

UNITED NATIONS CAPITAL DEVELOPMENT FUND (UNCDF)
Better Than Cash Alliance

REQUEST FOR APPLICATIONS FOR
Scaling responsible digital payments in Indonesia's cocoa sector

Deadline for submission: 14 February 2022 at 23:00 EST

1. PURPOSE OF THE REQUEST FOR APPLICATION

1.1 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.

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

The Alliance has [75 members](#), including national governments from Africa, Asia-Pacific and Latin America, companies and international organizations which have committed to digitizing payments. The Secretariat works with the Alliance members on their journey to digitize payments by:

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

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 Summary for the purpose of the intervention:

The Better Than Cash Alliance is working in partnership with the Government of Indonesia, the Cocoa Sustainability Partnership (CSP) as the national affiliate of our member the World Cocoa Foundation (WCF), and Partnership For Indonesia's Sustainable Agriculture (PISAgro), to identify opportunities to boost efficiency and transparency in cocoa supply chains, improve productivity and the livelihoods of cocoa smallholders in Indonesia in order to support their participation in Indonesia's growing economy and achieve inclusive growth and the [achievement of the SDGs](#). Responsible digital financial services in the agriculture sector can advance Women's Equality (SDG 5), reduce inequalities (SDG 10), help to eliminate hunger (SDG 2) and Combat and Adapt to Climate Change (SDG 13) by helping farmers store and increase savings, cope with unexpected economic shocks, access more and cheaper finance for investment and facilitate more control over incomes.

This project seeks to build on [our initial convening of both public and private stakeholders](#) in Indonesia and to sustain and scale ongoing payment digitization initiatives in the cocoa sector globally whilst supporting the alignment of these initiatives with the Responsible Digital Payment Guidelines.

The purpose of this request for applications (RFA) is to support the partnership of the Government of Indonesia, the World Cocoa Foundation and the Better Than Cash Alliance, to understand how digitizing payments can lead to increased efficiency and improved incomes for cocoa farmers in Sulawesi. This will be done through action research focused on:

- (i) understanding of the needs of cocoa farmers in order inform the development of customized digital payments and by extension broader financial products and services
- (ii) the key priorities for building a digital payments ecosystem, given the constraints of the rural infrastructure in order to support not only access but also use of [responsible](#) digital payments.

The two objectives above are founded on [two key building blocks identified in the Alliance's current work](#) in the cocoa value chain. This action research will provide an in-depth analysis of the two building blocks namely '**Know your farmers**'-and '**Enable farmers to spend funds and access services digitally by building a robust digital payments acceptance ecosystem**'.

This entire scope of work will be delivered by a consulting firm under the supervision of the Better Than Cash Alliance and in close collaboration with the Government of Indonesia, CSP and PISAgro. The assessment and recommendations will be supported by consultation with key stakeholders including cocoa companies, government agencies, financial service providers/fintech/mobile money networks.

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 also need to have experience of facilitating

multi-stakeholder workshops and providing action-driven recommendations based on innovative approaches.

Selected applicants will be signing a Performance-Based Agreement¹ (PBA) to the selected applicants who will be technically responsive to this Request for Application. A template of this can be found in Annex 2. UNCDF will contribute a grant up to USD 50,000 and will award one applicant.

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.

1.4 Grant and application details:

Summary of key steps in the RFA process	Tentative timeline
Call for Request for Applications	12 th January 2022
Deadline for questions about the RFA	21 st January 2022
Deadline for submission of applications	14 th February 2022
Evaluation of proposals and award	28 th February 2022
Start implementation	1 st March 2022
Full completion of deliverables	30 th June 2022

All applications must be submitted by **14th February 2022** at 23:00 Eastern Standard Time (GMT -5) on **UNCDF online platform**:

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

Guidance on how to apply to the Grant is annexed to the RFA.

1.4 Consultation

The deadline to submit questions is **21st January 2022**.

A document answering frequently asked questions will be continually updated at <https://www.uncdf.org/article/7401/scaling-responsible-digital-payments-in-indonesias-cocoa-sector>
Inquiries to this request for applications may be submitted by email to Isvary Sivalingam, isvary.sivalingam@uncdf.org and Momenat Al-Khateeb, momenat.al-khateeb@uncdf.org.

