizational form to be registered both in the Netherlands and in Moldova.
 - Legal registration documents: Documents for registering the Fund in Moldova and in the Netherlands, investor memorandum, management agreement, and shareholding and loan agreements.

RESULTS

- Completed a rapid COVID-19 impact assessment to understand the impact on Moldovan businesses and inform the design of the investment platform.
- Closed transactions for three enterprises in the ICT and beverages sectors, totalling \$2.4 million.
- Supported the MDCF fund in legal structuring and preparing all required documents for legal registration.

LESSONS LEARNED

- **The macroeconomic environment and geopolitical risk posed serious challenges to larger, Moldova-exposed transactions, while asset-light, smaller transactions were able to proceed with their investment plans.** The Russia-Ukraine war heavily influenced deal activity in Moldova and the broader region, with many investors pausing new investment activities due to uncertainties in the macroeconomic environment. Despite the challenges, three enterprises were able to raise capital under the activity. These businesses were early-stage, high-growth, asset-light, and export-oriented, and focused on technology, specifically ICT. Since they targeted the global market, they were more shielded from the impact of the war compared to businesses that focused on the local Moldovan or regional market.
- **Local banks represented the primary sources of financing for capital expenditures and working capital for larger businesses, whereas non-bank financial institutions are better positioned at serving micro, small, and medium-sized enterprises (MSMEs), albeit at higher interest rates.** Local Moldovan banks were well-equipped to provide loans to finance capital expenditure and working capital to businesses at the larger end of the MSME spectrum, because the cost of loan-origination was well-compensated by interest rates and fee streams for services such as payments and foreign exchange. Significant collateral requirements limited access to finance for MSMEs. Non-bank financial institutions offered more flexible collateral terms to MSMEs, though at much higher interest rates. Therefore, these smaller businesses continued to face difficulties in financing capital investments.
- **Regional investors showed the most interest in investing in Moldova due to their familiarity with the country's fundamentals.** Investment firms from the immediate region, such as those in Romania, were more likely to show interest in investing in Moldova and were able to invest at smaller ticket sizes compared to other European or U.S.-based investors.
- **In investors' eyes, the Moldovan market exhibits few existing opportunities, requiring risk mitigants such as establishment of legal entities in other jurisdictions.** Insufficient depth of the Moldovan capital market reduced the country's attractiveness to equity investors. The majority of businesses supported under the investment platform showed a relatively low level of readiness to attract external investment.

LEARNING AND COMMUNICATIONS PRODUCTS

- [ICT, Wine, and Fintech: What USAID Moldova Can Teach Other Countries About Private Sector Engagement Approaches During COVID-19](#). Medium, December 2020

USAID INVEST Buy-In Summary: Nigeria

Buy-in Name	Nigeria
Buy-in Clients	USAID Nigeria, Power Africa, Prosper Africa
Period of Performance	January 2022 to July 2024
Buy-in Amount	\$1,950,000
Buy-In Support Type	Investment Opportunity Assessment, Transaction Advisory Services, Technical Assistance
Program/Subprogram/Cross-Cutting Area	Economic Growth, Health/Agriculture, Clean Energy, Water, Sanitation, and Hygiene (WASH)/Infrastructure
Subcontractors/Sub-Awardees	Chapel Hill Denham (CHD) and partner Institutional Investor Network (IIN)

OBJECTIVE

Through this buy-in, USAID Nigeria, Power Africa, and Prosper Africa sought to support Nigerian institutional investors, particularly pension funds, to mobilize greater investment into infrastructure projects in priority sectors. Long-term capital from domestic institutional investors is a critical source of financing for infrastructure projects, yielding terms aligned with the project financing needed to accelerate and deepen economic growth and social development in the country.

This buy-in aimed to increase institutional investment in infrastructure across key sectors of Nigeria’s economy, with a particular focus on renewable energy; agriculture; and water, sanitation, and hygiene (WASH). It also sought to deepen domestic capital markets and support local stakeholders in creating tools to finance their own development, reducing reliance on donors and expensive foreign currency debt. USAID believed that a coordinated effort that would leverage the expertise and networks of the U.S. financial system and its institutional investors, together with credit enhancement tools and transaction advisory services, had the potential to catalyze investment in Nigerian infrastructure, resulting in greater risk-adjusted returns for the Nigerian institutional investor community and drastically improving development and humanitarian outcomes in the country.

ACTIVITIES

INVEST, through its partner Chapel Hill Denham (CHD) in collaboration with the Institutional Investment Network (IIN), implemented one activity with two objectives. Objective 1 focused on strengthening the capacity of Nigerian and international institutional investors—with a distinct focus on the Nigerian pension community—to invest in priority infrastructure sectors. Objective 2 focused on facilitating discrete transactions to mobilize capital into infrastructure across key sectors, including renewable energy, agriculture, and WASH.

Objective 1: Capacity building

- **Overview:** CHD executed nine capacity-building events for targeted stakeholders to strengthen awareness of the Nigerian infrastructure investment ecosystem and bolster

participants' ability to deploy capital in priority sectors. Participants included stakeholders from development banks, foundations, large institutional investors, and other intermediaries. Activities under this objective also included an investor delegation or "Reverse Roadshow" in October 2023, in which CHD partnered with IIN to bring a delegation of U.S. investors to Nigeria to build awareness of the country as an attractive investment destination.

- **Key deliverables:**

- Nigerian infrastructure landscape assessment: This report disaggregated Nigerian infrastructure opportunities by asset class, risk-return expectation, and sector. It identified targeted stakeholders' existing competencies and provided an overview of the pension fund administrator (PFA) environment, investment challenges, and mitigants to be addressed during capacity-building sessions.
- Post-capacity-building program report and assessment: This report summarized engagements with Nigerian regulators, detailing CHD's efforts to improve the regulators' understanding of the infrastructure asset class and any advocacy undertaken, promote a framework for minimum PFA infrastructure investment requirements, explore the regulatory appetite for introducing requirements for low carbon projects, and propose a draft amendment to the existing framework for regulatory review.
- International investor workshop report: This report demonstrated the investor perceptions, challenges, opportunities, and key takeaways from workshops designed to engage international investors on the investment opportunities and ecosystem in Nigeria.
- Post-trip report: This report provided a comprehensive summary of the Reverse Roadshow in Nigeria in October 2023, which brought a delegation of U.S. institutional investors and asset managers to Lagos and Abuja to explore infrastructure investment opportunities.
- Post-conference report: This report provided a comprehensive summary of the Powering Nigeria Conference held in June 2024. The report analyzed how this event built the capacity of attending stakeholders to strengthen awareness around the Nigerian infrastructure investment universe as well as their capacity to deploy capital in the activity's priority sectors.

Objective 2: Transaction execution

- **Overview:** CHD facilitated discrete infrastructure transactions to increase overall pension fund investment in infrastructure.
- **Key deliverables:**
 - Opportunity pipeline: The pipeline included 11 total opportunities in the agriculture, WASH, and renewable energy sectors, tailored to relevant requirements and mandates of the engaged beneficiaries. The pipeline also included an assessment of risks and proposed risk mitigation tools, due diligence plans, prioritization of opportunities, and summary of other pertinent factors.
 - Letters of engagement: CHD signed letters of engagement with three selected beneficiaries, detailing the type of support to be provided, timeline for deliverables, specific targets, and agreement on metrics disclosure.
 - Transaction close reports: CHD produced five transaction close reports that demonstrated \$489 million in private capital raised to support infrastructure development in Nigeria.

- Final report: This report documented and assessed both the capacity-building initiatives and the transaction execution, delineating the activities’ successes, challenges, and lessons learned on the Nigerian investment landscape and investment opportunities.

RESULTS

- Completed a comprehensive landscape and opportunity assessment to better understand the Nigerian infrastructure landscape, including requirements, investment mandates, and the current capacities of the pension fund community.
- Executed nine capacity-building events, which included two workshops on project finance (April 2023), the “Investing in Development” conference (May 2023), a roundtable on PFA’s infrastructure investment (June 2023), a webinar on fund manager selection (July 2023), a Reverse Roadshow in Nigeria (October 2023), a webinar on innovative finance solutions (January 2024), a webinar on investment opportunities in Nigeria (May 2024), and the “Powering Nigeria” conference (June 2024).
- Developed a robust pipeline of bankable infrastructure transactions in the WASH, agriculture, and renewable energy sectors.
- Mobilized \$488,916,489 in capital raised from institutional investors, fund managers, high-net-worth individuals, and other private sector actors to support Nigerian infrastructure transactions in WASH, agriculture, and renewable energy. These transactions and companies include:
 - A \$291 million bond issuance with the state of Lagos that will identify and finance more than 200 social and physical infrastructure projects in housing, agriculture, civic education, healthcare, rail and roads, sports, waste/water, clean energy, and transportation.
 - \$13 million for a solar energy company with PayGo technology that allows unbanked customers to pay for solar products in affordable instalments as little as \$0.20 per day via mobile money. This investment will support scaling the PayGo business model and distribution network across Nigeria to reach the large underserved market, transforming lives through affordable, sustainable, off-grid energy solutions.
 - \$99.5 million for one of the largest brands in the food and agro-allied industry in Africa, which processes locally grown soybeans, palm fruit, cassava, maize, sugar cane, and sorghum. The investment will be used to refinance the company’s short-term obligations with the goal of reducing average borrowing costs. In addition, part of the investment will support working capital needs to enable the investee to scale operations and continue upgrading its manufacturing equipment and facilities.
 - \$35.2 million for a global supply chain services company focused on the processes involved in the sourcing and distribution of goods and commodities across diverse markets. With over 300,000 merchants, its B2B transactions exceed over \$1 billion in annual gross merchandise volume. The investment will fuel the company’s expansion plans, enhance its technological infrastructure, and bolster its market presence across Nigeria, Kenya, and South Africa.
 - \$50 million for the Energy Transition and Access Facility for Africa (ETAFA), an innovative fund structure that will facilitate portions of the capital raise proceeds to promote clean and renewable energy products to reduce the number of people without access to electricity by half by 2030.

LESSONS LEARNED

- **Ongoing capacity building is critical to increase institutional investment.** The frequent delivery of financial education to all stakeholders in the industry on long-term investments and respective value creation is essential. There is a particularly high turnover rate for PFAs in Nigeria, and this makes continuous capacity building essential to maintain increased investment understanding on alternative asset classes among a broad set of stakeholders.
- **The low investment participation in infrastructure assets by domestic and international investors is largely due to a perception of riskier investments and a shortage of reputable investment opportunities within the asset class.** Understanding this, USAID and CHD sought to ensure that the capacity-building interventions enhanced awareness and understanding among these investors, especially with pension fund administrators, for various infrastructure asset classes which have a variety of risk levels to suit different risk appetites.
- **It's not just about closing deals; it's about building long-term relationships.** Closing individual deals is important to USAID, but it is equally important to focus on the bigger picture to build the financial ecosystem by cultivating long-term relationships between U.S. institutional investors and African financial market players. These relationships help clarify the investment reality in Nigeria and on the African continent at large, reducing risk as a perceived detriment for U.S. private investment. Furthermore, sustainable relationships between the U.S. private sector and Africa will support two-way trade without the involvement of the United States Government or other donor entities, cultivating increased self-sufficiency rooted in private sector engagement.
- **Donor funding results in greater investment allocations to priority sectors.** USAID funding allowed CHD to pursue an innovative funding structure that facilitated portions of the capital raise proceeds to promote lean and renewable energy products. USAID's additionality comes in increasing funding allocations to the local Nigerian renewable energy sector, which is severely underdeveloped.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Nigeria Infrastructure Landscape Assessment Report](#), LinkedIn, July 2023
- [The Nigerian Infrastructure Investment Landscape Activity](#), LinkedIn, July 2023
- [Investing in Infrastructure to Spur Development in Nigeria](#), Medium, July 2023
- [The U.S. Government hosts institutional investor roadshow to explore investment opportunities in Nigeria](#), press release, October 2023
- [Channeling Investment into Water and Sanitation in Lagos](#), Medium, December 2023
- [Demography is Destiny: Why U.S. Institutional Investors are Looking to Africa](#), Prosper Africa blog, January 2024
- [USAID in collaboration with Chapel Hill Denham, Host Conference to Boost Infrastructure Investment in Nigeria](#), press release, June 2024

USAID INVEST Buy-In Summary: Pakistan Voluntary Carbon Markets

Buy-in Name	Pakistan Voluntary Carbon Markets
Buy-in Client	USAID Pakistan
Period of Performance	October 2022 to July 2024
Buy-in Amount	\$660,000
Buy-In Support Type	Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Modern Energy Services
Subcontractor/Sub-Awardee	Climate Focus

OBJECTIVE

USAID Pakistan engaged INVEST in its broader efforts to strengthen Pakistan’s voluntary carbon market (VCM) by supporting both public and private sector engagement. Through this buy-in, USAID aimed to strengthen the capacity of the Pakistan Ministry of Climate Change (MoCC) to consolidate a VCM framework and strategy and support the creation of an enabling environment that promotes increased high-quality VCM investments and activities in Pakistan.

ACTIVITIES

INVEST engaged Climate Focus in a two-phased approach to strengthen the capacity of the MoCC in scaling VCM activities in Pakistan.

Phase I (June-December 2023)

- **Overview:** Phase I was guided by the four components that are key for scaling up VCM efforts, according to Climate Focus’s experience: 1) Government and institutional coordination; 2) regulatory framework; 3) reporting and information infrastructure; and 4) private sector activation. INVEST worked with Climate Focus to assess the status of Pakistan’s VCM and offer recommendations for future USAID-supported interventions, including the establishment of a regulatory, legal, and infrastructure framework to scale Pakistan’s VCM. INVEST carried out an initial assessment validated by an in-country workshop with a set of key stakeholders including government entities, provincial governments, project developers, donors, investors, buyers, and traders. Utilizing feedback from the workshop, the final assessment pinpointed gaps in governance and private sector capacity that are preventing the country’s VCM from reaching scale. Phase I included four activities:
 1. Mapping of key stakeholders, existing regulatory frameworks, donor efforts, and carbon projects: Through a series of in-person and virtual interviews and desk research, Climate Focus conducted a mapping of Pakistan’s VCM landscape for existing efforts, regulatory frameworks, and actors involved in the market.
 2. Assessment and gap analysis of Pakistan’s current VCM: Utilizing stakeholder interviews, Pakistan policy and law review, and desk research, Climate Focus analyzed the opportunities, gaps, and barriers to scaling the country’s VCM.

3. Validation with actors and development recommendations: INVEST organized and facilitated in-person meetings and a stakeholder dialogue to validate assessment findings, recommendations, and proposed priority areas for scaling Pakistan’s VCM. INVEST hosted an in-country workshop that brought together key stakeholders both in Pakistan and internationally, such as potential buyers of credits and investors.
 4. Learning guidance for USAID on conducting VCM landscape assessments: INVEST developed a guidance document outlining the approach and process for conducting a gap analysis and a landscape assessment on a VCM for USAID Missions considering similar activities. The Climate Focus team conducted a 90-minute workshop to present the approach to USAID staff and discussed lessons learned.
- **Key deliverables:**
 - Landscape mapping of Pakistan’s VCM
 - Assessment report on Pakistan’s VCM
 - Learning guide on conducting the gap analysis and landscape analysis

Phase 2 (January-June 2024)

- **Overview:** Phase 2 was implemented in two workstreams. In Workstream 1, Climate Focus supported the MoCC in developing draft rules for a VCM that can be adopted as an administrative framework and formalized into law in the long term. In Workstream 2, Climate Focus developed a private sector technical assistance program that included a one-day workshop on carbon project fundamentals and an accelerator program providing tailored technical assistance to selected carbon project developers.
 1. Climate Focus first conducted a legal scoping activity to identify the appropriate legal instrument for implementing a carbon market framework and recommended that the government adopt these rules. Climate Focus then identified key strategic decisions that needed to be made by the government that built upon the MoCC’s existing draft *Policy Guideline for Trading of Carbon Market*. Climate Focus then drafted the rules on carbon market activities and updated the rules following in-person consultations with the MoCC, other government stakeholders, and other donor organizations working on Pakistan’s carbon market. Climate Focus also developed a legal roadmap that laid out the steps for incorporating the drafted rules into Pakistan’s legal framework and the legislative and regulatory actions required to adopt the framework.
 2. Climate Focus developed a two-part technical assistance program for the private sector. In the first part, Climate Focus developed a Carbon Project Fundamentals training and delivered the training in a one-day, in-person workshop to 57 participants. In the second part, Climate Focus selected seven entities including both early-stage ventures and existing carbon project developers and provided tailored technical assistance to aid their carbon project development *via* technical office hours.
- **Key deliverables:**
 - Legal scoping
 - Briefing note on government strategic decisions on VCM
 - Draft carbon market framework
 - Legal roadmap on regulatory enactment of drafted framework
 - Carbon Market Fundamentals training and technical office hours program packets
 - Post-assessment summary report

RESULTS

- Completed a landscape mapping of Pakistan’s VCM, documenting existing efforts and the public and private actors involved. Completed an assessment of Pakistan’s VCM and identified gaps, challenges, and opportunities in scaling VCM in Pakistan.
- Provided USAID with four workstreams the Agency would be well positioned to support, including: 1) supporting the country’s Ministry of Climate Change (MoCC) in developing a carbon market strategy and regulatory framework; 2) building capacity for the private sector in carbon project development and potential validation and verification bodies; 3) conducting a feasibility study on the mitigation potential of a specific sector, such as agriculture; and 4) identifying and supporting the development of small-scale projects into a program of activities in the VCM.
- Drafted VCM rules to be adopted by the MoCC as a VCM framework.
- Delivered a one-day training on carbon project fundamentals to 57 participants.
- Delivered tailored technical assistance to seven selected early-stage ventures and carbon project developers to help advance their growth and impact.

LESSONS LEARNED

- **Consider realistic subcontractor and consultant requirements.** INVEST initially intended to conduct this activity using one full-time consultant with a background in international carbon markets, familiarity with Pakistan, and understanding of GHG and measurement, reporting, and verification (MRV) systems. However, recruitment efforts did not result in any qualified candidates and INVEST onboarded a firm instead. Being realistic about the requirements of the scope and capacity required to deliver would have led to appropriate procurement from the beginning and would have likely saved time, allowing for a longer implementation timeline.
- **Plan for time delays and set expectations while working with host governments to ensure availability and alignment.** A key stakeholder in USAID and INVEST’s efforts to assess the VCM in Pakistan is the Pakistan Ministry of Climate Change. However, through the research and interview process, INVEST determined that the MoCC had differing goals for the outcome of the analysis than USAID and is focused solely on public-sector interventions. The MoCC is also frequently engaged in other donor projects and has multiple competing priorities which reduces their responsiveness. Due to communication challenges, the validation workshop was delayed, delaying other elements of Phase I.
- **Ensure government buy-in on VCM framework deliverables.** Following Pakistan’s parliamentary election in February 2024, INVEST’s key contacts at the MoCC were replaced with new ministers who had little familiarity with the work that USAID was doing on VCM. Additional capacity building was needed for the new ministers before they could strategically engage in making key decisions on VCM and moving the draft rules forward; however, this was not possible due to INVEST’s activities ending in June 2024.
- **Coordinate efforts in-country to avoid duplication and ensure sustainability.** Several donor organizations, like the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ), the World Bank, and the United Nations Environment Programme (UNEP), are working on VCM in Pakistan. However, there was little communication between organizations, and not all donor reports conducted on the VCM were publicly available, risking duplication of efforts. However,

organizations can collaborate to continue work that has already started. For example, INVEST discovered that many carbon project developers need assistance in getting their projects to the point of registration or financial close. Since the project was ending, INVEST connected with another USAID project in country and communicated with project developers to facilitate a handover and continued support.

- **Consider travel barriers when operating in conflict-affected countries like Pakistan.** In-country workshops can be hindered by long visa processes and pre-travel security considerations. It is critical to ensure necessary security measures are built into implementation timelines. Utilizing an in-country resource—DAI Pakistan—was enormously helpful to INVEST.
- **There are major gaps in governance and private sector capacity that deter Pakistan’s VCM from reaching scale.** Major gaps include a lack of federal and provincial coordination and policy efforts, outdated greenhouse gas emissions data standards, a lack of a national carbon credit registry or database, and knowledge gaps surrounding the VCM among key private sector players.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Assessing Voluntary Carbon Markets in Pakistan: PSE Innovation Roadmap](#), report, January 2024 [USAID intranet]
- [Guide for Conducting Voluntary Carbon Market \(VCM\) Needs Assessment](#), February 2024
- [Advancing Pakistan’s Carbon Market: Assessing for Success](#), Climatelinks, July 2024

USAID INVEST Buy-In Summary: PIVOT 1.0, 2.0, and the Climate Finance Practicum

Buy-in Name	PIVOT 1.0, 2.0, and the Climate Finance Practicum
Buy-in Client	USAID Africa Bureau
Period of Performance	November 2018 to July 2022
Buy-in Amount	\$1,007,493
Buy-In Support Type	Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Environment
Subcontractors/Sub-Awardees	Convergence CrossBoundary LLC Several independent consultants

OBJECTIVE

The Practical InnoVative On-the-Job Training Cohort (PIVOT) is an organizational change management program designed to advance USAID’S private sector engagement through the development of technical and leadership skills. It was designed as an immersive, cohort-based training that integrates leadership and collaborating, learning, and adapting (CLA) skills to equip USAID staff to be catalysts for change at their respective Missions.

