

LABORATORY ON FINANCIAL INCLUSION 2023

Digital solutions for the financial inclusion of migrant population in
Latin America and the Caribbean

TERMS AND CONDITIONS OF THE CALL

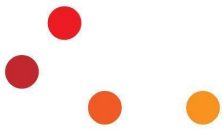
1. Introduction

CAF -Development Bank of Latin America and the Caribbean-, is organizing the fifth edition of the Laboratory on Financial Inclusion 2023: digital solutions for the financial inclusion of the migrant population, with the aim of promoting the generation of viable technological solutions that help solve the needs of the public and private sectors in the following areas:

- Solutions to improve the financial and digital literacy and capabilities of migrants and their families.
- Solutions for the design of financial products and services for migrants and their families.
- Solutions with an impact on the entrepreneurial capabilities of migrants and their families and the productivity of their MSMEs.
- Solutions that have a govtech approach, i.e. that have a clear collaboration between the public sector, startups and digital MSMEs that use digital technology to address the above three issues together.

The Laboratory, which in this edition is aimed at ventures in all CAF member countries, has a series of regional and national allies, among:

- **Accelerators:** Seedstars and Endeavor
- **Regional partners:** International Organization for Migration (IOM), UNHCR Regional Bureau for the Americas, Mastercard, Latimacto, Hola América, WOCCU, Felaban, FintechU, Ibero-American Network of Women in Fintech (WeFintech).
- **Partners by country:** **Argentina:** Banco Central de Argentina, Banco Ciudad, PNUD Accelerator Lab, Ministerio de Economía; **Bolivia:** Banco Central de Bolivia, FINRURAL, CAINCO – Santa cruz innova, Pista 8, SOLYDES; **Brazil:** Banco Central de Brasil; **Chile:** Asociación Fintech Chile, BCI, Banco Estado; **Colombia:** Asobancaria de Colombia, Cámara de Comercio de Bogotá, Colombia Fintech, Proantioquia, Superintendencia Financiera de Colombia, OIT Oficina Colombia, PNUD



Colombia; **Costa Rica**: Banca para el Desarrollo, Banco Central de Costa Rica; **Ecuador**: AEI: Alianza para el Emprendimiento y la Innovación, Asobanca Ecuador, Buenavista Capital Partners (BCP), Cluster Financiero, Escuela Politécnica Nacional (UPN), Fundación Telefónica Movistar Ecuador, Instituto Tecnológico Universitario ISMAC, Produbanco, RFD: Red de Instituciones Financieras de Desarrollo, SEPS: Superintendencia de Economía Popular y Solidaria, UPS: Universidad Politécnica Salesiana; **El Salvador**: ASAFintech; **Mexico**: Comisión Nacional Bancaria y de Valores México, AMEXCAP: Asociación Mexicana de Capital Privado, Alianza por la Inversión de Impacto México (AIIMx), Fintech México; **Panama**: AEI: Alianza para el Emprendimiento y la Innovación, AMPYME: Autoridad de la Micro, Pequeña y Mediana Empresa, Mercantil Servicios Financieros Internacional, REDPAMIF: Red de Microfinanzas de Panamá; **Paraguay**: Asoban Paraguay, Banco Atlas, Banco Familiar, Banco GNB, Banco Itaú, Ministerio de Hacienda, Ministerio TIC, Universidad Comunero; **Peru**: Asbanc Perú, COFIDE, Superintendencia de Bancos de Perú; **Dominican Republic**: Adofintech - Asociación Dominicana de Fintech, Banco Central de República Dominicana, Ministerio De Industria, Comercio Y MiPymes; **Trinidad and Tobago**: TTIFC: Trinidad and Tobago International Financial Centre; **Uruguay**: Banco Central de Uruguay, Banco República, Centro Ithaka de Emprendimientos e Innovación; **Venezuela**: Centro de emprendedores IESA, Fundación Ideas, IESA - Observatorio Digital, Impact Hub Caracas, Wave hub, MPPEFCE// Emprende Juntos, UCAB, Servicio Jesuita de Refugiados

The Laboratory on Financial Inclusion 2023 will support projects and business initiatives with a high degree of innovation and that incorporate technological elements to respond to the need to promote the generation of investment agreements with the private sector to empower the chosen ventures, and strengthen the Fintech entrepreneurial ecosystem with a focus on the region's migrant population.

