



## **KARANDAAZ INNOVATION CHALLENGE FUND (ICF)**

**Theme: Accelerating Women Entrepreneurship**

**Terms of Reference  
&  
Proposal Submission Guidelines**

**December 2022**

Ali Plaza, Mezzanine Floor, Nazimuddin Road, Islamabad 44000  
Email: [ichallenge@karandaaz.com.pk](mailto:ichallenge@karandaaz.com.pk)

## Table of Contents

<b>Section 1: Terms of Reference for Innovation Challenge Fund (ICF)</b>	<b>3</b>
I. Company Overview	3
II. Introduction	3
III. Technical Assistant & Funding Support	4
IV. Context and Challenges	4
V. Opportunity	6
VI. Project Scope Overview	7
VII. Process Flow and Project Timeline	9
VIII. Eligibility Criteria for EOI/ RFP	10
IX. Important Dates	10
X. Evaluation Criteria	11
<b>Section 2: Guidelines for Applicants on Expression of Interest (EOI) and Request for Proposal (RFP)</b>	<b>11</b>
I Introduction	11
II Proposal Template	12
III Proposal Submission Requirements	15
IV Final Presentation	15

## Section 1: Terms of Reference for Innovation Challenge Fund (ICF)

### I. Company Overview

KARANDAAZ PAKISTAN (KRN), a not-for-profit company established in August 2014 under Section 42 of Companies Ordinance of 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 **Innovation Challenge Fund (ICF)** falls under **Karandaaz Innovation (KI)** function. Karandaaz Innovation provides risk capital and grants to partners with an aim to generate innovative yet practicable solutions for solving complex problems in areas of financial inclusion and entrepreneurship. *The ICF, this year, is inviting innovative solutions to promote women entrepreneurship and women led businesses using tech platforms. The project should aim to improve economic opportunities for women by providing a structured support and enabling platform for market access and business growth financing. This document provides complete information on the scope of project, funding opportunity, and the application process.*

**Definition:** A 'Tech platform' is a commercially viable, sustainable, one-stop shop, digital platform for women entrepreneurs. The platform will provide both e-commerce market access and financing options to meet business working capital and expansion needs.

### II. Introduction

Karandaaz is inviting financial institutions, corporations, not for profits or any formally registered business enterprise that is passionate about financial inclusion and women empowerment. The proposed intervention should aim to bring innovation in business opportunities available to women entrepreneurs and develop an e-commerce and business finance platform that will strengthen the quality of economic participation and financial inclusion of women entrepreneurs.

The projects selected under the Innovation Challenge Fund (ICF) will contribute to the following Sustainable Development Goals (SDG) and drivers of the National Finance Inclusion Strategy (NFIS) of the State Bank of Pakistan.<sup>1</sup>

**SDG Goal 5:** “Achieve gender equality and empower all women and girls”

**NFIS Driver 3:** Financial Service Providers: Providers develop systems, knowledge, products payments digitize all to serve new market segments profitably and safely

**NFIS Driver 4:** Financial Capability: Raise Financial Awareness & Capability (Women, Consumers, SMEs)

---

<sup>1</sup> National Financial Inclusion Strategy, SBP

Karandaaz will be providing Technical Assistance through concessional finance (debt and/or risk cover or a combination of the two) and limited technical assistance grants.

### III. 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, in-kind contributing 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. Context and Challenges

**There is a lack of female participation in the economy, females constitute 11.8% of Pakistan's self-employed labour force<sup>2</sup>.** On average, female entrepreneurs earn 29 paisas for every rupee that a male entrepreneur makes. This means that females contribute only 3.7% to Pakistan's total self-employed income which is a massive gender disparity and an incredible opportunity to address this economic gap. Pakistan continues to struggle with economic participation of women and ranks 145<sup>th</sup> out of 146 countries in Economic Participation and Opportunity Index<sup>3</sup>.

