**UNITED NATIONS CAPITAL DEVELOPMENT FUND (UNCDF)**

**Jobs, skills and finance (JSF) for women and youth programme in The Gambia**

**Development of financial SERVICES INTEGRATED WITH FINANCIAL EDUCATION for Women and Youth**

**CALL FOR EXPRESSIONS OF INTEREST**

Deadline for submissions: 2 October 2018 at 17h00 GMT

1. **Description of project**

The United Nations Capital Development Fund (UNCDF) has a unique financial mandate within the United Nations system and has a proven track record in inclusive finance and local development finance, particularly in the least developed countries. Since 2010, UNCDF has been actively contributing to the development of an inclusive financial sector for disadvantaged groups (youth, women, rural populations) in sub-Saharan Africa. UNCDF is leveraging its expertise from 2 flagship programs for The Gambia: The Local Climate Adaptive Living Facility (LoCAL) which combines performance-based climate resilience grants (PBCRGs) with technical and capacity-building support to provide demonstration effects to trigger further flows for local adaptation, including national fiscal transfers and global climate finance for local authorities, through their central governments; and YouthStart (YS) Programme which supports youth financial Inclusion to better manage school-to-work transitions and access economic opportunities and to increase access to finance for low-income youth in Least Developed Countries, by developing approaches to offer youth tailored financial and non-financial services.

UNCDF is bringing its expertise in promoting green and climate resilient communities and in financial inclusion, in support of job creation, under the “Jobs, skills and finance (JSF) for women and youth in The Gambia 2018 - 2022” programme funded by the 11th European Development Fund. This programme will contribute to stabilizing the economic, social and security situation of the country during the democratic transition by facilitating social inclusion and employment of the youth and women, with a specific emphasis on promoting gender equality and addressing climate change. It will do so through two components:

* Component 1: Job creation for the youth, women and local communities and equal access to employable skills development.
* Component 2: Improved access to finance

The two components are broken down in different sets of activities:

1. The first set of activities will aim at creating jobs. Local authorities and communities will be supported in the identification of needs in priority sectors and in planning investments accordingly. A particular emphasis will be placed on making sure investments contribute to climate resilience. Prioritized investments will be delivered through cash for work programmes for youth and women and through procurement to local Small and Medium Sized Enterprises (SMEs) so that jobs are created in the short to medium term. Workers benefitting from employment will be supported in parallel with access to financial (Component 2) and non-financial services (Component 1, set of activities 2) with a view to broaden their medium to long term economic perspectives.
2. The second set of activities will start with a gender and age-sensitive skills gap analysis in the priority sectors. Based on the assessment, the project will provide support to increase the number, quality and accessibility of vocational training schemes offered to youth and women. The vocational training scheme will directly be informed by the priority needs identified with local authorities and communities (Component 1, set of activities 1) and be developed in conjunction with the Financial Services Providers (FSPs) (Component 2). It will be accompanied by supported on the job training wherever possible. Technical assistance and capacity building for SMEs and Technical Service Providers will also be offered, in complement to Component 2. The international Trade Center will contribute to the implementation of the second set of activities.
3. The third set of activities will facilitate access of Micro, Small and Medium Sized Enterprises (MSMEs) to financial services. The project will place a particular focus on youth and women. The project will use a market systems development approach (micro, meso and macro) and ensure improved Financial Services Providers (FSP) respond to the needs of women, youth and MSMEs.
4. **OBJECTIVES OF THE CALL FOR Expressions of interest**

The purpose of this call for expressions of interest is to shortlist **financial service providers (banks, financial institutions, Mobile Network Operators (MNO’s), FinTechs) committed, ready and able to provide integrated financial services and financial education to 9,000 youth participating in the Jobs, Skills, and Finance for Women and Youth programme in The Gambia (Component 2).** Particular attention will be given to FSPs who use new technologies (e.g. microfinance correspondents, remote banking and mobile banking) and are willing to partner with others to provide mobile financial services.

1. **PROJECT IMPLEMENTATION AND DELIVERABLES**

Partners will be engaged for three main work flows:

* Cash for work: The programme will support local authorities and communities to develop climate resilient investments that in turn can create temporary jobs through “cash for work” models. The selected partner will be responsible for ensuring that up to 9,000 youth engaged in the “cash for work” component of the program receive their monthly stipend in a savings account in a financial institution preferably through a digital financial solution. This savings account needs to be affordable and accessible for the youth and the women participating in the programme. The partner, will also need to put in place the necessary systems to ensure the youth receives their stipend on a timely manner.
* Leveraging savings to access other services: The selected partner will also be expected to develop client-centric financial services (e.g. credit, remittances linked to economic opportunities etc.) for these youths (50% women) so that they can leverage the savings accumulated and the skills built during the programme to start up their own business. The activities will start in the Lower River Region followed by the Upper River Region, and North Bank. [[1]](#footnote-1) A heavy focus will be made on the distribution of the services using cost effective and innovate strategies to reach a larger number of clients.