For further details on this RFA as well as on the required eligibility criteria, please revert to UNCDF

¹ 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.

website <https://www.uncdf.org/article/7401/scaling-responsible-digital-payments-in-indonesias-cocoa-sector>

2. ORGANIZATION CONTEXT AND BACKGROUND INFORMATION

2.1 Organizational Context

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

The World Cocoa Foundation, a member of the Better Than Cash Alliance, is a non-profit international membership organization whose vision is a sustainable and thriving cocoa sector – where farmers prosper, cocoa-growing communities are empowered, human rights are respected, and the environment is conserved.

The Cocoa Sustainability Partnership (CSP) is a forum for public-private collaboration and actively for the betterment of cocoa development in Indonesia whilst also supporting the Indonesian cocoa sector internationally. The CSP exists to increase communication, coordination and collaboration between public and private stakeholders engaged in cocoa sustainability activities in Indonesia for the mutual benefit of all cocoas sector players.

The Partnership for Indonesia's Sustainable Agriculture (PISAagro) is a public-private partnership that was created in response to challenges and opportunities facing the agriculture sector in Indonesia. Through its activities, the partnership seeks to provide an innovative, multi-stakeholder model to address the nation's agricultural challenges sustainably while improving the livelihoods of 2 million smallholder farmers by 2023.

2.2 Background Information

Indonesia is Asia's largest producer of cocoa beans. Cocoa production in Indonesia, as it is globally, is smallholder based, with 97% of cocoa plantations owned by farmers and the remaining 3% owned by state-owned companies². An estimated 1.6 million³ smallholder farmers earn under US\$3 per day.

The cocoa sector has faced challenges such as deteriorating yields and falling profitability due to ageing trees and a lack of agronomic skills among smallholder cocoa farmers, however, the leading cocoa off-takers globally remain committed to the Indonesian market and farmers. This is evidenced by a number of multi-actor initiatives aimed at reviving productivity such as the [Sustainable Cocoa Production Program](#) and their [continued investments in Indonesia](#).

² Indonesian Bureau of Statistics.

The main cocoa growing provinces are West Sumatra and West, Central, South and Southeast Sulawesi. An estimated 70% of cocoa production is concentrated in the island of Sulawesi, which is also home to 280,000 cocoa farmers.

According to GSMA, smartphone adoption in Indonesia stood at 77 per cent in 2020 but is expected to reach almost 90 per cent by 2025 (396 million connections). Most smartphone users are in urban areas and smartphone penetration in remote rural areas is significantly lower. Correspondingly, digital payment services in Indonesia tend to focus on use cases such as online shopping, utility bill payments and ticket payments that are more relevant for the urban customer segment. Despite the potential of digital payments⁴ and broader digital financial services to promote financial inclusion among unbanked Indonesians, only 53% of mobile services subscribers are connected to mobile internet⁵ and consumer adoption of these digital payment services has been slow due to regulatory limitations on non-bank participation in financial services. An additional challenge to driving scale and ensuring financial service provider viability in rural regions is low wallet and transaction size limits.

In a [recent GSMA study](#), cocoa was among the top three crops in Indonesia with higher potential for digitization given that it is a formal value chain with established structures and well-defined roles and economic relationships. The following are recognized challenges linked to digitizing payments cocoa-growing regions in Sulawesi. These include:

Demand side:

- Not all farmers have access to a smartphone and face challenges in their ability to use a smartphone.
- Despite dedicated Government programs such as Kredit Usaha Rakyat (KUR) which is a government-subsidized credit guarantee scheme, cocoa farmers still struggle to access required credit for their productivity and sustenance needs.

Supply side:

- Digital payments acceptance ecosystem is weak in cocoa-growing areas. For example, shops selling fertilizer and farm inputs do not accept digital payments.
- Banking access through traditional channels such as branches is not convenient for farmers and the sufficiency of alternative channels such as agents is unclear.

Ecosystem:

- There is unequal coverage or availability of mobile connectivity across cocoa-growing areas in Sulawesi.

Despite these challenges, discussions with key stakeholders in the Indonesian cocoa sector confirm keen interest to transition to digital payments given the potential for increased efficiency and transparency in their supply chains. From a roundtable discussion with Indonesian cocoa stakeholders in 2021, the following key recommendations were made:

⁴ Digital payment or e-payment is digital financial service generally understood to mean a transfer of value from one payment account to another using a digital device (such as a mobile phone (basic and smart) or computer) and electronic communications channel (such as mobile wireless data). This includes payments made with electronic bank transfers, mobile money, and payment cards (e.g., credit, debit, prepaid/stored value).

