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Request for Expressions of Interest (REOI)
to
Operate the Private Financing Advisory Network - Asia

Date of Publication: September 29, 2014

Q&A Deadline: October 15, 2014 at 5PM Bangkok local time

Response Deadline: October 23, 2014 at 5PM Bangkok local time

Contact: asia@cti-pfan.net

I INTRODUCTION

The purpose of this Request for Expressions of Interest (REOI) is to identify organizations that may be interested in operating the Private Financing Advisory Network in the Asia region (PFAN-Asia). Selected through a multi-stage process (see Section 4), short-listed organizations will be given the opportunity to submit proposals to become the operator of PFAN-Asia (PFAN-Asia Operator). The PFAN-Asia Operator is expected to receive technical and financial support from Deloitte Consulting LLP (Deloitte Consulting) and USAID/RDMA.

PFAN-Asia is a network of investors, entrepreneurs, and advisors who are active in developing and financing clean energy projects and companies. PFAN is a global program network that began in 2006. The Private Financing Advisory Network (PFAN) was created by the Climate Technology Initiative (CTI) in cooperation with the Expert Group on Technology Transfer (EGTT) of the UN Framework Convention on Climate Change (UNFCCC).

The United States Agency for International Development (USAID) and other bilateral and multi-lateral donors provide funding for PFAN activities around the world. Global PFAN activities are overseen by the CTI and implemented by the Climate Technology Initiative Private Financing Advisory Network (CTI PFAN Global) as a program of the CTI.

Deloitte Consulting is issuing this REOI as part of its work under a contract (PFAN-Asia Project) with the United States Agency for International Development / Regional Development Mission in Asia (USAID/RDMA). Deloitte Consulting's contract has three goals: 1) operating PFAN-Asia in close collaboration with CTI PFAN Global, which it is now doing, 2) selecting a local organization to take over operations of PFAN-Asia on a sustainable basis, and 3) transferring its PFAN-Asia operations to the local organization. This request pertains to the second and third goals of the contract.

After receiving Expressions of Interest (EOIs) in response to this REOI, Deloitte Consulting, in conjunction with USAID/RDMA and CTI PFAN Global, will issue a Request for Proposals (RFP) to shortlisted eligible respondents (Respondents). The RFP will contain information about eligibility, qualifications, and selection criteria. After receiving proposals, and in coordination with CTI PFAN Global, Deloitte Consulting expects to host a bidders' conference, conduct a question and answer process, establish a competitive group of proposals, and from them select an organization to be PFAN-Asia Operator. The selected PFAN-Asia Operator will be eligible to receive funding from both Deloitte Consulting and USAID (as described in Section 3).

2 BACKGROUND ON PFAN

2.1 PFAN goals and target market

PFAN supports its network members on the development and financing of small and medium-sized clean energy projects. PFAN seeks to support companies and project developers that are seeking total investment from US \$1 million to US\$ 50 million, although both smaller and larger

size investments may also be supported. The CTI PFAN Global focus is on the downstream deployment of clean technologies, which are in full commercial deployment (or undergoing commercialization), rather than on the development of new technologies. Companies or projects must promote or use certain clean energy technologies, products or services, including but not limited to:

- Biomass
- Biogas
- Bio-fuels
- Energy Products from Forestry
- Solar
- Energy Storage & Conservation
- Wind
- Energy Efficiency
- Demand Reduction
- Geothermal
- Waste to Energy
- Small-scale hydropower
- Emissions Reduction
- Tidal/Ocean
- Clean Transport

PFAN-Asia supports companies and projects that may be undertaking:

- Greenfield and brownfield grid-connected projects and distributed generation projects, e.g. rural electrification, energy access and mini-grids;
- New or expanding business ventures in clean energy and related technologies, including downstream projects (focused on deployment of existing technologies) and upstream projects (focused on development and commercialization of a new clean technology); and
- Merger, acquisition, or joint venture that will add value to an existing/current clean energy/technology business.