**Table 1: Self-employed females (10 years and above)**

	% of All Entrepreneurs	Average Monthly Income (PKR)	Income Parity to Male Entrepreneurs (%)
Khyber Pakhtunkhwa	2.17	5,878	27
Punjab	8.42	7,782	27
Sindh	1.14	6,922	35
Balochistan	0.05	11,360	43
Pakistan	11.79	7,364	29
Source: Labour Force Survey 2020-21, Govt. of Pakistan			

<sup>2</sup> Pakistan Labour Force Survey 2020-21, Bureau of Statistics, Government of Pakistan

<sup>3</sup> Global Gender Gap Report 2022, World Economic Forum

**Only 1 in 5 females in Pakistan own a smartphone, innovative approaches will be required to address this situation.** The reasons for low proliferation of smartphones among female population in Pakistan are not only complex, but steeped in cultural traditions that are unlikely to be resolved within the next few years. This means that any tech platform that wants to tackle the issue low levels women entrepreneurship will have to find innovative means to connect females from impoverished areas to the platform.

**Informal sector accounts for 72.5% of the economy, and constitutes 65.5% of the women employees working in main jobs outside the agriculture sector in Pakistan, with limited access to finance<sup>4</sup>.** Women entrepreneurs have found a natural home for selling goods through common social media platforms such as Facebook and WhatsApp. Social media accounts are created for the sole purpose of selling, which enable women to safely interact with the public at large. This has given birth to an untapped “informal ecommerce” ecosystem. However, for the consumer, this informal ecommerce system is an uphill battle in weeding out bad actors, non-existent customer support, and little to no product validation or customer feedback loops.

**Collateralization, unified fulfillment, and warehousing are the biggest challenges faced by the informal economy in Pakistan.** The female entrepreneurs will typically handle everything from packaging to shipping themselves which can significantly raise operational costs and eat into margins. Another major advantage of unified fulfillment and warehousing is the availability of collateralization for debt providers against future purchase orders. This will allow the entrepreneurs to vastly reduce their risk profile, as the loan will become partially secured, and avail far lower interest rates than normally offered.

**Availability of finance for small informal business is generally low, and for women entrepreneurs its even lower due to non-availability of collateral and higher risk profile.** In Pakistan, SME finance as a percentage of domestic private sector financing has decreased from 6.57% in March 2021 to 5.87% in March 2022.<sup>5</sup> It is estimated that the credit deficit for women owned and led enterprises is nearly USD 1.5 trillion.<sup>6</sup> Between 2015 to 2021, female founded start-ups raised a total of USD 8 million which accounts for 1.4% of the total amount raised by start-ups in Pakistan<sup>7</sup>. Bringing women entrepreneurs under the financial radar and documenting their businesses, will enable access to better priced financial services.

In India, Amazon Saheli is empowering women entrepreneurs across India by providing them a platform to sell their products. They provide trainings to kickstarts businesses, marketing support, professional product listings, and account management.

**The Government and regulator are attempting to create a conducive environment for women entrepreneurs through various initiatives to improve financial empowerment.** Under the Ehsaas Initiative, 50% of the interest free loans are targeted towards women<sup>8</sup>. The ‘Prime Minister’s Kamyab Jawan Youth Entrepreneurship Scheme’ also focuses on women empowerment with 25% of the loans offered to

<sup>4</sup> Labour Force Survey 2020-2021

<sup>5</sup> SME Finance Review, SBP March 2022

<sup>6</sup> Gender-Lens Investments Enable Women Entrepreneurs to Thrive in Pakistan, Oct 2022 IFC World Bank

<sup>7</sup> Pakistan Start-up ecosystem report (PSER) 2021 by i2i insights

<sup>8</sup> BISP, GoP

women entrepreneurs<sup>9</sup>. State Bank (SBP) launched the Refinance and Credit Guarantee Scheme for women entrepreneurs that offered loans at nominal rates and the Refinance scheme is currently active. Similarly, the SBP introduced banking on equality policy to reduce the gender gap in financial inclusion. The Regulator introduced a new instruction that mandates a minimum proportion of female agents. They also require the financial institutions to create specialized banking department and develop digital financial products with focus on women segments. The regulatory environment for women entrepreneurs has been steadily improving and a compounding effect can be achieved by synergizing the overall gender financing and entrepreneurship ecosystem with SBP initiatives.

