



USAID
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**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
ANNOUNCEMENT**

CALL FOR NEW CONCEPT NOTES

**DIGITAL INVEST: MOBILIZING PRIVATE CAPITAL FOR INTERNET CONNECTIVITY AND
DIGITAL FINANCIAL SERVICES IN EMERGING MARKETS**

**UNDER EXISTING PRIVATE SECTOR COLLABORATION PATHWAY (PSCP)
ANNUAL PROGRAM STATEMENT (APS) No.: 7200AA23APS00007**

PLEASE NOTE: This is an addendum to an existing announcement. All interested organizations should carefully review both this addendum AND the full PSCP APS, which can be found [here](#). Important information contained in the full APS applies to but is not repeated in this specific addendum.

USAID's Digital Invest program is announcing a new call for concept notes for eligible companies and organizations seeking to catalyze investment in funds or infrastructure projects that expand and strengthen internet connectivity and digital financial services for underserved consumers and businesses in emerging markets.

I. Background

As part of USAID's commitment to strengthening inclusive, competitive, and secure technology sectors in emerging markets, USAID's Innovation, Technology, and Research Hub launched [Digital Invest](#) to catalyze investment in internet service providers (ISPs) and digital financial services (DFS) supporting un- and underserved consumers and businesses worldwide. Through a blended finance approach, Digital Invest partners with investment fund managers, project developers, infrastructure providers, and other private sector partners to launch new funds, increase access to finance, and advance infrastructure projects in emerging markets.

Digital Invest is an initiative under the State Department-led [Digital Connectivity and Cybersecurity Partnership](#) (DCCP). DCCP is a global initiative supported by several departments and agencies across the U.S. Government to promote an open, interoperable, reliable, and secure internet. By catalyzing investments in secure, pro-competitive digital infrastructure, promoting regulatory reforms, and encouraging adoption of cybersecurity best practices, DCCP reinforces the benefits of information and communications technology (ICT) services that reflect U.S. and like-minded donor's values as opposed to state-run, top-down, authoritarian approaches. Digital Invest is also a flagship project of the [Partnership for Global Infrastructure and Investment \(PGI\)](#), an



initiative formally launched by G7 leaders in June 2022 to mobilize hundreds of billions of dollars to deliver quality infrastructure and sustainable development in emerging markets.

Digital Invest seeks to advance a competitive, innovative, and secure global marketplace for connectivity networks and digital financial services in emerging markets. Priority under this call will be placed on increasing access to finance, supporting the growth of secure and trusted technology service providers, and prioritizing consumer protection and cybersecurity in all partnerships. In doing so, the program will not only advance competition and choice, but will ensure emerging market countries have secure alternatives to authoritarian-backed tech companies, infrastructure, and platforms.

II. Objectives

The objectives of collaborations developed under this addendum are:

- 1) **Objective 1:** Support the sustainable growth and expansion of competitive internet service providers (ISPs) and related telecommunications infrastructure companies in emerging markets.
- 2) **Objective 2:** Support the sustainable growth and expansion of competitive and inclusive digital financial services in emerging markets.

III. Anticipated and/or Illustrative Outcomes and Results from Private Sector Collaboration

Objective 1: Under Objective 1, USAID seeks to support new partners to significantly advance open, interoperable, reliable, inclusive, and secure networks in currently un- or under-connected areas by supporting partners advancing a competitive ISP ecosystem. Partnerships may include:

- **ISPs:** Financing and assistance for ISPs developing critical infrastructure that benefits the broader ISP ecosystem in their market(s). This may include wholesale wireless access or international transit services, internet exchange points, or other such infrastructure that addresses key constraints in a particular market or set of markets that, if addressed, could unlock significant growth for the ISP sector in current un- or under-served communities. Such investments should enable last mile services of not just an ISP's own company but also those of other retail ISPs in the market;
- **Network Infrastructure & Equipment Providers:** Funding for telecommunications infrastructure and equipment providers developing fiber, tower, data center, and other open access or wholesale network services that can support the deployment



- of affordable and inclusive connectivity services to underserved communities; or
- **Financing Partners:** Support for the creation of investment funds or other financial vehicles or approaches that directly support or lower the cost of capital for competitive ISPs that seek to connect traditionally underserved communities, hard-to-reach areas, and/or community anchor institutions, including through debt or equity facilities, impact bonds, outcomes funds, or other structures designed to best support ISPs in developing country environments.

