



Call for Proposals

Financial Service Providers operating in Nepal! Are you willing to introduce innovative business models but are constrained by high initial costs; and / or hesitating to invest large funds due to high risks? Getting into untested market segments, designing new approaches and implementing comprehensive strategy targeting un/under-banked population is a challenging task. We at UKaid Sakcham understand this proposition. We will co-invest with you in those projects; help you to mitigate risks so the project becomes commercially sustainable.

Sakcham now invites committed and forward looking licensed Financial Institutions in Nepal to submit innovative business model concepts.

Business Models we encourage:

1. **Increase Downscaling by Commercial Banks:** Introducing Alternate Credit Scoring Models or Adaptation of Technology for credit decision and management that are targeted to increase MSME lending
2. **Increase Value-Chain Financing Products:** Concentrated efforts in selected agricultural value chains such as: honey, dairy, food grains, livestock, poultry, horticulture, and vegetables; Promotion of linkages across different FSPs for wider reach and coverage; selected products such as Warehouse Receipt Financing; Invoice Discounting/Reverse Factoring; Input Financing; Flexible financing for farmers; Purchase Order Financing; and Linkages with MFIs, Coops and FINGOs
3. **Extend Remittance-based Products:** Financial products and services for migrant workers/family at Pre-migration, During-migration and Post-migration stages; including loan, saving, insurance, remittance bundled with promotional non-financial services increasing the productivity of migration and meaningful utilization of remittance
4. **Increase Uptake of Micro-Insurance**
5. **Replicate Technology for Loan Automation:** Roll out of tablets for transaction recording, loan automation and developing ecosystem of digital operation of microfinance
6. **Replicate and Scale Financial Literacy Initiatives:** Technology-led initiatives (namely video, radio, and mobile based financial literacy (IVR), Cable TV); financial literacy sessions to secondary-level students; and financial literacy initiatives to migrants and their families
7. **Roll-out Mobile Financial Services (MFS):** Mobile Network Operator led MFS
8. **Create Bank Agent Ecosystem:** 3rd-party ANM company/in-house dedicated ANM Unit; add more BLBs to ensure critical mass of BLBS for the ANM
9. **Provide targeted support for G2P payments** through formal banking channels: Increase outreach in the unserved areas; creating an information repository needed to prevent duplication and to allow for interoperability; make the G2P payments happen through bank accounts

Interested licensed financial institutions should review the guidance notes [Concept Note Information Pack] available for download from Sakcham website (<http://sakcham.com.np/sakcham-challenge-fund-process/>). To apply for the Sakcham Challenge Fund, you should initially submit a Concept Note using the prescribed template available in Sakcham website or ask those documents through email to fundmanager@sakcham.com.np.