#### Refinance Scheme for Women Entrepreneurs<sup>10</sup>

- ☐ Rate of mark-up for end user under the facility will be upto 5% per annum (p.a.). SBP will provide refinance to PFIs at 0%. Maximum financing amount is Rs. 5 million
- ☐ Maximum tenor of the facility is 5 years including grace period of upto 6 months
- ☐ Shariah compliant version of this scheme is also available

## V. Opportunity

**Potentially, an additional \$280 billion can be added to the value of the Southeast Asian e-commerce market if gender gaps were closed<sup>11</sup>.** In 2018, the World Bank launched an e-commerce platform for women-led SMEs in the MENA region. The project was designed to train the women-led SMEs in marketing and selling their goods online while also easing their access to finance. Similarly, the World Bank WeRaise initiative is delivering coaching to women led SMEs in Pakistan to enhance their ability to attract capital.

Under the World Bank WeFi program started in Djibouti, 32 women-led businesses were supported through an e-commerce strategy. After 1.5 years, on average overall sales increased by 12% of the businesses while the e-commerce generated sales increased by 16%. (World Bank blogs, Mar 2022)

Moreover, under the public-private partnership, the Government of Pakistan through its strategic arms intends to launch an e-commerce platform for women entrepreneurs and exporters.

**Pakistan revenue in e-commerce market is projected to reach USD 7 billion in 2022 and over USD 9 billion by 2025<sup>12</sup>.** The sector employs nearly 78% of the non-agriculture labor force in Pakistan and contributes more than 40% to Pakistan's Gross Domestic Product.<sup>13</sup> Pakistan can increase its GDP by \$36Bn and create 4 million jobs by 2025 via an increase in the use of digital financial services alone (SBP)<sup>14</sup>. As per UNCTAD's B2C e-Commerce Index, in 2020 Pakistan ranked 116 (out of 152 countries) on e-Commerce readiness index with a value of 32.5. Government interventions for financial inclusion is playing a key part in the rise in e-commerce. The Pakistan Single Window (PSW) initiative, which connects all the main border agencies, banks, and supply chain operators will also facilitate in exports via e-commerce platforms and support women-led businesses.

<sup>9</sup> Prime Minister's Kamyab Jawan Youth Entrepreneurship Scheme; IH&SMEFD Circular Letter No. 21 of 2020, SBP

<sup>10</sup> SBP Refinance, State Bank of Pakistan

<sup>11</sup> Women and E-commerce in South Asia, May 27 IFC

<sup>12</sup> Statista- ecommerce

<sup>13</sup> SBP

<sup>14</sup> E-Commerce Policy of Pakistan, GoP

**There is a surge in the number of local e-commerce platforms, online payment facilities and online vendors.** As innovation continues to transform financial services, there is a paradigm shift towards offering financial services through a modular approach<sup>15</sup>. This enables specialization among players across layers of services. Various stakeholders in Pakistan including financial institutions have entered into strategic partnerships to offer integrated services. Players in the e-commerce ecosystem including marketplaces and brands have integrated their platform through API integrations with payment system providers, logistics, and embedded finance services. Similarly, there are FinTech players in the market that offer business analytics, credit scoring, and debt provisioning to players in SME space. However, the products are not designed with women focus. Opportunity remains in developing a platform that covers all facets of a marketplace but is women centric. Seamless execution of various business functions within a single platform is essential.

