

**UNITED NATIONS CAPITAL DEVELOPMENT FUND (UNCDF)
REQUEST FOR APPLICATIONS**

Digital inclusion related services and products that foster an Open Payment Ecosystem

1. INTRODUCTION TO THIS REQUEST FOR APPLICATIONS

As part of [UNCDF strategy "Leaving no one behind in the digital era"](#), UNCDF is looking for legally established entities in Uganda that can propose innovative and scalable solutions that can address one of the following focus areas

- a) **Area 1: Infrastructure** - Development & improvement of last mile distribution of services (Mobile Money, Airtime, Solar for Lighting)
- b) **Area 2: Pilot** - Prototype best ways to increase access to phones & connectedness

Financial services providers, payment services providers, MNOs, NGOs, Fintechs, Agro-Fintechs or any other digital advocate can apply to this RFA

UNCDF will provide a grant and sign a Performance-Based Agreement (PBA) with at least two selected partners. One per area.

Projects shall contribute to at least one of the outcomes listed below.

- Improved mobile and data network coverage.
- Enhanced access to electricity.
- Increased digital device ownership.
- Strengthened distribution network of digital payment services.
- Increased access to and usage of digital payment accounts.
- Established open data and systems.

In addition, the applicants should demonstrate their ability to specifically support the following segments: smallholder farmers, women, youth, refugees, members of host communities, and MSMEs.

The proposed activities shall focus on the following regions: Kiryandongo, West Nile, Acholi and Lango regions.

UNCDF contributions range may vary from 50,000 to 400,000 USD per project. In the proposal, the applicant shall quote its costs for the operations and management of the project including providing full time resources that would engage with UNCDF in supporting the project implementation. Applicants should provide budgets indicating how they would contribute to produce high quality expected results with their technical approach.

Submission of applications

Applications should be submitted via email at digital.info@uncdf.org; copying in (cc) Chris Lukolyo chris.lukolyo@uncdf.org no later than the 26th of October 2019.

Applications must follow the submission format as outlined in Annex 1 and Annex 2 of this RfA.

Please include in the subject line of the email: *"Digital inclusion related services and products that foster an Open Payment Ecosystem"*.

Queries to this RFA can be submitted via email at digital.info@uncdf.org copying in (cc) Chris Lukolyo chris.lukolyo@uncdf.org no later than the 14th of October 2019. A document of Frequently Asked Question (FAQ) will be shared on this page.

The overall duration of the technical assistance support for the successful applicants will be up to three (3) years, until December 2022.

2. ORGANIZATION CONTEXT AND BACKGROUND INFORMATION

UNCDF is the UN's capital investment agency for the 47 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.

Recently, UNCDF has formulated 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. For further detail on UNCDF strategy, refer to; <https://www.uncdf.org/article/4931/global-strategy-leaving-no-one-behind-in-the-digital-era>

The current RFA is framed under one of the four identified work streams: Open digital payment ecosystems: The set of activities under this work stream is designed to achieve the outcome: rural community members have improved access to and increasingly use digital payment accounts.

Building an open digital infrastructure & payment ecosystem is a key building block of a digital economy. The digital divide¹ will be reduced if everyone has equal access and use affordable digital services. It requires vulnerable segments to have quality mobile and data network coverage where they live, study and work, to own or have access to a phone or other device, to be able to easily charge their devices, to have access to a nearby physical distribution network, to open a digital account or wallet and to easily send and receive payments. Furthermore, this digital ecosystem needs to be open to allow various stakeholders to easily leverage data and payment functionalities to develop innovative digital services.

3. SCOPE OF WORK

Under this RFA, UNCDF will be selecting at least two applicants, one per area of activity, that will present the most compelling proposals aiming at testing and scaling-up innovative products, services and business models that can contribute to an open digital payment ecosystem in Uganda.

The set of activities that can be funded under this RFA is designed to achieve these two areas:

1. **Area 1: Infrastructure** - Development & improvement of last mile distribution of services (Mobile Money, Airtime, Solar for Lighting)
2. **Area 2: Pilot** - Prototype best ways to increase access to phones & connectedness.

Financial services providers, payment services providers, MNOs, NGOs, Fintechs, Agro-Fintechs or any other digital advocate can apply to this RFA

UNCDF will provide a grant and sign a Performance-Based Agreement (PBA) with at least two selected partners, one per area. Projects shall contribute to at least one of the outcomes listed below.

- Improved mobile and data network coverage.
- Enhanced access to electricity.
- Increased digital device ownership.
- Strengthened distribution network of digital payment services.
- Increased access to and usage of digital payment accounts.
- Established open data and systems.

Activities should specifically target smallholder farmers, women, youth, refugees, members of host communities, and MSMEs in the following regions of Uganda: Kiryandongo, West Nile , Acholi and Lango.

3.1. Expected Results

In accordance with the projects and solutions presented, the applicants shall provide in the proposal a comprehensive list of outcomes, targets and KPIs to monitor the attainment of the different outcomes.

Foreseen Targets and indicators should be gender disaggregated.

UNCDF is especially interested in the following indicators (list is not comprehensive):

- Number of customers directly benefiting from the project.
- Other indicators (depending on the outcomes selected).

Indicators when possible shall be disaggregated by smallholder farmers, women, youth, refugees, members of host communities, and MSME

During the project implementation will be required to the selected applicants to provide quarterly qualitative and quantitative reports. In the reporting requirements and outcomes.

