Unlocking Public and Private Finance for the Poor

United Nations Capital Development Fund
REQUEST FOR APPLICATION FOR

Re-Advertised

Mexico Action Research on Private Sector Scaling Digitization Initiative
Industry Acceleration of Adoption of Digital Payment

Deadline for submission: 24 September 2021 at 23:59 EST

1. PURPOSE FOR THE REQUEST OF THE APPLICATION

1.1 SUMMARY

The United Nations Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 47 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.

About the Better Than Cash Alliance

Hosted by UNCDF, the Better Than Cash Alliance's mission is to catalyze a global movement from cash to digital payments to help achieve the Sustainable Development Goals. Specific benefits include efficiency, transparency, women's economic participation and financial inclusion, helping build economies that are digital and inclusive.

The Alliance has 75 members, including national governments from Africa, Asia-Pacific and Latin America, companies and international organizations which have committed to digitizing payments.

The Secretariat works with the Alliance members on their journey to digitize payments by:

- Providing advisory services based on member priorities.
- Sharing action-oriented research and fostering peer learning.
- Conducting advocacy at national, regional, and global level.

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Billions of dollars in cash payments and transfers are made daily in emerging and developing economies, including payment of salaries, social welfare and relief, payments to suppliers, remittances. The problems with these cash payments include a lack of transparency, accountability, and security, as well as inefficiency. Individuals who receive cash payments are often part of the 1.7 billion excluded from the formal financial sector, the majority of whom are women. This means they are excluded from access to a range of appropriate and affordable financial services to help them save safely take advantage of economic opportunities and reduce their vulnerability to risk.

Shifting these payments from cash to digital has the potential to improve the lives of low-income people, particularly women, while giving governments, the development community, and the private sector a more transparent, time and cost efficient, and often-safer means of disbursing payments.

The Better Than Cash Alliance Team's Core Values are the following:

- Achieving together
- Striving for excellence
- Service oriented
- Results oriented

1.2 PURPOSE FOR THE INTERVENTION, EXPECTED DELIVERABLES AND TIMELINES

Purpose for the intervention

The purpose for the intervention is to identify a company which will carry on action research to support the efforts of FMCG companies are leading in Mexico to digitize payments across their value chains. The research will entail the strategic analysis of several multi-company and multi-service payments platforms and the identification of barriers and accelerators for the adoption and usage of digital payments for small merchants in Mexico's retail segment.

The insights from the research will provide FMCG companies inputs for establishing a consolidated industry agenda including structural changes and accelerators in which the industry needs to work collaboratively with relevant actors (other FMCGs, government, financial sector, small retailers' associations, etc.) to reduce external barriers for small merchants to achieve adoption and usage of digital payments. The research will also include an industry strategy for implementation and reflect consensus reached by FMCG

companies on industry standards regarding terminology, concepts, benchmarks, and indicators.

The elaboration of this research will require consultation with stakeholders in the FMCG sector; and it will entail several pieces of research and analysis and workshops/presentations.

Expected deliverables and timeline

The Better Than Cash Alliance is seeking applications from qualified technical partners (e.g., commercial for-profit consulting firms, non-for-profit organizations, social enterprises) with proven experience in conducting multi-stakeholder interviews and analysis for recommendations, as well as research on the adoption and usage of digital payments for small merchants in Mexico's retail segment. The service provider needs to have experience working on access to financial services in Mexico, with a particular focus on the adoption of digital financial services and business model analysis, as well as understanding of FMCGs business models and distribution. Experience of facilitating multi-stakeholder workshops and providing action-driven recommendations based on innovative approaches, is essential.

The objective of the study is to **support the members of the Forum to align their thinking on the main opportunities and actions** that will allow accelerating the digitalization of payments in the traditional Mexican channel. As part of the analysis done by the consultant, **current public and internal studies will be used as inputs**; for which members of the Forum will be asked to contribute with relevant studies available to them. Furthermore, **Forum members will be asked to act as promoters** of work paths to support and validate the consultant's work.

