



SHIFT Challenge Fund Facility

Linking remittances as a catalyst for financial inclusion and women's economic empowerment

3rd Window

7 April to 9 June 2017

FAQs for Potential Grantees

This document intends to provide answers to potential applicants for recurring questions about the SHIFT Challenge Fund.

- If your question is not included in this document, please email it to shift.asia@uncdf.org with cc to fakhrul.islam@uncdf.org and we will do our best to answer it.

Questions and answers are divided below in five categories:

- Application Process
- Project design
- Evaluation of Expression of Interests (EOIs)
- Funding and use of funds
- Eligibility

APPLICATION PROCESS

1. Q: What is an Expression of Interest (EOI)?

A: An expression of interest is a brief outline of your business project which communicates the concept, impact, costs and cost sharing as well as key facts about the implementation.

2. Q: What is the deadline for EOI submissions?

A: The EOIs should be received by UNCDF no later than **23:59 hrs EST (Eastern Standard Time), Friday, June 9 2017**. Applications will be accepted from 7 April 2017.

Please indicate your interest in submitting an EOI (before the above mentioned deadline) by sending email to shift.asia@uncdf.org and fakhrul.islam@uncdf.org. This notification helps us to forward further communication related to EOI stage. Please mention in the email subject line – ‘Confirming Interest in submitting EOI – SHIFT Third Window’. Please note we will not accept any draft EOIs, only the final submission of a signed EOI in PDF format.

3. Q: What does the application process look like?

A: All applicants meeting the eligibility criteria can submit projects as per the provided Expression of Interest (EOI) format within the stipulated timeframe. Only applicants shortlisted by the SHIFT Challenge Fund Investment Committee (IC) will be invited to prepare a business plan. A final decision to fund will be made by the SHIFT Project Board based on the submitted business plan reviewed by Investment Committee.

4. Q: Does SHIFT Challenge Fund – Third Window provide any assistance in developing the EOI and proposal?

A: SHIFT Challenge Fund will not provide any assistance to applicants in preparing EOIs.¹ In case of queries not addressed by these FAQs, and further clarifications on the EOI are required, please send email to shift.asia@uncdf.org. Please mention in the email subject line: ‘Query – SHIFT Third Window’. If shortlisted for the submission of a full proposal by the investment committee, applicants will be provided with some guidance through a one-day workshop and further guidance if requested.

5. Q: Do I have to submit my Expression of Interest in the format provided?

A: Yes, the EOI must be completed in the format provided.

6. Q: How long should my EOI form be?

¹ *The UNCDF-SHIFT management team will not be involved in the EOI shortlisting process, which will be undertaken by an independent investment committee. The team is therefore able to provide assistance and feedback to applicants on the process. The main purpose of this assistance is to help applicants submit compliant EOIs. Any feedback or recommendations provided are merely suggestions and it is at the discretion of the applicant as to whether to apply them. The UNCDF-SHIFT team assumes no responsibility for any consequences related directly or indirectly to any actions (or inactions) taken regarding the feedback, advice or recommendations provided, or any decisions based on it.*

A: The completed EOI form should not be longer than 6 pages.

7. Q: Is there a Right of Appeal for unsuccessful submissions?

A: No. The SHIFT Challenge Fund Investment Committee's review and SHIFT Board's decision is final. There is no right of appeal.

8. Q: Can I submit more than one application?

A: Yes, applicants may submit more than one EOI if they have multiple projects they wish to propose.

9. Q: If I am not successful, can I apply again for a future challenge fund window?

A: Yes. If a project is not successful in the proposal or funding stages, the applicant company may submit a new EOI for another project in future challenge fund windows.

10. Q: What languages should I use?

A: English

11. Q: How do I know that my EOI was received by SHIFT Challenge Fund?

A: We will acknowledge the receipt of your EOI via email from shift.asia@uncdf.org.

12. Q: How can I submit my EOI?

A: You can submit the EOI through email (as attachments) to shift.asia@uncdf.org. All applications must be typed.

13. Q: How will I know if my EOI has been shortlisted?

A: SHIFT Challenge Fund team will send an email to notify each applicant, advising them of the decision.