⁵ [The Mobile Economy Asia Pacific 2021 \(gsma.com\)](#)

1. There are **key Government of Indonesia initiatives such as the Regional Financial Access Acceleration (PAKD) and the Acceleration and Expansion of Regional Digitization (P2DD)** focused on addressing the digital divide that should be leveraged to address specific challenges in cocoa-growing regions

2. **Women in cocoa and other farming households are recognized as key changemakers and can play an important role in transitioning the currently cash-dominated sector to digital payments** given their role in other digitized payment streams, such as social welfare payments and in financial decisions pertaining to family welfare and the household. This complements the finding in the 2017 SOFIA report⁶ which confirms that women are able financial managers. They make financial decisions, track income and expenses, and are actively using different types of financial services. However, women are more likely to use informal financial services. In line with the [UN Principles for Responsible Digital Payments](#), [women](#) need to be prioritized to better understand household spending and financial choices.

3. The decision on the suitability of digital payment channel, especially in the last mile, requires careful assessment of Financial Service Provider (FSP) solutions and viability of business models. Here cocoa companies have a significant role to play in working with Financial Service Providers and Fintech to find solutions and the lessons from cocoa payments digitization from Ghana can be applied to Indonesia.

4. Creating value for cocoa and smallholder farmers requires the development of bundled financial products customized for their needs. **Building trust in and security of digital platforms by supporting capacity building and access to timely recourse for farmers are also essential for responsible digitization of payments** in the sector. The [UN Principles for Responsible Digital Payments](#) advocate for what it means to be responsible, who needs to be responsible, and how to be responsible in the digitization of payments. This extensively consulted resource, comprising nine overarching principles, serves as a practical guide for governments, companies and international organizations embracing responsible digital payments in their journey to building trust, mitigating risks and driving inclusive economies.

2.3 Expected Outputs

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 that results in action-driven recommendations based on innovative approaches. Also desired is prior experience in organizing multi-stakeholder workshops/events in Indonesia. The service provider needs to have experience working on access to financial services and should be able to demonstrate an understanding of FSP business models and their viability particularly in the last mile of Indonesia. Prior experience working in the cocoa sector or similar agricultural value chains will be an advantage.

This action research is also intended to help address the realization of the key recommendations from

⁶ [Survey on Financial Inclusion and Access \(SOFIA\) | Oxford Policy Management \(opml.co.uk\)](#)

the roundtable with Indonesian cocoa stakeholders (as above).

The expected outputs as they correspond to the two key building blocks guiding the research plan are:

Building Block 1: 'Know your farmers'

- i. Analysis of the financial journey of a cocoa farmer in typical cocoa growing cycle, with focus on:
 - a. prevailing levels of use of digital financial products and services
 - b. prevailing levels of financial and digital literacy among farmers
 - c. the role, challenges (social, economic and regulatory) and impact particularly for women farmers and or women and youth in cocoa-growing households
- ii. Identification of key digital payments use-cases (existing and potential) such as mobile top-up, merchant payments (for farm purchases, other daily needs), receipt of social protection schemes (e.g., Family Hope Programme, fertilizer subsidy schemes) and other family welfare needs (e.g., school fees etc)
- iii. Assessment and if possible sizing (quantification) of the need for the broader suite of financial products and services for which digital payments can be enabling.
- iv. Analysis of the links and identification of the opportunities between digital payment and (i) broader access to finance for cocoa farmers and (ii) addressing the SDGs for cocoa farmers with particular focus on SDGs 5,7, and 11. Given the disproportionate impact of climate change on farmers, insights and recommendations on increased access to financial services through digital payments and opportunities for climate change mitigation/adaptation would be important.

Building Block 2: 'Enable farmers to spend funds and access services digitally by building a robust digital payments acceptance ecosystem'

- v. Comprehensive mapping of financial services and payment providers (e.g., public banks, rural banks, etc) and other digital platforms (e.g., Grab, Gojek etc) if any and identification of key gaps and constraints (e.g. pricing, KYC) with respect to serving the financial needs of cocoa farmers in Sulawesi
- vi. Analysis of national initiatives such as PAKD and P2DD as well as BI's championship of QRIS, their regional execution in Sulawesi and identification of opportunities to leverage these opportunities for building a robust digital payments acceptance ecosystem in Sulawesi
- vii. Case studies/learnings from any past and current digital payment initiatives and pilots (either by way of existing digital platforms focused on smallholder cocoa farmers i.e., traceability, farm advisory etc. or stand-alone.