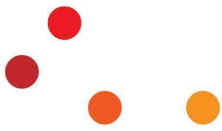
This is a platform that brings together the public and private sectors, entrepreneurs and investors with the aim of promoting business opportunities, encouraging interaction among members of the entrepreneurial ecosystem and providing concrete solutions to development needs raised by the partners of this initiative.

CAF and its partners aim to promote the financial inclusion of the migrant population in host countries and their families in countries of origin, as well as to support MSMEs managed and/or owned by migrants and their families with innovative financial products and services.

2. To whom is the call addressed

The call is aimed at individuals or legal entities based in a CAF member country that are developing projects that are in the early stages of development or consolidated initiatives. The competition is open to entrepreneurs, programmers, designers and businessmen.

Participants must meet the following conditions or requirements:



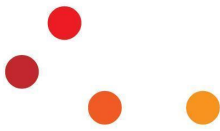
- The company, project or initiative is legally constituted in one of the partner countries of CAF -development bank of Latin America and the Caribbean- ([CAF](#)).
- The company, project or initiative is operating in the market.
- Participants must submit their application through the platform found at the following link: <https://seedsta.rs/FormularioAplicacionLIF>

3. Dynamics of the competition

- CAF proposes challenges in financial inclusion for the migrant population in the region, on which entrepreneurs can present their technology-based solutions that are already working in the market.
- Pilot projects, existing solutions that need acceleration and ideas that have already been validated in the market and can be scaled or replicated in other countries in Latin America and the Caribbean may be submitted.
- A committee formed by the partners of this initiative will evaluate the projects and those selected with the highest scores will be presented at a pitch day for a final evaluation open to questions from experts.
- This pitch day will be attended by all the allies of the Laboratory, both from the public and private sectors, which could lead to parallel funding opportunities or strategic alliances.
- The best 10 startups will be selected to participate in the acceleration programs offered by Endeavor and Seedstars. There will also be additional awards, as detailed in section 7 of this document.
- Additionally, through the pitch day, entrepreneurs will have potential access to financing and/or technical advice from CAF and the rest of the LIF 2023 partners.

4. Objectives of the competition

- Promote innovative technological solutions that contribute to improving the financial inclusion of migrants and entrepreneurs and MSMEs owned by migrants and their families in Latin America and the Caribbean.
- Scale and replicate solutions focused on the financial inclusion needs of the migrant population to other countries in the region.
- Promote the generation of investment agreements with the private sector to strengthen the selected ventures.
- Strengthen the Fintech entrepreneurial ecosystem with a focus on inclusion, financial education and development of the entrepreneurial capacity of migrants in the region.



5. Categories and subcategories

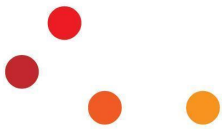
The competition aims to find concrete technological solutions in the following 3 areas:

Solutions to improve the financial and digital literacy and capabilities of migrants and their families:

- Financial literacy to promote savings, investment, improve organization, planning and financial decision making, budget management and a good choice and use of products by migrants in host countries and their families in countries of origin.
- Financial literacy to improve savings, borrowing and/or budgeting behaviors of entrepreneurs and MSMEs owned by migrants and their families.
- Measurement and identification of strategies to improve the financial well-being or financial health of migrants and their families.
- Measurement and identification of strategies to improve the financial well-being or financial health of MSMEs led and/or owned by migrants and their families.
- Design and development of digital literacy programs and mechanisms to facilitate digital on-boarding for migrants and their families in a safe and secure manner.
- Design and development of digital literacy programs and mechanisms to facilitate digital on-boarding for MSMEs safely managed and/or owned by migrants and their families.

