

United Nations Capital Development Fund

TERMS OF REFERENCE

Introduction of Gender-Smart and Migrant-Centric Financial Products and Services for Migrant Workers and Their Family Members, Particularly Women in Bangladesh

241125 - BGD

I. BACKGROUND

General Assembly Resolution 2186 (XXI) decided to “bring into operations the United Nations Capital Development Fund as an organ of the General Assembly which shall function as an autonomous organization of the United Nations. The UN Capital Development Fund (UNCDF) assists developing countries, especially least developing countries, in the development of their economies by supplementing existing sources of capital assistance by means of grants, loans, and guarantees. UNCDFs vision is to help mobilize and catalyse an increase of capital flows for SDG impactful investments to Member States to address the most pressing development challenges facing vulnerable communities in these countries and thereby contribute to sustainable economic growth and equitable prosperity.

UNCDF utilizes its unique capability in the UN system to deploy grants, loans, performance-based payments, and guarantees to crowd-in finance for the scaling of development impact. UNCDF focuses on where the needs are greatest, a deliberate focus and capability rooted in UNCDF’s unique investment mandate to support the achievement of the 2030 Agenda for Sustainable Development and the realization of the Doha Programme of Action for the least developed countries, 2022–2031.

As per its Strategic Framework, UNCDF works to deploy its functions as a hybrid development organization and development finance institution. UNCDF responds to Member States requests for assistance by providing targeted technical and financial advisory services on investments for development outcomes, designing bespoke financial structuring solutions, undertaking financial derisking of investments, and enhancing investment readiness of SDG aligned projects in partnership with private sector, UNOs, International and Local Finance Institutions, Development Finance Institutions as well as Foundations and Philanthropy, among others. UNCDF works to develop local financial systems, new markets and mobilize and crowd in capital from public and private sources. UNCDF is driven by a partnership mindset which enables it to deploy its different capital capabilities in highly tailored and responsive ways in order to mobilize investments flows from other sources, in particular from the private sector. By structuring transactions which are highly impactful, but also recognize the need for multiplying the impact of its own capital, UNCDF seeks to position itself as a preferred partner for different stakeholders. UNCDF’s work is focused on six priority areas, including:

- Sub-national and local infrastructure financing
- Women owned enterprise financing
- Nature and climate financing
- Energy and decarbonization finance
- Sustainable food systems financing
- Inclusive digital finance

Following a recent restructuring, UNCDF's organizational set up includes an Investment and Implementation Division (IID), Investment and Finance Oversight Division (IFOD), Operations and Oversight Division (OOD) and a Directorate of the Executive Office. UNCDF staff and personnel are located in regional hubs based in Dakar (Senegal), Nairobi (Kenya) and Bangkok (Thailand) with sub-regional presence in a number of locations in the Caribbean and Pacific Regions. UNCDF is led by an Executive Secretary based out of New York. Pursuant to General Assembly resolution 2321(XXII, para 1.a), the Administrator of the UNDP performs the function of the Managing Director of UNCDF. UNCDF is overseen by the Executive Board of United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA) and the United Nations Office for Project Services (UNOPS) and performs the function of the Executive Board of UNCDF.

More information on UNCDF may be found in this link: <https://www.uncdf.org/>

II. PROJECT CONTEXT

1. Development Challenges

Bangladesh has experienced significant economic growth and poverty reduction over the past few decades, making it one of the fastest-growing economies globally. However, challenges persist, particularly in providing adequate employment opportunities for the youth. Labor migration has become a key strategy for many Bangladeshis seeking opportunities abroad, contributing significantly to the country's economy. While remittances are the second-largest contributor to the economy, the utilization of these funds faces challenges, leading to missed opportunities for sustainable development.

With over 13 million migrant workers globally, Bangladesh has been a significant player in the international labour market. Remittances, totalling more than USD 90 billion in the last five years, play a crucial role in poverty reduction. However, the utilization of remittances remains a challenge, with a substantial portion going towards daily household consumption, housing, and repayment of migration-related debts. According to UNCDF's Bangladesh country assessment on migrant remittances and financial services in 2022, more than 90% of remittance flows are used for necessary household expenditures such as food, medical, housing, and education. Furthermore, rural households get more than half of all remittances and rely on them for improved livelihoods and resilience. The inefficiencies in the migration cycle, coupled with the lack of financial literacy and access to formal financial services, contribute to these challenges.

The COVID-19 pandemic further disrupted the labour migration scenario in Bangladesh, leading to the return of a significant number of migrant workers and economic hardships for those who stayed abroad, especially in the informal economy. This emphasizes the need for a comprehensive approach to address the vulnerabilities in the migration cycle and enhance the financial well-being of migrant workers and their families.

In this regard, UNCDF is implementing project ‘Shafal¹ – Remittance Management for Socio-economic Stability of Migrant Families’ in Bangladesh’. Shafal’s approach encompasses various strategies to enhance financial inclusion among migrant workers and their families. By adopting a market systems development approach, financial institutions can create sustainable services, reaching a large number of migrants. Recognizing the reliance on informal financial services, Shafal aims to provide fair-priced alternatives, engaging financial institutions, insurers, and microcredit organizations. Understanding demand patterns, especially among women, informs the development of tailored products and delivery mechanisms. Financial literacy initiatives play a vital role, targeting poorer segments with cost-effective training and access to suitable products. Moreover, asset-building strategies beyond credit are emphasized, promoting savings and insurance to mitigate vulnerability. Leveraging digital advancements, Shafal is pioneering low-cost digital money transfer solutions in collaboration with UNCDF and local banks, capitalizing on the accelerated shift towards digital transactions amid the COVID-19 pandemic.

