



United Nations Capital Development Fund REQUEST FOR APPLICATION FOR

Inclusive Innovations for market-based climate disaster risk financing and insurance in the Pacific

240115 - PAC

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. Unique in the UN system, UNCDF, with its capital mandate and instruments, can deploy a spectrum of financing solutions (grants, loans, and guarantees) and technical assistance to businesses that have a positive impact on achieving the Sustainable Development Goals¹. 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 partnership with the United Nations Development Programme (UNDP) and the United Nations University Institute of Environment and Human Security (UNU-EHS), UNCDF has established the Pacific Insurance and Climate Adaptation Programme (PICAP, hereinafter referred to as the Programme), with the overall objective to improve the financial preparedness and resilience of Pacific governments and communities, specifically vulnerable segments of society and economic sectors towards climate change and natural hazards. The Programme also aims to reduce the gender equity gap and ensure vulnerable social groups have access to suitable disaster risk financing and insurance products.

The Programme was launched in December 2020 and has since introduced parametric market based microinsurance products to the market in three Pacific Island Countries – Fiji, Tonga, and Vanuatu. The inception phase of the programme (2021-2022) ended in December 2022 and based on the mid-term review completed, the expansion phase (2023-2025) has been approved. Based on the successful pilot in Fiji and the strong demand for Climate Disaster Risk Financing and in insurance (CDRFI) products across the region, the Programme is now looking to pilot, expand to and/or scale its operations in current markets and additional Pacific Island Countries, namely Kiribati, Vanuatu, Tonga, Samoa, Solomon Islands, PNG, Tuvalu and Timor Leste.

As such, the Programme is now launching this Request for Applications (RFA), calling market players in Fiji, Tonga, Vanuatu Kiribati, Samoa, Solomon Islands, PNG, Tuvalu and Timor Leste, to submit proposals across three thematic areas/themes:

- 1) New and innovative CDRFI solutions for individuals, communities, and small businesses, especially micro and meso solutions;
- 2) Improving access to and use of CDRFI solutions with a particular focus on women, persons with disabilities and social inclusion; and
- 3) Testing and launching digital solutions using frontier technologies that improve the design, delivery, and impact of CDRFI solutions.

¹ <https://sdgs.un.org/goals>



The Programme aims to support up to 20 new implementing partners across the Pacific countries through a combination of performance-based grant agreements (PBAs) and technical assistance (TA) to de-risk their investments and supplement their project teams with experts who have the know-how in designing and delivering inclusive insurance, especially climate risk transfer solutions in the Pacific markets.

Applications are invited from both public and private sector actors, including financial service providers, development banks, pension and superannuation funds, FinTech and firms, Agri-sector agencies, cooperatives, civil society organizations, training institutions, agent or distribution management firms, technology service providers, and other service providers offering products and services in the three thematic areas.

UNCDF welcomes local and provincial government agencies and line ministries to apply in partnership with service providers.

Applicants must have a minimum of two years of operation in at least one of the Pacific countries: Fiji, Tonga, Vanuatu, Kiribati, Samoa, Solomon Islands, PNG, Tuvalu and Timor Leste.

The Programme, under the RFA, plans to invest up to USD 5 million in selected innovative approaches and business models under the above-mentioned three themes over the next three years. Depending on the size of the project and implementation capacities of the applicant, the financial grant will range from USD² 25,000 to 250,000 with an average investment expected to be around USD 75,000. In exceptional cases, the grant amount could be higher based on the size and complexity of the project and the number of countries covered.

Selected applicants will be signing a PBA³ with UNCDF. Please review the PBA model available on the RFA website.

Applicants will be expected to fund at least 30 percent of the total project cost. The applicant co-finance may include both in-kind and cash contributions towards expenses such as technical resources, staff, and operational expenses. Minimum 15% cash contribution is a requirement. Higher contributions are preferred.