14. Q: What is meant by 'innovation'?

A: Innovation may come in various forms, including:

- A new product or service that has not been tried anywhere.
- A product or service that is new to the focus countries for this window.
- A product or service that has not been tried or tested in a particular sector or for identified target groups including women/girls/ethnic groups/people with disabilities/MSME in any of the focus countries for this window. This specific window includes projects from other countries if they work within or provide services for beneficiaries in the CLMV corridors.

15. Q: Which criteria will be used during the EOI evaluation?

A: The evaluation weighs three areas:

1. Technical merit (80%) - proposed project's potential to meet the third window objective of promoting innovations/scaling-up with wider market scope, including design, relevance, innovation, outreach, gender focus and development impact.
2. Organisational capacity (20%) - ability of applicant to deliver and sustain the initiative even after funding ceases.
3. Cost sharing (Yes/No) - a higher contribution (than the minimum) is viewed positively.

16. How should I submit the EOI?

- Please complete the EOI Form (separate document).
- All EOIs must be typed and no more than a total of 6 pages per applicant.
- Send applications by email to: shift.asia@uncdf.org; with copy to fakhrul.islam@uncdf.org.
- Email title: SHIFT Third Window + [company name] EOI.
- **Deadline for EOI submission: 9 June 2017.**

PROJECT DESIGN

17. Q: What stage of project is suitable for SHIFT, i.e. concept, pilot, demo, scale-up or growth stage?

A: Pilot, scale-up and growth stage projects will be preferred. It depends on what additionality is being brought in through the project being proposed and how transformative it is. If scale-up or growth is not ambitious enough and simply constitutes normal business growth, then we would not be interested. We would be interested only if the scaling up promises an exponential increase in outreach.

18. Q: Does the program have any technical assistance components to accelerate the project?

A: If technical assistance is required to achieve the project results, it should be budgeted in the project costs. However, it should not constitute a major activity or major cost component.

19. Q: Should partners be included if the partnership is not yet finalised?

A: Partners should be included if they are key to the business models and/or if they provide a financial contribution. The partnerships should be mentioned at the EOI stage, and while submitting the detailed proposal, documents should be provided to show that the partnership has been finalised and committed to the project.

20. Q: Can a project be proposed for less than 1-year duration?

A: We believe that less than one year would be an insufficient project duration to reach any substantial outcome. If you are convinced that the project meets all the eligibility criteria and can achieve the window objectives in a shorter duration, then you can submit.

21. Q: If my project is based on a partnership, can I apply if I have not yet found an eligible partner?

A: In cases where your project is based on successful partnerships, it is advisable that you should have identified your partner(s) in order to present a joint EOI or proposal. You are eligible to apply, but it may happen that because of non-clarity of partnerships, the Fund Investment Committee may provide relatively low scorings during the EOI evaluation process.

22. Q: Should we explain why the project is good for the organisation/company?

A: Definitely. It must be commercially sustainable and demonstrate potential to bring market change. The end goal is not to fund your organisation, but the organisation can/should benefit from the project funding under this window.

23. Q: Can the project location be changed from what is mentioned in the EOI to a new, different location in the proposal?

A: Each organisation is encouraged to stick as closely as possible to what was proposed in the EOI. If a deviation from the EOI is necessary for whatever reason, the organisation can go ahead with the deviation in the proposal after discussing with the SHIFT Challenge Fund Team, and should document the deviation appropriately with the associated reason in the proposal document. Finally, it is up to the fund investment committee to accept or reject the changes during the evaluation process.

24. Q: Can I apply for funding for an existing project, or does it have to be new?

A: New projects will be preferred. In case of existing projects, there has to be a strong rationale for requests for additional financial contribution, and that this window funding is not duplicating or subsidising other funding sources. Existing projects will be considered if they can demonstrate that

they are innovative and are to be delivered in new geographic areas, not previously covered or serviced. The existing projects should include an innovative or scaling-up element, substantiating resulting change in risk levels of the business model, which resulted in the need for additional grant funding.

25. Q: Does the project need to serve only women or can it include men as well?

A: The project can serve both men and women but it must be designed to meet a specific financial need of women.

