

A decorative graphic on the left side of the slide, featuring several concentric, wavy lines in a light purple color. Small circles and dots are scattered along these lines, creating a sense of movement and connectivity.

UNCDF Calls for Expression of Interest Loans & Guarantees for Building Inclusive Digital Economies that Leave No One Behind in Bangladesh

Information Session

15 March 2022

Agenda

01

UNCDF Introduction

02

UNCDF Investment Mandate Brief

UNCDF target enterprises, UNCDF investment continuum, etc.

03

Expression of Interest Information Brief

General information about the Expression of Interest

04

Q&A



Unlocking Public and Private
Finance for the Poor

A large, abstract graphic on the left side of the slide. It consists of several concentric, wavy lines in a light purple color, forming a circular shape. Small circles and dots are scattered along these lines, creating a sense of movement or data points. The overall effect is a stylized, modern representation of a globe or a network.

UNCDF Introduction

UNCDF | CAPITAL MANDATE



Unlocking Public and Private
Finance for the Poor

UNCDF has a unique hybrid model at the crossroads between a **development agency** and a **development finance institution**



The UN's development finance arm, primarily for the 46 Least Developed Countries (LDCs)



From the beginning, UNCDF was given a unique capital activation mandate



UNCDF works directly with both the public and the private sectors

FINANCIAL INSTRUMENTS AND TECHNICAL ASSISTANCE



Technical Assistance



Capital Investments



Market Research



Advocacy

INCLUSIVE MARKET SYSTEMS DEVELOPMENT

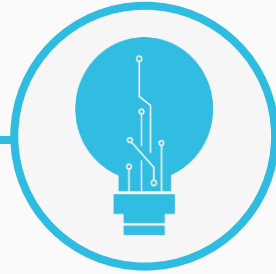


Unlocking Public and Private
Finance for the Poor



ENABLING POLICY AND REGULATIONS

Working with government to develop policies that support development of digital services for those most left behind



INCLUSIVE INNOVATION

Support local entrepreneurs, financial service providers and SMEs to promote inclusive digital service market development



EMPOWERED CUSTOMERS

Empower customers and their families to acquire the necessary skills (digital and financial) to adopt new migrant centric products



OPEN DIGITAL PAYMENT ECOSYSTEM

Support the digital ecosystem to develop physical and payment infrastructure that increase inclusion of those most left behind

KEY STRATEGIC INSTRUMENTS



Customer
Centricity



Data and
Research



Stakeholder
Engagement



Expert Technical
Advice & Training



De-risking Financial
Instruments

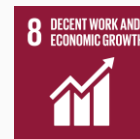
UNCDF BANGLADESH | COUNTRY PRIORITIES



With a population of around **166 million** in 2021 (62% rural), Bangladesh is currently classified as a **lower middle-income country** by the World Bank. Although the effects of the Covid-19 pandemic have yet to be recorded, a steadily growing economy and relatively low unemployment rates (albeit higher for women and youth) have supported economic improvements also in per capita terms.

The milestone priorities:

- **LDC graduation in 2026**
- **Becoming an upper middle-income country by 2041**



Country Frameworks

The **8th Year Plan** to support the country to graduate from LDC by 2026.

Digital 2021

UNSDCF from 2022- 2026

Our objective to support the country

Accelerate **economic recovery** after **COVID-19** and **promote economies and societies more inclusive and resilient** to external shocks through **increasing digital payments, entrepreneurship, preparing MSMEs for digital transformation** and developing a **digital-ready workforce**

