



Unlocking Public and Private  
Finance for the Poor

## United Nations Capital Development Fund REQUEST FOR APPLICATION FOR

### Agritech Challenge

#### SUMMARY

The United Nations Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 46 least developed countries. 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 in the most vulnerable communities.

A crucial community in most economies, particularly emerging and least developed countries, is the smallholder farmers, who are a significant stakeholder in the Agriculture. Yet, they continue to face challenges that impact their livelihood including inefficiencies in supply chain, low productivity and increasing risk from climate change.

UNCDF is inviting applications from innovators under the Agritech Challenge ('Programme'), with solutions that benefit smallholder farmers. The Programme will support piloting of agri-tech & agri-fintech solutions in India, Indonesia, Malaysia in Asia and Kenya, Malawi, Uganda and Zambia in Africa ('participating countries').

The applicants must address one or more of the following challenges facing smallholder farmers in at least one of the participating countries.

- Low Productivity; Climate Risk; Inefficient Supply Chains

Eligible candidates with a registered entity in any of the participating countries and a proven solution can apply against any one or more of these three areas.

UNCDF will provide a financial prize grant to up to 3 selected applicants. The selected applicants will be signing a Performance-Based Agreement (PBA) with UNCDF.

UNCDF's contributions can range from USD 15,000 to USD 5,000, depending on the readiness level for solution pilots in participating countries.

Enquiries to this request for applications may be submitted by email to [Financial.health@uncdf.org](mailto:Financial.health@uncdf.org) , cc [uncdf.rfa@uncdf.org](mailto:uncdf.rfa@uncdf.org).

All applications must be submitted by 23:59 EDT TIME of May 20, 2022 through

UNCDF e-investment platform:

[https://apply.uncdf.org/prog/220505\\_-\\_agritech\\_challenge](https://apply.uncdf.org/prog/220505_-_agritech_challenge)

However, please check the UNCDF's platform to see if this deadline has been extended.



## 1. INTRODUCTION

The United Nations Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 46 least developed countries. 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.

Asia and Africa combined comprise over 75% of the world's total population, over 90% of the extreme low-income population, and house 42 of the 46 least developed countries. At the same time, these two regions have also been witnessing unprecedented economic development, which is helping many people come out of the poverty cycle.

Yet, there are various shared challenges that the low to moderate income community continues to face. This community remains vulnerable across key developmental sectors and a range of segments, including smallholder farmers, who are a significant stakeholder in the Agriculture sector, which is a critical sector for emerging economies across Asia and Africa.

A crucial common challenge for smallholder farmers is to improve their individual & household financial health, which enables them to have better financial security, control and freedom. The following key challenges have been identified for smallholder farmers –

1. Low Productivity – Access to new technology and innovations
2. Climate Risk – Resilience against climate change and natural hazards
3. Inefficient Supply Chains – Reduce wastage and enhance market transparency

Several countries in these regions have been addressing these challenges through innovative use of technology to create adaptable solutions for smallholder farmers.

The importance of these solutions cannot be more pertinent than during this COVID-19 global pandemic, which has put the financial health of smallholder farmers at stake even when there is access to financial services. This demonstrates the vital need for avenues to identify and support innovative solutions to positively impact smallholder farmers in Asia and Africa.

The Agritech Challenge (**'Programme'**) is aimed at inviting applications from innovators that are looking to co-create or adapt solutions for smallholders farmers in any of the following seven countries (**'participating countries'**): Kenya, Malawi, Uganda, Zambia in Africa and India, Indonesia, Malaysia in Asia.

This Programme invites applications from organisations with solutions that address one or more of the three abovementioned challenges in at least one of the participating countries (for eligibility criteria, please refer Sec 3.1 of this document).

All applicants will go through an evaluation process, at the end of which, 3 applicants will be selected to receive a financial prize grant, aimed at supporting the solution in the participating countries.



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## 2. SCOPE OF WORK

### 2.1 Areas of intervention

For this request for applications (RFA), UNCDF invites applications from Registered entities with innovative and scalable solutions that address one or more of the following 3 challenges facing the smallholder farmers in at least one of these countries – India, Indonesia, Kenya, Malawi, Malaysia, Uganda, Zambia.

