

Offeror Request for Clarifications

Develop Sustainable Incubators and Accelerators for USAID-Funded YouLead Program

Issue Date:	January 19, 2021
Closing Date For Proposals:	February 9, 2021
Project Title:	Develop Sustainable Incubators and Accelerators for IESC's USAID-Funded YouLead Program

Question #1: Are Guarantee Limited companies eligible to apply for this EOI?

Answer: Yes. As noted in the eligibility requirements on page 02 of the request for EOI, any private organization may apply - provided their application also meets the other eligibility criteria mentioned therein. Organizations that do not yet have a formal registration may also apply but, if selected, may not receive a contract until their registration is completed.

Question #2: Can we suggest any part of the county for the project?

Answer: Yes. If an offeror has specific geographical targets, these should be made clear in the application.

Question #3: A programme of this nature should attract the most deserving startups. However, most of the serious startups are working hard of various areas of their MVPs, business validation and customer development and may not necessarily be looking for a programme of this unique nature by YouLead. Thus, the startups that may attend the programme could be limited by the network that an incubator / accelerator is having. While such startups can still be very deserving, there could be ones which could be more impactful. Does YouLead suggest a viable way forward to attract the most deserving startups such as a uniform, island-wide campaign to promote this programme especially among the startups outside of Colombo?

Answer: Offerors will be evaluated on the quality and perceived effectiveness of their approach. Part of that includes the ability to attract and successfully support SME startups. It is quite legitimate for an incubator/accelerator to include outreach in their approach/business plan. YouLead may be able to direct entrepreneurs it is working with through other activities to successful accelerators/incubators, but offerors should not rely on that assistance and must have their own strategy to attract participants.

Question #4: For many incubators and accelerators, being able to create impact is a secondary priority than being able to create investor value. Does YouLead suggest a way to select startups? Since there is an explicit focus on generating sustainable revenue within 18 months of the award of the project, wouldn't the incubator / accelerator be pushed to select startups that shows the biggest short-term financial reward rather than the biggest social and environmental impact?

Answer: To be clear, the focus in this EOI on sustainable revenue refers to the incubator/accelerator itself. Any organization, whether for-profit or non-profit, must have a revenue model that will at least allow it to cover its operating costs. Regarding the startups themselves, YouLead considers that creating investor value is equally as important as creating substantial social and environmental impact due to the strong sustainability focus of the proposed intervention. Achieving full sustainability *for the incubator/accelerator* within 18 months of the award of the project is a priority. The ability to launch 75% of the enterprises (for incubators); and to maximize the number of enterprises that survive for at least one year (for both incubators and accelerators) will be a major factor in the selection of successful offerors.

Question #5: There are certain elements of the programme that ideally needs to happen as a tri-party agreement between YouLead, the incubator and the startup - for example - success metrics, process certifications (ISO, GAP, GMP, etc.), insurances, credit facility negotiations, etc., that would benefit from a uniform approach from YouLead regardless of the incubator / accelerator that runs the programme. Does YouLead suggest a way forward in such instances?

Answer: In this context, required collaborations necessary for the implementation of planned activities will need to be executed by the selected offeror and the startups, without the involvement of YouLead. YouLead may be able to support these kinds of activities in the short term, but the offeror

should assume that they will need to be able to do these things fully independently on a sustainable basis.

Question #6: Certain startups require market access and can benefit from facilities such as Delaware company registrations, introductions to market facilitation, etc. Since YouLead is a USAID funded programme, would YouLead be able to provide a list of services that can be beneficial for all participating startups regardless of the incubator that the startup is being incubated at?

Answer: YouLead may be able to provide supplemental support in the form of technical assistance, access to mentors, and through YouLead's well developed and localized entrepreneurship education and training materials available in all three local languages as required. YouLead's mandate does not include policy level interventions related to company registrations, market facilitation, or other similar activities.

Question #7: There can be programmes, tools, methods, and techniques that certain incubators/accelerators have developed as part of their service offering. In case startups being incubated at other incubators can benefit from such programmes, tools, methods, and techniques, would YouLead be able to mediate for fair use of such programmes, tools, methods and techniques while giving due recognition and reward for the respective intellectual properties?

Answer: While YouLead supports the principle of sharing information as freely as possible, each incubator/accelerator must make its own decisions on these matters with a focus on their long-term sustainability. YouLead will not mediate to promote third-party programmes, services, tools, methods, and techniques for startups, especially for commercial purposes. Such arrangements should be discussed directly with the organizations offering such services.

Question #8: Competition is a sign of a healthy startup ecosystem. However, collaboration is what's paving way for creating a sustainable startup pipeline especially in early-stage startup ecosystems such as Sri Lanka. Can the incubators create viable relationships between programmes such as Youth Innovation Challenge by UNDP and Spirulation by ICTA? Or would YouLead be willing to make such collaborations at a higher level?

Answer: YouLead co-creation engagement does not limit potential offerors' ability to build partnerships and collaborate with other entities and programs where they believe it will improve outcomes and/or improve sustainability.

Where known in advance, such collaborations should be specified under the section where potential partnerships are disclosed along with a discussion of how the partnership will improve outcomes and/or sustainability.

Question #9: We are interested in applying for the above-subjected project and we need to know more information about it. Kindly let me know how to get more information.

Answer: Basic information relevant to the program has been provided in the request for EOI document. We would request you to please go through the same and revert to us with any specific questions your organization seeks clarifications from YouLead.