26. Q: Where can I get support if required in the application process?

A: The SHIFT Challenge Fund will provide guidance on application processes, window requirements and clarifications on EOIs/proposals.²

27. Q: Can the project cover one CLMV country and one non-CLMV country?

A: If the non-CLMV country is relevant to the business model (for example for remittances originating from a non-CLMV country) then the costs are eligible for reimbursement. This specific window includes projects from other countries if they work within or provide services for beneficiaries in at least one CLMV country.

28. Q: Is it OK/positive to mention that we are approaching other potential sources of funding for this project?

A: Mentioning other possibilities of funding shows a commitment to the project and proactive behaviour. It may be a selling argument to the Fund Investment Committee (IC). In the EOI, proposal and Performance Based Agreement (PBA) stages, you will be required to mention any other sources of funding received or being sought for this project. Details on the funding types (grants, equity, debt, guarantee, etc.) should be presented.

EVALUATION OF EOI

29. Q: What does “offering grants on a competitive basis” mean?

A: On a “competitive basis” means that all EOIs and proposals will be evaluated against a pre-set criteria, and only those EOIs and proposals that meet the criteria and are evaluated by the IC will be selected.

30. Q: What will the Investment Committee (IC) do precisely? How will they evaluate the proposal?

A: The IC follows the SHIFT Challenge Fund guidelines and evaluation criteria as the specifications for assessment. IC members are practitioners and commercial actors who will use their business sense to assess the market relevance, additionality and sustainability of each project.

² *The UNCDF-SHIFT management team will not be involved in the EOI shortlisting process, which will be undertaken by an independent investment committee. The team is therefore able to provide assistance and feedback to applicants on the process. The main purpose of this assistance is to help applicants submit compliant EOIs. Any feedback or recommendations provided are merely suggestions and it is at the discretion of the applicant as to whether to apply them. The UNCDF-SHIFT team assumes no responsibility for any consequences related directly or indirectly to any actions (or inactions) taken regarding the feedback, advice or recommendations provided, or any decisions based on it.*

31. Q: What are the measuring and monitoring requirements of SHIFT? Do you follow specific standards or frameworks?

A: Yes, the measuring and monitoring requirements will follow specific frameworks, but will also depend on type of projects. More details on this will be shared in the Request for Proposal (RFP) stage.

FUNDING AND USE OF FUNDS

32. Q: Why is the Challenge Fund's maximum contribution 50 percent?

A: Cost sharing between the fund and the grantee is an important element of the funding process, as it demonstrates grantee commitment to the project. Several factors are used by the Challenge Fund to assess the appropriate contribution of the applicant. As a general rule, the riskier and more innovative a proposal is, the more the Challenge Fund will contribute (up to a maximum of 50%) to encourage implementation, provided it offers correlated impact.

33. Q: Should the budget in the EOI remain the same in the proposal?

A: Normally the budget should remain the same, but flexibility is possible. Adjustments to the budget proposed in the EOI are to be discussed and justified during the proposal writing with the contact person from the SHIFT Challenge Fund team. Also the IC may recommend and decide to accept or reject changes in the budget.

34. Q: What costs are eligible for funding?

A: SHIFT grant funding should be used for the direct expenses incurred in implementing the project idea. To be considered eligible for co-financing support, budget items or project costs must comply with the principles of sound financial management—in particular Value For Money (VFM) and cost-effectiveness. Costs must be recorded in the accounts and be identifiable, verifiable and backed by supporting evidence. A list of non-eligible costs can be requested from the SHIFT Challenge Fund team.

35. Q: What is In-kind contribution?

A: An in-kind contribution means to match a grant by means other than financial, and is integral and directly used in implementing the project (e.g. an organisation's staff, office space, transport means). For more details on which expenses are considered cash contribution and in-kind contributions, see table above under budget details.

36. Q: Should costs for audits be included?

A: Applicants will need to do their own normal annual audits and meet these costs (these are the regular external audits the organizations need as per normal business practices). In the case that UNCDF decides to undertake an audit, UNCDF will hire a firm and pay for it.

37. Q: Can the fund be used for market research? What is the percentage that can be allotted to this?

A: Yes, funds can be allocated to market research, if this is not the only activity being carried out, but a starting point for product design and roll-out to reach the target segment within the project period. The percentage will depend on type of research required, but should constitute a minor

component of the project. We are interested in projects that work directly with consumers and show results in terms of outreach and innovation model being proven on the ground.

