

CHALLENGE FUND (CF) WOULD FOLLOW THE FOLLOWING GUIDELINES:

- The **Technical Proposal** should be no more than 20 pages, and must include the following:
 - **Section 1: Executive Summary**
 - **Section 2: Opportunity**
 - **Section 3: Challenge Round- Your Approach**
 - Innovation
 - Design and Inception Phase
 - Pilot Testing Strategy
 - Data
 - Implementation Plan
 - Resource Requirements
 - Project Management and Governance Arrangements
 - Sustainability, Scalability and Soundness
 - **Section 4: Results and Lessons – expected in case Pilot is not done**
 - **Section 5: Risk Assessment**
- The **Financial Proposal** should include a detailed budget covering the full duration of initiative.
- Funding support breakdown:
 - **a) Funds required for model development:** this includes cost of consultants, technical experts, data acquisition etc.
 - **b) Funds required for operationalizing the project:** this includes costs related to project mgmt. staff, hardware/software, travel, data collection, and project monitoring.
 - **c) Funds required for piloting the model based on the proposed testing methodology**
 - Financial and in-kind contribution by applicant should be included.
- In addition to the above, milestone based disbursement schedule will be listed in the contract with Amounts and percentage mentioned against each deliverable / KPI achieved.
- Project period should be linked to the business plan submitted by the entity and the grant support would be aligned accordingly,
- PMIC's share in the total initiative cost should not exceed 80% or PKR 25 million, whichever is lower
- The amount shall be released in tranches, based on the aligned project milestones, deliverables, timelines and measuring KPI's. The implementing organization shall submit periodic progress and financial reports
- Existing PMIC borrowers shall also have the opportunity to participate and submit proposals under the challenge fund however, their proposals should also have the scope for replication and scalability
- Any corporate entity or institution that supports microfinance should provide a commitment of partnership from an existing MFI/MFB while submitting the proposal
- PMIC will have the right to suspend funding for the engaged party at any point in time (with a 1-month notice period)
- Depending on the performance of implementing institutions/party, it may be inducted in PMIC's borrower list provided they meet the licensing and other primary criteria for PMIC financing.
- Each applicant is required to make a formal **90 minute PowerPoint Presentation** (30 minute presentation + 60 minute Q&A) to the Advisory Committee.

- The presentation will provide the Advisory Committee an opportunity to interact with the applicants, to gain further clarity on the model/methodology, gauge the capability of the team, and assess the assumptions used to develop the proposal
- The presentation should cover the Technical and Financial Proposals. The assessment criteria for the Technical proposal is give in the table below. The Technical Proposal will have an 80% weightage while financial proposal will have a 20% weight in the final score.
- Technical Proposal Assessment Criteria shall be as follows:

Sr#	Assessment Metric	Weightage (%)
1	Profile of the Project Team	15
2	Innovation (15)+Quality of Proposed Methodology for Model Development (15)	30
3	Approach to Testing of Model	20
4	Sustainability and Scalability of Model	15
5	Approach to Results Monitoring and Lesson Sharing (10), and Risk Management (10)	20
	TOTAL	100