2. Target Development Outcome/s of the Project

While Bangladesh has made strides in the microfinance sector, migrant workers have limited access to and awareness of formal financial services and products. The government has shown commitment to address these issues, as reflected in the Overseas Employment Policy 2016 and initiatives such as cash incentives and soft loans for migrant workers. However, there is a need for coordinated efforts to bridge the existing gaps and improve the migrant’s overall management of remittances for their sustainable development.

UNCDF is currently implementing ‘Shafal – Remittance Management for Socio-economic Stability of Migrant Families’ programme, which aims to address these challenges by focusing on enhancing the asset-building capacity of migrant workers and their families. This programme aligns with the Sustainable Development Goals (SDGs) and the Government of Bangladesh’s plans for leveraging remittances for development. Through a combination of financial inclusion, digitalization, and entrepreneurship development, Shafal seeks to create a more resilient and economically empowered migrant population. To enhance the current context, the Shafal has identified areas requiring improvement and recognized three key outcomes:

- Outcome 1: Migrant workers and their families benefit from a better remittance management and reduce their risk of falling back into poverty.
- Outcome 2: Financial institutions sustain the asset-building strategies of migrant workers and their families by providing gender-smart and migrant-centric services, in an accountable and effective manner.
- Outcome 3: Government defines the policy reforms, guidance and instruments required to facilitate financial services for migrant workers and their families.

For this Terms of Reference (TOR), partner is expected to work with UNCDF in the delivery of Outcome 2 of this project i.e. Migrant workers and their families get sustainable, gender-smart and migrant-centric financial products and services from the financial service providers (Bank or non-banking financial institutions, mobile financial services, fintech, payment service providers/operators, insurance providers, microfinance institutions.).

¹ Shafal is part of a Leaving no one behind (LNOB) in digital era in Bangladesh programme.

III. TERMS OF REFERENCE

1. Problem Statement

Despite the significant volume of remittances contributing to Bangladesh's economy, several critical challenges impede the optimal use of these funds, leading to missed opportunities for sustainable development and long-term economic stability.

Demand-Side Challenges

- **Poor Financial Literacy:** Migrant workers and their families often lack essential financial knowledge, including understanding basic financial concepts, managing personal budgets, and planning for the future. This gap in financial literacy prevents them from making informed decisions about savings, investments, and credit, often leading to poor financial outcomes.
- **Low Access to Formal Financial Services:** Many migrant workers and their families have limited access to formal financial services due to geographical, socio-economic, and institutional barriers. These barriers include a lack of nearby banking facilities, high transaction costs, stringent account opening requirements, and distrust in financial institutions. Consequently, they turn to informal channels that are less secure and more costly.
- **Reliance on Informal Savings and Credit Products:** Due to low access to formal financial services, migrant workers and their families commonly resort to informal means for savings and credit. For instance, borrowing from local landlords can result in exorbitant interest rates ranging from 60% to 120% per annum, often requiring lump-sum repayments. These informal arrangements expose them to financial exploitation and can trap them in a cycle of debt, making it difficult to break free.
- **Lack of Income-Generating and Asset-Building Investments:** Migrant workers and their families struggle to develop concrete plans for saving and asset-building. The absence of appropriate investment instruments hinders their ability to generate income and build assets. Without structured savings plans and access to investment opportunities, they remain in a state of high financial vulnerability, where any financial shock can push them into poverty.

Supply-Side Challenges

- **Perception of Non-Profitability:** Financial institutions often consider migrant workers and their families as a non-profitable target group. This perception persists despite the substantial market size, with over 7.4 million migrants and their families. This misjudgment leads to a lack of tailored financial products and services that meet their unique needs.
- **Insufficient Financial Products:** There are not enough suitable financial products designed for the specific circumstances of migrant workers and their families. The existing products fail to address their needs for secure, low-cost remittance transfers, accessible savings options, and affordable credit. This gap in the market further limits their access to secure and affordable financial services.

To harness the full potential of remittances for sustainable development, it is crucial to expand access to tailored financial products and formal financial services. By developing accessible savings accounts, affordable credit options, and investment instruments designed for income generation and asset building, the economic stability and growth of migrant workers and their families can be significantly enhanced. Engaging private sector partners will be instrumental in designing and delivering these financial solutions. A multifaceted approach, focusing on innovative financial products and robust private sector involvement, will help reduce financial vulnerability and foster long-term economic resilience for this critical segment of Bangladesh population.

2. Objectives

The primary objective of this TOR is to engage private organizations, such as financial institutions, fintech companies, and relevant entities, to develop, disseminate, and implement innovative financial product solutions. These solutions aim to improve the overall financial health and reduce the financial vulnerability of low-income migrant workers and their families in the following districts: Narshingdi, Chattogram, Feni, Cumilla, Tangail, and Munshiganj.

