



United Nations Capital Development Fund REQUEST FOR APPLICATION FOR

220520 - The Pacific Islands FinTech Innovation 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.

The Pacific Digital Economy Programme (PDEP) is a joint programme between UNCDF, UNDP and UNCTAD, in support of the development of inclusive digital economies in the Pacific. This unique partnership builds on UNCDF's long-term work on digital finance in the Pacific region and UNCTAD's extensive work in the area of e-commerce and the digital economy and is implemented with the administrative support from UNDP. The PDEP includes both country-specific activities, initially focusing on Fiji, Tonga, Samoa, Vanuatu and the Solomon Islands, and region-wide research and capacity building activities.

To help address the challenge of financial inclusion in the Pacific Island Countries (PICs), the United Nations Capital Development Fund (UNCDF) is launching the Pacific Islands FinTech Innovation Challenge. The challenge aims to attract FinTechs to address identified problem statements which represent the challenges faced by Pacific Island Countries in developing the digital payments ecosystem.

The purpose of this Request for Application (RFA) is to invite applications from local and global FinTechs with market-ready solutions that will address at least one of the identified problem statements of the implementing partners in Fiji, Tonga, Samoa, Vanuatu or Solomon Islands that fall within the five areas of interventions mentioned below and are interested in deploying their solutions. Please clearly indicate the areas targeted in your proposal

1. Improving access to financial products and services
2. Digitizing customer service
3. Increase usage of financial products and services
4. Streamlining of foreign exchange
5. Enabling E-Commerce and in-person POS merchant payment services

Candidates can be operational in any part of the globe and can apply independently or in a consortium, provided that a consortium agreement is attached to the candidate's submission. Please verify the eligibility conditions on Section 3.1 of this RFA.



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UNCDF will provide successful applicant/s:

- A performance-based grant up to 50,000 USD.
- Technical assistance and potential opportunities for market collaboration.

Selected applicants will be signing a Performance-Based Agreement (PBA)¹ with UNCDF.

UNCDF's contributions can range up to USD 50,000, and UNCDF will award up to five applications depending on the investment readiness level and outreach potential of the solution proposed.

Applicants will be selected through a competitive process and will be expected to fund at least thirty percent (30%) of the total project cost in cash (for costs such as technical resources, staff, and operational expenses).

Inquiries to this request for applications may be submitted by email to:

uncdf.rfa@uncdf.org cc ajay.jagannath@uncdf.org. For any email enquiries, please include in your subject line: "The Pacific Islands FinTech Innovation Challenge". Further information on this challenge is available on the website: [Pacific FinTech Innovation Challenge](#)

All applications must be submitted by 23.59 (EDT) on 20 June 2022 through UNCDF e-investment platform. However, please visit the platform to check if this deadline has not been extended.

Please visit UNCDF's e-investment platform to apply:

<https://apply.uncdf.org/prog/220520> - the pacific islands fintech innovation challenge

¹ A performance-based grant implies that no advance payments will be made. Grants amounts that are contingent on the successful achievement of pre-determined milestones. Achieving a milestone will therefore trigger a grant payment. Grant payments will be reimbursements for funds spent by the grantees, according to the project implementation plan and pre-agreed milestones. The Grantee will be responsible of providing a comprehensive and compliant financial report reporting all the financial transactions relating to grant. The Grantee will need to keep supporting documents related to these transactions to justify all actual costs incurred.



1. INTRODUCTION

The Pacific Island countries (PICs) are challenged by low financial inclusion rates, hobbling the region's economies, and imposing significant costs on individuals. Currently, more than 30 percent of the PIC population remains unbanked/underbanked. Obstacles to greater financial inclusion include a small, sparse population characterized by limited economic resources. Moreover, the region's financial markets are highly fragmented which often leads to high costs and low margin business models for financial service providers.

FinTech offers a significant opportunity to help improve financial inclusion rates in the PICs. As has been shown in other markets such as China and Southeast Asia, FinTech can provide the basis for better, faster, and cheaper financial products and services.

2. SCOPE OF WORK

This RFA will encourage local and international Fintechs with market-ready solutions to address identified problem statements faced by Pacific Island countries in adopting digital financial services. Funded by the United Nations Capital Development Fund (UNCDF), Market Development Facility (MDF), and the Asian Development Bank (ADB), the Pacific Islands FinTech Innovation challenge will strengthen cross-sector collaboration by bringing together the financial ecosystem in PICs to support innovation and financial inclusion.