Estimated Deliverable Costs			
SN	**Deliverables**	**Percentage of Total Price**	**Price**
1	Initial Report	10	10,000
2	First Progress Report	10	10,000
3	Forum presentation on the Initial Report and First Progress Report	10	10,000
4	Second Progress Report	10	10,000
5	Third Progress Report	10	10,000

6	Forum presentation on the Second and Third Progress Report	10	10,000
7	Final Report	20	20,000
8	Forum presentation on the Final Report.	20	20,000
	Total	**100**	**USD 100,000**

The expected outputs are:

1. First, the study will **align the starting point** to establish a common understanding of existing solutions, do´s and don'ts of market platforms, and the "pain points" of retailers, consumers and FMCGs.
2. Second, the consultant will be responsible for preparing content and facilitating a **workshop on the adoption of digital payments by retailers and consumers**, where based on national and international good practices, a list of initiatives on functionalities and business models will be establish, to be implemented by FMCG companies directly to accelerate the adoption of digital payments by retailers and consumers.
3. Third, the consultant will provide recommendations on the establishment of **industry standards, key indicators, and minimum level of standardization** to achieve adequate scale.
4. Fourth, as a result of the discussions around adoption, functionalities, business models, standardization and key indicators, the consultant will support Forum members in delineating an **industry agenda** that will be established aimed at supporting the development and implementation of the functionalities and recommended business models, in addition to guidance on how to implement third-party management model.
5. Creation and delivery of six presentations and one workshop.

CREATION AND DELIVERY OF
6 PRESENTATIONS AND 1 WORKSHOP

Audience	Event	Quantity
FMCG Industry	Workshop	1
	Presentations	3
	a) **<u>First Presentation & Workshop:</u> Starting point and workshop** on initiatives to accelerate adoption (2 ½ hours	

	approx.). b) **<u>Second Presentation</u>: Standards and Industry Agenda**. (2 hours approx.). c) **<u>Third Presentation:</u> Closing Meeting**: Conclusions and next steps. (1 hour approx.)	
Government	Presentation on the study´s findings.	1
BTCA	Presentation on the study´s findings to audience to be defined by the Better Than Cash Alliance.	2

It is important to underline that the 3 presentations to the Government and the Alliance will derive from the research´s master presentation and will differentiate depending on the audience.

1.3 GRANT PARAMETERS

For this request for applications (RFA), UNCDF invites applications from registered entities with proven experience in conducting primary and secondary data collection including multi-stakeholder interviews, and strong analytical expertise in reviewing information. They need to have experience of facilitating multi-stakeholder workshops and providing action-driven recommendations based on innovative approaches.

The selected applicant who will be technically responsive to this Request for Application will be signing a Performance-Based Agreement (PBA). The PBA template can be found in **Annex IV**. UNCDF will contribute a grant for up to **USD 100,000** and will award one applicant pending on the investment readiness level and outreach potential of the solution proposed.

The response to the RFA should be in English. If the financial statements are in any other language, they should be included along with a non-official translation into English. Deliverables, as well as any related correspondence exchanged between the organization and UNCDF, shall be written in English. Final deliverables shall be provided in English.

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1.4 GRANT APPLICATION DETAILS

Date	***Stage***
September 15, 2021	*Call for open the application*
September 23, 2021	*Deadline for questions about the RFA*
September 24, 2021	*Deadline for the application*
September 28, 2021	*Evaluation of proposals and award*
October 15, 2021	*Start Implementation*
January 20, 2022	*Draft assessment report*
February 28, 2022	*End date of grant implementation*

All applications must be submitted online not later than 24 September 23:59 Hrs. (EST 11:59 PM, the New York time zone)] through UNCDF online platform: https://apply.uncdf.org/prog/lst/

Guidance on how to apply online to the Grant is annexed to the RFA, see Annex V.

1.5 CONSULTATION

- ✓ For requests and queries, send an email to gisela.davico@uncdf.org, maria.antonieta.paz@uncdf.org
- ✓ A document answering frequently asked questions will be continually updated at https://www.uncdf.org/article/7136/re-advertise-for-request-for-application-mexico-action-research-on-private-sector-scaling-digitization-initiative.
- ✓ For further details on this RFA as well as on the required eligibility criteria, please revert to UNCDF website (https://www.uncdf.org/article/7136/re-advertise-for-request-for-application-mexico-action-research-on-private-sector-scaling-digitization-initiative.