Solutions for the design of financial products and services for migrants and their families:

- Access (physical and connectivity) to financial services for migrants and their families.
- Promotion of access to and use of formal financing, taking into account the different contexts and needs of migrants.
- Promoting the use of electronic money according to the particular needs of different segments of migrants, as well as the characteristics of the countries.
- Design and creation of digital group banking products aimed at migrants through formal financial institutions.
- Creation of mechanisms to promote digital identity and the use of digital financial services by migrants.
- Creation of solutions that allow easy and transparent comparison of the supply of financial services by the migrant population.
- Design and development of innovative financial products, such as microinsurance and insurance through technology (Insurtech), microsavings, microinvestment, transfers,



money transfers and remittances at lower costs, etc., that take into account the needs of migrants in host countries and their families in countries of origin.

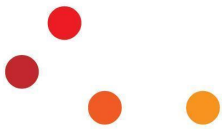
- Alternative credit scoring models that take into account migrants' lack of credit history.
- Design and development of prepaid or pay as you go models to promote the generation of migrants' credit history.

Solutions with an impact on the entrepreneurial capabilities of migrants and their families and the productivity of MSMEs:

- Creation of opportunities to facilitate access to credit for MSMEs owned by migrants and their families (collateral, credit scoring, microcredit, etc.).
- New alternative financing schemes for MSMEs (leasing, factoring, etc.) owned by migrants and their families.
- Creation of sectoral marketplace platforms for technological solutions for MSMEs owned by migrants and their families.
- Creation of solutions that allow easy and transparent comparison of the supply of financial services to MSMEs owned by migrants and their families.
- Systems that facilitate the formalization of businesses owned by migrants and their families and encourage their digital transformation.
- Electronic payment mechanisms that provide migrant-owned MSMEs and their families with transaction security and lower costs.
- Crowdfunding platforms in their different variants (donation, reward, loan and equity) focused on the needs of the migrant population.

6. Important dates

- The call will be divided into two stages. **In the first stage, applicants must fill out a basic form with general information about the project.** The deadline for submitting projects in this first stage will be from August 29 to October 13, 2023 at 23:59 Colombian time.
- The evaluation team will make a first filter and will contact the **selected ventures to fill out a second application form with detailed information about the startup, its business model and its impact on the migrant population.** The application period for this second phase will be from October 17 to October 31.
- The final review and evaluation of the projects will take place between November 1 and November 22, 2023.
- The Laboratory on Financial Inclusion organization will inform the contestants about the shortlisted proposals during the last week of November.
- Pitch Competition: December 13, 2023.



- Acceleration activities by Seedstars and Endeavor: To be defined. Acceleration programs will take place between January and June 2024.

7. Prizes and awards

- CAF and the evaluation committee will select the best startups from CAF member countries.
- The selected startups will be invited to present their initiative in a pitch competition, a virtual event to be held on December 13, 2023, which will bring together representatives from all partner organizations.
- The 10 winning proposals will participate in the Endeavor or Seedstars acceleration programs, which will begin in January 2024 and will last between 4 and 6 months.
- **Seedstars** will provide discounts and free credits for the purchase of digital tools to automate processes and enhance key business areas of the finalist Fintechs. Similarly, Seedstars provides the selected fintechs with access to its global headquarters.
- **Endeavor** will offer 2 roundtables for winning Fintechs focused on the capital raising process.
- **Mastercard** will offer mentorships for 4 winning fintechs of 3 sessions each with Mastercard fintech experts.
- **UNHCR, the UN Refugee Agency**, will provide the winning Fintechs with awareness sessions and guidance on the financial inclusion needs of the refugee population.
- **Latimpacto** will offer the 20 semi-finalists a masterclass in non-financial support.

