



Unlocking Public and Private  
Finance for the Poor

A decorative graphic on the left side of the page consists of several concentric, semi-circular arcs in a light blue color. Interspersed among these arcs are small circles and dots, some of which are connected by thin lines, creating a network-like or circuit-like pattern.

# **UNCDF Calls for Expression of Interest Loans & Guarantees for Building Inclusive Digital Economies that Leave No One Behind in Nepal**

## Information Session

**8 December 2021**

# Agenda

01

## UNCDF Introduction

02

## UNCDF Investment Mandate Brief

UNCDF target enterprises, UNCDF investment continuum, etc.

03

## Expression of Interest Information Brief

General information about the Expression of Interest

04

Q&A



Unlocking Public and Private  
Finance for the Poor

# UNCDF Introduction



# UNCDF | CAPITAL MANDATE



Unlocking Public and Private  
Finance for the Poor

UNCDF has a unique hybrid model at the crossroads between a **development agency** and a **development finance institution**



The UN's development finance arm, primarily for the 46 Least Developed Countries (LDCs)



From the beginning, UNCDF was given a unique capital activation mandate



UNCDF works directly with both the public and the private sectors

## FINANCIAL INSTRUMENTS AND TECHNICAL ASSISTANCE



Technical Assistance



Capital Investments



Market Research



Advocacy

# INCLUSIVE MARKET SYSTEMS DEVELOPMENT

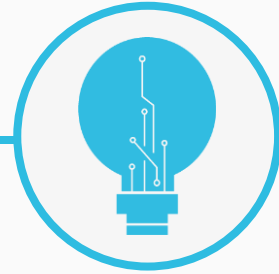


Unlocking Public and Private  
Finance for the Poor



## ENABLING POLICY AND REGULATIONS

Working with government to develop policies that support development of digital services for those most left behind



## INCLUSIVE INNOVATION

Support local entrepreneurs, financial service providers and SMEs to promote inclusive digital service market development



## EMPOWERED CUSTOMERS

Empower customers and their families to acquire the necessary skills (digital and financial) to adopt new migrant centric products



## OPEN DIGITAL PAYMENT ECOSYSTEM

Support the digital ecosystem to develop physical and payment infrastructure that increase inclusion of those most left behind

## KEY STRATEGIC INSTRUMENTS



Customer  
Centricity



Data and  
Research



Stakeholder  
Engagement



Expect Technical  
Advice & Training



De-risking Financial  
Instruments

# UNCDF NEPAL | COUNTRY PRIORITIES



## Country frameworks

- 15th National Periodic Plan
- Sustainable Development Goals, Status and Roadmap 2016-2030
- Needs Assessment, Costing and Financing Strategy for SDGs
- Digital Nepal Framework
- Developing Nation by 2025
- UNSDCF from 2023-2017

## Our objective

- Accelerate economic recovery after COVID-19
- Promote economies and societies more inclusive and resilient to external shocks through digital payments, entrepreneurship, and preparing MSMEs for digital transformation

# OUR COUNTRY PARTNERS



Unlocking Public and Private Finance for the Poor

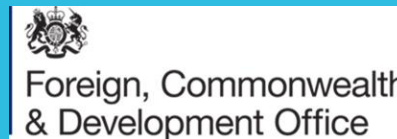
## Public



## Private



## Technical partners and funders





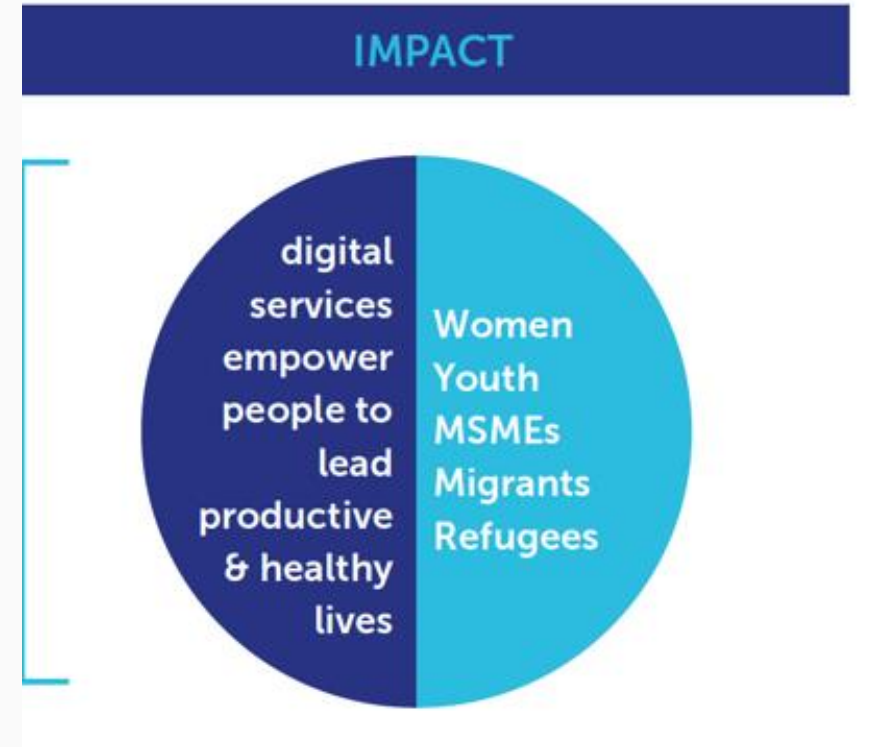
Unlocking Public and Private  
Finance for the Poor

