



Unlocking Public and Private
Finance for the Poor

A large, abstract graphic on the left side of the page consists of multiple concentric, irregular white lines and arcs that resemble a stylized 'C' or a series of overlapping paths. Small circles and dots are scattered along these lines, giving it a technical or digital feel.

EXPRESSION OF INTEREST

Loans & Guarantees for
Building Inclusive Digital
Economies that Leave No
One Behind in Ghana

United Nations Capital Development Fund

Call for Expression of Interest (Eoi) to identify prospects in Ghana

Loans & Guarantees for Building Inclusive Digital Economies that Leave No One Behind in Ghana

1. Definitions and overview

In this call for Expression of Interest, capitalized terms and expressions shall have the below meaning attributed to them or as elsewhere defined in this document, unless the context requires otherwise.

Applicant	Means a registered formal entity applying to this call for Expression of Interest.
Deadline	This Expression of Interest has re-occurring quarterly deadlines. The first quarterly deadline for this call for Expression of Interest will be 20:59 PM EDT // 23:59 GMT+0 on 10 June 2022. All applications must be submitted by 10 June 2022 for the first cycle of assessment.
Eligibility criteria	Means the eligibility requirements with which the Applicants must comply with as listed in Section 7.1 of this Document.
Expression of Interest/Eoi	Means an application submitted to the call for Expression of Interest submitted to UNCDF within the Deadline. Please note that Eoi does not imply awards of funding but rather identification of prospects. For those applicants that are shortlisted through this Eoi, a full due diligence exercise will be conducted. The process is detailed in Section 5 below.

The United Nations Capital Development Fund (UNCDF) makes public and private finance work for the poor. Unique to the UN system, **UNCDF can deploy an investment continuum for its partners and provide not only grants¹ but also additional financing instruments such as loans and guarantees** to provide solutions for the missing middle that struggle in accessing finance to grow and unleash the potential for job creation and overall development. **With its capital mandate and instruments**, UNCDF offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF is inviting expressions of interest from eligible organizations in need of **concessional debt** and **guarantee funding** necessary to finance their working capital or expansion goals in the following sectors: 1) financial inclusion and digital innovation, 2) green economy and clean energy, 3) agriculture value chain, food processing, food security & nutrition, 4) Telecommunications, infrastructure and last mile connectivity. **The entities should be**

¹ As a standard practice, UNCDF engages with partners by providing funding assistance (e.g. grants) through Request for Applications (RfA) modality, which differs from Eoi in terms of 1) project-based objectives 2) funding purpose and 3) duration of engagement. The Eoi is aimed at scouting prospects and do not imply final selection.

focused on offering digitally enabled services /products that drive digital inclusion of women, youth, MSMEs, smallholder farmers and/or migrants or **be able to leverage such services to improve efficiency, organizational performance and customer outreach.** UNCDF debt and guarantee funding will be discussed on a case by case with the institution. *The debt and guarantee funding will preferably be issued in local currency but can be issued in hard currency if deemed appropriate.*

Please note that by submitting information in response to this call for Expression of Interest the UNCDF does not guarantee to offer funding.

Inquiries to this call for Expression of Interest may be submitted by [email through the UNCDF e-investment platform](#). Link to this Expression of Interest on the UNCDF e-investment platform is here: https://apply.uncdf.org/prog/eoi_ide_pipeline_ghana.

2. Introduction

UNCDF's financing models work through three channels: **inclusive digital economies**, connecting individuals, households, and small businesses with financial and digital ecosystems that catalyze participation in the local economy, and provide tools to climb out of poverty and manage financial lives; **local development finance**, that capacitates localities through fiscal decentralization, innovative municipal finance, and structured project finance to drive local economic expansion and sustainable development; and **investment finance**, that provides catalytic financial structuring, de-risking, and capital deployment to drive SDG impact and domestic resource mobilization. By strengthening how finance works for poor people at the household, small enterprise, and local infrastructure levels, UNCDF contributes to Sustainable Development Goal-SDG 1 on eradicating poverty and SDG 17 on the means of implementation. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access, UNCDF contributes to a broad diversity of SDGs.

