



Unlocking Public and Private
Finance for the Poor

United Nations Capital Development Fund REQUEST FOR APPLICATION FOR

Research on Small and Micro Merchants Payments Digitization in Africa

Deadline for submission: 16 August 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 [77 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.

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

Merchants refer to business that sell or provide service delivery directly to the public either from a store or through internet. Merchants undertake multiple financial transactions with various counterparties and hence are critical constituents in payments digitization eco-system. For Governments, they facilitate social benefit transfers at the last mile and for corporates they are conduits of reaching out to customers in various regions.

The growth of digital payments in emerging markets has continued to increase the usage of formal financial services. However, smaller businesses and individuals, who are at the base of the economic pyramid have largely remained excluded from digital payments due to barriers related to non-availability of identity documents, stringent eligibility criteria of payment service providers, smart devices affordability barriers, fraud risks and fear of increased scrutiny by tax authorities. Several countries are moving towards formalization micro/ small businesses and digitizing their payments is critical for that.



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In Africa, consumer payments are expected to top [\\$2.1 trillion by 2025](#)¹ and only about 5% of these transactions are currently digitized. Digital payments have the potential of improving access to other financial services, like credit, which is often the topmost requirement of small merchants, especially during pandemic times. Financial service providers are building innovative solutions to capture this huge opportunity.

It is often seen that women manage small and micro enterprises in rural/ semi-urban areas, which are often owned by male family members. Women merchants face added challenges in adoption of digital payments due to lower digital and financial literacy, fear of fraud, and general skepticism about mobile money.²

The **purpose** of this research is to promote learnings consolidation and sharing of experiences from initiatives by the Alliance and its members, its resource partners and other select initiatives related to payments digitization of small and micro merchants in Africa, with focus on women merchants. The research will build a strong case for prioritization of small and micro women merchants across various countries and recommend ways of mainstreaming gender intentional approach in merchant digitization approaches by various organizations/ Governments.

The research will frame these initiatives under [incentives recommended by FIGI Electronic Payments Working Group](#)³ and will also refer to UN Principles of Responsible Payments Digitization. It will aim to identify challenges faced and lessons learnt in deployment of these incentives to promote merchant payments digitization.

The Alliance will disseminate experiences and learnings coming out from this research with its members and other industry stakeholders working on promoting the use of electronic payments through appropriate incentives with a focus on comprehensive financial inclusion. The research will also take a gender intentional approach in identifying specific barriers and stakeholder wise incentives to address the financial pain points of small and micro women merchants.

Since Africa is a large continent and comprises of countries which are at varying stages of financial sector and digital payments eco-system maturity, we propose to conduct deep dives and profile

¹ [McKinsey Article](#)

² [GSMA report on Ghana women merchant payments](#)

³ The Financial Inclusion Global Initiative (FIGI) is led in partnership by the World Bank Group (WBG), International Telecommunication Union (ITU), and the Committee on Payments and Market Infrastructures (CPMI), with the support of Bill & Melinda Gates Foundation (BMGF).



select member countries of Alliance in the continent and compare the digital payments ecosystem in those countries. The research will also explore how digital payments have led to access to value added services; like credit, insurance, inventory management, etc.; by small and micro merchants operating at different levels of digitization. Through this research, we aim to find common themes which would be applicable to other continents/ regions with some divergence as required to suit local area socio-economic factors.

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 and micro merchants in Africa. The service provider needs to have experience working on access to financial services in various economic blocs of Africa, with a particular focus on the adoption of digital financial services by small and micro merchants in underserved regions, as well as understanding of retail digital payments eco-system. Experience of facilitating multi-stakeholder workshops, extracting key learnings from initiatives, and providing action-driven recommendations based on innovative approaches, is essential.

The expected outputs are:

1. Detailed research methodology and plan
2. Drafts of the report for feedback and consultation with Alliance Secretariat, Alliance members and partner organizations
3. Final report in MS Word and Power Point versions/
4. Presentations of the report to Alliance Secretariat team, Alliance members and its partner organizations.

Estimated Deliverable Costs			
SN	Deliverables	Percentage	Amount (USD)
1	Research methodology, plan with timelines and key team	10	10,000
2	First Progress Report	20	20,000
3	Second Draft Report	20	20,000



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4	Final Report	25	25,000
5	Presentation of the Final Report	25	25,000
	Total	100	100,000

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, extracting key learnings from initiatives 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 Agreement⁴ (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.

⁴ A performance-based grant implies that grant amounts that are contingent on the successful achievement of pre-determined milestones. Achieving a milestone will therefore trigger a grant payment. Grant payments will be reimbursements for funds spent by the grantees, according to the project implementation plan and pre-agreed milestones. The Grantee will be responsible for providing a comprehensive and compliant financial report reporting all the financial transactions relating to grant. The Grantee will need to keep supporting documents related to these transactions to justify all actual costs incurred.