PFAN-Asia selects projects for support based on the relative strengths of their proposal: 1) Value Proposition & Business Model, 2) Market Understanding and Analysis, 3) Management Team, 4) Operations and Implementation Plan, 5) Financials, 6) Risk Mitigation, 7) Environmental & Social Benefits (including demonstrated reduction or avoidance of greenhouse gas emissions), 8) Professionalism and Presentation of Project Documentation, and 9) Maturity of the Project.

2.2 PFAN-Asia Target Geography

The selected PFAN-Asia Operator will serve as the regional coordinator for CTI-PFAN Global across the Asia region, as detailed in a Memorandum of Understanding (MOU) that is to be negotiated and agreed upon between CTI-PFAN Global and the PFAN-Asia Operator.

Within the Asia region, USAID RDMA's currently available funding may be used to support PFAN-Asia activities in the following countries: Bangladesh, Cambodia, India, Indonesia, Laos, Malaysia, Maldives, Nepal, Philippines, Sri Lanka, Thailand, and Vietnam (PFAN-Asia Countries).

Recognizing the vast scope and varied clean energy markets of the Asia region, Respondents to the REOI may choose to propose an initial focus on a smaller subset of countries within the region. In addition, Respondents may choose to forge consortia with other organizations to gain additional geographic coverage across the Asia region.

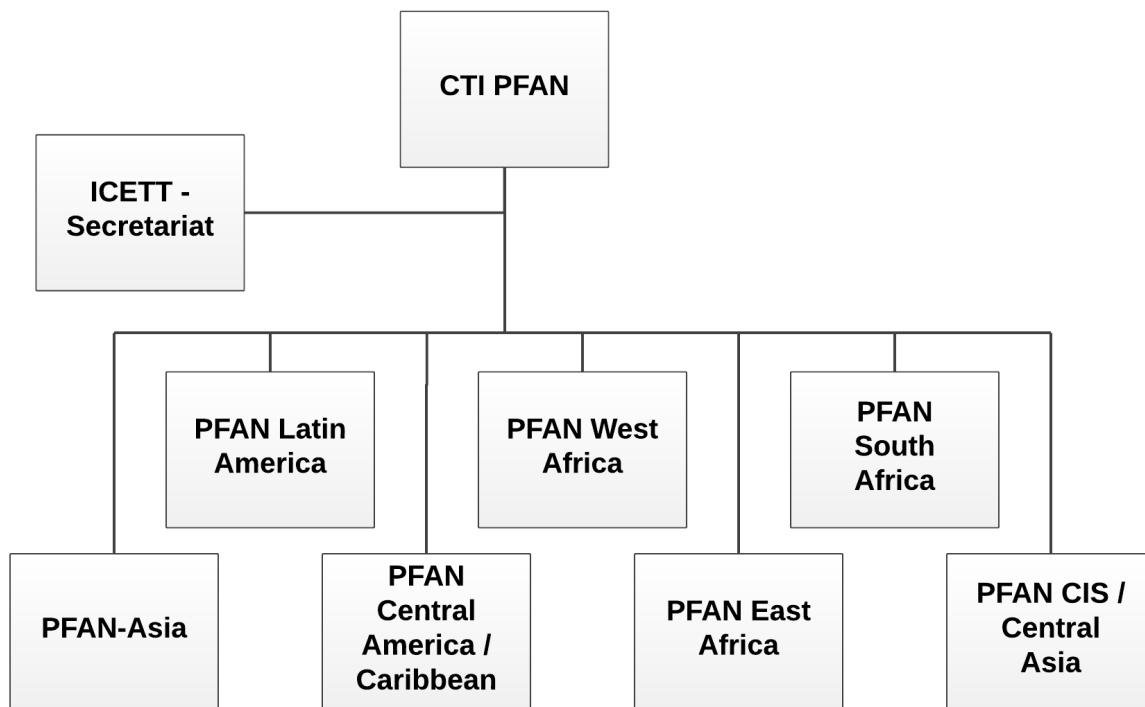
2.3 Structure of CTI-PFAN and regional networks

CTI PFAN Global is the organizing super-structure of PFAN. Key activities are carried out by the regional PFAN Coordinators and, for countries not covered by a regional program, by CTI PFAN itself.