In 2019 UNCDF launched its strategy "[Leaving no one behind in the digital era](#)" based on over a decade of experience in **digital finance** in Africa, Asia and the Pacific to drive the development of digital economies, riding the rails of digital finance. UNCDF recognizes that reaching the full potential of digital financial inclusion in support of the Sustainable Development Goals aligns with the vision of promoting digital economies that leave no one behind. The vision of UNCDF is to empower millions of people by 2024 to use services daily that leverage innovation and technology and contribute to the Sustainable Development Goals. UNCDF applies a market development approach and continuously seeks to address underlying market dysfunction. The strategy mobilizes UNCDF's agenda on building inclusive digital economies across clean energy, agriculture and other sectors, all riding on the rails of digital finance.

UNCDF has experience supporting companies from startup and early-stage levels on through growth- and expansion stage levels. The organization's support is customized to the enterprises' need through a mixture of technical assistance, grants, and increasingly, catalytic loans and guarantees from two main sources:

- Concessional lending and guarantees from the [BRIDGE facility](#), on UNCDF's own balance sheet – debt and guarantee investments 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.
- Semi-commercial lending and equity investments, through [the BUILD fund](#)² – debt and equity investments of between USD 250,000 and USD 2,500,000, available in local currency.

By helping companies grow their businesses, achieve commercial sustainability, strengthen their balance sheets, and build credit history, UNCDF aims to unlock further private capital to companies that serve last mile communities, to scale up what works and to foster local economic development. UNCDF aims to focus on the “missing middle” of companies, those that are considered too big to access microfinance loans and too small as being too risky to access commercial investments offered by mainstream financial institutions and other investors. In Ghana, UNCDF is bringing its expertise to accelerate digital financial inclusion under the “Boosting Green Employment and Enterprise Opportunities in Ghana (GrEEn)”, action funded by the European Union. As of 2021, more than 33,000 youth and women in Ashanti and Western regions have access to a mix of financial services including payments, savings, loans, remittance products, financial literacy and crowdfunding. Cumulatively, they have saved more than US\$ 164,000 and accessed US\$ 499,000 in loans and impacted more than 1,200 jobs.

3. Scope of work

This EoI is focused on the additional financing instruments that UNCDF can deploy, e.g. loans and guarantees. These catalytic investments, from both UNCDF's balance sheet and the BUILD fund, accompany the growth of private sector companies – at different growth levels - and aim to create powerful demonstration effects in terms of business models' viability and sector “investability”. UNCDF is particularly focused on supporting ‘missing middle’ companies, therefore the target that is considered too risky to access commercial investments. Suitable investment will depend on the financial needs and risk/return profile of the organization as well as funding availability.

UNCDF invites eligible organizations to respond to this call for Expression of Interest with their growth-related capital needs to assess the potential for UNCDF to offer its investment instruments or investment through its partner funds.

Priority for this Expression of Interest will be given to applicants eligible for financing available under the BUILD fund (Semi-commercial lending and equity investments – debt and equity investments of between USD 250,000 and USD 2,500,000, available in local currency). However, UNCDF encourages also applicants interested in the financing

² The BUILD fund is designed to attract concessional, semi-commercial and select commercial growth finance to we UNCDF's pipeline of SMEs, financial service providers, and local infrastructure projects, and is one of the few investment funds in the market with a specific focus on LDCs. Through the BUILD Fund, UNCDF and Bamboo Capital Partners are aiming to capitalize the financing gap that affects entrepreneurs in frontier markets, where growth is constrained by a lack of access to follow-on financing. The fund is managed by Bamboo, while UNCDF has an important role in sourcing and vetting investment opportunities for SDG impact and financial viability.

instruments under its own balance sheet i.e. the BRIDGE Facility (Concessional lending and guarantees – debt and guarantee investments in the range between USD 100,000 and USD 1,000,000, available in local currency) to apply to join the pipeline of UNCDF investments, which can be deployed depending on funding availability.

Purpose of funding request could be for capital expenditures, working capital, project finance, expansion or other purpose as long as the request is **focused on offering digitally enabled services/products that drive digital inclusion** of women, youth, MSMEs, smallholder farmers and/or migrants or be **able to leverage such services to improve efficiency, organizational performance and customer outreach**.

The investments may come together with a technical assistance facility component as required. On a case-by-case basis and depending on the business models and specific needs of the applicant, the applying organization could additionally be eligible for grants to improve the organization's potential for investment if it matches the eligibility criteria under this call for Expression of Interest and UNCDF's vision of building inclusive digital economies under the global digital strategy.