Applicants may apply independently or in a consortium, provided that there is a clear lead applicant and there is an established partnership prior to when this request for applications is issued.

For requests and queries, please send an email to uncdf.rfa@uncdf.org and cc praneel.pritesh@undp.org and akata.taito@undp.org with the title "Queries: Inclusive Innovations for market-based climate disaster risk financing and insurance in the Pacific."

² The range indicates PICAP's interest in supporting a wide range and scale of initiatives. While the expected range is between USD 25,000 and USD 250,000; solutions with a large-scale impact may be eligible to receive the higher value of grants, a maximum of up to USD 500,000.

³ A performance-based grant implies that the disbursement of funds under the grant agreement is contingent on the successful achievement of pre-determined milestones and disbursement conditions. A grant payment will be triggered when the agreed milestones and disbursement conditions are achieved. The grantee will be responsible for adhering to the quarterly reporting requirements of the Programme. This includes quantitative and qualitative reporting against the KPIs for the project. Supporting documentation is required for all results achieved. The grant partner will also have to provide a comprehensive and compliant financial report including 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. Reporting templates will be shared by the Programme.



Applications should be submitted via UNCDF's plug-and-play e-investment platform "Apply" at

<https://apply.uncdf.org/prog/240115 - pac 2024 inclusive innovations for market-based climate disaster risk financing and insurance in the pacific>

This RFA will be on revolving basis where applicants will be able to submit applications under the three thematic areas when the proposals will be called for through the UNCDF e-platform in Q1 2023, Q1 2024, Q3 2024 and Q1 2025. The second round of the RFA will be open for applications until 16th February 2024.

1. INTRODUCTION

The Pacific Small Island Developing States (PSIDS) are highly vulnerable to the impact of natural hazards. These countries have a high hazard exposure and suffer Average Annual Losses (AAL) estimated at US\$1.075 billion from these events. This is nearly 5 percent of their combined Gross Domestic Product (GDP). Tropical cyclones are the most significant hazards across the region, accounting for 49.6 percent of the AAL. Other serious hazards include droughts, earthquakes, and floods (UNESCAP, 2020)⁴.

Despite the vulnerabilities, the PSIDS have limited capacity to effectively manage the risks and overcome the significant economic losses after a natural disaster. Presently, there are limited ex-ante financial instruments (government reserve funds and contingent credit) available in most Pacific countries and the ex-post financial instruments deployed are usually reallocated from government budgets, acquired through external and internal borrowing or the result of donor assistance and international humanitarian aid.

The United Nations Capital Development Fund (UNCDF), through a joint programme with the United Nations Development Programme (UNDP), the United Nations University Institute for Environment and Human Security (UNU-EHS), and in close collaboration with key stakeholders from the government, public, private sector and other development partners, aims to address the challenges of climate and disaster financing through the workstreams envisaged in the Pacific Insurance and Climate Adaptation Programme (PICAP). The Programme aims to cover women, youth, persons with disabilities (PWD) and Micro, Small, and Medium-sized Enterprises (MSMEs) specifically and work across agriculture, fisheries, retail and tourism sectors.

In June 2022, the PICAP established an Inclusive Insurance Solutions Hub (hereinafter referred to as the HUB). The HUB provides a platform for PICAP to support market innovations for bringing new disaster risk insurance products to the Pacific markets while investing in innovative business models and/or processes that improves the use case and customer experience of existing products, including the pilot parametric insurance product launched in Fiji in August 2021. The scope of the HUB includes product design, frontier technologies for loss and damage assessments, and customer experience and value addition for effective CDRFI solutions and new product design. Innovative ideas and opportunities are encouraged to make a submission.

