



KARANDAAZ GREEN CHALLENGE FUND (GCF) 2022

Terms of Reference

&

Expression of Interest Submission Guidelines

3rd October 2022

Karandaaz Pakistan

Address: Ali Plaza, Mezzanine Floor, Nazimuddin Road, Islamabad 44000.

Email: ichallenge@karandaaz.com.pk

Company Overview

KARANDAAZ PAKISTAN (KRN), a not-for-profit company established in August 2014 under Section 42 of Companies Ordinance, 1984 (now Companies Act, 2017), promotes access to finance for small businesses through a commercially directed investment platform, and financial inclusion for individuals by employing technology-enabled digital solutions. The company has financial and institutional support from leading international development finance institutions; principally the United Kingdom Foreign Commonwealth and Development Office (FCDO) and the Bill & Melinda Gates Foundation (BMGF).

KRN has four core work streams – Corporate Investment & Credit (CIC) Digital Financial Services (DFS), Innovation, Knowledge Management & Communications (KMC). The **Green Challenge Fund (GCF)** falls under **Karandaaz Innovation (KI)** function. Karandaaz Innovation provides risk capital and concessional financing to partners with an aim to generate innovative yet practicable solutions for solving complex problems in areas of financial inclusion and entrepreneurship. The Challenge Fund is particularly focused on addressing stubborn barriers faced in commercializing technical solutions to mitigate or adapt to climate change risks.

I Introduction

Karandaaz Pakistan is inviting green techs, cooperatives, corporations, not-for-profits, financial institutions, medical institutions, academic institutions, and/or any formally registered business enterprise working on green technologies to participate in this year's Green Challenge Fund (GCF) round. Since the commercial viability and long-term sustainability of the solution is key, applicants are encouraged to partner with other entities and apply to the GCF as a consortium. **The GCF-II will fund innovative, commercially viable, and sustainable solutions that support the following focal themes:**

1. **Efficient Water Management:** Support technologies and solutions for efficient management of water in residential, industrial, and agricultural use.
2. **Plastic Waste Management:** Support technologies that enable efficient plastic waste management solutions, improvements in Greenhouse Gas (GHG) emissions, reduce pollution (air or water), reduce the demand for plastics, and facilitate recycling of plastic materials and products.
3. **Medical Waste Management:** Support technologies and solutions to mitigate and manage both hazardous and non-hazardous medical waste in clinics, laboratories, medical universities, hospitals, and other medical institutions.
4. **Improving Air Quality:** Support technologies and solutions to curb and reduce air pollution and improve air quality at the household, industrial, and/or national levels.

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The project must have a clear technology angle that will drive improvement in the identified thematic areas. **Solutions selected under the Green Challenge Fund (GCF) must also contribute to the following indicators of FCDO's International Climate Finance¹:**

#1: Number of people supported to cope with the effects of climate change,

#4: Number of people with improved (climate) resilience,

#6: Greenhouse gas emissions reduced or avoided (tCO₂),

#12: Private climate finance mobilized (PKR),

#15: Extent to which GCF intervention is likely to have a transformational impact (scorecard).

Karandaaz will be providing Technical Assistance through concessional finance (debt and/or risk cover or a combination of the two), and/or grant in select cases.

II Technical Assistant & Funding Support

The anticipated timeline for the project starting from the selection of the applicant will be a maximum of **3 years**. Overall funding available through Karandaaz will be purposed into financing categories listed below. Terms and modalities will depend on the proposed solution. Co-investment by the applicant is encouraged (financial co-investment will be preferred, and in-kind contribution will also be considered).

i) Funds required for model development or improvement: This includes the cost of a consultant, technical experts, data acquisition, etc. related to developing the solution.

ii) Funds required for operationalizing the project: This includes costs related to project management staff, procurement of any hardware, travel costs, data collection and project monitoring expenses, etc. incurred during the implementation of the project.

iii) Returnable Risk Capital or Concessional Debt to test or scale the model: Based on the proposed methodology, Karandaaz may provide a guarantee to de-risk and commercialize the technical solution. Another option is financing the solution through a concessional debt. The concessional debt will be administered through Parwaaz Financial Services Limited (PFSL), a fully owned subsidiary of Karandaaz Pakistan.

iv) Grant support: Grants may be provided to a solution that creates a public good with clear mechanisms for its sustainability. These entities (universities, not-for-profit organizations, etc.) do not have the mandate to take on debt but have a solution that can make a significant difference in the selected thematic area (listed above).

¹ Please see: <https://www.gov.uk/guidance/international-climate-finance>

III Eligibility Criteria for EOI/ RFP

- a. A green-tech, cooperative, corporation, not-for-profit, financial institution, medical institution, or any formally registered entity working in the thematic areas of the GCF with demonstrated experience in the focal sector.
- b. Applicant entity or consortium should be formally registered.
- c. Proposed project team should have demonstrated knowledge in the thematic areas of the GCF.
- d. The proposed project team should be willing to share broad-based learning with stakeholders.
- e. The participating entities should be compliant with relevant regulations of the Government of Pakistan

IV Important Dates

The table below presents the important dates in the project selection process. Any change in the schedule will be communicated to the applicants.

#	Activity	Date
1.	EOI Submission	17 th October 2022
2.	Proposal Development Workshop	21 st October 2022
3.	Last Date of Queries	14 th November 2022
4.	Submission of Technical & Financial Proposals	17 th November 2022
5.	Presentation by the Shortlisted Applicants to the GCF Advisory Committee	28 th Nov – 2 nd December 2022
6.	Final Decision	December 2022

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Annexure 1

EOI Form

Applicants are requested to complete the EOI form as specified in the format below. The form should not be more than 2 pages with 12 size Times News Roman font. EOI Forms with supporting documents must be submitted on **17th October 2022** by e-mail at ichallenge@karandaaz.com.pk. All queries related to the EOI may be sent to ichallenge@karandaaz.com.pk no later than **14th October 2022**.

- **Name of Applicant's Organization(s)**

Please list names of all organizations applying if in a consortium, clearly mentioning the Lead Organization.

- **Address of Applicant's Organization(s)**

Please mention information for all organizations applying.

- **Year of Incorporation**

Please mention information for all organizations applying.

- **Specific Law (s) under which the company is registered**

Please mention the laws under which organizations applying are registered.

- **Tax Details of Organization**

Please mention NTN for all organizations applying.

- **Please identify the thematic area that your project will focus on**

In 8-10 lines, please also provide a brief description of your idea and approach.

- **Please describe your qualification to implement the project**

In 8-10 lines, please explain how the applicant is well suited to deliver the proposed project and how will the implementing partners strengthen the capacity of the consortium

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