INVEST supported three PIVOT programs: PIVOT 1.0, PIVOT 2.0, and the Climate Finance Practicum. INVEST assistance included program design and planning, conducting both in-person and virtual training sessions, crafting training materials and resource libraries, arranging meetings with private sector stakeholders, and offering expertise in blended finance and private sector engagement.

ACTIVITIES

PIVOT 1.0 and 2.0 (May 2019-July 2021)

- **Overview:** In collaboration with USAID, INVEST helped develop the overall PIVOT methodology. It was piloted in PIVOT 1.0 and then modified for PIVOT 2.0. In addition to the core curriculum, INVEST set up a process for participant applications, selection, and onboarding and developed a core set of private sector engagement competencies. INVEST worked with partners Convergence and CrossBoundary to design and deliver some of the training materials. PIVOT 1.0 engaged staff from USAID Ghana, Kenya/East Africa, Madagascar, Rwanda, Southern Africa and Uganda; PIVOT 2.0 engaged staff from the Ethiopia and Tanzania Missions.
- **Key deliverables:**
 - Webinar on blended finance
 - Blended finance workshop plan, training, summary article, and reflection activity
 - All-cohort PIVOT Africa workshop; PIVOT workshop in Washington, DC
 - Learning report synthesizing results and lessons learned

Climate Finance Practicum (December 2021-June 2022)

- **Overview:** The PIVOT methodology was used to deliver technical content associated with climate finance in support of USAID’s 2022-2030 climate strategy. The methodology included similar elements of private sector engagement and CLA skills. Participants included staff from USAID Tanzania, Mozambique, Southern Africa, Liberia, Madagascar, and Rwanda.
- **Key deliverables:**
 - Training materials for 15-week course
 - All-cohort Climate Finance Practicum workshop in Washington, DC
 - Monitoring, evaluation, and learning report

RESULTS

- Program participants reported an overall increase of approximately one level of proficiency in all technical areas (climate action, CLA, and leadership and communication) and in all five competency areas (readiness, alignment, process, programming, and relationships).
- Participants rated their experience highly in the fundamental areas of the program’s theory of change, including acquisition of new knowledge and skills, motivation from a community of peers, and internal Mission support. On a scale of one to five, mean scores were 4.3, 4.3, and 4.6 respectively for these areas.
- The methodology developed for the Climate Finance Practicum has been replicated on a global scale to engage Missions from Latin America and Asia. The training materials developed have been adopted for use by two additional USAID cohorts.

LESSONS LEARNED

- **Event management skills are essential.** Event management and online learning are core skills needed by the implementation team, particularly the contractor supporting USAID. An appropriately sized and skilled team is required to deliver on the massive amount of logistical support, planning, and technology needed for online and hybrid learning experiences.
- **Using a wide range of delivery methods presents challenges.** There was a wide and divergent group of opinions from the implementation team and participants about adequate length of sessions, number of sessions, and type. While the diversity of methods—expert presentations, peer assists, coaching, team-led action learning, and supervisor meetings—was considered an asset, the combination and sequencing of these sessions needs to be more thoroughly reviewed to optimize the learner experience and ensure opportunities for application of new knowledge.

USAID INVEST Buy-In Summary: Power Africa Kenya

Buy-in Name	Power Africa Kenya
Buy-in Client	USAID Power Africa, USAID Kenya and East Africa Regional Mission
Period of Performance	May 2018 to January 2021
Buy-in Amount	\$500,000
Buy-In Support Type	Transaction Advisory Services
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Clean Energy
Subcontractors/Sub-Awardees	CrossBoundary LLC and partner Open Capital Advisors Uganda Limited

OBJECTIVE

Recent innovations in solar system and mini-grid business models have led to rapid progress in off-grid electrification, with innovative products, strong investor and donor interest, and political support toward expanding energy access. Despite this success, off-grid energy systems are only accessible to a small fraction of the market. Off-grid energy businesses have the potential to scale rapidly and deliver energy access to millions of households across sub-Saharan Africa, yet many face challenges due to the lack of access to expertise and support necessary to raise capital, structure innovating financing structures, or address strategic challenges in their businesses and provide services at scale.

Under this buy-in, INVEST partnered with USAID Power Africa to identify a select group of off-grid energy businesses and determine capital and/or technical and investment advisory services required for enterprise growth. The support facilitated the ability of the selected companies to grow their operating capacity and attract critical growth capital. The advisors also connected the enterprises to the appropriate type of capital providers in-country to increase the number of new grid and off-grid direct connections.

ACTIVITIES

The work under this buy-in proceeded in three key phases:

Phase I: Develop the assessment framework and evaluation of companies (May 2018-August 2018)

- **Overview:** INVEST and partners CrossBoundary LLC and Open Capital Advisors, (the Consortium) employed an empirical approach to develop an assessment framework to evaluate high-potential partners and mini-grid enterprises that would receive INVEST-sponsored business and investment advisory services. The consortium developed a scorecard consisting of several weighted dimensions for testing that provided verifiable metrics for objective comparisons between potential enterprises.
- **Key deliverables:**
 - Held a kick-off meeting and submitted an engagement workplan that included monitoring, evaluation, and learning metrics

- Developed a scorecard structure and evaluation approach for potential investment recipients

Phase II: Enterprise engagement and selection process (August 2018-October 2018)

- **Overview:** The consortium reviewed the finalized scorecard with USAID Power Africa to produce a shortlist of 14 enterprises, including solar home system (SHS) companies, mini-grid companies, and financial institutions, for consultation. Through these consultations, the consortium prioritized and selected four off-grid energy businesses and one development finance institution (DFI) that would ultimately provide the largest number of direct connections and formally engaged the five companies individually, based on forecasted direct connections, capital need, and innovative financing structures.
- **Key deliverables:**
 - Five detailed scopes of work and engagement with the finalist enterprises, including proposed interventions and support, individualized workplans and associated performance metrics

Phase III: Tailored enterprise support (November 2018-March 2020)

- **Overview:** The consortium provided tailored fundraising support to four off-grid businesses (three SHS companies and one mini-grid company) and opportunity validation support and fund structuring support to one DFI.
- **Key deliverables:**
 - Monthly progress reports, case studies, and success stories from each enterprise
 - Semi-annual workshops with USAID Kenya, Power Africa, and INVEST
 - Final report providing insights into the off-grid financing market and the ongoing implementation of donor-funded investment facilitation programs

RESULTS

- The consortium provided targeted transaction support to four high potential off-grid energy businesses looking to raise capital and one DFI looking to set up a multi-currency local debt facility.
- The Program exceeded the targets for capital raised and electricity connections. Businesses that received support under this activity raised over \$105.3 million with over \$59.1 million allocated to the Kenyan market for a projected 1.2 million new and updated electricity connections. These numbers exceeded the buy-in's goals of \$12 million raised capital and 125,000 new electricity connections.
- The consortium conducted three workshops with INVEST, USAID Kenya, and Power Africa every to discuss strategic priorities and lessons to address challenges facing the off-grid industry.

LESSONS LEARNED

- **Early movers in the off-grid energy market have commanded most investments in the sector.** The concentration of investments among the top solar home system (SHS) companies in the sector resulted in inadequate funding for second and third generation companies that were typically overlooked by investors.

- **Historically, SHS companies have borrowed in hard currency, but there is a strong demand for local currency despite underdeveloped markets.** Most of the companies in the off-grid sector raised hard currency debt or equity. The Consortium observed there was a strong demand for local currency funding among SHS companies. However, engagement with local banks remained low due to risk perception, including currency volatility faced by these companies, and low technical capacity and capability.
- **To drive an efficient and effective deal process in the mini-grid sector, it is important to approach mini-grid transactions with greater context.** A nuanced approach is required when working on fundraising transactions in the mini-grid sector as they represent an entirely new asset class to most investors.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Close Up: Expanding Investment in Off-Grid Energy Access in Kenya](#), report, October 2019

USAID INVEST Buy-In Summary: Power Africa Institutional Investment

Buy-in Name	Power Africa Institutional Investment
Buy-in Client	USAID Power Africa
Period of Performance	February 2020 to March 2024
Buy-in Amount	\$771,000
Buy-in Support Type	Investment Opportunity Assessment, Transaction Advisory Services
Program/Subprogram/Cross-Cutting Area	Economic Growth/Clean Energy
Subcontractors/Sub-Awardees	Cygnum Capital (formerly Lion's Head Global Partners)

OBJECTIVE

Recognizing the opportunity to harness institutional investment to increase the number of people and businesses with access to power in sub-Saharan Africa, Power Africa aimed to identify and mobilize Southern African and international institutional investors to invest in energy through specific innovative investment structures.

INVEST's support was designed to de-risk investments in the energy sector, ultimately incentivizing private investment and increasing access to electricity. The two-pronged intervention under this activity focused on 1) pooling institutional investment assets into investment vehicles and products capable of mobilizing significant capital into the energy sector in South Africa; and 2) using transaction facilitation and advisory services to connect institutional investors to attractive investment vehicles to finance energy infrastructure, resulting in closed deals.

ACTIVITIES

Task 1a: Identification of interested institutional investors and survey of capital markets (June-August 2021)

- **Overview:** In this phase, INVEST reviewed existing information on the renewable energy market and institutional investors in Southern Africa to develop a more robust analysis of the market and potential opportunities to support.
- **Key deliverables:**
 - Southern Africa renewable market analysis: A review of Southern African institutional investors and the broader institutional investor landscape. The review further identified markets with promising assets (grid-tied and off-grid) and market and regulatory conditions.

Task 1b: Identification of assets, investment structures, and approaches (September 2021-January 2022)

- **Overview:** INVEST identified asset classes and specific investment structures and opportunities given the macroeconomic landscape analysed in Task 1a, regulatory conditions in South Africa, and the set of available renewable energy project assets (on- and off-grid).

- **Key deliverables:**
 - Initial investor engagement and opportunity identification: A summary of the engagements with shortlisted investors to identify specific hindrances to structuring investment opportunities. The analysis pointed to a feasible investment opportunity with Decentral Energy Managers that was later pursued under this activity.

Task 2: Transaction advisory services (September 2021-March 2024)

- **Overview:** INVEST provided full-scope transaction advisory services to spur investment into Decentral Energy Managers, a leading provider of sustainable energy solutions—primarily solar—in South Africa. Decentral’s model caters to customers in the retail, tourism, residential, commercial, and industrial sectors, providing power to medium-sized businesses that have been among the hardest hit by energy shortfalls. These businesses are critical to sustaining and creating jobs in South Africa.
- **Key deliverables:**
 - Transaction close report
 - INVEST and Cygnum Capital participated in the Power Africa Partners Day event in March 2024, presenting the successful raise of growth capital for Decentral in a case study and appearing on a panel to discuss the collaboration and its impact.

Task 3: Parametric insurance product transaction support for power trader in the Southern Africa power pool (August 2023-January 2024)

- **Overview:** INVEST provided transaction support to South African power trader Africa GreenCo to conduct due diligence on a parametric insurance product proposed by British insurance company African Specialty Risks. The product proposed to alleviate payment risk for African GreenCo if energy prices fall below a certain threshold. The assessment determined how the proposed parametric insurance product can serve as a pilot to demonstrate how insurers can de-risk regional power trading to mobilize traditionally risk-averse institutional investors, while deepening the regional integration of renewable energy resources.
- **Key deliverables:**
 - Due diligence report: Final report that demonstrates transaction advisory support to GreenCo in the preliminary documentation and negotiation phase. The report analysed proposed structures and products and their alignment with GreenCo’s needs. It also shared lessons learned regarding how this solution could potentially demonstrate a broader market opportunity for engaging users, such as institutional investors, insurance companies, and power traders, in the Southern African power trading sector.

RESULTS

- Mobilized \$29.4 million in capital for a renewable energy transaction for Decentral Energy Managers. Capital raised will be used to build more megawatts of distributed renewable energy and create direct solar asset maintenance jobs. Total lifetime generation of the portfolio of projects from the sale date is 334,977 megawatt hours, with 328,277.46 tons of CO2 emissions saved.

- Presented a case study of the work to 200+ Power Africa staff, interagency partners, and implementing partners at Power Africa Day.

LESSONS LEARNED

- **Market assessments are a crucial first step.** It is critical for all stakeholders (investors, project sponsors, donors, etc.) to understand the regulatory environment, investor criteria, and relevant market risks. Many existing renewable energy transactions have limited investment potential as the offerors have not properly understood investor requirements.
- **Transaction advisory is critical for both the investor and the investee.** Many institutional investors inaccurately believed that their mandates were too inflexible to accommodate the renewable energy transactions supported by Power Africa. However, by working with a transaction advisor, Decentral's financing solution was restructured, leading to renewed engagement from institutional investors and capital raised.
- **Renewable energy is critical to improving energy security, but it is a medium-term solution. Regulatory reform is needed.** Public energy entity Eskom's troubles send a clear signal to the market to invest in private power solutions. The amount of renewable energy allowed in the energy grid in South Africa is determined by the Minister of Minerals, Resources and Energy, along with licensing and regulation by the National Energy Regulator of South Africa, which caps investment in renewable energy. At the same time, cost pressures and declining investor confidence associated with weakening macroeconomic fundamentals are stalling renewable energy transactions, and renewable energy transactions are now failing to reach financial close.
- **Power Africa is distinct in its ability to explore energy innovation regardless of risk level.** U.S. Government-led partnerships like Power Africa recognize that energy innovation will be critical to increase energy access and end energy poverty on the African continent. Unlike the private sector and traditional donors, they are uniquely equipped to support feasibility assessments for new tools designed to bolster the energy sector at large. Through Power Africa's support, Cygnum Capital assessed a parametric insurance product and determined that increasing investment certainty and facilitating capital flows allows parametric insurance products to offer comprehensive protection against a variety of risks. This makes them an attractive solution to mobilize capital and accelerate the expansion of the renewable energy market in Southern Africa and across the continent.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Transaction Spotlight](#), Decentral, April 2022
- [INVEST and Partners Announce \\$12.1 Million Investment in Clean Energy in South Africa](#), Medium, April 2023

USAID INVEST Buy-In Summary: Power Africa Uganda

Buy-in Name	Power Africa Uganda
Buy-in Client	USAID Uganda
Period of Performance	June 2018 to July 2022
Buy-in Amount	\$1,050,000
Buy-In Support Type	Transaction Advisory, Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Clean Energy
Subcontractors/Sub-Awardees	Open Capital Advisors

OBJECTIVE

Under the Scaling Off-Grid Energy (SOGE) Grand Challenge, USAID and Power Africa supported initiatives to accelerate the solar energy product marketplace in Uganda and engage local stakeholders in collective action to increase access to off-grid energy solutions. Under INVEST’s Power Africa Uganda buy-in, USAID aimed to build on SOGE’s achievement by expanding and solidifying the functions of the Uganda Off-Grid Market Accelerator (UOMA), a dedicated and neutral intermediary that emerged from a collaborative effort between the Shell Foundation, the United Kingdom’s Department for International Development (DFID), USAID, and Power Africa under the Grand Challenge initiative. The primary focus of this collaboration was to expedite the adoption of off-grid solutions, advancing the agenda of universal energy access.

ACTIVITIES

INVEST partner Open Capital Advisors (OCA), an Africa-based management consulting and financial advisory firm, led a series of initiatives to enhance the local off-grid energy ecosystem. OCA implemented a two-pronged approach to address information gaps between companies and capital providers and to improve access to local financing. It focused on supporting off-grid energy companies to improve investment readiness and worked with local financial institutions to better understand the off-grid energy business model and opportunity. Key activities included:

- Convening and managing an advisory board of influential and diverse stakeholders focused on off-grid energy, including government, donor agencies, and private sector representatives.
- Leading a behavior change campaign targeting senior level decision makers to increase awareness of the availability and benefits of off-grid energy access.
- Supporting the Smart Communities Coalition (SCC) – an initiative connecting humanitarian organizations and private sector companies to improve the delivery of services for refugee communities – to identify new ways to increase engagement and flows of capital and access to energy for refugee communities in Uganda.
- Supporting local financiers to facilitate investments, including developing a pipeline of potential off-grid businesses looking for financing, matchmaking events to introduce investors to businesses, and technical assistance to individual financial institutions.

- Providing technical assistance to off-grid energy operators to support new pilots targeting productive uses of energy (PUE) and unserved populations, including capacity-building activities and identification of funding sources that can help pilot activities reach scale.
- Supporting innovative technologies promoting productive use of energy, with a focus on applications that support Feed the Future priority value chains (coffee, maize, dairy, and fisheries), to help them reach commercial scale.
 - **Key deliverables:**
 - Matchmaking event to connect investors with innovative energy companies and operators
 - “Accelerating Access to Local-Currency Debt Finance for Solar Home System Businesses in Uganda” report
 - “Productive Use of Energy in Uganda: Learnings from the Uganda Off-Grid Energy Market Accelerator” report and white paper

RESULTS

- Mobilized \$1,243,070 for off-grid renewable energy in Uganda.
- Supported 13 off-grid energy companies in Uganda by conducting market assessments and research pilots to inform growth strategies and opportunities for expansion; providing transaction advisory support to prepare companies for investment; and developing financial and business materials to engage investors.
- Advised five local banks to improve their awareness, capacity, and appetite to invest in the off-grid market.
- Combined efforts projected to enable more than 100,000 new electrical connections in Uganda by the end of project implementation.
- Produced and disseminated three learning products, contributing to discussions and enhancing understanding around access to finance for the off-grid energy market, debt finance for solar home system businesses in Uganda, and the use of energy for productive uses.

LESSONS LEARNED

- **Banks have different levels of familiarity with off-grid energy opportunities.** Interest and enthusiasm for the off-grid market is varied and based on each bank’s understanding of the sector and experience lending to that market. Support should reflect those differences and engagement should be tailored based on the level of experience of each bank to ensure positive results.
- **Existing credit products and guarantee facilities are inadequate to meet the sector’s financing needs and risk appetite.** The growth of the solar home system sector is heavily driven by businesses operating credit models, presenting unique funding needs. For a guarantee facility to effectively de-risk potential local lenders, it is critical for the structure to match these funding needs.
- **Access to finance for companies focused on productive uses of energy is still limited.** Most of these businesses are in the pilot and early development stages and lack a track record in generating revenues, cashflows, and a consistent stream of customers. As a result, they are perceived as high risk to financial institutions. These companies have limited access to debt

through local banks, and impact investors are likewise hesitant because of what they perceive as too much technology risk and too little traction to make an investment.

- **First-loss capital from DFIs and impact investors can play a crucial role to crowd in local bank investment in solar home system and PUE companies.** Concessional capital can reduce the risk for commercial investors, such as local and regional banks. This would enable them to take senior debt positions with lower returns but some risk protection.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Voices from the USAID Finance and Investment Network: Open Capital Advisors](#), Medium, September 2020
- [Promoting Productive Use of Energy in Uganda](#), Medium, March 2021
- [Uganda: Using the Sun to Make Ice](#), PSE Exposure, January 2022

USAID INVEST Buy-In Summary: Prosper Africa Regional

Buy-in Name	Prosper Africa Regional
Buy-in Client	USAID Southern Africa Regional Mission (SA REGO), USAID Kenya and East Africa Regional Mission (KEA)
Period of Performance	September 2019 to June 2024
Buy-in Amount	\$4,026,207
Buy-In Support Type	Transaction Advisory, Technical Assistance
Program/Subprogram/Cross-Cutting Area	Economic Growth/Financial Sector, Clean Energy, Modern Energy Services, Agriculture/Science, Technology, Innovation and Research (STIR)
Name of Subcontractors/Sub-Awardees	CrossBoundary LLC Lion's Head Global Partners Open Capital Group Limited Spearhead Africa Limited

OBJECTIVE

USAID Southern Africa Regional Mission (USAID SA REGO) and USAID Kenya and East Africa Regional Mission (USAID KEA) aimed to increase two-way trade and investment between the U.S. and Africa by sourcing, facilitating, and executing deals to catalyze private investment in priority sectors. USAID and INVEST designed this activity to test a variety of risk mitigation approaches, including transaction advisory support, investor matchmaking, capacity building for fund managers, support to pension fund consortia, and enabling fund managers to build first-loss layers into their funds.

ACTIVITIES

As this activity was one of the first to kick off under the Prosper Africa initiative, USAID focused on illustrating the approach and demonstrating a proof of concept for bankable transactions in the region. USAID took a two-track approach: the first track focused on achieving rapid closure and demonstration of investment opportunities, and the second was more long-term, focusing on building a pipeline of investable deals and supporting advisory work to close investments in select transactions. Building from the transaction advisory work, USAID expanded this portfolio to include an activity engaging institutional investors through a consortium of pension funds.