Recent research shows that the Pacific women still lag men on inclusion in the formal financial system and economy. Digital financial services help bridge the gender gap in account ownership and savings, provide a digital footprint that enables assessment of creditworthiness and by extension access to credit, reduce the need for women to travel with cash and enable remote working.

Through this FinTech Challenge, UNCDF encourages the submission of applications that will provide solutions that supports the increase in access and usage of digital financial services for women, women led MSMEs and women entrepreneurs in formal and informal sectors. Applicants are encouraged to provide a brief narrative in their proposal of how their innovations and solutions will bridge the last-mile gap for women, women-led MSMEs and women entrepreneurs and their access to digital finance services and tools. In addition, applications are encouraged to provide a brief outline of how their projects will integrate gender into their project analysis, project design, implementation and monitoring and reporting phases.

Applicants are encouraged to consider the following points below:

- Include a gender-smart market analysis
- Include a plan on how disaggregated data shall be obtained
- Identify the constraints and risks faced by marginalized women and/or men in terms of access, usage and financial resilience and devise strategies and plans to mitigate them. Provide an explanation if unable to provide a strategy to redress these constraints.



- Design measures and strategies that ensure women and men can benefit equally from the interventions and planned activities. Highlight which benefits are expected (e.g. participation, learning, capacity, reviewing, building, designing, decision-making, networking, leadership opportunities, etc.) If not, explain why.

The scope of work for the FinTechs will involve working with established financial service providers in the PICs to utilize emerging technologies to address the problem statements being identified in section 2.1 of this RFA. UNCDF will support FinTechs in deploying innovative solutions that will help the implementing partners in the PICs to grow their businesses by addressing the challenges of access to market, financial services, efficient systems, information, and skills.

The project aims for the following two core objectives:

- In a competition format, select the five most promising FinTech to test and scale their solutions in partnership with local financial service providers, that will directly benefit the respective PICs to address financial inclusion challenges
- To de-risk market entry through subsidizing the implementation of solutions and provide access to industry experts, market partners and regulators in the Pacific Islands

The grant funding of up to 50,000 USD is designed to de-risk market entry and subsidize the implementation of the solutions in the Pacific Islands. The fast-evolving digital infrastructure and adoption of newer technology by the population of the Pacific Island countries present a huge market opportunity to tap into for the FinTechs. UNCDF will make efforts to facilitate introductions to relevant market actors such as banks, local start-ups, other service providers and regulators including Central Banks, as required by the FinTechs to co-create solution in the market.

2.1 Areas of intervention

For this RFA, UNCDF invites applications from registered entities that can offer innovative and scalable solutions addressing one or more of the following challenges through five areas of intervention.

Areas of intervention		Challenges/ Problem Statement and Objectives for solution
1	Improving access to and usage of financial products and services	<p>Category: Credit Scoring, Lending Focus Geographies: Tonga, Samoa, Vanuatu</p> <p>Background: Financial inclusion remains a huge challenge for the Pacific Island countries. As of 2016, ~30% of the region's population remained completely excluded, while another 10-35% relied only on informal financial services. Access to and usage of financial products and services is a significant contributor to financial exclusion as existing solutions tend to be non-digital and regionally limited. Globally, improving digital payments has shown</p>