The specific objectives are as follows:

- **Introduce Innovative Financial Product Solutions:** Develop scalable financial products tailored to low-income migrant workers and their families. These products should include any of the following tools: investment instruments, credit products, short-term and long-term asset-building instruments, and financial health solutions to enhance their overall financial well-being and reduce their financial vulnerability.
- **Pilot and Promote the Solutions:** Implement and promote the newly introduced financial products in major migrant-prone districts such as Chattogram, Feni, Cumilla, Munshiganj, Tangail, and Narshingdi. Onboard the target beneficiaries with these products to assess their effectiveness and engagement.
- **Develop Innovative Distribution Strategies:** Create and implement specialized distribution strategies that are business-viable and capable of reaching last-mile populations. These strategies should address the unique challenges faced by migrant workers and their families in rural areas, ensuring ease of access and convenience.
- **Capture Learning and Assess Feasibility for Scaling:** Monitor and evaluate the pilot phase to capture key learnings and insights. Assess the feasibility of scaling the financial products to a larger population across the country, ensuring better access to financial services for the target group.
- **Foster Sustainable Financial Practices:** Encourage the use of formal financial channels and educate participants on effective financial management, including savings, investments, and prudent use of credit, to build long-term financial resilience.

These objectives aim to create a robust and inclusive financial ecosystem that supports the economic stability and growth of migrant workers and their families, contributing to sustainable development and long-term economic resilience in Bangladesh.

3. Requirements

This ToR seeks to forge a strategic partnership with a private organization or a consortium of organizations to address the critical financial vulnerability of low-income migrant workers and their families in Bangladesh. Despite significant remittances flowing into the country, many migrant workers and their families remain financially unstable due to limited access to formal financial services and reliance on informal, costly, and insecure financial channels. The lack of tailored financial products further exacerbates their financial instability.

To address these challenges, UNCDF is committed to developing innovative financial product solutions that cater specifically to the needs of low-income migrant workers and their families. UNCDF will provide a competitive grant to the selected organization(s) to support the development, implementation, and monitoring of these solutions. This grant will empower the chosen partner(s) to design and deliver impactful programs in the six targeted districts: Narshingdi, Chattogram, Feni, Cumilla, Tangail, and Munshiganj.

UNCDF is seeking a partner who can develop financial product solutions that are:

- **Targeted and Inclusive:** The solutions should be specifically designed to meet the unique financial needs of low-income migrant workers and their families. This includes developing investment instruments, credit products, short-term and long-term asset-building instruments, and financial health solutions that are accessible and affordable.
- **Culturally Relevant:** The financial products should be tailored to the specific cultural contexts of the migrant worker communities in the targeted districts. This may involve utilizing local languages, leveraging existing community networks, and developing products that resonate with the target audience.
- **Innovative Distribution Strategies:** Develop and implement specialized distribution strategies that are business-viable and capable of reaching last-mile populations. These strategies should address the unique challenges faced by migrant workers and their families in rural areas, ensuring ease of access and convenience.
- **Scalable and Sustainable:** The financial products should be designed for easy replication and expansion to other districts in Bangladesh. Solutions should include mechanisms for scaling and sustaining the programs beyond the initial grant period.

Desired Features of Financial Product Solutions

- **Accessibility:** Products should be easy to access and use for low-income migrant workers and their families. This includes ensuring availability in remote and rural areas, offering user-friendly interfaces, and providing customer support in local languages. The products should be designed to be inclusive, taking into account the literacy levels and technological capabilities of the target population.
- **Affordability:** Costs associated with using the products should be minimal to ensure they are affordable for low-income users. This includes low or no fees for transactions, account maintenance, and other services. The pricing strategy should be transparent, with no hidden charges, making it easier for users to manage their finances without incurring additional financial burdens.
- **Relevance:** Products should be tailored to the specific needs and contexts of the target population. This involves creating financial solutions that address their immediate and long-term financial goals, such as savings plans for education, healthcare, and asset building. Products should be designed based on comprehensive market research and feedback from the target communities.
- **Security:** Ensure the financial security of the users, protecting them from fraud and financial exploitation. This includes robust data protection measures, secure transaction processes, and mechanisms for users to report and resolve any security issues. Providing education on safe financial practices and how to use digital financial tools securely is also essential.

Areas In Need of intervention		Specific Development Challenges	Target Results/Outcomes to be Achieved
1	Financial Product Solutions	Limited access to formal financial services. Over-reliance on informal financial channels. Lack of suitable financial products for asset building.	Increased access to tailored financial products. Reduced reliance on informal financial channels. Improved financial health and asset-building capacity.
2	Innovative Distribution Strategies	Difficulty reaching last-mile populations in rural areas. High costs and logistical challenges of traditional distribution.	Developed and implemented business-viable distribution strategies. Enhanced access and convenience for rural migrant workers.
3	Gender Equity	Constraints faced by women in accessing financial services. Limited participation of women in financial decision-making.	Improved financial knowledge and skills among women. Increased access and use of formal financial services by women.

4. Target segment / Sectors

The primary target segments for this ToR are international migrant workers and their families, specifically those with a monthly household income below USD 430. This group faces significant barriers in accessing formal financial services, often relying on insecure and expensive informal channels. Additionally, the focus includes families in rural and underserved areas who manage remittances with low financial literacy and limited investment opportunities, particularly women who face extra challenges in accessing financial services and participating in financial decision-making. Financial institutions and fintech companies are also targeted to develop and distribute innovative financial products tailored to this segment. Community-Based Organizations (CBOs) and Non-Governmental Organizations (NGOs) will play a crucial role in outreach, education, and supporting the implementation of these financial products to ensure they meet the specific needs of the communities they serve.