Activity 1: Track 1 rapid assessment

- Overview:** INVEST conducted a rapid assessment of existing transactions that had an identified connection to U.S. investors or firms and were ripe for engagement. This assessment drew upon INVEST's previous Gender Lens Investment assessment for five African countries, research on corporate investment partnerships, work on the Global Health Roadmap for Mobilizing Private Investment, and lessons learned other USAID-supported activities such as the Trade and Investment Hubs in Eastern and Southern Africa.

- **Key deliverables:**
 - Presentation to USAID on potential pipeline and draft SOO for engaging transactions advisors in next phase

Activity 2: Track 1 transaction support

- **Overview:** USAID and INVEST engaged CrossBoundary to begin executing transaction support for the identified transactions from the pipeline rounds that were considered ripe for closure within three to 12 months. USAID prioritized engagement with U.S. investors in this process.
- **Key deliverables:**
 - Workplan
 - Monthly reports
 - Signed engagement letters
 - Transaction close documentation for \$41.8 million in capital mobilized
 - Final report

Activity 3: Track 2 pipeline build

- **Overview:** INVEST engaged multiple transaction advisory firms, including Lion’s Head Global Partners and Open Capital Group Limited (Open Capital), to support the second track. Each transaction advisor developed a broad investment pipeline of 97 transactions encompassing actionable deals of all sizes that offered development impact in USAID priority sectors. This pipeline drew from a much broader range of deals than those considered in Track 1, including deals that were larger and could take longer to close and those with a potential U.S. nexus (the US is party to the transaction).

In developing the pipeline, Lion’s Head and Open Capital evaluated deals based on their investment readiness, development potential in USAID priority sectors, transaction feasibility (including level of investor traction, risk level, etc.), and potential for U.S. investment. The final pipeline reports assessed and evaluated the deals identified, prioritizing 35 deals that were strategically aligned with USAID’s development objectives and mandates, from which USAID would select the final set of deals to be supported. USAID was also interested in sourcing deals outside of the pipelines developed by the transaction advisors, so INVEST released a call for expressions of interest to identify transactions in need of advisory support. Through this process, two additional transactions were included in the pipeline and supported through transaction advisory services.

- **Key deliverables:**
 - Onboarding, work plan, and pipeline tool
 - Pipeline identification

Activity 4: Track 2 transaction support

- **Overview:** Through INVEST, Lion’s Head and Open Capital provided bespoke transaction advisory services to the seven USAID-selected transactions from the pipeline to support their financial closes.

- **Key deliverables:**
 - Signed engagement letters
 - Bespoke advisory support, including project financial models, project feasibility studies, fund structuring, revised investor materials and financial model, and investor shortlist

Activity 5: Pension fund consortium support

- **Overview:** INVEST supported the Kenya Pension Funds Investment Consortium (KEPFIC) to unlock private investment into East African infrastructure development by promoting investments from pension schemes into infrastructure and alternative asset classes. INVEST’s support to KEPFIC focused on two key components: 1) strengthening the capacity of Kenyan pension schemes, regulators, development finance institutions (DFIs), and other industry stakeholders to invest in infrastructure across the continent through webinars, investment series, and one-on-one engagement; and 2) developing a pipeline of bankable projects in line with Kenyan pension fund mandates and preferences, with a target of 20 projects shortlisted and assessed, to mobilize private capital for infrastructure development.
- **Key deliverables:**
 - Capacity-building and stakeholder engagement plan
 - Four quarterly capacity-building and stakeholder engagement reports
 - Pipeline development report
 - Shortlisted infrastructure project pipeline and report
 - Evidence of presentation of shortlisted projects to the KEPFIC Investment Committee
 - Pipeline of investors reviewing shortlisted opportunities
 - Final activity report summarizing the activity’s aims, underlying engagements and their scope, successes, challenges, and lessons learned relevant to USAID and other donors

RESULTS

- Increased private investment in the Eastern and Southern Africa region across various sectors, including in infrastructure opportunities. Mobilized \$41.8 million in private capital through Track 1, including \$6.7 million from U.S. investors.
- Produced investor materials tailored to the preferences of specific investor targets for more than eleven companies.
- Developed a pipeline of 97 unique opportunities in Southern and East Africa through Track 2 with over \$3.26 billion in capital needs, each with a U.S.-Africa nexus
- Through KEPFIC, developed a pipeline of 18 high-potential investment opportunities in the East African infrastructure sector with an aggregate value of \$2.5 billion, tailored to the preferences of Kenyan pension fund investors
- Facilitated 16 capacity-building events for institutional investors, notably pension fund administrators, which included:
 - Four Infrastructure Investment Series presentations, in which invited project sponsors presented an investment opportunity to pension funds and pension fund managers;
 - Eight one-on-one engagements with Boards of Trustees of pension schemes, in which KEPFIC provided an overview of the benefits, educated pensions on infrastructure and alternative assets, and explained why these types of investments would represent strong additions to their portfolios; and

- Four webinars on relevant infrastructure and alternative asset-related topics.

LESSONS LEARNED

- **Leverage the expertise and local market knowledge of transaction advisors when selecting transactions to support.** Three of the funds identified for support under this buy-in were selected directly by USAID. Although all three funds were paired with experienced transaction advisors, they ultimately failed to reach their capital mobilization goals, and the remainder of these subcontracts were ultimately de-obligated by INVEST. Transaction advisors expressed challenges in fully securing the trust and alignment of the fund management teams with which they were paired. This sometimes resulted in differences in strategic outlook or fundraising strategy between funds and their transaction advisors, or in fund managers failing to fully utilize the services on offer from transaction advisors. In some cases, fund managers had previously approached investors on their own, resulting in confusion in messaging. Overall, while USAID can offer useful insights, it should rely on transaction advisors' local market knowledge and existing relationships to identify suitable transactions and allow for flexibility in the portfolio to allow advisors to react to market forces and pivot to more feasible transactions. Artificially pairing funds with advisors with no previous relationship history can add time to the process, lead to a misalignment of approaches and expectations, and hamper the chances of success. Additionally, preventing advisors from shifting resources across a portfolio as investors interests shift lowers their ability to respond to changing market dynamics and prevents them from taking advantage of available investment capital while continuing to put resources into deals that may no longer be attractive.
- **Set realistic expectations for first-time fund managers.** Based on the transaction advisors' experience and research, first-time fund managers globally on average take two years to close their first fund, and African fund managers have often taken longer. A six- to nine-month capital raise timeline is unlikely to yield definitive results, especially in the African market. That said, it is still critical to provide support to first-time fund managers as they can help strengthen the local investment ecosystem, often bring key innovations to the market and are most in need of support at this stage. Such support requires setting the right targets to achieve the outcomes and recognizing where impact is achieved – such as providing informed feedback to funds on how to relay their fund proposition in addition to targeted introductions.
- **Explore alternative intervention mechanisms for supporting first-time funds.** The challenges that Open Capital and Lions Head faced in fundraising highlighted the need to evaluate other future interventions, aside from transaction advisory services, which can be catalytic for funds. These might include supporting funds with their investment thesis or market research, developing pipelines, assisting with due diligence, evaluating strategies for achieving impact, assessing impact measurement and fund operations, and aiding in the creation of internal processes and improved governance structures. All of these factors contribute to the success of funds, hold crucial importance for Limited Partners when considering investments, and form an integral part of any fund's operations and strategy.
- **Consider risk-mitigation tools for unproven fund managers.** Investor sentiment toward first-time fund managers posed a challenge. Without de-risking tools such as a first-loss layer, investors were less willing to partner with unproven General Partners or first-time fund managers due to higher perceived operational and investment risk. A de-risking tool may have been more effective than transaction support in these cases.

- **Ensure that beneficiaries are aligned with investor preferences.** While USAID continues to support smaller first-time funds to diversify the funding landscape, it is important to recognize that these funds often take longer to secure an anchor investor, partially due to their lack of experience with fundraising. International investors and DFIs also communicated that fund sizes were too small; DFIs were looking for a minimum fund size of \$20 million. Consequently, activities supporting smaller, first-time funds should incorporate technical assistance into the scope or focus on engagement with domestic investors, who are familiar with local markets and may be willing to consider smaller investment sizes.
- **Focus on capacity building alongside pipeline development when providing support to pension fund consortia.** For pension fund consortia to succeed in their ultimate goal of mobilizing domestic capital into infrastructure and alternative asset classes, it is critical for them to develop investable pipelines tailored to the specific requirements and preferences of their members. To ensure members are then equipped to capitalize on these pipeline opportunities, it is equally important for consortia like KEPFIC to educate them on the advantages, risks, and regulatory implications of investing in alternative asset classes. It is important to note that pension fund consortia take at least two to three years to develop and are unlikely to be financially sustainable over this period. As such, these consortia require support in membership engagement to ensure that they can grow their member base, pilot potential revenue models, and meet with members on a regular basis to benefit from the capacity building and investment services being provided.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Investing from the ‘Frontier of the Frontier’: Lessons from Ten Years as an Investment Advisor in Africa](#), NextBillion, March 2020
- [Lessons from Ten Years as an Investment Advisor in Africa: Part II](#), Medium, March 2020
- [A Nigerian Tomato-Farming Business Shows the Human Impact of Private Investment](#), Medium, August 2020
- [A Well-Timed Investment: How Investing in Tech-Driven Healthcare SMEs Is Boosting Africa’s COVID-19 Response](#), NextBillion, August 2020
- [Investing in Africa — an Interview with Jake Cusack](#), Prosper Africa, September 2020
- [Investing in Africa — an Interview with Lauren Cochran](#), Prosper Africa, September 2020
- [African Agriculture Is Ripe for Investment: An Interview with Tomato Jos](#), Prosper Africa, October 2020
- [Entering New Markets in Africa: An Interview with African FinTech Company Mukuuru](#), Prosper Africa, January 2021
- [Voices from the USAID Finance and Investment Network: Lion’s Head Global Partners](#), Medium, January 2021
- [Investing in Black Entrepreneurs: A South African Fund Leads the Way](#), Medium, April 2021
- [Nigeria: Partnership Provides Secret Sauce That Creates Growth From Wasted Produce](#), [PSE Hub Exposure](#), May 2022
- [Mobilizing Investment for Development with Transaction Advisory Services](#), USAID, June 2023
- [How Africa’s Pension Funds are Financing the Continent’s Infrastructure Gap](#), Medium, September 2023
- [Mobilizing Institutional Investment at Scale: Resource Guide](#), May 2024

USAID INVEST Buy-In Summary: Prosper Africa Secretariat

Buy-in Name	Prosper Africa Secretariat
Buy-in Client	USAID Prosper Africa Secretariat
Period of Performance	January 2020 to December 2022
Buy-in Amount	\$10,243,109
Buy-in Support Type	Investment Opportunity Assessment, Transaction Advisory Services, Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Trade and Investment
Subcontractors/Sub-Awardees	All Africa Amplify Africa Asoko Insight Corporate Council on Africa (CCA) CrossBoundary Center for Strategic International Studies Global Venture Consulting and partner HMY McKinsey and Co Reingold Steampunk, Inc. Taoti Creative Teal Media Voxcroft

OBJECTIVE

The Prosper Africa initiative seeks to boost two-way trade and investment between the United States and Africa. Through this buy-in, INVEST provided support to the Prosper Africa Secretariat through strategic communications services, showcasing deal opportunities, and extending the capacity of the Secretariat with improved tools and on-demand expertise.

To draw in private sector partners from the U.S. and across Africa, the initiative needed branding and communications collateral that articulated the roles of partners in the U.S. and Africa. Prosper Africa also wanted to highlight active deal opportunities from across the continent and provide a tangible way for investors and businesses to engage with Prosper Africa’s tools and resources. As the Prosper Africa Initiative got underway, the Secretariat identified additional needs to streamline their coordination efforts and effectively support partners interested in utilizing U.S. Government (USG) tools.

ACTIVITIES

Strategic communications

- **Overview:** INVEST developed a new visual brand for the Prosper Africa initiative and provided strategic communications support to the Secretariat.

- **Key deliverables:**
 - Provided a dedicated full-time communications advisor and 75%-time social media coordinator, plus surge support from the rest of the INVEST communications team.
 - Developed key messaging.
 - Provided content strategy and development.
 - Supported event planning and event sponsorships.
 - Developed and launched the Prosper Africa rebrand in partnership with INVEST subcontractor Reingold.
 - Developed an interactive investment map showcasing U.S. investment across the African continent.
 - Developed and launched the Prosper Africa website, including regularly drafting and publishing content.
 - Launched social media channels and a Prosper Africa newsletter.

Deal generation and packaging (DGP) pilot

- **Overview:** The DGP pilot was launched to tap into the economic potential of Africa by building a pipeline of investable deals through the Prosper Secretariat Embassy Deal Teams across Africa, as well as from INVEST's partner networks, and to provide light-touch support to package and promote deals to investors.
- **Key deliverables:**
 - Generated 150+ trade and investment opportunities with an existing or potential U.S. nexus.
 - Developed a Virtual Deal Room (VDR) to connect private sector partners with trade and investment opportunities in Africa and packaged and promoted new deals through the VDR.
 - Prioritized opportunities using a standard fit-check criteria to assess commercial viability and alignment with Prosper Africa objectives.
 - Handed off deals to other mechanisms and Agencies for more intensive support.

Deal review pilot

- **Overview:** The deal review pilot provided Prosper Africa with the capacity to assess and prioritize prospective deals using a deal scorecard with initial gating questions. Following the application of the scorecard to the identified deals, ten transactions were handed off to the Secretariat with indications for appropriate next steps and USG support to facilitate transaction close.
- **Key deliverables:**
 - Developed scorecard template for assessing and prioritizing deals.
 - Transferred ten deals to the Prosper Africa Secretariat for further support.

Deal tracker

- **Overview:** The deal tracker pilot aimed to create a shared deal tracking platform so that all 17 USG agencies could share information seamlessly and securely, enable transactions to reach conclusion more quickly and successfully, and improve cross-Agency visibility and coordination.
- **Key deliverables:**
 - Identified platform needs and selected Salesforce as a vendor.

- Developed a prototype for the entire deal lifecycle and conducting co-creation design workshops, demos, and usability testing.
- Transferred the application to the USAID host environment and launched the pilot with target users.
- Onboarded Embassy Deal Teams (EDTs) and other interagency partners and transferred all operations and maintenance to the Secretariat team.

Market entry strategy support

- **Overview:** INVEST developed a market expansion strategy with recommendations on positioning, branding, and marketing for South African boat makers to expand their presence in the U.S. market
- **Key deliverables:**
 - Market strategy report

RESULTS

- Mobilized a total of \$61 million: \$1 million for the Fortis Green Renewables Green Fund I which provides capital for small-scale renewable energy assets in Sub Saharan Africa; \$25 million for Kenya-based Elephant Healthcare, a healthcare technology company that developed a platform to digitize clinics and designed an open medical management system, creating a global digital solution for each step in the healthcare process; and \$35 million for Ubuntu Towers, a developer and operator of passive infrastructure and tower sites across Uganda.
- Launched the Prosper Africa website, which connects U.S. and African businesses and investors to the full suite of USG trade and investment support services. The site included general information about the initiative, success stories, impact data and case studies, upcoming events, and news and announcements. INVEST also launched social media handles on Twitter, LinkedIn, and Facebook, and circulated a monthly newsletter to a subscriber list of over 5,000 people.
- Developed the Prosper Africa Roadmap, which was publicly released in January 2021. The roadmap provided recommendations for USG departments and agencies to orient their capabilities and resources to Prosper Africa, as well as monitor, measure, evaluate, and communicate their Prosper Africa goals and objectives.
- Developed the Prosper Africa Virtual Deal Room and provided direct support to the Secretariat on assessing, prioritizing, and executing support for prospective Prosper Africa deals. At the end of the pilot, there were 774 registered VDR users, 60 deals were published, 231 expressions of interest were made, and three term sheets were closed.
- Created a deal tracking platform enabling transactions to be tracked and supported across Agencies using modern data security, easy and timely access to data, and data aggregation for analysis and reporting.

LESSONS LEARNED

Strategic communications

- **The Prosper Africa buy-in offered a case study in how to use communications to power an initiative and create impact.** The USAID team was strategic and effective, offering strong leadership and navigating USAID and USG coordination. Weekly USAID-INVEST team meetings, frequent additional touchpoints, and strong working relationships enabled the

INVEST team to serve as a well-integrated extension of the small Prosper Africa communications team, partnering on strategy, implementation, and subcontractor management. INVEST subcontracted with Reingold, a full-service media, graphic design, and communications firm. While this support was valuable, there were significant gaps that INVEST had to fill, especially around trade and investment facilitation in African markets and USAID/USG messaging priorities and processes. For this reason, INVEST had to play a larger role in messaging, writing, media, and content development than was initially planned. INVEST also brought on a consultant with experience in Africa and familiarity with relevant conferences, communications, and media channels to complement Reingold's media experience.

- **Project management was an important component for the INVEST communications team**, both for specific tasks such as website development and to manage a high volume of tasks, events, procurements, and subcontractors. Event planning and a large number of procurements, often requested with very quick turnaround times, required strong coordination and significant engagement from INVEST communications and procurement teams. Because Prosper Africa was a new initiative, there were many strategic pivots and unexpected needs. This included preparing for a few high-profile and labor-intensive events that were cancelled with short notice. At times it was necessary to bring in surge support from across the communications team, and having subcontractor support was also very valuable.

Deal support

- **The VDR is a valuable tool for investors and could benefit from increased promotion and continued improvements in user experience.** Necessary interest and engagement exist to justify future investment-focused interventions, but many transactions need enhanced transaction support to achieve private investment. A more dynamic, less labor-intensive version of the VDR approach would allow for more resources to be directed towards direct transaction support.
- **Streamline the intake process to ensure uptake by firms.** The deal intake sheet often proved onerous for firms to complete, leading to non-responsiveness. Moving forward, the deal intake sheet should only include information necessary to facilitate the triage process. The deal prioritization tool proved effective as a fit check for support to deals under consideration, streamlining prioritization and next steps.
- **Significant time is needed to launch a new platform**, given the complexities of migrating data from multiple sources. Because security clearances are sometimes required to operate in a USAID environment, selection of a new platform should begin early to avoid delays. Prototyping across U.S. Government Agencies is also a time-consuming process and should be built into the project timeframe.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Prosper Africa website](#)
- [Prosper Africa brand relaunch](#)
- [Prosper Africa media kit and core comms resources \(e.g., fact sheet, impact stories\)](#)
- [Prosper Africa Virtual Deal Room](#)
- [A Nigerian Tomato-Farming Business Shows the Human Impact of Private Investment](#), Medium, August 2020

- [A Well-Timed Investment: How Investing in Tech-Driven Healthcare SMEs Is Boosting Africa's COVID-19 Response](#), NextBillion, August 2020
- [Investing in Africa — an Interview with Jake Cusack](#), Prosper Africa, September 2020
- [Investing in Africa — an Interview with Lauren Cochran](#), Prosper Africa, September 2020
- [Investing in Africa — an Interview with Aubrey Hruby](#), Prosper Africa, September 2020
- [Investing in Africa — an Interview with John Nevergole](#), Prosper Africa, October 2020
- [Investing in Africa — an Interview with Steven Grin](#), Prosper Africa, October 2020
- [From Denver to Djibouti: A Midwestern Renewable Energy Company Signs A New Infrastructure Deal in Africa](#), Prosper Africa, October 2020
- [African Agriculture Is Ripe for Investment: An Interview with Tomato Jos](#), Prosper Africa, October 2020
- [Entering New Markets in Africa: An Interview with African FinTech Company Muku](#), Prosper Africa, January 2021
- [Voices from the USAID Finance and Investment Network: Lion's Head Global Partners](#), Medium, January 2021
- [How to Find Opportunities in Africa that Others Miss – an Interview with Vivian Nwakah](#), Prosper Africa, January 2021
- [Africa's Shea Industry Delivers Returns and Impact – an Interview with Eu'Genia Shea](#), Prosper Africa, January 2021
- [How Technology is Changing Trade and Investment with Africa – an Interview with Asoko Insight](#), Prosper Africa, February 2021
- [Investing in Black Entrepreneurs: A South African Fund Leads the Way](#), Medium, April 2021
- [Doing Business in Africa and Leveraging the Influence of the African Diaspora – an Interview with Thierry Wandji](#), Prosper Africa, June 2021
- [Institutional Investor Highlights Opportunities in Africa—an Interview with Aymeric Saha](#), Prosper Africa, June 2021
- [Disrupting the Mom and Baby Products Market in Nigeria – an Interview with BabyBliss](#), Prosper Africa, June 2021
- [Chicago Teachers Invested in Africa and You Should Too](#), AllAfrica, June 2021
- [Consider Yourself a Fiduciary? Then It's Time to Invest in Africa](#), ImpactAlpha, July 2021
- [Health Tech is Not a Fad; It's Desperately Needed – an Interview with LifeBank](#), Prosper Africa, July 2021
- [“There is a World of Opportunity When It Comes to Healthcare in Africa” – an Interview with Sona Shah, the CEO of Neopenda](#), Prosper Africa, July 2021
- [E-Commerce Unlocks New Potential in Kenya's Apparel Market – an Interview with Zumi](#), Prosper Africa, July 2021
- [Why Investing in Emerging Markets is a Win for Investors and African Companies](#), AllAfrica, August, 2021
- [This Bond Could Be a Breakthrough in Combatting West Africa's Housing Shortage](#), Prosper Africa, December 2021
- [Nigeria: Partnership Provides Secret Sauce That Creates Growth From Wasted Produce](#), PSE Hub Exposure, May 2022

USAID INVEST Buy-In Summary: RFS/AFR Water

Buy-in Name	RFS/AFR Water
Buy-in Client	USAID Bureau for Resilience and Food Security (RFS), Africa Bureau
Period of Performance	October 2020 to September 2023
Buy-in Amount	\$3,969,200
Buy-in Support Type	Fund/Financial Instrument, Technical Assistance, Transaction Advisory Services, Fund/Financial Instrument
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Agriculture/Gender
Subcontractors/Sub-Awardees	Aceli Africa Inc CrossBoundary LLC Dalberg Consulting US LLC Dalberg Data Insights FINCA International Inc Gide Loyrette Nouel Incofin Foundation ISF Advisors Inc MCE Social Capital

OBJECTIVE

USAID’s Bureau for Resilience and Food Security (RFS), in partnership with the Africa Bureau, sought to test different approaches to mobilizing private capital to build resilient communities and reduce hunger, poverty, and malnutrition. Increasing access to finance for the water and agricultural sectors is critical for achieving food and water security, from the individual and household levels to small and medium enterprises (SMEs) and larger firms. However, few investors are willing to accept low returns and make investments that are riskier, more expensive to monitor, and harder to implement than investments in other sectors.

