



Unlocking Public and Private
Finance for the Poor

United Nations Capital Development Fund

Call for Expression of Interest for

Agritech Challenge 2021

1. DEFINITIONS AND INTERPRETATION

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

Applicant	Means a registered entity applying to this Call for Expression of Interest (EOI).
Deadline	Means 23:59 hours EDT on 30 August 2021.
Eligibility Criteria	Means the eligibility requirements with which the applicants must comply with as listed in Section 4.1 of this Document.
Expression of Interest (EOI)	Means an application submitted to the Call for EOI submitted to United Nations Capital Development Fund (UNCDF) within the deadline conforming to the provisions of Annexes.
Participant	Means the applicants of this Call for EOI selected to be part of the cohort and the Programme.
Programme	Means an initiative by UNCDF to help co-create solutions for smallholders farmers through the Agritech Challenge.
Participating Countries	Means the seven countries that are participating in the Agritech Challenge: Kenya, Malawi, Uganda, Zambia, India, Indonesia and Malaysia



2. INTRODUCTION

2.1 Programme Summary

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 & pricing 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 the ongoing COVID-19 global pandemic, which has put the financial health of smallholder farmers at stake even if 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 UNCDF Agritech Challenge will enable potential improvement in financial health by inviting applications from innovators to help co-create and/or adapt their solutions for smallholders farmers in the following seven countries: Kenya, Malawi, Uganda, Zambia in Africa and India, Indonesia,



Malaysia in Asia.

This Programme invites applications from start-ups with solutions that are addressing at least one of the three above mentioned challenges and are interested to pilot their solution in one of the seven participating countries (for eligibility criteria, please refer Sec 4.1 of this document).

All applicants will go through an evaluation process, at the end of which, 20 applicants will be selected to form the cohort (also referred to as 'participants') of the Programme.

The UNCDF Global Centre of Financial Health¹ is the anchor of this programme.

2.2 Why Financial Health

Financial health encompasses three important aspects of an individual's financial life: financial security and resilience, financial control and financial freedom. The following definition of financial health captures these three dimensions:

1. The ability to meet one's ongoing commitments, now and in the future, and under adverse circumstances (financial security). The ability to meet one's commitments during adverse conditions, sustain oneself through it, and re-orient one's financial life once those conditions cease is termed as financial resilience
2. A feeling of control of one's finances (financial control)
3. The ability to meet one's financial goals and enjoy things one values.

3. SCOPE OF WORK

3.1 Areas of Intervention

For this Call for EOI, UNCDF invites applicants who can offer innovative and scalable solutions addressing one or more of the following challenges:

¹ <https://www.uncdf.org/gfh/global-financial-health>



Unlocking Public and Private
Finance for the Poor

1	<p>Low Productivity</p>	<p>Improving agriculture productivity to cater to increasing market demand and to enhance smallholder farmers' income.</p> <p><u>Context</u></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, smallholder farmers are constrained in viscous loop of poor production and low income.</p> <p><u>Indicative Solution Areas</u></p> <p>Solutions that enhance smallholder farmers' access to finance, information or inputs to adopt improved technology that ultimately result in increased production. These solutions could be (but not limited to):</p> <ul style="list-style-type: none"> • Enabling access to financial services including through alternate credit scoring / profiling & digital lending models for smallholder farmers, as well as to adopt improved technology, such as farm mechanization, post-harvest processing and warehousing • Farm management tools and technology-based solutions for efficient crop planning, nutrient and soil management • Access to information and extension services, knowledge and skills for smallholders to adopt new technology
2	<p>Climate Risk</p>	<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><u>Context</u></p> <p>Every year, crops are affected by natural hazards leading to income loss of smallholder farmers. Due to climate change there have been increased instances</p>



