

Financing Facility for Remittances

Remittance Innovation Champion 2022 South Africa

RIC22-SA



G U I D E L I N E S

September 2022

Donors

TABLE OF CONTENTS

I.	Executive summary	1
II.	Background	4
III.	Goals and objectives	6
IV.	General conditions and eligibility criteria	6
V.	Submission guidelines	9
VI.	Timeline	11
	ANNEX 1- ELIGIBILITY QUESTIONNAIRE	12
	ANNEX 2 - INITIAL PITCH CALL REQUEST FORM	15
	ANNEX 3 - FINAL PITCH CALL FORM	16
	ANNEX 4 - REFERENCE MATERIAL - OBJECTIVES AND SELECTION CRITERIA	19

I. Executive summary

The Financing Facility for Remittances (FFR) of the International Fund for Agricultural Development (IFAD) is pleased to announce the **Remittance Innovation Champions 2022 – South Africa (RIC22-SA) Call for Proposals**.

The FFR works to reduce poverty and promote development by leveraging both international and domestic remittances and migrant capital in rural areas of developing countries. Besides increasing private consumption and investment, enhancing financial and digital inclusion, and local and national economic growth, remittances contribute to achieving the SDGs of receiving families. In 2021, these flows to low- and middle-income countries (LMICs) reached US\$605 billion, proving to be highly resilient in times of crisis; in turn, African flows reached US\$94 billion. South Africa is a net sender of remittances, with formal outflows reaching US\$920 million in 2020. Several countries in Africa are reliant on remittance inflows from South Africa.

IFAD's FFR works in Africa under the Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa ([PRIME Africa](#)) initiative, a programme co-financed by the European Union to reduce inequality and enhance financial inclusion in Africa through the reduction of remittance costs and the maximization of their impact.

In this context, and in line with the results of PRIME Africa's [South Africa country diagnostic](#), IFAD is launching this Call for Proposals.

1. Objectives

This RIC22-SA seeks to finance private sector initiatives aiming to develop or scale up innovative and cost-effective international remittance services to and from South Africa for excluded populations, particularly the rural poor and women.

In accordance with the South Africa diagnostic and respective identified priorities, the RIC22-SA will finance initiatives that support at least one of the below objectives in remittance corridors to and from South Africa.

Expand formal channels for international remittances
Accelerate digitization of international remittances
Reduce international remittance transfer costs
Leverage remittances to deepen financial inclusion

Projects that include a specific focus on cost reduction will be prioritized.

2. Who can apply

Private sector entities including: (i) for-profit businesses; (ii) non-profit, non-governmental organizations. These include: formal financial intermediaries, MTOs, MNOs, MFIs, FinTechs, financial cooperatives, diaspora networks, banks, Telcos and

investment funds, among others. **Strategic partnerships** linking for-profit entities with non-profit and public sector entities (central banks, financial sector regulators) are welcomed.

Requirements for applicants are as follows:

- ✓ must be a legal organization registered in an IFAD Member State (alternatively, at least one of the parties involved in the proposal must be registered in a Member State).
- ✓ must show it has the license required to offer services in compliance with regulations in jurisdictions where it will operate.
- ✓ may be a private (i) for-profit entity or (ii) non-profit institution such as a non-governmental organization
- ✓ may partner with other eligible institutions and apply jointly, specifying roles and responsibilities of each
- ✓ must have the capacity to enter into financial and legal agreements with IFAD, and comply with the procurement guidelines of IFAD (see [IFAD procurement guidelines](#))
- ✓ may not act as an intermediary, but be directly responsible for the preparation and management of the proposed project
- ✓ must present audited financial statements in accordance with international standards for the two previous years

3. Submission guidelines

The application process comprises four phases as follows:

PHASE 1. PRE-SELECTION: INITIAL PITCH CALL

- Step 1: determine the eligibility of your organization by completing **Annex 1- Eligibility questionnaire**
- Step 2: if eligible, complete **Annex 2 - Initial pitch call request form**
- Step 3: submit Annex 1 and Annex 2 duly completed via email to:
remittances.sa@ifad.org

Deadline for submission of Annex 1 and Annex 2 for Phase 1: 21 October 2022 at 17:00 (GMT+2).

Based on an initial assessment, **IFAD will confirm a one-hour pitch call appointment.**

PHASE 2 – FINAL SELECTION - FINAL PITCH CALL

If IFAD confirms Phase 1 pre-selection after the **Initial pitch call**, the applicant will be invited to a **Final pitch call** session to orally present the in-depth project proposal based on the information requirements included in **Annex 3 - Final pitch call form**. This includes further information such as: a proposal justification; its goals, main components and outcomes; and a detailed budget and a timeline. The preparation time for the Final pitch session will be of two weeks.

All Final pitch sessions will be held between **Tuesday 15 November and Thursday 17 November**. After this final call, IFAD will inform to the applicants on its

decision to move forward or not by **21 November 2022**.

