



United Nations Capital Development Fund

REQUEST FOR APPLICATION FOR

CAPACITY BUILDING SERVICES FOR ENTREPRENEURSHIP IN SIERRA LEONE

The United Nations Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 46 least developed countries. With its capital mandate and instruments, UNCDF offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF is looking for a registered entity in Sierra Leone to provide entrepreneurial, financial literacy, business management training services to 10,000 entrepreneurs and aspiring entrepreneurs, of which 80% women and 50% youth in **Western Region of Sierra Leone, notably the capital Freetown (Western Urban Area), surrounding communities (Western Rural Area) and the three border districts of Kambia, Kailahun, and Peujahun.**

Specifically, the project seeks to support women and youth owned MSMEs with a suite of skills and knowledge to increase their access to financial services and ultimately bring them into the formal economy.

UNCDF will provide a grant (and technical assistance if agreed) and sign a performance-based agreement (PBA)¹ with the selected applicant. UNCDF's contribution will go up to 100,000 USD. Please refer to the PBA sample in this RFA publication webpage.

Applicants may apply independently or in a consortium, provided that the consortium has a pre-established partnership prior to when this request for applications was issued. For further details on the eligibility criteria, refer to section 3.1 of this RFA

Inquiries to this request for applications may be submitted by email to uncdf.rfa@uncdf.org

All applications must be submitted by 23:59 pm EST on 1 March 2021 to uncdf.rfa@uncdf.org

¹ A performance-based grant implies that grant amounts that are contingent on the successful achievement of pre-determined milestones. Achieving a milestone will therefore trigger a grant payment. Grant payments will be reimbursements for funds spent by the grantees, according to the project implementation plan and pre-agreed milestones. The grantee will be responsible for providing a comprehensive and compliant financial report reporting all the financial transactions relating to grant. The grantee will need to keep supporting documents related to these transactions to justify all actual costs incurred.



1. INTRODUCTION

UNCDF is the UN's capital investment agency for the 46 world's least developed countries. It creates new opportunities for poor people and their communities by increasing access to microfinance and investment capital. UNCDF focuses on Africa and the poorest countries of Asia and the Pacific, with a special commitment to countries emerging from conflict or crisis. It provides seed capital – grants and loans – and technical support to help microfinance institutions reach more poor households and small businesses, and local governments finance the capital investments – water systems, feeder roads, schools, irrigation schemes – that will improve poor peoples' lives.

UNCDF has launched its strategy "[Leaving no one behind in the digital era](#)" based on over a decade of experience in digital finance in Africa, Asia and the Pacific. UNCDF recognizes that reaching the full potential of digital financial inclusion in support of the Sustainable Development Goals aligns with the vision of promoting digital economies that leave no one behind. The vision of UNCDF is to empower millions of people by 2024 to use services daily that leverage innovation and technology and contribute to the Sustainable Development Goals. UNCDF will apply a market development approach and continuously seek to address underlying market dysfunction.

1.2 Sierra Leone

The 2019 Human Development Index ranks Sierra Leone 181 out of 189 poorest countries. The recent outbreak of COVID-19 pandemic is only an addition to other catastrophes that have contributed to the country's high poverty levels; including the civil war (1991-2002) and effects of the Ebola epidemic (May 2014-November 2015). Up to 64.8% of Sierra Leone's population lives in multidimensional poverty, 72.4% of whom are living in rural areas (Integrated Household Survey, 2018). Unemployment is high, affecting on average 40% of the population, majority (about 67%) being youth (GIZ EEP, 2019; PRSP4: 2019-2024).

Graduate unemployment is also high among those that complete studies in universities and other tertiary institutions. Limited investment in job creation and in bridging the gap between skills acquired and skills needed in the job market has encouraged the status quo. Sierra Leone's weak education system is ill-equipped to provide practical and high quality technical and higher education and training which are essential for self-employment, entrepreneurship, and for employment creation.

Existing gender inequalities disproportionately disadvantage women. The average income of women is only 42% of that of men and about 58% of women are illiterate (men about 42%). The rural youth are mostly farmers, while the urban youth are early school leavers and illiterate youth engaged in artisanal and small-scale business activities.

