



To: Respondents

Date: July 24, 2020

From: Procurement and Partnerships Team, INVEST Project; Implemented by DAI Global, LLC

Subject: Expression of Interest INVEST-002: Vietnam Transaction Assistance and Catalytic Fund

Due: **2:00PM EDT on Friday, September 4, 2020**

Dear Prospective Partner:

Through this Expression of Interest (EOI), INVEST and USAID seek project concepts from clean energy developers in the Vietnamese power sector, based in the US and in the Southeast Asian region, in order to shortlist clean energy projects to receive technical assistance from USAID. INVEST will subcontract customized services on behalf of the developer and/or investor for the renewable energy project(s) presented in their EOI response. The Vietnam INVEST intervention will offset some of the regulatory risks and transaction costs facing private sector actors who wish to invest in the energy sector. Examples of assistance to be provided may include commissioning discrete activities such as pre-feasibility and feasibility studies, legal analyses/risk assessments, and environmental analyses, among others, through a subcontract fund. INVEST ultimately aims to identify potential partners in the clean energy space that can best leverage USAID resources to catalyze investment for renewable or clean energy projects in Vietnam.

Potential and interested partners are requested to submit an Expression of Interest (i.e. concept note) detailing the proposed renewable energy projects for which they seek support and their ideas for assistance from USAID/Vietnam. With these concept notes, USAID/Vietnam and the INVEST project will shortlist proposals for support. USAID/Vietnam and INVEST will then work with the successful respondents to develop scopes of work that detail the discrete tasks/services to be subcontracted by INVEST with service providers on the partner's behalf¹.

- I. Submission of Questions – Questions must be submitted electronically no later than **2:00pm EDT on Friday, August 7, 2020** via email to INVEST_Procurement@dai.com.
- II. Submission of EOIs– EOIs must be submitted electronically no later than **2:00pm EDT on Friday, September 4, 2020** to INVEST_Procurement@dai.com, copying Katherine_Tilahun@dai.com, Talin_Baghdadlian@dai.com, and Matthew_Mitchell@dai.com. The subject line of the email should be your organization name, followed by “Submission under EOI INVEST-002 Vietnam Transaction Assistance and Catalytic Fund”. Please limit file submissions to 10 megabytes or less.

Introduction

Through the INVEST Project, USAID seeks to unlock the potential of the private sector to drive inclusive growth in countries around the world. Increasingly, private investors and businesses are looking to emerging markets for better returns and new market opportunities. However, encouraging private investment and activity in high-impact areas important to USAID, such as agriculture, financial services, infrastructure, energy, clean water, health, and education requires new forms of collaboration between USAID and the

¹ Please note that the INVEST project does not have grants under contract and therefore any support provided for a particular project will be completed on behalf of the partner and no funds or equipment will be directly issued to any partner.

private sector. This means proactive engagement and collaboration throughout every stage of program cycle and integrating collaboration across USAID sectors to catalyze more market-based approaches for sustainable outcomes.

In support of its efforts to mobilize private investment within the agency, the USAID Office of Private Capital and Microenterprise (USAID/PCM) awarded the INVEST contract to DAI in September of 2017. Through INVEST's flexible buy-in mechanism, USAID Missions and Operating Units can access an unprecedented network of firms and individuals that have the range of technical expertise needed to identify opportunities and effectively mobilize private capital toward development priorities. Using a lean approach tailored to high potential opportunities, relevant parts of the network will come together to research, develop, and build specific solutions that align private capital with development needs.

USAID/Vietnam launched the INVEST Buy-in Activity in August 2019 to explore and facilitate private investments in the energy, healthcare, education, and infrastructure sectors in the economy. In November 2019, INVEST conducted a rapid scoping mission to the country to help USAID prioritize activities based on a pre-defined set of transaction opportunities provided by the Mission. The scoping mission identified and reported out on several key needs and opportunities, particularly in the energy and the health sectors; these included: (a) that the country has an unprecedented challenge in doubling energy supply in the next ten years to keep up with GDP growth over the same timeframe; (b) the consistent identification of the energy sector as an area where USAID has a role to play in Vietnam; (c) potential synergies with existing USAID/Vietnam projects and investments (e.g. VUES, LEAP III); (d) the need for additional debt and equity capital to close investments in the energy sector; and (e) the need for promoting private sector investment in energy that can operate within a framework of a centralized government.