2. ORGANIZATION CONTEXT AND BACKGROUND INFORMATION

2.1 ORGANIZATIONAL CONTEXT

UNCDF is the United Nations capital investment agency for the world's least developed countries (LDCs). It creates new opportunities for poor people and their communities by increasing access to inclusive finance 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 can provide seed capital both as grants and loans as well as technical support poor people's lives. UNCDF works to widen people's choices: it believes that poor people and communities should take decisions about their own development. UNCDF works in challenging environments, such as remote rural areas, and countries emerging from conflict, and paves the way for others to follow. Its programmes are designed to catalyse larger investment flows from the private sector, development partners, and national governments, to achieve significant impact on the Sustainable Development Goals (SDGs). Established by the General Assembly in 1966 and with headquarters in New York, UNCDF is an autonomous United Nations organization affiliated with the United Nations Development Programme (UNDP).

Hosted by UNCDF, the **Better Than Cash Alliance** is a global partnership of governments, companies, and international organizations that accelerates the transition from cash to digital payments to reduce poverty and drive inclusive growth.

Billions of dollars in cash payments and transfers are made daily in emerging and developing economies, including payment of salaries, social welfare, payments to suppliers, remittances, etc. The problems with these cash payments include a lack of transparency, accountability, and security, as well as inefficiency. Furthermore, the individuals who receive the cash payments are often among the 1.7 billion people excluded from the formal financial sector. This means they are excluded from access to a range of appropriate and affordable financial services to help them save safely, take advantage of economic opportunities, and reduce their vulnerability to risk.

Shifting these payments from cash to digital has the potential to improve the lives of people with low incomes, particularly women, while giving governments, the development community, and the private sector a more transparent, time- and cost-efficient and often safer means of disbursing payments.

The Alliance Secretariat works with its 70+ members to navigate their digitization journeys, by:

- Providing advisory services based on member priorities

- Sharing action-oriented research and fostering peer learning
- Conducting advocacy at national, regional, and global level

Mexico has been a member of the Better Than Cash Alliance since 2015.

From a corporate perspective, payments completed in the value chain of businesses represent some of the most significant payment flows of national economies. As highlighted in the Alliance's recent report on "The Future of Supply Chains: Why Companies are Digitizing Payments," companies in different business sectors have benefited from digital payments in their supply chains and play an important role in building an inclusive digital payments ecosystem. As part of catalysing the global movement from cash to digital with the private sector, the Better Than Cash Alliance is committed to supporting digitization of companies' payment flows in different business sectors across the corporate payment grid: Business-to-Business (B2B), Business-to-People (B2P), and People-to-Business (P2B).

2.2 BACKGROUND INFORMATION

In 2020, a public-private partnership created a Working Group (WG) coordinated by the Alliance and presided by Mexico's Secretariat of Finance and Public Credit (SHCP). The objective of the WG was to identify the barriers to the adoption of digital payments by small merchants and create a roadmap with precise actions to overcome such barriers.

Given the development and maturity of the digital payment system in Mexico, most actions in the roadmap concentrated on the financial sector of the digital payment ecosystem, and the SHCP made it part of its digital payment agenda. However, given the level of commitment from participating Fast-Moving Consumer Good Companies (FMCGs), there was a clear opportunity to take further actions to work with the companies to accelerate the use and adoption of digital payments among merchant's part of their distribution networks.

FMCG companies have a major role in accelerating digitization in Mexico. However, past attempts intending to digitize the mom-and-pop shops' segment have proven to be unsuccessful—the network with the highest penetration has 60 thousand businesses, that is, 4 percent of the total number of small retailers. Companies recognized the advantages of implementing an interoperable solution not only in terms of sharing cost but also in terms of convenience for the end-users and the merchants. However, all share concerns regarding data

ownership and management and trust, as well as lack of a common approach on how to overcome barriers to adopting a multi-brand and multiservice solution. Also, there is great diversity in terms of providers of digital payment models that come from different types of industries: FMCGs, Banks, Fintech companies, Government, etc. Most of these solutions are not yet profitable and have a low adoption rate (8.4 thousand users on average). This scenario explains why the adoption of digital payment within the retail segment is low, reaching less than 10 percent of the estimated small merchants.