Through this buy-in, RFS set out to address food and water insecurity issues through support to two funds: the Water Access Acceleration Fund (W2AF) and GAIN Nutritious Foods Financing Facility (N3F). This buy-in also included a third set of activities that allowed for co-funding by USAID Missions to create pathways for greater mission engagement.

ACTIVITIES

This buy-in included the following activities:

Water Access Acceleration Fund (W2AF)

- Overview:** Danone, a leading global food and beverage company, anchored a new blended Water Access Acceleration Fund (W2AF), an equity fund that would invest in innovative businesses, technologies, and infrastructure to scale access to safe and affordable water in underserved areas in Africa, Asia, and Latin America.

- **Activities:**
 - Legal assistance for TAF: Gide Loyrette Nouel provided legal support to set up the fund and technical assistance facility (TAF).
 - Catalytic funding: As fund manager for W2AF, Incofin mobilized capital for the fund's first financial close and created a first-loss tranche to mitigate risk and attract investors.
- **Key deliverables:**
 - Fiduciary agreement, legal agreement templates, and technical assistance facility (TAF) policies and guidelines
 - Completion of first close at EUR 36 million with approximately 20% in first-loss capital
 - Impact report

GAIN Nutritious Foods Financing Facility

- **Overview:** The GAIN Nutritious Foods Financing Facility (N3F) was created to increase the availability of safe, nutritious foods among low-income populations in Sub-Saharan Africa by providing both financing and technical assistance to SMEs—which produce and distribute most of the locally produced nutritious food in the region—to help improve their financial performance, sustainability, and the nutritional content of their products. The facility will pioneer a robust set of metrics on nutrition and food and aims to demonstrate how investments in SMEs can increase the supply and availability of safe, nutritious foods, and in the process, encourage more investments into the space.
- **Activities:**
 - Fund assessment and design: ISF Advisors helped structure the blended fund and advised on foreign exchange (FX) risk policy and mitigation.
 - N3F database and dashboard tools: Dalberg developed a tailored database and dashboard tools that will track key performance indicators (KPIs), metrics, and other key data relevant to the N3F for decision-making.
 - Catalytic funding: As fund manager, Incofin mobilized funding commitments from private and public-sector actors and built a first-loss tranche to mitigate risks and attract investors.
- **Key deliverables:**
 - Blended fund structure set-up document
 - FX risk policy and mitigation mechanism design and budget
 - Manual and training tools to track fund KPIs
 - Completion of commitments for total of \$7.5M
 - Impact report

Mission engagement

- **Overview:** USAID and INVEST used a call for Expressions of Interest (EOI) to identify potential partners and innovative approaches that could leverage USAID resources to catalyze commercial investment into key RFS and Mission priority areas. This work assisted Missions in identifying and funding promising activities that would engage finance partners to develop and implement innovative financial solutions in the agriculture, nutrition, and water and sanitation sectors, particularly in response to the economic impacts of COVID-19.

- **Activities by partner:**
 - CrossBoundary: With USAID Madagascar, supported the strategic development, co-design, and procurement processes for engagements with impact investment fund Miarakap, the Marine and Coastal Areas Restored through Innovative and Sustainable Aquaculture (MARISA) project, and the Thriving & Sustainable Investments for land Restoration & Economic Opportunity (TSIRO) Alliance under a Global Development Alliance (GDA).
 - **Key deliverables:**
 - Investor reports
 - Due diligence report
 - FINCA Ventures: Scoped early-stage companies and prepared investment memos for four selected companies. FINCA developed the strategy for an agriculture/water, sanitation, and hygiene (WASH) umbrella fund to support and catalyze private sector investments in innovative agriculture and WASH-focused companies.
 - **Key deliverables:**
 - Investment memos (4)
 - Final report
 - MCE Social Capital: MCE designed and launched the MCE Empowering Sustainable Agriculture (MESA) Fund, a new debt fund focused on sustainable agriculture that seeks to scale economic opportunities within local communities, enhance the climate resilience of smallholder farmers, and empower women throughout the agricultural sector in emerging markets.
 - **Key deliverables:**
 - Fund design and financial model
 - Investment pipeline
 - Marketing and investor pipeline
 - Dalberg Consulting US LLC: In partnership with Pomona Impact, Dalberg provided catalytic capital and technical assistance to agricultural SMEs in northern Central America. Dalberg screened and provided pre- and post-investment technical assistance to the Pomona Impact Fund II.
 - **Key deliverables:**
 - Pre-investment report and investee pipeline
 - Synthesis of recommendations to Pomona
 - Post-investment report
 - Investment summary for the Guatemalan company Tunart
 - Aceli Africa: Aceli collaborated with Nuup, a Mexican non-profit working in sustainable and inclusive food systems, to design and launch the Coa initiative, an incentive facility to mobilize private capital for agricultural SMEs in Mexico. Following the conclusion of this activity, leveraging learnings from the franchise model in Mexico, Aceli will continue to identify opportunities to scale its approach in different regions.
 - **Key deliverables:**
 - Market study and business plan
 - Lender accreditation process report and lending model
 - Draft TA model and MEL Plan
 - Customized loan registration system

RESULTS

- Launched W2AF, an impact-first, ten-year, closed-ended fund that will focus on private equity and quasi-equity investments in the water sector. The fund achieved its first close at EUR 36 million in February 2023 and intends to focus investments on countries with high prevalence of water access inequality.
- Supported the development of the N3F, an impact-first, open-ended fund that will focus on private debt investments targeting local SMEs producing and distributing food for local consumption. It will also contribute to greater Sub-Saharan Africa food security independence and eventually support food import substitution efforts. The success of W2AF and N3F also shows the potential for blended finance to de-risk investment not only for private sector players but also for DFIs, attracting greater interest to invest in the development sector and contribute to sustainable development. N3F successfully launched in 2024 following the first close.
- Launched the MESA Fund and achieved a first close of \$19.5 million in February 2023.
- The Pomona Impact Fund II invested \$500,000 in Tunart, a Guatemalan fishing and fish-processing company. The funding allowed Tunart to improve its overall infrastructure and increase productivity, which allowed Guatemalan fishers to better access high-value markets.

LESSONS LEARNED

- **Catalytic funding is an effective tool that can take many forms.** It can support fund structuring, early operational costs, pipeline building, and building a first-loss tranche. Catalytic funding should be tailored to the needs of the asset manager and consider the structure of the vehicle and desired impact objectives.
- **Support to funds in priority impact sectors for USAID – such as food security and nutrition – requires expertise from multiple sectors.** It is important to pair impact investment experience with sector-specific expertise.
- **Mission engagement is key** to ensure an activity builds upon USAID’s previous and ongoing investments. However, this can be difficult in practice as Mission staff may have limited bandwidth. Coordination with Missions should be streamlined with a few key points of feedback and input to ensure the activity can advance.
- **Flexibility in timing and approach is required to respond to market conditions.** With catalytic funding activities, this often means anticipating longer timelines for a fund’s capitalization. With Aceli’s activity, which aimed to scale a successful model in a new market, INVEST and Aceli pivoted the approach to partner with an existing organization with strong relationships and expertise in the local context rather than entering the market as a new organization to build an incentive facility.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Webinar: Blended finance approaches for mobilizing private investment to advance development outcomes in the Agriculture, Nutrition, and Water and Sanitation Sectors, Agrilinks](#), December 2021
- [Generating Prosperity Through Development of Small and Growing Businesses in The Northern Triangle, Agrilinks](#), January 2022

- [USAID Bureau for Resilience and Food Security \(RFS\) Support to Agriculture-Oriented Funds](#), Agrilinks, February 2022
- [Voices from the Finance and Investment Network: FINCA Ventures](#), Medium, February 2022
- [Catalytic funding learning brief](#), February 2023
- [USAID Support Catalyzes New MCE Fund Focused on Sustainable Agriculture](#), Medium, March 2023
- [Incofin Water Access Acceleration Fund: Lessons Learned Report](#), Global Waters, August 2023
- [Webinar: Aceli Americas: Expanding incentive models for impact in Latin America](#), September 2023
- [Scaling Solutions: How blended finance can bring safe water to 30 million people in Africa and Asia](#), Globalwaters.org, October 2023
- [From East Africa to Latin America: Expanding Incentive Models for Agri-SME Growth](#), Agrilinks, October 2023
- [Coffee and a Cause: How a New Fund is Improving Farmer Livelihoods in Colombia and Beyond](#), Agrilinks, April 2024

USAID INVEST Buy-In Summary: Serbia Landscape Assessment for Mobilizing Capital

Buy-in Name	Serbia Landscape Assessment for Mobilizing Capital
Buy-in Client	USAID Serbia
Period of Performance	July 2019 - September 2019
Buy-in Amount	\$57,000
Buy-In Support Type	Investment Opportunity Assessment/Fund Financial Instrument
Program/Subprogram/Cross-Cutting Areas	Economic Growth//Information and Communication Technology
Subcontractors/Sub-Awardees	Independent Consultant

OBJECTIVE

In 2018, there were significant changes in Serbia’s media environment. As a result of multiple buyouts and mergers, Serbia’s market is largely controlled by two vertically integrated corporations that hold significant shares in infrastructure, telephony, content production and distribution, and media buying and advertising sectors. This consolidation, while focused on large national media, advertising and production companies, also created a potential opportunity for USAID-supported small and medium sized media sector partners to capture a larger share of local and regional markets, which are not in a major focus market affected by the latest set of mergers. To support USAID Serbia’s media sector partners to effectively respond to this change and further strengthen business and financial stability, the Mission was interested in exploring the provision of investment capital to professional media and media business networks through the creation of a Media Investment Facility under USAID Serbia’s ongoing Media Project. The objective of the Media Investment Facility is to support the economic sustainability of Serbian media sector businesses through increased access to investment, including equity financing, loans, or credit guarantees.

Under this buy-in, INVEST conducted an assessment of the investment environment, available investment approaches and vehicles and potential investment partners in order to provide recommendations on how to establish a Media Investment Facility (MIF) within the existing USAID/Serbia Media Project, including risk management and facility structure.

ACTIVITIES

The work under this buy-in proceeded in two key phases:

Phase I: Rapid assessment of the Serbian media sector (July 2019)

- **Overview:** INVEST completed a rapid assessment that included data collection from a combination of desk-based research and in-country interviews of key stakeholders including USAID Serbia, select media firms/outlets, advertisement agencies, banking institutions, and law firms. The research examined the media sector investment environment, the available investment approaches and

financial vehicles, high-potential investment partners, and investment pipeline and structure to achieve USAID Serbia's media goals.

- **Key deliverables:**
 - Pre-mobilization assessment findings of Serbia's media investment environment

Phase II: Final assessment report (August-September 2019)

- **Overview:** Based on the rapid assessment findings, INVEST developed a final assessment report that detailed the investment environment in the Serbian media sector, digital media investment opportunities, potential investment partners, and recommendations for an investment structure and vehicle that could leverage investments to targeted segments of the Serbian media sector.
- **Key deliverables:**
 - Final Serbian media investment assessment report and presentation

RESULTS

- Completed a comprehensive pre-mobilization desk research report to gather information, address initial research questions, and understand Serbia's overall investment landscape. The desk research aimed to understand USAID's Strengthening Media Systems Activity (SMS) partners and the funding opportunities to design a funding vehicle in Serbia.
- Conducted 17 in-person key stakeholder interviews with the USAID Serbia team, the SMS activity, the Media Reforms Activity team, select media outlets, active investors in Serbia media firms/outlets, advertising agencies, key banking institutions, and active law firms in the banking and investment sectors.
- Completed a comprehensive assessment report that laid out a proposed approach for USAID Serbia to mobilize capital for Serbian media companies, the selection criteria, three potential investments partners, the regulatory environment for investments, and the identification of risks and opportunities of the recommended investment vehicle.

LESSONS LEARNED

- **There are opportunities ripe for investing in the digital media sector in Serbia.** INVEST recommended an investment platform targeting the digital media value chain due to the potential for high social and economic impact.
- **Technical assistance and transaction advisory support will be needed to ensure success.** INVEST determined there is media investment appetite and partnership opportunities in Serbia, and identified an initial pipeline of potential partners for the Mission to invest in. However, technical assistance and transaction support is needed before investments can be made in order to prepare companies, including media companies, venture capital companies, telecommunication companies, and banking institutions, for debt and/or equity finance.

USAID INVEST Buy-In Summary: Southern Africa Regional First-Loss Facility (SAFLF)

Buy-in Name	Southern Africa Regional First-Loss Facility (SAFLF)
Buy-in Client	USAID Southern Africa Regional (SA REGO)
Period of Performance	May 2020 to June 2024
Buy-in Amount	\$1,944,463
Buy-In Support Type	Fund/Financial Instrument, Technical Assistance
Program/Subprogram/Cross-Cutting Area	Economic Growth/Financial Sector, Gender, Agriculture/Science Technology, Innovation, and Research
Subcontractors/Sub-Awardees	Collaborative for Frontier Finance Creative CFO High Impact Entrepreneurs South Africa (Endeavor) Linea Capital Partners ThirdWay Africa Capital Limited

OBJECTIVE

USAID’s Southern Africa Regional Mission (SA REGO) aims to increase private sector investment across Southern Africa through catalytic funding to local financial providers. This buy-in was designed to test the hypothesis that catalytic funding can both increase the availability of capital and contribute to a variety of development activities to further USAID SA REGO’s Regional Development Coordination Strategy. INVEST used a portfolio approach to accelerate capital access for Southern African firms that are central to building a more inclusive and sustainable private sector in the region.

ACTIVITIES

USAID SA REGO and INVEST incorporated learnings from other catalytic funding subcontracts under INVEST and provided support to funds that demonstrated strong traction and alignment with the development priority of creating jobs and lowering barriers for minority groups.

In October 2020, INVEST made catalytic funding awards to Creative Growth Capital, Linea Capital, Endeavor South Africa, and ThirdWay Impact Advisors. Each partner selected was able to articulate the type of catalytic support they most needed—from funding to develop a risk-lowering first-loss tranche to operational support to design and launch their vehicle.

The portfolio cohort represented a range of different investment vehicles and investment products deployed to a range of sectors, firms, and countries within the Southern Africa region. Collectively, their portfolios targeted investments in small and medium enterprises (SMEs) and emerging firms across Southern Africa with financial products customized to meet the needs of growing, impactful, private sector businesses. USAID SA REGO used catalytic funding to address the unique challenges faced by each partner to launch a new vehicle, scale a model, or fundraise for an innovative concept.

The catalytic funding activities were so successful that Creative CFO and Linea Capital received follow-on awards in April 2022 to expand their scopes of work. Recognizing the importance of supporting the broader growth of the emerging fund manager ecosystem across Southern Africa, INVEST used

additional funding made available in the buy-in to award a subcontract to the Collaborative for Frontier Finance (CFF) in July 2023 to provide investment-readiness support to six new and innovative funds seeking to invest in SMEs.

Creative CFO

- **Overview:** Creative CFO launched a blended finance fund to provide sustainable growth financing to impact-oriented SMEs in South Africa. USAID's contribution enabled Creative CFO to create a first-loss tranche and significantly improved the traditional risk-return profile for commercial investors investing in historically undercapitalized sectors and communities in South Africa.
- **Key deliverables:**
 - Creative Growth Capital Fund establishment and structuring
 - Fundraises totalling \$3.7 million
 - Signed term sheets attesting to four investments into pipeline opportunities
 - Final activity report detailing the fund design, fund innovations, portfolio and fund beneficiaries, lessons learned, and outlook for the fund

Endeavor South Africa

- **Overview:** INVEST provided operational capital to enable Endeavor to successfully establish the Harvest II fund to invest in high-growth, high-impact firms with a vetted need for equity capital. The Harvest II Fund also provides tailored mentoring to portfolio companies. Endeavor employed a professional capital raise team to target South African and international investors and to reduce costs to investors by waiving capital-raising fees and limiting management costs. Through partnerships with leading regional venture capital funds and accelerators, along with a network of pro-bono members in the investment community, the Harvest II Fund doubled its investment target. It raised \$12.8 million for rapid deployment into more than 10 high-impact firms in South Africa.
- **Key deliverables:**
 - Fund establishment and initial pipeline due diligence
 - Submission of documentation evidencing three portfolio investments
 - Completion of capital raise rounds totalling \$12.8 million
 - Final activity report detailing the fund design, fund innovations, portfolio and fund beneficiaries, lessons learned, and the outlook for the fund

Linea Capital Partners

- **Overview:** Linea Capital launched a revenue-based financing investment vehicle targeting growth-stage firms in South Africa. USAID catalytic funding enabled Linea to create a first-loss layer for each portfolio investment, improving commercial risk-adjusted returns and crowding in private capital. Linea Capital sought to develop commercial proof of concept for revenue-based financing investments for impact-oriented technology and service firms in emerging markets. With INVEST support, Linea exceeded its \$3 million fundraising target. Linea also legally established a U.S. entity to facilitate a hedge alongside a potential DFC investment.

- **Key deliverables:**
 - Initial structuring of Linea Capital Special Purpose Vehicle (SPV) and outreach to capital providers
 - Report on pipeline development and deal construction
 - Reports detailing the set-up and operationalization of an RBF technology platform
 - Report and legal documentation evidencing offshore vehicle selection and setup
 - Evidence of 16 portfolio investments across 13 companies and a pipeline roadmap to demonstrate an ability to fully deploy \$3 million in capital raised by year-end 2024
 - Fundraise totalling \$3.7 million
 - Final activity report detailing the fund design, fund innovations, portfolio and fund beneficiaries, lessons learned, and outlook for the fund

ThirdWay Impact Advisors

- **Overview:** ThirdWay Africa structured and deployed the Rural Development Corporation. This permanent capital vehicle invested in scaling smallholder farmers' outputs into midscale commercial farms that could compete on the international market. ThirdWay Africa also developed environmental, social, and corporate governance (ESG) policies, formalized an impact strategy, and conducted outreach to private investors in support of a \$5 million fundraise to pioneer market-deepening investments in Southern African agriculture.
- **Key deliverables:**
 - Impact strategy and ESG policy
 - Investor private placement memorandum, investor-facing financial model, and investor list
 - Investor roadshow materials
 - Investor commitments and fundraise totalling \$5 million
 - Final activity report detailing the fund design, fund innovations, portfolio and fund beneficiaries, lessons learned, and outlook for the fund

Collaborative for Frontier Finance (CFF)

- **Overview:** CFF implemented a 12-month program designed to strengthen the fundraising, operational, and investment capabilities of six diverse emerging fund managers that targeted an average fundraise of \$20 million. This activity, tailored from CFF's established capacity-building "LAUNCH" program, addressed the specific needs and challenges of each fund manager through peer-to-peer learning, accelerated investment learning modules, mentorship, and investor linkages. By facilitating peer connections through its early-stage capital providers network, the activity sought not only to enhance specific funds' investment readiness but also to help develop a more sustainable and robust financing ecosystem for SMEs throughout the region.
- **Key deliverables:**
 - Inception report detailing cohort selection process and rationale
 - Pre-program survey results
 - Three quarterly capacity building program reports covering an overview of the activities delivered in the preceding quarter, information on sessions and webinars conducted, quotes and/or insights from beneficiaries, a description of investor

- linkages facilitated, and an updated summary of metrics and indicators being monitored by the program
- Post-program survey and evaluation report

RESULTS

- Mobilized more than \$24 million from private sector actors to support local capital providers.
- Supported the structuring and establishment of four local funds, diversifying the sources of capital providers and decreasing dependency on traditional lenders. The portfolio approach provided an opportunity to identify and validate different financial products for SMEs.
- Increased access to finance for SMEs, spurring job creation, skills development, and social improvement.
- Enabled first-time and emerging funds to scale, achieve commercial sustainability, and mobilize additional private capital for development across Southern Africa.
- Scaled a community farming program to improve livelihoods of local smallholder farmers in Mozambique.

