



## REQUEST FOR APPLICATION FOR

### The Malawi Fintech Challenge Inclusive Innovations to Increase Access To Finance for Msme's and Smallholder Farmers

24024a - MWI

#### SUMMARY

The United Nations Capital Development Fund (UNCDF) makes public and private finance work for the poor in 46 least developed countries. With its capital mandate and instruments, UNCDF offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

In Malawi, the United Nations Capital Development Fund (UNCDF) supports the development of new use cases, products and business models that could help drive outcomes around Inclusive Digital Economies and the expansion of Digital Financial Services (DFS) for segments currently left behind such as women, youth, and other vulnerable low-income groups.

The purpose of this Request for Application (RFA) is to invite local and global FinTechs that have market-ready solutions to apply and address the following identified problem statement of the implementing partner, **Telekom Networks Malawi Plc (TNM)**, in Malawi. UNCDF is partnering with TNM to leverage their expertise and resources in financial inclusion and innovation. This collaboration underscores a shared commitment to enhancing digital financial services in Malawi to create a more inclusive financial ecosystem.

**Develop a digital scorecard and design a scoring engine platform that utilizes existing Village Savings and Loans Associations (VSLA) data to support TNM in expanding their financial services offerings, specifically access to credit.**

With this RFA, UNCDF plans to invest up to a total of US\$100,000 United States Dollars in grant funding towards implementing the solution. Applicants can be operational in any country or region and apply independently or in a consortium, provided a consortium agreement is attached to the candidate's submission. Only applicants who meet the eligibility requirements for the submission, as indicated in section 3.1 of the RFA document, will be evaluated.

Selected applicants will be signing a Performance-Based Agreement (PBA) with UNCDF. Please refer to the PBA samples available on this RFA publication.

The grant, awarded to one applicant will depend on the investment readiness level and outreach potential of the proposed solution. UNCDF also reserves the right not to award any applicant with grant funding. Selected applicants will be expected to fund at least fifty percent (50%) of the total project cost (for monetary or in-kind costs such as technical resources, staff, and operational expenses).

Shortlisted applicants may be invited to attend a Bootcamp hosted in Malawi, location to be confirmed. The Bootcamp intends to provide shortlisted applicants with the opportunity to meet with implementing partners and key players to help fine-tune their proposals. During the Bootcamp, applicants will be encouraged to revise their proposal if necessary and pitch to a panel of judges for final evaluation.



Inquiries to this request for applications may be submitted by email to [iris.kissiti@uncdf.org](mailto:iris.kissiti@uncdf.org) cc [uncdf.rfa@uncdf.org](mailto:uncdf.rfa@uncdf.org) For any email enquiries, please include in your subject line: “Enquiry: The Malawi Fintech Challenge”

All applications must be submitted by 23.59 (EDT) on 18 March 2024 through UNCDF e-investment platform:

<https://apply.uncdf.org/prog/24024a - mwi - the malawi fintech challenge inclusive innovations to increase access to finance for ms mes and smallholder farmers>

## 1. INTRODUCTION

UNCDF has formulated its strategy '[Leaving no one behind in the digital era](#)' based on over a decade of experience in digital finance in Africa, Asia and the Pacific. UNCDF recognizes that reaching the full potential of digital financial inclusion in support of the Sustainable Development Goals (SDG's) aligns with the vision of promoting digital economies that leave no one behind. The vision of UNCDF is to empower millions of people to use daily services that leverage innovation and technology and further contributing to the SDG's. UNCDF is applying a market development approach and continuously seeks to address underlying market dysfunctions.

UNCDF has partnered with the European Union (EU) and the Organization of Africa, Caribbean, and Pacific States (OACPS) to support institutional partners to unlock the potential of Digital Financial Services (DFS) for the resilience of the Malawian economy under the Digital Financial Services for Resilience programme. The programme will, among other initiatives, seek to support the pilot and scaling of inclusive innovations and solutions that offer tailored digital financial products and services for marginalised groups such as women, youth, MSMEs and smallholder farmers with the aim of increasing the usage and access to financial services.

Smallholder farmers form a significant majority, accounting for approximately 80% of Malawi's population. These farmers play a crucial role not only in the country's food production but also in the global agricultural landscape. Unfortunately, they encounter numerous obstacles that hinder their productivity, profitability, and overall well-being.