PHASE 3 – PROJECT DESIGN

Project design will be carried out through pre-arranged online meetings and an onsite visit by the IFAD/FFR team. A project design document will be finalized together with the applicant. Design will occur between **28 November and 16 December 2022**, upon coordination between IFAD and selected applicants.

PHASE 4 - APPROVAL AND DISBURSEMENT

Once all IFAD management internal clearances and approvals are obtained, a Grant Agreement will be signed by both parties (applicant and IFAD). Disbursements will be made in accordance with the agreed financial plans of individual proposals. The estimated deadline for this phase is **mid-February 2023**.

4. Financing requirements and project duration

Maximum IFAD grant amount: the *Remittance Innovation Champions 2022 (RIC22-SA)* will finance grants from **€150,000 up to €300,000**.

Co-financing: applicants to the RIC22-SA are required to provide a minimum of in-cash co-financing equivalent to:

- 10% of the grant amount requested in the case of a non-profit applicant. At least 50% in cash.
- 30% of the grant amount requested in the case of a for-profit entity. At least 50% in cash.

Project duration: the implementation period should not exceed 18 months, with committed results demonstrated within this period.

Please note that communication is open via email: remittances.sa@ifad.org. **Ad-hoc Q&A sessions can also be requested by applicants.**

II. Background

A. Remittances to LMIC in Africa and impact of COVID-19

Remittances play an important role in the fight against poverty. In 2021 alone, US\$605 billion dollars in international remittances were sent by over 200 million migrants to 800 million family members back in low- and middle-income countries (LMICs). Remittances are also a crucial financial inflow for Africa, with around US\$94 billion received in 2021 from African migrants around the world. This vital source of income allows millions of families to reach their own Sustainable Development Goals (SDG): fight poverty and improve access to nutrition, health, housing, education, as well as support entrepreneurship, savings and access to credit, accompanying them on the road of financial independence.

Remittances put money directly into the hands of millions of poor people, many of whom reside in rural areas beyond the reach of the formal financial systems. The potential developmental impact of remittances is dramatically enhanced when these flows are linked to financial education and services such as savings, credit, insurance and business development.

Although remittance transfer costs have fallen over the last years, the African remittance market remains the most expensive, with an average transfer cost (to and within Africa) of 7.83 per cent of the send amount (Q4,2021) against the current global average of 6 per cent. Reduction to at least 3 per cent by 2030, as per SDG target 10.c, would lead to an additional US\$4 billion per year being received by migrant families in Africa.

To address these challenges and opportunities, IFAD's FFR has launched a series of initiatives to support the resilience of South Africa's remittance market and its beneficiaries. IFAD is engaging with the public sector by enabling innovations that enhance remittance markets on behalf of their customers. In parallel, **IFAD is engaging with the private sector through the Remittances Innovation Champions 2022 – South Africa (RIC22-SA) to identify, support and scale up innovative solutions and models that will further enable cheaper, faster and safer remittances, through digitalization, expanded outreach, particularly in rural areas, and with more tools to access, use and invest these flows by recipients.**

PRIME Africa. The Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa (PRIME Africa) is managed by IFAD with financial support from the European Union. PRIME Africa aims to:

- contribute to reduce the cost of remittances transferred to and within Africa, mainly from Europe and South Africa
- maximize the impact of remittances towards sustainable development, in line with commitments included in the Joint Valletta Action Plan

The COVID-19 pandemic and recent crises highlighted the need for many remittance families to improve their resilience to future shocks and to have access to digital financial services. With this comes an opportunity to equip people with the tools necessary to be able to choose and use these products effectively and thus build a safety net.

B. Remittances to and from South Africa

In 2021, IFAD/FFR conducted a South Africa 2021 Remittance Market Diagnostic¹ formulating a Roadmap to be shared and agreed upon at a National Remittance Task Force Meeting among South African stakeholders. General facts of the South African remittance market are described below.

- South Africa officially hosts 1.16 million migrants, but estimates indicate there may be 3.7 million migrants including informal ones, mainly from Southern African Development Community (SADC) countries. South Africa is the largest remittance sending market in Africa. Formal remittance outflows reached US\$920 million in 2020, with estimates that 52 per cent of remittances from South Africa to SADC countries were sent informally.
- The South African remittance market has limited competition in some corridors despite the Central Bank opening up to more remittance service providers (RSPs) through Authorised Dealer in foreign exchange with limited authority (ADLA) players that have increased competition in some key corridors. However, there is still a high degree of concentration in some corridors and fewer market actors in others.
- High levels of financial inclusion with limited use of digital financial services. Formal financial inclusion in South Africa is high (90 per cent according to FinScope, 2018), but the use of digital payment channels is still low across the country. South Africa remains a cash-based economy and bank charges are high for retail customers, thus excluding low-income customers.
- Lack of complementary mobile money products which are more suitable for low-income clients results in many people turning to informal financial services and cash.
- High levels of informality across most SA-SADC corridors are due to high volumes of undocumented migrants who find it difficult to access the formal system. Migrants on the sending side also live their financial lives in cash. In addition, exchange rate fluctuations and variations (official and informal rates) discourage people from using formal channels. This is because the South African rand is a relatively volatile currency.