1	<b>Low Productivity</b>	<p>Improving agriculture productivity to cater to increasing market demand and to enhance smallholder farmers' income.</p> <p><b><u>Context</u></b></p> <p>Smallholder farmers still rely on traditional farming systems at both pre and post-harvest stages. Even though they realize that improved technology can increase yield, they lack access to finance, information and inputs to adopt these technologies. Thus, smallholders are constrained in viscous loop of poor production and low income.</p> <p><b><u>Indicative Solution Areas</u></b></p> <ul style="list-style-type: none"> <li>• Alternate digital lending models for smallholder to access and adopt improved technology such as farm mechanization, post-harvest processing and warehousing</li> <li>• Farm management tools and technology-based solutions for efficient crop planning, nutrient and soil management</li> <li>• Access to information and extension services, knowledge and skills for smallholders to adopt new technology</li> </ul>
2	<b>Climate Risk</b>	<p>Building income continuity, insurance and information/ intelligence services to increase resilience for smallholder farmers against climate change and natural hazard induced shocks.</p> <p><b><u>Context</u></b></p> <p>Every year, crops are affected by natural hazards leading to income loss of smallholder farmers. With rise in natural hazards, there is increased need for risk management solutions such as crop insurance or income continuity products for smallholder farmers. The ongoing Covid-19 pandemic has further emphasized the significance of customised for smallholder farmers to absorb shocks.</p> <p><b><u>Indicative Solution Areas</u></b></p> <ul style="list-style-type: none"> <li>• Digital (crop) insurance solutions as well as solutions across the value chain to make digital insurance offering more efficient</li> </ul>



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		<ul style="list-style-type: none"> <li>• Information / intelligence based solutions around alternate agriculture, climate and weather data to help facilitate production planning and protect smallholder farmers' against climate hazards</li> <li>• Income continuity products for smallholder farmers' to sustain and recover from income loss due to climate change and natural disasters</li> </ul>
3	<p><b>Inefficient Supply Chains</b></p>	<p>Improving supply chains efficiency and market &amp; pricing transparency.</p> <p><b><u>Context</u></b></p> <p>Agriculture value chains have inefficiencies due to lack of storage infrastructure, limited overview on demand, supply &amp; prices and lack of organised markets. Inefficiencies in value chains leads to price and demand volatility in the sector for all the stakeholders, particularly smallholder farmers. This volatility also increases the investment risks for the sector.</p> <p><b><u>Indicative Solution Areas</u></b></p> <ul style="list-style-type: none"> <li>• Market intelligence solutions for demand-led production, supply chain and sales planning for farmers, wholesalers and retailers.</li> <li>• Supply chain management solutions that enhance transparency and traceability of produce from farmers to retailers.</li> <li>• Technology enabled solutions that help reduce wastage at different stages</li> <li>• Solutions that help smallholder farmers' gain access to under-utilized storage spaces through innovative tech or financing models</li> <li>• Improve access to markets for smallholder farmers / cooperatives to directly sell and supply to distributors/retailers and/or customers.</li> </ul>

The examples of solutions in the identified areas of intervention are not exhaustive.

The team at UNCDF is open to hear what potential applicants have in mind outside these examples as long as your scale, commercial viability and impact objectives are aligned.

## 2.2 How UNCDF works with partners

UNCDF takes a tailored approach to engagement with partners, including helping identify market needs as well as supporting solution deployment along the way. Some examples of the ways in which UNCDF works with partners include:

- **Provisioning:** Providing technical assistance to help pilot and scale up solutions for impact. Technical assistance is provided by digital finance experts who are experienced in product design, business model development and go-to-market strategies in some of the most challenging markets in Africa and Asia.
- **Partnerships:** Facilitating partnerships with stakeholders – including financial institutions and industry – to enable partners to grow sustainably. UNCDF is uniquely positioned to be a neutral broker of partnerships and has a record of building strong relationships with private and public organizations across Africa,



Asia, and Pacific.

- Policy, Advocacy and Convening: Concerted efforts to further support an enabling environment for products and services to be piloted and potentially scaled.

### 2.3 Expected results

All applications must include targets on the indicators in the table below. The targets must be disaggregated for the selected target groups. Applicants who are not able to report on one or multiple indicators or provide disaggregated data should include a note with the reason.

The targets will be considered in the evaluation of the applications. During the negotiation process of the performance-based agreement, selected applicants and UNCDF shall develop a monitoring framework. This may include additional indicators and targets, tailored to the scope of the proposed solution, activities and expected results.

