

United Nations Capital Development Fund REQUEST FOR APPLICATION FOR

Enhancing Digital Financial Literacy for Ready-Made Garment (RMG) Workers (particularly women)

SUMMARY

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

The Ready-Made Garment (RMG) sector in Bangladesh serves as a fundamental driver of the country's export industry and overall economic growth. With a workforce of approximately 4.22 million people, including 2.5 million women, spread across 5,000 factories, its significance cannot be overstated (Haque and Bari, 2020; BGMEA, n.d.).

However, a recent study conducted by the United Nations Capital Development Fund (UNCDF) highlighted significant challenges, particularly for women RMG workers. The study identified a lack of digital and financial literacy, as well as insufficient financial capability, as major hurdles to overcome (Ready-Made Garment Sector Digital Market Assessment: Bangladesh, 2021). It also sheds light on notable gender gaps in smartphone ownership, internet access, and awareness of digital and financial services, with women workers lagging behind their male counterparts. To address these issues, the UNCDF report stresses the importance of coordinated efforts to enhance digital and financial literacy, focusing on crucial topics such as financial well-being, customer protection, and data privacy and security. It is worth noting that existing initiatives by some large factories on financial literacy are sporadic and often overlook gender nuances.

In light of these findings, it is imperative to take comprehensive action to bridge the digital divide and empower women RMG workers. By prioritizing digital and financial literacy and ensuring equitable access to digital tools and services, we can unlock the full potential of this vital sector and create inclusive growth opportunities for all stakeholders.

For these reasons, UNCDF is looking for up to two partners who can come up with innovative sustainable solutions to improve the digital and financial literacy of ready-made garment workers specially focusing on female RMG workers. The training program may cover both soft skills, such as communication and negotiation, and hard skills, such as financial planning and digital services usage, to empower workers and create inclusive growth opportunities. The partners are encouraged to propose ideas for the training content that can enhance both soft skills and hard skills, fostering better inclusive growth.

The initiative nationwide will be implemented in major RMG clusters in the Dhaka division (Savar, Gazipur, Narayanganj) and eligible applicants should be registered entities with at least one year of operation in the country.

UNCDF will provide a grant to the partners to carry out the activities.



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

UNCDF's contributions can be up to US\$40,000, and UNCDF will award up to two applications depending on the investment readiness level, outreach potential of the solution proposed.

Selected applicants will be expected to fund at least 30 percent (30%) of the total project cost in cash (for costs such as technical resources, staff, and operational expenses). Applicants may apply independently or in a consortium, provided that the consortium has a pre-established partnership prior to when this request for applications was issued.

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

All applications must be submitted by 23:59 (GMT +6) on 06 August 2023, through UNCDF e-investment platform:

https://apply.uncdf.org/prog/230716_rfa_enhancing_digital_financial_literacy_for_ready-made_garment_rmg_workers_particularly_women_in_bangladesh/

However, please visit UNCDF's Apply platform to check if the deadline has not been extended.

1. INTRODUCTION

The RMG sector in Bangladesh serves as a vital pillar of the country's export industry and economic development. The sector employs an estimated 4.22 million people, of whom 2.5 million are women, across 5,000 factories (Haque and Bari, 2020; BGMEA, n.d.). In 2020, the government-initiated measures to help the sector cope with the pandemic, such as tax deferment, stimulus packages, and mandated digital wage disbursement. During COVID-19, digital disbursement of the government's BDT 50 billion (\$588.20 million) stimulus for export-oriented sectors boosted RMG payment digitization. However, the rate of digital payments dipped (54 percent) after the government's support to factories ended in August 2020. Despite the positive trends, gender gaps persist, in many areas including access to documentation and mobile phones, affordable internet, and digital solutions beyond just wages. In addition, RMG workers outside the formal supply chains were excluded from wage digitization, depriving them of social protection programs. Uptake of digital solutions in general, and digital payments in particular, are limited by the cost of usage, lack of digital literacy, insufficient financial capability, inadequate digital payments acceptance infrastructure and lack of enabling use cases. These limitations lead to mistrust of the services, due to operational challenges on both supply and demand sides and raise concerns about the long-term sustainability of the business models.