The PRIME Africa Roadmap for South Africa outlines priority areas, including:

- the need to tackle the challenge of high informality in most South African outbound corridors;
- the need to increase access to digital channels for international remittances;
- as remittances are usually the first financial service used by migrants and their families, these flows provide a point of contact with the financial sector and opportunities to increase access to payment accounts and insurance, credit and investment tools;
- the opportunity to equip remittance families with financial literacy tools to choose and use financial services effectively;
- the need to support initiatives promoting the reduction of cost of sending remittances on South African outbound markets. The cost of sending US\$100 from South Africa is at 13.2 per cent (RPW, Q4 2021) and it is significantly high in selected PRIME corridors due to fewer market actors – Mozambique (12.6 per cent and 7 ADLAs) and Zimbabwe (11.2 per cent and 9 ADLAs).

In light of the above, PRIME Africa aims to address these development opportunities by financing and supporting innovations, partnerships and replicable/scalable products that

¹ https://remitscope.org/africa/pdfs/Ghana_Diagnostic_Remitscope_Africa.pdf

promote cheaper, faster and safer (formal) remittance transfers to and from South Africa, that reduce the use and risks associated with informal, unregistered remittance services.

III. Goals and objectives

Remittances in South Africa

South Africa is a regional economic hub and a key source for regional remittances. RIC22-SA calls on the private sector (profit or non-profit) to identify, support and scale up innovative solutions and models of intervention that will strengthen the remittance market, particularly in rural areas, by promoting lower transfer costs, digitalization and formalization of flows, and providing remittance beneficiaries with more tools to access, use and invest these funds.

Target group. Proposed projects must:

- ✓ focus on international remittances from South Africa to other African countries. **Priority will be given to the South Africa to Zimbabwe and South Africa to Mozambique corridors;** and
- ✓ be directed at migrants and their families.

A focus on rural remittance receiving families, particularly women, in receiving countries is highly prioritized.

Through PRIME Africa, IFAD will finance initiatives that will support at least one of the following objectives, and projects that include a clear focus on cost reduction will be prioritized:

Expand formal channels for international remittances	Promote greater access and use of formal international remittance transfers from and to South Africa
Accelerate digitization of international remittances	Accelerate the use of digital products and the digital payments ecosystem to support international remittances from and to South Africa
Reduce international remittance transaction costs	Contribute to reducing international remittance transfer costs from and to South Africa and increase access to and use of transparent and gender responsive low-cost services
Leverage remittances to deepen financial inclusion	Use international remittances from and to South Africa as a conduit for increasing financial inclusion and resilience of remittance senders and recipients

Proposals are expected to achieve specific outcomes related to the objectives they focus on.

IV. General conditions and eligibility criteria

Financial allocation and implementation period

This RIC22-SA will provide grant financing from **€150,000 up to €300,000**

- ✓ The implementation period **should not exceed 18 months** with committed results demonstrated within this period

- ✓ The RIC22-SA will apply a four-phase competitive process
- ✓ Applicants are required to provide a minimum of in-cash co-financing equivalent to:
 - 10% of the grant amount requested in the case of a **non-profit applicant**
 - 30% of the grant amount requested in the case of a **for-profit applicant**

Fees generated by services offered through the project cannot be included as counterpart contributions. These should rather be viewed as a primary instrument for ensuring the long-term sustainability of the project.

Where eligible, institutions are invited to request a tax exemption from the respective government authorities for use of the IFAD/FFR resources.

Eligibility criteria

Prior to submitting a request for a pitch call, applicants must check their institution's eligibility in **Annex 1 - Eligibility questionnaire for IFAD grant financing**.

All applicant organizations should have already reached sustainability in their operations, and a proven track record in the area of expertise proposed for the project.

Proposals should present clear operational outcomes. Where research or studies are involved, activities must clearly show how results will be applied. Technological platforms should include a description of testing, application and training phases.

The regulatory environment should be factored in to determine the feasibility of reaching the expected project goals in 18 months.

Eligible institutions

The following types of institutions can apply to this RIC22-SA: private sector entities including: (i) for-profit businesses or (ii) non-profit, non-governmental organizations.

This may include: formal financial intermediaries, MTOs, MNOs, MFIs, FinTechs, financial cooperatives, diaspora networks, banks, Telcos and investment funds, among others.

The RIC22-SA welcomes strategic partnerships between private sector organizations and public sector entities (central banks, financial sector regulators).

