

# Answers to questions made for RFP-LRF GEF-2024-005 - SMEs in LDCs

The Request for Proposals to provide support in the sourcing and screening of potential adaptation SMEs in Least Developed Countries (LDC) in Sub-Saharan Africa was published on the Landscape Resilience Fund website:

<https://landscaperesiliencefund.org/news/the-landscape-resilience-fund-is-currently-seeking-support-for-their-sourcing-and-initial-screening-of-smes-in-africas-sub-saharan-region/>

This document gathers the questions made by potential Offerors by February 5, 2024, and all the questions and the answers provided by the LRF and South Pole teams are included in this document, which will be published in the same link.

## Question 1

Completion Timelines - Is there flexibility in the proposed timelines for completing the scope of work, allowing for adjustments based on specific circumstances and assignment requirements?

**Response to question 1: LRF and South Pole teams will review the proposed methodology and timelines and will be able to negotiate according to specific circumstances.**

## Question 2

SME Eligible Criteria - Could you please confirm whether SMEs are required to be based in both Least Developed Countries (LDCs) in Sub-Saharan Africa and also be part of the countries included in the Global Environment Facility's list of recipient countries, or if meeting the criteria for either territory is sufficient?

**Response to question 2: All criteria must be met. The LRF and South Pole teams are looking to source SMEs that operate in countries included in the Global Environment Facility's list of recipient countries, and that are looking to scale/grow their existing operations in LDCs in the Sub-Saharan Africa region.**

## Question 3

SME Eligible Criteria - Given the current global inflation, post COVID-19 pandemic, and currency depreciation in some of the countries listed in the criteria, is there any flexibility/exemption in the average revenue requirement for SMEs (i.e. USD 1mn)?

**Response to question 3: All revenue criteria must be met. However, an extended five-year average can be used where there is clear evidence that the effects of COVID-19 prevented an SME from meeting this threshold over the standard three-year period.**

## Question 4

SME Eligible Criteria - Considering the current global inflation and currency depreciation in some of the countries listed in the criteria, is there flexibility in the required annual revenue growth rate of 30% over the past three years?

**Response to question 4: Where applied, the annual sales growth requirement must be met by all shortlisted SMEs.**

## Question 5

Availability of Security - Considering that many SMEs may not have conventional securities, is there flexibility in the type or nature of security required to back external investment, understanding the constraints faced by SMEs in providing traditional forms of security?

**Response to question 5: Hard assets, unencumbered by existing creditors should represent at least 50% of the available security package for a prospective investor in all cases (and can include assets planned for purchase in the course of that investment). Additional security can also include guarantees (e.g. corporate, personal), or share pledges. In evaluating the adequate availability of security, we will also consider whether SME owners/shareholders can commit additional equity alongside external investors.**

## Question 6

Fund raise - Is there flexibility in the minimum fundraising requirement, with consideration for a range lower than \$500,000, such as \$300,000, recognizing potential variations in SMEs' funding needs? Given the current global economic disruptions and currency depreciation against the USD

**Response to question 6: The minimum fundraising requirement must be met by all SMEs.**

## Question 7

Template requirement - While we have the format for proposal submission, could you kindly provide clarification on the specific document requirements for the assignment, as the current guidelines do not specify formats for the individual documents needed?

**Response to question 7: All document requirements for submission are clearly established in the Request for Proposals (RFP) document. The Offerors can submit documents in their own**

formats as long as all required information is included and organised according to what is established in the RFP document.

## Question 8

Dataroom requirement - please provide clarification on the details and specifications of the dataroom, as its structure and requirements are not explicitly outlined in the current information provided?

**Response to question 8: A precise dataroom structure will be established with the successful applicant, but will include at least the following areas: corporate structure, management, business and operations, resilience & adaptation, finance & accounts, ESG and ESG risks, transaction structure and tax, and KYC.**

## Question 9

Meetings - Could you confirm if meetings will be conducted in person or virtually (e-meetings)? This clarification will help us consider and account for associated travel and accommodation costs accordingly

**Response to question 9: Meetings between the selected consultant and the LRF and South Pole teams will be held virtually. If the Offerors consider that in-person meetings between the selected consultant and SMEs are needed, they must state it in the proposed methodology and include it in the budget.**

## Question 10

Funding - Can the funding structure be flexible, recognizing the prevalent need for working capital financing among SMEs, as opposed to a long-term financing?

**Response to question 10: We are supporting SMEs seeking long-term investment, primarily for long-term asset acquisition, and therefore cannot accept those seeking working capital only. Support can be extended where operating expenses are a minority of the SME's proposed use targeted investment of funds. Ultimately this will be assessed on a case-by-case basis.**

## Question 11

Questions from other bidders - Kindly share the questions from other bidders and your responses to the same

**Response to question 11: All questions and answers will be shared on the LRF website. Please consult the link frequently to review any updates.**