A UNCDF study found that the biggest challenges, in particular for women RMG workers, among the ones mentioned above were the lack of digital literacy and the insufficient financial capability ([Ready-Made Garment Sector Digital Market Assessment: Bangladesh](#), 2021). The study also finds considerable gender gaps in smartphone ownership, internet access and awareness of digital and financial services with women workers falling behind their male counterparts. The UNCDF report recommends that more coordinated efforts should be made for building digital and financial literacy; particularly on topics related to financial wellbeing, customer protection and data privacy and security. While a few large factories have undertaken some initiatives around financial literacy, these are sporadic and almost invariably overlook gender nuances.

In addition, the COVID-19 pandemic has exposed the additional need to strengthen social protection mechanisms for garment workers, as well as workers in other sectors and informal workers, to handle financial shocks and emergencies. There is a need to make a deeper assessment of infrastructure that provide underlying support to current social protection mechanisms and connections with existing worker database initiatives with the ultimate goal of providing worker information as a platform accessible by relevant stakeholder, maintained, managed, and owned by the government to issue rights-based social protection or emergency payments and in-kind support quickly and effectively to workers. A research on "[Social Security Measures for Women Garment Workers in Bangladesh](#)" highlighted that there is insufficiency in social security measures in the garment industries.

As RMG manufacturing remains a strategic part of industrialization and growth plans of the Government of Bangladesh beyond 2023, the UNCDF's 'Leaving No One Behind in the Digital Era' strategy will aim to bring digitally-enabled business models and solutions to selected RMG manufacturers and their employees, particularly women, to ensure that use of digital solutions impacts lives of worker families in Bangladesh and RMG sector overall sustainability to increase competitiveness and attract further investment.

2. SCOPE OF WORK

UNCDF is seeking partners (such as financial institutions, fintech companies, NGOs, payment service providers, start-ups, microfinance institutions, associations, e-learning platforms, private agencies, or other entities who can sustainably offer DFL to garment workers, especially women) to collaborate on improving the financial health of RMG workers, specifically female RMG workers, by enhancing their digital and financial literacy.

The selected partner will be responsible for developing and implementing innovative solutions to improve the digital and financial literacy of RMG workers, with a particular focus on female garment workers. (At least 80% beneficiaries should be female). These solutions should address their specific needs and challenges and promote their financial inclusion. The solution may also include the development of their soft and hard skills, enabling them to contribute to economic growth in an inclusive manner.

The partner should propose a suitable modality for implementing the solutions, taking into consideration the lifestyle of RMG workers and the operational dynamics of RMG factories. The approach should be designed to seamlessly integrate into their existing work routines and factory environments.

A data-driven approach should be adopted by the partner to measure and track the improvement in digital and financial capability among RMG workers. This approach should include relevant metrics and indicators that allow for easy visibility of progress and impact, facilitating effective monitoring and evaluation of the interventions.

The partner should actively collaborate with relevant stakeholders, such as RMG factory management, worker representatives, government agencies, and other key actors in the ecosystem. By fostering collaboration, a comprehensive and coordinated effort can be achieved to enhance digital and financial literacy within the RMG sector.

Designing and delivering training programs and capacity-building initiatives tailored to the specific needs and preferences of female garment workers will be the partner's responsibility. These programs should focus on building their skills, knowledge, and confidence in digital financial services and tools.

The partner will develop a robust monitoring and evaluation framework to assess the effectiveness and impact of the interventions. Regular progress reports, data analysis, and feedback mechanisms should be established to ensure continuous improvement and informed decision-making.

Sustainability and scalability of the solutions should be considered by the partner. Strategies should be developed to ensure the long-term continuation and expansion of the initiatives, including potential collaborations with local stakeholders and integration with existing programs or platforms.

The partner will actively engage in knowledge-sharing and dissemination activities, documenting best practices, lessons learned, and success stories. This will contribute to building a knowledge base that can benefit other stakeholders interested in improving the digital and financial literacy of RMG workers, both within Bangladesh and internationally.

The partner will be required to provide regular progress reports, including detailed documentation of activities, outcomes, challenges, and recommendations. Deliverables should be submitted in accordance with the agreed-upon timeline and format, ensuring transparency and accountability throughout the project.