# UNCDF Investment Brief

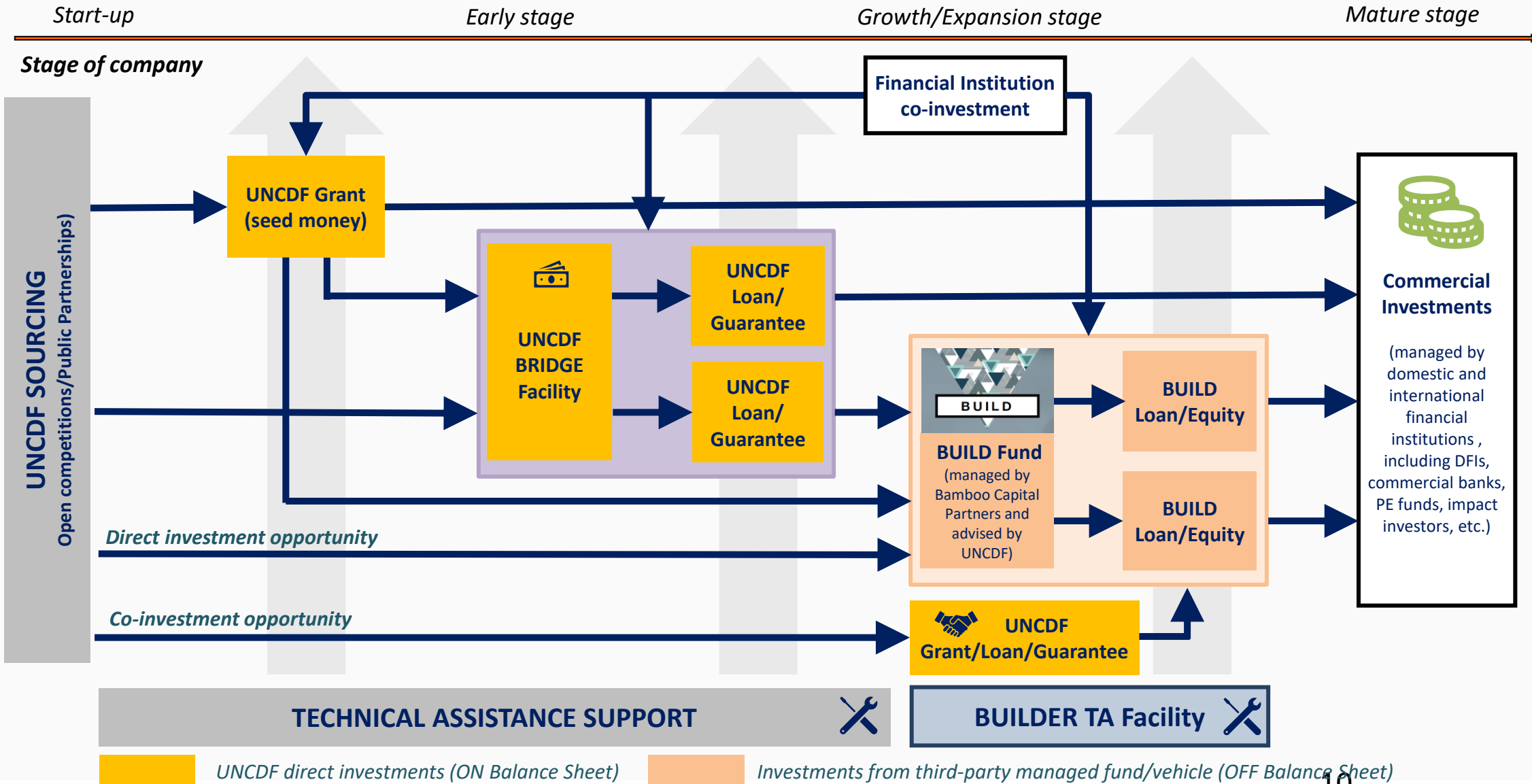


# • Target enterprises

- Enterprises with tech-driven/digitally enabled business models across **Finance, Green economy & clean energy, Agriculture, food processing, food security & nutrition, and Telecommunications & last mile connectivity** sectors.
- Financial Service Providers (FSPs) including Financial Institutions (FIs) and Non-Bank Financial Institutions (NBFIs).
- Small and Medium Enterprises (SMEs) that can leverage use of technology to improve efficiency, organizational performance and customer outreach across finance, agriculture, and clean energy.