LESSONS LEARNED

- **Allow partners to articulate their needs and the type of support required.** Under this activity, INVEST allowed potential partners to identify the type of support they most needed from the types of catalytic funding INVEST had available, rather than INVEST prescribing upfront what type of support would be given. This allowed each partnership to be structured to focus on the specific needs of each fund and target USAID resources effectively, making these engagements true partnerships and increasing the chances of successful implementation.
- **Catalytic funding is a highly effective tool for emerging fund managers.** Catalytic funding has been one of the key drivers resulting in first-time and emerging fund managers raising investment capital. It de-risks the opportunity for the investor and gives the fund manager an opportunity to build a track record.
- **Set realistic timelines and remain flexible.** The investment process had a longer timeline than local fund managers expected. During the proposal stage, most fund managers believed the capital raise process would take eight months to a year, and subcontract milestones were structured accordingly. Almost all the portfolio funds experienced significant delays in the capital raise process—between one to three years—requiring subcontract modifications. They were ultimately successful in raising funding, indicating that flexibility in timelines does eventually yield results.
- **Prioritize financially sustainable models when selecting fund partners.** Ultimately, the success of catalytic funding interventions depends in large part on whether commercial and impact investors perceive the fund model being supported as viable, replicable, and scalable. For this reason, it is critically important to assess a fund’s commercial viability, including its fee structure, and the feasibility of its fundraising strategy and targets during the proposal review process, to ensure USAID resources are efficiently allocated to those fund managers with the greatest ability to scale, secure commercial investment, and ultimately deliver impact.
- **Early-stage catalytic support can play a critical role in preparing emerging funds to attract development finance institution (DFI) investment.** Emerging fund managers must demonstrate a sufficient track record, operational systems, and scale to attract DFI

investment, as most DFIs do not make fund investments lower than \$5-10 million. USAID catalytic funding combined risk mitigation tools like first-loss facilitation with operational support. The former enabled emerging fund managers to scale up their fund sizes by securing commitments from institutional investors and other long-term funders, while the latter supported these managers to develop track record and operational systems. By providing early-stage catalytic funding support, USAID can therefore create synergies with DFIs by supporting a pipeline of investment-ready emerging managers to launch and enter the market.

LEARNING AND COMMUNICATIONS PRODUCTS

- [A New Way Forward for Southern Africa: USAID Pilots a New Approach to Private Sector Engagement](#), Medium, September 2020
- [USAID Southern Africa is piloting new approaches to deepen capital markets in Southern Africa](#), Marketlinks, April 2021
- [Voices from the USAID Finance and Investment Network: ThirdWay Africa](#), Medium, March 2021
- [Not All Traditional Investment Models Work for Emerging Markets. It's Time to Test New Ones](#), Marketlinks, December 2021
- [Voices from the USAID Finance and Investment Network: Linea Capital](#), Medium, April 2021
- [Voices from the USAID Finance and Investment Network: Creative CFO](#), Medium, April 2021
- [Voices from the USAID Finance and Investment Network: Endeavor South Africa](#), Medium, April 2021
- [Development Pros: You Don't Need to be a Finance Expert to Use Catalytic Funding \(Featuring Endeavor and Linea\)](#), Medium, April 2021
- [Reflections from Our Partners](#), INVEST Closeout Event, May 2024
- [Catalytic Funding 101 Resource Guide](#)

USAID INVEST Buy-In Summary: Strategic Corporate Engagement

Buy-in Name	Strategic Corporate Engagement
Buy-in Client	USAID Office of Private Capital and Microenterprise (PCM) USAID Bureau for Resilience, Environment and Food Security (BFS) USAID Tunisia
Period of Performance	July 2018 to January 2021
Buy-in Amount	\$1,165,636
Buy-In Support Type	Investment Opportunity Assessment, Technical Assistance, Fund/Financial Instrument
Program/Subprogram/Cross-Cutting Areas	Economic Growth, Health/Agriculture, Clean Energy, WASH
Name of Subcontractors/Sub-Awardees	Global Development Incubator Heliotropy ISF Advisors with partner Hystra KOIS Lion's Head Global Partners

OBJECTIVE

Today's social and environmental challenges are putting new pressures on companies, international development agencies, and investors—but they also bring a growing alignment, which is in turn driving an emerging category of partnership. Corporate partnerships bring together the resources of these three key stakeholders, effectively coordinating investments of capital and capabilities to address business, social, and environmental challenges. USAID sought deeper insight into corporate investment trends and opportunities to better understand the following questions:

1. What motivates companies to invest in sustainability?
2. What value can be derived for companies, development agencies, and investors from corporate investment in sustainability?
3. What models do companies use to invest in sustainability?
4. Why are companies pursuing corporate investment partnerships rather than investing alone?
5. How can development agencies support corporate investment in sustainability?

Through INVEST, USAID focused on three types of corporate models, including: 1) Corporate venturing models; 2) corporate partnerships/investments to build supply and value chains; and 3) innovative uses of corporate social responsibility (CSR) and other corporate assets to ensure long-term business growth. These results informed USAID's approach to engage more effectively with corporate partners to mobilize resources that amplify USAID's work and deepen its social and environmental impact.

ACTIVITIES

Under this buy-in, USAID sought to better understand 1) corporate models with a focus on the agriculture, renewable energy, and water sectors that source business innovations through innovative partnerships and vehicles; 2) the most appropriate forms of USAID support for such models; 3) how these models should be structured to effectively crowd-in investment and ensure replicability and additionality; and 4) what specific corporate investment and partnership opportunities exist that align with USAID development objectives and would benefit from USAID's capabilities and support.

Phase 1: Landscape assessment and evaluation

- **Overview:** INVEST carried out an assessment of corporate engagement by examining the most innovative, forward-thinking partnership activities and models. In this phase, INVEST designed an interview guide and led 15+ interviews with leading practitioners; identified 20+ examples of corporate ventures; and identified and described seven models that demonstrated the best use of corporate resources to fund technology and innovation to accomplish both strategic business and development objectives, with a focus on the agriculture, renewable energy, and water sectors. In assessing these models, INVEST determined which corporate venture opportunities aligned best with USAID objectives and capabilities.
- **Key deliverables:**
 - Map of existing venturing activity, including 20 corporate venturing activities, summarizing key individuals and team structures
 - Summary of seven relevant archetypes of innovative, forward-thinking corporate venturing activities
 - Partnership briefs on the seven models, focused on how USAID can work with existing venturing teams and opportunities
 - Corporate Investment Partnerships final report and animated explainer video

Phase 2: Recommended and designed partnerships and models for USAID engagement or co-development

- **Overview:** INVEST carried out key interviews that were used to refine the partnership briefs from Phase 1. INVEST further defined how USAID can best support corporate venturing activities.
- **Key deliverable:**
 - Partnerships playbook, with detailed descriptions of five partnership opportunities and roles for every stakeholder based on first-hand practitioner experience

Phase 3: Aggregated and disseminated findings

- **Overview:** INVEST conducted a workshop, including breakout sessions with relevant firms to synthesize recommendations for USAID Strategic Corporate Engagement.
- **Key deliverables:**
 - Launch plan and package, including the identification of high visibility speaking slots in some of the most recognized corporate venturing events, such as the Global Corporate Venturing Summit in California and Global Corporate Venturing Symposium in London

Tunisia assessment

- **Overview:** Additionally, USAID asked INVEST and its partners KOIS and Lion's Head Global Partners to carry out a deep-dive assessment into one model in one particular context—a corporate investment fund (CIF) in Tunisia. In this model, CSR funds or other corporate assets are placed into a fund to mitigate risk for investors that are investing in the communities in which the business operates. INVEST assessed the pros and cons of this model, taking into account the market in Tunisia.
- **Key deliverables:**
 - Evaluation of the CIF model and its underlying assumptions
 - Categorial mapping of regional banking and investment partners most aligned with the CIF model globally, including private and development finance institutions
 - Selection of institutions that might be interested in anchoring or supporting the CIF model
 - Recommendations on how the CIF model could be improved, scaled, and replicated within the USAID operating context
 - Workshop on CIF to include stakeholder findings, implications, and recommendations

RESULTS

- Provided recommendations on short-term and medium-term opportunities, focused on: 1) how partnerships aligned or could align with USAID development objectives; 2) primary or potential partners and stakeholders; 3) potential roles for each partner or stakeholder in the structure, including USAID; 4) indicated interest or commitments from potential partners; 5) timelines, including prominent milestones; and 6) benefits, challenges, and risks of the structure for all partners.
- Designed and launched a media strategy for the Global Corporate Venturing Summit in California and the Global Corporate Venturing Symposium in London in 2019. Shared findings, lessons learned, and emerging implications for USAID's strategy on strategic corporate engagement with the other activity implementers through INVEST. Conducted workshop sessions with USAID and all subcontractors under this buy-in to synthesize recommendations. Created a launch package and a launch plan, equipped with slides, talking points, and speaking slots.

LESSONS LEARNED

- **Companies no longer see investments in sustainability as peripheral.** Instead, these investments are core to business strategies that create long-term stakeholder value.
- **The models that companies use to invest in sustainability are as varied as the companies themselves.** However, they fall into three main categories: innovation development, investment, and collaboration.
- **Development agencies possess financial and non-financial tools that align well with corporate investment models.** These can support corporate investment in sustainability.
- **There is a gap in companies' understanding** of what resources are available from development agencies and how they benefit corporate investment in sustainability.

- **Companies, development agencies, and investors operate at different speeds** and have different planning and funding cycles. As development agencies embrace market-driven development approaches, it is increasingly important for them to identify and evaluate appropriate entry and exit points for their participation, working with the partners to align on what is most needed when.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Corporate Investment Partnerships for Growth and Sustainability Report](#), December 2019
- [Corporate Investment Partnerships for Growth and Sustainability: Executive Summary](#), December 2019
- [Corporate Investment Partnerships - Whiteboard Animation Video](#), September 2019
- [Private Investment Is Changing International Development. Here's What You Need to Know](#), Medium, November 2019
- [A Watershed Moment for the Future of Corporations](#), Medium, June 2020
- [Voices from the USAID Finance and Investment Network: KOIS](#), Medium, December 2020

USAID INVEST Buy-In Summary: Syria Diaspora and Investment Community Listening Tour

Buy-in Name	USAID Syria Diaspora and Investment Community Listening Tour
Buy-in Client	USAID Syria
Period of Performance	December 2023 to June 2024
Buy-in Amount	\$300,000
Buy-In Support Type	Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Financial Sector
Subcontractors/Sub-Awardees	CrossBoundary LLC

OBJECTIVE

The Syrian conflict is one of the largest and most complex humanitarian crises of our time. According to the United Nations, more than 12 million people are displaced within Syria or have fled to neighboring countries, and more than 15.5 million people are in need of humanitarian aid.

USAID Syria is interested in designing innovative ways to build relationships with businesspeople, entrepreneurs, diaspora groups, and potential investors operating outside and inside of Syria using blended finance approaches. Before designing such an intervention, USAID Syria wanted to map out, listen to, and identify shared values and themes with investors, businesses, development financiers, and entrepreneurs interested in doing business in Syria to understand their priorities and opportunities for USAID partnership.

The purpose of this buy-in was to support USAID Syria focus group consultations and identify actionable opportunities for USAID to consider.

ACTIVITIES

- **Overview:** Through INVEST, CrossBoundary identified members of the investment and business community both within and outside Syria that might partner with USAID to increase the flow of resources into Syrian businesses. CrossBoundary provided support through the following workstreams:
 - I. Stakeholder and landscape mapping: Building upon existing USAID contacts and networks, CrossBoundary mapped the landscape of local, regional, and international private sector actors in the region and areas where large Syrian diaspora communities reside to provide USAID Syria with a good understanding of who the potential partners and stakeholders would be for future engagements. The mapping exercise also provided insight into how to structure the listening tour, identified appropriate participants, and determined the three key regions for the tour: Turkey (with Istanbul as a hub), Europe (with Berlin as a hub) and the United Arab Emirates. CrossBoundary produced an

updated capital map and a pipeline list of key investors, business community partners, and human impact organizations.

2. Listening tour and focus group session planning: CrossBoundary led the planning and implementation of the listening tours by working with USAID to put together the participant list for each location and prepare relevant materials, including a one-page factsheet outlining sanctions information, audience segmentation information, facilitation guides, a presentation slide deck, discussion guidelines, agenda, and objectives.
 3. Listening tour facilitation: CrossBoundary provided facilitation support and conducted stakeholder interviews and focus group discussions to maximize outputs from the tour. Following the tour, CrossBoundary synthesized findings and developed a set of actionable recommendations and next steps for USAID.
 4. Illustrative finance structures: CrossBoundary explored different potential blended finance structures such as concessional capital, risk insurance or guarantees, and a technical assistance sidecar and tailored the final recommended approach to the market findings and key beneficiaries.
- **Key deliverables:**
 - Landscape mapping report
 - Preparatory materials for focus group sessions
 - Focus group and key informant interview facilitation
 - Final report

RESULTS

- Successfully facilitated a listening tour spanning three countries, engaging with a total of 37 stakeholders on their contributions, challenges, priorities, and potential ability and willingness to support future efforts.
- Consolidated findings and identified a pipeline of opportunities for future USAID interventions along with actionable recommendations.

LESSONS LEARNED

- **There is a need for coordination between local and international players to inform sustainable future efforts.** Given the complexity of the Syrian local context, various initiatives have been implemented to date that require follow-up, monitoring, and expanded efforts to ensure results. However, the majority of interventions implemented to date operate in silos, in specific areas only, and on a small scale. They also lack collaboration and integration by local and international entities and stakeholders in Syria. The listening tour highlighted that there would be added value in additional engagement and coordination across various local and international players in the future to ensure well-designed programs and sustainable impact.
- **Short-term interventions are crucial.** To build a solid foundation for longer-term financing mechanisms, short-term interventions are required. This could include: 1) fostering dialogue between stakeholders, including civil society, private sector high-net-worth individuals, and international NGOs; 2) supporting active pipeline opportunities across sectors and involving objective third parties to support on specific opportunities; 3) building an alternative payment system by supporting high-potential ongoing initiatives; 4) improving local assessments and

skillset offerings through targeted capacity initiatives; and 5) mitigating security and political risks through innovative structures and market guarantees.

- **Security is a concern for Syrian business:** Stakeholders across the listening tour emphasized security concerns and the importance of stability as a prerequisite to engage within the Syrian landscape. Providing risk guarantees and mechanisms embedded in future financing mechanisms could appease investors and increase appetite to engage in the northern region.
- **Weak infrastructure is a prominent issue for Syrian business.** Participants from all three cities noted the need to strengthen infrastructure in Syria. Echoes of conflict have eroded infrastructure, especially in northeast Syria, impacting the livelihoods of residents. Stakeholders across the listening tour highlighted challenges on multiple infrastructural levels, including hard infrastructure demonstrated through persistent electrical shortages and unreliable internet connection, and banking/payment infrastructure, obstructing a seamless flow of funds.

USAID INVEST Buy-In Summary: Tanzania Global Health

Buy-in Name	Tanzania Global Health
Buy-in Client	USAID Tanzania
Period of Performance	August 2020 to June 2024
Buy-in Amount	\$585,000
Buy-In Support Type	Fund/Financial Instrument
Program/Subprogram/Cross-Cutting Area	Health/Systems Strengthening
Subcontractors/Sub-Awardees	KOIS with partner Banyan Global

OBJECTIVE

The Government of Tanzania is expanding its public hospital network, and as a result, terminating service level agreements (SLAs) with private, faith-based (FB) hospitals. In a country in which 44% of all operating hospitals are owned and managed by the faith-based community, the termination of SLAs and reliance on insurance scheme repayments has created an urgent financial need among FB hospitals to meet the demand for health services.

Prior to the INVEST activity, USAID Tanzania awarded a cooperative agreement to the Christian Social Services Commission (CSSC). This agreement was designed to improve health service delivery in CSSC health facilities to meet the needs of various target populations and to foster cost-effective and innovative solutions to build self-reliance in the faith-based hospital network. Through its INVEST buy-in, USAID Tanzania supported the design and establishment of a new financing mechanism for the CSSC network to bridge the cash-flow gap left by terminated SLAs.

ACTIVITIES

Through this activity, INVEST engaged an independent consultant to undertake a rapid assessment to validate the recommendations of a 2018 GH/CII Blended Finance Roadmap activity completed under INVEST. The purpose was to confirm the recommendations and underlying assumptions were still valid and identify a set of requirements and/or actions to be taken in a second stage of work.

- **Overview:** The primary focus of the rapid assessment was to review the findings of USAID CII’s Blended Finance Roadmap for its ability to strengthen CSSC hospitals’ long-term financial stability and in the context of Tanzania’s current economic and political climate. The consultant assessed the financial situation of the FB hospital network outlined and assessed alternative interventions, and made a recommendation on the most effective and viable option. Additionally, the consultant provided a handover to the subcontractor selected to carry out the next stage of work and ensure they understood the findings and underlying assumptions.
- **Key deliverables:**
 - Summary report on gathered evidence from desk-research and stakeholder interviews
 - Final report and presentation on validated financial model

In the second stage, INVEST engaged KOIS and its partner Banyan Global to design and support the operationalization of a revolving fund, the finance solution recommended in the 2018 assessment and further validated in the rapid assessment completed under the first stage. Leveraging these learnings, KOIS and Banyan revisited the activity context and developed an operating model for the fund. The team carried out work in four phases:

Phase 1: Inception and fund structuring (September 2021-November 2021)

- **Overview:** KOIS revisited the 2018 assessment and ensured that the latest financing challenges, stakeholder views, and hospital scopes of services were incorporated. KOIS and Banyan also conducted a capital demand analysis of FB hospitals, studying the financial statements of five FB hospitals to determine the general working capital needed, appropriate repayment cycles, and financial management capacity. KOIS and Banyan created a sustainable revolving fund product catalogue, which outlined two feasible, responsive, and affordable models for consideration, and presented considerations and trade-offs to key stakeholders to make a well-informed decision on the final model to establish a fund. KOIS presented the proposed models to USAID, INVEST, and CSSC and finalized a selection for the final model.
- **Key deliverables:**
 - Fund structure and sizing report

Phase 2: Fund governance and investor materials (November 2021-September 2022)

- **Overview:** With the financial model selected, KOIS and Banyan designed a governance framework and worked with CSSC to establish an oversight committee. KOIS and Banyan assessed CSSC's current and projected capacity for fund management oversight and defined their role in the short-, medium-, and long-term governance of the fund. From there, the partners developed a plan for identifying and onboarding a fund manager, including appropriate selection criteria and a clear timeline, and assembled a list of potential fund managers from their network. Finally, KOIS and Banyan developed an investor teaser, investment memorandum, and investor engagement strategy. With this, CSSC selected National Microfinance Bank (NMB) to oversee the day-to-day fund operations.

With the fund design and manager selected, the partners presented an overview of work done to date and the market response to determine the ultimate feasibility of the intervention. All partners decided to move forward in support of the legal establishment of the fund. It was determined that the fund would be registered as a trust, with investors to be onboarded as trustees.

- **Key deliverables:**
 - Governance framework and sustainability plan

Phase 3: Identification of prioritized investors and soft commitment (December 2022-March 2024)

- **Overview:** With the fund established, KOIS and Banyan continued to engage investors in support of the initial capitalization of the fund. The target of these discussions was to obtain at least 50% in soft commitment of the total \$950,000 fund size determined during Phase 2.
- **Key deliverables:**
 - Investor engagement strategy and initial feedback report

Phase 4: Fund management trainings and handover (August 2022-May 2024)

- **Overview:** As CSSC prepared to take on oversight of the revolving fund, KOIS and Banyan developed and delivered train-the-trainer capacity-building courses for CSSC staff and select FB hospital operators. The partners produced comprehensive materials covering all necessary topics (recordkeeping, electronic system of record, payment collections, etc.) and steps to scale and replicate across multiple dioceses. KOIS and Banyan also connected all relevant stakeholders, including CSSC and hospital representatives, investors, and other relevant staff, to support the operation of the fund.

Between October 2023 and March 2024, INVEST had ongoing conversations with KOIS and Banyan to assess the capital raise progress. In March 2024, KOIS shared that despite KOIS' continued outreach with CSSC and an identified investor, the investor was unwilling to finalize the commitment. As such, INVEST, USAID, and KOIS and Banyan decided to add a deliverable to the subcontract to detail all the effort involved in capturing the channels taken to date, summarizing key learnings, and providing recommendations for future or similar interventions and models. This allowed USAID to better understand the progress and lessons learned over the past four years of the activity.

