

CALL FOR PROPOSALS

AFRICAN DEVELOPMENT BANK

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Financial Sector Development Department/ PIFD 1

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CALL FOR PROPOSALS IN DIGITAL FINANCIAL INCLUSION FOR THE AFRICA DIGITAL FINANCIAL INCLUSION FACILITY (ADFI)

Background

The African Development Bank (“AfDB” or “the Bank”) in partnership with the Bill and Melinda Gates Foundation (BMGF), *Agence Française de Développement* (AfD) and the Government of Luxembourg (the Initial Donors) has established the Africa Digital Financial Inclusion Facility (ADFI). Structurally, ADFI comprises a multi-donor trust fund and debt funding from the Bank and has a projected ten-year (10) investment horizon. It was launched in June by the Bank at its annual meetings in Malabo, Equatorial Guinea.

Through catalytic and strategic investments in digital financial services (DFS) throughout Africa, ADFI will seek to break down barriers to DFS growth and uptake in order to accelerate financial inclusion in general and reduce the gender gap in financial inclusion in particular. It is important to note that ADFI’s design was informed by a comprehensive continental study which established that catalytic digital financial inclusion interventions will have the potential to impact a total addressable market (TAM) of 332 million financially excluded adults on the continent, 60% of whom would be women.

Funding Objectives and Criteria

In keeping with its intent to be catalytic, ADFI will strive to play an additive role to the financial inclusion ecosystem on the continent and will, through investments, give prominence to projects that have the potential to generate maximum impact. Funded projects must demonstrate a positive impact (direct or indirect) on the livelihood of stakeholders, particularly those at the bottom of the pyramid, namely women as well as vulnerable communities and population groups. Therefore, **proposed grants and loans from the ADFI trust fund must be projected to significantly further at least one of the following objectives, with preference given to projects that further several of them** (collectively referred to as the “Financial Inclusion Objectives”):

- i. By 2025, 80% of the adult population in Africa are financially included and served by a network aligned with Level One Project (L1P) principles www.leveloneproject.org. Level One Principles are key design principles for building a pro-poor payment system that is open loop, push-payment, real-time, irrevocable, governed by participants and which offers same day settlement and operates on a cost-recovery basis and a shared fraud detection and management service.
- ii. By 2025, 100% of the total addressable market (TAM) of financially excluded adults on the African continent (332 million adults of whom 60% are women) are within reach and financially included as a result of DFS enabling regulatory frameworks and a pro-poor L1P aligned DFS-related infrastructure including

fully interoperable digital transaction accounts for adults.

- iii. Gender gap in financial inclusion is closed.

Criteria for Funding

- i. Public sector projects should strive to be consistent with national and/or regional priorities in order to maximize the likelihood of buy-in and support from the authorities.
- ii. To the extent possible, projects should not duplicate other projects already underway through other vehicles unless a clear business case is established.
- iii. Recipients and project sponsors should be Africa-based or provide evidence of partnership with African entities and show that the proposed activities, operations and projects will be implemented in Africa.
- iv. While not an eligibility requirement, particular attention will be paid to potential projects which benefit two or more regional member countries and regions as this will strengthen regional integration and maximize the impact of ADFI resources. Due account will also be taken of the economic and social development plans of regional member countries.
- v. Potential beneficiaries from the private sector must be legally constituted institutions that have been in existence for at least three years and are profitably run.
- vi. At the discretion of ADFI's Governing Council and where necessary the Bank's Board of Directors, consideration for funding may be given to new innovative solutions or specially established special purpose vehicles with a clear demonstration for scale and impact.

Areas of Intervention

ADFI's interventions will be in both the private and public sector and aligned to the following four pillars:

	PILLAR	INTERVENTION
I.	Infrastructure	Digital payment systems development and upgrade (national and regional); Interoperability of payment systems (national and regional); Extension and interoperability of agent and merchant networks; Digital identification; Digital registries (for key sectors e.g. agriculture); Market infrastructure e.g., credit reference bureaux and e-commerce platforms; Mobile connectivity.
II.	Policy and Regulation	DFS diagnostics including feasibility studies, research, institutional assessments; DFS strategy development; Regulation review and harmonisation.

III.	Products and Innovation	Digital micro-products including credit, savings, insurance, pension; Digitisation of agricultural value chains, transport sector, government payments including salary payments, social payments, revenue and tax collection; Digital security systems.
IV.	Capacity-building	Customer awareness creation programs, digital financial literacy programs, capacity-building for oversight authorities, commercial institutions etc
<p>Gender mainstreaming across all four pillars. 60% of all projects under ADFI will be gender-intentional* with 15% gender-transformative**</p> <p><i>*Gender intentional investment: is designed to reduce gender gaps in access to resources for example by improving the condition of women and girls. **Gender transformative investment: is designed to transform gender power relations, address root causes of gender inequality, and/or increase women's and girls' empowerment</i></p>		

Key Project Parameters

- i. Acceptable project duration of not more than 2 (two) years for national projects and not more than 3 (three) years for regional projects.
- ii. **The Bank invites companies, joint ventures, consortiums of companies, associations and public and private-sector institutions to share concepts across the four primary pillars of intervention highlighted above (with gender-intentional and/or transformative projects cutting across all pillars) that will leverage digital financial services to increase overall financial inclusion and reduce the gender gap.**
 - a. **Note:** Where joint ventures or consortiums are formed, the proposal will specify the lead partner who will act on behalf of the other companies as well as the role each party plays in the joint venture.
- iii. **Assessment:** Proposals received will be assessed at two levels. First, a preliminary assessment to establish viability and generate a shortlist of potential proposals for funding across the four intervention pillars and a second more detailed assessment of the shortlisted proposals that will culminate in selection of the most suitable proposals. The following are the key assessment considerations:

a. Viability of the proposed project;	15%
b. Applicants' expertise and track record in relation to proposed project;	25%
c. Applicants' ability to scale;	20%
d. Potential impact of the project.	<u>40%</u>
TOTAL	<u>100%</u>

iv. The proposal should not exceed 5 (five) pages (Arial Font 11) and should contain the following information:

