Call for Expressions of Interest (EOI) to Develop Sustainable Incubators and Accelerators

Background.
YouLead is a USAID-funded, seven-year program implemented by IESC to increase employment and catalyze business start-ups through improved career guidance, vocational education, and entrepreneurship in Sri Lanka. Since the end of the war, interest in entrepreneurship has blossomed with an accompanying upsurge in universities and other organizations offering to train would-be entrepreneurs and help them realize their business ideas. The distribution of services that can support business start-ups, however, is heavily centered in Western Province, and women and minority groups are under-represented.

Purpose.
To provide seed funding and collaborative development for at least three sustainable, incubators/accelerators in Sri Lanka that are inclusive and environmentally responsible.

Award.
The YouLead project will provide up to LKR 35 million as seed funding for Sri Lankan business accelerators/incubators in addition to technical support and collaboration with YouLead’s entrepreneurship and partnership team. This is not a grant. YouLead intends to enter into a co-creation, co-development, and co-investment collaborative partnership with each successful organization. A contract for up to LKR 10 million will be negotiated with each organization that can demonstrate substantive impact and a convincing sustainability plan that also contributes to YouLead’s goal of supporting entrepreneurs from underserved groups such as women, youth, minorities and/or those outside of urban centers. YouLead anticipates awarding 3-5 results-based contracts. The total amount awarded is dependent on the quality of proposals and the resource needs of each organization.

Sustainability defined.
Sustainability, for the purpose of this call for EOIs, is defined as:
1. The incubator/accelerator operates year-round. The modality of how the services are offered is at the discretion of the applicant, examples include, but are not limited to, membership on a rolling basis, or consecutive programs each lasting a specified time period;
2. The incubator/accelerator has dedicated management and access to skilled professionals and/or professional services to support participants;
3. Within 18 months of award the incubator/accelerator is generating enough revenue to sustain the costs of continued, year-round operation indefinitely; and,
4. At least 30 start-ups are supported each year, with at least 20 launched or expanding their operations thanks to the support provided.

Social and environmental responsibility defined.
The incubator/accelerator has a written set of values or principles that it and all participants agree to adhere to. These include, but are not limited to:

1. A commitment to environmental sustainability. This must include either positive environmental impact, or verifiable measures taken to mitigate any negative impacts on the environment that may occur in normal business operations;
2. A commitment to inclusive hiring, contracting and the provision of services that do not discriminate on the basis of race, color, religion, gender, age, disability, marital status, or sexual orientation; and,
3. Assessing the potential social and cultural impacts on the local community in which the product or service is produced, and verifiable measures taken to mitigate any potential negative impacts.

Impact.
The key performance indicators that should be addressed in the EOI and will be required to measure in any contract are:

1. Number of start-ups supported (at least 30 per year);
2. Number of entrepreneurs assisted, disaggregated by sex, age, ethnicity, persons with disability, and the primary district of operation;
3. Estimated total value of the start-up or business expansion investment—including in-kind services;
4. Employment (including both owners and employees)
   a. Existing number of employees (for business expansions)
   b. Number at start-up or upon completion of the program (disaggregated by sex and age);
   c. Estimated number at year-three maturity.
5. Conversion rate for incubators—i.e. what percentage of participants formally start their businesses (at least 75%);
6. Number of businesses in operation one year following support; and,
7. Percent of participants indicating substantive improvement in their business operations or business acumen following participation in the incubator/accelerator (at least 85%).

Eligibility.
1. The applicant must be a private organization legally registered to operate in Sri Lanka;
2. The applicant must be eligible to receive U.S. Government funds, having no U.S. Government debarments/suspensions or other applicable sanctions;
3. The applicant must not be owned or controlled by the Government of Sri Lanka. Close partnerships with government entities, such as a university, are permitted, but the ownership and management must be private;
4. The applicant must provide matching funds or in-kind resources equal to at least 20% of the amount invested by YouLead; and,
5. Organizations may submit more than one application.
Instructions.
Please use this link to submit your EOI: https://forms.gle/N1y9tuAf28G6CQtr8

Factors for evaluation
The main piece of the EOI should be a concept note of 3-5 pages in English that includes the following:

1. A description of the proposed approach, target beneficiaries, and how the organization will identify, recruit, and assess potential members for inclusion in their incubator/accelerator;
2. An illustration of the structure of the incubation or acceleration process;
3. A description of the learning/development approach that includes a clear understanding of the intensity of proposed assistance (e.g. high-touch, low-touch, etc.) and the level of management and technical expertise required by the approach to provide the assistance needed by participating entrepreneurs to give their businesses the best chance for success.