Recommendations and dissemination

- viii. Action-driven recommendations for cocoa companies, the financial service providers as well as Government and farmer support organizations that would have most impact on catalyzing digital payments in the cocoa value chain locally. These should incorporate expected results, the role and influence of the two key actors above as well as ancillary stakeholders and insights on costs of implementation and viability of FSP. These must be gender intentional and be structured around the UN Principles for [Responsible Digital Payments](#).
- ix. Sharing of lessons learned with relevant stakeholders in Indonesia and beyond.

2.4 Expected deliverables

Deliverables would be derived from key project milestones to be agreed mutually between UNCDF and the selected applicant in accordance with the identified milestones, outcomes, and objectives, during the due-diligence and negotiation phase.

The action research will provide an in-depth analysis of two key building blocks that help to provide a deeper understanding of the demand-side dynamics 'Know your farmers' and the supply-side ecosystem 'Enable farmers to spend funds and access services digitally by building a robust digital payments acceptance ecosystem' particularly in the island of Sulawesi. Below is a non-exhaustive list of key deliverables:

1. **Research strategy, workplan and structure:** A detailed strategy demonstrating how the project will be executed through phases. A detailed project plan should be included, along with a proposal for how the work will be structured throughout the project lifecycle.

Specific deliverables:

- Inception report Slide deck (20 slides max), including:
 - Research guiding questions, approach, methodology, workplan
 - Identification of key stakeholder groups and corresponding questions to deliver on expected outputs for demand and supply-side research
 - Early state of the sector analysis
- 2. **Building Block 1: Know your farmers'.** A digital financial needs assessment of cocoa farmers in Sulawesi capturing: the financial journey of a cocoa farmer in typical cocoa growing cycle with particular focus on the role and impact for women and youth in cocoa-growing households, levels of financial and digital literacy among farmers, existing digital payments use-cases, quantification of the need for a broader suite of financial products and services for which digital payments can be enabling, and the specific challenges in access and use of digital payments by women farmers or women in cocoa growing households.

The assessment should also present an analysis of the links between digital payments, access to finance for farmers and climate change mitigation. It should also leverage the learnings and recommendations from related demand -side analysis by development partners including but not limited to CGAP, Last Mile Money initiative.

The assessment methodology should include:

- i) **Secondary data analysis** on the location and sizing of cocoa farmers in the key cocoa growing regions of Sulawesi, levels of financial inclusion of cocoa farmers, and any challenges / barriers to uptake and disaggregated by gender and age where available.
- ii) **Primary data collection and analysis:** Qualitative interviews with a sample of cocoa farmers to assess their experiences, opportunities, constraints, and requirements for digital payment solutions. The sample should include a mix of female and male participants to facilitate gender analysis.
- iii) **Analysis of existing and potential use cases for enhancing and scaling digital payments among cocoa farmers in line with the responsible digital payment guidelines.** This should include financial and non-financial benefits of digital payments e.g., in overcoming issues of security, transparency, efficiency, and empowerment as well as the costs in using such services. The work will also need to include some analysis of existing digital payment channels and financial solutions that could meet the needs of cocoa farmers.
- iv) **Human interest stories** capturing personal experiences/ challenges from farmers and their families.

Specific deliverables:

- Final data collection tools e.g., surveys, questionnaires
- Analysis of the cocoa farmer needs assessment data, including visual presentation of data, photos, practical examples, and anecdotal evidence to bring the data to life. There should be an explicit focus on gender throughout the analysis, including for example through the presentation of sex disaggregated data and qualitative information to analyze gender equality. (PowerPoint, 30 slides).
- Initial presentation of findings and preliminary recommendations to be presented to key stakeholders (PowerPoint)

3. **Building Block 2: 'Enable farmers to spend funds and access services digitally by building a robust digital payments acceptance ecosystem'.** An analysis of supply side opportunities and constraints for serving the financial needs of cocoa farmers.

The assessment methodology should include:

- i) **Comprehensive stakeholder mapping** presenting relevant financial services and payment providers (e.g. public banks, rural banks, etc) and other digital platforms (e.g. Grab, Gojek etc) and any existing partnerships between cocoa companies and financial service providers/fintech/mobile money operators in Sulawesi – some background research is available from the Alliance team and should be verified and synthesized as part of this exercise
- ii) **Projected costs of transitioning to digital payments within the supply chain.** This might include the upgrade and/or digitization/automation of farmer wages, access to cash out options for farmers, financial service provider charges (varying by the mode of payment), financial literacy support for cocoa farmers, client recourse system.
- iii) **Stakeholder interviews to establish an understanding of the following:**
 - a) payment flows within the cocoa sector and associated volume and type (cash/digital) of transactions at relevant stages of the supply chain
 - b) business model viability for FSPs, considering the required investments (as in (ii) above) and market size for cocoa farmer payment and broader financial services such as credit
 - c) cost of transactions, as well as the interest, expectations, capacity, and limitations of different industry stakeholders to promote digital payments for cocoa farmers.
- iv) **Documentation of learnings** from available past and current digital payment initiatives and pilots focused on smallholder cocoa farmers.