Gender Considerations

This ToR has a strong gender dimension. While a gender-smart market analysis is not required, applicants are expected to consider the specific needs and challenges faced by women migrant workers and their families when designing their financial product solutions. UNCDF expects to receive gender-disaggregated data from the successful applicant to track the project's impact on women and men. The ToR specifically identifies constraints faced by women, such as limited access to financial services and participation in financial decision-making. Measures and strategies to address these constraints include:

- Designing financial products that are accessible and relevant to women's needs.
- Targeting outreach activities to women migrant workers and their families.
- Encouraging women's participation in financial decision-making.

This ToR aims to design interventions that ensure women and men benefit equally. Expected benefits include:

- Equal participation in financial product programs.
- Improved financial knowledge and skills for both women and men.
- Increased access to and use of formal financial services for both women and men

5. Geographical scope

The interventions through this TOR aim to provide direct service delivery to families of migrant workers in rural areas. The interventions are concentrated in six districts within the Chittagong and Dhaka division, namely Chattogram, Cumilla, Feni, Munshiganj, Narsingdi, and Tangail districts, with a focus on high migration outflow, poverty incidence, climate change exposure, presence of women migrant workers, and concentration of industries and financial institutions.

Applicants are free to submit offers based on their areas of preference. However, UNCDF reserves the right to accept an application and modify the area of coverage to better suit the programme needs and taking into consideration the competitive advantage of the applicant in the implementation area.

6. Duration

The implementation of the Agreement that will be signed between UNCDF and the selected applicant is expected to have a Twenty-Four (24) months duration , beginning in February 2025.

7. Budget

UNCDF will provide a grant to the selected applicants in accordance with the Evaluation Criteria provided in the later section of this document. UNCDF contributions may be up to USD 100,000 per solution where **the applicant must contribute to at least 40% of total project cost.**

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

Eligible and Ineligible costs are listed in the latter section of this document.

8. Expected Results/Outcomes from the Completion of the Activities under the Grant

Impact/Performance Indicators	Disaggregation of Data	Current Situation ²	Target Outcome/Results
<i>Number of Financial Product Solutions Developed</i>	N/A	1 (Generally all scheduled banks have a product called NRB banking (non-resident banking) but very few customized product for migrants and their families specially for low income segment) Source: Project Baseline, 2024	At least one
<i>Number of migrant workers and families with gained access to new formal financial solution</i>	<i>Gender</i> <i>Low income group (Less than USD 430 monthly income)</i> <i>Location</i>	According to the Global finindex data, 2021 , 47% of adult population of Bangladesh, which represents approximately 53.35 million adults out of total adult population of 113.5 million, still do not have access to formal financial services.	15,000(50% women) <i>Low income group (Less than USD 430 monthly income) -80% All located in the target geographical area</i>
<i>Percentage of migrants and their families who gained access to the promoted financial product and are using formal financial solutions</i>	<i>Gender</i> <i>Low income group (Less than USD 430 monthly income)</i> <i>Location</i>	According the project baseline (2024), only 20.08% surveyed population, representing 1,545 individuals from project locations, use formal financial services despite having access.	At least 30%(60% women) <i>Low income group (Less than USD 430 monthly income) -80% All located in the target geographical area</i>
<i>Number of Participants Demonstrating Improved Financial Management Practices.</i>	<i>Gender</i> <i>Low income group (Less than USD 430 monthly income)</i>	According the project baseline (2024), 31.87% of surveyed population, representing 1,545 individuals from project locations have improved financial practice by owning formal financial instrument.	1,000(50% women) <i>Low income group (Less than USD 430 monthly income) -80% All located in the target geographical area</i>

² Baseline exercise is ongoing and data will be updated once finalized.

<i>Number of Women Engaged in Financial Decision-Making.</i>	<i>Gender</i> <i>Low income group (Less than USD 430 monthly income)</i> <i>Location</i>	Baseline: 0 According to the project baseline (2024), 36% of women make independent financial decision and while around 50% can make partial financial decision with support of family member, representing a surveyed population of 435 women from project locations.	1,000(50% women) <i>Low income group (Less than USD 430 monthly income) -80%</i>
<i>% increase in remittance inflow through formal channel</i>	N/A	Approximate USD 5.403 billion as per the data of 2023-2024 in targeted six districts. Source: Bangladesh Bank Data, 2024	10%

It is essential for the project to collaborate only with applicants whose data can clearly demonstrate that the above indicators, as well as any others agreed upon with UNCDF, have been achieved and are substantiated by clear evidence and substantive data.

The performance indicators above are only a preliminary list. The specific performance indicators and monitoring framework shall be developed and finalized between the applicant and UNCDF.