**Despite the huge market potential and various public and private interventions there is a dearth of a single one-shop tech solution that provides both market access and business finance to women-led SMEs globally or locally.**

**The ‘tech platform’ is envisioned to provide integrated services for the growth and formalization of women-led small informal businesses.** Moreover, the algorithmic credit scoring and analytics, which form the basis of successful tech platforms, will provide the essential information for the refinement of both market and lending operations of the ‘tech platform’. It should have the capability to automatically compute credit scores for all of the entrepreneurs to facilitate the customization of interest rates and minimize the interest burden on women entrepreneurs on the platform. Risk coverage from the State Bank Scheme or the private sector may also be integrated into the model for favorable debt pricing for women entrepreneurs.

## **VI. Project Scope Overview**

Karandaaz is inviting innovative solutions to accelerate women entrepreneurship in Pakistan to reduce the gender gap in economic opportunity and empowerment. To reach a large and diverse population of women entrepreneurs through a product that supports business growth and is commercially viable necessitates the use of a ‘tech platform’. The tech platform should have, but not limited to, four major facets.

- a. **E-commerce:** for the budding women entrepreneurs of Pakistan, it needs to provide an electronic portal to set up shop for their ventures with minimal knowledge required. It should be able to provide complete logistics (including pickup and delivery) and marketing support to the entrepreneur.
- b. **Business Finance:** the tech platform should have an embedded business finance feature to cover working capital and business growth needs collateralized against the purchase orders generated by the platform. The business finance feature should be backed by an algorithmic credit scoring functionality for entrepreneur/business risk profiling and associated debt pricing.
- c. **Structured Growth & Formalization:** Thirdly it must also provide upskilling opportunities to facilitate women entrepreneurs in formalizing their business, and refining skills in business management and

---

<sup>15</sup> The Great Unbundling: How Technology Is Making Financial Services Modular and What It Means for Inclusion, CGAP 2021

growth planning. The tech platform should offer **business analytics and insights dashboard** that would allow the entrepreneurs to access their performance metrics. Similarly, the tech platform should facilitate structured business growth, through APIs enabling filling of **taxes, order fulfilment, debt provisioning and document management, e-invoicing, payment execution and tracking**. ERP should be integrated within the UX/UI.

- d. **Customer Engagement:** it should have customer support functions for the e-commerce marketplace. This feature is specifically designed for the end-clients. **Customer support** and secure transactions will be an integral part of the value chain

Please note that the 'tech platform' will not be a female exclusive platform and must cater to male entrepreneurs as well. However, it should have ambitious yet commercially viable targets for female entrepreneurs. The calculation and strategy for the optimal gender mix is the responsibility of applicant and should clearly be reflected in the technical proposal. The tech platform will cover all aspects of business for the women entrepreneur while ensuring transparency.

An overview of the 'tech platform' in terms of key players, their role, and the services offered is depicted in Figure 1 below.