UNCDF will provide tailored technical assistance to the selected partners to conduct customer centric research, prototyping, testing and scaling of the financial pservices developed for the beneficiaries of the programme. UNCDF will also support the selected FSP to integrate financial education training via a digital solution. The FSP will be responsible to put all the systems in place (ie. Staff, tablets etc) to be able to deliver the training to the youth. . The selected partners will also be responsible for working closely with UNCDF to ensure that the products developed are institutionalized within their respective institutions.

**Expected deliverables of the 4-year project (tentative):**

* Customer centric research report
* A comprehensive business plan that clearly outlines the strategy and operational plan for the development and deployment of financial services including key milestones and indicators to be used to measure progress;
* Prototypes of financial products to be deployed for the targeted beneficiaries
* Financial Education Dissemination Plan
* Quarterly reports (financial and narrative) detailing lessons learned and best practices of the provision of services for the 9,000 women and youth in the selected regions

1. **Partner selection process**

Based on the expressions of interest (EOI) received, UNCDF will screen the candidates using the criteria below:

* Have legal authorization in The Gambia to carry out activities related to the granting of credit, the collection of deposits, the issuance of electronic money
* Have more than 10,000 customers (Please specify the number as of June 2018)
* Show a positive return on assets (Please specify the number as of June 2018)
* Present a strong portfolio close to the standards of UNCDF (Portfolio At Risk 30 days – PAR30 less than 10%) (Please specify the number as of June 2018)
* Present a satisfactory operational self-sufficiency ratio (OSS) (greater than 100%) (Please specify the number as of June 2018)
* Have been active for at least two years;
* Provide or promote demand-driven financial services (savings, credit, etc.);
* Provide a service and / or product in mobile money, electronic money (or similar) or have planned in its strategic plan to launch such services or products within the next 12 months;
* Have strategic positioning and recognized expertise in the financing of women, youth and/or MSMEs and provide financial products and services to these groups or plan to do so within the next 12 months;
* Be present in the Project target regions or declare an interest in expanding their network particularly in LRR, URR, and North Bank;
* Declare themselves ready, willing, and able to develop innovative solutions, while using new technologies available. The offer of digital financial services is strongly encouraged;
* Have adequate financial, human and computer resources to carry out all planned activities.
* Commit to monitoring and evaluating the results and be ready to share information and lessons learned with external stakeholders;
* Have a well-functioning management information system (MIS), adequate and reliable access to the Internet and related technologies, to participate in online discussions and to produce learning resources.

Shortlisted candidates will be invited to work with UNCDF to conduct a due diligence exercise to determine the potential candidates’ capacity to implement the project. After that and with UNCDF assistance, shortlisted candidates will develop a detailed proposal and business plan (including budget) to develop innovative financial products integrated with financial education for the beneficiaries of the programme. Preselected candidates could have the possibility to participate to workshops organized by UNCDF that will focus on customer centricity.

A final selection will be made based on final proposals: two to three partners can be selected and will receive UNCDF grant up to USD 400,000.

A tentative calendar of the selection process is as follow:

1. September 14: Launch of the EOI
2. September 18-19: Informational session of the EOI in Banjul followed up by one on one sessions with FSPs upon request
3. **October 2: deadline for submission of EOI application**
4. October 1-5: Review of the Expression of Interest, ensuring that all questions and requests for documents are duly completed; shortlist of candidates.
5. October 8-12: Visit to shortlisted candidates and due diligence exercise.
6. October 22-26: Submission of final proposal with business plan and budget
7. November 5-9: final selection of the partners and signature of a Performance Based Agreement (PBA) with UNCDF

**Submission procedure:**

* The expressions of interest must be sent by email to [youthstart@uncdf.org](mailto:youthstart@uncdf.org), mentioning the subject of the message "JFS The Gambia Expression of Interest";
* All applications must be send in English and in Word or PDF format;
* The request for expression of interest must not exceed 10 pages (excluding annexes).
* The deadline for submitting applications is **2 October 2018 at 17:00 GMT + 0**;

**Please make sure your application meets all the criteria for selection and eligibility before submitting** and includes all the documents required:

1. Cover letter in annex 1, providing written confirmation that the organization has reviewed UNCDFs grant agreement template (available upon request) and is ready to sign it without revision to the standard language
2. Application form duly filled in (Annex 2)
3. Supporting documents:
   1. Table with performance ratios in annex 3 and 4
   2. Audited financial statements for the past three (3) years with a letter from management.
   3. Letter from the Executive Director, President and CEO or Board of Directors of the applicant organization, expressing their commitment to participate in the process.
   4. CV of staff who will be involved in this program
   5. Evaluation report or external evaluation, if available

**UNCDF will organize a technical workshop in Banjul on 18 September 2018 to present the EOI and discuss financial sector trends, challenges and opportunities. Interested candidates will have an opportunity to ask questions related to the EOI for the JFS Program and to have individual sessions with UNCDF representatives.**

**Only complete applications will be considered. Please make sure that ALL annexes are submitted**

**APPENDIX 1: Canvas for the application**

**[Insert: location]**

**[Insert: Date]**

**To: Maria Perdomo, Youth Finance Global Specialist**

**Dear Madame:**

[

We the undersigned *[insert: name]* as candidates for the JFS project in accordance with your Call for Expressions of Interest dated [insert: date]. We present our application, which includes the technical proposal.

We hereby declare that:

a) All information and statements made in this application are true and we accept that any misrepresentation contained therein may result in our disqualification; and

b) We have no outstanding bankruptcy or ongoing litigation or any legal action that could adversely affect our business

We confirm that we have read, understood and accept the duties and responsibilities that are requested in this Request for Expression of Interest, as well as the standard language of UNCDFs performance-based agreements (PBAs), including the public good requirements and knowledge products to be shared. Therefore, if our request is accepted, we will be ready to sign and accept the legal language, without modification, of the UNCDF Grant Agreement (PBA).

We fully understand and acknowledge that UNCDF is not obliged to accept this request, that we will bear all costs associated with its preparation and submission, and that UNCDF will not be responsible for these costs, regardless of the conduct or results evaluation.

We remain at your disposal,

Regards,

Authorized signature [In full and initials]:

Name and title of the signatory:

Company Name:

Contact Details:

[Please mark this letter with your corporate seal, if available]

**ANNEX  2 : Application Form**

|  |  |
| --- | --- |
| **SECTION 1: GENERAL INFORMATION ON THE CANDIDATE** | |
| Name of the Organization: |  |
| Type of Organization (for example, for-profit commercial enterprise, non-profit organization, etc.): |  |
| Country of registration: |  |
| Year of registration: |  |
| Legal address (es) in the country (s) of registration / operation: |  |
| Does the applicant report to the MixMarket (if applicable)? |  |
| Please name your external auditors |  |

|  |  |
| --- | --- |
| **INFORMATION ON MINIMUM SELECTION CRITERIA** | |
| Do you have legal authorization to carry out activities related to the granting of credit, the collection of deposits, the issuance of electronic money |  |
| Number of customers as of June 2018 |  |
| Return on assets as of June 2018 |  |
| Portfolio At Risk 30 days as of June 2018 |  |
| Operational self-sufficiency ratio (OSS) as of June 2018 |  |

|  |  |
| --- | --- |
| **INSTITUTIONAL DATA** | |
| Regions of operations |  |
| Number of branches |  |
| Do you have agent banking (networks of correspondence agents)? If so, how many and where? |  |
| Number of employees |  |
| *% female* |  |
| Number of total clients |  |
| *% female* |  |
| *% youth (15-35)* |  |
| *% MSMEs* |  |
| Number of total savers |  |
| *% female* |  |
| *% youth (15-35)* |  |
| *% MSMEs* |  |
| Voluntary savings volume (USD) |  |
| Number of total borrowers |  |
| *% female* |  |
| *% youth (15-35)* |  |
| *% MSMEs* |  |
| Gross outstanding portfolio (USD) |  |