With the above in mind, the Alliance created an FMCG Forum. The kick-off of this Forum took place on May 21, 2021, with the participation of seven leading companies. During the meeting, participating FMCGs gave feedback regarding how to better direct the Forum´s actions towards its objectives, scope, expected outcomes, and next steps. To guide the discussion, the Alliance proposed the following points to discuss with the Forum's participants:

1. Why digitize payments in the traditional channel? Because there is value for small merchants and FMCGs (54% and 24% value creation, respectively, according to the Better Than Cash Alliance & Accenture study).
2. Why should FMCGs lead this effort? Because: i) they have information and access to small businesses like no other industry, ii) businesses and consumers trust them, and iii) it can increase business loyalty to FMCGs.
3. Why is the Alliance driving this effort? Because there is an opportunity to generate economic growth for an essential segment of the Mexican population, which are small and medium-sized businesses, and promote United Nations Principles for Responsible Digital Payment.
4. Why a Forum? Because no single FMCG has managed to overcome structural barriers and achieve the necessary scale. Also, the cost of continuing to try in isolation could be high.

The discussion proposed allowed Forum members to reach consensus for the next steps, which are to begin with an Actions Research. Thus, the Action Research ought to cover four points:

- Align the starting point: Establish a common understanding, by participating FMCGs, of existing solutions and the “pain points” of retailers, buyers, and FMCGs.
- Adoption in retailers and buyers: Based on national and international good practices, hold a workshop to agree on a list of initiatives on functionalities and business

models to be implemented by the industry to accelerate the adoption of retailers and buyers.

- Industry Standards: Establish key monitoring indicators and agreed minimum level of standardization to achieve an adequate scale.
- Industry Agenda: Prepare an Industry Agenda that supports the development and implementation of the functionalities and recommended business models and advises on managing said agenda.

The latter is expected to give the Forum the tools to accelerate digital payments adoption by small merchants.

The vision of the Forum is to promote the adoption of small retailers through a sustainable and responsible ecosystem of digital payments. Its strategic mission is to be recognized in Mexico as a body integrated by leading FMCGs that reaches consensus to establish benchmarks and good practices on digitalization and adoption issues in the retail channel. It will be leading FMCGs industry agenda, in front of different actors, Government and digital payments ecosystem and associations of retailers, to accelerate adoption, achieve scale, and ensure the sustainability of the digital payments ecosystem.

The FMCG Forum members will work together under the coordination of the Better Than Cash Alliance, who will play the role of facilitating discussions and liaison with third parties if needed. It is important to note, that the Forum is intended to be neutral and agnostic to the diversity of digital payments solutions and focus on promoting access and adoption to financial services for the profitable growth of small and medium businesses and support the inclusion of women (particularly, women-headed micro-enterprises). Following Alliance's support of the Forum formation and facilitation of discussions during 2021, the objective is for the Forum management and tenure to be fully assumed by the FMCGs in Mexico to promote independent ownership and sustainability going forward. It is expected that during the work with the Forum, the participants will define the institutional arrangement the forum will take, as well as its governance structure for 2022 onwards.

2.3 SCOPE, EXPECTED OUTPUTS AND DELIVERABLES

Deliverables and Timeline

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Summary of key deliverable	Tentative timeline
1. Initial Report • Brief document analysing the existing digital payments solution in Mexican traditional retail segment from financial service providers and Consumer Goods Companies, and define the main pain points for retailers, consumers and FMCGs to be addressed to accelerate the adoption of digital payments, while taking into consideration Responsible Digital Payment Guidelines.	• 3 weeks for the draft • 1 weeks for the **Initial Report**
2. First Progress Report • Analysis and recommendations in terms of functionalities, and desirable business models, based on payment solutions and consultants' analysis and experience.	• 3 weeks for the draft • 1 week for the **First Progress Report**
3. Presentation to the FMCG Forum on the Initial Report and First Progress Report.	• 3 days
4. Second Progress Report. • Determine key monitoring indicators and minimum scale necessary to accelerate adoption, and minimum level of standardization required to achieve that scale.	• 3 weeks for the draft • 1 week for **Second Progress Report**
5. Third Progress Report. • Recommendations of the main initiatives for the industry agenda and third-party management model.	• 1 week for the draft • 1 week for the **Third Progress Report**
6. Presentation to the FMCG Forum on the Second and Third Progress Report.	• 3 days
7. Final Report • Must include the agreed main conclusions, recommendations, and next steps	• 1 week for the draft • 1 week for the **Final Report**
8. Presentation to the FMCG Forum on the Final Report.	• 3 days
9. Deadline for submission of written final study.	• 1 week

10. Deadline for submission of the study´s written executive summary for stakeholders (Alliance). This Executive summary should be in Spanish and English	• 1 week
11. Deadline for submission of first presentation draft (power point)	• 1 day
12. Deadline for final presentation	• 2 weeks
13. Six Presentations and one workshop	Throughout the project as needed

This entire scope of work will be delivered in close partnership with and under the supervision of the Better Than Cash Alliance. The Better than Cash Alliance will facilitate the dialogue between the consulting firm and FMCGs participating in the forum, through an initial introduction and presentation of the parties involved.