One of the primary challenges faced by smallholder farmers is limited access to financial services. Traditional banks and lending institutions are often inaccessible to them due to factors such as lack of collateral, inadequate credit history, and geographical barriers. This lack of financial inclusion restricts their ability to invest in their farms, purchase necessary raw materials, and adopt modern farming techniques. FinTech can potentially help solve these problems and have proven to be effective in advancing inclusion around the world.

Similarly, the Micro, Small, and Medium Enterprises (MSME) sector holds immense importance in the country's economy. It is estimated that MSME sector contributes about 40% of Gross Domestic Product (GDP) and 24% of employment. However, they too encounter several challenges that hinder their growth and sustainability. Many MSMEs in Malawi operate in the informal sector, meaning they are not formally registered or regulated. This informality limits their access to government support programs, financial services, and business development opportunities. It also hampers their ability to establish credibility with suppliers, customers, and investors.



MSMEs also often struggle to access formal financial services such as loans, credit facilities, and banking services. They face challenges in meeting the stringent requirements set by traditional financial institutions, including collateral demands and extensive documentation. The lack of access to capital restricts their ability to invest in business expansion, modernize their operations, and adopt new technologies. In addition, MSMEs often face unpredictable and irregular income streams, especially in sectors such as agriculture, tourism, and small-scale manufacturing. Factors like seasonality, market fluctuations, and external shocks can disrupt their cash flow and financial stability. This makes it challenging for MSMEs to meet operational expenses, invest in growth opportunities, and manage their working capital effectively.

This Request for Application (RFA) represents one of three unique RFAs under the Malawi FinTech Challenge, each designed to address specific areas of need within the financial ecosystem. Together, these three interventions are strategically aimed at catalyzing innovation, enhancing digital financial services, and promoting access to finance for small holder farmers and MSME's across Malawi.

## **2. SCOPE OF WORK**

This FinTech Challenge will encourage local and international Fintechs with market-ready solutions to address identified problem statements faced by pre-selected implementing partners in adopting digital financial services. As part of Programme, the challenge will strengthen cross-sector collaboration by bringing together the financial sector players to support innovation and financial inclusion. Applicants are encouraged to provide a brief narrative in their proposal of how their innovations and solutions will bridge the last-mile gaps and integrate financial inclusion into their project analysis, project design, implementation and monitoring and reporting phases.

The scope of work for the FinTechs will involve working with established institutions in Malawi including financial service providers and agriculture-based institutions to utilize emerging technologies. In collaboration with UNCDF, and in alignment with the Implementing partners digital transformation goals, the selected Fintech is expected to co-create a solution aimed at addressing specific barriers preventing financial inclusion and access to finance.

The grant funding is designed to de-risk market entry/expansion and subsidize implementing digital transformation solutions in Malawi. The fast-evolving digital infrastructure and adoption of technology by the population in Malawi presents a significant market opportunity to tap into for the FinTechs. Through this project, 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 FinTech.



## 2.1 Areas of intervention

For this request for applications (RFA), we invite applications from registered entities that can offer innovative and scalable solutions to address the following area of intervention.

Area of intervention	Challenges/ Problem Statement and Objectives for solution
<p>1 <b>Develop a digital scorecard and design a scoring engine platform that utilizes existing VSLA data to support TNM in expanding their financial services offerings, specifically access to credit.</b></p>	<p><b>Category:</b> Credit Scoring and Lending</p> <p><b>Focus Geographies:</b> Malawi. The pilot will target the following districts: Thyolo, Mulanje, Salima, Kasungu, Mzimba, and Nkhatabay. The scale of the initiative will extend to encompass the entire country.</p> <p><b>Background:</b> Telekom Networks Malawi (TNM) is a leading telecommunications service provider in Malawi, with its headquarters located in Blantyre. Established in 1995, TNM has played a pivotal role in the development of the information and communications technology sector in Malawi. The company offers a comprehensive range of services including voice, data, and mobile money solutions, and has been instrumental in enhancing connectivity and digital inclusion across both urban and rural areas of the country. A significant achievement of TNM is the implementation of 4G/LTE networks, which has greatly improved internet access and speeds in Malawi.</p> <p>TNM is also known for its strong commitment to corporate social responsibility, focusing on health, education, and community development. Notably, its mobile money service, Mpamba, is a key contributor to financial inclusion in Malawi, particularly for the unbanked population. TNM's operations and initiatives align closely with the goals of the UNCDF, particularly in the areas of reducing poverty and promoting sustainable development.</p> <p>Recently, TNM, through its subsidiary, TNM Mpamba Ltd introduced a service called Mudzi Wathu Village Bank. This digital group wallet is designed to streamline the operations of member-based groups, focusing on share contributions and the provision and repayment of loans among members at predetermined interest rates. Predominantly, this service targets VSLAs, facilitating their financial transactions digitally.</p> <p>This initiative represents a significant leap forward in digital financial services, particularly tailored for group-based savings and lending communities.</p> <p>The Mudzi Wathu Village Bank is more than just a digital wallet; it is a comprehensive financial tool designed to cater to the unique needs of community savings groups, predominantly VSLAs. This digital platform has revolutionized the traditional methods of group savings and loan disbursements by offering a secure, transparent, and efficient way to manage group finances. It enables members to contribute their shares digitally and facilitates the borrowing and lending of funds and repayment of loan within the group at mutually agreed-upon interest rates.</p> <p>This service is especially crucial in rural areas where access to formal banking services is limited. By digitizing these operations, TNM is looking to address a critical gap in financial inclusion. Members of these groups are able to manage their contributions and loans with ease, without the need for physical cash handling, which has often posed security risks and logistical challenges in the past.</p>



