



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

Using Digital Innovative Models to increase financial, digital literacy, drive adoption & bridge the Technology Gap Skills among customers

1. INTRODUCTION TO THIS REQUEST FOR APPLICATIONS (RfA)

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 the following focus areas with an aim of empowering the target customers/ beneficiaries:

- Area 1: Set-up community-based solutions to enhance and expand last-mile distribution network for digital services and products.
- Area 2: Support NGOs in leveraging digital technology to improve cash-based interventions.

The proposed intervention shall target low-income customers, rural populations, migrants, refugees, smallholder farmers, women and youth, precisely in the following regions of Uganda: Kiryandongo, West Nile, Acholi and Lango.

Moreover, the solutions proposed should create the following impact:

- Increase digital, phone & financial literacy
- Drive adoption of digital services and usage of digital services
- Bridge the technology skills gap among refugees and host communities
- Development of a mobile financial services ecosystem to foster digital cash-based interventions.

UNCDF will provide a grant and sign a Performance-Based Agreement (PBA) with at least two selected applicants to manage the entire project and deliver as per the scope of work detailed in the next sections.

Applicants may apply separately for Area 1 or Area 2 or proposed a project for both areas. Please indicate the scope in the proposal.

UNCDF contributions may range from 30,000 USD to 150,000 USD per grant agreement. 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 the proposed approach will deliver high quality results

Timing and Contacts

Applications about this RFA should be submitted via email at digital.info@uncdf.org copying in (cc) Chris Lukolyo chris.lukolyo@uncdf.org no later the **24th of October 2019 23:59 EAT**.

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.

Please include in the subject line of the email: "Using Digital Innovative Models to increase financial, digital literacy, drive adoption & bridge the Technology Gap Skills among customers"

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

The overall duration of UNCDF support for the successful applicants will be up to three (3) years, maximum 31 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 “Empowered Customers” one of the four identified work streams of UNCDF strategy. The set of activities under this work stream is designed to achieve the outcome: *“rural community members have the knowledge, skills, and behaviours needed to access and use digital services”*.

Through capacity building and research and by fostering innovative new partnerships for non-financial service delivery this work stream will enhance customers' capabilities, voice and demand for/and control over benefits from the use of digital innovations (financial and non-financial). This work stream will account for customer's lower capabilities and confidence; strengthening and partnering with training and education organizations and civil society organizations to address agency issues relating to customers' capabilities to access, use and control over digital innovations.

3. SCOPE OF WORK

By this RFA, UNCDF is looking for legally established entities in Uganda that can propose innovative and scalable solutions and minimum viable products (MVPs) that can address the following focus areas with an aim of empowering the target customers/ beneficiaries;

- Area 1: Set-up community-based solutions to enhance and expand last-mile distribution network for digital services and products.
- Area 2: Support NGOs in leveraging digital technology to improve cash-based interventions.

Under this RFA, UNCDF will be selecting applicants that will present new proposals that support, test and scale-up innovative products, services and business models that empower customers in the long run. The solutions proposed shall focus on specific regions of Uganda, precisely: Kiryandongo, West Nile, Acholi and Lango.

Area1: Set up community-based solutions to enhance and expand last-mile distribution network for digital services and products.

The applicants must demonstrate their ability to support specific segments (smallholder farmers, refugees, women, youth, MSMEs) with innovative digital tools like digital platform that foster & improve cash-based interventions, last mile distribution models (digital Community Entrepreneur model) that increase access to digital inclusion related services & products.

The solutions proposed shall contribute to:

- Innovative scalable and sustainable last mile distribution models.
- Community-based distribution solution of financial services to the last-mile.
- Increase digital, phone & financial literacy.
- Drive adoption and usage of digital services.
- Bridge the technology skills gap among refugees and host communities.

Area 2: Support NGOs in leveraging digital technology to improve cash-based interventions

In a rapidly evolving humanitarian landscape — marked by more frequent crises, protracted conflicts, and climate shocks, among other challenges — cash-based transfers are on the rise. The humanitarian community increasingly looks to cash-based transfers for their ability to strengthen the resilience of populations and support longer-term development goals, and particularly to digital solutions that can drive financial inclusion and economic activity within a community.