9. Grant Disbursement Schedule

The grant that UNCDF will provide shall be disbursed based on the following schedule and milestone accomplishments:

Target Milestones/ Accomplishment	Performance/ Success Indicators	Method to Verify Milestone Accomplishment ³	Grant Amount Due
Milestone 1:	<i>Project workplan submission for the entire project duration as well as a detailed first year project plan submission</i> <i>Project kick off meeting with onboarded team members</i>	Workplan is finalized, approved and accepted by UNCDF Minutes of inception approved by UNCDF Team members are mobilized, introduced to UNCDF, designated roles agreed by UNCDF, and implementation activities are initiated as per documentations validated by UNCDF	10%
Milestone 2:	<i>At least one financial solution developed and launched</i> <i>The financial solution should have features that will enable UNCDF to determine the profile of the clients, the location of the client, and verify if the target beneficiaries in the target locations are being served</i> <i>Distribution channel/strategy for the product promotion completed</i> <i>Development of all promotional and dissemination collateral</i>	Details of product feature and release note signed by the organization authority and approved by UNCDF Product launch letter /advertisement/press release authorized by the management of grantee and approved and accepted by UNCDF Flow chart or steps of distribution strategies approved by the organization authority and accepted by UNCDF Copy of all collateral, promotional materials	20%

³ For grants that exceed US\$ 300,000, UNCDF shall engage an independent assessor to validate and milestones achieved. For grants below this amount, UNCDF reserves the right to engage such assessor as UNCDF may deem necessary. If there will be changes in the milestones and indicators of having achieved them after the agreement has been signed, UNCDF reserves the right to amend the agreement that will be signed to incorporate more detailed methods of verification and validation of milestone accomplishments as basis for disbursement of payment tranches, as may be recommended by the independent assessor or any such expert that UNCDF engages.

		<p>approved and accepted by UNCDF</p> <p>Recorded demonstration of product during the launch as witnessed by UNCDF showing features that will enable UNCDF to determine the profile of the clients (i.e., women from families earning below \$430 a month in the target geographical locations) and verify that the target beneficiaries in the target locations are being served. This will be documented and reported by the UNCDF representative to the event.</p> <p>Sample print-out of system-generated report showing the breakdown of profile of the users of the solution, verified, confirmed and accepted by UNCDF that all data pertaining to target segment and indicators are accurately documented.</p>	
Milestone 3:	<p><i>3,000 (cumulative) migrant workers and their families (At least 50% women and 80% with monthly income less than USD 430 in the target geographical locations) have gained access to new formal financial solution</i></p> <p><i>900 (cumulative) migrants and their families (At least 50% women and 80% with monthly income less than</i></p>	<p>Grantee to provide a system-generated database of 3,000 migrant workers and their families (At least 50% women, 80% low income out of 3,000, and all located in the target geographical area) have gained access and at least 900 migrants and their families are using</p>	20%

	<p><i>USD 430 in the target geographical locations) who gained access to the product, are using formal financial solution</i></p>	<p>formal financial solution.</p> <p>A validation report developed by UNCDF through reviewing and cross-verifying the system-generated database with beneficiary surveys, confirming that the specified criteria for gender, location, income, and usage of formal financial solutions have been met.</p> <p>Photographs and video clips of engagement and activities such as product promotion, campaigns, service delivery captured by the grantee and also observed and captured by UNCDF representative during monitoring field visit.</p>	
Milestone 4:	<p><i>8,000 (cumulative) migrant workers and their families (At least 50% women and 80% with monthly income less than USD 430 in the target geographical locations) have gained access to new formal financial solution</i></p> <p><i>2,400 migrants and their families (At least 50% women and 80% with monthly income less than USD 430 in the target geographical locations) who gained access to the product, are using formal financial solution</i></p>	<p>Grantee to provide a system-generated database of 8,000 migrant workers and their families (at least 50% women and 80% low income out of 8,000), and all located in the target geographical area, have gained access and at least 2,400 are using formal financial solution</p> <p>A validation report developed by UNCDF through reviewing and cross-verifying the system-generated database with beneficiary surveys, confirming that the</p>	20%

		<p>specified criteria for gender, location, income, and usage of formal financial solutions have been met.</p> <p>Photographs and video clips of engagement and activities such as product promotion, campaigns, service delivery captured by the grantee and also observed and captured by UNCDF representative during monitoring field visit.</p>	
Milestone 5:	<p><i>15,000 (Cumulative) of migrant workers and their families (At least 50% women and 80% with monthly income less than USD 430 in the target geographical location) have gained access to new formal financial solution</i></p> <p><i>4,500 migrants and their families (At least 50% women and 80% with monthly income less than USD 430 in the target geographical location) who gained access to the product, are using formal financial solution</i></p> <p><i>1,000 beneficiaries (At least 50% women and 80% with monthly income less than USD 430 in the target geographical location) demonstrating Improved Financial Management Practices</i></p> <p><i>1,000 Women Engaged in Financial Decision-Making.</i></p>	<p>Grantee to provide a system-generated database of 15,000 migrant workers and their (at least 50% women and 80% low income out of 15,000, and all located in the target geographical area) have gained access and at least 4,500 are using formal financial solution</p> <p>Grantee to provide a system generated records of 1,000 migrant workers and their families (at least 50% women and 80% low income out of 1,000, and all located in the target geographical area) showing increased savings/investment or improved debt management</p> <p>A validation report developed by UNCDF through reviewing and cross-verifying the</p>	20%

