



Unlocking Public and Private
Finance for the Poor

United Nations Capital Development Fund REQUEST FOR APPLICATION FOR

Inclusive Innovation for improved distribution and agent models in Zambia: to test, develop and implement shared space agent hub models

SUMMARY

The objective of this RFA is to select one institutional partners in Zambia such as banks, digital financial services providers, financial intermediaries and others, who can support UNCDF to achieve the following project objectives:

Inclusive Innovation for improved distribution and agent models in Zambia

- Area 1: Support a shared-agent model resulting from a partnership between two or more providers, that share a physical location and that can provide last-mile services in rural areas.
- Area 2: Support partnership models between financial service providers or between financial and non-financial services providers with the objective of leveraging the partnership to achieve improved access to financial services in rural areas.
- Area 3: Support partnerships or models that could leverage additional services other than financial services in line with the needs of rural communities in Zambia e.g. a financial institution offering additional services like pay-as you go solar.

The proposed intervention shall target financially excluded communities like rural populations, smallholder farmers, women and youth, precisely in the Zambian provinces of Lusaka, Copperbelt, Central, Luapula, Northern, Eastern, Southern, Muchinga and Western.

UNCDF will provide a grant and technical assistance to the selected applicant. The selected applicants will be signing a Performance Based Agreement (PBA). Please refer to the PBA sample attached to this RFA.

The selected applicant, that will be technically responsive to this Request for Application will have access to a grant amount to 100,000 USD.

Applicants may apply independently or in a consortium, provided that the consortium has a pre-established partnership agreement prior to the submission of proposals.

Inquiries can be sent until July 31st, 2020 to uncdf.rfa@uncdf.org.

All applications must be submitted by August the 4th, 2020, 23:59 EDT (New York Time) to the following address:

https://apply.uncdf.org/prog/Zambia_digital/



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.

UNCDF has launched 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.

The current RFA is framed under "**Inclusive Innovation**" one of the four identified work streams of UNCDF strategy. The set of activities under this work stream is designed to achieve the outcome: **"supporting local entrepreneurs and MSME's to build inclusive services for local digital economies, making sure that the value offered by digital services improves the livelihoods of those living within the market"**.

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



2. SCOPE OF WORK

2.1 Areas of intervention

The objective of this RFA is to engage institutional partners in Zambia such as banks, digital financial services providers, financial intermediaries and others, who can support UNCDF to achieve the following project objectives:

Areas of intervention	Challenges/ Problem Statement and Objectives for solution
Area 1	Area 1: Support a shared-agent model resulting from a partnership between two or more providers, that share a physical location and that can provide last-mile services in rural areas.
Area 2	Area 2: Support partnership models between financial service providers or between financial and non-financial services providers with the objective of leveraging the partnership to achieve improved access to financial services in rural areas.
Area 3	Area 3: Support partnerships or models that could leverage additional services other than financial services in line with the needs of rural communities in Zambia e.g. a financial institution offering additional services like pay-as you go solar.

The proposed intervention shall target financially excluded communities like rural populations, smallholder farmers, women and youth, precisely in the Zambian provinces of Lusaka, Copperbelt, Central, Luapula, Northern, Eastern, Southern, Muchinga and Western.

Under this RFA, UNCDF will be selecting applicants that will present new proposals that will work to test, develop and pilot innovative distribution and agent models to improve access of financial services to communities that are currently under served.

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

According to the projects and solutions presented, candidates must include in the proposal a complete list of results, outcome indicators and targets for monitoring achievement of different results. Below is a non-exhaustive list of key performance indicators (KPIs) for the projects. Other indicators would be finalized based on the nature of the project and tracked to ensure its success.

Indicators	Disaggregation
Number of registered customers	Total: Women:
Number of active customers	Total: Women:
Number of active agents	Total: Women owned active agents:
<i>Others (if any, to be proposed in the application form)</i>	

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.

In the application form, candidates will have to provide set reliable and attainable targets for each of the indicators.

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 will be evaluated.