Country coverage and depth of activities has been driven by donor financing.

The International Center for Environmental Technology Transfer operates as Secretariat to CTI PFAN, performing back office administrative functions such as logistics and database administration, bookkeeping, reporting, event preparation and backstopping.

Figure 1: Structure of CTI PFAN and regional networks



The relationship between CTI PFAN Global and the PFAN-Asia Operator will be formalized in a Memorandum of Understanding (MOU). The MOU will define the key principles of cooperation between CTI PFAN Global and PFAN-Asia Operator and set forth and agree the framework for the implementation of the various network activities (see below: “2.4 PFAN Approach and Framework”) that comprise the PFAN methodology and overall system.

The MOU will identify the respective obligations and ongoing requirements for both CTI PFAN Global and the PFAN-Asia Operator, to include the sustainability of PFAN-Asia (see below: “2.7 PFAN-Asia Transition to Self-Sustaining Organization”). In addition to defining allowable PFAN-Asia activities under CTI PFAN Global, the MOU will identify how the PFAN-Asia Operator will isolate any such activities, revenues, and expenses that are not connected with

PFAN-Asia, or those that would be prohibited or inconsistent with the mission of CTI PFAN Global as defined in the Mission.

2.4 PFAN Approach and Framework

CTI PFAN Global has developed a distinct approach and framework for operating the network and supporting companies and projects; this approach is predicated on the underlying complexity of the financing process for clean energy enterprises operating in developing countries.

2.5 PFAN Key Activities

PFAN's distinct approach and framework are implemented through the following Key Activities:

1. Sourcing clean energy projects and companies to support through various outreach activities. Regional and country business plan competitions have been used extensively for this purpose.
2. The matching of clean energy projects and companies with PFAN advisors (also called mentors or consultants) and the provision of a core, limited, set of advisory support services at no direct cost to the companies and projects admitted to PFAN. Such services have focused on business plan refinements and investor pitches and have been provided largely as part of regional or national business plan competitions.
3. For companies and projects that are deemed 'investor-ready' PFAN provides additional deal facilitation support through identified advisors; such support may include investor match-making, late-stage technical assistance, and other activities, at no direct cost to the company or project.
4. Networking events and activities that expand and deepen relationships amongst network members, in particular financial/transaction advisors, and clean energy investors.
5. Workshops and technical assistance for network members on developing and financing clean energy.
6. Empirical feedback into policy dialogue and formulation based on project development and implementation experience on the ground.

2.6 PFAN Key Principles

The PFAN Key Activities are carried out according to the following PFAN Key Principles:

1. PFAN is technology neutral and is open to nearly all clean energy technologies (see CTI-PFAN founding documents for specific technology restrictions).
2. PFAN services are targeted to clean energy companies and projects that are not immediately able to contract for financial advisory and related support services, due to such reasons as lack of resources, lack of readiness, lack of awareness or lack of comfort.
3. Neither CTI PFAN nor any PFAN Operator shall offer core services that displace advisors who would otherwise be commercially providing advisory support to clean energy companies and projects.
4. Advisory services provided with the direct financial or organizational support of PFAN are not expected to cover all advisory requirements until financial closure; admitted companies and projects should be prepared to conclude additional agreements on a commercial basis to reach financial closure.

5. As a rule, PFAN will not directly engage with governments to influence the enabling environments in which clean energy companies and projects operate or to lobby on behalf of its members or individual projects; however, network members are free to do so.

The PFAN Key Activities and PFAN Key Principles will be set forth in a MOU between the CTI PFAN Operator and the PFAN-Asia Operator. More information on PFAN is available at www.cti-pfan.net.