	<p>The Mudzi Wathu Village Bank initiative underscores TNM's commitment to leveraging technology for social and economic development, resonating with the core objectives of the UNCDF in promoting financial inclusion and sustainable development in Malawi.</p> <p><b>Problem Overview:</b> After meeting the adequate Know Your Customer (KYC) requirements set forth by regulator, a Mpamba customer is provided with a SIM Card with which he/she can conduct basic financial transactions.</p> <p>One of the key target segments for Mpamba are the members of the VSLA's. These VSLA's are largely unbanked and lack access to traditional financial products and services. The introduction of Mpamba has allowed for these members to save money digitally and potentially lend amongst each other seamlessly. While there is demand for uncollateralised loans far beyond what is available within a specific group, there was a general lack of data to ascertain their creditworthiness.</p> <p>In 2022, TNM with support from FARMSE and IFAD embarked on a pilot project to digitise the operations of approximately 3500 VSLA groups (comprising around 70,000 members) that has facilitated a repository of transactional data i.e. data on the value of the amount credited and debited from the wallet and data on the total number of transactions processed plus the amount of funds held in the wallet any point in time.</p> <p>However, the VSLA's access to finance from formal financial service providers is still limited. The inability to ascertain credit worthiness due to lack of appropriate scoring mechanisms inhibits access to finance beyond what is available within the group. TNM is keen to expand functionalities of the Mpamba product to reach more unbanked customers.</p> <p><b>Solution Focus:</b>Generate a digital scorecard and design a scoring engine platform that utilises the data available to support TNM in their expansion of their financial services offering, specifically access to credit for their VSLA customers.</p> <p>Ideally, the Fintech should have their own capital to lend or have entered into a partnership with an FSP prior to applying for the RFA. This specification is strongly preferred but not a mandatory requirement. In the event that a Fintech does not currently possess its own capital or lacks a partnership with an FSP, we are prepared to offer support in facilitating the establishment of such relationships with FSPs.</p> <p><b>Implementing Partner: TNM Mpamba</b></p>
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Shortlisted applicants will be invited to attend an in-person Bootcamp where they will be introduced to the design thinking approaches. Attendees will have the opportunity to refine their solutions and prepare a final pitch at the end of the event. Participation will be facilitated by UNCDF.



## Potential Timelines

Launch of Fintech Challenge – Application Window Opens	February 2024
Information Sessions	February 2024
Deadline for Queries	February 2024
Deadline for Submission	18 March 2024
Evaluation	March 2024
Bootcamp	April 2024
Selection of partners	April 2024
Project Design and Contract Negotiation	April – June 2024
Project Implementation	July 2024 +

### 2.2 How UNCDF works with its 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' behaviors, needs, constraints and aspirations. This also includes providing transaction data analysis and training to the business teams.
- **Product design:** Providing human-centered 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-centered products and services to be piloted and potentially scaled.

In the RFA, applicants may identify and suggest areas where the UNCDF's technical support 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 cannot report on one or multiple indicators or provide disaggregated data should include a note with adequate justifications.