2.1 Areas of intervention

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

Areas of intervention	Challenges/ Problem Statement and Objectives for solution
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1	Develop and pilot sustainable gender-sensitive digital financial literacy training for female garment workers.	<p>Challenges:</p> <ul style="list-style-type: none"> • RMG workers, particularly women, lack sufficient skills to meaningfully access a range of financial services to improve their financial health • Lack of financial and digital services particularly targeting the needs of women RMG workers • Limited resources/processes for continuous improvement of digital and financial literacy. • Lack of sustainable strategy for ongoing access to information and learning. <p>Objectives: RMG workers, particularly women, increase their financial and digital skills through the trainings provided by the partners and sustainable solutions for continuous learning and access to information are established.</p>
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The examples of solutions in the identified areas of intervention are not exhaustive.

The team at UNCDF is open to hear what potential applicants have in mind outside these examples as long as your scale, commercial viability and impact objectives are aligned.

2.2 How UNCDF works with partners

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

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

2.3 Expected results

All applications must include targets on the indicators in the table below. The targets must be disaggregated for the selected target groups. Applicants who are not able to report on one or multiple indicators or provide disaggregated data should include a note with the reason.

The targets will be considered in the evaluation of the applications. During the negotiation process of the performance-based agreement, selected applicants and UNCDF shall develop a monitoring framework. This may include additional indicators and targets, tailored to the scope of the proposed solution, activities and expected results.

Indicators	Disaggregation	Current	Target
Number of beneficiaries reached through the activities	Total: Women:		
Number of beneficiaries trained/participated in capacity development activities	Total: Women:		
Number of beneficiaries improved their digital and financial literacy or improved soft/hard skills	Total: Women:		
No of RMG factories reached	Total:		
No of modules/contents developed	Total:		

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

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/ organization/companies must be a registered entity.
- The applicant can be based anywhere in the world but must have authorization to operate in Bangladesh whether on their own, or through partnerships established. Applicants from a wide range of organizations and companies, including financial institutions (such as commercial banks, mobile financial services, and insurance companies), fintech companies, business development agencies, NGOs, payment service providers, e-learning platforms, start-ups, associations, and other relevant entities, are encouraged to participate. These entities should demonstrate a significant interest in developing and promoting digital financial literacy among RMG workers and similar low-income groups.
- **Country of operation** the applicant can be based anywhere globally having at least one year of operations in Bangladesh.

Consortiums (when applicable)

- Applicants can 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 formal financial knowledge and services to RMG workers specially female workers.
- Applications from consortiums of organizations must show that the partnership was established prior to this call for applications.
- The lead applicant and their partner(s) 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.

Solutions to be supported

- Applicants must have an existing solution having tested proof of concept that is ready to undergo pilot testing for a duration of 6 to 12 months.

Project funding

- Applicants must contribute at least 30 percent of the project's cash costs (costs may include technical infrastructure, resources, and operations).

Exclusionary criteria:

- Applicants shall not have been the subject of bankruptcy, liquidation, judicial settlement, safeguarding, cessation of activity or any other similar situation resulting from a similar procedure.
- Applicants and any of their staff or member of their board of directors shall not be included in the United Nations financial sanctions lists,⁵ particularly in the fight against the financing of terrorism and against attacks on international peace and 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 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 labour
 - Use or toleration of child labour

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

- 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 evaluation criteria below.

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

	Criteria	Max Score
1	<u>Organization profile and experience</u> <i>Score the applicant's profile, track record, reputation, experience in similar projects and in the country/region, also if the applicant has successfully implemented other projects with UNCDF.</i>	15
2	<u>Team</u> <i>Score if the applicant's proposed team structure and experience is suited for the purpose of the RFA (skills for management, technical know-how, on the field footprint, monitoring and RM capacities...)</i>	10
3	<u>Methodology</u> <i>Score the applicant's proposed methodology and approach: if it is suited for the purpose of the RFA, if the workplan is realistic, that the project strategy covers risk management, quality control, reporting and other project management good practices.</i>	15
4	<u>Additionality</u> <i>Score if UNCDF funding to the applicant will create:</i> <ul style="list-style-type: none"> - Financially additionality: <i>If the applicant cannot obtain funding from local or international private capital markets with similar terms or quantities without official support.</i> - Non-financial value: <i>Value that the private sector is not currently offering and which will lead to better outcomes e.g. by providing or catalyzing knowledge and expertise, promoting social or environmental standards or fostering good corporate governance...</i> - Impact: <i>Faster, larger or better development impacts than the applicant would be able to achieve working alone.</i> 	10
5	<u>Gender perspective</u> <i>Score if the applicant has foreseen a gender focus in the proposed intervention, to have women both external (users) and internal (staff) benefited equally than men.</i>	20
6	<u>Sustainability and business plan</u> <i>Score if the applicant's proposal has a sustainable financial perspective and business plan that could generate an investment pipeline for UNCDF.</i>	20
7	<u>Result Measurement</u> <i>Score if the applicant has provided coherent measurement plan and data management plans.</i>	10