3.1 Target segment and sectors

In line with its strategy of "[Leaving no one behind in the digital era](#)" UNCDF will focus its efforts on those organizations that offer digitally enabled services and products, or that can leverage such services to improve efficiency, organizational performance and customer outreach, that drive digital inclusion reaching at least 60% women, youth, MSMEs, smallholder farmers and/or migrants in the below sectors:

- Financial inclusion and digital innovation
- Agriculture value chain, food processing, food security & nutrition
- Green economy & clean energy
- Telecommunications, infrastructure & last mile connectivity

3.2 Geographical scope

Eligible organizations with products or services offered to customers in Ghana are invited to submit their interest in response to this call for Expression of Interest. Applicants are encouraged to leverage the work that UNCDF is implementing in Western and Ashanti regions under the GrEEn project. Activities and actions in the Northern part of Ghana are considered eligible and analyzed with a particular interest.

4. Required information

UNCDF invites eligible organizations to submit required information on their financial needs and status (revenue, profit/loss, etc.) and its development impact (number of customers, etc.). The full list of required information can be found in the submission form.

4.1 Language

The submitted information and any correspondence between the applicant company and UNCDF must be in English.

5. How will UNCDF work with applicant's submitted information

UNCDF will assess applicant's potential for investment according to set eligibility and organizational, financial and impact evaluation criteria. The summary of these criteria is presented in Section 7.

This Eol aims at pipeline creation and deal sourcing. UNCDF will follow its investment management process while assessing applicants' potential for investment. Following an initial shortlisting according to set evaluation criteria as listed in section 7.3 and in line with the scope of work (section 3 above) based on submitted information in this Eol, shortlisted entities will be contacted and will be asked to share additional information to inform an analysis against organizational, financial and impact evaluation criteria as listed in section 7.4. Highest scoring entities from this evaluation will then be invited to undergo in-depth financial due diligence and credit scoring to move ahead in the investment process. A summary of the UNCDF investment process is shown below:

Step	Actions
1. Sourcing / Origination – Expression of Interest	Eligible organizations submit information.
2. Screening / Pre-assessment	First, eligibility shall be determined by criteria in section 7.1 and 7.2. Shortlist screening – an initial assessment will be conducted by a UNCDF evaluation team in accordance to the evaluation criteria as set forth in section 7.3 based on available information submitted in the entry of this Eol. Assessment of suitable financial instrument(s) will be made. Shortlisted organizations are contacted to share additional information (such as financial statements and projections) for a pre-assessment to be evaluated according to the evaluation criteria in section 7.4.
3. Due Diligence	Due diligence and credit scoring of highest scoring entities. Selection of qualifying entities based on results of due diligence. Negotiation of term sheets with qualifying entities.
4. Approval	Approval of the qualifying entities by UNCDF Impact Investment Committee and/or third-party managed fund according to the relevant financing instrument used. Notification of approved qualifying entities and negotiation of loan and/or guarantee agreement.
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.

UNCDF will keep submitted data confidential and only share with relevant investment or donor partners for the purpose of securing investment.

6. Expected results

Investee organizations will be required to agree on a completed list of financial and impact indicators for monitoring of the investment. The impact indicators will be finalized based on the nature of the product or service of the company and be tracked on a continuous basis (quarterly).

In addition to these indicators, qualitative monitoring information is expected for learning and insights.

7. Eligibility and evaluation criteria

Only applications that meet the eligibility requirements for the submission will continue in the process to be assessed.

7.1 Eligibility requirements

UNCDF invites organizations aligned to the EoI scope of work (Section 3) that are in need of financing³ to grow their business but are excluded from commercial funding to submit information on their financing needs and development impact.

A first automatic scan will be done based on the following criteria:

Criteria	Source of verification
Must be a formally registered legal entity, in any country but with operations in Ghana, 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 should 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.	Company pitch slide deck
Entity should be operating in the targeted 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)

³ As stated in previous section, priority will be given to organizations interested in financing instruments available under the third-party managed funds (whose funding needs start from 250,000 USD). However, UNCDF encourages also applicants interested in the financing instruments under its own balance sheet e.g. BRIDGE Facility (Concessional lending and guarantees – debt and guarantee investments in the range between USD 100,000 and USD 1,000,000, available in local currency) to apply to join the pipeline of UNCDF investments, once funding becomes available.