Based on the scoping mission, the Catalytic Fund (the subject fund of this EOI) was designed to offset transaction costs and reduce the risk profiles of clean and renewable energy projects by subcontracting transaction advisory services for American, Vietnamese, and regional firms who are hesitant to invest or unable to secure investment in the current climate. The subcontracting fund will aim to focus on renewable energy projects that both increase clean energy production in Vietnam and support increased US investment. The Vietnam INVEST intervention will offset some of the regulatory risks and transaction costs facing private sector actors who wish to invest in the energy sector by commissioning discrete activities such as pre-feasibility and feasibility studies, legal analyses/risk assessments, and environmental analyses, among others, through a subcontract fund. This work will help reduce upfront transaction costs, and assist firms to determine the economic and technical viability of projects. With the right incentives, clean and renewable energy companies will be more likely to invest in innovative projects to help Vietnam meet its energy needs via sustainable sources.

Background

The current draft of the Power Development Master Plan 8 will cover the years 2021-2030 and should be approved and released in 2020. The document outlines the policy framework and objectives of the government of Vietnam in the energy sector over the coming decade, implemented through the Ministry of Industry and Trade. It is anticipated that this plan will differ from previous iterations of the government strategies and has been described by GoVN official, Nguyễn Mạnh Cường, as “the electricity plan of the renewable energy era”. Although the draft is in development, it is still unclear what targets will be set or how the government will achieve, regulate, and possibly incentivize these projects.

According to interviews in late 2019, energy projects in Vietnam have faced some difficulty in securing the right government permits/approvals, social opposition from local communities, and maintaining investor interest over the long construction periods of greenfield coal and heavy fuel oil projects. Solar power projects do provide investors with a shorter installation period, a significantly less controversial community

asset, and have proven to be an efficient power generation type in Vietnam that has exceeded expectations. However, facing the unknown regulatory environment that the Master Plan 8 will entail, it has been communicated that investors are hesitant to pursue new or innovative projects and there is clear opportunity to catalyze the development of new or stalled projects.

The Vietnam INVEST buy-in activity therefore seeks to de-risk the initial assessment phases of renewable energy projects in Vietnam. Working with American, Vietnamese, or regional developers interested in investing in this space, the project will identify initial project assessments or analyses to further the development of the investment and subcontract these services.

Objectives and Selection Process

The purpose of this call for Expressions of Interest is to: a) validate the challenges that American, Vietnamese, and regional developers are (or are not) facing in securing investment for clean energy infrastructure projects during this interim period; and b) solicit concepts notes from interested parties on the types of activities and projects for which they would be interested in partnering with USAID. With these proposals, USAID/Vietnam and the INVEST project will shortlist proposals for support and will work with the successful respondents to develop scopes of work that detail the discrete tasks to be performed by service providers. INVEST will subcontract with the service providers on the partner's behalf. The shortlisting of project concepts will be based on the elements outlined below in the "Submission and Formatting Instructions" and "Evaluation Criteria" sections.

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Who May Respond

INVEST and USAID seek project concepts from clean energy developers and investors in the Vietnamese power sector based in the US and in the Southeast Asian region to shortlist concepts that INVEST will support through subcontracting services on behalf of the developer and/or investor. Please note that respondents seeking support for their projects must be organizations, companies, or firms, and not individuals.

Submission and Formatting Instructions

Expressions of Interest should include a description of the submitting organizations' firm (areas of expertise, composition of organization, etc.) and its experience working in the renewable and/or clean energy sector(s) in Vietnam and/or the region. Submissions should describe the clean energy project they propose for support in detail, particularly the estimated increased energy production to result from completion of the project and the type of renewable energy technology. Respondents should also provide an overview of the challenges and opportunities in Vietnam's renewable energy sector including the effects of Master Plan 8 and Covid-19, and suggestions to maximize the involvement of USAID/Vietnam and how to best leverage their involvement in the clean energy sector in Vietnam.

Expressions of Interest must be submitted no later than **2:00pm EDT on Friday, September 4, 2020**. Submissions must:

- Be in English;
- Be submitted via email to the following email addresses: INVEST_Procurement@dai.com, Katherine_Tilahun@dai.com, Talin_Baghdadian@dai.com, and Matthew_Mitchell@dai.com.

