

Call for Expression of Interest for the IFC Catalytic First Loss Guarantee to support Agriculture, Microenterprises and Women-Owned businesses in Zambia

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[Date]

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Selection. IFC reserves the right to select, for all or a portion of the Catalytic First Loss Guarantee Program, more than one FSP or to not make any selection at all.

¹ Refer to IFC's Access to Information Policy on <https://disclosures.ifc.org/access-info-policy>

Instructions

- 1) Please read the following pages for details on the Catalytic First Loss Guarantee Facility.
- 2) Please fill out the [bid submission spreadsheet](#) with information from your institution.
- 3) Please refer to the IFC definitions provided in the “Instructions and Definitions” tab. In the event that the FSP’s definitions for these segments do not align with those of IFC, we kindly request that you submit the definitions as used within your institution and provide the data in line with the FSP’s definitions.
- 4) Please provide data in Local Currency.
- 5) For any questions or clarifications and to submit the form, please contact:
ifcfigcatalyticfirstloss@ifc.org

Submission Spreadsheet: <https://www.ifc.org/content/dam/ifc/doc/2025/catalytic-first-loss-bid-submission-spreadsheet-zambia.xlsx>

Objective

The objective of this Call for Expression of Interest (the “Call”), launched by the International Finance Corporation (“IFC”), is to select eligible financial services providers to become financial intermediaries under Catalytic First Loss Guarantee Facility (the “Facility”), as further described below. All applications for guarantees under the First Loss Guarantee (FLG) to be submitted to the IFC should conform to the Call.

In addition to this explanatory document, the Call contains the: Appendix A: Bid Document to be completed by applicants.

1. Catalytic First Loss Guarantee Facility

- 1.1 IFC has established the Catalytic First Loss Guarantee (FLG) to provide first loss for the benefit of third-party eligible Financial Service Providers (FSPs) to scale up lending to underserved segments: agriculture, microenterprises, and women-owned businesses.
- 1.2 Under the program, IFC and FSPs aim to achieve the following: (1) increase access to financing for underserved MSMEs; (2) demonstrate the commercial viability of MSMEs as a credible financing segment; and (3) test new products, services, and risk criteria to serve new MSME market segments.
- 1.3 IFC will provide up to **USD5 million, equivalent** in first loss to support the growth of the portfolio, **targeting agriculture, microenterprises, and women-owned businesses** in Zambia. The indicative loss allocation may be changed as necessary, at IFC’s sole discretion.

2. Eligible Financial Services Providers

- 2.1 In respect to FLG provided under the Facility; FSPs are defined as regulated banks, non-bank financial institutions, digital lenders, leasing companies and microfinance institutions, in each case, duly authorized to carry out lending or leasing activities according to the applicable legislation and operating in Zambia.
- 2.2 The FSP shall represent that they do not perform activities which are considered illegal according to the applicable legislation in Zambia.
- 2.3 The FSP shall represent that they comply with IFC’s qualification criteria, including (i) satisfactory Environmental & Social Risk Rating (ESRR) and Integrity Due Diligence (IDD); (ii) financial capability; (iii) developmental impact; and (iv) operational capability.²

3. The application procedure

- 3.1 An FSP interested in applying to this Call for Expression of Interest shall submit an application to IFC to be considered as a possible Financial Intermediary under the Facility.
- 3.2 FSPs should complete the submission template (Appendix A: Bid Document). Where necessary, the submission will be accompanied by required documents (including audited financial statements and such FSP’s MSME strategy).

² Refer to <https://www.ifc.org/en/about/accountability#esaccountability> for IFC ESG and Due Diligence Process

- 3.3 Each proposal shall comprise the following information:
- Target leverage of the first loss guarantee, including projections and the underlying assumptions for the total volume of loans the FSP intends to finance given the first loss in the priority segments.
 - Historical performance data.
 - Financial capacity based on 5-year historical financial indicators to assess the financial strength of the FSP. Key indicators include Capital Adequacy Ratio (CAR), Non-Performing Loan (NPL), profitability, and liquidity.
 - Operational capacity to expand the agriculture, microenterprises, and women-owned businesses loan book including underwriting & origination capacity, sales and staffing resources, size of MSME department and branch network.
- 3.4 Applicants may send questions regarding the Call for Expression of Interest or the nature and features of the Guarantees Agreements to the email: ifcfigcatalyticfirstloss@ifc.org.