Entity shall have a minimum of one (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)

7.2 Exclusion criteria

- Entities shall not have been the subject of bankruptcy, liquidation, judicial settlement, safeguarding, cessation of activity or any other similar situation resulting from a similar procedure.
- Entities and any of their staff or member of their board of directors shall not have been included in the United Nations financial sanctions lists, particularly in the fight against the financing of terrorism and against attacks on international peace and security; and
- Entities must not be involved in any of the following activities:
 - Manufacture, sale or distribution of controversial weapons or their components, including cluster bombs, anti-personnel mines, biological or chemical weapons or nuclear weapons.
 - Manufacture, sale or distribution of armaments and/or weapons or their components, including military supplies and equipment.
 - Replica weapons marketed to children.
 - Manufacture, sale or distribution of tobacco or tobacco products
 - Involvement in the manufacture, sale and distribution of pornography
 - Manufacture, sale or distribution of substances subject to international bans or phase-outs, and wildlife or products regulated under the CITES.
 - Gambling including casinos, betting etc. (excluding lotteries with charitable objectives)
 - Violation of human rights or complicity in human rights violations
 - Use or toleration of forced or compulsory labor.
 - Use or toleration of child labor.
- Entities 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 in force in the country of incorporation.
- UNCDF will conduct due diligence on selected entities. Entities must have documents ready for confirmation that they meet the eligibility criteria including certificate of compliance with the tax authorities and any other documentary evidence that might be requested by UNCDF besides the application form.

7.3: Screening: Shortlisting criteria

For those eligible organizations, UNCDF will screen applicant's submitted information according to set organizational, financial and impact shortlisting criteria. These criteria are the following:

Criteria	Source of information
<p>Organization's profile, experience and team:</p> <ul style="list-style-type: none"> - Mission, vision, mandate of the business - Description of entity's business model - Does the organization contribute to build inclusive digital economies? 	<p>Company pitch slide deck Submitted Eol information</p>
<p>Financial information of organization and financial additionality of UNCDF investment:</p> <ul style="list-style-type: none"> - Positive profitability (incl. EBITDA), or positive profitability trends. - For start-up/early-stage businesses: total equity should be more than USD 50,000 or equivalent in local currency. - For growth/expansion later stage businesses: entity shall have recurring revenue streams. - For growth/expansion later stage businesses: entity shall have an equity ratio of more than 15%. - Additional for credit-providing organizations: Operational Self Sufficiency ratio (Revenue - financial costs - operational costs - loan loss costs) and Non-Performing Loan Ratio (>30 days). 	<p>Company pitch slide deck Submitted Eol information</p>
<p>Social impact, degree of innovation, impact on SDGs and impact additionality of UNCDF investment:</p> <ul style="list-style-type: none"> - Does the organization and business model particularly focus on women, youth, MSMEs, smallholder farmers or migrants as clients to build inclusive digital economies? - Number of clients - Number of employees - Additional for credit-providing organizations: Total gross loan portfolio, number of borrowers, total saving deposits, number of savers. 	<p>Company pitch slide deck Submitted Eol information</p>

7.4 Pre-Assessment evaluation criteria

For those organizations complying with the shortlisting criteria set in this Eol, UNCDF will conduct an in-depth evaluation exercise. UNCDF will contact interested prospects to request additional information. This could include meetings with key team members as well as submission of key documents. UNCDF will evaluate shortlisted applicant's submitted information according to set organizational, financial and impact criteria. The evaluation criteria include the shortlisting criteria plus additional criteria as follows:

Criteria	Source of verification

<p>Organization's profile, experience and team: The organization's profile, track record, reputation, experience in the country, team structure and experience, as well as if the applicant has successfully implemented projects with UNCDF.</p> <ul style="list-style-type: none"> - Review of registration status, tax status, licenses, etc. (including relevant certificates/documents) - Profiles/biographies of key management and board members (if any) - Governance and organization structure (organogram) - The organization's profile, track record, reputation, experience in the country, team structure and experience 	<p>Company and business model description Relevant certificates and licenses CVs of key management and board members Organizational Chart</p>
<p>Financial information of organization and financial additionality of UNCDF investment: Rate extent of applicant not being able to obtain funding from local or international commercial or semi-commercial capital with similar terms or sums without official support.</p> <ul style="list-style-type: none"> - Does the organization have sound financial management practices? - Is the entity credit worthy, i.e. demonstrates ability to repay the loan using cash flows generated by the business? - For early-stage businesses: entity must have a revenue generating activity, i.e. clear business model with clearly identified revenue streams. - Review of at least one year of most recently available audited financial statements. - Review of available financial forecasts. - For growth/expansion later stage businesses: entity shall have positive net equity. 	<p>Company pitch slide deck Financial statements Financial projections</p>
<p>Social impact, degree of innovation, impact on SDGs and impact additionality of UNCDF investment: Faster, larger or better development impacts than if the applicant would have been able to achieve without UNCDF funding.</p> <ul style="list-style-type: none"> - Is the business model innovative (uniqueness/proprietary component)? - Does the business model cater to and have positive impact on low-middle income segment clients and is relevant to low-and-middle income households? - High-level business/operational performance highlights and numbers. - Number of clients (registered and active) disaggregated by sex, age, size of business, location and/or migration status. 	<p>Company and business model description including client outreach</p>
<p>Sustainability and commercial viability of the company and business line for the proposed use of funds:</p> <ul style="list-style-type: none"> - Is the business model of business line for the proposed use of funds scalable? - Does the business model have strong potential for commercialization, incl. profitability and/or break-even? 	<p>Company and business model description</p>

<ul style="list-style-type: none"> - What is the estimated market size and growth? Does the business model contribute to market development? - Does the UNCDF investment contribute to market additionality and positive market demonstration effects? 	
<p>Use of funds - business plan for requested funding:</p> <ul style="list-style-type: none"> - Review of business plan/investment teaser/investment deck showing the proposed use of funds. - Information on what impact the proposed funding will have on the business (increase in number of clients and customer outreach) and contribution to market development. - The organization's proposed product/service expansion, or other proposed use of funds, shall cover women, youth, MSMEs, smallholder farmers and/or migrants as 60% as its customer base across the customer groups. 	<p>Business plan/investment teaser/investment deck Company and business model description</p>

8. Submission process

8.1 Submission structure

The applicant must submit a complete application form online through the 'Apply' platform (https://apply.uncdf.org/prog/eoi_ide_pipeline_ghana). All submission must be completed in English. Only applications that follow the submission format and include all the necessary documentation will be considered. The application form includes financial information such as revenue, EBITDA, profit and leverage ratios for the last 3 years, if available (in USD or local currency, and as available depending on lifetime of organization) alongside other organization information. UNCDF platform allows interested applicants to upload additional external documents.

8.2 Submission deadline and timeline

This Expression of Interest has re-occurring quarterly deadlines until end 2022. After each quarterly deadline UNCDF will assess investment applications. Below is the schedule of deadlines which will apply to this call for Expression for Interest:

- First application deadline: All applications must be submitted by 20:59 PM EDT // 23:59 GMT+0 on 10 June 2022.
- Quarter 3 2022 application deadline: All applications must be submitted by 20:59 PM EDT // 23:59 GMT+0 on 25 September 2022.
- Quarter 4 2022 application deadline: All applications must be submitted by 20:59 PM EDT // 23:59 GMT+0 on 18 December 2022.

8.3 Assessment and selection process

After the call for Expression of Interest application deadline UNCDF will shortlist applicants according to set shortlisting criteria and thereafter request shortlisted organizations to submit additional information to evaluate applicants according to the set organizational, financial and impact evaluation criteria. Top candidate entities are thereafter referred as potential investments and proceed with due diligence and the drawing of a formal credit

opinion of the applying organization. A summary of UNCDF's investment management process is shown in Section 5 above and a tentative calendar is shown below:

Activities	Tentative timelines
Launch of the EoI and dissemination	May 5
Virtual event: info session on EoI (Registration here)	May 18
Closing of first round of prospects	June 10
Assessment period	Up to 6 months

UNCDF will utilize the submitted information to assess potential investments of loans and guarantees from its own balance sheet as well as debt and equity investments from its third-party managed funds on an on-going basis depending on funding availability.

Please note that by submitting an entry this is not an undertaking on behalf of UNCDF to fund the applying organization, but rather an indication that it shall be considered and evaluated for available debt, guarantee and equity opportunities as they arise in the future.

8.5 Real-time assistance from UNCDF

For any questions on the online submission form, queries or requests for support, send an email to eoi.ghana@uncdf.org.

A document answering frequently asked questions will be available at the application website from 13 May 2022 and will be updated periodically.