- **Key deliverables:**
 - Fund management and capacity-building trainings
 - Fund management toolkit
 - Final report
 - Soft commitment report
 - Updated final report and lessons learned

RESULTS

- Developed and delivered capacity building trainings for CSSC to provide more in-depth understanding and background information. This helped ensure that the management teams of participating health facilities would have the required skills and knowledge to participate in the Health Investment Fund.
- Identified and onboarded a fund manager and developed the next steps toolkit for the continued operationalization of the fund, including topics covered in training (e.g., payment collections) and steps to scale and replicate across multiple dioceses.
- Developed teaser and investment memorandum, pitch decks, and investor-facing materials to use in fundraising.
- Legally established the revolving loan fund, allowing the vehicle to receive financing.

LESSONS LEARNED

- **Manage investor expectations about potential returns.** Despite a 15% annual interest rate expected from loans disbursed, several factors—such as operational costs, conversion to a strengthening dollar, and volatility of local currency—all led to lower expected returns than required by return-oriented investors. Setting realistic expectations regarding returns needs to be done from the start to ensure engagement with relevant investors. In future activities it will be crucial to incorporate the impact of foreign exchange and hedging costs when finalizing the parameters of financial instruments.

- **Demonstrate and measure program impact.** It is difficult to demonstrate healthcare outcomes or on-the-ground impact for beneficiaries directly tied to the financing sought for this type of revolving fund. To better measure impact, KOIS worked with CSSC to create an impact baseline for hospitals. Leveraging qualitative indicators to emphasize the impact that cash flow financing has on hospitals is essential to gaining increased impact investor interest.
- **Remain flexible.** Despite identifying a viable investor and extending the transaction advisory support timeline, the project was unable to reach its capital raise target within the allotted timeline. Although the target was not met, KOIS and Banyan were still able to strengthen the capacity of CSSC and kickstarted the conversations with a few local banks to get more involved with the fund. Remaining flexible allowed for USAID to continue to engage local banks and to consider recommendations for future or similar interventions and models.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Using Blended Finance to Solve Global Health Challenges](#), Marketlinks, February 2021
- [Tanzania Looks to Blended Finance Solution for Hospital Network Modernization](#), Medium, May 2021

USAID INVEST Buy-In Summary: Tunisia

Buy-in Name	Tunisia
Buy-in Client	USAID Tunisia
Period of Performance	May 2020 to May 2024
Buy-in Amount	\$4,950,000
Buy-in Support Type	Transaction Advisory, Fund/Financial Instrument
Program/Subprogram/Cross-Cutting Area	Economic Growth/Agriculture, Clean Energy
Subcontractors/Sub-Awardees	CrossBoundary LLC and partner Flat6Labs Small Enterprise Assistance Funds (SEAF) and partner ABCapital

OBJECTIVE

Activities under this buy-in were designed to improve access to finance for local startups and small and medium enterprises (SMEs) in Tunisia, accelerating the development of the country’s investment ecosystem, growing the economy, and creating sustainable jobs. Specifically, USAID leveraged its resources to source investment facilitation support (in the form of start-up capital paired with transaction advisory services), pipeline analysis, capacity building, and catalytic funding. These activities helped raise awareness of investment opportunities, lower transaction costs, and mitigate the risk of investments that generate positive social, economic, and environmental impact.

ACTIVITIES

Recognizing the need for locally led development activities to combat Tunisia’s economic contraction, USAID Tunisia and INVEST focused on strengthening the capacity of local SMEs to scale economic growth and job creation. The approach used three prongs of support to build the connection between investors, financial institutions, and Tunisian companies:

Investment facilitation

- **Overview:** Through INVEST, CrossBoundary connected high-potential Tunisian entrepreneurs, companies, and projects impacted by the country’s economic challenges with the investment expertise needed to grow and scale their businesses. This activity supported Tunisian enterprises by redesigning their business models and increasing access to needed capital.
- **Key deliverables:**
 - Bi-monthly reports on key metrics, brief qualitative updates, and success stories
 - Letters of engagement describing CrossBoundary’s technical support and the workplan for transaction advisory
 - Transaction report that detailed support provided to companies, results of the support, and lessons learned
 - Closed transaction documentation for \$3.4 million across two firms
 - Final report that summarized the activity's aims, underlying engagement, and the successes and challenges encountered

Support of Prosper Africa conference in Tunis

- **Overview:** To connect high potential Tunisian companies with investment, INVEST supported the Tunisia Prosper Africa Conference in February 2020. The conference’s primary objectives included promoting stronger trade and commercial ties between the U.S. and African partners; advancing joint priorities between the U.S. Government and Tunisia for private sector-led growth and employment, particularly for women and youth; and facilitating partnerships among U.S., Tunisian, and other African firms to support businesses across the continent.
- **Key deliverables:**
 - Workplan that outlined the approach to engage investment-ready enterprises and investors for the Prosper Africa Conference
 - Enterprise pipeline of 73 investment-ready enterprises in Tunisia and across Africa to attend the Prosper Africa Conference, with company and financial profiles
 - Investor pipeline of 71 identified U.S. and African investors to attend the event, accompanied by evaluation of their appetite for Tunisian/Pan-African investment
 - Invitee list of 176 enterprises, U.S. investors, European investors, African investors, ecosystem organizations, and individuals for conference participation
 - B2B matchmaking sessions and investment material development for five high potential enterprises
 - Final report and presentation that summarized the engagement and feedback from investors on the investable opportunities

Tunisian SME resilience funding

- **Overview:** To support Tunisian SMEs impacted by COVID-19 and the country’s economic downturn, INVEST provided a combination of transaction advisory support and catalytic funding through multiple distinct activities to support and sustain businesses that otherwise would have been forced to reduce operations or shut down. First, INVEST supported SEAF in launching the “Tunisian Resilience Fund” (TRF) to deploy catalytic capital to medium-sized Tunisian businesses. TRF invested subordinated capital into Tunisian SMEs alongside debt provided through SEAF’s “COVID-19 Global Gender Lens Emergency Loan Finance LLC”, a DFC-funded initiative providing loans to SMEs globally to address challenges caused by the coronavirus pandemic. INVEST also partnered with CrossBoundary to provide transaction advisory services to Tunisian SMEs to address firm-level barriers to access financing. Finally, to support the growth of Tunisian tech startups, CrossBoundary and Flat6Labs structured first-loss support to a portfolio of companies raising funds, deploying the first-loss as a zero-interest subordinated note so that any first-loss funds returned in the future would be recycled back into the facility to support other Tunisian SMEs.
- **Key deliverables: Transaction advisory services (CrossBoundary):**
 - SME assessment and pipeline of transactions eligible for transaction advisory support and investors with potential interest
 - SME letters of engagement for companies receiving transaction advisory support for a cumulative \$26 million sought
 - \$19.3 million in capital mobilized across 11 businesses
- **Key deliverables: First-loss tranche (CrossBoundary and its partner Flat6Labs):**
 - Resilience funding pipeline that screened 24 Flat6Labs portfolio companies and shortlisted five for access to a first-loss tranche facility

- Financial structuring to design the first-loss tranche facility disbursement instrument
- \$12.3 million in capital mobilized across 11 Tunisian companies
- First-loss tranche learning report
- **Key deliverables: Tunisian Resilience Fund (SEAF):**
 - Workplan to support promising Tunisian enterprises to access needed capital
 - Structured and established the TRF to rapidly deploy structured equity investments to Tunisian companies
 - Pipeline of 42 screened Tunisian enterprises for potential transaction advisory support
 - TRF documentation compiled for five Tunisian enterprises selected to receive resilience funding
 - SEAF COVID-19 global gender lens emergency loan facility screening memos that utilized \$500,000 in catalytic funding to unlock a cumulative \$2.42 million fundraise across five companies

RESULTS

- Supported the deal room at the Prosper Africa Conference in Tunisia, bringing together over 80 investors and 180 enterprises from across Africa, ultimately facilitating 101 business-to-business meetings.
- Mobilized \$37.4 million to support Tunisian businesses, including:
 - \$3.5 million across two high-impact businesses identified at the Prosper Africa Conference;
 - \$19.1 million across 11 high-impact transactions through transaction advisory support under an investment facilitation platform;
 - \$12.3 million for 11 early-stage Tunisian startups through an innovative catalytic funding instrument, leveraging 16 times USAID funding; and
 - \$2.4 million in resilience funding for five mid-sized, gender-inclusive SMEs across the food and beverage, personal care and accessories, and leisure sectors.

LESSONS LEARNED

- **Integrate investor feedback and preferences into activity design and implementation.** Given the political and economic conditions of Tunisia and the country's nascent entrepreneurship ecosystem, INVEST prioritized transactions with the potential to catalyze new sources of capital and create new jobs. In partnership with CrossBoundary and the Middle East/North Africa-focused startup accelerator Flat6Labs, INVEST held a Tunisian investment landscape webinar designed to engage and proactively address international investors' questions and concerns about investing in Tunisia. The webinar was followed by meetings between investors and Tunisian SMEs to develop new connections and accelerate fundraising efforts. Targeted engagement with international investors is critical to highlight Tunisia's compelling investment opportunities and its attractive startup ecosystem to help unlock additional sources of capital and foster a resilient investment ecosystem.
- **A challenging investment environment and limited market size remain key barriers for investment, but transaction advisory services and catalytic capital can be effective tools for overcoming these hurdles.** There are numerous country or market-level factors that contribute to investor hesitancy, including burdensome regulatory frameworks,

small market sizes, subsidized sectors, and local currency devaluation. However, local transaction advisors are strategically placed to provide guidance on mitigants and recommendations that can overcome these barriers. Tailored mitigation tools, such as trade agreements, investment facilitation, expansion strategies, and regulatory frameworks have proven to successfully increase private investment into the country.

- **Transaction advisory support helps increase investment readiness and introduces firms to new sources of capital, making deal sourcing less challenging for funds and companies.** Many founders are not familiar with the complete investment process and do not have sufficient investment knowledge in their management teams. Transaction advisory support helps improve capital seekers' investment readiness, providing accurate estimates of funding needs, responding to investors' concerns, and mapping out the different financing options available for companies. Ultimately this helps match them with funding options that are suitable to their business stage and current situation.
- **Maintain flexible implementation timeframes.** Average timelines and chance of success in emerging markets can differ from developed markets. Transaction advisors report that typically only one-third to one-half of deals supported reach contractual close, and they have an average time to financial close between nine and twelve months. It is therefore important to design programs to allow enough time for transactions to close. Developing a larger pipeline of transactions to support can help achieve more investments facilitated and increases the likelihood of reaching financial close within the pool of pipeline deals.
- **Pair innovative financial tools with operational support to crowd in private capital.** USAID-funded blended finance mechanisms are critical tools to mobilize private capital, particularly for women-led SMEs and for those in the "missing middle" financing gap (with investment needs between \$0.5-\$3 million). First-loss or subordinated financing should be paired with operational support (e.g., the creation of fundraising materials, investor engagement, legal structuring assistance) to ensure successful transaction closes and maximize private capital mobilization. Blended finance mechanisms are replicable across other sectors, instruments, and ticket sizes, but catalytic funding should be tailored to companies' and sectors' risk profiles.
- **Partner with transaction advisors that have deep knowledge of the local SME and start-up ecosystem as well as proven expertise engaging with both local and international investors.** To mobilize capital, transaction advisors must carefully select the right companies with which to partner based on their understanding of local market conditions, sectors, and investor preferences. In relatively small markets such as Tunisia, companies that can demonstrate a clear strategy for expansion into international markets through exports or via a technology platform are more likely to attract private capital. This is true for both debt investors, who prioritize investment targets that can generate hard currency revenues, and equity investors, who seek to invest in companies that can rapidly scale and attract follow-on investment. Transaction advisors should also have a nuanced understanding of regulations governing private sector development and investment, as these rules can directly impact the ability of companies in certain sectors to raise capital. For example, during this activity INVEST found that investors had a low appetite for investing in subsidized sectors due to the risk of subsidy removal and resulting impacts on profitability.
- **Tailor first-loss tranche instruments to maximize efficiency and equitable resource distribution.** A critical first step in implementing a successful first-loss tranche mechanism is to define the optimal structure to ensure rapid fund deployment aligning with first-loss resilience funding objectives while complying with local regulations. As part of this process, the local

partners should determine the optimal first-loss contribution for enhancing investment attractiveness without distorting the market; streamline and standardize first-loss documentation to reduce complexity and enhance accessibility for investors and investees alike; and develop a clear communication strategy for marketing the instrument to investors. Ensuring equitable distribution of resources is equally important. With limited funding available, implementing a “first come, first use” policy for this mechanism created a sense of urgency among investors to accelerate the typically prolonged investment process for startups. INVEST partners also implemented funding caps to prevent the concentration of resources in a single large transaction, which enabled a wider range of enterprises to access the available funds.

LEARNING AND COMMUNICATIONS PRODUCTS

- [Tunisian Business Proves That Global Tech Companies Don't Just Grow in Silicon Valley](#), Medium, November 2021
- [Meet the Tech Startup Transforming the Dairy Market in Tunisia and Beyond: An Interview with MooMe](#), Medium, May 2022
- [Tunisian Company Helps Dairy Farmers Convert Waste into Revenue](#), Medium, May 2022
- [Mobilizing Investment for Development with Transaction Advisory Services](#), USAID Learning Brief, June 2023
- [Webinar: Tunisian Investment Landscape](#), August 2023.
- [Unlocking Investment in Frontier Markets: A Challenge in the Agriculture Sector](#), Agrilinks, October 2023
- [Tunisia: Making Shoes, Creating Jobs](#), PSE Exposure, December 2023
- [First-loss tranche learning report](#), June 2024 [available to USAID staff via Intranet]

USAID INVEST Buy-In Summary: Uganda Prosper

Buy-in Name	Uganda Prosper
Buy-in Client	USAID Uganda
Period of Performance	March 2020 to February 2023
Buy-in Amount	\$148,500
Buy-In Support Type	Transaction Advisory
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Agriculture
Name of Subcontractor/Sub-Awardee	CrossBoundary LLC

OBJECTIVE

Under this buy-in, USAID Uganda aimed to increase private sector investment in the country. The activity built on transaction advisory work supported through the Prosper Africa Regional buy-in, through which INVEST partner CrossBoundary provided Agilis Partners, a large producer of grains and oilseeds, with commercial due diligence on the agriculture and poultry market. The additional support requested by USAID Uganda through this buy-in was designed to provide continued transaction advisory services to help Agilis raise equity funding necessary to expand its business strategy throughout Uganda.

ACTIVITIES

CrossBoundary provided detailed market and commercial assessments through the previous two phases of support facilitated by INVEST under the Prosper Africa Regional buy-in. Based on these assessments, support was expanded through this additional engagement from USAID Uganda to provide Agilis with transaction advisory services to raise equity capital, with a weighted focus towards institutional investors.

Phase I: Strategic assessment

- **Overview:** CrossBoundary conducted a strategic assessment of fundraising approaches and optimal deal structures. The phase included a review of current materials and collateral, an assessment of the current fundraising strategy, identification of additional investor targets, and an assessment of alternative transaction structures.
- **Key deliverables:**
 - Report detailing the support provided to the company, the result of the support, and lessons learned

Phase II: Transaction execution

- **Overview:** CrossBoundary acted as a co-adviser on U.S. investor outreach and transaction execution. This phase included an overhaul of existing fundraising collateral, investor outreach, coordination of due diligence, strategic advice related to investment offers, and support for financial close.

- **Key deliverables:**
 - Final report detailing support provided to the company

RESULTS

- Ultimately, Agilis was not able to secure the level of investor interest to raise the required growth funding. CrossBoundary produced a final report summarizing the key lessons learned for Agilis and other similarly structured capital-raising firms.

LESSONS LEARNED

- **Investor materials should be clear and concise.** Transaction advisory expertise is especially helpful to produce best-in-class investor memoranda that are essential to raising capital. CrossBoundary spent significant time under this activity demonstrating a clear bridge from the initial business model to the new equity-included business model. Given the risk-averse nature of institutional investors, marketing materials should be built around key messages that demonstrate the market opportunity, value proposition, operating model, and achievable modular business plan within the current capabilities of the firm.
- **Companies should have realistic projections and fundraising targets.** Agilis's initial fundraising target of \$55 million, which was determined prior to INVEST involvement, was ultimately not realistic due to the company's profitability levels, historic growth rates, and existing indebtedness. This feedback came from investors previously engaged under the African Capital Investments-led equity raise and emerged during CrossBoundary's discussions with Agilis in March 2020, when the company started drafting a new teaser. Investors will not give credit to an aggressive business plan if they are not already supported by an attractive historic top line and margin trajectory. New growth initiatives need to be proven in financial performance for at least one reporting period. Companies should be very clear and disciplined in their planned use of proceeds and consider a phased fundraising strategy, which may also result in a higher valuation if the company is able to demonstrate a quick return on investment in successive rounds.
- **Plan ahead for fundraises.** Consider unforeseen delays when structuring the timeline and begin the fundraising process with sufficient lead time. Timelines for a debt and equity raise are often more than twice as long as initial expectations due to unforeseen market factors, such as a risk-averse investment climate or disruptions such as the pandemic. For Agilis, the COVID-19 pandemic led to a pause in the initial equity raise and cancellation of the planned acquisition. The Agilis refinance took almost one year to close, with several months of delay caused by protracted negotiations around the collateral release with the outgoing term loan provider.

USAID INVEST Buy-In Summary: Ukraine Private Sector Landscape Assessment for Mobilizing Capital

Buy-in Name	USAID Ukraine Private sector Landscape Assessment for Mobilizing Capital
Buy-in Client	USAID Ukraine
Period of Performance	March 2020 to April 2020
Buy-in Amount	\$44,534
Buy-In Support Type	Investment Opportunity Assessment
Program/Subprogram/Cross-Cutting Areas	Economic Growth, Health/Financial Sector, Systems Strengthening
Subcontractors/Sub-Awardees	Independent consultant

OBJECTIVE

USAID’s Private Sector Engagement (PSE) Policy, developed in 2018, underscored the need for all parts of the Agency to work with the private sector to co-create market-based development solutions. The policy required each USAID Mission to incorporate private sector engagement into its Country Development Cooperation Strategy (CDCS) or Regional Development Cooperation Strategy (RDCS). In Ukraine, USAID sought to focus its private sector engagement efforts on market-driven, inclusive, and sustainable growth in its priority sectors of agriculture, energy, financial services, health, ICT, and tourism.

Through this buy-in, INVEST supported the Ukraine Mission in defining its PSE approach by assessing priority sectors and finance vehicles that would have the greatest potential for mobilizing investment and contribute to development outcomes.

ACTIVITIES

The work under this buy-in proceeded in two key phases:

Phase I: Rapid assessment of USAID Ukraine’s private sector engagement sectors (March 2020)

- **Overview:** INVEST conducted a rapid assessment that included a combination of desk-based research and an in-country scoping mission to meet with key informants at the Mission and key government and private sector stakeholders, including project implementors, financial institutions, local associates, and asset management and investment advisory firms. The assessment provided insight into the viability and impact of different private sector engagement opportunities.
- **Key deliverables:**
 - Draft scoping mission report and recommendations for short-, medium-, and long-term opportunities the Mission can support

Phase II: Final scoping mission report (March-May 2020)

- **Overview:** INVEST finalized the scoping mission report. It included key findings from the research and interviews conducted in Phase I, potential stakeholders, and recommended financial instruments relevant to the Ukrainian context.
- **Key deliverables:**
 - Final scoping mission report and presentation to the Mission

RESULTS

- Extensive desk research and remote interviews with more than 50 people representing 27 organizations from the public and private sector.
- Identification of four PSE opportunities that were recommended to USAID Ukraine:
 1. Alternative financing instruments: New financial sector regulation and reforms can have a significant impact on access to finance and create culture shifts.
 2. Development Finance Corporation's Mission Transaction Unit (DFC MTU) guarantee opportunity: The guarantee should be deployed selectively with bank partners and linked to potential investment platforms.
 3. PSE mechanism buy-in: The Mission can increase and strengthen PSE in ongoing and future programs through mechanisms to support flexible strategy, training, and new and non-traditional partners.
 4. PSE in the health sector: Several PSE opportunities were identified, including telehealth, training on medical equipment and logistics, and local government investments in hospitals during the COVID-19 pandemic.

LESSONS LEARNED

- **The Ukraine landscape is rapidly changing. Strategies need to remain flexible.** The rapid assessment identified key findings, such as the shifting regulatory and financial sector landscape, which require a flexible and adaptive PSE strategy with short-and medium-term actions to respond to a shifting private sector and COVID-19 response environment.

