

UN Capital Development Fund REQUEST FOR APPLICATIONS FOR

Leveraging digital solutions for MSMEs

Promoting and scaling digital solutions for enhancing enterprise growth and resilience in Nepal

EXECUTIVE SUMMARY

The UN 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.

UNCDF invites service providers such as e-commerce platforms, Business to Business (B2B) and Business to Customer (B2C) digital marketplace platforms, agritech, fintech, supply chain financing, mobile money providers, and other digital solution firms to bring forward inclusive digital solutions to promote the use of innovative digital solutions among micro, small and medium-sized enterprises (MSMEs).

The Request for Applications (RFA) "Leveraging digital solutions for MSMEs" seeks to support MSMEs that are developing/scaling up digital solutions that accelerate the economic recovery after COVID-19. It will support the systematic digitization of MSMEs by supporting related federations and associations to modernize their capacity, strategy, services, and/or digital capabilities of MSME members.

The RFA is supported by the Swiss Agency for Development and Cooperation (SDC), and it is implemented by UNCDF, under its 'Leaving No One Behind in the Digital Era' strategy. This RFA aims to accelerate the economic recovery after COVID-19 and to promote an economy and a society that are more inclusive and resilient to external shocks through preparing MSMEs for digital transformation and accessing digital marketplaces to boost sales.

The applicants' proposed interventions – irrespective of the country of affiliation – should deploy their solutions in the MSMEs segments in Nepal.

Candidates can apply independently or in a consortium. Please verify the eligibility conditions on Section 3.1 of this RFA.

Selected applicants will sign a Performance-Based Agreement¹ (PBA) with UNCDF. The UNCDF contributions can range from US\$ 20,000 to US\$ 100,000 depending on the size and reach of the partner. UNCDF will award up to 2-3 applicants (depending on the funding requested), who score the highest in accordance with the Evaluation Criteria as set forth in section 3.2, depending on the investment readiness level and outreach potential of the proposed solution.

Selected applicants will be expected to fund at least 30 percent of the total project cost in cash (for costs such technical resources, staff, and operational expenses).

The proposed solution must be implemented by December 2022.

Inquiries to this RFA may be submitted by email to rfa.ide.asia@uncdf.org. For any email inquiries, please include in your subject line: RFA: Leveraging Digital Solutions for MSMEs in Nepal.

All applications must be submitted by 23:59 EST, the New York time zone on 7 February 2022 through UNCDF e-investment platform: https://apply.uncdf.org/prog/rfa_leveraging_digital_solutions_for_msme_in_nepal

1. INTRODUCTION

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.

As the world suffers from the economic slowdown of the COVID-19 pandemic, trade, investment, growth, and employment are all affected, and the crisis is having an impact on the achievement of the UN Sustainable Development Goals (SDGs). Furthermore, while economies around the world are reeling from the pandemic's impact, some segments are disproportionately impacted. MSMEs, particularly women led and/or owned MSMEs, are a segment that has been severely affected. With 96 percent of enterprises in the Asia region categorized as MSMEs, this segment is a lead contributor to economic growth, employment, and trade, and this segment is the most effected by the pandemic. Nepal is no exception. Quarantines, lockdowns, and the closure of public places have resulted in short-term economic losses, which are expected to be much greater than those experienced during the Asian Financial Crisis and the Global Financial Crisis².

In Nepal, firms surveyed by the World Bank reported that 52 percent have experienced temporary closures due to COVID-19, 83 percent have seen a decline in sales of a median decline in amount by 60 percent, and have taken a hit to employment with 88 percent instituting leave without pay or reduced hours or wages³. Although MSMEs are the driving force behind Nepal's economy⁴ contributing 22 percent of GDP, the pandemic has brought a shockwave to their growth. This is particularly the case for women-owned, managed or led businesses, where access to finance remains a key constraint to maintaining or growing their operations. Even before the pandemic, MSMEs faced significant constraints in accessing finance with 35.5 percent of MSMEs in Nepal having access to credit⁵. SME Finance Forum estimates that the financing gap for MSMEs in Nepal is US\$ 3.6 billion. Another study by Nepal Rastra Bank (NRB) found that only 16 percent of start-up enterprises have access to capital from banks and financial institutions (BFIs)⁶.