⁴ UNESCAP. (2020). *Asia-Pacific Disaster Report 2019: The Disaster Riskscape across the Pacific Small Island Developing States – Key Takeaways for Stakeholders*. Retrieved from: <https://www.unescap.org/sites/default/d8files/IDD-APDR-Subreport-Pacific-SIDS.pdf>

2. SCOPE OF WORK

2.1 Areas of intervention

Under this RFA, the Programme is calling eligible public and private sector actors in Fiji, Tonga, Vanuatu Kiribati, Samoa, Solomon Islands, PNG, Tuvalu and Timor Leste to submit proposals across three themes:

- 1) New & innovative CDRFI solutions for individuals, communities, and small businesses, especially micro and meso solutions;
- 2) Improving access to and use of CDRFI solutions with a special focus on women, persons with disabilities and social inclusion; and
- 3) Testing and launching digital solutions using frontier technologies that improve the design, delivery, and impact of CDRFI solutions.

| No. | Areas of intervention | Objectives for solutions |
|------------|--|---|
| Category 1 | New & innovative CDRFI solutions for individuals, communities, and small businesses, especially micro and meso solutions; | <p>Objective</p> <ul style="list-style-type: none"> PICAP aims to support the identification, development, and pilot testing of CDRFI instruments to improve the financial preparedness and resilience of Pacific individuals, households, communities, small businesses, organisations, and governments against climate change and natural hazards. The Programme is looking for both micro and meso CDRFI solutions. In particular, we would like to see products and services developed for economic sectors with a broad economic base, such as agriculture, fisheries, retail and tourism. We encourage public and private sector partnerships to deliver meso-level solutions, such as agriculture insurance portfolio coverage. The Programme will further support innovative and inclusive digital strategies and solutions to increase the overall access to and usage of CDRFI instruments. In line with the PICAP Gender Equality, Disability and Social Inclusion (GEDSI) strategy, we would prefer solutions that target women-owned businesses, women, youth, and/or Persons with Disabilities (PWD). |
| Category 2 | Improving access to and use of CDRFI solutions with a special focus on gender, persons with disabilities, and social inclusion | <p>Objective</p> <ul style="list-style-type: none"> PICAP aims to increase the access to and adoption of CDRFI products, especially insurance, as a tool to reduce the risk of financial losses for women and PWD; thereby increasing their chance of recovery and participation in the economic processes. The Programme wants to design and test market-based incentives tailored to protect PWD, youth, |

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|------------|--|--|
| | | <p>women, and their businesses from economic losses related to natural disasters.</p> <ul style="list-style-type: none"> • In particular, we would like to support initiatives that improve youth's, women's, and PWD's knowledge and skills to understand CDRFI and meaningfully access and use appropriate and affordable CDRFI tools and instruments. This includes the creation and delivery of financial and insurance literacy materials designed to suit the specific needs of youth, women and PWD that promote the adoption of financial tools to strengthen their financial resilience. • Additionally, PICAP would like to support innovations in the distribution models, such as using digital channels and employing women and PWD as distributors to improve the access and usage of innovative and inclusive CDRFI products and services. • Applicants are encouraged to include a gender-gap analysis and a gender lens perspective in their suggested initiative. |
| Category 3 | Testing and launching digital solutions using frontier technologies that improve, the design, delivery, and impact of CDRFI solutions; and | <p>Objective</p> <p>Between 2021 – 2023, PICAP has deployed pioneering market based parametric microinsurance instruments in five Pacific markets: Fiji, Tonga, Vanuatu, Samoa and PNG targeted at small holder farmers, fishers, market vendors and small businesses. This includes the Pacifics first cloud based digital insurance onboarding platform called iOnboard.</p> <ul style="list-style-type: none"> • The Programme would like to scale existing CDRFI products and expand in newer Pacific markets including Kiribati, Timor – Leste, Tuvalu and the Solomon Islands. • The Programme is interested in exploring the feasibility of using frontier technologies such as machine learning and artificial intelligence (AI) that can emulate human tasks in loss and damage assessments that have the potential to reduce turnaround time, reduce expensive field assessments and can possibly reduce basis risks, benefiting the insured and the insurer. • PICAP is open to a range of possibilities offered by digital and mobile-enabled solutions for climate mitigation, adaptation and resilience. This could be related to any financial related service that will assist in improving the financial preparedness and resilience of Pacific individuals, households, communities, small businesses, organisations, and governments against climate change and natural hazards. |