Unlocking Public and Private
Finance for the Poor

		<p>of untimely rains, temperature rise and prolonged dry weather. As per FAO, between 2005 to 2014, USD 93 billion was lost in crop and livestock production due to natural disasters.</p> <p>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 from both, production and market linked losses.</p> <p><u>Indicative Solution Areas</u></p> <ul style="list-style-type: none"> • Digital (crop) insurance as well as solutions across the value chain to make digital insurance offering more efficient • Information / intelligence based solutions around alternate agriculture, climate and weather data to help facilitate production planning and to protect smallholders farmers against climate hazards • Income continuity products for smallholder farmers to sustain and recover from income loss due to climate change and natural disasters
3	<p>Inefficient Supply Chains</p>	<p>Improving supply chains efficiency and market & pricing transparency.</p> <p><u>Context</u></p> <p>Agriculture value chains have inefficiencies due to lack of storage infrastructure, limited overview on demand, supply & 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><u>Indicative Solution Areas</u></p>



Unlocking Public and Private
Finance for the Poor

	<ul style="list-style-type: none"> • Market intelligence solutions for demand-led production, supply chain and sales planning for farmers, wholesalers and retailers. • Supply chain management solutions that enhance transparency and traceability of produce from farmers to retailers. • Technology enabled solutions that help reduce wastage at different stages • Solutions that help smallholder farmers gain access to under-utilized storage spaces through innovative tech or financing models • Improve access to markets for smallholder farmers / cooperatives to directly sell and supply to distributors/retailers and/or customers.
--	---

The examples in the solution areas are not exhaustive. The team at UNCDF is open to hear what potential applicants have in mind outside these examples as long as the scale, commercial viability and impact objectives are aligned.

3.2 How will UNCDF work with the Cohort

UNCDF will take a tailored approach to its engagement with the selected participants who will be identified through this Call for EOI.

UNCDF will work with each of the selected participants, throughout an acceleration process to identify business and customer needs, and helping to design, pilot and scale up the solution in the participating countries. Some of these engagement areas include:

- **Product research and design:** Providing inputs and expertise to better understand the customer behaviour, needs and journey across participating countries, for better product design and use-case development
- **Go-to-market industry linkages:** Connecting the participants with suitable market enablers and industry partners in their chosen country to help design, test and pilot the solution
- **Mentoring and insights:** Providing inputs and knowledge from sector and technology domain experts across the participating countries to help create a viable solution
- **Market expansion guidance:** Conducting informative sessions and guidance on regulatory & compliance landscape and local market linkages across the participating countries through



a network of innovation hubs and experts

- **Access to network of investors:** Enabling introductions and linkages with the investor community to facilitate fund-raising for the solution
- **Partnerships:** Facilitating partnerships with stakeholders – including financial institutions and industry – to help grow sustainably. UNCDF acts as a neutral facilitator of partnerships with private and public organizations
- **Policy and Advocacy:** Convening efforts to support an enabling environment and for solutions to be piloted

In the EOI, applicants may identify and suggest areas where the technical support from UNCDF and its network is sought.

At the end of the acceleration process, the selected participants might be considered eligible to receive a financial grant by the UNCDF.

3.3 Expected Results

Based on the solutions presented, participants will be required to agree on a complete list of results, outcome indicators and targets for monitoring achievement of different results. The indicators will be finalized based on the nature of the solution & target country, and tracked to ensure success.

Deliverables would be derived from key milestones that will be agreed mutually between UNCDF and the participants during the programme period.

In addition to the above, the following qualitative results are expected for learning and insights:

- Level of impact and/or improvement in financial health of the smallholder farmers (number of farmers reporting improved financial health, new financing structures or technology-enabled models implemented, along with what solution parameters led to improvement in financial health)
- Type and impact of technology introduced in the participating countries (novelty, scale, applications)
- Level of user / customer satisfaction (includes level of engagement with the solution, challenges experienced along the solution-customer value chain, reasons for usage/non-usage, etc.)



