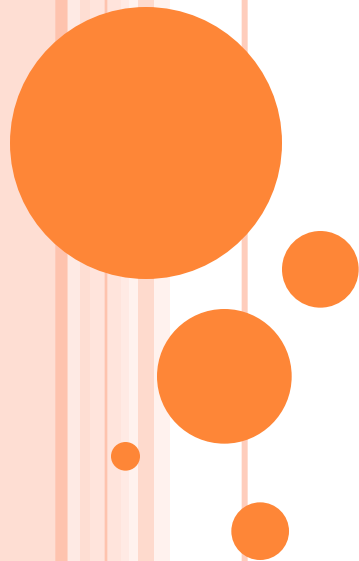


# **GUIDELINES FOR APPLICATIONS TO FINANCIAL INNOVATION CHALLENGE FUND**



**Branchless Banking Pakistan:  
Workshop on G2P Payments  
May 10, 2011**

# OBJECTIVES

- Spur innovation to increase financial access
- Support pilots by providing seed capital and a platform for coordination and knowledge sharing
- Leverage funds to attract private investment
- Create linkages with donors and industry to help ensure scale of successful pilots



# SCOPE

- The fund will support the following
  - The new and novel;
  - Tested and proven products globally but new to Pakistan; and
  - Tested and proven innovation in Pakistan adopted by another organization or in a different geographic territory or segment.



# OPERATIONAL MECHANISM

- Competitive challenge rounds
  - First round on G2P Payments
- Areas of Focus:
  - G2P Payments
  - Housing
  - Islamic Finance
  - Agriculture
  - And so forth
- High level Technical Advisory Committee to approve projects-includes private & financial sector
- AC-MFD at SBP to manage grants and make recommendation



# OPERATIONAL MECHANISM

- 2 stage application process
  - Expression of Interest
  - Business Plan
- Size: dependent on business plan needs
- Duration: grants will last 1 to 2 years
- 30% matching funds to be contributed by implementing agency
- GBP 3 million earmarked for G2P Round
- FICF Advisory Committee

**Deadline for G2P Challenge Expression of Interest May 30**



# G2P ROUND: OBJECTIVES

- Form partnerships with focus on G2P payments through store of value accounts.
  - Promote use of technology for payments delivery such as back office links to accounting systems at government agencies;
  - Set up a network of transaction points for delivery of G2P payments and other financial services;
  - Leverage use of existing infrastructure by developing, training and monitoring of agent network; and
  - Increase speed and efficiency reduce leakages of G2P payments.



## G2P ROUND: OBJECTIVES

- Leverage existing G2P payments to deepen access:
  - Increase financial literacy;
    - Develop a mechanisms for complaints by customers; and
- Develop products and services suited for needs of the G2P customer base



# EXPRESSION OF INTEREST

- 2 page document (supporting annexure can be attached)
- Questions include:
  - Describe the G2P payments innovation and how it will add value to the applicant organization.
  - Elaborate on the track record and market positioning of the applicant organization to introduce the proposed G2P innovation.
  - What is the cost of the project? What is the level of the organization's contribution?
  - Comment on the profile of the team leader and his/her qualifications and skills to lead the project?
  - What are the challenges and risks does the organization foresee in initiating this project and how does it plan to address them?





# BUSINESS PLAN

- Business case for innovation
  - Market segment, SWOT and cost-benefit analysis
  - Partnership between implementing agency and government departments
    - Quality of team implementing the project
    - Market positioning
  - Plans for scale and sustainability with plans to seek private sector funding



# WORK FLOW

Announcement of Challenge Round



Submission of Expression of Interest by Applicants



Short-listed Applicants



Submission of Business Plan in conjunction with advice from SBP and/or experts



Final Presentation to FICF Advisory Committee & and decision



# POST APPROVAL ACTIVITIES

- Sign the project document
- Monitoring and Dissemination
  - Regular monitoring through periodic reporting to the fund secretariat and Advisory Committee
  - Independent evaluation
  - Dissemination of projects progress among wider audience to create industry impact
- Fund secretariat: (Development of challenge round concept, Marketing, Contracting, Supervision, Monitoring and dissemination)