In Sierra Leone, despite strides in promoting gender equality and women's rights, most women continue to suffer marginalization and discrimination, particularly in the areas of education, livelihoods, political participation, and property inheritance/ownership. Young women and girls are further disproportionately affected by numerous challenges facing youth due to gender inequalities that stem from gender-based discriminatory social behaviours and norms. Women constitute the poorest group in the population with little access to financial and productive resources.



Moreover, 60% of young people are structurally unemployed and are unable to provide sufficiently for themselves and their families.

The fourth Sierra Leone **Poverty Reduction Strategy Paper (PRSP4)** named “The New Direction” (January 2019-December 2024) affirms the promotion of the private sector and the development of human capital as priority objectives.

On the one hand, it aims to stimulate private sector development by improving competitiveness and productivity and encouraging entrepreneurship and private investment. On the other hand, it aims to strengthen primary, secondary and tertiary education, with emphasis on vocational training; all with a tendency towards youth employment.

The youth employment strategy emphasizes capacity building through business development services, including training for employment; and increasing opportunities to establish and expand small businesses through (i) financing of youth owned small and medium scale entrepreneurial ventures (ii) promoting youth engagement in agriculture through the provision of direct support in the form of finance, market information, technology and technical advice.

Business development services (BDS) may have a major role to play in stimulating the emergence and growth of micro small and medium enterprises (MSMEs) and thus employment promotion. According to the International Labour Organization (ILO), ‘business development services’ refer to the deliberate provision of information, knowledge and skills, as well as advice on the various aspects of a business. MSMEs require two types of services: financial services and non-financial services. Financial services help existing or would-be entrepreneurs to acquire the means to establish or expand a business (e.g. finance for machinery, production premises, and working capital).

Economic empowerment increases women’s access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information. Women’s economic participation and empowerment are fundamental to strengthening women’s rights and enabling women to have control over their lives and exert influence in society².

2. SCOPE OF WORK

UNCDF is looking for a registered entity in Sierra Leone to provide entrepreneurial, financial literacy, business management training services to 10,000 people, of which 60% women and young entrepreneurs in four districts of Sierra Leone. **Specifically, the project seeks to support women and youth owned MSMEs with a suite of skills and knowledge to increase their access to financial services and ultimately bring them into the formal economy.**

² <https://www.oecd.org/dac/gender-development/47561694.pdf>



2.1 Areas of intervention

The selected grantee will work together with UNCDF to define a training model and then a set of training modules that can contribute to attain the three outcomes listed below:

- ✓ Increased resilience and sustainable income of young (aspiring) women and youth entrepreneurs and their families;
- ✓ Increased employability of young women in sustainable and resilient economic sectors
- ✓ Increased autonomy, self-reliance and self-confidence of women and youths

The selected applicant or consortium of applicants is expected to be engaged in the activities and attain the deliverables as listed below.

1. Designing a training syllabus, manual, modules, and relevant templates that focus on the following topics:
 - a. How to create a business (market assessment, business model canvas, business plan, budget);
 - b. Access to finance. Basics of budgeting, savings and banking, access to loans, guarantees, leasing and other financial instruments;
 - c. Financial management and financial statements;
 - d. Business formalization (developing memorandum and articles of association (M&A), meeting other requirements and registration);
2. Provide training, mentoring services and support to 10,000 entrepreneurs and aspiring entrepreneurs, out of which at least 80% shall be women and at least 50% youth.

The entrepreneurs and aspiring entrepreneurs will be selected among the beneficiaries of the Programme “Safety Net for Women Traders Programme” being implemented by UNDP in collaboration with the Manu River Union and, the Women Cross Border Traders’ Union. The Programme aims at providing safety nets for the women traders in Kambia, Kailahun and Peujehun districts and to support them get back to trading and continue their livelihood generation lost due to the effects of Covid- 19. Women engaging in informal trade often lack access to information on trade rules and financial literacy and suffer from weak entrepreneurial capacity. The rest of the beneficiaries in Freetown will be selected with recommendation from the Women traders association of Freetown.