- Solution assessment (includes milestones, scope changes, challenges faced, key takeaways, potential for further scale / scale-up plans, if any)

4. ELIGIBILITY AND EVALUATION CRITERIA

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

4.1 Eligibility Requirements

4.1.1 Eligibility

The Programme invites applications from innovators based on the following criteria:

- A start-up registered in any of the participating countries, with at least 2 years of operations
- Start-up with at least –
 - USD 150,000 average annual revenue in the last 2 years; *OR*
 - USD 100,000 average annual revenue in the last 3 years
- The start-up must address at least one of the three challenge areas (as outlined in Sec. 3.1 of this document) in at least one of the participating countries
 - Low Productivity
 - Climate Risk
 - Inefficient Supply Chains
- Start-up should have a live solution / business with an active customer and/or user base, and not in development or testing phase
 - *Active customer/ user defined as having transacted with the solution at least once in the last 90 days*

4.1.2 Exclusion 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 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
- Applicants 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 labour
 - Use or toleration of child labour
- 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

4.2 Evaluation Criteria

The Evaluation Committee will score the applications according to the below evaluation criteria:

1. Only applications that meet the eligibility criteria will move on to the evaluation stage.



Unlocking Public and Private
Finance for the Poor

- Applications will be evaluated against the following four parameters and scored from 1-10 for each parameter. Only applications with an average score of at least 7 out of 10 in each parameter will be considered successful and invited for a due diligence.

<p>Degree of Innovation</p> <p>Is the solution (including the product/service) innovative or have a strong unique value proposition?</p> <p>Does the solution go beyond existing practices?</p> <p>Is the solution addressing a gap in the market?</p>
<p>Sustainability and Commercial viability</p> <p>Is the solution commercially driven including profitability and break-even state?</p> <p>Does it demonstrate a strong potential for commercial viability, scalability and replicability?</p> <p>What is the likelihood of the solution being integrated in a new market? ?</p>
<p>Social Impact and SDGs</p> <p>Is there a positive impact on the lives of smallholder farmers through the solution?</p> <p>What impact is the solution creating on climate and environment, including helping achieve SDGs?</p>
<p>Organizational Capacity and Implementation</p> <p>What is the ability of the organisation to implement the solution in a new market in the given timeframe and with the existing team?</p> <p>Does the organisation have any existing partnerships that can enable implementation of the solution in a new market? Or will the organisation be able to build and sustain partnerships in the new market?</p>

4.3 Target Segment

This EOI supports the development of innovative solutions for smallholder farmers in the participating countries.



4.4 Geographical Scope

Eligible applicants from any of the seven participating countries can apply to the programme. Nonetheless, the selected applicants shall demonstrate that their solution shall be targeting (directly or indirectly) smallholder farmers in one of the participating countries.

4.5 Programme Duration

The Programme is expected to have a 12-month duration including the application period. Activities are expected to be terminated no later than July 2022. Final assessment report will have to be submitted no later than September 2022.

4.6 Language

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

5. SUBMISSION PROCESS

5.1 Application Structure

The applicant must submit a complete application form online through the 'Apply' platform, <https://www.uncdf.org/finlab/agritechchallenge>

Only applications that are submitted using the apply platform will be considered.

5.2 Application Deadline

All applications must be submitted by 11.59 pm EDT on 30 August 2021.



5.3 Selection Process

Step 1: Eligibility screening – eligibility will be assessed by the Programme’s review team members according to the eligibility requirements as set forth in section 4.1.

Step 2: Evaluation of eligible applications by the Evaluation Committee – the Programme’s Evaluation Committee will evaluate the screened applications, including inviting the applicants for a presentation, to select 20 participants based on the evaluation criteria set out in section 4.2.

Step 3: Due diligence – due diligence on the participants and their applicants will be conducted by the Programme’s review team members.

Step 4: Notification of applications – all applicants will be notified of the status of their applications including inviting the participants to join the programme.

Step 5: Engagement with participants to assess the market opportunity and connect with market enablers and industry partners on building their solution.

5.4 Timeline

July 22, 2021	Application window opens
August 25, 2021	Deadline for potential applicants to ask questions about the application form
August 28, 2021	Deadline for responding to questions submitted
11:59 pm EDT on August 30, 2021	Application window closes



Unlocking Public and Private
Finance for the Poor

5.5 Real-time assistance from UNCDF

For any questions on the online submission form queries or requests for support, send an email to financial.health@uncdf.org with the subject **Agritech Challenge 2021**.

A document answering frequently asked questions will be available at <https://www.uncdf.org/finlab/agritechchallenge> from July 22, 2021, and will be updated periodically, till August 28, 2021.