1.4 GRANT APPLICATION DETAILS

Date	Stage
August 5, 2021	Call for open the application
August 14, 2021	Deadline for questions about the RFA
August 16, 2021	Deadline for the application
August 31, 2021	Evaluation of proposals and award
1 st week of September 2021	Start Implementation
December 15, 2021	Draft report
January 31, 2022	Final report
February 28, 2022	End date of grant implementation

All applications must be submitted online by 23:59 Hrs. (EST 11:59 PM, the New York time zone)] on Monday, 16 August 2021 on UNCDF online platform: https://apply.uncdf.org/prog/btca_rfa_research_on_small_and_micro_merchants_payments_digitization_in_africa

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 prerna.saxena@uncdf.org, shruti.sharma@uncdf.org and camilo.tellez@uncdf.org
- ✓ Document answering frequently asked questions will be continually updated at <https://www.uncdf.org/article/7041/rfa-research-on-small-and-micro-merchants-payments-digitization-in-africa>
- ✓ For further details on this RFA as well as on the required eligibility criteria, please revert to UNCDF website <https://www.uncdf.org/article/7041/rfa-research-on-small-and-micro-merchants-payments-digitization-in-africa> for the RFA with subject “Research on Small and Micro Merchants Payments Digitization in Africa”.



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 77 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

The Alliance is committed to enhancing digital payments eco-system in Africa. Ghana, Senegal, Kenya, Ethiopia, Cote d'Ivoire, Rwanda, Liberia and Malawi are its member countries. Alliance also works actively with its corporate members and international organizations in Africa.

In **Cote d'Ivoire**, the Government together with the Alliance is implementing the National Financial Inclusion Strategy through a merchant digitization action plan. The Alliance is also working with the World Cocoa Foundation on a responsible payment digitization action research in the country's cocoa sector.

In **Ethiopia**, the Alliance worked on the first National Digital Payment Strategy (NDPS) with the Government of Ethiopia (launched July 2021), which will impact 100m+ people and has potential to reduce the existing financial inclusion gender gap, and is now building the National Bank of Ethiopia's (NBE) capacity to implement the NDPS. The Alliance is further working with its member Unilever to digitize payments for women entrepreneurs in rural areas where 80% of the country's population live.

In **Ghana**, in cooperation with the Government, the Alliance is implementing the national Cash-lite Roadmap through merchant digitization by working on an internal government report on merchant digitization to recommend government action. Ghana's cocoa regulator Cocobod will work with the Alliance on payment digitization along the cocoa supply chain through integration of digital payments into its Cocoa Management platform.

In **Senegal**, Alliance is digitizing private sector wages through a research partnership with the World Bank and the National Bureau of Statistics (ANSD). Alliance will work on implementing the recently launched payments digitization agenda endorsed by West African Presidents, and further partner with the World bank on its lending to scale SMEs digitization initiatives. The



Alliance will further continue implementing Senegal's digitization of household and diaspora payments for healthcare through the digital payments platform SunuCMU.

In **Rwanda**, Alliance is continuing to roll out the Long-term Saving Scheme (LTSS) in rural areas, and starting a relationship with the Ethical Tea Partnership through a digital payments landscaping report for the tea value chain.

2.2 BACKGROUND INFORMATION

In Africa, consumer payments are expected to top \$2.1 trillion by 2025 and only about 5% of these transactions are currently digitized. Fintechs and mobile money operators are building innovative solutions to capture this payment opportunity. For example, in Ghana, MoMo Pay is a merchant payment service that encourages customers to digitize transactions with merchants (Person to Business -P2B use case), paying for products and services through MTN Mobile Money rather than cash⁶.

It is often seen that women manage small and micro enterprises in rural/ semi-urban areas, which are often owned by their male family members. Women merchants also form a key component of rural supply chains of big corporates like Unilever in Ethiopia, who are engaging with them to digitize their inventory management, payments (Business to Business- B2B use case) and other related services. In informal markets, merchants and customers often prefer cash as it is considered to be more convenient than digital payments which may need additional processes for transaction completion. Women merchants face added challenges in adoption of digital payments due to lower digital and financial literacy, fear of fraud, and general skepticism about mobile money.⁷

[VISA's Small and Micro Business Immersive Study](#) across few major cities reported that small and medium businesses resist implementing changes, are reluctant to be first movers and have low tolerance for failure. However, they do want to improve and keep up to satisfy customers and are pragmatic in evaluating costs and benefits.