2.7 PFAN-Asia Transition to Self-Sustaining Organization

USAID/RDMA has provided funding for PFAN-Asia to date and plans to decrease its direct funding to Deloitte Consulting to operate PFAN-Asia over the next 2-4 years. USAID/RDMA wishes to support PFAN-Asia's transition towards the performance of activities that are self-sustaining and commercial in nature. For the PFAN-Asia Operator, this transition to self-sustaining funding is planned to start as soon as 2015, and with USAID financing potentially ending in 2018. Deloitte Consulting will, subject to USAID approval, transfer all PFAN-Asia operating methodology, materials, contacts, information databases, and operating responsibility to this locally-registered organization during year three of its contract with USAID, September 2015 – August 2016.

In order to be financially self-sustaining the new PFAN-Asia Operator may create and market activities to generate commercial revenues, provided that such market activities are consistent with the mission of CTI PFAN and consistent with the anticipated MOU. Deloitte Consulting has identified several possible activities and revenue sources (see below). At the stage of RFP, Respondents can propose business models that include some, all, or none of these revenue streams. Analysis of the business model and revenue streams will be an integral part of the ultimate selection and MOU negotiation process that will be detailed in the RFP. Potential sources of revenue may include:

- Revenues from an on-line investment B2B portal, information exchange, and global integrated recruiting and meeting place for people interested in clean energy. The portal could allow investors to review business offerings and find experts that can support decision-making, investment match-making, plus offer neutral information, opinion, editorial content, and a linkage with policy and government;
- Participation fees charged to project developers and advisors to be a member of PFAN or to participate in specific events;
- Success fees charged to project developers on the basis of successful financings;
- Trainings and conferences for investors, entrepreneurs and other interested parties on topics of interest to network members;
- Technical assistance and consulting services to investors in clean energy, as well as to governments and/or public entities promoting clean and renewable energies;
- Other potential appropriate income-generating activities in keeping with the PFAN goals and target markets and not otherwise restricted by CTI PFAN.

These potential revenue streams are illustrative. Each offeror is encouraged to propose potential sources of revenue that offer the greatest likelihood of actualization given their organization's unique expertise and core capabilities.

To facilitate the Operator's transition to a self-sustaining PFAN entity, USAID envisions providing support in two ways during the 2015-2016 timeframe:

- 1. Support from PFAN-Asia Project.** As part of Deloitte Consulting's contract for PFAN-Asia, Deloitte Consulting will provide technical assistance and capacity building support to the selected PFAN-Asia Operator to implement PFAN-Asia activities and to develop its internal capacity to serve as the PFAN-Asia Operator. Specific areas for technical assistance and operational support are expected to include:
 - Transfer of know-how, policies, procedures, etc. from PFAN-Asia activities;
 - Transfer of know-how and intellectual property from CTI PFAN;
 - Technical assistance in the development of the business plan to support PFAN-Asia sustainability; and
 - Technical assistance and training on USAID policies and procedures to support the organization to manage USG funds effectively.
- 2. USAID Cooperative Agreement.** The PFAN-Asia Operator is expected to apply for a Cooperative Agreement with USAID/RDMA that would help defray the costs of providing PFAN services for a three year period, estimated at approximately \$1.0 to \$2.5 million. During this time, the selected Operator is expected to develop and execute a business plan that will put the PFAN-Asia Operator on a trajectory to becoming self-sustaining.

These are described more fully in Section 3.

The selected Operator would be free to create activities and revenue sources that are consistent with the MOU between CTI PFAN and the Operator; and the Cooperative Agreement between the Operator and USAID.

3 CONTRACTUAL ARRANGEMENTS

3.1 MOU

The Operator will enter into an MOU with CTI PFAN. This negotiated MOU will govern the roles and responsibilities of both the CTI PFAN global program and PFAN-Asia at the regional program level.

3.2 Subcontract or Letter of Support

As noted above, Deloitte Consulting, as part of carrying out its contract with USAID/RDMA, may enter into a Subcontract with value in the range of \$300,000 to \$1 million, or issue a Letter of Support with the future Operator which will be used to assimilate CTI PFAN Global and PFAN-Asia activities into their organizational portfolio, to advise on the development of a business plan that will target sustainable service provision on a commercial basis, and to strengthen institutional financial and programmatic management structures, policies, and procedures.