These finance gaps have been exacerbated by the pandemic. Tightened lending procedures have limited access to financial services and credit in particular for women enterprises that are often those with lower levels of collateral and asset ownership. Women enterprises are also more likely to have lower levels of digital literacy and internet connection rates, which restrict online and digital opportunities.

PROBLEM STATEMENT

The pandemic has made it clear that the MSMEs that are more resilient to the crisis are those that use digital solutions to bring their products to clients. The Asian Development Bank estimates that business-to-consumer revenues of digital platforms in the region account for 48 percent of the 3.8 trillion reached globally. As more business transactions migrate to the digital space due to the lockdowns imposed by governments, it is expected that there may be a significant increase in these figures in the future. However, this digital transformation has not been inclusive of all MSMEs, with only 15 percent of Nepal's businesses surveyed increasing use of digital platforms or investing in digital solutions since COVID-19.⁷ The small ones and/or women-led MSMEs, which are the ones with more difficulties to attract

² (ESCAP, 2020) Annual Report 2020

³ (World Bank, 2020) COVID-19 Nepal Business Pulse Survey

⁴ (ADB, 2020) MSMEs Key to Southeast Asia's Post-COVID-19 Recovery — ADB

⁵ (Nepal Central Bureau of Statistics, 2018) National Economic Census 2018

⁶ (ESCAP, 2020) Micro, Small and Medium-sized Enterprises' Access to Finance in Nepal

⁷ (World Bank, 2020) COVID-19 Nepal Business Pulse Survey

investments that will contribute to their digitalization efforts, are being left behind. UNCDF's IDES inclusivity score for MSMEs in Nepal is at 40 percent out of 100 showing much room for improvement to be integrated in the digital economy.

E-commerce platforms are one way to support MSMEs in Nepal to go digital. Not only they can provide MSMEs with the opportunities to increase sales by accessing other markets and networks, but also as they digitize their transactions, they could eventually support MSMEs to access new sources of capital. However, even if some online portals have recently emerged (i.e. Foodmandu, Sastodeal, Daraz) the e-commerce industry in Nepal is still at a nascent stage. Providers lack adequate logistics and transportation infrastructure. 85 percent of e-commerce transactions are still done in cash and it is estimated that eSewa and IMEPay only serve 10 percent of e-commerce transactions⁸. MSME owners lack digital capabilities and skills to explore their options to become digital and fully take advantage of the digital economy. These challenges result in low market penetration of e-commerce platforms with a high concentration in Katmandu, high costs for MSMEs to sell their products through e-commerce platforms which in turn results in lower competitive prices for final consumers.

MSMEs also need a functioning ecosystem that supports them in their digital transformation, which at the moment is also quite nascent. Business associations such as FNCCI (Federation of Nepalese Chamber of Commerce and Industries), FWEAN (Federation of Women Entrepreneurs Association of Nepal) or SABAH (SAARC Business Association of Home-Based Workers) could, for example, play an advisory role to e-commerce platforms and to MSMEs that want to go digital, but their capabilities to play that role are also quite limited. For example, since an e-commerce platform that provides digital literacy trainings to MSMEs could pose a conflict of interest, the associations could play a role in building the digital capability of MSMEs in a way that empowers them to make the right decision about which platform they should use and/or what other actions can they take to go digital should they choose not to use any type of e-commerce platform.

Finally, although there are some positive developments in the regulatory environment for e-commerce, the country still needs support in making sure policies are conducive and responsive to the growth of the digital economy. For example, the e-commerce bill is still being drafted by the Ministry of Industry, Commerce, and Supplies, and there are still limitations to how fintechs can go beyond digital payments.