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Financial Literacy and entrepreneurship training	
Main activities	Deliverables
<p>Social enterprise development</p> <ul style="list-style-type: none"> • Starting your own business: understanding the basics. • Understanding the main components of a business plan. • Creating a budget for a start-up business 	<ul style="list-style-type: none"> • Training modules are developed and validated by UNCDF. • Training modules have been tailored and tested to meet the needs of the beneficiaries. • Strengthen the commercial and basic skills of 10,000 entrepreneurs and aspiring entrepreneurs in the four districts of Free Town, Kambia, Kailahun and Peujehun. • 10,000 young people, 80% of whom are women, who took part in training and capacity building activities under the project, improved their skills.
<p>Basic banking and budgeting</p> <ul style="list-style-type: none"> • Using financial institutions. • Opening accounts. • Reading statements from financial institutions. • Using electronic banking services. • Recognizing the range of saving options. • Calculating interest and understanding compound interest. • Understanding the importance of budgeting to achieve personal and financial goals. 	
<p>Credit and debt</p> <ul style="list-style-type: none"> • Establishing and using credit. • Repairing poor credit. • Ordering and reading a credit report. • Securing loans. • Identifying expenses. • Identifying and assessing assets and debts. • Avoiding money drainers (check cashing operations, rent-to-own stores, predatory lending). • Developing strategies to cut expenses (plug spending leaks) and increase income. • Determining ways to reduce debts and/or save money. 	



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Income planning, risk management, and taxes

- Financial planning for different stages on the family life cycle or for life events (marriage, having children, death etc.)
- Reading a paycheck — what is the difference between gross pay and net pay (& how taxes affect paychecks).
- Decision-making and problem solving.
- Identifying values.
- Managing risk.
- Understanding tax obligations.
- Learning how to avoid tax penalties, underpayment, or overpayment.

Money flow and asset creation

- Understanding economic and financial terminology (e.g., understanding the evening news).
- Understanding basic investment principles.
- Recognizing the interconnectedness of the economy.
- Accessing resources — community resources, financial assistance resources, credit counseling resources, financial planning resources, online resources.
- Applying economic concepts to personal financial management.
- Communicating about financial matters with family or household members.
- Standing up for rights as a consumer.
- Recognizing accessible investment options



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Business Development Services	
1. Business formalization (developing memorandum and articles of association (M&A), meeting other requirements and registration)	<ul style="list-style-type: none"> • 5,000 entrepreneurs or aspiring entrepreneurs, 80% of whom were women, who took part in training activities under the project, formalize their businesses.
2. Business planning and business plan development (visioning, setting goals, developing financial plans etc.)	
3. Creating links with Financial Institutions (Commercial Banks, microfinance institutions (MFIs), financial services associations (FSAs))	

For this request for applications (RFA), UNCDF invites applications from registered entities in Sierra Leone that can offer innovative and scalable solutions addressing one or more of the following challenges through three areas of intervention.

The examples of solutions in the identified areas of intervention are not exhaustive. The team at UNCDF is excited to hear what potential applicants have in mind outside these examples as long as your scale, commercial viability and impact objectives are aligned.

2.2 How UNCDF works with partners

UNCDF takes a tailored approach to engagement with partners, working with each throughout to identify business and customer needs, and helping to design, pilot and scale up the solution along the way. Some examples of the ways in which UNCDF works with partners include:

- **Product research:** Sharing market research and knowledge to deepen partners' understanding of customers' behaviours, needs, constraints and aspirations. This also includes providing transaction data analysis and training to the business teams.
- **Product design:** Providing human-centred design expertise to better understand the customer journey - physical and financial – for better product design and use-case development tailored to the needs of low-income customers and their families. The efforts may also involve analysing the transaction data from a customer lens.
- **Provisioning:** Providing technical assistance to help design, pilot, deploy, and scale up solutions for impact. Technical assistance is provided by digital finance experts who are experienced in product design, business model development and go-to-market strategies in some of the most challenging markets in Africa and Asia.
- **Partnerships:** Facilitating strategic partnerships with stakeholders – including cross-border payment hubs, mobile network operators, financial institutions, and non-bank financial institutions – to enable partners to reach last-mile customers, and to grow sustainably. UNCDF is uniquely positioned to be a neutral broker of partnerships and has a record of building strong relationships with private and public organizations across Africa, Asia, and Pacific.