Based on the solutions presented, participants will be required to agree on a complete list of results, outcome indicators and targets for monitoring the 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:

1. Level of impact and/or improvement in access/usage of financial products and services
2. Type and impact of technology introduced in the participating countries (novelty, scale, applications)
3. Level of user/customer satisfaction (includes the level of engagement with the solution, challenges experienced along the solution-customer value chain, reasons for usage/non-usage, etc.)
4. Solution assessment (includes milestones, scope changes, challenges faced, key takeaways, and potential for further scale / scale-up plans, if any)

A list of suggestive indicators is provided in the table below as a guide.

Areas of Intervention	Suggested Indicators	Disaggregation
Develop a digital scorecard and design a scoring engine platform that utilizes existing VSLA data to support TNM in expanding their financial services offerings, specifically access to credit.	Number of new platform users. This includes all customers that are onboarded as part of the project.	Rural: Peri-urban: Youth: 15-35 years Gender – Women/Men
	Number of unique active users (90 days). Defined as Number of customers recruited and/or trained as part of project active at time of reporting.  Active refers to all customers that conducted at least one transaction in the past 90 days.	Rural: Peri-urban:  Youth: 15-35 years  Gender – Women/Men
	Number of successful transactions. This includes all successful transactions in the reporting period	N/A

Deliverables will be derived from key project milestones to be agreed mutually between UNCDF and the selected applicant in accordance with the identified milestones, outcomes and targets of the KPIs, during the due-diligence and negotiation phase. For illustration, milestones can include market research conducted, and go-to-market strategy finalized.



### 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 two years of operations as a FinTech or a technology company.
- The applicant/ lead applicant must submit audited financial statements for at least one operating year or the latest management accounts. If audited financial statements are unavailable at the time of application, the applicant must provide the latest management accounts and provide UNCDF with audited financial statements during the partnership.
- Applicants may include a range of technology providers, digital delivery providers, FinTechs or other types of providers. Applicants can apply individually, with a partner or as a consortium.

##### Relevant operation licenses (when applicable)

- The lead applicant must be legally able to operate as a technology provider and have appropriate regulatory licenses in their 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 legally registered and operate in any country or region but must be willing to obtain the necessary licenses in Malawi if required.

##### Consortiums (when applicable)

- Applicants can apply only once under this RFA, independently, in partnership or in a consortium.
- Joint applications between market players in the target country or countries are encouraged if the proposed solution expands delivery networks and promotes rural and/or other last-mile access to financial services.
- The lead applicant and their partners in the consortium must be registered entities with at least two (2) years of operations.

##### Solutions to be supported

- The applicant must have a **live solution** with an active customer and/or user base and **should not** be in the development or testing phase. The live solution does not necessarily have to be in Malawi but can also be in other countries. *Active customer/user is defined as having transacted with the start-up/solution at least once in the last 90 days.*

##### Project funding

- Applicants must contribute at least 50 percent of the project's costs (costs may include in-kind costs like technical infrastructure, resources, and operations).





## Exclusionary criteria:

- Applicants shall use UNCDF submission formats and submit a complete application; failure to comply will lead to disqualification.
- Applicants shall not have been the subject of bankruptcy, liquidation, judicial settlement, safeguarding, cessation of activity or any other similar situation resulting from a similar procedure.
- Applicants and any of their staff or member of their board of directors shall not be included in the United Nations financial sanctions lists,<sup>5</sup> particularly in the fight against the financing of terrorism and against attacks on international peace and security<sup>1</sup>; and
- Applicants must not be involved in any of the following activities<sup>2</sup>
  - Manufacture, sale or distribution of controversial weapons or their components, including cluster bombs, anti-personnel mines, biological or chemical weapons or nuclear weapons
  - Manufacture, sale or distribution of armaments and/or weapons or their components, including military supplies and equipment
  - Replica weapons marketed to children
  - Manufacture, sale or distribution of tobacco or tobacco products
  - Involvement in the manufacture, sale and distribution of pornography
  - Manufacture, sale or distribution of substances subject to international bans or phase-outs, and wildlife or products regulated under the CITES
  - Gambling including casinos, betting etc. (excluding lotteries with charitable objectives)
  - Violation of human rights or complicity in human rights violations
  - Use or toleration of forced or compulsory labor
  - Use or toleration of child labor
- Applicants shall have fulfilled all the obligations relating to the payment of social security contributions or obligations relating to the payment of taxes in accordance with legal provisions in force in the country of incorporation

UNCDF will conduct due diligence on selected applicants. Applicants must have documents ready for confirmation that they meet the eligibility criteria including certificate of compliance with the tax authorities and any other documentary evidence that UNCDF might request besides the application form.

