Call for Expression of Interest for the IFC Catalytic First Loss Guarantee to support MSMEs

DISCLAIMER

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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

Objective

The objective of this Call for Expression of Interest (the "Call"), launched by the International Finance Corporation ("IFC"), is to select eligible fintech 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: women, agriculture finance, and climate finance for MSMEs.

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 Under this EOI, IFC will provide up to **USD 10 million, equivalent** in first loss to support the growth of the MSME portfolio of Fintechs, in eligible emerging market countries. The indicative loss allocation may be changed as necessary, at IFC's sole discretion.

2. Eligible Fintechs

2.1 In respect to FLG provided under the Facility, eligible Fintechs refers to technology-enabled financial service providers falling into one of the following categories: (i) fintech lenders, (ii) digital banks, or (iii) embedded finance providers, in each case leveraging digital technologies as a core component of their MSME lending business, including customer acquisition, underwriting, loan origination, disbursement, servicing, or collections. They should be regulated as digital lenders, digital banks, or other regulated financial services providers as per the applicable country's regulatory framework, duly authorized to carry out lending or leasing activities according to applicable legislation, and operating in the country/countries for which they are requesting the first loss.

2.2 The Fintech shall represent that they do not perform activities which are considered illegal according to the applicable legislation in their country(ies) of operation and in the country(ies) where they are requesting the first loss.

2.3 The Fintech 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. Pricing

3.1 Guarantee fee will be charged on the outstanding guaranteed portfolio balance and is designed to reflect only the underlying credit risk transferred to IFC. As a general guideline, pricing is typically subject to a minimum floor of 1% per annum, with the final fee determined based on the risk profile, portfolio characteristics, and transaction structure.

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

4. The application procedure

4.1 A Fintech interested in applying to this Call for Expression of Interest shall submit an initial expression of interest within 6 weeks. (Appendix A: Bid Documents, specifically Initial EOI Submission of Interest).

4.2 IFC will organize multiple information sessions with shortlisted Fintechs who express interest in the Call for EOI.

4.3 After the information session, shortlisted Fintechs will be invited to submit a final proposal to IFC to be considered as a possible Financial Intermediary under the Facility.

4.4 Each proposal at the final EOI Submission of Interest stage shall comprise the following information:

- Target leverage[3] of the first loss guarantee, including projections and the underlying assumptions for the commitment to finance priority segments. For Fintechs with operations in multiple countries, indicate how much first loss will be earmarked to each of the countries and expected portfolio size.
- Historical performance data including average tenors, average sizes, and other performance information
- Financial Capacity based on 5-year historical financial indicators to assess the financial strength of the FSP. Key indicators: [Capital Adequacy Ratio (CAR), Non-Performing Loan (NPL), Profitability, Liquidity].
- Operational Capacity to expand the MSME loan book including underwriting & origination capacity, sales and staffing resources, size of MSME department and branch network.

4.5 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.

5. Language and governing laws

5.1 The Expression of Interest shall be prepared in English.

5.2 The terms of the Risk Sharing Agreement (RSA) shall be in English.

6. Submission of Expression of Interest

6.1 The Deadline for submission of the initial Expression of Interest is **September 20th, 2026**, provided that IFC may, at its sole discretion, determine that the Deadline will end on an earlier date or will be extended.

6.2 Any change in the Deadline will be announced officially on IFC and other official channels used to advertise the Call for Expression of Interest.

6.3 The initial 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 or Countries]]", 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).

[3] Target leverage should be at least 12.5x

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

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

6.5 Shortlisted applicants will be notified of the deadline for the final submission of Expression of Interest via email.

7. Selection process

7.1 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.

7.2 The Expressions of Interest for the Guarantee under the Facility shall be subject to the uniform selection process.

7.3 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.

7.4 IFC shall also have sole discretion to decide on the allocation of available amounts to Fintech, including proposing a variation of the volumes requested by the Financial Intermediary.

7.5 This process comprises: review of submissions, due diligence and selection.

REVIEW OF SUBMISSIONS

7.6 IFC will evaluate proposals based on the criteria outlined below.

- Alignment to the objective MSME strategy of the FSP.
- Leverage/reach to be achieved given IFC's first loss guarantee
- Baseline data about the existing MSME– which may include historical losses, types of facilities, etc.
- Credible strategy and information, showing a clear strategy to move to financing MSME.
- Financial Strength/stability (CAR, NPL, Profitability, and Liquidity)
- Operational Capacity for the MSME (strategy, size of dept, branch network)
- Projections for the MSME portfolio for the next 5 years, including volume and number of beneficiaries reached.
- Transaction origination and historic performance data.
- Assess the extent to which technology is an enabler of the applicant's value proposition, operations, risk management, customer acquisition, and scalability.

DUE DILIGENCE

7.7 Following the selection based on the evaluation of submissions, IFC shall perform a due diligence of the selected Fintech, 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.

7.8 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.

7.9 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.

7.10 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 Fintech, IFC reserves for itself full discretion to consider the Fintech or not, and no Fintech has any claim or other right or may expect to be ultimately selected as Financial Intermediary.

7.11 Any negotiation of terms and conditions of RSA by no means entails any obligation for IFC to enter into such a RSA with the relevant FSP.

APPENDIX A: CATALYTIC FIRST LOSS BID SUBMISSION DOCUMENT

A - General information and Instructions

Instructions

1) Please fill out the bid submission document, **available here,** with information from your institution.
2) Please refer to the IFC definitions provided in the "Instructions and Definitions" tab in the attachment. 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.
3) Please provide data in Local Currency.
4) For any questions or clarifications, please contact ifcfigcatalyticfirstloss@ifc.org

Submission Document: https://www.ifc.org/content/dam/ifc/doc/2026/catalytic-first-loss-bid-submission-spreadsheet-fintechs.xlsx