2.2 Types of Solutions We Are Looking to Support

- a. Potential applicants shall demonstrate that they have the capacity, skills and expertise to provide capabilities in developing, testing, launching and expanding innovative and inclusive climate risk finance and insurance solutions to the low-to-moderate income segment in the priority countries (Fiji, Tonga, Vanuatu Kiribati, Samoa, Solomon Islands, PNG, Tuvalu and Timor Leste).
- b. Providers can propose one or more financial solutions that provide financial resilience against losses from natural hazards such as cyclones, droughts, and rain (for example, parametric insurance) and other natural hazards that affect the Pacific countries
- c. The solutions should address the needs of low-income, micro to meso segments and must demonstrate how they cater to the needs of women and PWDs.
- d. Solutions that cover priority sectors, i.e., clients in agriculture, MSMEs, fisheries, retail, and tourism, will be preferred.
- e. Solutions that adopt innovative approaches, such as frontier and digital technologies, are particularly encouraged to apply.
- f. Both new products and improvements to existing products are welcomed as long as they help to expand the adoption among the target groups through improved use cases, customer value and experience. **For new solutions, we expect that a minimum viable product is available.**

Below are some examples of the type of innovations we have in mind. It is only an indicative list. Applicants are encouraged to propose their own solutions.

- **Inclusive insurance products** that cater to offering protection against a variety of risks, especially those related to climate change and natural hazards that affect the lives, livelihoods and assets of individuals, households and businesses.
- **Digital platforms and tools** that will improve the customer experience and increase access to information or services, such as digital insurance.
- **Hybrid financial products** that combine insurance with other financial products, such as savings, pensions, and payments offered through digital interfaces. Similarly, hybrid or bundled insurance (e.g., cyclone and health) products are also welcomed.
- **Business Solutions** that provide services to insurance companies in the efficient management, delivery, and expansion of their CDRFI products.
- **Distribution model** that tests and deploys innovative ways of delivering disaster risk financial products. For example, digital distribution models and aggregator models, such as partnerships with agri-agencies, cooperatives, financial institutions, and business aggregators that have a large captive members base.

These examples are not exhaustive. The Programme team is keen to understand what potential applicants have in mind even outside these examples as long as your scale, commercial viability, and impact objectives are aligned with Programme objectives. We encourage applicants to think big, think commercial, and think of priority segments.



2.3 How UNCDF PICAP 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 the solutions. Some examples of the ways in which PICAP works with partners include:

- **Customer and 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 analyzing the transaction data from a customer lens.
- **Provisioning:** Providing technical assistance to help design, pilot, deploy, and scale solutions. Technical assistance is provided by subject matter experts, ranging from risk modeling, digital business models, digital transformation and growth strategies with both Pacific regional and global experiences.
- **Partnerships:** Facilitating strategic partnerships with stakeholders – including technology partners, aggregators, payment hubs, mobile network operators, financial institutions, and non-bank financial institutions – to enable partners to reach mass-market customers and grow sustainably.
- **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 technical support from UNCDF and its network of expertise is sought.

2.4 Expected results

According to the projects and solutions presented, applicants must include in the proposal a complete list of results, outcome indicators and targets for monitoring the achievement of different results. Specific indicators would be finalized based on the nature of the project and would form part of the Performance-based Agreement to be signed between the selected institution and UNCDF.

Deliverables would be derived from key project milestones to be agreed upon 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, go-to-market strategy finalized, or insurance product design finalized and readied for the pilot launch.