- Use a font size no smaller than 11 point and legible graphics;
- Include two attachments in the submission email, one in .ppt and one in .pdf format; and
- Include a title slide (not counted against slide limit) with the following information: Respondent Organization Name; Contact Information; Partner Organization(s); Response Title; and Date of Submission.
- Be no longer than ten (10) PowerPoint slides in length and include the following (please note that the title slide does not count toward the slide limit):
 - **Challenges and Opportunities in Vietnam’s Renewable Energy Sector:** Respondents must include a description of their firm and its experience to date working in the renewable and/or clean energy sector(s) in Vietnam and/or the region. Slide(s) should address the following questions and subject areas:
 - Provide information on the gender ratios of your organization/company. What, if any, are challenges in recruiting and/or retaining women on your workforce? What efforts, if any, do you make to attract a more diverse workforce (e.g. internships, job mentoring and training programs, outreach to universities, etc.)?
 - What have been the greatest renewable energy opportunities working in Vietnam? What have been the greatest impediments?
 - What elements of the current situation (e.g. pending Master Plan 8, Covid-19 restrictions/financial impact, PPA templates, etc.) pose the greatest risk to your potential project(s)? Do these risks change the way in which you develop the project(s)?
 - Specific to initial assessments to determine feasibility, do you currently face challenges securing investment or have you delayed investing in these initial studies due to uncertainty within the sector or the operating environment?
 - **Working with USAID/ Vietnam:** This section should describe how and where USAID/Vietnam can support the renewable energy sector to de-risk investment and help maintain forward momentum in developing project pipelines despite sector-level constraints. Please note that grants under contract are not an allowable mechanism under the INVEST project and therefore any work to be designed and performed will be subcontracted on behalf of developer partners submitting concept notes. Slides should include the following:
 - In response to the risks outlined in the prior section, what (if any) type of support would be most useful? At which juncture in the project development process would that support be most helpful?
 - Working with developers interested in investing in this space, the INVEST project proposes to identify initial project assessments or analyses to further the development of the investment and subcontract these services. What type of assessments or analyses would be welcomed by your firm or other actors with which you work or support?
 - Please also note any USAID intervention (or types of intervention) that might be counterproductive. Feedback will be used to hone/revise the follow-on subcontracted activities. We understand that donor interventions can sometimes distort normal market functions and any feedback highlighting those concerns is appreciated.

- **Specific Project Proposal:** Respondents should use these slide(s) to describe the renewable energy project/activity for which they propose to receive USAID/Vietnam technical assistance and support. These slide(s) should include the following:
 - A description of the project, the description must include:
 - Location (or possible locations if not yet determined),
 - Renewable energy type/technology,
 - Estimated increase in production of clean energy to occur as a result of completing their project (state production increase in mW).
 - A short description of the partners and/or subcontractors you anticipate engaging in the project (if available or known);
 - Costing estimates for the requested services and estimated timelines for the completion of the project;
 - If the project includes an innovative or new technology to Vietnam, please describe the technology or approach in detail and why or why not the project is considered riskier or unproven;
 - An overview of how the activity aligns with USAID/Vietnam’s objective to encourage and incentivize investment into the renewable energy sector in Vietnam²;
 - How the requested support from USAID/Vietnam will incentivize further progress in developing the project;

Evaluation Criteria

The following criteria will be applied to all respondents submitting project proposals with their submitted Expressions of Interest. Submissions are not evaluated against other submissions, but solely against the evaluation criteria outlined below (all criteria are weighted equally):

1. Identification of opportunities and weaknesses in the renewable energy sector in Vietnam.
2. Ideas and suggestions to maximize the involvement of USAID/Vietnam and how to best leverage their resources in the clean energy sector.
3. Estimated increase in production of clean energy in Vietnam, to be measured in estimated additional megawatts (mW) to be generated through completion of proposed project.
4. Clear description of the renewable energy technology to be assessed or utilized in program. Innovative approach and/or new technologies are encouraged (i.e. technology or implementation/service to be assessed is new or unproven in Vietnam and potentially considered riskier than a traditional technology or service model).
5. Gender integration programs implemented or in process by respondent organization. Firm has in place or is actively developing a gender integration plan to recruit, hire, maintain, and promote women in their firm and has a track record of consistent and equitable community engagement to ensure that proposed projects have inclusive input from the population. Please note that because the firm will not be distributing energy, this does not cover women’s access to electricity.

Selection Process

² <https://www.usaid.gov/vietnam/cdcs>

INVEST and USAID/Vietnam will review all Expressions of Interest submitted in accordance with the guidelines and criteria set forth in this solicitation. INVEST reserves the right not to review any Expressions of Interest that do not meet the guidelines. Please note that INVEST is unable to provide detailed information to those EOIs that are not selected to receive further support.

Step 1: INVEST and USAID will shortlist selected concepts for support consideration and unsuccessful respondents will be notified. Successful selected respondents will be contacted by USAID and INVEST to develop Scopes of Work that detail the discrete tasks their project requires.

Step 2: INVEST will release Requests for Proposals (RFPs) for the specific services each selected concept requires and subcontract with service providers on the partners' behalf.

Protection of Information

We request that Expressions of Interest responses be free of any intellectual property that the submitter wishes to protect, as responses will be shared with USAID/Vietnam for the purposes of generating interest in the funding of innovative concepts. Should offerors wish to include proprietary intellectual property that they believe would be helpful for INVEST and USAID, please note the proprietary nature of such information. Costing information will be kept confidential and will not be shared beyond INVEST and USAID Missions reviewing submissions.

Issuance of this EOI does not constitute a commitment, award, or engagement on the part of DAI nor does it commit DAI to any future commitment, award, or engagement.