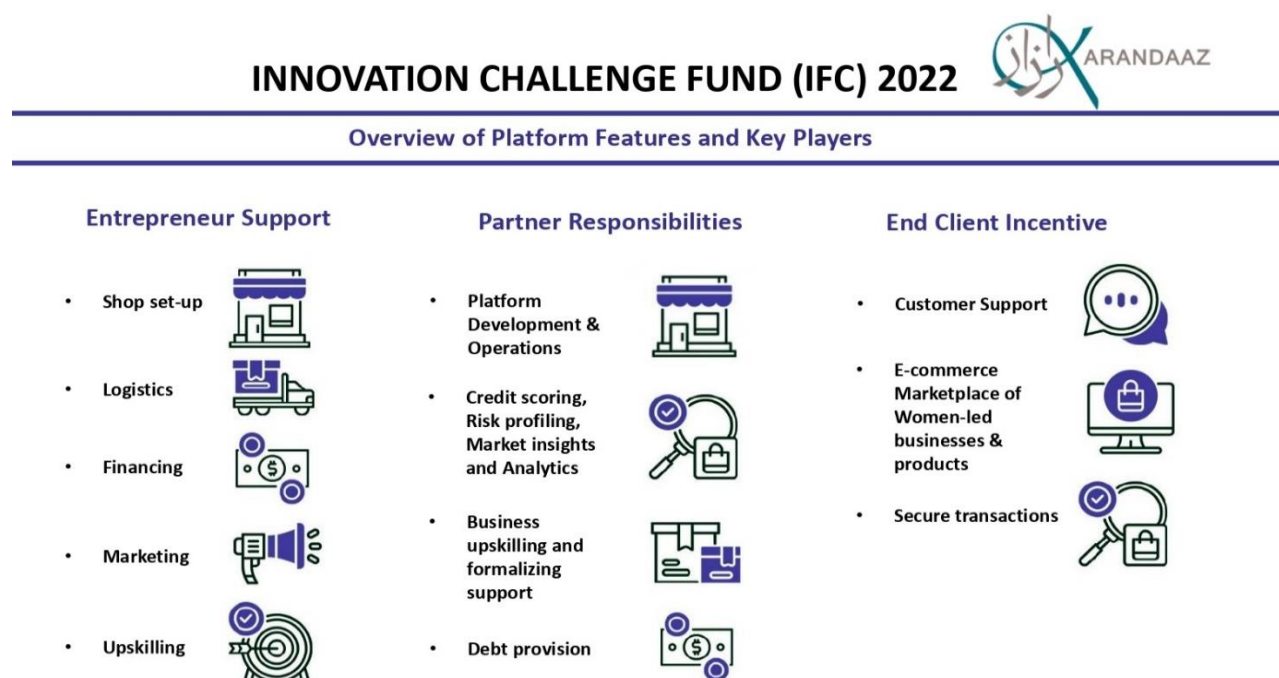


Figure 1 Overview of the 'tech platform' features



## VII. Process Flow and Project Timeline

The project selection and implementation process is explained below. Important timelines are also given.

### Stage 1: Solicitation of Applications and Selection of Partners

*Timeline: November 2022 to January 2023*

**Expressions of Interest [EOI]:** Interested applicants will be required to submit a simple EOI on the format shared by Karandaaz to convey their intent to submit an RFP (See Annex 1). *Potential applicants are required to submit their EOIs by 5<sup>th</sup> December 2022*

**Request for Proposals:** Applicants will be invited to submit and present their detailed technical and financial proposals, including a comprehensive business plan. A workshop on proposal development will be held on **16<sup>th</sup> December 2022**. *Potential applicants are required to submit their proposals by 10<sup>th</sup> January 2023.*

*Please note that the submission of the RFP qualifies an applicant for document review by Karandaaz. It is by no means a commitment to funding. All costs (time and material) incurred in the submission of the proposal are the responsibility of the applicant alone.*

**Final Selection:** The RFPs will be shortlisted based on the minimum eligibility criterion mentioned below. The shortlisted applicants will be required to present their proposals on **23<sup>rd</sup> January 2023 – 27<sup>th</sup> January 2023** to the Advisory Committee for the Innovation Challenge Fund (ICF). Proposals will be evaluated purely on technical grounds. The Advisory Committee's recommendations will be presented to the Board of Karandaaz, which is the final decision-making forum.

Subsequently, the Innovation team will enter into a discussion with the finalist(s) on intervention costs and associated results commitment.

### Stage 2: Project Implementation

The anticipated project timeline for Stage 2 is about 2 years. However, this may be extended up to 3 years if the proposed project can justify a longer implementation period.

#### Approval of Detailed Implementation Plan of the Intervention, Market Analysis and Preparation

*Timeline: April – June 2023 (3 months)*

At this stage, the Awardee(s) will conduct a deeper market analysis for the respective theme on which they are focusing. This stage will involve data collection, desk research of other countries/economies with similar mechanisms, structuring key partnerships and mapping commercialization dynamics for the project, and leveraging data flow to ensure robust risk assessment. This will allow the Awardee(s) to make improvements and modifications to their existing solution, refine it further, and make it commercially viable. Resource mobilization for project implementation will also take place at this stage. However, the steps involving research may be skipped, with prior approval from Karandaaz, if the awardee has sufficient market/product information to start implementation.