Specific requirements for applicants are as follows:

- ✓ must be a registered legal organization in an IFAD Member State (alternatively, at least one of the parties involved in the proposal must be based in a Member State); proof of legal status, such as legal registration will be requested before IFAD's final approval
- ✓ may be a private (i) for-profit entity or (ii) non-profit institution such as a non-governmental organization
- ✓ may partner with other eligible institutions and apply jointly, specifying roles and responsibilities of each
- ✓ have the capacity to enter into financial and legal agreements with IFAD, and comply with the procurement guidelines of IFAD (see [IFAD procurement guidelines](#))
- ✓ may not act as an intermediary, but be directly responsible for the preparation and management of the proposal

- ✓ must present audited financial statements and signed external audit reports in accordance with international standards on audit for the two previous years

Eligible expenditures

Eligible expenditures are those undertaken by applicants during project implementation and that are **essential and directly linked to the work defined by the project** in the Grant Agreement. Eligible expenditures must: (i) be reasonable for the goods and/or services being procured, (ii) exclude taxes, (iii) be procured in accordance with procurement procedures acceptable to IFAD, (iv) be supported by adequate documentation, and (v) be verifiable by IFAD/FFR.

Expenses can cover the entirety or a part of the following categories:

- ✓ consulting services (project coordinators that are part of the staff of the proponent organization cannot be financed by an IFAD/FFR grant, and are expected to work full time on the project during the contractual period)
- ✓ research and study costs that directly contribute to the outputs of the project
- ✓ product development cost and testing
- ✓ marketing and dissemination cost for the products and markets supported by the initiative
- ✓ outreach exercises, workshops and seminars
- ✓ trainers or facilitators
- ✓ development of training materials
- ✓ marketing materials and activities
- ✓ acquisition of licenses and software
- ✓ purchase of computer equipment or technology platforms (not more than 30 per cent of IFAD grant)
- ✓ travel expenses

Please note that these activities have to explicitly be linked with the activities and objective of the project outputs and represent a key element for successfully achieving the expected results of the project.

Notes

- ✓ The hiring of national consultants is encouraged where possible.
- ✓ IFAD/FFR fund allocations should be distributed among activities and not solely on a specific activity.

Ineligible expenditures

IFAD/FFR funds cannot be spent on the following:

- X investment in physical infrastructure and assets (construction, land property and durable equipment such as heavy machinery or vehicles)
- X credit funds (however, the cost of setting up a credit fund would be an eligible expenditure)
- X raw materials

- X subsidies or monetary compensation for: existing personnel of beneficiary institutions, and as part of marketing strategies for existing financial services not related to the grant purpose
- X promotional expenses that may result in unfair competition for other market players
- X operational costs of the beneficiary institution (IFAD/FFR will not finance current operational costs; however, these can be included as in-kind counterpart contributions to the extent that they are relevant to the project)
- X private sector applications to expand businesses in developing countries that are unlikely to lead to significant development impacts
- X equity or capitalization of the company
- X long-term operating costs of the company
- X overhead expenses

V. Submission guidelines

Procedures for this RIC22-SA comprise **four phases**. Upon satisfactory completion of each phase, applicants will be invited to submit additional documentation to support their initiative. Please note that submissions have to be made through email to remittances.sa@ifad.org.

Each phase is structured as follows:

PHASE 1. PRE-SELECTION: INITIAL PITCH CALL

- Step 1: determine eligibility of your organization by completing **Annex 1 - Eligibility questionnaire**
- Step 2: if eligible, complete the **Annex 2 - Initial pitch call request form**
- Step 3: submit Annex 1 and Annex 2 duly completed via email to remittances.sa@ifad.org

Deadline for submission of Annex 1 and Annex 2 for Phase 1 is 21 October 2022 at 17:00 (GMT).

Based on an initial assessment, **IFAD will confirm a one-hour pitch call appointment.**

PHASE 2 – FINAL SELECTION - FINAL PITCH CALL

If IFAD confirms Phase 1 pre-selection after **Initial pitch call**, the applicant will be invited to a **Final pitch call** session to orally present the in-depth project proposal based on the information requirements included in **Annex 3 - Final pitch call form**. This includes further information such as: a proposal justification, its goals, main components and outcomes; and a detailed budget and a timeline. The preparation time for the final pitch session will be of two weeks.

All final pitch sessions will be held between **15 November and 17 November 2022**. After this final call, IFAD will communicate to the applicants its decision to move forward or not by **21 November 2022**.

PHASE 3 – PROJECT DESIGN

At the end of the competitive process, the selected proposals will follow a project design to be finalized together with the applicant. Project design will be carried out through pre-arranged online meetings and an onsite visit by the IFAD/FFR team. It is expected that during these meetings, both proponent organization and partner representatives (if any) be present. A project design document will be prepared in accordance with IFAD formats.

Design will occur between **28 November and 16 December 2022**, upon coordination between IFAD and selected applicants.

PHASE 4 - APPROVAL AND DISBURSEMENT

Once all IFAD management internal clearances and approvals are received, a Grant Agreement will be signed by both parties (the applicant and IFAD). Disbursements will be made in accordance with the agreed financial plans of individual proposals. The estimated deadline for this phase is **mid-February 2023**.

Qualification and submission guidelines

How to apply?