Since one of the objectives of YouLead is to reach underserved communities—both geographically and socially/culturally—innovative approaches are encouraged. Applicants should feel free to propose “brick and mortar,” virtual, other approaches, or a combination to achieve the desired results.

Organizations are welcome to partner with other organizations/institutions to deliver the best possible approach.

Primary evaluation criteria include:

- Commitment to social and environmental responsibility;
- Scale of the proposed impact;
- Nature of the proposed impact (e.g. ability to support inclusive and/or geographically broad-based beneficiaries); and,
- Sustainability of the approach, as measured by a combination of factors including the strength of the approach, commitment of the offeror—both financially and operationally, and the credibility of the offeror.

Process and timing.
The EOI is the first stage in a two-step, co-creation process as follows:

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Date</th>
<th>Process</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>EOI announcement</td>
<td>19 Jan 2021</td>
<td>This document</td>
<td>Three-week application window</td>
</tr>
<tr>
<td>Deadline for questions</td>
<td>25 Jan 2021</td>
<td>Please email you questions to: <a href="mailto:info@youlead.lk">info@youlead.lk</a>. All questions received by this date will be responded to in writing and made available to all offerors on the IESC website (<a href="http://www.iesc.org">www.iesc.org</a>)</td>
<td>Responses by 29 Jan 2021</td>
</tr>
<tr>
<td>EOI submission</td>
<td>9 Feb 2021</td>
<td>The evaluation committee will review the submissions and score them according to responsiveness to this call for EOIs, scale and plausibility of proposed impact, commitment to sustainability, etc.</td>
<td>Shortlisted organizations notified by 12 Feb 2021</td>
</tr>
<tr>
<td>Activity</td>
<td>Dates</td>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>---------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Co-creation workshops</td>
<td>15-26 Feb 2021</td>
<td>Short-listed organizations will be invited to one-on-one co-creation workshops. YouLead reserves the right to hold more than one workshop depending on social distancing requirements and/or hold these workshops virtually</td>
<td></td>
</tr>
<tr>
<td>Preparation of formal proposals</td>
<td>15 Feb – 5 Mar 2021</td>
<td>During and following the co-creation workshops, shortlisted organizations should be working toward preparation of a formal proposal—details for the application to be provided during the workshops</td>
<td></td>
</tr>
<tr>
<td>Proposal submission</td>
<td>5 Mar 2021</td>
<td>Based on ideas and learning from the co-creation workshop, the applicant will submit a final proposal for consideration, which will include a detailed, line-item budget and associated cost narratives, and past performance description and references</td>
<td>Selected organizations notified 12 Mar 2021</td>
</tr>
<tr>
<td>Contract negotiation</td>
<td>12 Mar – 9 Apr 2021</td>
<td>Depending on the complexity of the proposals, resources available, and speed of the negotiation process, YouLead would target to have completed contracts by the beginning of April.</td>
<td>9 Apr 2021</td>
</tr>
<tr>
<td>Sustainable incubator or accelerator</td>
<td>30 Sep 2022</td>
<td>Incubator or accelerator is fully self-sustaining. It may continue to receive support from YouLead but is sustainable programmatically and financially without it.</td>
<td>Up to 18 months to reach full sustainability</td>
</tr>
</tbody>
</table>

**Disclaimer**

IESC may cancel this EOI at its discretion and is under no obligation to make an award as a result of this EOI, although IESC fully anticipates doing so. IESC may, at its own discretion, but without being under any obligation to do so, update, amend, or supplement the information in this EOI document.