Please note that during the negotiation process of the Performance-based Agreement, applicants shall be required to integrate the monitoring framework with the 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 (the lead applicant) must be a registered entity such as a licensed financial institution, insurance company, money transfer operator, payment service provider, agent aggregator, mobile network operator, technology provider, Insurtech company, Fintech company, cooperative, credit union, research agency, educational institution, and NGO/civil society organization.
- For national and regional level solutions, service providers are encouraged to partner with relevant public sector agencies, e.g., national development banks and line ministries.

Relevant operation licenses (when applicable)

- The lead applicant must be licensed to provide insurance, insurtech/fintech, microfinance, remittance services/saving solutions, loans, and digital services. Where the applicant is not a financial service provider, a relevant business or equivalent license from a statutory authority is to be furnished.

Country of operation

- The applicant must have operations in the Pacific region, specifically having a minimum of two years of operation in Fiji, Tonga, Vanuatu Kiribati, Samoa, Solomon Islands, PNG, Tuvalu and Timor Leste. The applicant may be registered elsewhere but must have business operations in one of the priority countries listed above.

Consortiums (when applicable)

- As this is a revolving RFA, multiple applications are allowed, 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 developing, piloting, launching, and expanding innovative and inclusive insurance products and services to the low-to-moderate income segment in Fiji, Tonga, Vanuatu Kiribati, Samoa, Solomon Islands, PNG, Tuvalu and/or Timor Leste
- Applications from consortiums of organizations must show proof of partnership prior to this call for applications.
- The lead applicant and their financial service provider partner must be registered entities with at least three years of operations and must have statutory accounts and audited financial statements for at least one operating year.

Project funding

- Applicants must contribute at least 30 percent of the total project cost, which may include technical infrastructure, human and business resources, and operations. At least 15% should include cash contribution.

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, particularly in the fight against the financing of terrorism and against attacks on international peace and security⁵; and
- Applicants must not be involved in any of the following activities⁶
 - 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 may conduct due diligence on selected applicants. Applicants must have documents ready for confirmation that they meet the eligibility criteria, including the certificate of compliance with the tax authorities and any other documentary evidence that might be requested by UNCDF besides the application form.

⁵ See UN Security Council Sanction Regimes: <https://www.un.org/securitycouncil/sanctions/information>

⁶ See UNDP Policy on Due Diligence and Partnerships with the Private Sector (2013): https://popp.undp.org/UNDP_POPP_DOCUMENT_LIBRARY/Public/BERA_Partnerships_UNDP%20private%20sector%20due%20diligence%20policy%202013_FINAL.pdf

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.

| Category | Details | Score |
|--|---|------------|
| Organizational capacity and commitment to implement (track record) | <p>The applicant has a track record of successfully deploying and growing RFA-relevant business in at least one of priority countries (Fiji, Kiribati, Samoa, Solomon Islands, Timor Leste, Tonga, PNG, Tuvalu and Vanuatu), demonstrated through business growth and profitability matrix.</p> <p>Applicant and the project team have relevant expertise and demonstrate the ability to implement towards project goals.</p> | 15 |
| Current resources available for the proposed solution | Current resources (e.g., HR, financial, infrastructure, technology, brand recognition, geographical footprint) demonstrate the ability to implement the project. | 15 |
| Customer knowledge & Impact | <ul style="list-style-type: none"> • Demonstrates in-depth understanding of the customer to be served. • Contribution to the financial inclusion, digital inclusion, resilience building and wellbeing of low or moderate income people in at least one of the following segments: women, PWD, youth, smallholder farmers, MSMEs, migrant workers, informal and formal workers and other vulnerable segments including low and moderate incomes groups. • Contribution of the project to reach at least one of the UN Sustainable Development Goals. | 15 |
| Degree of innovation and additionality | Level of innovation in the product and approach proposed; level of additional value being brought to the market. | 20 |
| Scalability and financial viability | The business model has the potential to scale and become financially viable over time. | 15 |
| Value for money | We will look at outreach targets as measured by number of end-users/customers that use or are impacted by the product, and evaluate whether the proposed target is backed by sound logic (e.g., current user base, applicant's ability to deliver, financial and human resources that applicant is committing to this project etc.). | 20 |
| Maximum score | | 100 |

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 – 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 special skills and who are not officers or employees of the organization applying for the grant. Consulting services must be justified, with the information provided on their expertise, primary organizational affiliation, normal daily fee, and the 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 expenditures, 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).