USAID INVEST Buy-In Summary: USAID Pensions

Buy-in Name	USAID Pensions
Buy-in Clients	USAID Private Sector Engagement (PSE) Hub, USAID Southern Africa Regional Mission (SA REGO), USAID Kenya and East Africa Regional Mission (KEA)
Period of Performance	May 2020 to June 2024
Buy-in Amount	\$3,437,156
Buy-In Support Type	Transaction Advisory, Fund/Financial Vehicle, Technical Assistance
Program/Subprogram/Cross-cutting Area	Economic Growth/Trade and Investment, Clean Energy, Sustainable Landscapes, Modern Energy Services/Gender
Subcontractors/Sub-Awardees	Independent Consultant MiDA with partners Batseta Council of Retirement Funds, CrossBoundary LLC, RisCura, and Southern Africa Venture Capital and Private Equity Association (SAVCA)

OBJECTIVE

This buy-in aimed to increase investment by U.S. institutional investors in developing and frontier markets, harnessing the scale and expertise of U.S. institutional investment and financial services. The buy-in built on USAID’s work over the prior three years with the MiDA Initiative (now MiDA Advisors), which increased awareness of and appetite for investment in Africa and forged enduring relationships between U.S. and African asset allocators and financial institutions. The buy-in furthermore supported Prosper Africa’s goals to unlock opportunities to do business in Africa. Activities benefitted companies, investors, and workers in both Africa and the U.S. through three key activities:

1. Expanding outreach to U.S. institutional investors and providing support to increase U.S. institutional investment in Africa;
2. Supporting institutional investors in Southern Africa; and
3. Identifying opportunities to mobilize institutional capital for development through capacity building and development of African pension funds and consortia.

ACTIVITIES

Institutional investment support (December 2019-November 2022)

- **Overview:** INVEST subcontracted MiDA Advisors to continue deepening investment relationships between U.S. and African institutional capital stakeholders, educating U.S. institutional investors about opportunities and perceived risks of investing in Africa, and lowering transaction costs as institutional investors find credible partners on the continent. Specific activities included organizing and coordinating pension fund delegations to Africa to educate investors on investment opportunities and facilitate long-term relationship building,

coordinating U.S. and African pension fund roadshows to enable pension funds to engage with U.S. and African institutional investors and to attend conferences, convening an Africa and Emerging Markets Summit in December 2020, providing advisory and capacity development for African pension funds and consortia, mapping the supply of institutional capital and analysis of investor risk appetite, and developing a deal pipeline with the support of CrossBoundary.

- **Key deliverables:**

- Organization of two pension fund delegations, one to South Africa in August 2022 and one to Senegal and Kenya in April 2022, to educate U.S. institutional investors on investment in Africa and facilitate relationships between these investors and African financial institutions and fund managers.
- Coordination of three pension fund roadshows enabling African fund managers and financial institutions to pitch investable opportunities to pre-selected U.S. and African investment managers that had already committed to investing in Africa. An in-person roadshow took place in South Africa in February 2020 and two virtual roadshows were held in November 2020 and October 2021.
- Organization of the Africa and Emerging Markets Summit (AEMS), held online in December 2020 due to COVID-19. The five AEMS panels were dispersed throughout the three-day National Association of Securities Professionals (NASP) Annual Pension and Financial Services Conference. AEMS included presentations from 15 speakers and attracted more than 115 attendees including US and African institutional investors.
- Advisory, capacity building, and relationship development with two organizations representing pension funds – Batseta Council of Retirement Funds in South Africa and the Kenya Pension Funds Investment Consortium (KEPFIC) – including development of consortia and pools of assets for co-investments. Specific deliverables included:
 - Action plans with Batseta and KEPFIC, including consortium pooling concept and marketing plans
 - Capacity-building advisory missions for KEPFIC and Batseta
 - Final progress reports for KEPFIC and Batseta
- Industry partnership and ecosystem building, including an action plan for industry partners and outreach to investors and service providers, as well as partnership proposals
- Surveying and mapping of institutional capital to understand investors' risk appetite, including action plan for surveys and a final draft of survey report.
- Deal pipeline development, including draft pipeline tracker and two pipeline reports.

Asset Owners Forum South Africa (October 2020-June 2023)

- **Overview:** Through INVEST, MiDA Advisors and partner Batseta Council of Retirement Funds of South Africa launched the Asset Owners Forum South Africa (AOFSA), a pension consortium designed to scale up local investments in infrastructure and other alternative assets. MiDA Advisors provided capacity building to support the consortium secretariat, run by Batseta, in designing and implementing AOFSA, including establishing governance structures, decision-making processes, and initial membership. With support from CrossBoundary, MiDA also built a pipeline of pre-screened opportunities, investments in which ultimately resulted in nearly \$130 million in domestic capital mobilized for alternative infrastructure assets.
- **Key deliverables:**
 - Asset owners' governance structure agreements

- Assessment of prospective AOFSA members and potential co-investors
- Regulatory assessments, including legalization and asset pooling, possible restrictions, and formalizing custodial relationships
- Transaction close reports on investment commitments exceeding target of \$50 million
- Final report on AOFSA activity

Women Empowerment Mentoring & Incubation (WE>MI) fund manager program (February 2021-July 2022)

- **Overview:** MiDA Advisors, in consortium with the Southern Africa Venture Capital and Private Equity Association (SAVCA), launched the inaugural Women Empowerment Mentoring and Incubation (WE>MI) fund manager program to support the successful development, growth, and long-term sustainability of women-owned and women-managed funds in Southern Africa. WE>MI provided technical assistance and access to investment facility support, ultimately enabling participants to mobilize more than \$20 million for impact investing.
- **Key deliverables:**
 - Pre- and post-program survey and evaluation report
 - Technical assistance facility progress reports
 - Documentation of transaction closes for \$21.7 million for two women-owned funds

RisCura Fund of Funds activity (August 2021-June 2024)

- **Overview:** MiDA Advisors provided technical assistance to RisCura, a global investment firm based in South Africa, to expand into U.S. capital markets by establishing a new entity under U.S. regulations. The new entity, RisCura USA, originally planned to provide an emerging markets fund-of-funds (FoF) investment vehicle to address the challenges that U.S. institutional investors encounter when evaluating investment opportunities in Southern Africa and emerging markets more broadly. However, due to a lack of investor appetite for investing in a FoF vehicle, RisCura pivoted to launching bespoke, separately managed account (SMA) products and Outsourced Chief Investment Officer (OCIO) products for clients. Through this activity, MiDA and RisCura also implemented a technical assistance facility for 20 emerging asset managers in Southern Africa to enhance their investment readiness and ability to raise capital from institutional investors and provide the necessary training and skills to qualify for future products offered by RisCura – thus developing a pool of qualified managers for RisCura to consider for future investment commitments.
- **Key deliverables:**
 - Report on regulatory and legal requirements
 - Fund marketing strategy and investment products
 - Registration as U.S.-regulated investment advisor
 - Report summarizing product development and preliminary review of managers for technical assistance facility targeting emerging Southern African managers
 - Report summarizing advanced support to emerging Southern African managers based on institutional investor criteria
 - Impact assessment synthesizing engagements with institutional investors during the strategy shift from FoF to SMA/OCIO products

RESULTS

- Mobilized \$129.9 million in South African pension fund capital for infrastructure projects and funds, including more than \$50 million in first-time commitments to black- and/or women-owned fund managers.
- Mobilized \$21.7 million from investors for two emerging, women-owned fund managers across Southern Africa through the WE>MI program. In addition to capital mobilized, the WE>MI program provided tailored capacity-building assistance to 11 fund managers, enabling them to enhance their fund strategies, operational models, and investment readiness.
- Delivered a technical assistance program to enhance investment readiness for 20 emerging fund managers across Southern Africa. Fund managers went through a full investment analysis and shortened due diligence process with RisCura to gain skills to attract institutional capital and qualify for future investment products offered by RisCura.
- Planned, designed, and executed two institutional investor delegations (one to South Africa and one to Senegal and Kenya), three investor roadshows, and an Africa and Emerging Markets Summit to convene, educate, and expose U.S. and African investors to mutually beneficial investment opportunities.

LESSONS LEARNED

- **Roadshows and delegations are strategic tools for building long-term relationships between U.S. and African investors.** Institutional investor delegations provide critical opportunities for U.S. investors to learn more about the opportunities and challenges of investing in Africa, thereby helping these investors to get a more in-depth and accurate understanding of the risks associated with emerging market investing. These delegations also enable U.S. investors to build long-term relationships and identify creative opportunities for collaboration with African financial institutions and fund managers. It is important to manage expectations, however: these are typically early-stage, introductory engagements that focus on awareness building rather than near-term capital mobilization. Investor roadshows provide opportunities for those investors that have already committed to investing in Africa to benefit from events and convenings that provide them with targeted investment opportunities relevant to their mandates. The roadshows also provided opportunities for local pension fund consortia such as KEPFIC and AOFSA to engage with international investors on potential partnerships and investment opportunities.
- **Technical assistance is critical to accelerating the development of pension consortia.** Private sector solutions of this nature take time and require flexibility. Pension fund consortia play a critical role in scaling up African investments in infrastructure by directing domestic savings into real economy investments. While the AOFSA activity was ultimately successful in mobilizing almost \$130 million for infrastructure, the process of establishing the consortium, building a pipeline, engaging with pension fund members, and ultimately collecting documentation from partners on capital commitments was long and complex. As a result, the activity required several subcontract modifications to ensure that the MiDA consortium had sufficient time to deliver results while navigating unforeseen challenges along the way.
- **Partnering with local market champions is key to successfully mobilizing domestic investment in Africa.** MiDA's partnership with the Batseta Council of Retirement Funds of South Africa was critical to establishing AOFSA as a credible entity within the South African

pension fund ecosystem. In its role as head of the AOFSA Secretariat, Batseta brought visibility, a proven track record, and an extensive network to the table that greatly facilitated AOFSA's ability to recruit and secure ongoing buy-in from pension fund members for its mission.

- **Investment relationships and trust take a long time to build**, particularly given the lengthy decision-making and due diligence processes of asset allocators in both technical design and implementation timeframes. Many institutional investors want to form relationships with fund managers before considering them for due diligence, but this process can take years. Many first-time fund managers don't have the capital available to operate without investments for an extended period without enduring significant financial strain. The investment support facility within WE>MI was intentionally designed to accelerate this process by helping fund managers identify opportunities and foster relationships with allocators, consultants, and industry experts. As a result of the support provided by USAID through INVEST, fund managers were able to form key connections with potential investors, setting the stage for long term success.
- **Mobilizing private investment at scale requires developing innovative blended finance structures via a portfolio-level approach.** While providing blended finance support to individual transactions can be a highly impactful tool when employed effectively by donors, supporting large-scale blended finance vehicles with diversified portfolios (such as fund-of-funds, and pooled investment vehicles) is critical for mobilizing sufficient capital to close the financing gap for the Sustainable Development Goals (SDGs) and climate goals.
- **USAID can play a crucial role in testing new models.** Support to MiDA and RisCura enabled INVEST to test the viability of creating a FoF vehicle to mobilize capital from U.S. institutional investors. After many months of investor consultations and pitch meetings, INVEST determined that many institutional investors were simply unable or unwilling to invest in a FoF model due to concerns over the multi-layered fee structure or internal policies that categorically rule out FoF investments. Consequently, RisCura pivoted to a more flexible approach, offering separately managed account (SMA) services and Outsourced Chief Investment Officer (OCIO) partnerships to better cater to institutional investors' needs and preferences. USAID's flexible and risk-tolerant approach in this case was critical in enabling INVEST partners to identify specific barriers and adapt their approaches accordingly.

LEARNING AND COMMUNICATIONS PRODUCTS

- [The Case for Africa as an Infrastructure and Real Assets Investment Destination](#), Medium, January 2022
- [Africa: Improving US Pension Outcomes While Boosting African Growth Prospects](#), USAID PSE Exposure, February 2022
- [The Power of Partnership Among US and African Investors](#), Medium, October 2022
- [Engaging Investors on the Ground](#), Medium, October 2022
- [From Relationship Building to Co-investment](#), Medium, October 2022
- [5 Lessons Learned in Mobilizing Institutional Investment in Emerging Economies](#), Medium, November 2022
- [Mobilizing Kenyan Pension Funds to Invest in Local Infrastructure](#), Medium, April 2023
- [How Africa's Pension Funds are Financing the Continent's Infrastructure Gap](#), ImpactAlpha, September 2023
- [Infrastructure Investment: The Pension Consortium Model: PSE Innovation Roadmap](#), report, November 2023 [USAID intranet]

USAID INVEST Buy-In Summary: Vietnam ADR

Buy-in Name	Vietnam Alternative Dispute Resolution (ADR)
Buy-in Client	USAID Vietnam
Period of Performance	September 2022 – July 2024
Buy-in Amount	\$1,766,800
Buy-In Support Type	Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth, Private Sector Productivity
Name of Subcontractors/Sub-Awardees	KPMG Law Limited and Joseph Liow Chambers KPMG Tax and Advisory Limited (KPMG) with partners Monitor Consulting and TMA Solutions

OBJECTIVE

USAID Vietnam aimed to enhance the country’s business environment to attract more private investment for Vietnam’s future development by promoting the use of commercial and investment alternative dispute resolution (ADR). In partnership with the Vietnam International Arbitration Centre (VIAC), a leading Vietnamese arbitration and mediation institution that has administered thousands of domestic and international disputes, USAID sought to enhance trust in the local commercial and investment ADR ecosystem by sharing international best practices, strengthening the capacity and skills of ADR stakeholders, and enhancing awareness of the benefits and availability of ADR among local businesses.

ACTIVITIES

Build online arbitration infrastructure to improve ADR services (June 2023-July 2024)

- **Overview:** USAID and VIAC sought to improve online arbitration infrastructure to handle cases more efficiently and effectively while building trust in arbitration and raising awareness of arbitration services among the business community. Through INVEST, KPMG and VIAC co-created an online case management (OCM) platform to facilitate online dispute resolution. The VIAC.eCase platform, accessible through VIAC’s website in Vietnamese and English, was developed and launched. This will allow VIAC to hold virtual hearings and paperless proceedings to improve time and cost efficiency, increase transparency, and better protect data. INVEST used a three-phased approach to complete this work:
 1. KPMG in partnership with Monitor Consulting and TMA Solutions designed the eCase platform with VIAC and finalized the high-level objectives and functionality requirements. The team addressed data privacy and security concerns, developed a user-friendly interface for increased efficiency, created team workspaces with user-based permissions, and addressed the sustainability of the platform.
 2. KPMG in partnership with Monitor Consulting and TMA Solutions implemented the website design process closely with VIAC to customize platform infrastructure, implement the features determined in Phase I, and complete functional testing and user

acceptance testing. User guides were created for nine user profiles, including VIAC key users, arbitrators, and disputing partners. KPMG delivered training sessions to VIAC and key users of the platform on each of the four modules, prepared for the platform's launch, troubleshoot issues, ensured compliance with accessibility requirements, and incorporated additional sub-features to improve technical design and user experience.

3. KPMG supported the 2024 VIAC Symposium to launch VIAC.eCase. KPMG worked with VIAC to finalize key themes for the event and bring together international stakeholders and guest speakers. KPMG also developed a digital marketing toolkit and online media campaign for VIAC to increase outreach and coverage of the symposium and enhance VIAC's credibility as a resolution intermediary.

- **Key deliverables:**

- Solution recommendation, functional specification document, and implementation and maintenance plan
- Four user-friendly platform modules
- Completed platform infrastructure and handover to VIAC
- Demonstration/launch of [VIAC.eCase](#) with informational leaflet
- 2024 VIAC Symposium event delivery
- Fully executed media campaign

Strengthen capacity and skills of ADR stakeholders (August 2023-May 2024)

- **Overview:** In partnership with VIAC, USAID aimed to enhance the capacity of local ADR stakeholders by developing and delivering arbitration skills training courses for arbitrators and tribunal counsels and holding a commercial arbitration bootcamp for judiciary stakeholders. KPMG Law equipped VIAC with training materials, lessons learned, and recommendations for subsequent skill training courses. Key activities included:

- KPMG Law with partner Joseph Liow Chambers developed and delivered a five-day, in-person arbitration skills training course in Hanoi to enhance the capacity and professional skills of arbitrators and arbitration counsels in Vietnam. The comprehensive training covered topics including appointment of the tribunal and the duty of disclosure, challenges to the tribunal's jurisdiction, case management in conducting arbitration, cross-examination, and more.
- KPMG Law and Joseph Liow Chambers developed and delivered a two-day commercial arbitration bootcamp for judges and court clerks from two of Vietnam's biggest provincial courts, drawing on experience from Vietnam, Malaysia, Singapore, and India. Topics included the role of international arbitration in international trade disputes, an introduction to United Nations Commission of International Trade Law (UNCITRAL) and Model Law, a comparison of Vietnamese laws on commercial arbitration, and the role of courts in arbitration.

- **Key deliverables:**

- Training curriculum materials
- Delivery of skills training and judges bootcamp
- Training summary report and transition plans

RESULTS

- Developed the curriculum for and delivered a five-day Arbitrator Skills Training from November 29-December 3, 2023, in Hanoi to 46 key arbitration stakeholders to increase capacity and enhance the professional skills of Vietnamese arbitrators and arbitration counsels.
- Held a two-day commercial arbitration boot camp from April 13-14, 2024, to create an exchange of views among 26 delegates from the Supreme People’s Court and Economic Courts of Hanoi, Ho Chi Minh City, Da Nang, and Kien Giang provinces and expert trainers. The boot camp provided participants with real-life situations and examples of practices related to arbitration and the courts from the perspective of international and Vietnamese national law.
- Completed development, testing, and training for four modules in the customized online case management platform and incorporated 24 additional sub-features to improve technical design and user experience. The platform allows VIAC to improve the efficiency, transparency, and security of its arbitration services.
- Publicly launched VIAC.eCase in Vietnamese and English at the VIAC Symposium in June 2024. The symposium, themed "Cross-border trade and investment in time of economic uncertainty: dispute and arbitration," brought together more than 350 experienced ADR experts and practitioners and foreign and domestic investors and enterprises to facilitate meaningful discussions on current import and export industries in Vietnam.

LESSONS LEARNED

- **Aligning priorities and expectations with a local counterpart requires time and a strong working relationship.** For this buy-in, INVEST collaborated closely with VIAC and used the early months of the buy-in to understand VIAC’s priorities, outline and plan potential procurements, and familiarize the counterpart with USAID requirements and INVEST processes. Collaboration initially took place virtually during the design of activities and required multiple meetings to understand VIAC’s work and strategic objectives, as well as how INVEST could most effectively provide support. INVEST engaged a locally based Vietnam Activity Manager, which greatly strengthened the working relationships between INVEST, USAID, and VIAC, streamlined communication, and allowed for quicker turnaround of feedback and advice in the same time zone and same language.
- **Frequent communication starting at the design phase ensures high-quality implementation.** INVEST worked closely with all stakeholders to align expectations, set discrete and timebound activities, foresee and mitigate any possible delays, and facilitate regular communications among all stakeholders. For instance, with the commercial arbitration bootcamp activity, INVEST facilitated multiple calls with VIAC and KPMG Law during subcontracting to ensure alignment on timing of the bootcamp and a complete understanding of the technical requirements, which helped smooth implementation. INVEST also encouraged direct engagement between VIAC and the partners on technical matters to ensure partners could deliver high-quality results based on VIAC’s feedback. This was possible due to a trusted working relationship between INVEST and the partners, thanks to in-country support from INVEST Vietnam Activity Manager and regular communication from the wider INVEST team to maintain alignment with client and INVEST requirements.

LEARNING AND COMMUNICATIONS PRODUCTS

- [VIAC.eCase introductory video](#), June 2024

USAID INVEST Buy-in Summary: Vietnam

Buy-in Name	Vietnam
Buy-in Client	USAID Vietnam
Period of Performance	August 2019 to June 2024
Buy-in Amount	\$7,275,000
Buy-In Support Type	Investment Opportunity Assessment, Technical Assistance
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Financial Sector, Clean Energy/Gender
Subcontractors/Sub-Awardees	The Asia Foundation Cong Ty TNHH YCP Viet Nam (formerly YCP Solidiance Co Ltd.) Deloitte Consulting LLP Emerging Venture Management Pty Ltd (Unkapt) Envirosolutions & Consulting Pte Ltd ICEM Asia Consulting Pte Ltd. Impact Investment Exchange Pte. Ltd. K2 Management Inc. KPMG Tax and Advisory Ltd. PATH RCEE-NIRAS Joint Stock Company

OBJECTIVE

USAID Vietnam aimed to engage the country’s growing and dynamic private sector in priority sectors such as infrastructure, climate and energy, health, and finance. This buy-in was designed as a portfolio approach to support market-based and public-private partnership solutions to improve governance systems and catalyze investments in the targeted sectors to encourage sustainable growth. The portfolio activity touched on each of the Mission’s Country Development Cooperation Strategy (CDCS) Development Objectives and worked in coordination with multiple offices in the Mission. To identify and implement these solutions, INVEST focused on 1) conducting market assessments, feasibility studies, and other surveys; 2) enhancing intermediation through investment funds and financing facilities; 3) facilitating and structuring transactions; 4) providing technical assistance; and 6) conducting research to inform and enhance private sector approaches, engagement, and solutions.

ACTIVITIES

The following interventions were identified to strategically support and facilitate private sector engagement and investment, under each Development Objective:

Development Objective I: Economic Competitiveness Increased

Public private partnership (PPP) capacity development (June 2020-July 2023)

- **Overview:** USAID sought to strengthen the understanding and implementation of Public-Private Partnerships (PPPs) and build capacity of key stakeholders in Vietnam to procure,

manage, and implement feasible PPP investments under the revised PPP Framework released by the Government of Vietnam in 2021. INVEST provided technical assistance to the Vietnam Chamber of Commerce and Industry (VCCI) to update its online PPP platform and provided PPP trainings.