		<p>system-generated database with beneficiary surveys, confirming that the specified criteria for gender, location, income, and usage of formal financial solutions have been met. The validation report also includes an assessment showing that at least 1,000 women were engaged in financial decision making.</p> <p>Photographs and video clips of engagement and activities such as product promotion, campaigns, service delivery captured by the grantee and also observed and captured by UNCDF team during monitoring field visit.</p>	
Milestone 6:	<i>Project closure and sustainability interventions institutionalized</i>	<p>Project closing and sustainability report accepted by UNCDF</p> <p>Project final report which must include, among others, the following key information : (a) all baseline information for various parameters in the TOR, and the corresponding improved numbers achieved by completing the work of the Grantee; (b) challenges, (c) best practices and lessons learnt, (d) recommendations for scaling up and for</p>	10%

		continuing the work – duly accepted by UNCDF.	
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The Monitoring and Evaluation Analyst of the project, supported by the Project Officer and District Project Associates, will conduct a comprehensive validation exercise for the milestones. This exercise will encompass a variety of strategies, including field monitoring visits and live observation of engagement activities. Additionally, the team will conduct surveys to gather quantitative data on beneficiary engagement and outcomes. They will also carry out qualitative assessments through case studies and focus group discussions to gain deeper insights into the experiences and perspectives of the participants. These methods will ensure a comprehensive validation of the project's progress and impact, providing both quantitative and qualitative evidence of milestone achievement. The validation process will be systematically documented and reviewed to ensure accuracy and reliability.

Applicants may develop and provide a detailed monitoring framework that complements the requirements set forth by UNCDF. This framework should outline the methodologies and tools that will be used to track progress, measure outcomes, and ensure data accuracy and reliability. Additionally, applicants may propose additional Key Performance Indicators (KPIs) that align with the specific project activities and objectives. These KPIs could be designed to provide actionable insights and facilitate continuous improvement throughout the project lifecycle.

However, UNCDF is not bound to accept nor apply the said KPIs, and monitoring framework proposed by the applicant. UNCDF reserves the right to modify the monitoring framework or introduce changes, or introduce a completely different set, in accordance with UNCDF rules, the best interest of both UNCDF and the final beneficiaries.

IV. ROLE OF UNCDF

UNCDF uses a combination of capital instruments (deployment, financial and business advisory and catalysation) and development instruments (technical assistance, capacity development, policy advice, advocacy, thought leadership, and market analysis and scoping), which are applied across five priority areas (inclusive digital economies, local transformative finance, women's economic empowerment, climate, energy, and biodiversity finance, and sustainable food systems finance).

V. ELIGIBILITY FOR APPLICATION AND EVALUATION CRITERIA

1. Applicants

Eligible entities can apply alone or as lead applicants in a consortium of firms if they comply with the eligibility requirements in this document. Only applications that meet the eligibility requirements will proceed to the next stage of evaluating compliance to the criteria.

In case of a consortium of entities applying to the opportunity, the lead applicant shall be the only one to comply with the eligibility requirements. The lead applicant will be directly accountable to UNCDF and shall be responsible for the following:

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

2. Eligibility Requirements

UNCDF is looking to work with financial service providers (National or international) for the purpose of this grant, and consortiums of entities led by financial institutes are also encouraged to apply.

The financial service providers must have the following minimum eligibility and qualification criteria:

Eligibility Requirement	Document to be provided
Registered and certified financial service provider	<input type="checkbox"/> Registration of the business, including Articles of Incorporation, or equivalent document if Applicant is not a corporate entity. <input type="checkbox"/> Members of the Governing Board and their Designations duly certified by the Corporate Secretary, or its equivalent document, if the Applicant is not a corporate entity. <input type="checkbox"/> List of Shareholders and Other Entities Financially Interested in the Firm owning 5% or more of the stocks and other interests, or its equivalent if Applicant is not a corporate entity. <input type="checkbox"/> Audited Financial Statements (Income Statement and Balance Sheet) including Auditor's Report and opinion) for 2022, 2023 and 2024 (for 2024 Provisional Financial Statement is acceptable) <input type="checkbox"/> Tax Registration/Payment Certificate issued by the Internal Revenue Authority in the country of operation evidencing that the Applicant is updated with its tax payment obligations, or Certificate of Tax exemption, if any such privilege is enjoyed by the Applicant. <input type="checkbox"/> Official Letter of Appointment as local representative, if Applicant is submitting for and on behalf of an entity located outside the country. <input type="checkbox"/> List of Bank References (Name of Bank, Location, Contact Person and Contact Details).
The financial service provider and/or its consortium member must demonstrate direct experience working with the target beneficiaries at the grassroots level in Bangladesh.	<input type="checkbox"/> Organization's Profile, which should not exceed fifteen (15) pages, highlighting the work that are similar to the requirements of the TOR. <input type="checkbox"/> Statement of Satisfactory Performance from the Top 3 Clients in the past five 5 years, particularly where the work is similar to the requirements of this TOR.
The company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.	<input type="checkbox"/> Confirm that your organization is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.
All information regarding any past and current litigation during the last five (5) years	<input type="checkbox"/> All information regarding any past and current litigation during the last five (5) years, in which the Applicant is involved, indicating the parties concerned, the subject of the litigation, the amounts involved, and the final resolution if already concluded.