Due to the impacts of COVID-19, the challenges have been further compounded by the followings:

- Owing to the high level of informality, women-owned MSMEs are likely to have limited or no access to public and private financial services and credit;
- Low levels of collateral and asset ownership, compounded by reduced risk thresholds by financial institutions who have tightened lending procedures;
- There are significant social, cultural, and procedural barriers that women-owned MSMEs face when it comes to business registration, leading to high levels of informality and reduced ability to gain emergency government support in times of economic crisis;

⁸ UNCTAD

⁹ UN Women (2020), OECD/ERIA (2018), International Finance Corporation (2019), feedback from sector experts

- Internet/digital literacy is low in rural areas restricting women-owned MSMEs’ ability to conduct business online. Added to this is the fact that electricity connection can be unreliable in rural areas. This makes e-commerce challenging;
- A lower level of market linkages/networks, including for capacity building;
- Women-owned MSMEs do not tend to have a large amount of cash holding. This is likely to adversely impact these enterprises in times of economic downturn.

2. SCOPE OF WORK

2.1 Areas of intervention

The scope of this work involves working with new or existing aggregator e-commerce platforms to facilitate and onboard local enterprises that are struggling to undertake business physically in Nepal. For this RFA, UNCDF invites applications from registered and operating entities to design, develop and manage a new e-commerce platform or expand and manage an existing e-commerce platform to host local micro and small enterprises in Nepal especially from the agriculture industry, arts and crafts industry, creative industry, fashion and design industry, local cosmetics, and health care products, food and catering industry, and the entertainment industry.

Areas of intervention	Challenges/ Problem Statement and Objectives for solution
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1	<p>To design, develop and manage a new e-commerce platform or expand and manage an existing e-commerce platform to host local micro and small enterprises in Nepal. Some examples are below:</p> <ol style="list-style-type: none"> 1. <i>Create an alternate platform for vendors to sell their goods and services to overcome the challenges faced in the traditional means due to COVID-19 and also to broaden the reach of the target customers locally and possibly expand to include export market in the future.</i> 2. <i>Provide customers with a platform to purchase local goods from the convenience of their homes especially when faced with lockdown restrictions.</i> 3. <i>Create an alternate mode for migrants from countries to support friends and family back at home (Nepal) through online purchases whilst supporting the local economy in Nepal.</i> 	<p>Challenges:</p> <p>MSMEs in Nepal, particularly those led and/or owned by women, are faced with significant challenges, due to COVID-19 protective measures to sell their goods and services through traditional means impacting their livelihood.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Include a mobile based platform (mobile app) to host the MSMEs detailed above which can run on mobile devices such as smartphones and tablet computers. • Develop a sustainable operational model that can be scaled up over the years, which should include the criteria, cost structure for onboarding local MSMEs, and registration of retail and wholesale customers on to the e-commerce platform. The framework to include cost structure for transactions, and ongoing maintenance fees, etc. as applicable. It is important that costs for onboarding and using the platform is affordable for low income earning entrepreneurs. • Develop and implement detailed plan consisting of marketing, communications, promotional, and outreach strategy that will raise awareness of the aggregate e-commerce platform, attract local entrepreneurs, and retail/wholesale customers to get registered on the platform. • Include a practical and realistic integrated payment system for local/overseas buyers and local sellers. • Implement an appropriate and effective end to end delivery system capable of locally delivering small packages to retail consumers or consignments to wholesale customers. • Include well defined policies and procedures applicable for the return of damaged goods, refunds, and customer complaint handling. • Commit on the maximum number of locally owned MSMEs that can be trained and onboarded to the e-commerce platform prior to completion of this project based on the budget being proposed.
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The examples of solutions in the identified areas of intervention are not exhaustive. The team at UNCDF is open to hearing 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, working with each throughout to identify business and customer needs, and helping to design, pilot 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.

The targets will be considered in the evaluation of the applications. During the negotiation process of the PBA, 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.

Suggestive indicators	Disaggregation
Number of capacity building activities for vendors (Includes events, trainings, workshops, and exposure visits)	Total: District:
Number of participants of capacity building activities for vendors. (including training, workshop, dialogue, conferences etc.)	Total MSMEs: Women MSMEs:
Number of vendors registered into the platform	Total MSMEs: Women MSMEs: % by sector (agriculture, arts, food retail etc.)
Number of vendors active in the platform (Active to be defined and agreed)	Total MSMEs: Women MSMEs: % by sector (agriculture, arts, food retail etc.)
Number of transactions conducted by value and volume from the vendors onboarded through the platform.	Total MSMEs: Women MSMEs: % by sector (agriculture, arts, food retail etc.)