Eligible applicants must complete and send via email to: remittances.sa@ifad.org:

1. Eligibility questionnaire
2. Initial pitch call request form

By **21 October 2022 at 17:00 (GMT + 2)** all fields must be completed. Incomplete applications *will not be considered*.

Please note that communication is open via email: remittances.sa@ifad.org. **Ad-hoc Q&A sessions can also be requested by applicants.**

Selection process

The review period required for the RIC22-SA Selection and Investment Committees to select winning proposals is estimated at 7 weeks. This could be extended depending on the number of proposals received. Selection will be based on the criteria outlined ahead.

Proposals will be selected following a technical review of each proposal and will be based on the **eligibility and selection criteria (Reference material - Annex 4)**. The RIC22-SA Selection Committee will select the most suitable projects for grant financing, further to be approved by IFAD management.

VI. Timeline

Submissions to the Innovation Champions 2022 – South Africa (RIC22-SA) should be made via email to remittances.sa@ifad.org.

IFAD will not consider any other type of submission.

Please complete and submit **Annex 1 - Eligibility questionnaire** and **Annex 2 - Initial pitch call request form**

Timeline for the Innovation Champions 2022 – SOUTH AFRICA*	
Qualification and submission process phase	
Launch of Innovation Champions 2022:	22 September 2022
Q&A sessions open:	23 September- 21 October 2022
Deadline for submission of proposed pitch call	Friday, 21 October 2022 at 17:00 (GMT+2).
Phase 1 – Pre-selection: Initial pitch call	
Individual pitch sessions	from Wednesday, 26 October to Monday, 31 October 2022
Announcement of preselected projects	Tuesday, 1 November by 17:00h (GMT)
Phase 2 – Final selection: Final pitch call	
Final pitch session for preselected projects	from Tuesday 15 November - Thursday 17 November 2022
Announcement of selected projects**	Monday, 21 November 2022
Phase 3 – Project design	
Project design will be carried out through pre-arranged online meetings and an onsite visit by the IFAD/FFR team.	from Monday, 28 November to Friday, 16 December 2022
Phase 4: Approval and disbursement	
Final design of grant agreements approved by IFAD management and disbursement for approved projects (time required depending on project complexity)	by mid-February 2023

**Dates may vary according to number of projects and complexity of projects received.*

***Selected proposals will undergo a final internal review within IFAD. A project will only be considered approved at the moment of signature of the Grant Agreement between IFAD and the applicant.*

For information, please visit: <https://www.ifad.org/en/prime-africa>

Or contact us at: remittances.sa@ifad.org

ANNEX 1- ELIGIBILITY QUESTIONNAIRE

Step 1: Determine the eligibility of your organization by completing this Eligibility questionnaire

Eligibility questionnaire

The questionnaire on the following pages represents your *expression of interest* to participate in the Remittance Innovation Champions 2022 – South Africa (RIC22-SA).

It will assist you and the FFR to determine whether your organization is eligible to submit a proposal. Please answer all questions to the best of your ability. **Replies to all questions are compulsory.**

Prior to beginning the questionnaire, ensure that the organization:

- is a registered legal organization in an [IFAD Member State](#)
- have the capacity to enter into financial and legal agreements with IFAD and comply with the procurement guidelines of IFAD (see [IFAD procurement guidelines](#))
- can present competitive procurement procedures for goods and services and competitive procedures for the hiring of human resources
- *does not* act as an intermediary, but is directly responsible for the preparation and management of the proposal
- can present audited financial statements and signed external audit reports for at least two previous years
- can provide the necessary counterpart contributions
- have a bank account in the name of the proposing institution

Before sending your application for consideration, please review the General Guidelines in these RIC22-SA. If you have any questions, please contact:

remittances.sa@ifad.org

Your organization and contact information of the person responsible for the project and direct communication with the FFR:

• Full legal name		
• Abbreviation		
• Type of organization (mark with an x)	<input type="checkbox"/>	Private (for-profit)
	<input type="checkbox"/>	Private (non-profit: NGO, think tank, etc.)
• Official address and mailing address if different		
• Name of the contact person		
• Email address of the contact person		
• Website address of the organization		
• Telephone (include country and city or mobile codes)		

Organizations applying for IFAD FFR grants must belong to an [IFAD Member State](#).

Does your organization belong to a Member State?

YES NO

If NO, we apologize, but only IFAD Member States are eligible for FFR grants.

Can you provide evidence of the organization's legal registration in an IFAD Member State?

YES NO

If NO, we apologize, but organization's registration in the country of operation (an IFAD Member State) is mandatory for FFR grants.