Specific deliverables:

- Final interview questionnaires
- Analysis and conclusions for each type of stakeholder including visual presentation of data, practical examples, and anecdotal evidence. (PowerPoint, 30 slides)
- 2-3 case studies presenting examples of digital payment solutions relevant for cocoa farmers.
- Initial presentation of findings and preliminary recommendations to be presented to key stakeholders (PowerPoint)

4. **Report on the key findings with action driven recommendations for key stakeholders with a focus on enabling [responsible](#) digital payments for Indonesian cocoa smallholders.**

Final report documenting key findings from the demand-side dynamics and the supply-side ecosystem for scaling responsible payments digitization in the cocoa sector in Sulawesi. The

report should also present recommendations for cocoa companies, financial service providers, Government and farmer support organizations that would drive digital payments in the cocoa value chain locally. These should incorporate expected results, the role and influence of the key actors as well as ancillary stakeholders and any insights on costs for implementation. The recommendations pertaining to key Government stakeholders should also reference relevant national financial inclusion frameworks such PAKD, P2DD, Indonesian National Financial Inclusion Strategy (SNKI) re-established under Perpres No. 114 of 2020 where relevant.

Specific deliverables:

- Consolidated key findings and demand and supply-side recommendations relating to the two building blocks (Pitchbook/powerpoint format)
- Final condensed word report intended for publication, (Word, no more than 30 pages + annexes)
- Presentations to the Better Than Cash Alliance quality process committees.

5. **Presentation of findings and recommendations** at a key stakeholder event to be organised by The Better Than Cash Alliance and partners.

Specific deliverables:

- Presentation of findings to external stakeholders.

The recipient institution is expected to work on all deliverables with the Better Than Cash Alliance, until final completion is agreed upon. It is envisioned that **at least 2 iterations (drafts)** are required before final completion is typically achieved.

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 e.g., commercial for-profit consulting firms, non-profit organizations, social enterprises.

Relevant operation licenses

- The lead applicant must be licensed to conduct research in Indonesia, especially if this is requirement for demand-side research and surveys

Country of operation

- The applicant can be based anywhere and must have at least one year of operations.

Consortiums (where applicable)

- Applicants may apply only once under this RFA, whether independently or in a consortium.

- Joint applications between market players in the target country are encouraged if the solution proposed will expand the quality and impact of the deliverables.
- Applications from consortiums of organizations must show that the partnership was established prior to this call for applications.
- The lead applicant must be a registered entity with at least one year of operations and must have statutory accounts and audited financial statements for at least one operating year.

Grant agreement

- Written confirmation (Annex 1) that the organization has reviewed the UNCDF Grant Agreement template and is prepared to sign it by **28 February 2022** without revision to the standard language

Application

- Submission of a complete application.

Thematic Expertise

- The proposed project team should have at least 10 years combined experience in research, financial services, agriculture.
- The proposed approach must focus on identifying opportunities to increase efficiency and improve incomes for cocoa farmers in Sulawesi through responsible digital services and/or products.
- The applicant must demonstrate presence of team or affiliate partners in Indonesia.

3.2 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 security⁷; and
- Applicants must not be involved in any of the following activities
 - Manufacture, sale or distribution of controversial weapons or their components, including cluster bombs, anti-personnel mines, biological or chemical weapons or nuclear weapons
 - Manufacture, sale, or distribution of armaments and/or weapons or their components, including military supplies and equipment
 - Replica weapons marketed to children
 - Manufacture, sale or distribution of tobacco or tobacco products
 - Involvement in the manufacture, sale, and distribution of pornography
 - Manufacture, sale, or distribution of substances subject to international bans or phase-outs, and wildlife or products regulated under the CITES
 - Gambling including casinos, betting etc. (excluding lotteries with charitable objectives)
 - Violation of human rights or complicity in human rights violations
 - Use or toleration of forced or compulsory labor
 - Use or toleration of child labor

⁷ See: <https://www.un.org/securitycouncil/sanctions/information>

- 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.
- Applicant shall use the submission form requested complying with the characters and page requirements requested.