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| --- |
| **SECTION 2: SPECIFIC EXPERIENCE IN THE DOMAIN (IF EXISTING) (max 3 pages)** |
| 2.1 Please describe the mission of your organization and how this is focused on providing financial and non-financial services for vulnerable segments |
| 2.2 Please briefly explain top 3 similar projects you had with international and national donors in the past 5 years |
| 2.1. Please describe the scope of the financial services offered, including types of products (savings, credit, etc.) and your geographic presence (number of branches / points of service) in The Gambia |
| 2.2. Please describe your target clientele (women, youth, farmers, SMEs, etc.) |
| 2.3. Please describe the distribution methods and channels you use (i.e door-to-door mechanisms, digital, groupings etc.) |
| 2.4. Please describe your experience with (i) financial services for women and/or youth, (ii) financial services for MSMEs, (iii) training / financial education within your organization (iv) digital financial products (if applicable) |
| 2.3. Please describe the process in plan for the development of new products or services |
| **SECTION 3 : APPROACH AND IMPLEMENTATION (max 3 pages)** |
| 3.1. Briefly describe your approach and how you will implement this type of project and its three work flows |
| 3.2. Describe the activities (including human resources and a tentative general working plan) that your program plans to carry out with UNCDF funds. |
| **SECTION 4: PERSONNEL (max 2 pages)** |
| 4.1 Team Members: Briefly describe the qualifications of at least 2 members of your institution who will be involved in this project (for example, financial services promoter for youth, director of market research or new products, etc.) |
| 4.2 Staff Time Allocation: Briefly provide the level of effort and time allocation of the staff members mobilized. |
| 4.3 Qualifications of Key Personnel. Provide CVs for key personnel (team leader, management and general staff) that will be provided to support the implementation of this project. CVs must demonstrate qualifications in areas relevant to the outputs to be produced. CVs must not exceed 5 pages |

**Annex 3 : Performance Ratios for FSPs**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PROFITABILITY** | **2015** | **2016** | **2017** | **Jun-18** |
| **Net income, USD** |  |  |  |  |
| **Return on Equity (ROE)** |  |  |  |  |
| **Return on Asset (ROA)** |  |  |  |  |
| **Asset concentration (Gross portfolio/Total Assets)** |  |  |  |  |
| **Portfolio yield (Interest and fee revenues on loan portfolio / Average gross outstanding portfolio)** |  |  |  |  |
| **Operational Self Sufficiency (OSS) (Financial revenues + Other operating revenues) / (Financial expenses + Provision expenses + Operating expenses)** |  |  |  |  |
| **Funding expense ratio (Interest and fee expenses on funding liabilities / Average gross outstanding portfolio)** |  |  |  |  |
| **Provisioning expense ratio (Loan loss provision expenses / Average gross outstanding portfolio)** |  |  |  |  |
| **Operating expense ratio (on average gross outstanding portfolio)** |  |  |  |  |
| **Portfolio at Risk 30 days (PAR30) (outstanding portfolio with delays of 30 days or more/gross portfolio)** |  |  |  |  |
| **Risk Coverage ratio (PAR30) (Loan loss reserve / Portfolio at risk >30 days)** |  |  |  |  |
| **PRODUCTIVITY** |  |  |  |  |
| **Cost per borrower, USD** |  |  |  |  |
| **Cost per client, USD** |  |  |  |  |
| **Expense ratio (expenses/total revenues)** |  |  |  |  |
| **Loan officer productivity – borrowers** |  |  |  |  |
| **Loan Officer productivity – amount** |  |  |  |  |
| **Average loan size, SUD** |  |  |  |  |
| **CAPITAL ADEQUACY AND ALM** |  |  |  |  |
| **Cost of fund ratio (Interest and fee expenses on funding liabilities / Average funding liabilities)** |  |  |  |  |
| **Liquidity over TA Ratio (Cash and cash equivalents / Total assets)** |  |  |  |  |
| **Debt to Equity Ratio** |  |  |  |  |
| **Capital Adequacy Ratio (CAR): Total adjusted capital / Total risk weighted assets** |  |  |  |  |
| **Capital Adequacy Ratio (CAR): regulatory (if applicable)** |  |  |  |  |

**Annex 4 : Performance Ratios for MNOs**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **#** | **Main Performance indicators** | **2017** | **2016** | **2015** |
| 0 | Services and products offered (cash in, cash out, microinsurance, digital credit, etc) |  | | |
| 1 | # of mobile money registered customer accounts |  |  |  |
| 1.b | # of mobile money registered customer accounts (female) |  |  |  |
| 2 | # of mobile money active customer accounts - 30 days |  |  |  |
| 2.b | # of mobile money active customer accounts - 30 days (female) |  |  |  |
| 3 | # of unregistered customers who have been transacting over the counter (OTC) during the month |  |  |  |
| 4 | Average balance held across registered customer accounts |  |  |  |
| 5 | # of registered merchants |  |  |  |
| 6 | # of active merchants |  |  |  |
| 7 | # of Registered agent outlets (not including bank branches) |  |  |  |
| 8 | # of Active agent outlets (not including bank branches) |  |  |  |
| 9 | # of Bulk disbursements including voucher transactions |  |  |  |
| 10 | Percentage of total company revenues coming from mobile money |  |  |  |
| 11 | Market share (% clients) |  |  |  |
| 12 | Market share (% volume) |  |  |  |

1. To be confirmed during program launch [↑](#footnote-ref-1)