4. AGREEMENT PARAMETERS

4.1. Outputs and deliverables

The engagement under this RFA aims at developing an inclusive digital economy in Uganda. Thus, the firm would work closely with UNCDF team in Uganda to improve distribution of digital inclusion related services & products (phones) that foster an open payment ecosystem.

4.2. Duration

The partner is expected to sign a **Performance Based Grant Agreement or Technical Assistance Agreement** with UNCDF. Applicants not familiar with UNCDF agreements are encouraged to request a sample at digital.info@uncdf.org prior to submission of application). Expected date for the full completion of the project is December 31, 2022.

4.3. Agreement size

UNCDF contributions may vary from 50,000 to 400,000 USD per partner. In the proposal, the applicant shall quote its costs for the operations and management of the project including providing full time resources that would engage with UNCDF in supporting the project implementation. Applicants should provide budgets indicating how they would contribute to produce high quality expected results with their technical approach.

4.4. Language

The deliverables, as well as any and all related correspondence exchanged by the organization and UNCDF, shall be written in English

5. APPLICATION REQUIREMENTS

5.1. Eligibility requirements of the Applicant(s) and/or the leading applicant of the consortia

- To be duly incorporated and registered according to the rules of Uganda ;
- Not to be in a state of repair or to have been the subject of bankruptcy, liquidation, judicial settlement, safeguarding, cessation of activity or any other similar situation resulting from a similar procedure;
- Not to be included in the United Nations financial sanctions lists, particularly in the fight against the financing of terrorism and against attacks on international peace and security;
- To have fulfilled obligations relating to the payment of social security contributions or obligations relating to the payment of taxes according to the legal provisions in Uganda.
- In addition, neither the principal entity nor the legal entities that are members of the consortium will be able to: (i) submit another individual bid; (ii) or as a principal or member of another consortium / partnership submitting another submission.
- Applicant(s) should be operating in Uganda for at least 1 year;
- Applicant(s) should have audited financial statements for at least the last 1 year.

5.2. Minimum qualification criteria:

- Submit a complete Commitment Letter (Annex 1) that the organization has reviewed the UNCDF legal document templates (available upon request), is prepared to sign it without revision to standard language.
- Submit a complete application (Annex 2). Have confirmed human resources to cover all planned/required activities.

5.3. Structure of the Application:

- The application should follow the template provided in Annex 1 and Annex 2.
- Only applications that follow the formats of Annex 1 and Annex 2 and include all the necessary documentation will be accepted.

5.4. Submission of the Application

- Applications should be submitted via email at digital.info@uncdf.org; copying in (cc) Chris Lukolyo chris.lukolyo@uncdf.org no later the **26th of October 2019**.
- Applications must follow the submission format as outlined in Annex 1 and Annex 2 of this RfA.
- Please include in the subject line of the email: **"RFA: Digital inclusion related services and products that foster an Open Payment Ecosystem"**
- Queries to this RFA can be submitted via email at digital.info@uncdf.org copying in (cc) Chris Lukolyo chris.lukolyo@uncdf.org no later the 14th of October 2019. A document of Frequently Asked Question (FAQ) will be shared on this page.
The overall duration of the technical assistance support for the successful applicants will be up to three (3) years, until December 2022.

5.5. Evaluation method

The evaluation will follow the combined scoring method:

<p>Rating the Technical Proposal (TP): $TP \text{ Rating} = (\text{Total Score Obtained by the Offer} / \text{Max. Obtainable Score for TP}) \times 100$</p> <p>Rating the Financial Proposal (FP): $FP \text{ Rating} = (\text{Lowest Priced Offer} / \text{Price of the Offer Being Reviewed}) \times 100$</p> <p>Total Combined Score: $(TP \text{ Rating}) \times (\text{Weight of TP, e.g. 70\%}) + (FP \text{ Rating}) \times (\text{Weight of FP, e.g., 30\%})$</p> <p>Total Combined and Final Rating of the Proposal</p>

UNCDF will select at least two applicants. One per area.

Only the applicants that will score at least 70/100 from the combined technical and financial rating will be considered successful and move to the next step of the due diligence. The criteria are listed below.

Technical proposal: 100 Points

Expertise of the Applicant		Points Obtainable
	The applicant has already customers in the under-served segments (e.g. youth, women, migrants) or demonstrates ability to quickly penetrate the market directly or through partnerships. The current resources (HR, financial, infrastructure, technology, brand recognition, geographical footprint, etc.) of the applicant demonstrates ability to scale among the identified segments	15
	The applicant has already an existing viable business models to reach and empower underserved segments that is sustainable.	10
	The applicants has already tested innovative models in the regions of Kiryandongo , West Nile , Acholi and Lango region	15
Total Part 1		40

Understanding of the mandate and proposed approach		Points Obtainable
4	Contribution to the financial inclusion of low-income people in at least one of the following segments: smallholder farmers, women, youth, migrants, informal and formal workers, micro enterprises and other vulnerable segments in rural areas of Uganda	20
5	Contribution of the Project to reach at least one of the Sustainable Development Goals	10
6	The solution is ready for deployment; project team has relevant expertise and demonstrates ability to implement towards project goals	10
7	Level of innovation of the solution and approach proposed; level of additional value bring brought to the market	10
8	Business model has potential to be scalable and commercially viable	10
Total Part 2		60

Only the applicants who score at least 70% of the technical score, will pass the next screening phase of the financial proposals.

Financial Proposal (100 points)

Only the financial offers of the applicant scoring at least 70% of the technical proposal will be assessed

To be computed as follows:

- Up to 50 points value for money ration equal to project budget divided by the number of users reached at the end of the project.
- Up to 50 points, level of co-financing in cash and in kind by the applicant