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		<p>to be a key enabler to provide better access to financial products and services, and can be a foundation on which other digital financial services can be built and scaled up.</p> <p>SMEs in Tonga, Samoa and Vanuatu, struggle to access financing, largely because it is difficult to assess the creditworthiness of SMEs as they often do not have significant assets. Approximately 95% of Tongan SMEs are under-banked (i.e. not able to borrow through traditional financial channels).</p> <p>Problem Statement: Address challenges around financial product access and usage by designing a digital finance solution that is easy to sign up for and use and addresses the specific challenges of the Pacific Islands in an economically sustainable manner. The solution should target specific underserved audiences such as SMEs and women and should be able to collect granular data on usage- and impact-related statistics. Solutions could focus on general accessibility or narrow in on credit scoring, especially for SMEs who struggle for financing, or customer service automation where solutions lower costs and improve response times. Ideally solutions would incorporate mechanics that increase use of digital channels and encourage individuals and SMEs to keep their money digitally.</p> <p>Solutions / Focus: Digital scorecard – A platform/decision-engine to assess creditworthiness by collecting various datapoints beyond traditional bank criteria like assets (E.g. behavioral activity like timeliness of utility or mobile payments) of which are most applicable to Pacific Island SMEs (E.g. a roadside merchant selling food) Uncollateralized Loans – As many PIC SMEs have few assets, focus on solutions that enable uncollateralized loans and provide a platform for SMEs to gradually build their credit history.</p> <p>Implementation partners: Tonga Development Bank (TDB), National Bank of Samoa (NBS), National Bank of Vanuatu (NBV)</p>
2	Digitizing customer service	<p>Category: Customer Service Focus Geographies: Fiji</p> <p>Background: As the financial industry in the Pacific Islands has developed and more individuals and businesses have been brought into the financial system, the demands for customer service have increased. To better address the customer service challenge, automating customer service channels can improve quality of service, reduce operational costs, and improve longer-term service delivery.</p> <p>Problem Statement: Address challenges around servicing</p>



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		<p>customers by streamlining and automating customer service inquiries.</p> <p>Solutions / Focus: AI-based Customer Self-service – A platform to serve as first-level customer support for both retail and business customers. As the Fiji Development Bank (FDB) will be implementing a new core-banking system in 18-24 months, the initial ‘phase one’ of the implementation would handle simple customer service enquires (e.g. “Where is the nearest branch?,” “What are the basic requirements needed for a customer to apply for a loan?, What are the available payment options, How can we access Mortgage and Private sales?”) whereas ‘phase two’ would connect into the core-banking system and would allow the platform to authenticate users and pull account-level information as much as possible while still remaining in accordance with bank and regulatory policies.</p> <p>Implementation partner: Fiji Development Bank (FDB)</p>
3	<p>Increasing usage of financial products and services</p>	<p>Categories: Credit Scoring, Nano loan, Savings Focus Geography: Solomon Islands</p> <p>Background: Financial inclusion in the Solomon Islands is low. Only 25.6% of the population have a formal bank account, and another 8.2% use other formal financial services, such as insurance, superannuation funds (including SINPF), credit unions or microfinance services. The remaining two-thirds of the population relies exclusively on informal financial services only (34.8%), or altogether excluded from financial services entirely (31.4%). This is mainly attributed to lack of both financial and digital Literacy, together with the dispersed geographical terrain.</p> <p>The principle social security scheme in the Solomon Islands is the Solomon Islands National Provident Fund (SINPF). As part of the Solomon Islands National Provident Fund Act 1973, employers are mandated to contribute to the fund on behalf of their employees every month. Individuals may also contribute to the fund via youSave which is a voluntary saving scheme.</p> <p>In addition to providing a social safety net to the Solomon Islanders, NPF has incorporated a Finance company with an objective of creating access to credit for individuals who require funds to run MSMEs. Traditional banks have not had appetite for MSMEs because they either lack proper KYC or have insufficient data that can be used for credit scoring.</p> <p>However, with these mechanisms in place, savings rates remain low i.e current active base averaging at 18%. There is a need for SINPF to innovate whilst leveraging the two companies to develop a digital product that complements both institutions.</p>



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		<p>Problem Statement: Create a solution that encourages savings using formal financial channels. The solution should cater to all age groups, offer tailored services to people from different demographic backgrounds, and be easily accessible by most of the population.</p> <p>Solutions / Focus: Savings incentive – Create a nano-loan product delivered through digital channels/digital platform that is available to individuals who actively deposit savings into their SINPF account. The platform should be intuitive and focused on educating customers whilst creating behavioral change in the current saving culture, perhaps by allowing individuals to take out unsecured loans on the basis of their savings history. The solution should be both App & USSD compatible. Focus on loans between US\$50-1,000.</p> <p>Alternative data / Credit scoring – Ideally as part of the same platform, the solution should be able to capture data for both deposits and other transactions/behavioral patterns manifested on the platform which can then serve as alternative data points for profiling/credit scoring purposes and improving ability to extend credit to individuals and MSMEs. Thus, the app should also be able to allow individuals to request small loans and make loan repayments.</p> <p>Implementing partner: Solomon Islands National Provident Fund (SINPF)</p>
4	Streamlining foreign exchange	<p>Category: Payments, Foreign Exchange Geographic Focus: Fiji</p> <p>Background: The Pacific Island countries are small and scarcely populated and the financial markets are fragmented which makes it difficult for FinTechs to create a sustainable business model especially with the lack of a robust f/x market.</p> <p>Problem Statement: Provide a platform to enable foreign exchange across the Pacific Island countries leveraging the network of the region’s mobile network operators (MNOs) and money transfer operators (MTOs).</p> <p>Solutions / Focus: Foreign exchange platform – A secure online platform that enables fast and efficient foreign exchange leveraging relationships with existing MTOs and MNOs. Foreign exchange partners can be existing MTOs in any jurisdiction across the regions and would predominantly leverage the existing network and subscriber base (inc KYC) of the key MNOs in the region.</p>



