

## National Call for Proposals 2021 (CfP21)

### Remittances in times of crisis - AFRICA

#### Frequently Asked Questions (FAQ)

Preferred corridors for the Kenya and Uganda proposals:

	Kenya	Uganda
Preferred EU corridors	Germany	Sweden
Preferred Africa countries	South Africa Uganda	Kenya Rwanda

#### 1. What are the main eligibility requirements?

All eligibility requirements are explained in detail in the Call for Proposals Guidelines. Applicants should read them carefully, and will be requested to fill out and sign **Template 1** (Self-certification of Eligibility), sent together with **Template 2** (Guidelines- project proposal) and **Template 3** (detailed budget) duly completed by email at [remittances.kenya@ifad.org](mailto:remittances.kenya@ifad.org) or [remittances.uganda@ifad.org](mailto:remittances.uganda@ifad.org) as part of the application process to this Call.

Key eligibility criteria for applicants:

- ✓ legally registered in an IFAD Member State
- ✓ with legal capacity to enter into financial and legal agreements with IFAD
- ✓ can provide audited financial statements for the previous two years (*\*companies entitled to exemption from audit under their national law will need to submit the required documentation as part of the application to justify this exemption*)
- ✓ have a minimum of two years of relevant operational experience for non-profit institutions and three for for-profit entities
- ✓ have proven experience in the field of remittances

#### 2. Are all eligibility requirements applicable to the partner organization(s) chosen by the applicant to implement the project?

- ✓ Applicants may sub-grant project funds to partner organization(s). However, only the applicant organization, when selected, will remain accountable to IFAD for ensuring that grant resources are used in accordance with the agreement.
- ✓ The applicant may identify preferred partners, explain how the applicant organization will monitor them, and confirm the recipient's independent auditors will be granted access to the sub-recipient's project-related accounts and documentation.
- ✓ The applicant may partner with private sector institutions that have not been operative for at least three years (two for non-profits). This is a requirement only for the applicant institution.

	Applicant	Partner organizations
Staff involved in the proposed project have immediate family members working for or at IFAD (as IFAD consultants or staff members).	If yes, applicant is not eligible	If yes, partner is not eligible
Staff involved in the proposed project, or the applicant institution have been investigated, sanctioned for and/or convicted of fraud, corruption, collusion,	If yes, applicant is not eligible	If yes, partner is not eligible

obstruction, coercion or a related wrongdoing.		
Staff involved in the proposed project, or the applicant institution, have been investigated, sanctioned for and/or convicted of sexual harassment, sexual exploitation and/or abuse.	If yes, applicant is not eligible	If yes, partner is not eligible
If selected, the grant applicant can provide evidence of legal registration in an IFAD Member State, not older than 90 days from date of submission.	If no, applicant is not eligible	If no, partner is not eligible
If selected, the grant applicant can provide evidence of legal status and capacity of the applicant institution to enter into the Grant Agreement, accept the Grant and carry out the Project as well as evidence of the authority of the person who will sign the Grant Agreement on behalf of the grant applicant.	Required for the applicant	Does not apply to partner organization
If selected, the grant applicant can provide audited financial statements for the previous two years, signed and dated on auditor's letterhead	Required for the applicant	Does not apply to partner organization

### 3. Is there any specific eligibility requirement for MFIs or fintechs?

The Call is open to all private sector entities, either for-profit or non-profit, and eligibility requirements are the same for all types of entities. MFIs, fintechs and any nascent organizations should pay specific attention to justifying how their organization has the minimum required years of experience and that their operational sustainability is clearly outlined.

### 4. Are partnerships allowed?

Yes, Applicants may partner with *international* entities (not necessarily registered in the country where the applicant operates) or national entities(s) to strengthen the implementation of the proposed project. Applicants can sub-grant project funds to these entity(es) accordingly. However, only the applicant organization, when selected, will remain accountable to IFAD for ensuring that grant resources are used in accordance with the agreement. The recipient of the grant will be requested to share with IFAD any agreements with sub-recipients for clearance, prior to its signature.

### 5. Does partnering with a service provider which offers relatively high remittance transfer costs reduce the chances of an applicant to being awarded?

Not necessarily. If the proposal presents an intervention aimed at reducing high-cost corridors, it falls under the goals for this Call. Applicant institutions (and/or partners) with high transfer costs that do not aim at reducing them, may most likely not be considered eligible.

## **6. Are consortiums eligible to apply?**

Yes, but a leading entity needs to be chosen to sign the Grant Agreement with IFAD. Therefore, such entity will remain accountable to IFAD and ensure that grant resources used by the all members of the consortium are applied properly. In any case, the role of each member should be clearly stated in the proposal.

The consortium may include private and public entities (both national and international), although the applicant has to be a private entity (for-profit and non-for-profit).

Consortium members will contribute with a co-financing percentage to the project depending on the type of institution:

- ✓ 10% if non-for profit, 50% in cash and 50% in-kind
- ✓ 30% if for-profit, 50% in cash and 50% in-kind

## **7. Does the applicant organization need to provide some co-financing to the proposed project from their own funds? Are in-kind contributions eligible in this regard?**

The applicant organization will need to ensure that at least 30% of the total grant amount will be invested throughout the course of the project as co-financing funds (10% if the organization is non-for profit). The applicant, if selected, will need to budget and report on the expenses derived from these co-financing funds.