BTCA will conduct due diligence on selected applicants. Applicants must have documents ready for confirmation that they meet the eligibility criteria including certificate of compliance with the tax authorities and any other documentary evidence that might be requested by UNCDF besides the application form.

3.3 Evaluation Criteria

- Proven experience in designing, managing, and delivering research-based analysis and drafting recommendations for different stakeholders in digital financial services in Indonesia. Experience developing products and/or services or developing business plans for FSPs will be considered a plus
- Demonstrated excellence of research, analytical, and field implementation capacities with experience working in the cocoa or agricultural sector, including private sector companies being a plus
- 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 (both political and technical)
- Human resources are available to complete the activities to a high standard
- Preference will be given to Indonesian firms and those with team members based in Indonesia (or working through a local partner) to ensure regular communication and engagement with key stakeholders
- Knowledge of the Indonesian financial and payments ecosystem in general, especially related to product design and delivery of digital financial services
- Knowledge of financial habits, behaviors, and challenges faced by low-income populations and occasional plantation workers to access financial services, especially women.
- Excellence in technical writing and fluency in spoken English and Indonesian.
- Experience of working with external donors and managing multi-stakeholder partnerships.
- Response to the Scope of Work in Section 2.

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.

Evaluation criteria:

- Specific experience for the assignment (20/100)
- Approach and implementation plan (40/100)
- Team experience and composition (40/100)

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.

- 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, 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, 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 if 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.

3.5 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.

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, if 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 UNCDF.
- 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. Target segment

The assignment will identify opportunities to promote inclusive growth, boost productivity, and improve the livelihoods of cocoa farmers in Sulawesi through digital payments in the cocoa supply chain. The learnings from this research will be disseminated across multiple stakeholders including but not limited to:

- Cocoa companies and partners operating in Indonesia particularly CSP and PISagro members
- Financial service providers and FinTech companies
- Relevant Government ministries and agencies in Indonesia
- Donors and non-governmental organizations.
- Regional countries with interest in cocoa e.g., Papua New Guinea

5. Geographical scope

The focus of the research will be the cocoa sector in Sulawesi. However, this is not limited, and it is expected that the findings and recommendations will also be applicable to other cocoa growing regions in Indonesia and the broader Asia region as well as other commodity-driven agricultural value chains that are similar to cocoa.

6. Duration

The technical partner is expected to sign a **performance-based financing (grant) agreement** with UNCDF starting in **March 2021** (see Annex 2 for a sample of our legal language in this regard). Expected date of full completion is **June 30, 2022**.

7. Language

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.

8. Budget

A grant of **up to USD 50,000** is available for this project. 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 50,000** will not be considered. There are no constraints on working with third parties.

9. Outputs and deliverables

Some of the outputs and deliverables produced during this project (i.e., research findings and lessons learned) will be considered a public good. Thus, they will be placed in the public domain so that they can be freely and widely used by other parties.

9. APPLICATION REQUIREMENTS AND PROCESS

9.1 Structure of the application

All applications must be submitted by **14 February 2022 at 23:00 Eastern Standard Time (GMT -5)** on **UNCDF online platform**:

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

The application should follow the template provided in Annex 1: Submission Format.

In addition to the 'Submission Format' the applicant may supplement the submission with:

1. A deck that visually outlines what the project is (15 slides maximum and as a PDF).
2. Audited financial statements for at least one year for the applicant;
3. Certificate of incorporation of the applicant;
4. Any other attachment as requested in the application (including CVs of the employees involved in the project in PDF form, budget for the intervention in spreadsheet form).

All submissions must be completed in English.

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

9.2 Application deadline

All applications must be submitted by **14 February 2022 at 23:00 Eastern Standard Time (GMT -5)**.

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 because of step 1 will be scored as set forth in section 3.3
- Step 3: Notification of applications – all applicants will be notified of the status of their applications upon the completion of the selection process.

5.4 Timeline

- It is anticipated that negotiations and grant signing will commence within three weeks of

application submission. The overall duration of the project should not exceed 6 months. It is expected that during the first 10 days after contract signing, there will be one presentation of the outline of the methodology to be discussed and validated with BTCA prior to the completion of the inception report.

- The full completion of deliverables is expected before June 30, 2022 and applicants are requested to detail the expected project plan within this time-frame⁸.

⁸ It is expected that the deliverables can be completed within 3 months but applicants can qualify if additional time is required.