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		<p>Focus should initially be on low value P2P payments; second phase could include supporting POS transactions.</p> <p>Implementation partner: Vodafone (International Money Transfer (IMT) Hub Concept)</p>
5	<p>Enabling E-Commerce and in-person POS merchant payment services</p>	<p>Categories: E-commerce, Payments Geographic Focus: Fiji, Samoa</p> <p>Background: In the Pacific, digital payments remain one of the largest obstacles to the growth and uptake of e-commerce. Lack of access to online payment gateways restricts the number of businesses that can conduct online sales, reducing the value proposition of credit and debit cards or mobile wallets that can be used for online purchases.</p> <p>Access to payment gateways varies significantly across the Pacific, but in general is a major hurdle to overcome for aspiring e-commerce merchants. Many countries in the Pacific Islands do not have any payment gateway. For a bank or payment service provider to offer online payment gateway services, credit card schemes, such as VISA and MasterCard require a guaranteed minimum number of transactions per month to make it a commercially sustainable business model, which has proven to be prohibitive for almost all local banks operating in these relatively small markets.</p> <p>In addition, many of these local financial institutions do not have physical merchant payment services to allow the use of cards or mobile wallets at the point of sale (POS). Digital POS payments provide convenience and safety for the customer and offer better efficiency and transaction volumes for the merchant.</p> <p>Problem Statement: Provide a merchant payments solution that enables both online e-commerce payments and in-person POS transaction, settled in an account with local partner banks. It is envisioned that the solution will support all scheme card providers as well as local proprietary cards and eventually allow for the aggregation of e-commerce and POS payments from multiple local banks that operate across the Pacific Island region. This would pool the demand from multiple smaller Pacific banks into a larger pool of transactions to provide a solid foundation for the commercial viability of the solution. Ideally the solution would also enable connectivity into digital wallets and ensure that it is PCI/DSS compliant.</p> <p>Solutions / Focus: E-commerce Payment Orchestration – An internet payment gateway facilitating international and domestic e-commerce payments in the focus countries that can serve as a basis for future</p>



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		<p>cross-border e-commerce transactions.</p> <p>POS Payment Services – A solution to enable POS digital payments through cards and ideally digital wallets as well as a management platform to help merchants better understand their transactions.</p> <p>Implementation partners: Home Finance Company (HFC), National Bank of Samoa (NBS)</p>
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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 the scale, commercial viability and impact objectives are aligned.

SUPPORT OFFERED

The Challenge will be hosted by UNCDF’s PDEP and co-sponsored by ADB and MDF. Shortlisted applicants will be invited to attend a three-day long virtual or in-person rapid Bootcamp, where they will be introduced to the design thinking approaches. Teams will have the opportunity to refine their solutions and prepare pitches.

For solutions which may be new to the country, which may require regulatory approvals, they may be eligible under the regulatory sandbox established by specific Central Banks of the Pacific.

After successful implementation of projects by the selected applicants, there will be an opportunity for applicants to request access to debt capital financing from UNCDF, if there is a need and good sustainability forecasts.



