



Unlocking Public and Private
Finance for the Poor

United Nations Capital Development Fund

REQUEST FOR APPLICATION FOR

Engagement of 'Booster Teams' for accelerated inclusive access to finance for MSMEs, Farmers and underserved communities in Nepal in COVID-19 context.

**EXTENDED DEADLINE. NEW DEADLINE FOR SUBMISSION:
5 of July 2020 23:59 pm EAT**

SUMMARY

As per a coordinated effort from the United Nations to have a response towards the COVID-19 pandemic, UNCDF is supporting LDCs and other countries in need through its core mandate to build stable and resilient local economies and by leveraging a range of technical expertise and investment instruments to reduce and limit economic and social hardship for poor communities. For more information about UNCDF's action towards COVID-19 **click here**.

Based on UNCDF's commitment in Nepal to developing the DFS ecosystem and combating challenges posed by COVID-19, UNCDF is looking to support its partners in scaling-up inclusive last-mile solutions and financial instruments targeting the rural and underserved communities by setting-up Booster Teams to ensure that full potential of UNCDF's interventions are realized.

At the field implementation level, the Booster Team shall comprise of field-based representatives who engage with DFS stakeholders in selected rural areas, including agents, merchants, customers/farmers and agricultural/multipurpose/rural finance cooperatives. The Booster Team will be tasked with recruitment of cooperatives, agents and merchant, along with on-ground support towards handholding and monitoring, digital literacy education and exchange of learning. Working closely with UNCDF's partners, the booster team will also work with the stakeholders and ecosystem players to drive DFS adoption and motivating them towards regular usage.

In order to setup DFS Booster Team, UNCDF is looking forward to collaborating with a firm or consortium in Nepal. Selected Firm or Consortium will be tasked with the following:

1. On-boarding booster team based on selection criteria set by UNCDF and its partners;
2. Managing and Supporting booster team during the project;
3. Providing a comprehensive package of training and support to booster team that empowers them to provide sufficient awareness and education campaigns to create a conducive environment and enable the last mile populations to adopt DFS;
4. Providing quarterly qualitative and quantitative reports regarding learning and KPIs of the Project;



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5. Transferring knowledge gained from forming the booster team and its management for expansion;

Selected applicants will be signing a Performance-Based Agreement (PBA) with UNCDF.

Applicants are invited to request the PBA sample at uncdf.rfa@uncdf.org

Applications about this RFA should be submitted via email at uncdf.rfa@uncdf.org no later the 5 of July 2020 23:59 pm EAT



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1. INTRODUCTION

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>

COVID-19 CONTEXT

As per a coordinated effort from the United Nations to have a response towards the COVID-19 pandemic, UNCDF is supporting LDCs and other countries in need through its core mandate to build stable and resilient local economies and by leveraging a range of technical expertise and investment instruments to reduce and limit economic and social hardship for poor communities. For more information about UNCDF's action towards COVID-19 click here.

UNCDF'S DIGITAL INTERVENTIONS IN NEPAL

UNCDF launched its Digital Finance interventions in Nepal in 2013 and focused on creating an inclusive environment for inception and scale up of digital financial services. UNCDF has been supporting the digital financial service providers, banks and other stakeholders in the country to develop the eco-system.

In 2017, Nepal Rastra Bank issued the Payment Service Provider (PSP) license to the first set of non-bank companies. This led to a growing number of registered customers using mobile wallets for a range of payment services. UNCDF worked with its partners IME Digital and Prabhu Pay to implement and scale last mile adoption of digital financial services. Considering Nepal is an agro based economy with more than 60% of population engaged in agriculture, UNCDF with its partners Prabhu Management, SunFarmer and Swift/IME Digital developed use cases around dairy value chain digitization, Pay-as-you-go for solar irrigation pumps, farm operations digitization and digital credit market place. These pilots provided in-depth learning on linking digital with agriculture to drive adoption of digital services at the last mile. In 2018, Nepal Rasta Bank launched the Nepal Financial Inclusion Portal with technical support from UNCDF. NFIP is a data reporting and management tool that allows NRB to map level of financial inclusion in the country.