# UNCDF's suite of financing solutions offer an "investment continuum" for Tech companies, FSPs and SMEs in Nepal





Unlocking Public and Private  
Finance for the Poor

A large, abstract graphic on the left side of the page consists of multiple concentric, curved lines and arcs in a light blue color. Some of these lines have small circles at their ends, and they are arranged in a way that suggests a circular or spiral pattern, possibly representing data or a process flow.

# Expression of Interest Information Brief

# • EoI Information

---

- UNCDF's investment instruments offer **concessional debt and guarantees** in the range between **USD 100,000 and USD 1,000,000, available in local currency**. Debt is offered on concessional terms including interest rate, tenor and collateral requirements.
- Suitable investment will depend on the financial needs and risk/return profile of the organization as well as funding availability.
- The investments will come together with a technical assistance facility component with tailored technical assistance as required.
- UNCDF will assess applicant's potential for investment according to set eligibility and organizational, financial and impact evaluation criteria.
- Additionally, UNCDF will utilize the submitted information to assess potential debt and equity investments by its third-party managed funds on an on-going basis depending on funding availability.
- UNCDF will follow its investment management process while assessing applicants' potential for investment.

# • UNCDF investment management process



Unlocking Public and Private

Step	Actions
1. Sourcing / Origination – Call for Expression of Interest close	Eligible organizations submit information.
2. Screening / Pre-assessment	<p>First, eligibility shall be determined by criteria.</p> <p>Shortlist screening – an initial assessment will be conducted by a UNCDF evaluation team in accordance to the shortlisting criteria based on available information submitted in the entry of this EoI. Assessment of suitable financial instrument(s) will be made.</p> <p>Shortlisted organizations are contacted to share additional information (such as financial statements and projections) to be evaluated according to the evaluation criteria.</p>
3. Assessment / Due Diligence	<p>Due diligence and credit scoring of highest scoring entities.</p> <p>Selection of qualifying entities based on results of due diligence.</p> <p>Negotiation of term sheets with qualifying entities.</p>
4. Approval	<p>Approval of the qualifying entities by UNCDF Impact Investment Committee.</p> <p>Notification of approved qualifying entities and negotiation of loan and/or guarantee agreement.</p>
5. Execution / Disbursement	Disbursements made according to amortization schedule or agreement.
6. Implementation & Monitoring	Investment monitored on set financial and impact indicators.
7. Termination & Evaluation	Investment closed and evaluated according to financial and impact indicators.

# • Eligibility criteria



Criteria	Source of verification
Must be a formally registered legal entity, in any country, but no requirement on minimum years of existence.	Proof of registration
Must be a for profit, non-profit or public private partnership (no individuals or public sector entities are eligible).	Proof of registration
Entity must offer a tech-driven/digitally enabled product or service, or could leverage such a product or service to improve efficiency, organizational performance and customer outreach and be operating in Nepal.	Company pitch slide deck
Entity should be operating in the Finance, Green economy & Clean energy, Agriculture, food processing, food security & nutrition, or Telecommunications & last mile connectivity sectors.	Company pitch slide deck
Entity shall have fulfilled all the obligations relating to the payment of social security contributions or obligations relating to the payment of taxes in accordance with legal provisions.	Official national fiscal authority certificate (to be verified if shortlisted)
Entity must comply with relevant standards, regulations and applicable legislation to which they may be subject and possess required regulatory approvals, licenses and certificates for their operations.	Certificates and license proofs (to be verified if shortlisted)
Entity shall have min. 1 year of audited financial statements or be in process of obtaining audited financials.	Audited Financial statement(s) (to be verified if shortlisted)
Additional criteria specifically for credit-providing organizations: Compliance with non-involvement standards of financial frauds, notable large-scale financial fraud cases, including anti-money laundering, will become ineligible.	Company testimony (to be verified if shortlisted)
Additional criteria specifically for credit-providing organizations: Compliance with prudential regulations and guidelines incl. corporate governance measures and risk management procedures.	Certificates and license proofs (to be verified if shortlisted)

# • Submission

---



Unlocking Public and Private  
Finance for the Poor

- Through filling out the form on the UNCDF e-investment 'Apply' platform.
- First an eligibility screening form is filled out. If eligible will proceed with filling out main application form, the option to fill this out will appear on the Application page if passing the eligibility screening form requirements.
- Link to the application form here:  
[https://apply.uncdf.org/prog/investment\\_pipeline\\_eoi\\_nepal/](https://apply.uncdf.org/prog/investment_pipeline_eoi_nepal/)
- Submission deadline: 19 December 2021



# Q&A



Unlocking Public and Private  
Finance for the Poor



## **Our Vision is to Promote Digital Economies that Leave no One Behind**

Our goal is to develop inclusive digital economies that foster private sector development and support those most left behind towards economic inclusion and resilience.

# THANK YOU