4. Language and governing laws

- 4.1 The Expression of Interest shall be prepared in English.
- 4.2 The terms of the Risk Sharing Agreement (RSA) shall be in English.

5. Submission of Expression of Interest

- 5.1 The Deadline for submission of the Expression of Interest is **October 17th, 2025**, provided that IFC may, at its sole discretion, determine that the Deadline will end on an earlier date or will be extended.
- 5.2 Any change in the Deadline will be announced officially on IFC and other official channels used to advertise the Call for Expression of Interest.
- 5.3 The Expression of Interest shall be submitted before the Deadline by e-mail to: ifcfigcatalyticfirstloss@ifc.org. stating in the subject, as appropriate, “Catalytic First Loss Guarantee Facility – Expression of Interest: [name of the Applicant & [Country]]”, and should contain the complete set of relevant documentation, including the Expression of Interest duly signed and any attachment to it (in PDF, excel or other applicable electronic format).

The Deadline applies to the receipt of the e-mail by IFC.

- 5.4 The Applicants may withdraw, in the same manner as specified above, their Expression of Interest at any stage of the selection process.

6. Selection process

- 6.1 The selection process will be due to the general principles of transparency, fairness and non-discrimination, in compliance with IFC’s policies, rules, procedures and statutes and in conformity with best business and market practices.
- 6.2 The Expressions of Interest for the Guarantee under the Facility shall be subject to the uniform selection

process.

- 6.3 Following the receipt of the Expression of Interest, IFC shall assess the applications pursuant to the selection process outlined in Section 6 of this Call for Expression of Interest.
- 6.4 This process comprises: review of submissions, due diligence and selection.

REVIEW OF SUBMISSIONS

- 6.5 IFC will evaluate proposals based on the criteria outlined below.
- Alignment to the Objective and the strategy of the FSP to expand loans to agriculture, microenterprises and women-owned businesses.
 - Leverage/total volume of new loans to be originated given IFC's first loss guarantee
 - Baseline data about the existing agriculture, microenterprises and women-owned businesses which may include historical losses, types of facilities, etc.
 - Credible strategy and information, showing a clear strategy to increase financing for agriculture, microenterprises, and women-owned businesses.
 - Financial strength/stability (CAR, NPL, profitability, and liquidity)
 - Operational capacity to originate loans to agriculture, microenterprises, and women-owned businesses (strategy, size of dept, branch network)
 - Loan portfolio projections for the agriculture, microenterprises, and women-owned businesses for the next 5 years, including volume and number of borrowers.
 - Loan origination and historic performance data.

DUE DILIGENCE

- 6.6 Following the selection based on the evaluation of submissions, IFC shall perform a due diligence of the selected FSP, as a result of which it will decide whether or not to propose to its investment committees for approval to enter into a Risk Sharing Agreement (RSA) under the Facility.
- 6.7 The due diligence process is carried out in accordance with the IFC's internal rules and procedures, where financial and operational matters relating to the Facility's implementation shall be analyzed in more detail.
- 6.8 The aim of the due diligence is to assess the content of the application based on, inter alia, the ability to build up the envisaged Portfolio, the proposed transfer of benefit, the risk nature of the envisaged Portfolio, the quality of origination, risk management, collection recovery/workout processes, systems and ability to comply with the reporting requirements.
- 6.9 The decision to perform a due diligence visit shall be at the discretion of the IFC. In any phase of the selection process until and prior to entering into a legally binding agreement with an FSP, IFC reserves for itself full discretion to consider or not FSP, and no a FSP has any claim or other right or may expect to be ultimately selected as Financial Intermediary.
- 6.10 Any negotiation of terms and conditions of a RSA by no means entails any obligation for IFC to enter into such a RSA with the relevant FSP.

SELECTION

- 6.11 Subject to the satisfactory outcome of a due diligence and its internal approval process, IFC will enter into RSA with a (pre-) selected Applicant.
- 6.12 IFC shall also have sole discretion to decide on the allocation of available amounts to FSP, including proposing a variation of the volumes requested by the Financial Intermediary.