TOTAL

100

UNCDF will also assess the value for money of the submissions using the following formula:

Amount of grant requested (A)

Number of total beneficiaries (B)

Value for money A / B

3.3 Eligible costs

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

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

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

3.4 Ineligible costs

The following costs are ineligible and not accepted:

- Returns on capital and dividends paid by a beneficiary;
- Debt and debt service charges;
- Provisions for losses or debts;
- Interest owed;
- Costs declared by the applicant in the framework of another action receiving a grant financed from another donor;
- Indirect costs, also called overheads.

AGREEMENT PARAMETERS

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

4.1 Applicants

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

- Submitting the application form on behalf of the consortium.
- Ensuring that each partner is fully aware of the composition of the partnership and of the contents of the Application Form.
- Signing the Performance-based Agreement with UNCDF.
- Fulfilling all obligations set out in the Performance-based Agreement.
- Ensuring the allocation and the fulfilment of the funds amongst the partner in the consortium in compliance with the Performance-based Agreement.
- Ensuring the allocation and the fulfilment of the tasks amongst the partner in the consortium in compliance with the Performance-based Agreement.

4.2 Target segment

RMG workers, particularly women, in Bangladesh

4.3 Geographical scope

Major RMG clusters in Dhaka division. The working areas include the following locations: Dhaka (specifically, Savar sub-district), Gazipur and Narayanganj.

4.4 Project duration

Projects are expected to have a 12-month duration. Activities are expected to be terminated no later than 30 September 2024. Final and assessment reports will have to be submitted no later than 31 October 2024.

4.5 Language

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

4.6 Budget

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

UNCDF contributions may be up to \$40,000 per grantee. Value for money or per customer acquisition will be considered during budget evaluation.

Specific projects will be financed based on business needs. Depending on the maturity of the solutions and the success of the pilot, UNCDF would be able to continue its support for the mobilization of investment capital (loan and guarantee) and further technical assistance.

Applications will need to describe how applicants will deploy the Grant and if any technical assistance or mentorship services are being sought. Additional technical assistance services will be provided by UNCDF through a separate budget line.

APPLICATION REQUIREMENTS AND PROCESS

5.1 Structure of the application

- The applicant must submit a complete application form online
- Please be sure to have prepared the following documents
 - Certificate of incorporation
 - Latest audited financial statements
 - Latest management accounts
 - Official document confirming that the candidate is in order related to tax and social security payments
 - Technical submission form (using UNCDF's template)
 - Budget and workplan (using UNCDF's template)
 - CV form (using UNCDF's template)

All submissions must be completed in English.

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

5.2 Application deadline

All applications must be submitted by 23:59 (GMT +6) on 6 August 2023, through UNCDF e-investment platform.

Selection process:

- Step 1: Eligibility screening – eligibility will be assessed according to the eligibility requirements as set forth in section 3.1.
- Step 2: Evaluation of eligible applications based on the evaluation criteria set out in section 3.2.
- Step 3: Due diligence – due diligence on the applications and their applicants will be conducted on applications that receive the minimum qualifying score (70/100).
- Step 4: Notification of applications – all applicants will be notified of the status of their applications.
- Step 5: Pre-Grant negotiation and Performance-based Agreement – the selected applicants will finalise the scope of the grant and finalise budgets, indicators and targets, workplan and disbursements of the Grant that will be released on achievement of each milestone.
- Step 6: Approval of the selected applications by the Investment Committee will be reviewed, discussed and approved by the Investment Committee. Any further due diligence requirements, risk analysis or milestone recommendations from the Investment Committee will be followed in later steps.
- Step 7: Notification of applications - all applicants will be notified of the status of their applications after final approval from UNCDF Board / Investment Committee.

5.3 Timeline

19 07 2023	Application window opens
26 07 2023	Deadline for questions
26 07 2023	Information Session on RFA Registration link for the webinar: https://undp.zoom.us/webinar/register/WN_IJCel17YSv63PAol0zx2vg
06 08 2023	Deadline for submission

5.4 Real-time assistance from UNCDF

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