Cash-based interventions can be stand-alone interventions, or they can be used in combination with in-kind assistance (e.g. a cash grant to top-up a partial food aid ration; milling voucher with food ration; seeds with a cash grant for tools; shelter materials with a cash component for labour). Experience has shown that the combination of cash and in-kind assistance is often the most appropriate response in emergencies, although in urban contexts with functional markets most assistance can be channelled through cash-based interventions.

More precisely, UNCDF is looking for partners with digital technologies that can support and enhance cash-based transfers targeting low income people in Uganda and more precisely smallholder farmers, women, youth, migrants and MSMEs.

The solutions proposed shall contribute to:

- Innovative scalable and sustainable last mile distribution models.
- Community-based distribution solution of financial services to the last-mile.
- Increase digital, phone & financial literacy.
- Drive adoption and usage of digital services.
- Bridge the technology skills gap among refugees and host communities.

3.1. Expected Results

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

Foreseen targets and indicators should be gender disaggregated.

It will be required to the selected applicants to provide quarterly qualitative and quantitative reports. In the reporting requirements and outcomes, it will be important to outline the contribution to the target groups including: Numbers of low-income people benefiting by the innovative models, disaggregated when possible by different segments: smallholder farmers, youth, women, refugees, migrants and host communities.

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

- Number of new enrolled customers of digital services, disaggregated by women, youth, refugees, small holder farmers, MSMEs
- Number of new active customers of digital services, disaggregated by women, youth, refugees, small holder farmers, MSMEs
- Number of new trained customers on financial literacy, phone and digital literacy

4. AGREEMENT PARAMETERS

4.1. Outputs and deliverables

The engagement under this RfA would be for use by the entire economy aiming at developing an inclusive digital economy in Uganda. Thus, the applicant would work closely with UNCDF team in Uganda in the design and implementation of the project.

4.2. Duration

The partner is expected to sign a Technical Assistance Agreement and/or Performance Based Agreement with UNCDF. Applicants not familiar with UNCDF agreements are encouraged to request a sample from 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 will provide technical assistance support and/or grants and/or mentorship services to the applicants selected under this RFA.

UNCDF contributions may vary from 30,000 to 150,000 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.
- Applicants are requested to present their innovative ideas, business models and solutions and to provide evidence of their social and environmental impact.

Note: Applicants can apply to a specific focus area:

- Area 1: Set up a community-based solution to enhance and expand last-mile distribution network for digital services and products.
- Area 2: Support NGOs in leveraging digital technology to improve cash-based interventions.

The selected project can have a maximum life span of up to 26 months and they could run until December 2022

5.4. Submission of the Application:

- Applications about this RFA should be submitted via email at digital.info@uncdf.org copying in (cc) Chris Lukolyo chris.lukolyo@uncdf.org no later the **24th of October 2019 23:59 EAT**.
- Queries to this RFA can be submitted via email at digital.info@uncdf.org . A document of Frequently Asked Question (FAQ) will be shared on this page.
- Please include in the subject line of the email: "New business models and delivery channels for building financial and digital capabilities, and soft and hard skills of customers in Uganda"
- Applications must follow the submission format as outlined in Annex 1 and Annex 2 of this RFA.

5.5. Evaluation of the Application

The evaluation will follow the combined scoring method:

- **Rating the Technical Proposal (TP):**
TP Rating = (Total Score Obtained by the Offer / Max. Obtainable Score for TP) x 100
- **Rating the Financial Proposal (FP):**
FP Rating = (Lowest Priced Offer / Price of the Offer Being Reviewed) x 100
- **Total Combined Score:**
(TP Rating) x (Weight of TP, e.g. 70%) + (FP Rating) x (Weight of FP, e.g., 30%)
Total Combined and Final Rating of the Proposal

UNCDF will provide a grant and sign a Performance-Based Agreement (PBA) with at least two selected applicants to manage the entire project and deliver as per the scope of work detailed in the next sections.

Applicants may apply separately for Area 1 or Area 2 or proposed a project for both areas. Please indicate the scope in the proposal.

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
1	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
2	The applicant has already an existing viable business models to reach and empower underserved segments that is sustainable.	15
3	The applicants has already tested innovative distribution models in the regions of Kiryandongo , West Nile , Acholi and Lango region	10
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	Product is ready for deployment; project team has relevant expertise and demonstrates ability to implement towards project goals	10
7	Level of innovation in the product 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.