**Call for projects**

**UPU Financial Inclusion Technical Assistance Facility (FITAF)**

**Leveraging digitization of postal financial services to advance financial inclusion**

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**1 Background**

Posts have traditionally been strong financial inclusion actors, leveraging their vast physical network, proximity to populations and long experience in the provision of financial services – as demonstrated by the 2 billion financial services accounts. In order for Posts to increase their financial inclusion footprint and provide relevant, efficient and impactful financial services, for both individuals and businesses, they will need to embrace digital technologies more rapidly.

To help address this pressing need, the Universal Postal Union, in partnership with the Bill & Melinda Gates Foundation and Visa Inc., has established the Financial Inclusion Technical Assistance Facility (FITAF) to support Posts in their digital journey, which can often be complex and require significant financial investments.

**2 Objectives and scope of eligible projects**

FITAF will fund proposals that, in the first place, meet the following two main objectives:

1. The project will improve the level of digitization of the financial services offered by the Post.
2. The project will promote financial inclusion by allowing the Post to better serve low-income populations and small businesses.

In line with these two objectives, FITAF will support projects with digitization activities that fall within the four categories of activities identified below:

1. Development of a digital financial services (DFS) strategy;
2. Provision of DFS as an agent, in partnership or through own products;
3. Improvement and diversification of current DFS offerings;
4. Other (must encompass both financial inclusion and digitization of financial services).

More details on the scope of activities are provided in Annex 1.

**3 Evaluation and selection of proposals**

A committee composed of UPU experts will review the project proposals. The intent is to ensure that projects meet the FITAF requirements and that Posts and partners have the capacity to implement them. The UPU experts will also look at the institutional and market readiness, as well as the anticipated impact. All proposals received will be assessed based on criteria established by the UPU, including the following:

* Existence of an enabling legal and regulatory framework for the Post to offer financial services:
* Legal and regulatory framework has to allow the Post to deliver the financial services that are being proposed.
* Government commitment to foster financial inclusion and alignment of the project with government pri­orities:
* Commitment and alignment need to be expressed in an official document, e.g. national financial inclusion strategy or poverty reduction strategy document.
* Willingness of the postal operator’s top management to support the FITAF project:
* Institutional support from the Post’s executive management team, looking at their level of knowledge of and involvement in the project, as well as the resources they provide to support the project.
* Relevance of the proposed project in terms of FITAF key objectives:
* Project must include both a financial inclusion and a digital dimension.
* Capacity of the Post and its technical partners to implement the proposed project in the proposed time­line:
* Current offering of financial services and estimated market share (for accounts, payments, remit­tances, and in general all products that are relevant to the proposed project);
* Experience in the deployment of similar projects and solutions;
* Existence of a clear plan to implement the project, with a realistic time frame and a clear vision on how it will be led;
* IT infrastructure and technical capacity.
* Clearly identified project team and resources to implement the project:
* List of team members with their respective areas of expertise;
* Budget identified to implement the project.
* Willingness to co-fund technical assistance (20% of direct costs);
* Innovation potential of the project, e.g.:
* Innovativeness of technologies to be used in the project;
* Innovativeness of business models to be deployed;
* New distribution channels to be adopted.
* Potential financial inclusion impact of the project:
* Targets in terms of number and profile of clients and market share;
* Comparison between targets and current market situation;
* Expected contribution to financial inclusion in the country.

**4 Financing principles**

*Financial allocation and implementation period*

Each grant under FITAF will be a maximum of 100,000 USD. The project implementation period should not exceed 18 months.

*Counterpart financing*

Project beneficiaries are responsible for counterpart contributions of at least 20% of the total cost of the project (in cash). Under exceptional circumstances, and when justified, the UPU may consider accepting a lower share of co-funding.

*Eligible expenditures*

Eligible costs covered under FITAF are the following:

* Feasibility studies;
* Training of postal staff;
* Consulting;
* Promotional campaigns;
* Monitoring and evaluation;
* Software.

**5 Application procedure**

All project proposals must follow the template in Annex 2. The template can also be downloaded at www.upu.int/en/activities/financial-inclusion/financial-inclusion-technical-assistance-facility.html or requested at fitaf@upu.int.

Proposals should contain the following documents in PDF format:

* Project proposal form, signed (Annex 2);
* Budget form (Annex 3).

Proposals must be submitted in English or French, the two working languages of the UPU.

Project proposals are to be submitted electronically to fitaf@upu.int **by 28 February 2020**.

Proposals that do not comply with the above requirements will be disregarded.

*Contact*

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