⁵ [McKinsey Article](#)

⁶ <https://www.gsma.com/mobilefordevelopment/resources/mtn-momo-pay-merchant-payments-expanding-female-mobile-money-usage-in-ghana/>

⁷ [GSMA report on Ghana women merchant payments](#)



[Digital Payments in Africa: Opportunities and Challenges](#) reports that fraudulent transactions are a major concern for customers and merchants, particularly in West and East Africa. Over 65% of the merchants surveyed highlighted that fraud and security parameters should be the key criteria for designing effective digital payment solutions.

Digital payments also have the potential of improving access to other financial services, like credit, which is often the topmost requirement of small merchants, especially during pandemic times. The International Finance Corporation had estimated that Middle East and North Africa regions have the highest proportion of gap (~88%) compared to potential demand in the small and medium enterprises segment, which grows even larger when informal and micro enterprises are considered⁸. In South Africa, Lulalend, a local Fintech company is using AI-driven scoring technology to approve funding to small enterprises⁹. Merchants' transactions data captured digitally proves to be quite valuable for new-age financiers and provided much needed capital support to help businesses perform better.

However, there is still not enough public sharing of experiences and learnings to build wider industry level knowledge which could be helpful in promoting responsible digital payments and comprehensive digital financial inclusion for merchants, particularly small and micro women merchants.

Better Than Cash Alliance aims to conduct this research to consolidate learnings and experiences emerging from the adoption of digital payments by small and micro merchants in Africa, including at border points for the success of the Africa Continental Free Trade Area (AfCFTA). Women merchants need to be highlighted as they dominate in these merchant segments including trade at land borders across Africa. Digitization of small and micro merchants is a key priority for FMCG industry players, Governments and digital payments ecosystem to achieve comprehensive financial inclusion of small businesses including at border points for AfCFTA.

2.3 SCOPE, EXPECTED OUTPUTS AND DELIVERABLES

Deliverables and Timeline

Summary of key deliverable	Tentative timeline
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⁸ <https://www.worldbank.org/en/topic/sme/finance>

⁹ [Need financing because of the pandemic? SMEs turn to fintech companies](#)



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1. Research Plan- with research methodology, timelines and key team details	1 week from PBA signing/ by 10 th of September 2021
2. First Draft Report	By 15 October 2021
3. Second Draft Report	By 15 November 2021
4. Final Report	By 15 December 2021
5. Presentations of the draft and final reports	By January 2022

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 its members/ partner organizations, wherever required

The research may be done in two phases with **specific objectives** are below:

Phase 1 (September- October 2021)

- a) Enhance understanding of financial eco-system and regulatory environment of small and micro merchants, with highlight on women merchants in Africa, and the factors affecting their access to digital payments infrastructure and digital capabilities including at leading border points.
- b) Deep dive into and profile select countries (5-7) in all economic blocs of Africa to compare digital payments eco-systems in those countries to find similarities, if any, and present select initiatives related to digitization of small and micro merchants including at leading border points, with highlight on women merchants.
- c) Document key motivations for adoption of digital payments and barriers which limit adoption of digital payments by small and micro merchants in Africa, identifying barriers which may be creating specific challenges for women merchants, including at border points, and elaborate on learnings emerging from select initiatives in this area.
- d) Review incentives recommendations listed by FIGI Working Group on Electronic Payments Acceptance ([Electronics Payments Acceptance Incentives Literature Review and Country Examples](#), April 2020), from various stakeholders and map the present and potential incentives observed in selected initiatives.



Phase 2 (November 2021-January 2022)

- e) Showcase examples of successful implementation of merchant digitization initiatives, including at leading border points, and application of FIGI listed incentives and UN Principles for Responsible Payments Digitization, wherever applicable with highlight on women merchants.
- e) Identify top 10 recommendations to scale the responsible digitization of payments for small and micro merchants including at leading border points and suggest ways of adopting upcoming UN Principles of Responsible Payments Digitization¹⁰ to develop high probability adoption scenarios for small and micro merchants.
- f) Develop a flagship report to present the learnings and recommendations for upscaling payments digitization of small and micro merchants in Africa, including at leading border points and highlight on women merchants.
- g) Promote thematic learning and advocacy on responsible merchant payments digitization across Alliance members, partners and industry stakeholders.

The expected scope of work is as follows:

a) Expected deliverables

The following is the proposed outline for the report:

- I. Introduction- emphasizing the need to prioritize small and micro merchants, with highlight on women merchants in digital payments initiatives in Africa and elaborate on how responsible digital payments improves access to other financial services and promotes financial equality.
- II. Brief overview of financial sector and digital payments eco-system in select countries (5-7) in all economic blocs of Africa including for cross-border payments at leading border points to compare digital payments eco-systems in those countries to find similarities, if any, and present select initiatives related to digitization of small and micro merchants including at leading border points, with highlight on women merchants.