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

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



### 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	<b><u>Organization profile and experience</u></b> <i>Score the applicant's profile, track record, reputation, experience in similar projects and in the country/region, knowledge and experience in the local market, also if the applicant has successfully implemented other similar projects in the country or region.</i>	15
2	<b><u>Team</u></b> <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>	10
3	<b><u>Methodology</u></b> <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	<b><u>Innovation</u></b> <i>Score the innovativeness of the solution relative to the solutions in the market.</i>	15
5	<b><u>Additionality</u></b> <i>Score if funding to the applicant will create:</i> <ul style="list-style-type: none"> <li>- <b>Financial additionality:</b> <i>If the applicant cannot obtain funding from local or international private capital markets with similar terms or quantities without official support.</i></li> <li>- <b>Non-financial value:</b> <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></li> <li>- <b>Impact:</b> <i>Faster, larger or better development impacts than the applicant would be able to achieve working alone.</i></li> </ul>	10
6	<b><u>Gender perspective</u></b> <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.</i>	10
7	<b><u>Sustainability and business plan</u></b> <i>Score if the applicant's proposal has a sustainable financial perspective and business plan.</i>	15
8	<b><u>Result Measurement</u></b> <i>Score if the applicant has provided coherent measurement plan and data management plans.</i>	10
<b>TOTAL</b>		<b>100</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 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 partners in the consortium in compliance with the Performance-based Agreement.
- Ensuring the allocation and the fulfilment of the tasks amongst the partners in the consortium in compliance with the Performance-based Agreement.

### 4.2 Target segment

The Fintech Challenge's primary target segment and the beneficiaries are smallholder farmers and MSMEs in Malawi. The Fintech Challenge aims to work at an enterprise level to unlock barriers that constrain financial inclusion in the country.

### 4.3 Geographical scope

The pilot will target the following districts: Thyolo, Mulanje, Salima, Kasungu, Mzimba, and Nkhatabay. The scale of the initiative will extend to encompass the entire country.

### 4.4 Project duration

Projects are expected to have an 18-month duration. Activities are expected to be completed no later than December 2025. Final and assessment report will have to be submitted no later than January 2026.

### 4.5 Language

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

### 4.6 Budget

Performance based grant contributions may range up to USD 100,000 per solution for one solution. Applications will need to describe how applicants will deploy the Grant and if any technical assistance or mentorship services are being sought.



## 5. APPLICATION REQUIREMENT 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
  - Consortium agreement (if applicable)
  - 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 18 March 2024 at this link on Apply:

<https://apply.uncdf.org/prog/24024a - mwi - the malawi fintech challenge inclusive innovations to increase access to finance for ms mes and smallholder farmers>

### 5.3. Selection process:

1. Eligibility screening – eligibility will be assessed according to the eligibility requirements as set forth in section 2.1 and 3.1.
2. Evaluation of eligible applications based on the evaluation criteria set out in section 3.2.
3. Notification of applications – all applicants will be notified of their applications' status.
4. Applicants that qualify will be invited to attend a Bootcamp to Revise and resubmit a proposal and pitch at the Bootcamp for a second round of evaluation.
5. Pre-Grant negotiation – the selected applicants will finalise the scope of the grant and finalize budgets, indicators and targets, work plan in consultation with the Implementing partner and UNCDF.
6. Technical clearance of the grant project.
7. Due diligence – A complete due diligence on the applications technically cleared.
8. Formal approval of grant by UNCDF Impact and Investment Committee.
9. Performance Based Agreement (PBA).
10. Announcement of selected grantee.



#### 5.4. Potential Timeline

Launch of Fintech Challenge – Application Window Opens	February 2024
Information Sessions	February 2024
Deadline for Queries	February 2024
Deadline for Submission	18 March 2024
Evaluation	March 2024
Bootcamp	April 2024
Selection of partners	April 2024
Project Design and Contract Negotiation	April – June 2024
Project Implementation	July 2024 +

#### 5.5. Assistance from UNCDF

For requests and queries, please email [iris.kissiti@uncdf.org](mailto:iris.kissiti@uncdf.org) and [mercilina.lwanda.kadewa@uncdf.org](mailto:mercilina.lwanda.kadewa@uncdf.org) cc: [uncdf.rfa@uncdf.org](mailto:uncdf.rfa@uncdf.org)

For any email enquiries, please include in your subject line: “**Enquiry: The Malawi Fintech Challenge**”