2.2 How UNCDF works with partners

UNCDF takes a tailored approach to engagement with partners, working with each throughout to identify business and customer needs, and helping to design, deploy and scale up the solution along the way. Some examples of the ways in which UNCDF works with partners include:

- **Product Research:** Sharing market research and knowledge to deepen partners' understanding of customers' behaviours, needs, constraints and aspirations. This also includes providing transaction data analysis and training to the business teams.
- **Product design:** Providing human-centred design expertise to better understand the customer journey - physical and financial – for better product design and use-case development tailored to the needs of low-income customers and their families. The efforts may also involve analysing the transaction data from a customer lens.
- **Provisioning:** Providing technical assistance to help design, pilot, deploy, 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 strategic partnerships with stakeholders – including cross-border payment hubs, mobile network operators, financial institutions, and non-bank financial institutions – to enable partners to reach last-mile customers, and 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 and Advocacy:** Convening efforts to support an enabling environment and build policy and advocacy capacity for human-centred products and services to be piloted and potentially scaled.

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

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.

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.



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

- Level of impact and/or improvement in access/usage of financial products and services
- 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.) 8
- Solution assessment (includes milestones, scope changes, challenges faced, key takeaways, potential for further scale / scale-up plans, if any)

A list of suggestive indicators are provided in the table below as a guidance.

Area of intervention	Suggestive Indicators (after a time-period e.g. six months)	Disaggregation
1 Improving access to and usage of financial products and services	Eg:% loans provided through use of platform as a percentage of all loans provided by institution	Total: Women:
	Eg:% change in number of active users	Total: Women:
2 Digitizing customer service	Eg:% reduction in operational cost	Total: Women:
	Eg:Self-service rate: number of users who were able to obtain the help they needed through the responses given by chatbot, without subsequently having to call customer service	Total: Women:
3 Increasing usage of financial products and services	Eg: % loans provided through use of platform as a percentage of all loans provided by institution	Total: Women:
	Eg:% increase in deposits made to fund	Total: Women:
4 Streamlining foreign exchange	Eg: Volume of foreign exchange transactions	Total: Women:
	Eg:% Change in the number of active users	Total: Women:
5 Enabling E-Commerce and in-person	Eg:Number of new POS terminals	Total: Women:



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POS merchant payment services	Eg: Change in card usage volume	Total: Women:
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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 country with at least 2 years of operations as a FinTech company.
- The applicant/ lead applicant must have audited financial statements for at least one operating year; if audited financial statements are not available at the time of application, the applicant must provide the latest management accounts.

Relevant operation licenses (when applicable)

- The lead applicant must be legally able to operate as a technology provider and have appropriate regulatory licenses in its home country. If the applicant plans to provide a financial product and/or service directly in the target geography, the applicant should either have licensing or a reasonable plan to partner with a licensed provider in the target country.

Country of operation

- The applicant can be registered and conducting operations anywhere globally.

Consortiums (when applicable)

- Applicants can apply only once under this RFA, whether independently or in a consortium.
- Joint applications between market players in the target country or countries are encouraged if the solution proposed will expand delivery networks and promote rural and/or other last-mile access to market and financial services.
- Applications from consortiums should be attached with the signed consortium Agreement.
- The lead applicant and their partners in the consortium must be registered entities with at least two years of operations, must have statutory accounts and audited financial statements for at least one operating year. If audited financial



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statements are not available at the time of application, the applicant must provide the latest management accounts and provide UNCDF with audited financial statements during the partnership

Solutions to be supported

- The firm must have a **live solution** with an active customer and/or user base and **should not** be in development or testing phase. *Active customer/user defined as having transacted with the start-up/solution at least once in the last 90 days.*

Project funding

- Applicants must contribute at least 30 percent of the project's cash costs (costs may include technical infrastructure, resources, and operations).

Exclusionary criteria:

- Application shall use UNCDF submission formats and submit a complete application, otherwise will be excluded.
- 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 lists², particularly in the fight against the financing of terrorism and against attacks on international peace and security³; 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 labor
 - Use or toleration of child labor

² See: <https://www.un.org/securitycouncil/sanctions/information>

³ 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/BERA_Partnerships_UNDP%20private%20sector%20due%20diligence%20policy%202013_FINAL.pdf&action=default



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- 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 evaluation criteria. Only applications that score at least 70 out of 100 will be considered successful and move to the due-diligence stage.