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UNCDF's support in introducing innovative models to bring process efficiencies and access to finance in the sector have aided in driving adoption of digital financial services by smallholder farmers. In just the agriculture sector, more than 150,000 smallholder farmers now have access to digital wallets, whereas the combined impact of UNCDF's interventions in Nepal have resulted in the registration of 700,000 digital wallet customers nationwide, of which approximately 30% are women customers.

2. SCOPE OF WORK

2.1 Areas of intervention

For this request for applications (RFA), UNCDF invites applications from registered entities in Nepal that can offer innovative and scalable last-mile solutions and financial instruments targeting the rural and underserved communities by setting-up Booster Teams to ensure that full potential of UNCDF's interventions are realized.

At the field implementation level, the Booster Team shall comprise of field-based representatives who engage with DFS stakeholders in selected rural areas, including agents, merchants, customers/farmers and agricultural/multipurpose/rural finance cooperatives. The Booster Team will be tasked with recruitment of cooperatives, agents and merchant, along with on-ground support towards handholding and monitoring, digital literacy education and exchange of learning. Working closely with UNCDF's partners, the booster team will also work with the stakeholders and ecosystem players to drive DFS adoption and motivating them towards regular usage.

The Booster Team members will be selected from within the targeted communities. Their roles will encompass:

- Support selection, onboarding and digitization of agricultural/multipurpose/rural finance cooperatives involved in the dairy-value chain
- Supporting agent network recruitment and management
- Supporting merchant network recruitment and management
- Supporting customer registration (primarily targeting Dairy Farmer) for Digital financial services
- Supporting adoption and digital/mobile literacy of all stakeholders
- Support in data migration and entry of existing cooperative records

In order to setup DFS Booster Team, UNCDF is looking forward to collaborating with a firm or consortium in Nepal. Selected Firm or Consortium will be tasked with the following:

- On-boarding booster team based on selection criteria set by UNCDF and its partners
- Managing and Supporting booster team during the project
- Providing a comprehensive package of training and support to booster team that empowers them to provide sufficient awareness and education campaigns to create a conducive environment and enable the last mile populations to adopt DFS.
- Providing quarterly qualitative and quantitative reports regarding learning and KPIs of the Project
- Transferring knowledge gained from forming the booster team and its management for expansion



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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' behaviors, needs, constraints and aspirations. This also includes providing transaction data analysis and training to the business teams.
- **Product design:** Providing human-centered 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 analyzing 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.
- **Policy and Advocacy:** Convening efforts to support an enabling environment and build policy and advocacy capacity for human-centered products and services to be piloted and potentially scaled.

2.3 Expected results

Expected Results from Selected Firm or Consortium:

1.	Numbers of Booster Team members	12, or as proposed by applicant
2.	Numbers of Dairy Cooperatives onboarded including training and data migration	15
3.	Numbers of Dairy Farmer onboarded to DFS	15,000
4.	Training provided to Dairy Farmers	15,000
5.	Number of active Dairy Farmer users of DFS	13,000
6.	Number of agents onboarded	50
7.	Number of agents trained	50
8.	Number of agents active	30
9.	Number of Merchants onboarded	150
10.	Number of Merchants trained	150
11.	Number of Merchants active	100

These are tentative targets that will be finalized through consultations between all project stakeholders. Potential applicants may structure their proposed implementation models and governance structures based on these targets that are indicative of the impact sought through this project.



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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.