BANGLADESH | COUNTRY PARTNERS



Unlocking Public and Private
Finance for the Poor

Public



Private



Technical partners and funders

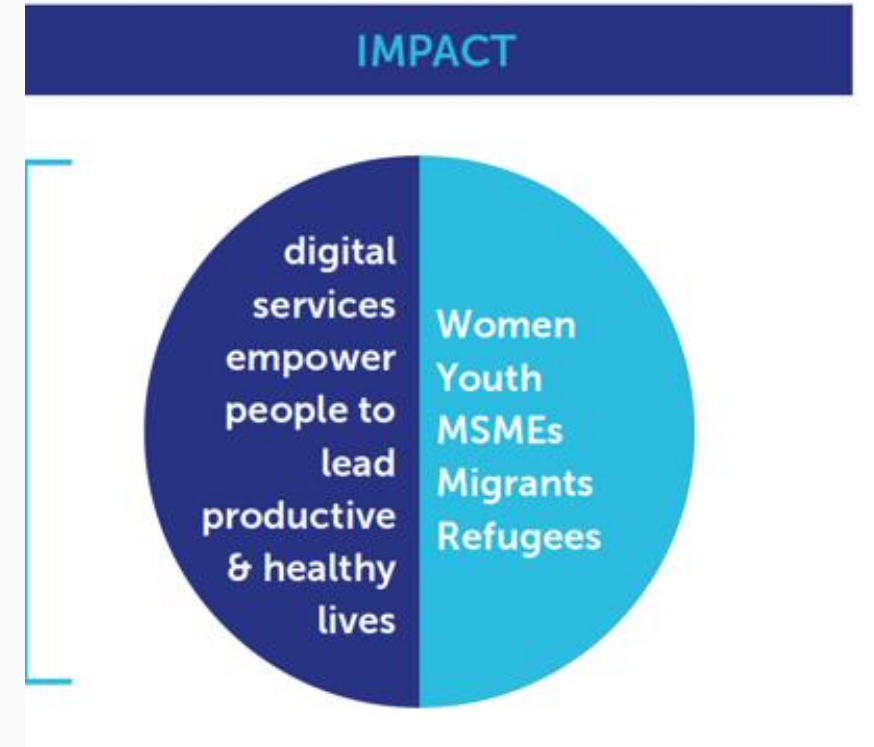


An abstract graphic on the left side of the page consists of several concentric, wavy lines in a light purple color. These lines are interspersed with small circles and dots, creating a sense of movement and depth. The overall shape is roughly circular but with irregular, organic edges.

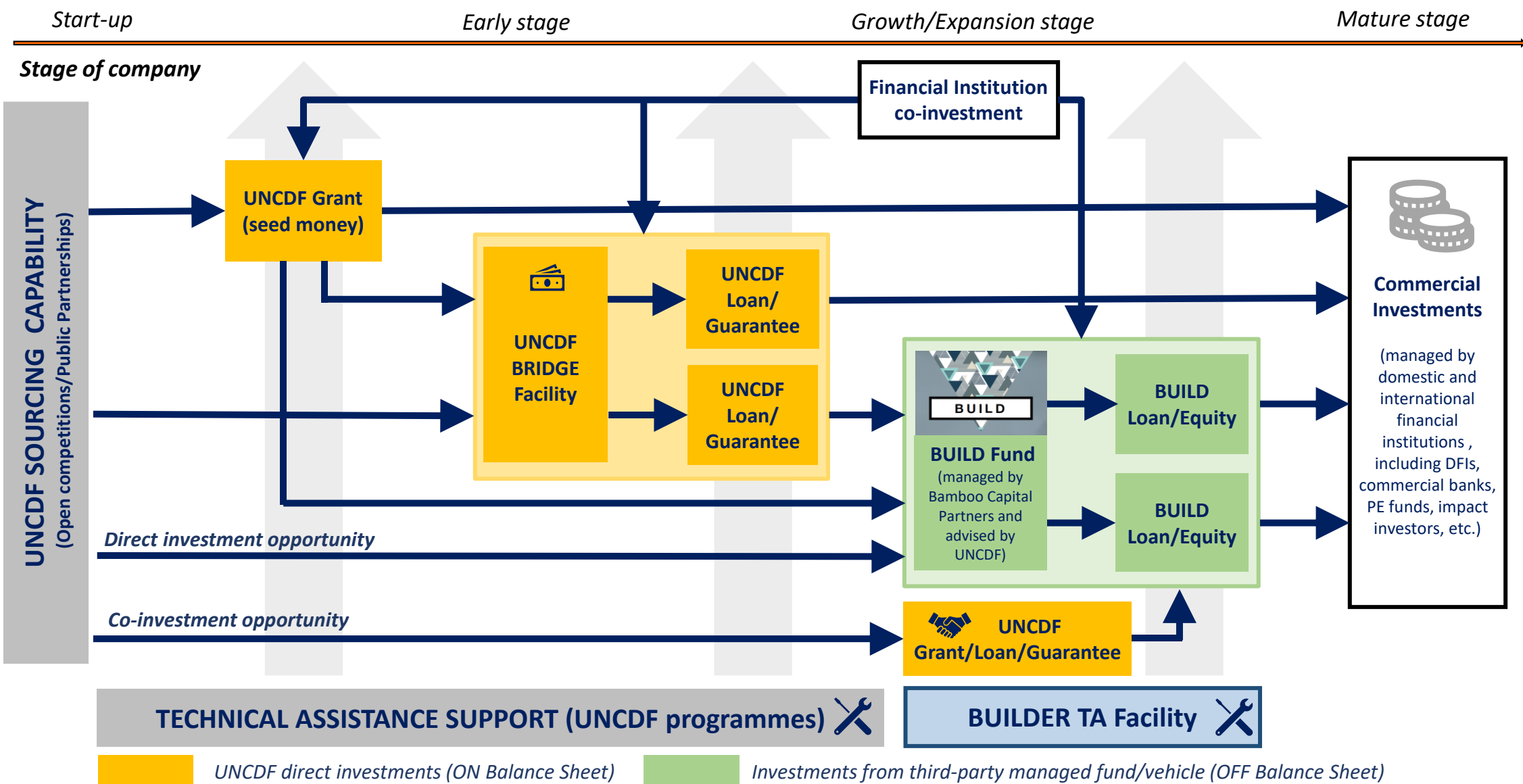
UNCDF Investment Brief

• Target enterprises

- Enterprises with tech-driven/digitally enabled business models across **Financial inclusion and digital innovation, Green economy & clean energy, Agriculture value chain, food processing, food security & nutrition, and Telecommunications, infrastructure & last mile connectivity** sectors.
- Financial Service Providers (FSPs) including Financial Institutions (FIs) and Non-Bank Financial Institutions (NBFIs).
- Small and Medium Enterprises (SMEs) that can leverage use of technology to improve efficiency, organizational performance and customer outreach across finance, green economy and agriculture.