	Criteria	Max Score
1	<p>Organization profile and experience</p> <p>Score the applicant's profile, track record, reputation, experience in similar projects and in the country/region, also if the applicant has successfully implemented other projects with UNCDF.</p>	15
2	<p>Team</p> <p>Score if the applicant's proposed team structure and experience is suited for the purpose of the RFA (skills for management, technical know-how, on the field footprint, monitoring and RM capacities...)</p>	10
3	<p>Innovation</p> <p>Score the innovativeness of the solution as compared to existing solutions in the Pacific Islands market. Particular focus on both the business model and the technology platform.</p>	10
4	<p>Methodology</p> <p>Score the applicant's proposed methodology and approach: if it is suited for the purpose of the RFA, if the workplan is realistic, that the project strategy covers risk management, quality control, reporting and other project management good practices.</p>	15
5	<p>Additionality</p> <p>Score if UNCDF funding to the applicant will create:</p> <p>Financially additionality: If the applicant cannot obtain funding from local or international private capital markets with similar terms or quantities without official support.</p> <p>Non-financial value: Value that the private sector is not currently offering, and which will lead to better outcomes e.g. by providing or catalyzing knowledge and expertise, promoting social or environmental standards or fostering good corporate governance...</p> <p>Impact: Faster, larger or better development impacts than the applicant would be able to achieve working alone.</p>	15
6	<p>Gender perspective</p> <p>Score if the applicant has foreseen a gender focus in the proposed intervention, to have women both external (users) and internal (staff) benefited equally than men.</p>	10



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7	Sustainability and business plan Score if the applicant's proposal has a sustainable financial perspective and business plan that could generate an investment pipeline for UNCDF.	15
8	Result Measurement Score if the applicant has provided coherent measurement plan and data management plans.	10
TOTAL		100

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 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 of 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.



4. AGREEMENT PARAMETERS

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

4.1 Applicants

Eligible candidates can apply alone or as lead applicant in a consortium of firms, as long as they comply with the eligibility requirements set forth in section 3.1 in case of a consortium of entities applying to the RFA, the lead applicant shall comply with the eligibility requirements. The lead applicant will be responsible of:

- Submitting the application form on behalf of the consortium.
- Ensuring that each partner is fully aware of the composition of the partnership and of the contents of the Application Form.
- Signing the Performance-based Agreement with UNCDF.
- Fulfilling all obligations set out in the Performance-based Agreement.
- Ensuring the allocation and the fulfilment of the funds amongst the partner in the consortium in compliance with the Performance-based Agreement.
- Ensuring the allocation and the fulfilment of the tasks amongst the partner in the consortium in compliance with the Performance-based Agreement.

4.2 Target segment

The primary target beneficiary is the financial sector in the Pacific Island Countries in scope.

4.3 Geographical scope

Pacific: Fiji, Samoa, Solomon Islands, Tonga and Vanuatu.

4.4 Project Duration

Projects are expected to have a 12-month duration. Activities are expected to be terminated no later than August 2023. Final and assessment report will have to be submitted no later than September 2023.

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 with the Evaluation Criteria as set forth in section 3.2 and additional criteria's as applicable during the bootcamp.



UNCDF contributions may range up to USD to 50,000.

Specific projects will be financed based on business needs. Depending on the maturity of the solutions and the success of the deployment, 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.

5. APPLICATION REQUIREMENTS AND PROCESS

5.1 Structure of the application

- The applicant must submit a complete application form online
- Please be sure to have prepared the following documents
 - Certificate of incorporation
 - Latest audited financial statements
 - Latest management accounts
 - Official document confirming that the candidate is in order related to tax and social security payments
 - Technical submission form (using UNCDF's template)
 - Budget and workplan (using UNCDF's template)
 - CV form (using UNCDF's template)

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 20th June 2022.

However please visit UNCDF platform to verify 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 (70/100).
- Step 4: Notification of applications – all applicants will be notified of the status of their applications.
- Step 5: Engagement with implementing partners at the bootcamp to be held in



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person or virtually to assess the market opportunity and connect with market enablers and industry partners on building their solution.

- Step 6: 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 7: 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 8: 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

20 th May 2022	Application window opens
Last week of May/First week of June 2022	Information session
20 th June 2022	Deadline for submission
4 th week of June – 1 st week of July	Announcement of finalists

5.4 Real-time assistance from UNCDF

For requests and queries, send an email to uncdf.rfa@uncdf.org cc ajay.jagannath@uncdf.org