Optional Document (may be submitted to supplement the entity's credibility but these documents will not be used as basis for eligibility screening)	<input type="checkbox"/> International Accreditation Certificates, awards, citations, and other recognitions received in the past by the applicant <input type="checkbox"/> [Any other documentary evidence that the applicant may deem relevant to the requirements of this TOR]
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If any of the documents above cannot be provided, the Applicant must provide an explanation.

Only applications that follow the Submission Formats and include all the necessary documentation will be considered. Please see the Instructions to Applicants herein attached for other information on the grounds for exclusion of Applicants, as well as rules governing the submission of application of Consortiums.

3. Criteria for the Selection of the Applicants

The Evaluation Committee will review and rate the applications according to the evaluation criteria below, based solely on the documents/information that will be submitted by the Applicant.

	Criteria	Documents to be Submitted to Establish Compliance with the Criteria	Max Score
1	<p><u>Organization profile and experience</u></p> <p>The applicant's profile is compliant with the eligibility requirements.</p> <p>The track record, reputation, experience are similar to the requirement. The applicant has successfully completed any form of engagement with UNCD in the past.</p>	Eligibility documents that will be submitted by the Applicant	20
2	<p><u>Suitability of Team Composition and Qualifications</u></p> <p>The applicant's proposed team structure, and the experiences of the team members are suited for this ToR.</p> <p>Their management skills, technical know-how, on the field footprint, monitoring, and RM capacities, etc.) are aligned with the requirements of the ToR.</p>	CVs of Team Leader and Members that will directly work with UNCDF	20
3	<p><u>Appropriateness of the Proposed Solution</u></p> <p>The applicant's proposed solution is appropriate to the development challenges and the project environment.</p> <p>The solution has been piloted/tested and proven to have been effective and successful in the past.</p>	Description of Proposed Solution that addresses how each of these criteria will be met	20

	<p>The solution serves the objectives of the grant/investment, directly translates into the results/outcomes intended for this selection process.</p> <p>The workplan is realistic and achievable.</p> <p>There is sufficient risk management, quality control, reporting and other project management good practices.</p> <p>The proposed solution is targeted and inclusive, specifically addressing the financial needs of low-income migrant workers and their families by offering accessible and affordable investment instruments/credit products, and/or asset-building tools.</p> <p>The proposed solution is culturally relevant, ensuring that financial products are tailored to the unique cultural contexts of migrant worker communities, utilizing local languages, and leveraging existing community networks.</p> <p>The proposed solution is focused on developing innovative distribution strategies that are both business-viable and capable of reaching last-mile populations, addressing the unique challenges faced by migrant workers and their families in rural areas. These strategies should prioritize ease of access, convenience, and adaptability to local conditions.</p> <p>The financial product equips the target group with improved financial management practices, leading to increased assets or investments, better debt management, and greater use of formal financial services.</p> <p>There is evidence of the applicant's ability to report on whether or not the target indicators and market segment will be met.</p>		
4	<p><u>Value Addition</u></p> <p>UNCDF will determine if the proposed solution will have any other valuable development impact in addition to the target outcomes/Results of the selection process.</p>	Corresponding Narrative Provided in the Description of Proposed	10

	<p><i>Examples of such desired value addition may include any or a combination of the following:</i></p> <p><i>Strengthening institutional capacities of stakeholders and partners</i></p> <p><i>Supporting community-based self-help initiatives which may include income-generating activities designed to alleviate poverty</i></p> <p><i>Advocacy activities and networking between CSOs, Govt and donors</i></p> <p><i>Supporting nature-based solutions, climate change actions, gender equality and poverty eradication</i></p> <p><i>Solving development challenges that still require some level of experimentation to identify the most feasible solution</i></p> <p><i>Strategic interest in the development of stakeholders beyond the duration of the grant</i></p>	Solution which addresses how each of the criteria will be met	
5	<p><u>Gender perspective</u></p> <p>The solution is able to integrate and prioritize gender Equality and Inclusion in its design and implementation with a gender gap analysis and impact assessment.</p> <p>The solution recognizes the unique challenges faced by women in accessing financial services and participating in financial decision-making.</p> <p>The proposed solution demonstrate a clear understanding of these challenges and propose strategies to ensure women using the financial product and benefit from the solution.</p>	Corresponding Narrative Provided in the Description of Proposed Solution which explains how each of the criteria will be met	10
6	<p><u>Sustainability of Proposed Solution</u></p> <p>The proposed solution is suitable and plans are in place to continue its use long after the implementation of the grant agreement.</p> <p>The proposed solution is designed to be scalable, with a focus on easy replication and expansion to other districts in Bangladesh, ensuring that the financial products can reach a wider population of migrant workers and their families.</p> <p>The proposed solution includes sustainability mechanisms, such as ongoing support, community engagement, and partnerships with local stakeholders, to ensure that the programs</p>	Corresponding Narrative Provided in the Description of Proposed Solution which explains how each of the criteria will be met	10

	continue to thrive and expand beyond the initial grant period.		
7	<u>Results Measurement</u> The results measurement plan and data management plans are effective, coherent, and fully aligned with those of the project.	Corresponding Narrative Provided in the Description of Proposed Solution which explains how each of the criteria will be met	10
TOTAL			100

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

4. Eligible costs

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

- The costs were incurred by the applicant during the project (after the signature of the Performance-based Agreement and up to the end of the Grant period);
- The costs have been indicated in the estimated overall budget of the action attached to the Performance-based Agreement;
- The costs are 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;
- The costs comply with the requirements of applicable tax and social legislation;
- The costs are reasonable, justified and comply with the principle of sound financial management, in particular regarding economy and efficiency;
- The costs for consultancy services – 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;
- The costs are for consultants' travel costs, including subsistence allowances. These should be shown as travel expenditure. The applicant may be required to justify the daily fee;
- The costs are for workshop venue, food and beverages, and publication materials;
- The costs are for Training (financial education, digital education, soft skills), for the project's final beneficiaries are 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;
- The costs are investment costs directly attributable to the project, relating to research and innovation.