- Unkapt completed a feasibility study of Vietnam’s preparedness to engage in effective PPPs by assessing Da Nang Municipal Government’s capacity to engage the private sector in clean energy projects and sought to identify a pipeline of potential PPPs. The assessment identified limited capacity to implement PPPs under the new framework and highlighted the need for capacity building prior to the development of a PPP facility, which led to the below activities.
 - KPMG worked closely with VCCI to launch a new PPP webpage that provided government officials, project sponsors and investors, academics, university lecturers, and future PPP trainers with updated and relevant content. The webpage included an online training module with interactive, self-guided, and user-friendly materials and a help desk that allows the user to access further knowledge on PPPs and submit any specific inquiries.
 - In partnership with VCCI, KPMG hosted two in-person PPP boot camps, one for 54 government officials in Da Nang and another for 20 academics in a train-the-trainer approach in Quy Nhon. The trainings targeted local government ministers, university lecturers, and other key individuals to strengthen their knowledge of PPP law and prepare them to become future trainers in Vietnam.
- **Key deliverables:**
 - Feasibility study and set of recommendations for increasing PPP preparedness
 - Needs assessments and final curriculum for two boot camps
 - Boot camp delivery in Da Nang and Quy Nhon, including boot camp summary reports
 - Online course training materials
 - Training sessions for VCCI and transition plan to hand over materials to VCCI
 - PPP help desk platform
 - VCCI PPP webpage user acceptance testing (UAT) and launch

Moveable property lending (MPL) promotion pilot (January 2022-March 2023)

- **Overview:** USAID aimed to extend financial services to underserved populations, with a focus on women-owned small businesses, by providing technical assistance to financial institutions to develop or expand MPL products. Deloitte provided technical assistance to F88, a leading secured lending provider in Vietnam, to improve its MPL product offerings. Deloitte assessed and improved F88’s credit assessment model, identified and introduced F88 to potential capital providers, and supported F88 in reaching more female customers and providing financial trainings to women-owned SMEs. However, this activity was halted in March 2023 due to unforeseen challenges with F88’s operations.
- **Key deliverables:**
 - Engagement plan for F88 to strengthen its MPL offerings
 - Model validation report

Development Objective 2: Prevention and control of infectious diseases increased

Healthcare community-based organizations (CBOs) financial sustainability pilot (October 2020-June 2024)

- **Overview:** USAID sought to increase the financial sustainability of community-based organizations (CBOs) providing healthcare services to reduce their reliance on donor and public funding. INVEST provided technical assistance to healthcare CBOs to develop and implement market-based, scalable models and diversify their service offerings and revenue sources.
- **Activities:**
 - PATH with Centre for Social Initiatives Promotion identified 15 middle- to late-stage CBOs and social enterprises (SEs) providing HIV and other primary healthcare services in Ho Chi Minh City, Dong Nai, Hanoi, and Can Tho, and suggested interventions to strengthen capacity and financial sustainability.
 - Building on PATH's assessment and recommendations, YCP Solidiance with MK Sabrina developed technical assistance roadmaps for 19 CBOs/SEs with practical steps and tools across five dimensions: 1) project funder and partner relationships; 2) resource mobilization; 3) financial management; 4) organizational governance; and 5) human resource capability.
 - YCP Solidiance provided continued support to 17 CBOs and SEs, including tailored technical assistance to Ruby, a transgender-led SE providing services for transgender people in Hanoi; targeted training for 14 CBOs and SEs on legal issues for SMEs; pricing recommendations of services and products; support on e-commerce for businesses; and detailed financial analyses for four CBOs.
 - One social enterprise, Glink, received tailored technical assistance from a financial management consultant to complete revenue forecasting of its current business and assess opportunities for future expansions to support the organization's sustained growth and financial sustainability.
- **Key deliverables:**
 - Assessment of market-based, scalable models for CBOs and SEs to deliver financially sustainable primary healthcare services
 - Roadmap action plans with milestones, a funders matrix, and handbooks for 19 CBOs and SEs
 - Three trainings courses for CBOs and SEs, including slides and recordings, and easy-to-use tools such as financial analysis template and tools for client, inventory, and financial management
 - Glink pitch deck and final report with financial analysis, forecasts, and proposed development plans

Private sector primary healthcare services assessment (March 2024-June 2024)

- **Overview:** USAID sought to understand the use of private sector primary healthcare (PHC) and preventative non-communicable diseases (NCD) services among working-age adults and those caring for older loved ones. PATH conducted an assessment to identify PHC/NCD private sector engagement readiness and opportunities. The assessment also described the consumer market for private sector PHC/NCD service use, preferences, and willingness to pay in 14 provinces.

- **Key deliverables:**
 - Report and slide deck on the results of the PSE readiness benchmarking study and the consumer market study with recommendations for USAID use to support private sector PHC/NCD services
 - Qualitative and quantitative data collected for 14 provinces

Development Objective 3: Environmental security improved

Renewable energy transaction assistance (RETA) facility (August 2021-December 2023)

- **Overview:** INVEST provided technical assistance to renewable energy projects in Vietnam. INVEST completed assessments and analyses to offset transaction costs, reduce risk profiles of projects, and facilitate private sector investment, increasing renewable energy production.
- **Activities:**
 - K2 Management supported TSV Investments during the pre-construction phase of two onshore wind projects in Gia Lai province. The firm prepared an optimized wind turbine generator layout design and energy yield assessment, developed a procurement framework for the projects, and moved the projects to construction phase.
 - ICEM Asia conducted an Environmental Impact Assessment (EIA) for INGINE's Ly Son I wave power plant that was aligned with Vietnamese regulations. ICEM also conducted a gap analysis between Vietnamese regulations for the EIA and international standards for an environmental and social impact assessment (ESIA) and documented lessons learned about the pilot project and this new technology in Vietnam.
 - EnviroSolutions Consulting with Offshore Wind Consultants conducted feasibility studies and environmental and social impact assessments (ESIAs) according to international standards for BCG Energy's two nearshore wind energy projects in Tra Vinh and Ca Mau provinces.
- **Key deliverables:**
 - Assessments and layout for tendering package, evaluation of bids, support for contract negotiations, and final report for wind projects in Gia Lai province
 - Gap analysis report, wave energy case study, and EIA for INGINE's Ly Son I project
 - Technical notes, scoping report, feasibility studies, and ESIA components for wind project in Ca Mau province; finalized ESIA for wind project in Tra Vinh province

Climate change resilience and mitigation efforts (December 2021-July 2024)

- **Overview:** USAID sought to strengthen climate change resilience and mitigation efforts and increase climate financing. INVEST supported VCCI in developing a green index to be incorporated into the annual Provincial Competitiveness Index (PCI). The PCI measures the ease of doing businesses in each province; the incorporation of the green index aims to foster an enabling environment for green investment in Vietnam. INVEST also supported the Ministry of Industry and Trade (MOIT) in research, analysis, and recommendations for developing Vietnam's carbon labelling practices. The goal is to build the capacity of the public and private sector to perform and monitor greenhouse gas (GHG) accounting and life-cycle assessments that comply with international standards.
- **Activities:**
 - The Asia Foundation (TAF) researched, designed, and tested an environmental survey to incorporate into VCCI's PCI. This includes understanding international lessons learned,

best practices, and incentives at subnational levels on green investment and environmental governance. TAF also assessed Vietnamese provincial governments and enterprises' perceptions of environmental regulation and compliance. TAF analyzed a list of key environmental regulations and policies. The assessment included what enterprises considered important when judging the attractiveness of green investment in Vietnam as well as their plans to invest in green technology, operations, and supply changes.

- RCEE-NIRAS supported USAID in the development of an accurate and competitive carbon-labeling system in Vietnam. They developed a research report summarizing international carbon-labelling and greenhouse gas accounting practices, international policy regarding carbon border taxes, and key recommendations for carbon-labeling systems development.
 - RCEE-NIRAS also developed pilot lifecycle assessments (LCAs) with eight enterprises from four manufacturing sectors: electronics, garments and textiles, solar photovoltaics (PV), and iron and steel. The pilots aimed to help the MOIT understand enterprise preparedness for product carbon footprint (PCF) measurement and reporting. They also helped inform policy and regulatory support for carbon labeling framework and capacity building for target industries.
 - Finally, RCEE-NIRAS developed six technical guidance documents on emerging trends in carbon labeling including 1) GHG Accounting, 2) Climate Finance, 3) Carbon Border Adjusted Mechanism (CBAM), 4) Measurement, Reporting and Verification (MRV), 5) Environmental Social Governance (ESG) Reporting and 6) Product Carbon Footprint. Additionally, they developed four sector guidelines to provide detailed instruction of the PCF process specific to priority sectors including electronics, garments and textiles, solar photovoltaics (PV), and iron and steel.
- **Key deliverables:**
 - Pilot survey for PCI, recommendations for environmental impact evaluation, and case studies on international industry standards and subnational policy for green investment
 - Research report on carbon labelling practices and proposal for carbon labelling systems in Vietnam
 - Research report on trends and drivers for corporate GHG reporting, LCA, and PCF in Vietnam; research report on pilot LCAs, six technical guidance documents on emerging trends in carbon labelling in Vietnam; and four sectoral guidelines on PCF process

Special Objective: Overcome war and Agent Orange legacies

Disabilities and livelihoods (May 2023-July 2024)

- **Overview:** USAID sought to engage private impact investors to encourage growth for businesses improving the quality of life for disabled populations. Impact Investment Exchange (IIX) conducted a desk review of Vietnam's impact investment ecosystem, including bottlenecks, to strategize how best to encourage the private sector to invest in social and disability inclusion businesses (DIBs). IIX also produced a how-to guide for impact investment funds in Vietnam, including operating guidelines and impact management and partnership plans. IIX delivered an in-person workshop for 100 participants in Hanoi in May 2024, bringing together impact investment ecosystem players and highlighting case studies and key findings from the report.
- **Key deliverables:**
 - Context analysis report

- Case studies on innovative financing instruments in Vietnam
- How-to guide for impact investment funds in Vietnam
- Workshop on mobilizing private sector capital for disability inclusion businesses

RESULTS

- Identified key entry points for the Vietnam Mission to engage private sector partners throughout its CDCS.
- Completed key feasibility studies and environmental and social impact assessments to prepare three renewable energy projects in Vietnam for project approvals and investment.
- Identified 19 healthcare CBOs and SEs with market-based and scalable models and created roadmaps for their continued development towards financial sustainability. Held a dissemination meeting with 14 CBOs and SEs, two USAID implementing partners, and USAID Health staff to hand over the tools and materials to support the financial sustainability of CBOs and SEs.
- Provided a social enterprise with key inputs to prepare for future growth.
- Supported a local financial-services firm in creating an engagement plan to improve MPL and connected with partners/investors.
- Launched the updated VCCI PPP webpage, which provides interactive PPP trainings, online content, and interactions with experts.
- Piloted the survey for a green index, which was incorporated into the Provincial Competitiveness Index used to measure each province's business environment.
- Conducted assessments to measure Vietnamese enterprises' readiness and motivations for conducting GHG accounting and developed guidance documents to inform industries of upcoming trends in carbon labelling and best practices in measuring product carbon footprints (PCFs) by sector.
- Surveyed disability inclusion businesses in Vietnam and offered recommendations for engaging private impact investors.
- Conducted landscape analysis of private sector primary healthcare services in 14 provinces in Vietnam to understand their available services and current use among working age adults and caregivers of older families. The analysis also identified opportunities to enhance private sector engagement in primary healthcare services.

LESSONS LEARNED

- **Market assessments are useful to check assumptions and inform the design and implementation of activities.** In a number of activities in this portfolio, INVEST set out with the intention of designing an intervention to mobilize capital. However, there were a number of instances where assessments and planning meetings with relevant Government of Vietnam counterparts led to an understanding that earlier, up-stream interventions were necessary before USAID could support the type of investment-catalyzing activities it originally envisioned. For example, with the PPP exercise, the initial intent was to identify PPP opportunities and support them through transaction advisory services. However, it became clear that support should take place at an earlier stage given the Vietnamese government's new PPP law, implemented in 2021, and the lack of capacity to implement it. INVEST pivoted from supporting PPPs directly to supporting VCCI with PPP training and improving their PPP information platform.

- **Flexibility is required to respond effectively to host-government initiatives and priorities.** USAID and INVEST built a portfolio of activities across multiple sectors that coordinated with host-government counterparts. This coordination led to longer planning timelines and required flexibility from USAID and INVEST in the design and prioritization of interventions and activities in the portfolio. INVEST segmented most interventions and activities into distinct phases and built in assessment or design periods, allowing INVEST partners to respond more directly to the needs and priorities of local counterparts. By working in phases, INVEST could make programmatic pivots as needed, confirm expected results, and allocate USAID resources efficiently. With segmented activities, it is important to clearly communicate realistic timelines and indicate externally managed steps in the process that could affect the timeline and adjust activities and timelines as needed. For instance, activities planned for the RETA facility depended on the delayed release of Vietnam’s Eighth National Power Development Plan to receive local government approval for key documents, such as the EIA prepared for INGINE’s wave energy project, or to prioritize projects under development for both developers and investors.
- **Strengthening the capacity of local counterparts and partners helps provide sustainability in activities.** USAID and INVEST focused on building lasting sustainability across all activities. With the PPP activity, a train-the-trainers format was selected so the training participants could be best equipped to take the practical knowledge on PPPs back to their agencies and universities. To support the financial sustainability of healthcare CBOs and SEs, YCP Solidiance developed easy-to-use tools tailored to the organization’s stage of development and coordinated with other USAID implementing partners to make training materials available to them. While INVEST supported selected renewable energy projects through RETA, partners captured and shared learning to inform future USAID support for the energy transition.
- **Local counterparts and partners require timely support and strong relationships.** Each intervention supported a local counterpart working in Vietnam, including private, quasi-public, or public entities; this required tailored support with strong working relationships. INVEST identified partners with previous experience operating in Vietnam and engaged a locally based Activity Manager to represent INVEST in-country. Providing direct engagement, proactive discussion, and quick turnaround of feedback and advice in the same time zone and in the same language facilitated timely support to local counterparts while ensuring good alignment with client requirements.
- **An adaptive management approach enhances the impact of activities.** INVEST focused on adapting to changing circumstances in order to ensure quality results. When launching the MPL activity, INVEST initially released a call for interested partners that received no responses. After investigating, INVEST found the targeted Vietnamese firms did not fully understand the call. INVEST organized an information session and contacted potential partners to familiarize them with the activity's intent. Following outreach, a second call for partners was circulated and a partner was successfully identified and engaged. With an aim to help a local CBO become financially sustainable, INVEST was able to engage a financial consultant, instead of the initially planned-for firm or company, to provide technical assistance in revenue forecasting of their current business and opportunities assessment to expand their business. Engaging a consultant was a more effective way of supporting the CBO and helped ensure the long-term impact of the technical assistance to the local CBO.

LEARNING AND COMMUNICATIONS PRODUCTS

- [USAID Supports a Feasibility Study on Wave Power Potential in Vietnam](#), USAID, June 2021
- [Appointment as owner's engineer for TSV Investment's Gai Lai onshore wind projects](#), K2Management, September 2021
- [Responding to Vietnam's Healthcare Challenges: Bolstering Sustainable Funding Models for Community-Based Organizations and Social Enterprises](#), Medium, October 2021
- [USAID Announces Renewable Energy Transaction Assistance for Vietnam at Fourth Indo-Pacific Business Forum](#), USAID, October 2021
- [Wave Energy Could Power Vietnam's Islands, But Start-Ups Need USAID's Help](#), Climatelinks, November 2021
- [Supporting an enabling environment for a carbon labeling system in Vietnam](#), USAID, January 2022
- [How to Apply PSE Across Development Sectors: 7 Tips from USAID Vietnam](#), Medium, May 2023
- [Enabling Public-Private Partnerships to Spur Growth and Development in Vietnam](#), Medium, May 2023
- [The view from Vietnam: Five ways USAID can better engage local partners](#), Medium, July 2023
- [USAID INVEST | Vietnam Portfolio](#), USAID, June 2023

USAID INVEST Buy-In Summary: Water and Energy for Food (WE4F)

Buy-in Name	Water and Energy for Food (WE4F)
Buy-in Client	USAID Center for Development Innovation
Period of Performance	April 2019 to August 2020
Buy-in Amount	\$1,285,989
Buy-in Support Type	Investment Opportunity Assessment
Program/Subprogram/Cross-Cutting Areas	Economic Growth/Agriculture, Financial Sector, Clean Energy
Subcontractors/Sub-Awardees	CrossBoundary LLC Intellectap Advisory Services

OBJECTIVE

The Water and Energy for Food (WE4F) Grand Challenge’s mission is to expand the sustainable scale of small and growing enterprises that impact the sectors of food and water, food and energy, or all three sectors at the nexus (food, water, energy) to increase the sustainability of agricultural food value chains and address environmental and climate resilience in developing countries and emerging markets—with a particular focus on the poor and women. WE4F’s structure is deeply informed on the vast resources and learnings from two previous Grand Challenges (Securing Water for Food: A Grand Challenge for Development (SWFF) and Powering Agriculture: An Energy Grand Challenge for Development (PAEGC)) and works to grow and scale the most promising innovations/innovators identified in those programs.

This activity specifically sought to understand: 1) how to pair funding with acceleration services; 2) what role private capital can play in addressing challenges in achieving scale and sustainability; and 3) how the local context effects innovation and impact.

The WE4F program strives to achieve the following impacts:

- 1) Increase food production through more sustainable and efficient use of water and/or energy;
- 2) Increase income for women and men in both rural and urban areas;
- 3) Scale new solutions in the WE4F nexus;
- 4) Increase customers in the markets of the newly developed products or services of the innovators; and
- 5) Increase investments into enterprises at the WE4F nexus.

This activity focused on supporting the rapid operationalization of each of the WE4F’s Regional Innovation Hubs by providing them with an investment opportunity pipeline and landscape assessment, focusing on potential innovators, the capital and technical or advisory services needed to grow and scale these companies, and who is best positioned in the market to provide these services. These assessments served as a guide to inform implementation, to support the rapid operationalization of each Hub, and to mitigate against risks that often arise when entering new markets and in new ways.

ACTIVITIES

For each of the WE4F Regional Innovation Hubs (East Africa, West Africa, South/Southeast Asia, the Middle East/North Africa (MENA) Region, and Southern Africa), this activity identified and evaluated:

1. A minimum of 40 prospective enterprises (water/food, food/energy, or water/food/energy businesses) in each region, drawing in part from participants in the Securing Water for Food Grand Challenge (SWFF) and Powering Agriculture: An Energy Grand Challenge (PAEGC).
2. Types of capital, appropriate terms, and financial products needed by current innovators or prospective enterprises to grow their operating capacity and attract growth capital.
3. Potential financial institution partners and investors (local, regional, diaspora, and global) interested in investing in water/food, food/energy, or water/food/energy businesses in the region and with the ability to offer capital and financial products identified in #2.
4. Technical and investment advisory services needed by current innovators or prospective enterprises to grow their operating capacity and raise critical growth capital.
5. Potential technical assistance (TA) and business advisory service (BAS) providers (local, regional, and global) linked to the needs identified above in #4.
6. The effects of COVID-19 on the above enterprises, potential financial institution partners, investors, and potential TA and BAS providers.
7. Prospective WE4F enterprises that have increased potential for development impact and resiliency as an outcome of COVID-19, in addition to understanding the priority shifts in markets and enterprises.

Each regional landscape analysis facilitated the ability of the Regional Innovation Hubs to support WE4F companies by determining the appropriate type of capital, technical advisory services, availability of service, and capital providers in-country or in-region.

RESULTS

For each Regional Innovation Hub, INVEST:

- Developed a catalogue of 40 prospective enterprises that focused on a combination of water, food, and energy, including number of employees, approximate turnover, capital needs, and technical needs.
- Completed a mapping of regional capital providers, technical assistance, and business advisory providers; a list of technical assistance or investment advisory service providers; and profiles of 15 capital providers. The mapping also included profiles for financial sources such as entity type, investment parameters, instruments offered, stage of investment process, and number of investment professionals.
- Submitted final reports, including a summary of the research conducted.

LESSONS LEARNED

- **Grant funding will accelerate private investment in the WE4F nexus** by providing the services needed for enterprise scale and encouraging increased investor participation. There is a gap in the WE4F landscape for investment as ticket sizes below \$2 million are difficult to finance; however, grant funding can catalyze increased investor participation, as well as increased TA and investment advisory provider activity.

- **While some challenges to accessing capital and quality advisory services are common across sub-Saharan Africa, capital markets are particularly shallow in West Africa.** Weak institutions and informality in the private sector serve as barriers. INVEST landscape assessments found that firms in East Africa sought growth capital for equipment purchases and working capital in roughly equivalent proportions, while West African enterprises overwhelmingly sought expansion capital only, as many of these firms reported not yet reaching full capacity utilization.