38. Q: Can SHIFT funding be used to finance financial products and services?

A: No, SHIFT funding cannot be used to finance financial products and services.

39. Q: Can SHIFT funding be used to directly subsidize pricing to end users?

A: No, SHIFT funding cannot be used to directly subsidise pricing for the end users. We are interested in market-based, sustainable solutions.

40. Q: What is the required level of detail for the budget?

A: We would strongly recommend providing as much detail as possible to make it easier for the IC to review the proposal and set the milestones, but also for the audits afterwards. Applications should avoid using “Miscellaneous” items. Below are some categories that preferably should be used for this. Also included should be when the expenses are paid from the applicant’s own resources, and whether it should be considered an in-kind contribution or cash contribution.

List of Inputs / Budget Descriptions (Either paid by applicant or via grant from SHIFT)	In case of own contribution by applicant: guideline on whether it is a Cash Contribution or In-Kind Contribution
Full-time Project Staff	Cash Contribution
Part-time Project Staff	In-kind Contribution
Consultants	Cash Contribution
New Premises-related Setup Cost	Cash Contribution (if new premises are required by the project)
Premises dedicated to Project	Cash Contribution for office rental cost
Shared Premises	Can be In-kind contribution for associated office rental cost
Equipment	Cash Contribution
Software	Cash Contribution
Marketing	Cash Contribution
Training	Cash Contribution
Travel	Cash Contribution in general. Can be In-kind contribution for vehicle, etc.
Telephone and Internet	Cash Contribution
Utilities (Power, etc.)	Cash Contribution
Regulatory Approval / Compliance	Cash Contribution

Only expenses incurred after signature date will be recognized as own contributions.

41. Q: How many key milestones can be linked to the SHIFT funding?

A: The reimbursement period and number of key milestones are not related. The number of key milestones will depend on the type of project. There may be multiple milestones (based on gender outreach, financial portfolio etc.) that may be required to be achieved for a reimbursement tranche to be initiated. The maximum number of times that the project can be reimbursed is half-yearly, but will vary from project to project.

ELIGIBILITY

42. Q: Can the lead applicant be a project consortium or newly established project Special Purpose Vehicle (SPV)?

A: Lead applicant will be a single entity and not consortiums. SPV as a single, private commercial entity will be considered, but not SPV for only implementing the project.

43. Q: What are the eligible criteria of the lead applicant in terms of size and past performance? Can the lead be from any country or only from host/donor countries can apply?

A: The eligibility criteria already outlined in the document shared should be adhered to. We are open to firms of all sizes. Past performance will be reviewed during the RFP stage and not during the EOI stage. At the EOI stage we are more interested in the business ideas being proposed. Applicants can be from any country can apply, however, benefits must be focused on clients in CLMV.

44. Q: Can a newly registered company apply?

A: If you have more than 3 years of operations and relevant statutory accounts you can apply. If you are able to get your accounts before submission of detailed proposal, then you are eligible to apply.

45. Q: How large should the business partner be?

A: There is no minimum size but the business partner must be able to aggregate sufficient demand to be attractive for a remittance service provider to join in.

46. Q: Which companies are eligible as partners?

A: Examples are: Telecommunication providers, business incubators, regional and multinational companies with extensive supply chains and alternative platforms that connect women entrepreneurs to long-term capital, such as angel investors, venture capitalists and crowd funding, commercial banks, leasing companies, development banks, microfinance institutions, ICT providers and insurance companies.

47. Q: Can the partnership include NGOs or Civil Society Organisations?

A: Yes, they can be included if they have a clearly defined role and exit strategy in the business model.

48. Q: Will the contract between the SHIFT Challenge Fund and my company be kept confidential?

A: Yes. The terms of the contract will be kept confidential.

49. Q: I am worried that my Project idea is a good one and could be 'stolen'. Will my proposal be

treated confidentially?

A: Yes. All applications will be treated in the strictest confidence during the application process. All the people involved in running the Fund have signed a binding Code of Conduct that prohibits them from divulging details of the applications to others, and also prohibits them from using the information for personal gain.

For more information please visit – shift.unCDF.org.