



RESPONSES TO REQUESTS FOR CLARIFICATIONS

DESIGN THE LESOTHO IMPACT INVESTMENT FUND (LIIF) & TECHNICAL ASSISTANCE FACILITY (TAF)

Issue Date for Responses: September 22, 2020.	Reference No: LMDA/CD/C/03/2020
Issue Date for RFP: September 03, 2020	Partnership Name: Design the Lesotho Impact Investment Fund (LIIF) & Technical Assistance Facility (TAF)
Country: Lesotho	Funding Agency: Millennium Challenge Corporation
City/Locality: Maseru	Soliciting Agency: Lesotho Millennium Development Agency
Link for the issued Request for Partnership: http://www.lmda.org.ls/download/2276/	
Link for Part I of issued Responses to Requests for Clarifications: http://www.lmda.org.ls/download/2313/	

RESPONSES PART II

No.	Question	Response
1	In the proposal it is indicated that the design activity is expected to last for a period of 7 months starting December 2020 and also that the Cooperation Agreement is expected to have a duration of seven (7) months, valid from February 2021 to August, 2021. This seems to indicate two starting time frames for the project, please may you clarify if the project is anticipated to start from December or February?	The duration of the design activity is expected to last for a period of 7 months starting February 2021.
2	It is also mentioned that “The Partner would not be eligible to manage the TAF designed through this Cooperation Agreement, but may be eligible to manage the LIIF if so selected by the Pension Fund at a later stage”. If a consortium of companies bid for this work e.g. an advisory firm and fund management company, would this condition affect both firms, even those not directly involved in the design of the TAF within the consortium?	The Partner, including all members of the consortium if a consortium is selected as Partner, is excluded from managing the TAF. Eligibility for contracts for discrete services would depend on a bidder’s ability to satisfy conflict of interest considerations for that discrete procurement.
3	Is the USD20m the total fund allocation or is there additional funds from other investors that will be included and is the fund/asset manager expected to bring in additional funding?	A notional value of the fund will be in excess of \$30M. The LIIF/TAF designer will be requested to advise on the feasible and necessary fund size of the LIIF based on the pipeline analysis, consideration of the risk

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		and return profiles of interested investors and other key factors. The size of the TAF is currently estimated at \$20 million for LIIF related activities and \$20 million for delivery of public goods and services requested by the private sector. This does not exclude the possibility of additional funding from other organizations that might be interested in co-funding the TAF.
4	In 3.3 you reference the need for all parties to identify and access additional networks and information. Is it possible to provide illustrative examples of the nature of networks/relationships, information and purpose thereof in relation to the LIIF & TAF?	It is expected that potential Partner will have an extensive network in impact investing, including investors, entrepreneurs, BDS service providers, etc.
5	Is it envisaged that there will be a mix of investors i.e. investors not interested in financial returns with a strong focus on socio-economic impact and those interested in financial returns + socio-economic impact?	Yes
6	Do you require both asset and fund managers and is there a reason for requiring both capabilities? Is this due to potential interest in looking at multiple investment instruments for a range of types of borrowers?	Applicants with experience in both asset management and fund management are preferred.
7	For projects identified as target projects for the LIIF e.g. development of water bottling plant – is the award recipient expected to conduct “technical” feasibility study of the viability of the project e.g. to determine water quality etc. or would a financial due diligence and mapping of required government goods and services suffice?	<p>This study is not intended to provide detailed technical feasibility studies for target projects.</p> <p>The LIIF and TAF designer is not expected to undertake detailed technical feasibility studies for target projects. However, since the TAF is anticipated to allocate considerable funding for delivery of public goods and services essential for investable and loan-ready businesses, MCA invites an analysis of the pipeline and a TAF design that includes identification of the types of public goods and services required.</p>