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.

Country of Operation

- The applicant can be based anywhere globally and must partner with a Nepali registered company in Nepal and should have their project and solution implementation in Nepal. We strongly encourage Nepal-based businesses to apply.

- If the applicant does not have regulatory approval to pilot the proposed solution in the target country or countries, the applicant must partner with a regulated institution in the country or countries to deliver the solution.

Consortiums

- Applicants may apply only once under the 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 of organizations must show that the partnership was established prior to this call for applications or due to this call for application with a letter of intent.
- The lead applicant and their financial service provider partner must be registered entities with at least one year of operations and must have statutory accounts and 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 at the due diligence stage and provide UNCDF with audited financial statements during the partnership.

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

- 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 members of their board of directors shall not be included in the United Nations financial sanctions lists,¹⁰ particularly in the fight against the financing of terrorism and against attacks on international peace and security;
- Applicants must not be involved in any of the following activities:¹¹
 - 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

¹⁰ See: <https://www.un.org/securitycouncil/sanctions/information>

¹¹ 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

- Use or toleration of forced or compulsory labor
- Use or toleration of child labor.
- Applications 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 audited financial statements, certificate of registration, 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 evaluation criteria below.

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	<u>Organization profile and experience</u> <i>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.</i>	15
2	<u>Team</u> <i>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 foot print, monitoring and RM capacities...)</i>	15
3	<u>Methodology</u> <i>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.</i>	15
4	<u>Additionality</u> <i>Score if UNCDF funding to the applicant will create:</i> <ul style="list-style-type: none"> - Financially additionality: <i>If the applicant cannot obtain funding from local or international private capital markets with similar terms or quantities</i> 	20



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	<p><i>without official support.</i></p> <ul style="list-style-type: none"> - Non-financial value: <i>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...</i> - Impact: <i>Faster, larger or better development impacts than the applicant would be able to achieve working alone.</i> 	
5	<p><u>Gender perspective</u></p> <p><i>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.</i></p>	10
6	<p><u>Sustainability and business plan</u></p> <p><i>Score if the applicant's proposal has a sustainable financial perspective and business plan that could generate an investment pipeline for UNCDF.</i></p>	15
7	<p><u>Result Measurement</u></p> <p><i>Score if the applicant has provided coherent measurement plan and data management plans.</i></p>	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 PBA 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 PBA.
- 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.

AGREEMENT PARAMETERS

Applicants shall prove 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 PBA with UNCDF.
- Fulfilling all obligations set out in the PBA.
- Ensuring the allocation and the fulfilment of the funds amongst the partner in the consortium in compliance with the PBA.
- Ensuring the allocation and the fulfilment of the tasks amongst the partner in the consortium in compliance with the PBA.

4.2 Target segment

The primary target of the intervention is the MSMEs sector in Nepal, particularly those led and/or owned by women.

4.3 Geographical scope

The interventions should be implemented in Nepal.

4.4 Project duration

Projects are expected to be completed by December 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 US\$ 20,000 to US\$ 100,000 depending on the size and reach of the partner.

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 prepare the following documents that will need to be submitted through the UNCDF e-investment platform:
 - 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 work plan (using UNCDF's template)
 - CV form (using UNCDF's template)
 - Optional: A deck that visually outlines the project and/or product (15 slides maximum and as a PDF). The deck shall include the following sections: (i) Executive summary, (ii) Problem statement and market needs; (iii) Solution, (iv) Milestones and go-to-market strategy, (v) Team, (vi) Deployment of UNCDF funding, (vii) Business model and financial projections

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 EST, the New York time zone on 7 February 2022.

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: Pre-Grant negotiation and PBA – 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 UNCDF Impact 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

7 January 2022	Application window opens
7 February 2022	Questions will be answered until the applications closing date
7 February 2022	Closing Date for Application

5.4 Real-time assistance from UNCDF

For requests and queries, please send an email to rfa.ide.asia@uncdf.org. Please include in your subject line: RFA: Leveraging Digital Solutions for MSMEs in Nepal.