3. 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 applicant / lead applicant must be a registered entity in Nepal;

Consortiums

- Applicants may apply only once under this RFA, whether independently or in a consortium;
- Joint applications between market players in the country are encouraged if the solution proposed will expand delivery networks and promote rural and/or other last-mile access to digital finance;
- Applications from consortiums of organizations must show that the partnership was established prior to the submission to this call for applications;
- The lead applicant must be registered entity with at least one year of operations, and must have statutory accounts and audited financial statements for at least one operating year;

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, particularly in the fight against the financing of terrorism and against attacks on international peace and security¹; and
- Applicants must not be involved in any of the following activities²;
- Manufacture, sale or distribution of controversial weapons or their components, including cluster bombs, anti-personnel mines, biological or chemical weapons or

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/BE_RA_Partnerships_UNDP%20private%20sector%20due%20diligence%20policy%202013_FINAL.pdf&action=default



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- 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;
 - 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;

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.

	Expertise of the Firm/Ability to Implement	Points obtainable
Current Partnership base	Applicant already has its own presence, or through partnership, in the perspective geographical scope or demonstrates ability to quickly penetrate the market directly or through partnerships	15
Current resources	Current resources (e.g. HR, financial, infrastructure, technology, brand recognition, geographical footprint) demonstrates ability to implement the project	15
	Maximum score	30



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	Understanding of the RFA and proposed approach	Points obtainable
Organizational capacity, commitment, & Implementation readiness	Applicant presents a clear implementation methodology, planning and team structure. The proposed business model demonstrates efficacy for achieving project goals and empowering underserved segments that are sustainable.	15
Customer knowledge & Impact	Demonstrates in-depth understanding of the stakeholders targeted by the booster team. The project's contribution to achieving at least one of the Sustainable Development Goals	15
Degree of innovation and additionality	Level of innovation in the proposed approach; level of additional value brought to the project	15
Scalability and financial viability	Business model has potential to scale and become economically viable and scalable over time.	15
Learning Sharing	Partner Willingness to share learnings of project and transfer knowledge to UNCDF and other UNCDF Partners	10
Maximum score		70

Financial Proposal will be evaluated on basis of 100 Points system by using criteria as follows.

- Only the financial offers of the applicant scoring at least 70% of the technical proposal will be considered;
- To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNCDF;

4. 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:

- i. Submitting the application form on behalf of the consortium;
- ii. Ensuring that each partner is fully aware of the composition of the partnership and of the contents of the Application Form;
- iii. Signing the Performance-based Agreement with UNCDF³;
- iv. Fulfilling all obligations set out in the Performance-based Agreement;
- v. Ensuring the allocation and the fulfilment of the funds amongst the partner in the consortium in compliance with the Performance-based Agreement;
- vi. 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 of this RFA is dairy farmers and cooperatives.

4.3 Geographical scope

The geographical scope of this RFA is rural areas in Nepal.

4.4 Project duration

Projects are expected to have a duration of maximum 6 months duration. Activities are expected to be terminated no later than December 2020.

4.5 Language

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

4.6 Budget

Applicants should provide budgets indicating how they would contribute to produce high quality expected results with their technical approach.

³ Applicants should request a PBA sample at uncdf.rfa@uncdf.org



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5. APPLICATION REQUIREMENTS AND PROCESS

5.1 Structure of the application

- **Applications about this RFA should be submitted via email at uncdf.rfa@uncdf.org no later the **5 of July 2020 23:59 pm EAT****

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- **All applications need to send the following documents:**
 - ✓ Submission form
 - ✓ Annex 1 Budget template (excel format)
 - ✓ Legal registry of the lead applicant and partners if consortium (PDF)
 - ✓ Audited financial statements of last year of lead applicant (PDF)
 - ✓ If consortium, a copy of the consortium agreement (PDF)

All submissions must be completed in English.

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

5.2 Application deadline

Applications about this RFA should be submitted via email at uncdf.rfa@uncdf.org no later the **5 of July 2020 23:59 pm EAT**

5.3 Selection process:

- Step 1: Eligibility screening.
- Step 2: Evaluation of eligible applications by the Evaluation Panel.
- Step 3: Due diligence – due diligence on the 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 6: Approval of the selected applications by the Investment Committee
- Step 5: Pre-Grant negotiation and Performance-based Agreement –
- Step 7: Notification of applications - all applicants will be notified of the status of their applications after final approval from UNCDF Investment Committee.