This work is a key element of the Forum, which will be facilitating the discussions with stakeholders. Throughout the work done by the consulting firm, FMCGs will also be contributing its wealth of experience in the digitization of small merchants and the reduction of cash throughout the value chain, especially taking into consideration women's barriers for digitalization, as they represent approximately fifty percent of small merchants.

The expected scope of work is as follows:

a) Expected key responsibilities and specific deliverables

The following are the proposed objectives and outcomes for the Scope of Work:

1. **Starting point:** Using existing information and studies and with the experience of the consultant, define a segmentation of digital payment solutions developed by FMCGs that helps understand their approach and results. Additionally, establish the main 'pain points' to be prioritized in digital solutions. This starting point will require a literature review (previous studies and good practices) and conversations with the stakeholders.

Key Deliverables

a. Establish segmentation that helps classify existing solutions.
b. Define the main pain points for retailers, consumers and FMCGs to be addressed to accelerate the adoption of digital payments.

2. **Adoption by retailers and consumers:** Using five payment solution models and the consultant´s experience, issue recommendations on the characteristics in terms of functionalities and business models that allow FMCGs to accelerate the adoption of digital payments. These initiatives must be able to be carried out by FMCGs by themselves.

Key deliverables

a. Analysis of dos and don'ts and good practices driving adoption of small retailers from two national and three international payment solution models.
b. Based on the current situation in Mexico and the good practices analyzed, define the most important characteristics of the functionalities and business models that may allow FMCGs to accelerate adoption.
c. Establish the role of FMCGs for the implementation of these initiatives.
d. Carry out a workshop with the members of the Forum to validate the recommendations issued.

3. **Industry Standards:** Establish key monitoring indicators, define the minimum scale necessary to accelerate adoption, and agree on the minimum level of standardization required to achieve that scale.

Key deliverables

a. Establish key industry indicators that allow monitoring progress in the adoption of digital payments.
b. Define the scale and level of interoperability required in the different components of digital payment solutions to accelerate adoption.
c. Considering the competitive advantages of each FMCGs and its strategies, define the necessary and feasible common base to achieve the necessary scale.

4. **Industry Agenda:** Define the priority issues to be included in the FMCG industry agenda: structural changes and accelerators in which the industry needs to work collaboratively. These initiatives are actions to be carried out in collaboration with other institutions or government.

   Key deliverables

   a. List of initiatives with the greatest impact on accelerating adoption.
   b. Identify key stakeholders to contact.
   c. Recommendations on third-party management model: how should the relationship and operation of digital payments be managed with third parties in the ecosystem.

It must be taken into consideration that the established agreements, proposed next steps, and list of relevant issues not agreed upon and their possible impact should be accomplished using work sessions with promoters, workshop, and Forum presentations.

5. **The action research will be shared through a total of 6 presentations and 1 workshop created and delivered by the consulting company:**

   Three presentation and one workshop with Forum members.

   One presentation with Governmental stakeholders: This presentation must highlight the main findings of the action research and how they contribute to public policy.

   Two presentations with Better Than Cash Alliance´s stakeholders: These presentations must highlight the main findings of the action research and how they contribute to public policy nationally and internationally.

3. ELIGABILITY REQUIRMENTS

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

3.1 ELIGIBALITY REQUIRMENTS

3.1.1 ENTITY REGISTRATION

1) The applicant/ lead applicant must be a registered entity.
2) Relevant operation licenses.
3) The lead applicant must be licensed to provide the services.
4) The applicant can be based [anywhere globally/ duly registered / duly registered and having at least two years of operations in Mexico.
5) Consortiums (when applicable)
   - Applicants may apply only once under this RFA, whether independently or in a consortium.
   - Joint applications between market players in the target country or countries are encouraged if the solution proposed will expand delivery networks and promote rural and/or other last-mile access to [include the type of services the RFA is promoting].
   - Applications from consortiums of organizations must show that the partnership was established prior to this call for applications.
   - The lead applicant and their financial service provider partner must be registered entities with at least one year of operations and must have statutory accounts and audited financial statements for at least one operating year.