Indicators	Disaggregation
Number of agreements signed with organisations in participating countries to explore solution pilots	Total:
Number of countries being targeted (from among the participating countries)	Total:
Number of planned and/or implemented solution pilots in participating countries	Total:
Number of smallholder farmers to be impacted	Total: Women:

Please note that during the negotiations process of the Performance based-Agreement, applicants shall be required to integrate the monitoring framework with additional KPIs.

## 3. ELIGIBILITY FOR APPLICATION AND EVALUATION CRITERIA

Only applications that meet the eligibility requirements and minimum criteria for the submission will be scored.

### 3.1 Eligibility requirements

#### Entity registration

The applicant/ lead applicant must be a registered entity in any of the participating countries

#### Country of operation

The applicant must have at least one year of operations in any of the participating countries



### **Solutions to be supported**

- Applicants must have an existing and commercially proven solution that is ready to undergo international pilot testing.

### **Exclusionary criteria:**

- Applicants 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.
- Applicants and any of their staff or member of their board of directors shall not be 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<sup>1</sup>; and
- Applicants must not be involved in any of the following activities<sup>2</sup>
  - 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
- Applicants 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 applicants. Applicants 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.

### **3.2 Evaluation criteria**

The Evaluation Committee will score the applications according to the below

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<sup>1</sup> See: <https://www.un.org/securitycouncil/sanctions/information>

<sup>2</sup> See UNDP Policy on Due Diligence and Partnerships with the Private Sector (2013): [https://popp.undp.org/\\_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP\\_POPP\\_DOCUMENT\\_LIBRARY/Public/BE\\_RA\\_Partnerships\\_UNDP%20private%20sector%20due%20diligence%20policy%202013\\_FINAL.pdf&action=default](https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/BE_RA_Partnerships_UNDP%20private%20sector%20due%20diligence%20policy%202013_FINAL.pdf&action=default)



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evaluation criteria.

Only applications that score at least 80 out of 100 will be considered successful and move to the due-diligence stage.

	Criteria	Max Score
1	<b><u>Degree of readiness</u></b> <i>Score the applicant's progress on any specific opportunities identified in participating countries and any agreements signed between the applicant and potential enabler / partner to facilitate entry into new market (including NDA, MOU, LOI, or any other commercial agreement).</i>	25
2	<b><u>Organization Experience, Profile and Team</u></b> <i>Score the applicant's profile, track record, proposed team structure &amp; experience in similar projects and in the country/region, also if the applicant has successfully implemented other projects or been involved with any UNCDF initiatives.</i>	25
3	<b><u>Sustainability and Commercial viability</u></b> <i>Score the applicant on ability to scope out potential for commercial viability and scalability in any new market(s), also the plan to demonstrate break-even and commercial success in the new market(s).</i>  <i>Score the applicant on whether the organisation can fully commercialise and sustain partnerships / business in new market(s).</i>	25
4	<b><u>Impact and SDG alignment</u></b> <i>Score on whether the solution is likely to benefit the smallholder farmers in the participating countries and supports UN's SDG achievement.</i>	25
<b>TOTAL</b>		<b>100</b>

In addition, UNCDF will also assess the value for money of the submissions using the following formula:

Amount of grant requested (A)

Number of total beneficiaries (B)

Value for money  $A / B$

### 3.3 Eligible costs

The criteria for eligible expenditure determine whether a cost qualifies for funding under UNCDF rules and procedures.

The general criteria for eligibility of costs under UNCDF funding include the following.

- Eligible costs must be incurred by the applicant during the project (after the signature of the Performance-based Agreement and up to the end of the Grant period).
- Eligible costs should be indicated in the estimated overall budget of the action



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attached to the Performance-based Agreement.