In the RFA, applicants may identify and suggest areas where the technical support from UNCDF and its network of expertise is sought.



2.3 Expected results.

According to the projects and solutions presented, candidates must include in the proposal a complete list of results, outcome indicators and targets for monitoring achievement of different results. Below is a non-exhaustive list of key performance indicators (KPIs) for the projects. Other indicators would be finalized based on the nature of the project and tracked to ensure its success.

Deliverables would be derived from key project milestones to be agreed mutually between UNCDF and the selected applicant in accordance to the identified milestones, outcomes and targets of the KPIs, during the due-diligence and negotiation phase.

For illustration, milestones can include training module finalised at least 25% of the KPIs attained, etc.

In the application form, candidates will have to provide set reliable and attainable targets for each of the following indicators.

Indicators & KPIs	Disaggregation
10,000 of entrepreneurs/aspiring entrepreneurs attending the training, at least 60% being women	Total: Women Youth Rural
# 80% of entrepreneurs/aspiring entrepreneurs having obtained the certificate.	Total: Women Youth Rural
# 5,000 entrepreneurs or aspiring entrepreneurs, 80% of whom were women, who took part in training activities under the project, formalize their businesses.	Total: Women Youth Rural
# of new MSME created	Total: Women Youth Rural
# of entrepreneurs connected to formal Financial services	Total: Women Youth Rural

Please note that during the negotiations process of the Performance based- Agreement, applicants shall be required to integrate the monitoring framework with additional KPIs.



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4. ELIGIBILITY FOR APPLICATION AND EVALUATION CRITERIA

Only applications that meet the eligibility requirements and minimum criteria for the submission will be scored.

3.1 Eligibility requirements

Entity registration

- The lead applicant must be an entity duly registered and incorporated in Sierra Leone.
- Applicants shall have fulfilled all the obligations relating to the payment of social security contributions or obligations relating to the payment of taxes in accordance with legal provisions in force in the country of incorporation.

Relevant operation licenses (when applicable)

- The lead applicant must have at least two years of operations in Sierra Leone.
- The lead applicant must have audited financial statements/ financial report for at least the past two years (2019, 2018)

Consortiums

- Applicants may apply only once under this RFA, whether independently or in a consortium.
- Joint applications between market players in Sierra Leone are encouraged if the solution proposed will expand delivery network of the training services and promote rural and/or other last-mile access to youth entrepreneurs
- The lead applicant' partners must be registered entities with at least one year of operations.

Solutions to be supported

- Applicants must have an existing solution/ training programme having pilot tested for at least 6-12 months.

Exclusionary criteria:

- Applicants shall not have been the subject of bankruptcy, liquidation, judicial settlement, safeguarding, cessation of activity or any other similar situation resulting from a similar procedure.
- Applicants and any of their staff or member of their board of directors shall not be included in the United Nations financial sanctions lists,⁵ particularly in the fight against the financing of terrorism and against attacks on international peace and security.³; and
- Applicants must not be involved in any of the following activities.⁴
 - Manufacture, sale or distribution of controversial weapons or their components, including cluster bombs, anti-personnel mines, biological or chemical weapons or nuclear weapons.
 - Manufacture, sale or distribution of armaments and/or weapons or

³ See: <https://www.un.org/securitycouncil/sanctions/information>

⁴ See UNDP Policy on Due Diligence and Partnerships with the Private Sector (2013): https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/BE_RA_Partnerships_UNDP%20private%20sector%20due%20diligence%20policy%202013_FINAL.pdf&action=default



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their components, including military supplies and equipment.

- Replica weapons marketed to children.
- Manufacture, sale or distribution of tobacco or tobacco products
- Involvement in the manufacture, sale and distribution of pornography
- Manufacture, sale or distribution of substances subject to international bans or phase-outs, and wildlife or products regulated under the CITES.
- Gambling including casinos, betting etc. (excluding lotteries with charitable objectives)
- Violation of human rights or complicity in human rights violations
- Use or toleration of forced or compulsory labor.
- Use or toleration of child labor.