6) Grant agreement: Written confirmation that the organization has reviewed the UNCDF Grant Agreement template and is prepared to sign it without revision to the standard language.

7) Application: Submission of a complete application

3.2 EXCLUSIONARY CRITERIA

1) 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.
2) Applicants and any of their staff or member of their board of directors shall not 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[1].

3) Applicants must not be involved in any of the following activities[2]
   - ✓ 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 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
4) 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
5) Applicant shall use the submission form requested complying with the characters and page requirements requested

BTCA 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.

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[1] See: https://www.un.org/securitycouncil/sanctions/information

[2] 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/BERA_Partnerships_UNDP%20private%20sector%20due%20diligence%20policy%202013_FINAL. pdf&action=default

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3.3 EVALUATION CRITERIA

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

- Proven experience in designing, managing, and delivering research-based analysis and drafting recommendations for different stakeholders in digital financial services, including digital payments.
- Demonstrated excellence of research, analytical, and field implementation capacities.
- Experience of working with private sector companies, FMCGs a plus, at local and global level.
- Successful completion of full project lifecycle assignments comprising analysis, design, implementation, and evaluation, by working closely with a diverse set of stakeholders.
- Evidence of high quality in documenting, packaging, and disseminating technical knowledge in English and Spanish to a wide range of audiences (common language, political and technical).
- Human resources are available to complete the activities to a high standard.
- Preference will be given to Mexican firms and those with team members based in Mexico (or working through a local partner) to ensure regular communication and engagement with key stakeholders.
- Knowledge of the Mexican financial and payments ecosystem in general, especially related to digital payment platform design and delivery of digital financial services.
- Knowledge of the Mexican retail segment: key players, pain point companies face when digitizing distribution chains, etc. is a plus.
- Knowledge of financial habits, behaviors, and challenges faced by low-income populations and small merchants to access financial services, especially women.
- Excellence in technical writing and fluency in spoken English and Spanish.
- Experience of working with external donors and managing multi-stakeholder partnerships.
- Response to the Scope of Work stated above.

Only applications that score at least 70 out of 100 points will be considered

successful and move to the due-diligence stage. Evaluation criteria:

- Specific experience for the assignment (30 points /100)
- Approach and implementation plan (40 points /100)
- Team experience and composition (30 points /100)

3.4 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.

1) 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).
2) Eligible costs should be indicated in the estimated overall budget of the action attached to the Performance-based Agreement.
3) Costs must be identifiable and verifiable, in particularly 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.
4) Costs must comply with the requirements of applicable tax and social legislation.
5) Costs must be reasonable, justified and comply with the principle of sound financial management, regarding economy and efficiency.
6) Consultancy costs – under studies, technical assistance, and other advisory services under the program 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.
7) Workshop costs are eligible, for the workshop venue, food and beverages, and publication material.

8) Training expenditure (financial education, digital education, soft skills) for the project's final beneficiaries is eligible. If applicable, this will include all related expenditure, such as the cost of the venue, participant travel, and so on. Training for the employees of the institution applying for the grant is also eligible as long as it has been demonstrated that it will link directly to the project output.
9) Investment costs directly attributable to the project, relating to research and innovation, are allowable.

3.5 INELIGIABLE COSTS

The following costs are ineligible and not accepted:

1) returns on capital and dividends paid by a beneficiary;
2) debt and debt service charges;
3) provisions for losses or debts;
4) interest owed;
5) costs declared by the applicant in the framework of another action receiving a grant financed from another donor, and
6) indirect costs, also called overheads.

3.6 AGREEMENT PARAMETERS

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

3.7 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:

1) submitting the application form on behalf of the consortium;[3]
2) ensuring that each partner is fully aware of the composition of the partnership and of the contents of the Application Form;
3) signing the Performance-based Agreement with UNCDF[4];
4) fulfilling all obligations set out in the Performance-based Agreement;
5) ensuring the allocation and the fulfilment of the funds amongst the partner in the consortium in compliance with the Performance-based Agreement, and
6) ensuring the allocation and the fulfilment of the tasks amongst the partner in the consortium in compliance with the Performance-based Agreement.
7) share sample of a final deliverable by the candidate for a national or foreign project with similar characteristics (pdf format).