From the total amount secured by the applicant organization as co-financing for the proposed project, at least 50% must be provided in cash and up to 50% can be in-kind. The distribution between in-kind and cash contributions will need to be reported in the project design document and detailed budget.

## **8. Are proposals related with the consolidation of an existing initiative eligible? What about proof of concepts?**

Yes, a proposal seeking consolidation of existing initiatives is eligible as long as it justifies the need for further investment in order to achieve additional results and greater impact. The Call will favour incremental innovations considering that the timeframe for the Call is limited to 24 months. During this period there must be tangible results rendered by the project activities.

Proof-of-concept type of proposals that are not coupled with a real, concrete impact on the field within 24 months from the start of the implementation, both on qualitative and quantitative terms, will not fit the purpose of this Call.

## **9. Will a replication/scaling up of an activity in a new corridor be preferred over the testing of a new service?**

Both interventions are eligible. An applicant may also submit an intervention that focuses on replicating/scaling up a proven model/product, and combine it with a proof of concept of another model or product, as long as the total does not exceed the limit of IFAD grant, i.e. 500,000 euro for country-wide proposals and 750,000 euro for regional proposals.

## **10. Can proposals support the digitization of remittances?**

Yes, digitization is one of the CfP's objectives. However, proposals should indicate what the proposed digitization would imply, as definitions vary from country to country. Digital services refer to mobile wallets, inter-bank accounts, MFI accounts, cards, and inter-wallets, among others.

## **11. What are the key features to apply in a regional proposal?**

The applicant may apply for a regional proposal in case the intervention targets both the Kenyan and Ugandan markets, by also taking into consideration the priority corridors. Regional proposals can request up to 750,000 euro.

## **12. How many proposals will be selected in total?**

There is no predefined set number of proposals that will be selected per country. It is expected that 1 to 3 proposals will be selected per country.

**13. Are proposals targeting corridors other than the ones highlighted in the guidelines for each country eligible?**

Proposals targeting *at least* one of the corridors highlighted for each country will be preferred. However, proposals targeting other corridors not mentioned in the guidelines are also eligible as long as any other target corridors clearly include the expected measurable impact as well.

**14. Will the project cover the applicant's overhead costs during the implementation of the project?**

No, overhead costs cannot be covered by an IFAD/FFR grant. Only expenditures directly related to the implementation of the project are eligible.

**15. May the project finance the acquisition of required licences or any other regulatory approvals?**

Even if it is possible to allocate a percentage of the grant to the acquisition of required licences, proposals that rely on these licenses to secure the impact of the project could be disregarded, as delays in securing this license could negatively impact the project deliverables, given its limited timeframe for implementation (24 months). However, if licenses are attainable within the given timeframe, they can be considered eligible.

Overall, proposals should not focus on initiatives that are not implementable in the short-term due to pending or lengthy regulatory and legal approvals, as it is likely that this process may hinder impact and proposed results during the project implementation period.

**16. Is the list of budget categories from the Call's template exhaustive?**

Yes, all project expenditures should be grouped in the following IFAD official categories as stated in Template 2: Consultancies, Equipment, Goods and Services, Salaries and Allowances, Training and Workshops

**17. What are the expected performance indicators?**

The proposal must ensure impact on the final beneficiaries of the project: migrants and their families back home. Impact indicators may include a reduction in remittance transfer costs; an increase in the number of remittances families that have access to financial services; an increase in the percentage of remittances saved or invested, or leveraging other financial services; etc. Proposals that include indicators demonstrating an effect in vulnerable segments, such as women, rural people and youth will be prioritized.

**18. How is the project expected to measure the impact on key indicators?**

Applicants may use the official data, and run a non-exhaustive baseline study at the beginning of the project that may be compared to results once the project is finalized.

**19. What steps will follow for the applicants that will be selected as grant recipients?**

The selected applicants will be requested to submit more detailed documentation:

- ✓ External audit terms of reference
- ✓ Latest organizational chart
- ✓ Latest relevant policies and procedures including financial, administration, monitoring of sub-recipients, etc.
- ✓ Chart of Accounts
- ✓ Terms of reference and curriculum vitae for key financial and accounting personnel

Once confirmed, with the support of IFAD team, the applicant and partners will develop a logical framework with targeted results. The yearly work plan and detailed budget will also be revised accordingly.

This process will take between 1 and 2 months, and will be finalized with the signature of a Grant Agreement between IFAD and the grant recipient.

**20. How will the grant be disbursed from IFAD to the grant recipient?**

Details on the disbursement of grant funds will be clearly stated in the Grant Agreement. IFAD/FFR grants are usually disbursed in 2-3 tranches that are linked to milestones and the annual work plan and budget. A final disbursement is usually dependent on the satisfactory submission of final documentation (on results achieved and eligible expenditures incurred) to IFAD.