UNCDF will conduct due diligence on selected applicants. Applicants must have documents ready for confirmation that they meet the eligibility criteria including certificate of compliance with the tax authorities and any other documentary evidence that might be requested by UNCDF besides the application form.

3.2 Evaluation criteria

The Evaluation Committee will score the applications according to the below evaluation criteria.

Only applications that score at least 70 out of 100 will be considered successful and move to the due-diligence stage.

Evaluation Criteria	Score
PRODUCT DEVELOPMENT STAGE – Is the training solution tested and ready to go to market or in the market?	0-20
RELEVANCE – To what extent the training modules and approach answers to the training needs of women and youth population in Sierra Leone? What steps have been taken to validate the market/segment? Does the applicant demonstrated good understanding and proven experience in working with youth, women and vulnerable persons at community and national level?	0-20
METHODOLOGY - Do the applicant outlined a clear methodology and approach? Do the applicant explain in detail how the entity will be able to reach the end-users and attain the foreseen target? Are the proposed targets, backed by a sound logic (e.g. current user base, applicant's ability to deliver)?	0-25
ENTITY AND TEAM EXPERIENCE – What is the team composition? Size and roles? Does the applicant demonstrate relevant experience in business Development, capacity development, technical Assistance, women and youth Entrepreneurship, financial literacy? Does the applicant have the human resources, financial, infrastructure, technology, brand recognition, geographical footprint?	0-25
INNOVATION – The extent to which the solution proposed is innovative? Is the solution offering a mix of offline, e-learning tools, e-recording platforms, gamification solution?	0-10



Additionally, UNCDF will assess the Value for Money proposed by the applicants passing the minimum technical evaluation score. Value for Money is calculated as follows:

Grant amount in USD (A)

Total number of end beneficiaries (B)

Value for Money = A / B

3.3 Eligible costs

The criteria for eligible expenditure determine whether a cost qualifies for funding under UNCDF rules and procedures.

The general criteria for eligibility of costs under UNCDF funding include the following.

- Eligible costs must be incurred by the applicant **during the project** (after the signature of the Performance-based Agreement and up to the end of the Grant period).
- Eligible costs should be indicated in the estimated overall budget of the action attached to the Performance-based Agreement.
- Costs must be identifiable and verifiable, in particular being recorded in the accounting records of the applicant and determined according to the applicable accounting standards of the country where the lead applicant is established.
- Costs must comply with the requirements of applicable tax and social legislation.
- Costs must be reasonable, justified and comply with the principle of sound financial management, in particular regarding economy and efficiency.
- Consultancy costs – under studies, technical assistance and other advisory services under the programme carried out by international and national consultants – are eligible as follows. Professional and consultancy services are services rendered by people with a special skill, and who are not officers or employees of the organization applying for the grant. Consulting services must be justified, with information provided on their expertise, primary organizational affiliation, normal daily fee, and number of days of expected service. Consultants' travel costs, including for subsistence, are to be shown as travel expenditure. The applicant may be required to justify the daily fee.
- Workshop costs are eligible, for the workshop venue, food and beverages, and publication material.
- Training for the employees of the institution applying for the grant is not eligible.
- Investment costs directly attributable to the project, relating to research and innovation, are allowable.

3.4 Ineligible costs

The following costs are ineligible and not accepted:

- Returns on capital and dividends paid by a beneficiary.
- Debt and debt service charges.
- Provisions for losses or debts.
- Interest owed.



- Costs declared by the applicant in the framework of another action receiving a grant financed from another donor.
- Indirect costs, also called overheads.

AGREEMENT PARAMETERS

Applicants shall give evidence that their solutions are aligned to the following parameters.