4. TARGET SEGMENT

The target segment for the project comprises and FMCGs:

- Payments industry stakeholders,
- financial service providers and FinTech companies,
- the Government of Mexico, including SHCP, Banxico, SAT, National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, CNBV); National Commission for the Protection of Financial Service End-Users (CONDUSEF), and
- donors, non-governmental organizations, and industry associations in the FMCGs, small merchants, financial, payment providers and FinTech sectors or industries.

5. GEOGRAPHYICAL SCOPE

The research will be done in Mexico and consider several interviews of stakeholders residing in Mexico City, and if needed, the interviews may be done through virtual means. Furthermore, the study must include the analysis of five platforms, of which

[3] If the Applicant is a group of legal entities that will form or have formed a Joint Venture (JV), Consortium or Association for the RFA, they shall confirm in their application that : (i) they have designated one party to act as a lead entity, duly vested with authority to legally bind the members of the JV, Consortium or Association jointly and severally, which shall be evidenced by a duly notarized Agreement among the legal entities, and submitted with the Proposal; and (ii) if they are awarded the contract, the contract shall be entered into, by and between UNCDF and the designated lead entity, who shall be acting for and on behalf of all the member entities comprising the joint venture. Existing relationship means both, either existing MoU or previous working relationship on specific projects/initiatives by two or more firms.

[4] Include a link with the agreement template where applicant can download the template

two must be national and three global.

6. PROJECT DURATION

Projects are expected to have a 6-month duration. Activities are expected to be terminated no later than February 28, 2022. Final and assessment report will have to be submitted no later than March 31, 2022.

7. LANGUAGE

The response to the RFA should be in English. Deliverables, as well as any related correspondence exchanged between the organization and UNCDF, shall be written in Spanish. Final deliverables shall be provided in Spanish.

8. BUDGET

A grant of **up to USD100,000** is available for this project to generate an Action Research to drive the private sector´s scaling small merchant payment digitization through the FMCGs industry acceleration of adoption of digital payment and other stakeholders in Mexico. Applicants should provide budgets indicating how they would allocate costs to produce high-quality expected results with their technical approach. Applications containing budgets over **USD100,000** will not be considered. There are no constraints on working with third parties.

UNCDF will provide a grant to the selected applicants which are technically compliant in accordance with the Evaluation Criteria as set forth in section 3.2 UNCDF.

9. APPLICATION REQUIRMENTS AND PROCESS

9.1 STRUCTURE OF THE APPLICATION

- The application must be submitted by 24 September 2021, 23:59 hours (EST, the New York time zone) on UNCDF online platform: https://apply.uncdf.org/prog/lst/

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The application for the technical proposal should follow the templates provided in the application as below:

- ✓ Annex I: Proposal Submission Format.
- ✓ Annex II: CVs templates
- ✓ Annex III: Proposed budget

With the proposal submission, applicant shall submit the following documents:

1. A deck that visually outlines what the project and/or product is (15 slides maximum and as a PDF). The deck shall include the following headed sections: (i) Executive summary, (ii) Problem statement and market need; (iii) Solution, (iv) Milestones and go-to-market strategy, (v) Team (vi) Multichannel and/or Omnichannel platforms experience, (vii) Digital payment business model and administration experience; (viii) Digitization of payments in the retail segment experience
2. share sample of a final deliverable by the candidate for a national or foreign project with similar characteristics (pdf format).
3. Audited financial statements for at least one year for the applicant.
4. Certificate of incorporation of the applicant.
5. Any other attachment as requested in the application (including CVs of the employees involved in the project in PDF form, budget for the intervention in spreadsheet form).

All submissions must be completed in English.

Only applications that follow the Submission Format and include all the necessary documentation will be considered.

9.2 APPLICATION DEADLINE

All applications must be submitted by 23:59 hours (11:59 PM EST, the New York time zone) on 24 September 2021.

9.3 SELECTION PROCESS

- Step 1: Screening Eligibility Criteria: All applications will be screened based on the criteria as set forth in section 3.1
- Step 2: Evaluation process: successful applications as a result of step 1 will be

scored as set forth in section 3.3

- Step 3: Notification of applications – all applicants will be notified of the status of their applications upon the completion of the selection process.