For further information, please contact us at remittances.sa@ifad.org

<p>Staff involved in the proposed project have immediate family members working for or at IFAD (as IFAD consultants or staff members).</p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p><i>If YES, we apologize, but this makes the organization ineligible for IFAD/FFR grants.</i></p> <p>For further information, please contact us at remittances.sa@ifad.org</p>	<p>Staff involved in the proposed project, or the applicant institution have been investigated, sanctioned for and/or convicted of fraud, corruption, collusion, obstruction, coercion or a related wrongdoing</p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p><i>If YES, we apologize, but this makes the organization ineligible for IFAD/FFR grants.</i></p> <p>For further information, please contact us at remittances.sa@ifad.org</p>
<p>Has the applicant institution or staff involved in the proposed project been investigated, sanctioned for and/or convicted of sexual harassment, sexual exploitation and/or abuse?</p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p><i>If YES, we apologize, but this makes the organization ineligible for IFAD/FFR grants.</i></p> <p>For further information, please contact us at remittances.sa@ifad.org</p>	<p>Does your organization have a bank account in its name?</p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p><i>If NO, we apologize, but requesting organization need to have a bank account in their name for IFAD/FFR grants.</i></p> <p>For further information, please contact us at remittances.sa@ifad.org</p>
<p>Can your organization provide annual audit reports for the two previous years?</p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p><i>If NO, we apologize, but annual external audit reports for the previous year are mandatory for IFAD/FFR grants.</i></p> <p>For further information, please contact us at remittances.sa@ifad.org</p>	<p>Can your organization provide documentary evidence regarding your legal, financial and control capacity to receive and manage grant funds under applicable law?</p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p><i>If NO, please contact us at remittances.sa@ifad.org for further information. Evidence regarding your legal, financial and control capacity is mandatory for IFAD/FFR grants.</i></p>
<p>Does your institution hold the relevant license to offer the services proposed in the project?</p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p><i>If NO, please contact us at remittances.sa@ifad.org for further information.</i></p>	
<p><i>If eligible, please continue filling out the project proposal application form below.</i></p>	
<p><i>Note: All information provided hereafter will be shared with the Review Committee for the evaluation and selection of projects. All data and information will be maintained in the strictest confidence by the IFAD/FFR.</i></p>	

ANNEX 2 - INITIAL PITCH CALL REQUEST FORM

If eligible according to Eligibility Questionnaire in Annex 1, please fill out the following form to request a pitch call.

Initial pitch call request form	
1. Main Information	
1.1 Project title:	
1.2 Type of project: (mark with an X)	
<i>Pilot or scalable:</i>	<i>Geographic scope:</i>
<input type="checkbox"/> New product or service	<input type="checkbox"/> Country-specific proposal (only one sending and one receiving country)
<input type="checkbox"/> Expansion of existing product or service	<input type="checkbox"/> Regional proposal (more than two countries)
1.3 Target RIC22-SA thematic area:	
Mark (X) all the objectives that apply to your project:	
<input type="checkbox"/>	(i) Expand formal channels for international remittances
<input type="checkbox"/>	(ii) Accelerate digitization of international remittances
<input type="checkbox"/>	(iii) Reduce international remittance transaction costs
<input type="checkbox"/>	(iv) Leverage remittances to deepen financial inclusion
1.4 Short description (no more than 500 words)	
<p>i) The overall project goal. Describe the objective the proposed project aims to achieve.</p> <p>ii) Target beneficiaries and geographic area. Country/countries and corridor(s) where the project will be implemented.</p> <p>iii) Expected results. Tangible achievements directly related to the project and specific KPIs metrics. Each proposals' expected results should clearly demonstrate their contribution to the achievement of one or more RIC22-SA objectives.</p>	
Proposed dates and times for a one-hour pitch call: Please suggest your preferred days and times from 26 October to 31 October 2022	
Option 1:	<i>(insert day)</i> October 2022
Option 2:	<i>(insert day)</i> October 2022
Preferred time slot: one hour per Pitch call	
<i>(indicate preferred hour)</i>	morning South Africa or Central European time
<i>(indicate preferred hour)</i>	afternoon South Africa or Central European time
Send annexes 1 and 2 to remittances.sa@ifad.org	

ANNEX 3 - FINAL PITCH CALL FORM

(Only for selected applicants)

If selected after pre-selection Phase 1, the applicant will be called to present a more in-depth rationale of their project during a final pitch session with IFAD selection panel. During this final pitch session, the applicant will be expected to address all points included in the template below (**2. Basic project data** and **3. Project financing** sections).

The applicant can select the format of the presentation for the final pitch call. However, while not compulsory, we recommend that applicants duly fill out the template to ensure that all required aspects of the presentation are covered.

2. Basic project data

2.1 Target group

- Main target countries and geographic focus
- Target corridor(s): South Africa outbound corridors
- Target beneficiaries/customers (the segments of the population that will directly and indirectly benefit from this project. This includes numerical targets to the extent possible. The focus of the proposed projects should be on international remittances from South Africa to other African countries)

Please note that:

- preference will be given to South Africa-Mozambique and South Africa-Zimbabwe as priority corridors
- more than one corridor are eligible

2.2 Short description

A short description of the proposed project, includes:

- **Context and rationale** A clear definition of the issue(s) to be addressed, and of related key opportunities and constraints. Issues raised in the rationale should be supported by research and recent data: estimates of the number of people affected that could directly benefit from project activities. Specify their key characteristics (e.g. age, gender, income level, economic activity, geographic location, etc.). There may be more than one final beneficiary group.
- **Demand or need for the solution proposed.** Clarify if there is an estimated demand for the proposed solution providing information on the size of the market (stock of migrants, remittance flows, level of informality, degree of digitization, etc.).
- **The legal environment.** National and international regulations applicable to the implementation of the proposed activities.
- **Need for non-refundable funding.** Explain why an IFAD/FFR grant is needed.