## Launch of Pilot & Implementation

*Timeline:* July 2023- December 2024 (18 months)

In this stage, the Awardee(s) will test or launch the solution and refine its design/commercial plan. At this stage the Awardee(s) will be onboard the women-led SMEs and other key stakeholders required for the success of the project. The Awardee (s) will also leverage existing and new technology to cover all facets of the tech platform. The proposed solution will initially be tested on a limited sample for a period of 6 months and scaled up to a larger market in the remainder period. Applicants that have a tested technology may opt for a short pilot launch and subsequently focus on scale up.

*The timelines identified above for Market Research/Mobilization and Pilot/Implementation are indicative and may be revised by the awardee according to project needs, if justified.*

## Consolidating Results & Learnings

*Timeline:* January to March 2025 (3 months)

Karandaaz will work with partners to consolidate learnings from the pilot stage. This will be in the form of a Project Completion Report (PCR) submitted by the partner. This stage will also include an independent evaluation of the project to assess the intervention impact on direct beneficiaries as well as overall market development.

## **VIII. Eligibility Criteria for EOI/ RFP**

- a) A local technology company, e-commerce company, corporation, financial institution or any registered company with demonstrated experience in developing an e-commerce platform and has relevance to the SME sector in Pakistan. **Given the nature of the project, consortiums are encouraged, each entity must be licensed to provide the assigned service in the project. EOI must include Letter of Intent from all the partner institution/s.**
- b) The proposed project team/entities should have demonstrated knowledge of e-commerce, SME finance, and developing business analytics and modeling.
- c) The proposed project team should demonstrate a willingness to share broad-based learning with stakeholders.
- d) The participating entities should be compliant with relevant regulations of Government of Pakistan and should be a tax registered and compliant with tax regulations of Pakistan.

## **IX. 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	5 <sup>th</sup> December 2022

2.	Proposal Development Workshop	16 <sup>th</sup> December 2022
3.	Last Date of Queries	6 <sup>nd</sup> January 2023
4.	Submission of Technical & Financial Proposals	10 <sup>th</sup> January 2023
5.	Presentation by the Shortlisted Applicants to the ICF Advisory Committee	23 <sup>rd</sup> January – 27 <sup>th</sup> January 2023
6.	Final Decision	March 2023

## X. Evaluation Criteria

The Advisory Committee will evaluate the Technical Proposal and Presentation as per the criteria and weightage specified in **Exhibit 1** below.

**Exhibit 1: Assessment Criteria**

Assessment Metric	Relevant Proposal Section	The weightage (%)
Relevant experience of the Applicant	Section 7 and Annexures	15
Profile of the Project Team	Section 7	15
Quality of the Proposed Methodology for Model Development/Refinement	Sections 2 to 6	20
Approach to Testing of Model	Section 6	15
Innovation & Sustainability of the Approach/Idea	Section 2 and 4	20
Approach to Project Monitoring, Lesson Sharing, and Risk	Section 8 and 9	15
<b>Total</b>		<b>100</b>

## Section 2: Guidelines for Applicants on Expression of Interest (EOI) and Request for Proposal (RFP)

### I Introduction

To complete the application process for Karandaaz Pakistan Innovation Challenge Fund (ICF) on ‘Accelerating Women Entrepreneurship’, applicants are requested to:

- a) Submit an **Expression of Interest (EOI)**, in the format provided by 5<sup>th</sup> December 2022
- b) Participate in the **Proposal Development Workshop** on **16<sup>th</sup> December 2022**
- c) Submit **Technical & Financial Proposal** on **10<sup>th</sup> January 2023**
- d) **Present Technical Proposal** to the ICF Advisory Committee on 23<sup>rd</sup> January – 27<sup>th</sup> January 2023

Applicants will be evaluated against an objective selection criterion. These guidelines provide details on the Proposal content and the Evaluation Criteria. The Advisory Committee (AC)<sup>16</sup> for the Innovation Challenge Fund (ICF) is responsible for the selection of applicants and making its recommendations to the Board of Karandaaz who will then make the final selection of the Awardee(s).