- Costs must be identifiable and verifiable, in particular being recorded in the accounting records of the applicant and determined according to the applicable accounting standards of the country where the lead applicant is established.
- Costs must comply with the requirements of applicable tax and social legislation.
- Costs must be reasonable, justified and comply with the principle of sound financial management, in particular regarding economy and efficiency.
- Consultancy costs – under studies, technical assistance and other advisory services under the programme carried out by international and national consultants – are eligible as follows. Professional and consultancy services are services rendered by people with a special skill, and who are not officers or employees of the organization applying for the grant. Consulting services must be justified, with information provided on their expertise, primary organizational affiliation, normal daily fee, and number of days expected
- service. Consultants' travel costs, including for subsistence, are to be shown as travel expenditure. The applicant may be required to justify the daily fee.
- Workshop costs are eligible, for the workshop venue, food and beverages, and publication material.
- Training expenditure (financial education, digital education, soft skills) for the project's final beneficiaries is eligible. If applicable, this will include all related expenditure, such as the cost of the venue, participant travel, and so on. Training for the employees of the institution applying for the grant is also eligible as long as it has been demonstrated that it will link directly to the project output.
- Investment costs directly attributable to the project, relating to research and innovation, are allowable.

### 3.4 Ineligible costs

The following costs are ineligible and not accepted:

- Returns on capital and dividends paid by a beneficiary;
- Debt and debt service charges;
- Provisions for losses or debts;
- Interest owed;
- Costs declared by the applicant in the framework of another action receiving a grant financed from another donor;
- Indirect costs, also called overheads.

## AGREEMENT PARAMETERS

Applicants shall give evidence that their solutions are aligned to the following parameters.

### 4.1 Applicants

Eligible candidates can apply as long as they comply with the eligibility requirements set forth in section 3.1 of this RFA.



## 4.2 Target segment

Smallholder farmers in the seven participating countries.

## 4.3 Geographical scope

India, Indonesia, Malaysia, Kenya, Malawi, Uganda, Zambia

## 4.4 Project duration

Projects are expected to have a 02 months duration. Activities are expected to be terminated no later than June 30, 2022. Final assessment report will have to be submitted no later than July 31, 2022

## 4.5 Language

The deliverables and any correspondence between the applicant organization and UNCDF must be in English.

## 4.6 Budget

UNCDF will provide a grant to the selected applicants in accordance to the Evaluation Criteria as set forth in section 3.2.

UNCDF contributions may range from 15,000 USD to 5,000 USD.

Specific projects will be financed based on business needs. Depending on the maturity of the solutions and the success of the pilot, UNCDF would be able to continue its support for the mobilization of investment capital (loan and guarantee) and further technical assistance.

Applications will need to describe how applicants will deploy the Grant and if any technical assistance or mentorship services are being sought. Additional technical assistance services will be provided by UNCDF through a separate budget line.

# APPLICATION REQUIREMENTS AND PROCESS

## 5.1 Structure of the application

- The applicant must submit a complete application form online
- Please be sure to also have prepared the following additional documents that may be needed as part of the process
  - Presentation on the solution / proposed solution for the respective participating country(ies)
  - Certificate of incorporation

All submissions must be completed in English. Only applications that follow the Submission Formats and include all the necessary documentation will be considered.



## 5.2 Application deadline

All applications must be submitted by 23:59 EDT TIME of May 20, 2022. However, please check the UNCDF’s platform to see if this deadline has not been extended.

### Selection process:

- Step 1: Eligibility screening – eligibility will be assessed according to the eligibility requirements as set forth in section 3.1.
- Step 2: Evaluation of eligible applications based on the evaluation criteria set out in section 3.2.
- Step 3: Due diligence – due diligence on the applications and their applicants will be conducted on applications that receive the minimum qualifying score (80/100).
- Step 4: Notification of applications – all applicants will be notified of the status of their applications.
- Step 5: Pre-Grant negotiation and Performance-based Agreement – the selected applicants will finalise the scope of the grant and finalise budgets, indicators and targets, workplan and disbursements of the Grant that will be released on achievement of each milestone.
- Step 6: Approval of the selected applications by the Investment Committee will be reviewed, discussed and approved by the Investment Committee. Any further due diligence requirements, risk analysis or milestone recommendations from the Investment Committee will be followed in later steps.
- Step 7: Notification of applications - all applicants will be notified of the status of their applications after final approval from UNCDF Board / Investment Committee.

## 5.3 Timeline

May 06, 2022	Application window opens
May 18, 2022	Deadline for questions via email
May 20, 2022	Deadline for submission

## 5.4 Real-time assistance from UNCD

For requests and queries, send an email to [financial.health@uncdf.org](mailto:financial.health@uncdf.org), cc [uncdf.rfa@uncdf.org](mailto:uncdf.rfa@uncdf.org).

A document answering frequently asked questions will be continually updated at <https://www.uncdf.org/article/7681/rfa-agritech-challenge>