2.3 Implementation period

Indicate implementation period, expressed in months (maximum 18 months).

2.4 Organization's technical capacity

Description of your organization experience in particular with regards to reduction of remittance transfer costs, digitization, formalization and/or leveraging of remittances:

- Experience on cross-border remittances (and/or diaspora investment), including (i) remittance flows managed by the organization, with market share if possible; (ii) number of remittance access points, broken down by rural/urban if possible; (iii) remittance customer base; (iv) corridor(s) coverage and main partners if not through close loop scheme (ensuring the service from end-to-end).
- Or, clarify if the area of remittances is new to the applicant organization
- Legal framework under which the organization will implement the project activities (describe the required license, partnership agreements, etc., to prove that the organization complies with all legal requirements)
- In addition to the above information, for proposals aimed at expanding previous successful business models or models of intervention, specific information on past experience of the applicant organization relative to the initiative to be expanded/scaled up is required.

2.5 Project partners

Provide the name of partner organizations that will assist in implementation and provide information about the modalities whereby they will participate.

2.6 Innovation

IFAD will be inquiring about how the proposed project will bring innovation to the remittance market.

IFAD defines innovation as “a process that adds value or solves a problem in new ways”. To qualify as innovation, a product, idea or approach needs to be: (i) New to its context of application. The novelty may refer to country context, scale, domain, discipline or line of business. (ii) Useful and cost-effective in relation to a goal. An innovation must have positive value for its users. (iii) Able to be widely adopted after pilot testing. An innovation is a product, idea or technology with the potential for wide adoption, which it demonstrates through pilot testing. IFAD interventions are expected to innovate, by exploring methodologies, institutional arrangements or technologies that are new in the context in which they are applied.

2.7 Sustainability and scaling-up potential

Potential for scaling up the intervention that will be financed through this grant. The definition adopted by IFAD for scaling up is “expanding, adapting and supporting successful policies, programmes and knowledge, so that they can leverage resources and partners to deliver larger results for a greater number of rural poor in a sustainable way”.

3. Project financing

3.1 Costs (in EUR)

- Indicate the grant amount requested from IFAD's FFR, in Euro
- Indicate co-financing that will be provided by applicant institution (and other project partners), in Euro. From this co-financing, specify amount that will be provided in kind (maximum 50%) and in cash (*at least* 50% of counterpart)

Please note that:

- Overheads, management fees and indirect expenditures that are not directly linked to the implementation of the project are not eligible under IFAD's FFR grant financing. You may include these costs as co-financing.
- Grantees of the IFAD/FFR are required to provide a minimum of co-financing equivalent to:
 - 10% of the grant amount requested in the case of a **non-profit applicant**
 - 30% of the grant amount requested in the case of a **for-profit applicant**

Fees generated by services offered through the project cannot be used as counterpart contributions. These should rather be viewed as a primary instrument for ensuring the long-term sustainability of the project.

ANNEX 4 - REFERENCE MATERIAL - OBJECTIVES AND SELECTION CRITERIA

Objectives for the RIC22-SA

The RIC22-SA will prioritize the following 4 objectives. A sample of measurable outcomes is indicated for each objective.

Objective 1

Expand formal channels for international remittances	Promote greater access and use of formal international remittance transfers from and to South Africa
---	--

Sample of expected outcomes include:

- An increased number of users of formal remittance channels
- An increased number of remittance-linked financial products and services
- Increase in the number of new products focused on vulnerable migrant workers intra-Africa and in the EU
- Enhanced awareness, marketing and financial education activities specifically targeting informal remittance users
- Regulated or semi-formal organizations such as forex bureaus where international remittances are collected adopting a legal form that allow them to comply with existing laws and consolidate their remittance business line

Objective 2

Accelerate digitization of international remittances	Accelerate the use of digital products and the digital payments ecosystem to support international remittances from and to South Africa
---	---

Sample of expected outcomes include:

- Increase in market share of digital service providers through new technology solutions and partnerships for IMTOs
- Increase the **share of customers** sending and receiving remittances through digital channels **particularly in rural areas**
- Increased access to competitive and gender-responsive **digital products or channels** for international remittance senders and receivers, such as, but not limited to, mobile wallets or digital remittances terminated into the accounts of regulated financial institutions (products customized to drive or ensure female uptake will be encouraged)
- Market offer growth for **digital payments linked to remittance services** (such as online purchasing, school, electricity, water, health care, G2P, etc.) or added-value services such as (agricultural inputs and value chain payment, financial literacy and money management tools)
- Cost-effective methodologies for the **onboarding** of new customers, especially disadvantaged segments of the population, such as low-income and female customers
- Enhanced **interoperability** among remittance service providers
- An increase in the number of people that can access, are aware of and use low-cost digital remittance services, especially with regards to pay-in options intra-Africa and in the EU, the ability to send to a mobile wallet and the cashing-out locations