¹⁰ This work is led by the Better Than Cash Alliance, and is an update from the 2016 edition of the [Responsible Digital Payments Guidelines](#)



- III. Showcase key initiatives by Alliance members, resource partners and other organizations focusing on small and micro merchants' payments digitization in Africa, covering the following:
 - a. Country wise key challenges faced and learnings emerging from the above initiatives, with particular callout of women merchants.
 - b. Build examples and ways of developing comprehensive value proposition for small and micro merchants, particularly women merchants, to adopt digital payments considering the long-term impact on comprehensive financial inclusion.
- IV. Brief overview of incentives recommendations listed by FIGI Working Group on Electronic Payments Acceptance ([Electronics Payments Acceptance Incentives Literature Review and Country Examples](#), April 2020) and map the present and potential incentives which played a key role in small and micro merchant payments digitization in the select initiatives.
- V. Recommendations on promoting and upscaling small and micro merchant payments digitization.
 - a. Examples of successful implementation of incentives by Alliance's members, its resource partners and other organizations to promote adoption of merchant payments by small and micro merchants in Africa with particular callout of women, including at border points for the success of AfCFTA.
 - b. Present top 10 recommendations, aligning with UN Principles of Responsible Payments Digitization, to upscale responsible payments digitization for small and micro merchants, with highlight on women merchants and crossborder trade, in Africa.
- VI. Conclusion
 - a. Present how responsible digital payments can lead to comprehensive financial inclusion of small and micro merchants, particularly for women merchants and the success of AfCFTA.
 - b. Build a strong case for using the learnings and recommendations in other continents while also allowing for continental disparities.

The final output will have to be shared in the form of a MS Word document and a PowerPoint presentation.



The firm will be required to present the findings of the report to Alliance Secretariat, its members and partner organizations, as per the need.

3. ELIGIBILITY REQUIREMENTS

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

3.1 ELIGIBILITY REQUIREMENTS

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 Africa.
- 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 security¹¹.
- 3) Applicants must not be involved in any of the following activities¹²
 - ✓ 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)

¹¹ See: <https://www.un.org/securitycouncil/sanctions/information>

¹² 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



- ✓ 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

Better Than Cash Alliance 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.

3.3 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 Governments and 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 to a wide range of audiences (common language, political and technical).
- Human resources are available to complete the activities to a high standard.



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- Preference will be given to firms with team members based in various economic blocs of Africa (or working through a local partner) to ensure regular communication and engagement with key stakeholders.
- Knowledge of the financial and payments ecosystem in general and in various economic blocs of Africa, especially related to digital payment platform design and delivery of digital financial services.
- Knowledge of the retail payments segments in various economic blocs of Africa: 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.
- 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 (20 points /100)
- Approach and implementation plan (50 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 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.
- 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, in particular regarding economy and efficiency.
- 6) 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.
- 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 INELIGIBLE 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;



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- 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 consortium¹³
- 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 UNCDF¹⁴;
- 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.

¹³ 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.

¹⁴ Include a link with the agreement template where applicant can download the template



4. TARGET SEGMENT

The target segment for the research comprises:

- Better Than Cash Alliance members,
- Payments industry stakeholders,
- Financial service providers and FinTech companies,
- Donors, non-governmental organizations, and industry associations in the FMCGs, small merchants, financial, payment providers and FinTech sectors or industries.

5. GEOGRAPHICAL SCOPE

The research will be done in Africa and consider several interviews of stakeholders in select countries of Africa, and if needed, the interactions/ discussions may be done through virtual means.

6. PROJECT DURATION

Projects are expected to have a 6-month duration. Activities are expected to be terminated no later than January 31st, 2022. Final and assessment report will have to be submitted no later than February 28th, 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 English. Final deliverables shall be provided in English.

8. BUDGET

A grant of up to USD 100,000 is available for this project to generate an action research to consolidate and disseminate the learnings from small and micro merchant payment digitization in Africa. Applicants should provide budgets indicating how they would allocate costs to produce high-quality expected results with their technical approach. Applications containing budgets over USD 100,000 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 3.3 UNCDF.

9. APPLICATION REQUIREMENTS AND PROCESS

9.1 STRUCTURE OF THE APPLICATION

- The application must be submitted by August 16 @ 23:59 am (EST, the New York time zone) on UNCDF online platform:
https://apply.uncdf.org/prog/btca_rfa_research_on_small_and_micro_merchants_payments_digitization_in_africa

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

I. Annex I: Proposal Submission Format, including:

- ✓ 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
- ✓ Audited financial statements for at least one year for the applicant.
- ✓ Certificate of incorporation of the applicant.
- ✓ 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).

II. Annex II: CVs templates

III. Annex III: Proposed budget

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 August 16, 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 and 3.2
- 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 who pass the screening stage, will be notified of the status of their applications upon the completion of the selection process.