3.1 Eligibility requirements

Entity registration



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To be eligible, the lead applicant must:

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

For consortiums (when applicable)

- Applicants can apply only once under this RFA, whether independently or in a consortium;
- Joint applications between market players in Zambia are encouraged if the solution proposed will generate additional added value to the innovations or ideas proposed;
- Applications from consortiums of organizations must show that the partnership was established prior to the submission of the proposal;

Exclusionary criteria:

Applications will be excluded if:

- The submission is incomplete¹;
- Applicants are 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 are included in the United Nations financial sanctions lists, particularly in the fight against the financing of terrorism and against attacks on international peace and security²;
- Applicants are involved in any of the following activities³:
 1. Manufacture, sale or distribution of controversial weapons or their components, including cluster bombs, anti-personnel mines, biological or chemical weapons or nuclear weapons;
 2. Manufacture, sale or distribution of armaments and/or weapons or their

¹ Please **double-check** documents to submit on point 5.1 of this document prior to your submission!

² See: <https://www.un.org/securitycouncil/sanctions/information>

³ 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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- components, including military supplies and equipment;
3. Replica weapons marketed to children;
 4. Manufacture, sale or distribution of tobacco or tobacco products;
 5. Involvement in the manufacture, sale and distribution of pornography;
 6. Manufacture, sale or distribution of substances subject to international bans or phase-outs, and wildlife or products regulated under the CITES;
 7. Gambling including casinos, betting etc. (excluding lotteries with charitable objectives);
 8. Violation of human rights or complicity in human rights violations;
 9. Use or toleration of forced or compulsory labor;
 10. Use or toleration of child labor;

UNCDF will conduct due diligence on pre-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

An evaluation panel 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.

Evaluation criteria	Maximum score obtainable
Product development stage: assessing if the product or service ready to go to market or in the market?	15
Relevance: assessing to what extent does product or service address the SDGs/ Problem Statement/ market needs directly? What steps have been taken to validate the market/ segment?	20
Scalability: How sustainable is the solution for long-term growth? To what extent can the solution be scaled? What are the outreach targets of the applicant measured by # of end-users that use or are impacted by the solution, and evaluate whether the proposed target is backed by sound logic (e.g. current user base, applicant's ability to deliver?)	20
Company and team experience. What is the team composition? Size and roles? Does the team demonstrate relevant experience in the industry? - human resources, financial, infrastructure, technology, brand recognition, geographical footprint.	15
Risk profile high level of complexity determined by internal and external factors related to the technologies, team, legal, political factors, high level of competition.	10
Financial Feasibility. The extent to which the proposed solution model has potential to become financially viable over time.	20
TOTAL	100



4.1 Applicants

Eligible candidates can apply only once, either alone or 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 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 UNCDF⁴;
- 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 proposed intervention shall target previously excluded communities, rural populations, smallholder farmers, women and youth in Zambia.

4.3 Geographical scope

Provinces of Zambia: Lusaka, Copperbelt, Central, Luapula, Northern, Eastern, Southern, Muchinga and Western.

4.4 Project duration

The overall duration of UNCDF support for the successful applicants will be up to 9 months, starting by the 1st of September 2020, until the 31st May, 2021.

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 one unique applicant for a maximum budget of 100,000 USD.

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



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APPLICATION REQUIREMENTS AND PROCESS

5.1 Structure of the application

- The applicant must submit the following documents:
 1. Submission form available at this link:
https://apply.uncdf.org/prog/agents_model_Zambia
 2. Budget form (using format provided);
 3. Legal registry of the lead applicant and partners if consortium;
 4. Latest audited financial statements;
 5. CV's and profiles of main staff involved in the project;
 6. If consortium, a copy of the consortium agreement between the consortium members;

All submissions must be completed in English.

Incomplete submissions will not be considered for evaluation.

5.2 Application deadline

All applications must be submitted by August, the 4th, 2020, 23:59 EDT to the following address: https://apply.uncdf.org/prog/Zambia_digital/

5.3 Real-time assistance from UNCDF

Inquiries can be sent until July 31st, 2020 to uncdf.rfa@uncdf.org.

5.4 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 by the Evaluation Committee based on the evaluation criteria set out in section 3.2.;
- Step 3: Due diligence – due diligence on the pre-selected applications and their applicants will be conducted on applications that receive the minimum qualifying score (70/100);
- Step 4: Notification of applications – applicants will be notified of the status of their applications;
- Step 5: Pre-Grant negotiation and Performance Based Agreement – the selected applicants will finalize the scope of the grant and finalize 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;
- Step 7: Notification of applications - applicants will be notified of the status of their applications after final approval from UNCDF Board / Investment Committee .

5.5 Timeline

July 21 st , 2020	Application window opens
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July 31st, 2020	Deadline for inquiries
August 4th. , 2020, 23:59 EST	Deadline for submission



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