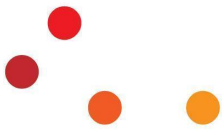
8. Jury

The Laboratory on Financial Inclusion Selection Committee will be made up of representatives of the partner organizations. This body will be in charge of selecting the best initiatives and those that best respond to the needs expressed by the partners. The decision of the Jury Committee will be final and unappealable.

9. Selection criteria

The Selection Committee of the Laboratory on Financial Inclusion 2023 will be in charge of selecting the finalist projects to participate in the pitch competition, a virtual event to be held on December 13, 2023.

Taking into account that this edition will be a two-stage call, the Committee will make a first filter from the applications received in the basic form. This first stage will consider criteria such as whether the venture is legally constituted, whether it is already operating in the market, and whether the venture is operating in any of [CAF's](#) member countries.



Once the first selection filter has been completed, those ventures that meet all the criteria will be invited to fill out a second form, which will take into account the following criteria:

- Differential innovative aspects
- Value generation
- Potential for growth and replicability in other areas.
- Incorporation of technologies
- Commitment to project development

#	Criteria	Description	Weighting
1	Innovation and technology incorporation	The project solves one of the challenges posed in the categories of the Laboratory and makes use of technological tools to solve the problem.	30%
2	Commitment to the development and value creation for the migrant population and their families.	The project provides solutions that contribute to the development and greater financial inclusion of the migrant population and their families.	40%
3	Growth and replicability potential	The project has a high potential to be scalable and has a committed and competitive work team.	30%

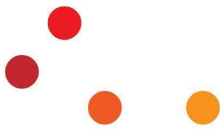
10. Terms and Conditions

The Laboratory on Financial Inclusion reserves the right, unilaterally and without prior notice, to exclude any participant, especially when it is suspected or detected that he/she is incurring in falsehoods or affects the smooth running and normal course of the competition.

The decisions of the Selection Committee shall be final and no appeal may be lodged against them. All applications that do not contain all the required information shall be rejected.

11. Intellectual Property

All participants must have sufficient title to the industrial property rights in the brands, business ideas, logos, and commercial names that are part of or included in the proposals.



Through the acceptance of the rules to participate in this call, the contestants declare not to infringe any intellectual property right; in such a way that they exempt the Laboratory on Financial Inclusion and its partners from any responsibility for the use of these contents.

Participants are responsible towards third parties for the images and content they make public during the contest and are accountable towards the Laboratory on Financial Inclusion in relation to the following considerations:

- They are owners, holders of the rights or have obtained from third parties the consent to grant their publication within the framework of the call for entries.
- The participants fully comply with the laws concerning the right to privacy, good name, intellectual property rights, industrial property or similar.
- All participants are responsible for the veracity of the data provided to participate in the call.
- Participants assume sole responsibility for the consequences of damages or actions arising from the use of the contents and/or programs included in their proposals, as well as their reproduction or dissemination.
- The intellectual and/or industrial property of the projects presented in the Laboratory on Financial Inclusion will belong - if applicable - exclusively to the participants who have presented them.

12. Privacy Notice

Confidentiality is guaranteed in relation to the ideas and/or projects presented by the participants. The Laboratory on Financial Inclusion may only disseminate, at any time and by any means, the general characteristics of the projects or initiative, as well as the names of such ideas and/or projects and of the participants, mainly the winners.

13. Advertising and social media

The participants, and especially the winners, expressly authorize with the acceptance of these rules the Laboratory on Financial Inclusion to fix, reproduce, disseminate and use by all written, spoken and signed media, in any form, by any means and on any support, their name, image and voice, and the general characteristics and the name of the ideas or projects presented without any benefit and without prejudice to the provisions of the sections on Intellectual Property and Confidentiality of this document.

14. Contact

For more information, please contact Diana Mejia (dmejia@caf.com), Oscar Vargas (ovargas@caf.com), Meyly Valdez (mvaldezc@caf.com) and Rebeca Vidal (mvidal@caf.com).