- Increase in the number of international and national remittance services that can be **terminated onto domestic payment systems**

Objective 3

Reduce international remittance transaction costs	Contribute to reducing international remittance transfer costs from and to South Africa and increase access to and use of transparent and gender responsive low-cost services
--	---

Sample of expected outcomes include:

- Lower remittance prices (fee + forex margins) offered by existing RSPs as compared to the baseline
- An increase in the number of men and women that can access, are aware of and use low-cost digital remittance services, especially with regards to pay-in options intra-Africa and from the EU
- Proven new or improved methods to increase transparency in transfer costs in selected corridors
- New or existing RSPs offering low-cost remittance services in selected corridors intra-Africa and with Europe
- Increase the number of new RSPs entering the South African remittance market, fostering more competition by developing innovative and streamlined remittance business models
- Scalable and replicable sustainable cost reduction models and best practices

Objective 4

Leverage remittances to deepen financial inclusion	Use international remittances from and to South Africa as a conduit for increasing financial inclusion and the resilience of remittance senders and recipients
---	--

Sample of expected outcomes include:

- Expanded **access to adjacent financial services linked to remittances**. These products may include, but are not limited to: interest-term deposits, flexible savings (including group savings), emergency savings, microinsurance, low-interest emergency loans, affordable microenterprise credit, crowdfunding models, etc.
- Improve the **financial management and planning skills** of remittance senders and receivers through customized financial literacy programmes (interventions catered to ensure the participation of women, rural and low-income segments of the population will be encouraged)
- Enhanced knowledge and confidence of remittance senders and receivers towards **digital financial products** through targeted, cost-effective digital literacy programmes (interventions aiming to close the gender gap in digital readiness will be encouraged)
- The **information available and accessible to customers** on remittances and other financial services is enhanced to enable a better decision-making process
- Expand the **outreach of remittances pay-out locations** to underserved locations, especially in rural areas of the country, through targeted regulatory amendments

Selection criteria

As a basis for eligibility, proposed projects should be aligned with RIC22-SA objectives. IFAD/FFR will also consider the extent to which its resources are needed to carry out the project and the added value of FFR support.

Proposals from eligible applicants will be evaluated on the basis of the below criteria.

- (i) **Degree of innovation.** To what extent the project/initiative proposes new ways to address identified problems and is unique compared to existing models/trends, based on its content and/or delivery methodology. Constraints to innovation specific to proposal country/region should be addressed (legal, political, regulatory, etc.).
- (ii) **Sustainability and replicability.** Whether the project/initiative requires minimal resources to be maintained, demonstrating that it can be applied to other contexts and target audiences to achieve greater impact and reach over time. Innovations and scaled-up outcomes are expected to grow without continued IFAD/FFR support. Financial and organizational sustainability must be viable.
- (iii) **Market positioning.** The extent to which the applicant clearly addresses a specific market segment/corridor and properly assess its comparative advantages to do so. The proposal will demonstrate the depth of the market and the applicant's ability to design a commercially viable business model with appropriate products and distribution channels.
- (iv) **Impact as per RIC22-SA objectives.** Whether the project/initiative demonstrates specific cost-effective actions and benefits for the intended audience/market, and whether the results to date and/or those expected in the future are concretely explained. Specific targets and outcomes should be clearly mentioned.
- (v) **Implementation strategy.** Whether the project/initiative clearly describes the specific activities, operational arrangements and partnerships that have been and will be developed to implement it, and the type and number of expected participants (direct and indirect). Proposal assessment will consider feasibility and consistency of project activities, project workplan, proposed budget and financing plan; appropriateness of the implementation arrangements and partnerships and resources to be mobilized for the project; and overall quality of the proposal documents (form and content).
- (vi) **Implementation capacity.** Applicant's and its partner organizations' financial, managerial, and technical proven experience in the area of remittances and/or digitization. Applicants must provide evidence of interest and/or commitment from partners.

Specific evaluation criteria per type of project will be applied as follows:

Evaluation criteria		weight criteria %
i	Degree of innovation	10
ii	Sustainability and replicability	20
iii	Market positioning	10
iv	Impact as per RIC22-SA objectives	30
v	Implementation strategy	10
vi	Implementation capacity	20
Total		100

IFAD/FFR Selection Committee members will assign between 0 and 5 points to the above-mentioned criteria according to the following assessment:

0 – fails or missing/incomplete information; 1 – poor; 2 – fair; 3 – good; 4 – very good
5 – excellent

A weighting factor is assigned to each pre-selection criteria as indicated above and will be applied to the score obtained for each criteria to determine the overall score and ranking of each proposal.