4.1 Applicants

Eligible candidates can apply alone or as lead applicant in a consortium of firms, as long as they comply with the eligibility requirements set forth in section 3.1 in case of a consortium of entities applying to the RfA, the lead applicant shall comply with the eligibility requirements. The lead applicant will be responsible of:

- submitting the application form on behalf of the consortium
- ensuring that each partner is fully aware of the composition of the partnership and of the contents of the Application Form.
- signing the Performance-based Agreement with UNCDF⁵;
- fulfilling all obligations set out in the Performance-based Agreement.
- ensuring the allocation and the fulfilment of the funds amongst the partner in the consortium in compliance with the Performance-based Agreement.
- ensuring the allocation and the fulfilment of the tasks amongst the partner in the consortium in compliance with the Performance-based Agreement

4.2 Target segment

The target segment entails women, youth, entrepreneurs living in the Western Region of Sierra Leone, notably the capital Freetown (Western Urban Area), surrounding communities (Western Rural Area) and the three border districts of Kambia, Kailahun, and Peujahun.

4.3 Geographical scope

The geographic implementation area of the project is the Western Region of Sierra Leone, notably the capital Freetown (Western Urban Area), surrounding communities (Western Rural Area) and the three border districts of Kambia, Kailahun, and Peujahun.

4.4 Project duration

The selected projects is expected to have a 12-month duration. Activities are expected to start by April 2021. Final and assessment report will have to be submitted no later 31 March 2022.

⁵ Include a link with the agreement template where applicant can download the template



4.5 Language

The deliverables and any correspondence between the applicant and UNCDF must be in English.

4.6 Budget

UNCDF will provide a grant to **one selected applicant** which will be technically compliant, has received the highest technical score in accordance to the Evaluation Criteria as set forth in section 3.2 and its proposal is approved by UNCDF's Investment Committee.

UNCDF contribution may range up to **US\$ 100,000**.

APPLICATION REQUIREMENTS AND PROCESS

5.1 Structure of the application

- The applicant must submit a complete application enclosed to this RFA no later 23:59 GMT, the 1st of March 2021 by email to uncdf.rfa@uncdf.org. Submission needs to be completed with the following documents:
 1. Annex I - Submission Letter
 2. Annex II – Technical proposal
 3. Annex III – Budget and Workplan
 4. Audited financial statements for at least two year from the Lead applicant.
 5. Certificate of incorporation of the applicant.
 6. Document certifying that the lead applicant has fulfilled all obligations relating to the payment of social security contributions or obligations relating to the payment of taxes per the legal provisions in Sierra Leone.
 7. CVs of the employees / team involved in the project in PDF form

All submissions must be completed in English.

UNCDF may request additional information and documentation to proceed to the technical evaluation of proposals.

5.2 Application deadline

All applications must be submitted by 23:59 pm EST of the 1st of March 2021 at the following email address: uncdf.rfa@uncdf.org

5.3 Selection process:

- Step 1: Eligibility screening – eligibility will be assessed according to the eligibility requirements as set forth in section 3.1.
- Step 2: Evaluation of eligible applications by UNCDF's technical evaluation panel based on the evaluation criteria set out in section 3.2.
- Step 3: Due diligence – due diligence on the applications and their applicants will be conducted on applications that receive the minimum qualifying score (70/100).
- Step 4: Notification of applications – all applicants will be notified of the status of



their applications.

- Step 5: Pre-Grant negotiation and Performance-based Agreement – the selected applicants will finalise the scope of the grant and finalise budgets, indicators and targets, workplan and disbursements of the Grant that will be released on achievement of each milestone.
- Step 6: Approval of the selected applications by the Investment Committee. Pre selected applications will be reviewed, discussed for approval by UNCDF's Investment Committee. Any further due diligence requirements, risk analysis or milestone recommendations from the Investment Committee will be followed in later steps.
- Step 7: Notification of applications - all applicants will be notified of the status of their applications after final approval from UNCDF Investment Committee.

5.4 Timeline

4 February 2021	Application window opens.
22 February 2021	Deadline for questions
on a weekly basis until the deadline for submission	FAQ document published.
23:59 pm GMT on 1 March 2021	Deadline for submission

5.5 Real-time assistance from UNCDF

For requests and queries, send an email to uncdf.rfa@uncdf.org .

A document answering frequently asked questions will be continually updated on UNCDF website.