UNCDF's suite of financing solutions offer an “investment continuum” for Tech companies, FSPs and SMEs in Bangladesh



A large, abstract graphic on the left side of the page. It consists of several concentric, wavy lines in a light purple color. Interspersed among these lines are small circles and dots, some of which are also purple. The overall shape is roughly circular but with an irregular, organic feel.

Expression of Interest Information Brief

• Eol Information

- UNCDF's investment instruments fall into two categories of offered finance:
 - Concessional debt and guarantees in the range between **USD 100,000 and USD 1,000,000, available in local currency**. Debt is offered on concessional terms including interest rate, tenor and collateral requirements.
 - Semi-commercial lending and equity investments – debt and equity investments of between **USD 250,000 and USD 2,500,000**, available in local currency.
- Suitable investment will depend on the financial needs and risk/return profile of the organization as well as funding availability.
- The investments will come together with a technical assistance facility component with tailored technical assistance as required.
- UNCDF will assess applicant's potential for investment according to set eligibility and organizational, financial and impact evaluation criteria.
- UNCDF will follow its investment management process while assessing applicants' potential for investment.

• UNCDF investment management process



Unlocking Public and Private

Step	Actions
1. Sourcing / Origination – Call for Expression of Interest close	Eligible organizations submit information.
2. Screening / Pre-assessment	<p>First, eligibility shall be determined by criteria.</p> <p>Shortlist screening – an initial assessment will be conducted by a UNCDF evaluation team in accordance to the shortlisting criteria based on available information submitted in the entry of this EoI. Assessment of suitable financial instrument(s) will be made.</p> <p>Shortlisted organizations are contacted to share additional information (such as financial statements and projections) to be evaluated according to the evaluation criteria.</p>
3. Assessment / Due Diligence	<p>Due diligence and credit scoring of highest scoring entities.</p> <p>Selection of qualifying entities based on results of due diligence.</p> <p>Negotiation of term sheets with qualifying entities.</p>
4. Approval	<p>Approval of the qualifying entities by UNCDF Impact Investment Committee.</p> <p>Notification of approved qualifying entities and negotiation of loan and/or guarantee agreement.</p>
5. Execution / Disbursement	Disbursements made according to amortization schedule or agreement.
6. Implementation & Monitoring	Investment monitored on set financial and impact indicators.
7. Termination & Evaluation	Investment closed and evaluated according to financial and impact indicators.

• Eligibility criteria



Criteria	Source of verification
Must be a formally registered legal entity, in any country, but no requirement on minimum years of existence.	Proof of registration
Must be a for profit, non-profit or public private partnership (no individuals or public sector entities are eligible).	Proof of registration
Entity must offer a tech-driven/digitally enabled product or service, or could leverage such a product or service to improve efficiency, organizational performance and customer outreach and be operating in Bangladesh.	Company pitch slide deck
Entity should be operating in the Finance, Green economy & Clean energy, Agriculture, food processing, food security & nutrition, or Telecommunications & last mile connectivity sectors.	Company pitch slide deck
Entity shall have fulfilled all the obligations relating to the payment of social security contributions or obligations relating to the payment of taxes in accordance with legal provisions.	Official national fiscal authority certificate (to be verified if shortlisted)
Entity must comply with relevant standards, regulations and applicable legislation to which they may be subject and possess required regulatory approvals, licenses and certificates for their operations.	Certificates and license proofs (to be verified if shortlisted)
Entity shall have min. 1 year of audited financial statements or be in process of obtaining audited financials.	Audited Financial statement(s) (to be verified if shortlisted)
Additional criteria specifically for credit-providing organizations: Compliance with non-involvement standards of financial frauds, notable large-scale financial fraud cases, including anti-money laundering, will become ineligible.	Company testimony (to be verified if shortlisted)
Additional criteria specifically for credit-providing organizations: Compliance with prudential regulations and guidelines incl. corporate governance measures and risk management procedures.	Certificates and license proofs (to be verified if shortlisted)

• Submission

- Through filling out the form on the UNCDF e-investment 'Apply' platform.
- First an eligibility screening form is filled out. If eligible will proceed with filling out main application form, the option to fill this out will appear on the Application page if passing the eligibility screening form requirements.
- Link to the application form here:
https://apply.uncdf.org/prog/investment_pipeline_eoi_bangladesh/
- Submission deadline: 28 March 2022



Q&A



Our Vision is to Promote Digital Economies that Leave no One Behind

Our goal is to develop inclusive digital economies that foster private sector development and support those most left behind towards economic inclusion and resilience.

THANK YOU