At any stage of the application process, Karandaaz reserves the right to request further information and/or clarifications from the applicant in relation to the submitted proposal.

## II **Proposal Template**

The applicants are required to submit a Technical Proposal and Financial Proposal to qualify for a review by Karandaaz. Key requirements from the proposals are described below:

The **Technical Proposal** should be no more than 24 pages. The technical proposal must include the following requirements:

**Section 1: Executive Summary** (*no more than 1 page*): This should focus on the approach being proposed, the results that will be achieved, and the strengths of the applicant(s) in delivering the project.

**Section 2: Value Proposition** (*no more than 1 page*): Briefly discuss your idea and approach here. Provide an overview of what you are proposing in terms of the scope and functionality. Additionally, clearly state what makes this an **innovation** and its potential impacts if scaled up.

**Section 3: Market Analysis** (*no more than 3 pages*): This section should demonstrate your understanding of the project. It is recommended that you discuss the demand side (target market, size of the market, gaps in the market, challenges of the market, etc.) and the supply side (who are the major players, existing products/practices and solutions prevalent by the private and public sector, limitations of current products), regulatory frameworks and policies in the country, key trends, opportunities (for example, new market entrants, the role of technology, macroeconomic developments) and challenges in the eco-system. This Analysis should then be used to position your idea within the selected theme, the gap/challenge it seeks to address, economic viability, and sustainability of the proposed solution.

**Section 4: Your Approach** (*no more than 8 pages*): You should discuss your overall approach to developing the model here. This should cover the following:

---

<sup>16</sup>The Advisory Committee will comprise of representatives from Karandaaz Pakistan (Board and Staff), the challenge fund sponsor, and private sector and subject experts. The Advisory Committee reserves the right to appoint additional members for the purpose of selecting applicants.

- a. **Research/Data:** What data will you use on existing practices, market situation, and technology? Is this already available or will you need to access it? How will you gain access? Why do you think this will provide a sound basis for your model/technology? Are there examples of similar models being used or tested elsewhere?
- b. **Resource requirements:** What technical resources will you require? Do you need to procure any hardware or software? Please create a business case for the resources that you will need.
- c. **Project process flow:** This should provide a detailed breakdown of the technical process and link it to key milestones in your project (from R&D to live testing). Discuss how the key deliverables (proof of task completed) are linked to results (in terms of economic, social and digital impact) at each stage. Results will be particularly important after the research and mobilization step in the project cycle.
- d. **Innovativeness of the approach:** Discuss why this approach is innovative given the state of digital platforms for women entrepreneurs in Pakistan.
- e. **Implementation Plan:** The application must include a realistic time frame for implementation, including performance deliverables, timelines, and milestones. It is recommended that step (c) above and step (e) are kept separate. However, the applicant may merge the two if it supports a better presentation of information.
- f. **Project Management & Governance Arrangements:** Team structure and requisite expertise to manage the project. Roles and responsibilities in delivering the project at various stages. Governance arrangements for strategic direction, quality assurance, and timely delivery.
- g. **Sustainability, Scalability, and Soundness:** Proposals are required to demonstrate potential for scale-up and sustainability after support from Karandaaz phases out and should meet policy and regulatory standards for safe and sound financial systems, the new market areas to be served by the proposal, and the potential for job creation (where possible).

**Section 5: Design and Inception Stage** (*no more than 1 page*): describe the basic elements and/or refinements needed in the model that will be piloted, what the model aims to achieve, and its commercial viability. Also provide information on the model design process, requirements, and key outputs.

**Section 6: Pilot Testing Strategy** (*no more than 2 pages*): Lay out your approach to testing the solution/refined model. The ICF Advisory Committee should be able to assess the robustness of your approach as well as its practical feasibility.