As part of this technical support, Deloitte Consulting will assist the future Operator to establish the systems and structures necessary to independently comply with all US government rules and regulations governing program expenditure during the term of its contract with USAID.

3.3 Cooperative Agreement

As noted in prior section, the Operator may apply for a Cooperative Agreement from USAID/RDMA. As noted, USAID/RDMA is considering providing this grant of between \$1.0 million and \$2.5 million to support the start up of the new PFAN-Asia operation. This funding would be separate from and in addition to any funding or support provided by Deloitte Consulting. Under the Cooperative Agreement, the Operator would be required to comply with US Government and USAID rules and regulations that govern all Cooperative Agreements.

In its application to USAID/RDMA for the Cooperative Agreement, The Operator will specify specific activities that the funds will be used for, which may include covering start-up expenses, working capital, and financing for expected initial operating deficits.

3.3.1 Eligibility

The following are the eligibility requirements for organizations to apply for the Cooperative Agreement from USAID/RDMA. Thus, the Operator would need to meet these minimum eligibility requirements:

- Be organized under the laws of one of the PFAN-Asia Countries.
- Have its principal places of business in one of the PFAN-Asia Countries,
- Be majority owned by individuals who are citizens or lawful permanent residents of one of the PFAN-Asia Countries, or be managed by a governing body, the majority of whom are citizens or lawful permanent residents of one of the PFAN-Asia Countries,
- Is not controlled by a foreign entity or by an individual or individuals who are not citizens or permanent residents of one of the PFAN-Asia Countries, and
- Has not received direct USAID assistance exceeding \$5 million over the previous five years.

4 EXPRESSION OF INTEREST / RFP PROCESS

4.1 Registration of Interest

Potential Respondents are encouraged to register their interest with consulting team at the earliest possible date by sharing contact information with the Deloitte Consulting team at asia@cti-pfan.net. Registered Respondents will receive any and all updates about the REOI process, including a comprehensive list of Q&A responses.

4.2 Questions on the REOI Document

Respondents may submit any questions regarding this Request for Expression of Interest to asia@cti-pfan.net by Wednesday, October 15, 2014. The Deloitte Consulting team will respond to questions on a rolling basis and share a comprehensive list of Q&A responses with registered Respondents. The Deloitte Consulting team will also post the list of Q&A responses on the CTI PFAN website (www.cti-pfan.net) by Monday, October 20, 2014.

4.3 Expression of Interest Deadline

EOIs should be submitted in electronic copy to asia@cti-pfan.net no later than October 23, 2014, 5:00 PM local time in Bangkok, Thailand. The subject line should contain the phrase, “PFAN-Asia EOI Submission“.

4.4 Receipt Confirmation

Deloitte Consulting will confirm receipt upon submission. If an Applicant does not receive confirmation within 24 hours of submission, please contact asia@cti-pfan.net.

4.5 Expression of Interest Contents

Expressions of interest should be no more than 15 pages long, not including the cover page or exhibits. Information submitted outside of exhibits and in excess of 15 pages will not be reviewed. Responses should include the following information.

1. **Cover page** – organization’s full name, legal status, registration jurisdiction, website, and primary point of contact. The cover page does not count toward the EOI page limit.
2. **Organizational History and Status** –the history of the organization, areas of expertise, core services, brief financial information (including annual revenues or budget), and a brief overview of organizational strategy.
3. **Experience in Arranging Clean Energy Financing and Networking** - Current and past experience in mobilizing financing, with particular emphasis on clean and renewable energy, and on serving small to mid-sized projects (size range from \$1 million -50 million). Experience in running a network.
4. **Organizational Reach** –Geographic reach and experience, including domestic scope, regional work, and prior and current partnerships or activities within the PFAN-Asia Countries.
5. **Organizational Governance and Structure** – Governance and management structures, reporting and evaluation policies, and human resources profile.
6. **Technical Staff** – Information about current staff with relevant expertise in clean energy technology, SME business development, consulting, and finance and investment.
7. **Approach** – Proposed approach for the implementation of PFAN activities in Asia, which may include primary operating model(s), priority activities, and high-level plans for achieving sustainability.