- a. Intervention pillar of focus;
- b. Organisation's profile, including mission and vision;
- c. Organisation's track record, particularly in the field of DFS, and the selected pillar of intervention;
- d. The problem being addressed, presented with as much detail as possible on the current status, including ongoing or anticipated interventions by other digital financial ecosystem players;
- e. The proposed solution, detailing:
 - estimated project duration;
 - project scope (i.e., national or regional);
 - end-to-end project design;
 - estimated project cost;
 - proposed project financing structure (i.e., grant, debt or grant and debt) as well as owners contribution
 - anticipated impact of the project and its scalability;
 - key performance indicators (KPI's) for results measurement which should include expected number of beneficiaries and provision of gender-disaggregated baseline data to facilitate impact analysis.

Eligibility

Grants and loans may be extended to the following entities:

Financial institutions (bank and non-bank), remittance and payment service providers, payment aggregators, mobile network operators, e-money issuers, FinTechs, regulatory bodies (including central banks, telecommunication regulators, consumer protection and competition authorities), government ministries, regional and sub-regional economic entities.

Short-listing and selection shall be done in accordance with the Bank's procurement rules and procedures. The Bank is under no obligation to shortlist any company, joint venture, consortium, public body or association.

CALL TIMETABLE

Date of publication	30/07/2019
Response to questions on the call for proposal (deadline)	15/08/2019
Date of submission	15/09/2019
Date of feedback on first evaluation	25/10/2019

If you do not receive feedback on your application by 30th October 2019, consider your application unsuccessful.

Parties interested in responding to this call for proposals may direct any enquiries to the address: adfi@afdb.org. To learn more about ADFI's funding features, please visit the Bank's website at the link: <https://www.afdb.org/en/adfi>

To apply please fill out the annexed proposal template. Proposals must be submitted by e-mail to the following address: adfi@afdb.org.

Kindly indicate your pillar of intervention in the email subject line (e.g., 'ADFI Proposal Infrastructure Pillar') and include the word "gender" in your title if the proposed project is gender-transformative (i.e., 'ADFI Proposal Gender Capacity-building Pillar'). **All proposals must be submitted by Monday 16 September 2019 at 24.00 hrs Abidjan time (GMT)**

The Bank and ADFI are committed to eliminating the gender gap in financial inclusion. Firms are encouraged to submit both gender-intentional and gender-transformative proposals.

ADFI CALL FOR PROPOSALS TEMPLATE

I. Company Profile

Name of company/Institution	
Company sector	Public <input type="checkbox"/> Private <input type="checkbox"/>
Year of establishment	
Sector of activity e.g. finance, agriculture	
Number of employees	Total number of employees: Permanent : Temporary:
Country of domicile (HQ)/Incorporation	
Country (ies) of operation	

II. Project Overview

Name/title of the project	
<p>Problem statement:</p> <p>How long has the problem existed?</p> <p>Has the problem ever been addressed before? If so, what were the outcomes?</p> <p>What is the impact of the problem on target communities and the surrounding populations?</p> <p>Relevance of project to the needs of beneficiaries (please describe)</p>	

Geographical scope of project (please provide details)	National <input type="checkbox"/> Regional <input type="checkbox"/>
New project or scaling-up of an implemented project? (explain)	
Indicate area of focus in relation to ADFI's four pillars of intervention (provide brief description)	Infrastructure <input type="checkbox"/> Policy & regulation <input type="checkbox"/> Products & innovation <input type="checkbox"/> Capacity building <input type="checkbox"/>
Relevance of project to the needs of beneficiaries (please describe)	
Description of the project including: <ul style="list-style-type: none"> • Rationale • Objectives • Target beneficiaries • Activities to be carried out • Evaluation plan • Project phases with key activities • Estimated duration of the project 	
Gender Focus <ul style="list-style-type: none"> • Is the project gender intentional or gender transformative? • What is the impact of this project on gender equality and on reducing the financial inclusion gender gap? • How many women are involved and/or what percentage of funding will benefit women? 	
<ul style="list-style-type: none"> • Project outcomes/key results 	

<ul style="list-style-type: none"> Key performance indicators e.g. number of target beneficiaries 			
Type of funding requested from ADFI (USD)	Grant <input type="checkbox"/>	Debt <input type="checkbox"/>	Grant & Debt <input type="checkbox"/>
	USD:	USD:	Grant (USD): Debt (USD):
Owner financial contribution to the project (USD)			
Total amount requested ADFI + Owners contribution (in USD).			

III. Company Financials (Private Sector)

Type of institution			
Size of share capital (in USD)			
Top 10 shareholders and amount of shareholding			
Turnover for 3 years (in USD)	2018	2017	2016
Net assets (in USD)	2018	2017	2016
Profit before tax (PBT) for 3 years (in USD)	2018	2017	2016

Current debts (in USD). (specify use and source of fund)	
Existing grant funding (specify use and source of fund)	

IV. Preliminary Financial Questions

Do you anticipate any conflict of interest in the implementation of this project? If yes, explain.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Are there any pending issues that may limit your ability to access the funds being requested? (Restrictions/compliance issues, legal issues, political issues, etc.). If yes, explain.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does your institution have loans outstanding to or obtained from any shareholders or any other individuals related to the staff? If yes, specify and explain.	Yes <input type="checkbox"/> No <input type="checkbox"/>