

Request for Proposal (RFP) – Provision of a blended finance debt and equity fund’s financial model

1. Background

Founded in 2014, Agri Frontier is a leading African agri sector advisory firm specialized in supporting the sustainable growth and development of the agribusiness sector across the value chain.

Agri Frontier has grown and expanded its range of services to include Agri SME capacity building acceleration (Agri Frontier Growth HUB) and now leveraging its experience and expertise to launch the Agri Frontier Growth Fund. The fund will support growth stage Agri SMEs across East & West Africa with an impact focus including climate adaptation and gender equity.

The fund seeks to raise \$80m with a blended structure of first loss junior equity, senior equity, and debt, investing in over 50 Agri SMEs. The fund will be supported by a technical assistance facility.

Targeted investors include DFI’s, impact focused fund of funds, foundations, family offices and other private investors.

2. Request for Proposal

Agri Frontier has developed its own high level fund financial model with well-developed assumptions aligning with the funds investment strategy and capital structure. However, the model now requires enhancements to its design and structure to extend its functionality or preferably, to be replaced with a best practise model.

The functionality required includes the following (all assumptions will be provided):

A. Fund Financial Model

- Multi year over the fund life
- Blended capital structure including: first loss equity, senior equity, GP contribution and debt.
- Waterfall assumptions.
- Both debt and equity instrument functionality.
- Debt instrument functionality to include:
 - multi currency assumptions (local and US\$)* optional
 - tenor
 - rate
 - default rate
 - moratorium *optional
 - average loan size
 - transaction fee
 - number of transactions
 - investment pace/ramp up period (number of loans per year)
 - re-investment
- Equity instrument functionality to include:
 - holding period

- growth rate/exit multiple
- loss
- average investment size
- transaction fee
- number of transactions
- investment pace (number of investments per year)
- Fund life (initial term and extension)
- Target fund size
- First closing date
- Second and final closing date
- Fund establishment expenses
- Fund operating expenses
- Management fee's
- Performance fee's (hurdle rate, catch up and carry, impact performance)
- Taxation
- Gross and net IRR
- Gross and net MOIC

B. GP/Fund Manager Model

- Income statement including:
 - Revenue linked to fund budget
 - Operating expenses

3. Deliverables:

The expected deliverables and outputs will include:

- A detailed, user-friendly financial model in Excel format.
- A user guide explaining key assumptions, formulas, and mechanisms used in the model.
- Financial summary report sheets.
- Sensitivity analysis templates for various investment scenarios.

Interested service providers are encouraged to engage with the Agri Frontier team before submission. Access to the working model for the purposes of providing a comprehensive proposal will be granted upon the execution of a non-disclosure agreement.

Interested service providers shall submit their proposal, including a capped or fixed fee and timelines, in writing to programme@icfa.lu, copying Andrew Ritchie: aritchie@agrifrontier.com by 21/02/2025.