USAID expects that support for the above entities will result in the expansion of internet networks, meaningful connectivity, and diverse, secure supply chains, which will ultimately encourage competition, better service quality, consumer choice, lower last-mile costs, and network security in USAID partner countries. Advancing the growth and expansion of competitive ISPs and related infrastructure companies may also elevate the market presence, standing, and advocacy efforts of the independent, competitive telecommunications community in emerging markets. Further, such approaches may create opportunities to grow the domestic ICT workforce in partner countries and provide important checks on undue governmental overreach in internet policy by diversifying the marketplace and laying the foundation for a multi-stakeholder model of internet governance. While not required for funding, applicants should contemplate the use of innovative and open equipment alternatives, such as open radio access network (open RAN) technology or similar virtualized network architectures, as they may further develop a broad market for network equipment and advance the resilience and security of the digital ecosystem in emerging markets.

Objective 2:

Under Objective 2, USAID seeks to partner with private sector partners providing proven, innovative, and responsible solutions that promote secure and resilient financial inclusion and new income generation in emerging markets, with a focus on de-risking and scaling capital flows for the sector. Potential partners are expected to demonstrate and advocate for ethical business practices and industry standards advancing consumer protections, cybersecurity, and responsible innovation. Regardless of whether potential partners focus on retail-level, customer-facing financial services or the upstream (i.e., business-to-business) part of the financial services value chain, they are expected to ultimately contribute to the development of affordable, accessible, and inclusive financial services and use trusted vendors across software and hardware supply chains.

New partners across the digital finance sector may include:

- **Financing Partners:** Private sector partners developing and advancing financial models and investment approaches that directly support or lower the cost of capital for competitive digital financial service providers that promote financial



wellbeing for underserved consumer populations, including through debt or equity facilities, impact bonds, project finance facilities, or other structures designed to increase access to finance and address existing market challenges.

- **Service Providers for the Digital Finance Sector:** Private sector partners providing financing, market acceleration services, digital infrastructure, critical technology or business model innovations, and other assistance to digital financial service providers promoting financial wellbeing and enabling improved income-generation opportunities for underserved consumers or businesses in emerging markets.
 - This could include third party providers offering services benefitting the sector as a whole, such as a business accelerator for early-stage startups in the sector, or an infrastructure provider that improves interoperability and/or increases capacity for cross-border payments for the market as a whole.
 - This could be a financial technology provider *if* the company is offering a new technology or business model innovation or service that benefits multiple companies and/or the broader industry. An individual company requesting grant support without demonstrable market impact beyond its own corporate growth would not be eligible.

Whenever possible, USAID seeks to work with women-owned-and-operated and locally owned-and-operated companies prioritizing diversity and inclusion.

IV. Anticipated Funding or Funding Range / Number of Awards

USAID anticipates developing four public-private partnerships under the above objectives, each with up to \$500,000 in USG grant capital, and an equal if not greater amount of private sector resource commitments. USAID will work with potential private sector partners to explore and determine the most high-impact, catalytic, and market-driven use of grant funding in a blended finance approach to raise private capital for internet connectivity and digital financial services in emerging markets.

Please note that while this call for concept notes is open to a broad range of applicants, the resulting partnerships will be developed from partnership concepts prioritized by their potential market-level impact, especially with regard to reaching underserved consumers, such as women, rural households, and small business owners.

This USAID funding may be potentially utilized as project funding, to support first-loss capital requirements, used as “top up” grants to existing portfolio companies, put toward technical assistance to accelerate the success of individual companies, or for appropriate operational and transaction costs, as determined by both parties as the most catalytic.



The specific use of funds will be determined by the blended-finance approach co-developed by USAID and the applicant and is subject to the legal restrictions of USAID grant funding. USAID has a broad portfolio of blended finance approaches to draw on in order to optimize an appropriate structure for maximum results.

V. Responding to this Addendum

If your team meets [basic eligibility criteria](#) (as defined in Section III.A of the PSCP APS) and you would like to explore this potential partnership opportunity with USAID, please contact the Digital Invest team at digitalinvest@usaid.gov, with pscp@usaid.gov in copy, per the following instructions:

- 1. Email a 100-word summary of a proposed partnership concept to digitalinvest@usaid.gov with pscp@usaid.gov on copy.:** Eligible and interested private sector parties should send a brief email a) describing your company or organization, b) what your team is seeking to achieve under a proposed partnership, and c) why your team is interested in working with USAID to accelerate this work. If the Digital Invest team is interested in learning more, they will reach out directly to the private sector party to schedule an initial conversation. **It is highly recommended that parties reach out to the Digital Invest team as early as possible (ideally before February 15) to allow for maximum time to discuss and develop an optimized partnership concept note.**
- 2. Discuss and develop a partnership concept optimized for potential market impact:** Following an initial introductory call, the Digital Invest team may continue discussions with a potential partner to clarify and optimize a potential partnership concept. Based on discussions, USAID may invite the potential partner to submit a concept note for final review for funding. Unsolicited proposals by parties that have not directly engaged with the Digital Invest team will not be accepted.
- 3. Submit a concept note to Digital Invest: All concept notes must be submitted by April 15, 2024** in a template provided by the Digital Invest team. At least one initial discussion is required before proceeding to concept note development, and a concept note should present a fully developed partnership approach that has been optimized by both parties through discussion.