5. Ineligible costs

The following costs are ineligible and not acceptable for UNCDF funding:

- Returns on capital and dividends paid by a beneficiary;
- Debt and debt service charges;
- Provisions for losses or debts;
- Interest owed;
- Indirect costs, also called overhead.

As mentioned earlier, the applicant is required to contribute 40% of the total costs. The ineligible costs listed above apply only to the portion funded by UNCDF. The applicant's contribution must also exclude these ineligible costs to ensure compliance with funding guidelines.

VI. APPLICATION REQUIREMENTS AND APPLICATION PROCESS

1. Structure of the Application

The applicant must submit a complete application online. All applications should be done in the following structure:

- Eligibility Documents – The documents listed in the succeeding section should be compiled.
- Description of Proposed Solution – this should make use of UNCDF's template. When preparing this section, applicants are expected to ensure that this will be developed and organized in a manner that will clearly demonstrate to UNCDF how the Applicant meets each of the criteria listed above and cite evidence of such compliance.
- Budget and Resources Plan – this should make use of UNCDF's template, and breakdown the budget into what the Applicant will fund, as well as how and where the UNCDF grant amount will be spent.
- Curriculum Vitae of Team – this should make use of UNCDF's template.

2. Application Details

The applicants are expected to observe and be mindful of the below information governing the Application process:

Deadline of Submission of Application	January 15, 2025
Time of Latest Submission*	23:59 EDT TIME
Language of the Application and all supporting documents	English. Registration certificate/license or any other recognition credibility that originally issued in Bengali will be accepted.
Method for Submission of Application	UNCDF e-investment platform: https://apply.uncdf.org/prog/241125-BGD-Migrant-Finclusion
Date and Time of Meeting / Q&A between UNCDF and Prospective Applicants	Date: 05 December 2024 Time: 3 PM Dhaka time Link: Join Zoom Meeting https://undp.zoom.us/j/89212177192 Meeting ID: 892 1217 7192
Last day for the transmission of questions/queries	07 days before submission deadline
Email address for submission of Questions	queries@uncdf.org
Areas of Intervention where an Applicant can apply (Applicant indicate the areas targeted in the application they are submitting)	Applicants can apply for a single to multiple financial product/solution specifically catering low-income international migrant and their families
Validity of the Application	150 calendar days
Currency of the Budget Proposal	USD for contract value Disbursements will be in BDT subject to UNORE exchange rate for the financial institutes
Percentage of the Total Budget Proposal that the applicant is expected to fund in cash (for costs such technical resources, staff, and operational expenses).	40%
Range of UNCDF's contributions / Percentage share of the Total Budget Proposal	60%
Type of Agreement to be Signed with Successful Applicant/s	Low Value Performance Based Payment Agreement - LVPBPA
No. of Applicants that Will be Selected and Awarded an Agreement (depending on the investment readiness level and outreach potential of the solution proposed).	Maximum five (5) applicants
Latest Expected Date of Signing the Agreement with the Successful Applicant/s	February 2025

Expected Duration of the Agreement	Twenty-Four (24) months from signing date
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* All Potential Applicants are encouraged to visit the TOR advertisement site frequently to check on any change in TOR, particularly deadline extensions.

3. Selection Process

The successful applications shall be determined by following these stages of selection process:

- a) Eligibility screening / Longlisting;
- b) Evaluation of eligible applications based on the extent the application complies with criteria set forth in the previous section;
- c) A due diligence on the selected applications that will be conducted by UNCDF – at this stage, additional documentation and evidence may be requested by UNCDF from the applicants;
- d) Notification of applications of the status of their applications, both successful and unsuccessful.

VI. ANEXES TO THIS TOR

Instructions to TOR Applicants	https://apply.uncdf.org/protected/nr/TD8B4/Instructions_TOR_Applicants.pdf
Main application guidance document	https://apply.uncdf.org/protected/nr/4PZN2/241125_BGD_-_Main_application_guidance.docx
Low Value Performance Based Agreement	https://apply.uncdf.org/protected/nr/MXWZh/LVPBPA.docx
Budget template	https://apply.uncdf.org/protected/nr/rkwGg/240704_-_BGD_-_Budget.xlsx
CV template	https://apply.uncdf.org/protected/nr/6vn6t/CV_statement_template.docx
Partner Capacity Assessment Tool - PCAT	https://apply.uncdf.org/protected/nr/FFGKz/UNCDF_PCAT_tool_nov_2024.xlsm
Risk Assessment Tool for private sector	https://apply.uncdf.org/protected/nr/37nCH/DD_Risk_assesement_tool.pdf