**Section 7: Applicant(s) Profile** (*no more than 4 pages*): This section should cover two areas:

- a. **Team Capabilities:** Please discuss why you are well positioned to undertake such a project. You should discuss the organizational profiles as well as the expertise of the team that will be executing the project. It should give confidence to the ICF Advisory Committee that the applicants have the required experience and relevant institutional background for this project. Discuss your project team structure here in relation to the key deliverables of the project. If you are working in a consortium,

how will responsibilities/activities be divided and managed? CVs of key staff should be included in the proposals.

- b. **Commitment of the Applicant:** Given the medium-term nature of the project (24 months with the possibility of extension, if required), the Advisory Committee would assess:
- whether the project fits with the broader objectives and activities of the applicant
  - buy-in of senior management and BOD of the applicant entities to ensure continuity and commitment over the project's life

**Section 8: Measuring Results & Learning** (*no more than 2 pages*): what will be your approach to capturing lessons from the project? How will your proposed solution contribute to women entrepreneurship, growth and formalization of women led businesses, and the gender financing ecosystem.

**Section 9: Risk Assessment** (*no more than 2 pages*): Please provide a risk matrix here which covers key risks that you foresee in project implementation (regulatory, operational, strategic, compliance, and financial), and the risk mitigation measures. Also provide a risk rating (high, moderate, low) against all risks. Any support required from Karandaaz in managing risks should be discussed in this section also.

The **Financial Proposal** should include a detailed budget covering the full duration of the proposed program. Overall funding requested from Karandaaz should be broken down by:

**a) Funds required for model development:** This includes the cost of consultants, technical experts, data acquisition, etc. which relates to developing the solution.

**b) Funds required for operationalizing the project:** This includes costs related to project management staff, procurement of any hardware, travel costs, data collection, project monitoring expenses, etc.

**c) Funding Type & Mix Required:** Specify the type of funding required to execute the project (technical assistance grant, concessional debt, or risk cover guarantee). **Please refer to Section 1, sub-section II for details on funding options.** However, the terms and modalities offered to the selected project will depend on the proposed solution. Financial co-investment in commercializing the technology/solution is encouraged.

In addition to the above breakdown, the financial proposal should also include a proposed milestone-based disbursement schedule. In the case of a consortium, the proposal should specify the share of each consortium member in the budget as well as their financial/monetized contribution (if any).

All amounts should be in Pakistani Rupee (PKR). Funds will be provided in PKR to the selected awardee(s).

### III Proposal Submission Requirements

#### Documents

The following documents should be provided with the technical proposal. Please note that incomplete documentation may result in the dismissal of the application.

- Copy of Company Registration/Certificate of Incorporation (for all companies in case of a consortium)
- Copy of NTN (for all companies in case of a consortium)
- Letter of Intent from all consortium partners with the specification of the lead entity
- Letter of intent from the financial institution (in the case of a consortium)
- CVs of key personnel (no more than 3 pages per CV).
- Audited Financial Statements for the last 2 years. In case the company does not have audited statements or was incorporated less than two years from the submission of the proposal, management account statements can be submitted.

#### Proposal Format

It is **strongly recommended** that applicants use the same headings as above for their Proposal. The technical proposal should be no more than **24 pages with font size 12** in Times New Roman font.

#### Mailing Address

The proposal and accompanying documents should be emailed to [ichallenge@karandaaz.com.pk](mailto:ichallenge@karandaaz.com.pk).

### IV Final Presentation

Shortlisted applicants will be required to make a formal 45-minute PowerPoint presentation (15 min presentation + 30 min Q&A) to the Advisory Committee at a date and venue to be communicated after the submission of the Proposal. The presentation should ONLY cover the technical proposal and NOT the financial proposal.

The Presentation will provide the Advisory Committee an opportunity to meet the Applicant(s) to gain further clarity on the methodology/model, gauge team capability, and assess the assumptions used in the proposal.

### V Confidentiality

Information relating to the technical proposal and evaluation shall not be disclosed to firms or any other persons not officially concerned with the proposal evaluation process. The information shared by the applicant shall be treated as confidential.