4.6 Shortlist

Deloitte Consulting will develop a short-list of qualified Respondents based on the below-listed evaluation criteria. Deloitte Consulting expects to short-list between 3-7 Respondents. Deloitte Consulting expects to complete the short-listing process by November 1, 2014.

Attributes	Evaluation Point Weighting
Organizational History and Status (financial stability, resilience, expectation of existence)	10
Experience in Arranging Clean Energy Financing and Networking	30
Breadth of Organizational Reach	15
Soundness of Organizational Governance and Structure	15
Quality of Core Technical Staff	20
Strength of Proposed Approach	10
Maximum possible points	100

4.7 Second Stage– Request for Proposals (RFP)

Shortlisted organizations will be invited to prepare proposals to become the PFAN-Asia Operator. Deloitte Consulting will circulate a Request for Proposals (RFP) to shortlisted organizations in November 2014. Proposals will be due no later than January 2015.

Proposals will be evaluated based on evaluation criteria stated in the forthcoming RFP. Finalists will participate in an oral discussion with PFAN-Asia and CTI PFAN Global. During these discussions, the evaluation team will be looking at the proposed configurations and value propositions to determine the best fit for the PFAN Mission.

Deloitte Consulting will select a final PFAN-Asia Operator from among the shortlisted organizations by February 2015.

5 LIMITATIONS

Proposal-Related Incurred Costs

The Applicant shall be responsible for all costs incurred in preparing or responding to this Request for Expressions of Interest (REOI). All materials and documents submitted in response to this REOI become the property of Deloitte Consulting and will not be returned. This REOI will in no way obligate Deloitte Consultant to compensate any Applicant for costs associated with the preparation of its Expression of Interest.

Reservation of Rights

In no event shall there be a right to protest or seek a claim based on Deloitte Consulting's exercise of its discretion or judgment in evaluating or awarding a subcontract arising from or relating to the proposal. This REOI does not commit Deloitte Consulting to award a contract,

and Deloitte Consulting reserves the right to cancel this procurement process at any time without prior notice. The Applicant expressly waives any and all rights and remedies under any civil action arising from or related to the submittal of an Expression of Interest.

Anti-Kickback Act of 1986

Anti-Kickback Act of 1986 as referenced in FAR 52.203-7 is hereby incorporated into this REOI as a condition of acceptance. If an interested party has reasonable grounds to believe that a violation, as described in Paragraph (b) of FAR 52.203-7 may have occurred, they should report this suspected violation to the Deloitte's Ethics Hotline at: 866-850-1485 within the US or 1-503-748-0570, outside of the US. This may be reported anonymously.

Confidential Information

Notwithstanding any agreements, including any separate nondisclosure agreements, already in place between the parties, Deloitte Consulting assumes no obligation regarding confidentiality of all or any portion of an Expression of Interest or any other material except that Deloitte Consulting may not disclose any portion which the prospective supplier clearly designates as containing proprietary information by affixing the legend in the title page:

“This Expression of Interest includes data that shall not be disclosed outside of Deloitte Consulting and shall not be duplicated, used, or disclosed—in whole or in part—for any purpose other than to evaluate this Expression of Interest. If, however, a subcontract is awarded to this Applicant as a result of—or in connection with—the submission of this Expression of Interest, Deloitte Consulting shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting subcontract. This restriction does not limit Deloitte Consulting’s right to use information contained in this data if it is obtained from another source without restriction.”

And, mark each sheet of data it wishes to restrict with the following legend:

“Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this Expression of Interest. “

Your Expression of Interest will be subject to a Freedom of Information Act request in accordance with Federal law.