4.0 AGREEMENT PARAMETERS

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

4.1 Applicants

Eligible candidates can apply alone, or as the 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 for:

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

4.2 Target segment

Smallholder farmers, fishers, retailers, women, PWD, micro and small enterprises, and other vulnerable segments in low-and moderate-income groups.

4.3 Geographical scope

Nationwide, with a focus on under-served segments in the low- to-moderate income bracket in Fiji, Tonga, Vanuatu Kiribati, Samoa, Solomon Islands, PNG, Tuvalu and Timor Leste (separately or all).

4.4 Project duration

Projects are expected to have between 12 to 18 months duration from the date of signing the Agreement.

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 that are technically compliant in accordance with the Evaluation Criteria as set forth in section 3.2 UNCDF contributions would generally range from USD 25,000 to 250,000, and may go up to USD 500,000 for projects that demonstrate strong business case, economic impact and financial sustainability.

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

5.0 APPLICATION REQUIREMENTS AND PROCESS

5.1 Structure of the application

The applicant must submit a complete application form composed by:

- Technical Proposal
- Workplan and Budget
- Certificate of registration of the candidate
- Most recent audited financial statements of the candidate
- Powerpoint deck that visually outlines the project (optional).

All submissions must be completed in English.

Only applications that follow the Submission Format and include all the requested documentation will be considered.

5.2 Application deadline

All applications must be submitted by February 16, 2024, 23:59 hours (EDT time).

However please check this RFA website to see if the deadline has not been extended.

5.3 Selection process:

- Step 1: Eligibility screening – eligibility will be assessed by the Programme’s review team members according to the eligibility requirements as set forth in this RFA.
- Step 2: Evaluation of eligible applications by the Evaluation Committee – the Programme’s Evaluation Committee will evaluate the 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 by the Programme’s review team members 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 Performance-Based Agreement – the selected applicants will finalize the scope of the grant and finalize 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 Investment Committee – applications selected by the Programme’s Evaluation 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 Programme Investment Committee.

5.4 Timeline

| | |
|--|---|
| Company Consultations <i>During this period, UNCDF will provide ongoing technical support to applicants while they develop their full proposals. Consultation about this RFA should be submitted via email at pacific.office@uncdf.org</i> | |
| Deadline for submission | <i>First Cohort – 1st May 2023 (Completed, closed)</i> <i>Second Cohort – 15th January – 16th February, 2024 (in-progress)</i> <i>11.59 PM NY time</i> |
| Eligibility screening (Step 1 of above) | <i>1st March, 2024</i> |
| Evaluation by the committee (external and internal experts) | <i>15th March, 2024</i> |
| Review and selection by the Investment Committee | <i>15th April, 2024</i> |
| Announcement of successful candidates & development/submission of project appraisal documents for final approval by the Investment committee <i>The UNCDF team will conduct due diligence on the selected companies.</i> | <i>March/April, 2024</i> |
| Negotiation and signing of agreements with selected partners | <i>30th April, 2024 (ongoing)</i> |
| Launch of the project | <i>Signing date of the PBA</i> |

5.5 Queries and additional information

For requests and queries, please send an email to uncdf.rfa@uncdf.org and cc praneel.pritesh@undp.org and akata.taito@undp.org with the title “Queries - Inclusive Innovations for market-based climate disaster risk financing and insurance.”

A document answering frequently asked questions will be continually updated at www.uncdf.org