United Nations Capital Development Fund
Call for Expression of Interest for
Catalytic Loans and Guarantees for Builders of Tanzania's Inclusive Digital Economy

Frequently Asked Questions (FAQ) Document

Eligibility

1. What does it mean to be a *"technology-driven"* enterprise?

For this EOI, we consider technology-driven enterprises to be those that either:

- Have a digitally enabled business model,
- Offer a digitally enabled product or service, and/or
- Have the potential to leverage such a digital product or service to improve efficiency, organizational performance, and/or customer outreach (I.e., a loan could be used to help the firm realize this potential)

In terms of sector, we are focusing on enterprises that operate in:

- Financial inclusion and digital innovation
- Agricultural value chain, including food processing, food security, and nutrition
- Green economy and clean energy

Examples include **but are not limited to** companies that work in e-commerce, digital payments, and traceability systems in ag-value chains.

2. Is a foreign company registered outside of Tanzania eligible to apply?

No. Applicants must be duly registered and operational in Tanzania for this expression of interest.

3. Are quasi-government institutions eligible to apply?

Eligible: Private, non-profit, and public-private partnerships are eligible to apply.
Not eligible: Individuals and public sector entities are not eligible.

4. Are joint applications (for example between a financial institution and technology company) permissible?

No. Applications must be submitted on behalf of one registered entity.

Application Requirements

5. What documents am I required to submit as part of the application?

You are only required to attach a certificate of incorporation to your application; you will upload this document through UNCDF's e-investment Apply platform. All other information is collected through the survey form on the Apply platform. The survey form on the e-investment Apply platform can be accessed here: https://apply.uncdf.org/prog/eoi_ide_pipeline_tanzania/.

6. Do the documents I submit as part of the application need to be translated into English?

The certificate of incorporation **does not** need to be translated into English. All other information in the application must be in English.

7. Do I need to submit a business plan as part of the application?

You are not required to submit your business plan or intended use of funds at this stage. If you are shortlisted, UNCDF will request additional information including a plan for intended use of funds.

8. Does the application as us how much funding we are looking for?

You can indicate required funding, and the type of financial instrument (loan, guarantee and equity) in the application form, but these fields are not required. The UNCDF evaluation team will assess which financial instrument, if any, is suitable depending on the applicant's risk/return profile and financing needs.

Timeline

9. Can the deadline of 10 June 2022 be extended or is it a hard deadline?

This Call for Expressions of Interest is an open-ended call with re-occurring quarterly deadlines over 1 year. The deadline for the first quarterly assessment is 10 June 2022. You can apply after this deadline but your entry will be assessed on an ongoing basis. In order to make sure you are assessed in the first round you should submit your entry by 10 June 2022.

10. What is the timeline for UNCDF's process? How many weeks/months will it take for UNCDF to make a decision?

The time to closing (i.e. from sourcing to disbursement) can take anywhere between 4 and 6 months, depending on various factors incl. quality and timeliness of response from candidates.

Due to the high volume of anticipated applications, UNCDF cannot guarantee it will inform unsuccessful applicants of the application decision.

Investment Terms

11. What are the interest rate, debt tenor, and collateral requirements for UNCDF loans?

Terms are negotiated with each investee on a case-by-case basis depending on their risk/return profile and financing needs. Generally UNCDF offer concessional terms on interest rates, debt tenor and collateral requirements. Collateral is not a standard requirement and will depend on case-by-case basis.

12. Must UNCDF funds only be used to support digital services or can funds be used for adjacent infrastructure and capital expenditure to support institutional growth?

Funds can be used for working capital and/or capital expenditure if the investee is a technology-driven company and if the loan would support business growth in one of the three priority sectors for this EOI. UNCDF will request a plan for use of funds from shortlisted applicants, to be submitted in the next stage of the EOI cycle assessment.

This document will be updated on a continuous basis with additional questions and answers.

Last updated 20 May 2022.