VII. Concept Evaluation/Review Considerations



A concept note will be reviewed based on the considerations set forth in Section VII of the [PSCP APS](#). As stated in the PSCP APS and USAID's [Private Sector Engagement Policy](#), concepts should be characterized by market-based approaches and private sector-led development. In addition, the following considerations will also be used:

Partner Characteristics:

Under this Addendum, USAID will prioritize innovative, cost-effective, market competitive concepts with high impact potential. USAID is seeking partners offering the following characteristics:

- Deep and extensive access to an investor network relevant to the activity (e.g., large institutional investors and funds, impact investors)
- Deep and extensive market expertise in the ICT industry, especially in the areas of digital infrastructure development, financial inclusion, and enabling market conditions for competitive and inclusive technology sectors in emerging markets
- Strong track record of structured finance and transaction development in partnership with institutional investors, commercial investors, impact investors, and development finance institutions
- Strong communication skill set to ensure effective industry messaging around best practices for building open, inclusive, and secure technology sectors in emerging markets
- Strong track record or priority to reach women consumers, rural households, indigenous communities, women-owned-and-operated businesses, and locally-owned-and-operated businesses
- Strong evidence base of demonstrated results if offering a service, technology, or other business innovation to the sector as a whole

Private Sector Partner Commitments:

Any partnerships selected for USAID funding under this addendum must leverage private sector resources (assets, expertise, capabilities, and resources) at a level that meets or exceeds the level of resources provided by USAID **at a minimum 1:1 ratio (higher ratios encouraged where possible, based on type of partnership and potential market impact)**. Eligible parties will be required to demonstrate this resource commitment via a letter of intent (LOI) or equivalent as part of their concept note submission. **Partnership concepts will be prioritized by their potential market-level impact, especially with regard to reaching underserved consumers, such as women, rural households, and small business owners in emerging markets.**

The Role of USG Grant Capital:

Proposed partnerships should clearly articulate why USG grant capital is necessary and catalytic, and how USAID resources will be leveraged to result in significant investment in



the tech sector in emerging markets. Proposed partnerships should articulate a distinct model for blending capital sources, a clear justification for this grant capital request, and demonstrate a sustainable operating model that can be replicated and/or scaled to address market demand (while grant capital may be catalytic to accelerate market growth at this time, the partner can demonstrate a clear path to profitability over time).

Demonstrated Additionality:

A partnership concept note must also demonstrate significant additionality, enabling USAID and its selected partner(s) to achieve a greater level of desired results and impact than would be achieved without the partnership. By effectively combining the partners' distinctive resources and competencies, partnerships should accelerate and achieve corporate results and market impact at greater scale, with greater efficiency and effectiveness, and in a more sustainable manner than alternative approaches. USAID will prioritize concepts that demonstrate the most catalytic use of USG grant capital for the proposed activity.

Geographic Scope:

Proposed partnerships should focus on countries where USAID is currently present. For a full list of USAID presence countries, please see <http://www.usaid.gov/where-we-work>. While this call for concepts is global in scope, priority regions include Sub-Saharan Africa, Central, South, and Southeast Asia, and Latin America and the Caribbean.

VIII. Questions

Questions regarding the substance and objectives of this addendum should be directed to the Digital Invest team at digitalinvest@usaid.gov, with copy to pscp@usaid.gov.

All eligible entities are welcome to submit any clarifying questions to USAID, and we strongly encourage that they be submitted prior to February 15, 2024. While the Digital Invest team will respond to questions throughout the process, early inquiries to the team are recommended in order to optimize concept development under limited time constraints.

Questions regarding the substance and terms of the PSCP APS should be directed to pscp@usaid.gov. Unless otherwise stated herein, all terms and conditions of the PSCP APS FY 2023-2025 apply.

IX. Federal Award Notices



The USAID Agreement Officer (AO) is the only individual who may legally commit the U.S. Government to the expenditure of public funds. Applicants are prohibited from charging or incurring costs to the proposed award prior to receipt of either a fully executed award or a specific, written authorization from the AO. USAID will administer awards in accordance with Parts 700 and 200 of Title 2 of the CFR, and Standard Provisions for U.S./non-U.S. organizations.

X. Award Discretion

USAID reserves the right to make, or not to make, awards through this Addendum to the Private Sector Collaboration Pathway Annual Program Statement (APS). The actual number of assistance awards, if any, under this Addendum is subject to the availability of funds, the interests and requirements of USAID, and the viability of concept notes received.

XI. Type of Award

USAID has a number of assistance award types to choose from when providing funds under this Annual Program Statement to successful Applicants, including grants and cooperative agreements. The appropriate type of award will be determined by the USAID Agreement Officer, working in collaboration with the partners and the Digital Invest team.