

United Nations Capital Development Fund TERMS OF REFERENCE

Development of Innovative Digital Financial Literacy Solutions for Migrant Workers or their Family Members, Particularly Women

241115 - BGD

I. BACKGROUND

The United Nations Capital Development Fund (UNCDF) is the United Nations' flagship catalytic financing entity for the world's 45 least developed countries (LDCs). With its unique capital mandate and focus on the LDCs, UNCDF works to invest and catalyse capital to support these countries in achieving the sustainable growth and inclusiveness envisioned by the 2030 Agenda for Sustainable Development and the Doha Programme of Action for the least developed countries, 2022–2031.

UNCDF builds partnerships with other UN organizations, as well as private and public sector actors, to achieve greater impact in development, specifically by unlocking additional resources and strengthening financing mechanisms and systems contributing to transformation pathways, focusing on such development themes as green economy, digitalization, urbanization, inclusive economies, gender equality, and women's economic empowerment.

A hybrid development finance institution and development agency, 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).

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 The United Nations Capital Development Fund (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.

2. Target Development Outcome/s of the Project

UNCDF is currently implementing 'Shafal'¹ – 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 program 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.

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

For this Terms of References (ToRs), under Outcome 1 of this project, UNCDF is seeking private institutions such as financial institutions, business development institutions, business associations, fintech companies, microfinance institutions, payment service operators/providers, relevant startups etc. , that can sustainably offer digital financial literacy (DFL) to the migrant workers and their family members, especially women. This initiative aims to empower migrant workers and their families to access financial services and efficient remittance management.

III. REQUEST FOR APPLICATIONS

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.

- **Dependence on Informal Channels:** Despite the significant volume of remittances, a considerable portion still flows through informal channels. This reliance on informal channels not only reduces the benefits for the national economy but also exposes migrant workers and their families to risks such as fraud and loss of funds. The continued use of informal channels highlights a significant gap in the accessibility and trust in formal financial services.
- **Inefficient Utilization of Remittances:** According to the UNCDF's Bangladesh country assessment on migrant remittances and financial services in 2022, over 90% of remittances are used for immediate household needs, including food, medical expenses, housing, and education. While these expenditures are essential for daily living, they do not contribute to long-term financial stability or economic growth. The lack of strategic utilization of remittances for productive investments, such as small businesses or savings, limits their potential to drive sustainable development and economic resilience.
- **Limited Financial and Digital Literacy:** A key challenge facing migrant workers and their families is limited financial and digital literacy. Many lack the necessary knowledge and skills to effectively access and utilize formal financial services, which hinders their ability to save, invest, and plan for the future. Additionally, the lack of digital literacy impedes the adoption of digital financial solutions, which could provide more secure and efficient ways to manage remittances and enhance financial inclusion.
- **Limited Private Sector Involvement:** Despite the large economic impact of remittances, there are very few sustainable financial literacy initiatives driven by private sector partners. Most existing efforts are spearheaded by NGOs and are reliant on external funding, which limits their scalability and sustainability. Engaging private sector partners is crucial to develop innovative solutions that can operate independently and create a long-term impact on the financial literacy and well-being of migrant workers and their families.

Addressing these challenges is essential to unlocking the full potential of remittances for sustainable development. There is an urgent need for innovative financial literacy solutions and improved access to formal financial services. Enhancing financial and digital literacy, promoting the use of formal remittance channels, and encouraging the productive use of remittances can significantly contribute to the economic stability and development of Bangladesh. Engaging private sector partners in these efforts will be key to creating sustainable solutions that can operate in the long run, fostering economic growth and resilience. This comprehensive approach will help in addressing the vulnerabilities in the migration cycle and enhancing the financial well-being of migrant workers and their families.

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 digital financial literacy (DFL) solutions**. These solutions aim to improve the overall digital financial literacy of **migrant workers and their family members**, particularly women, in the following districts: Narshingdi, Chattogram, Feni, Cumilla, Tangail, and Munshiganj.

The specific objectives are as follows:

- **Develop and customize digital financial literacy solutions²:** Create gender-smart and migrant-centric solutions tailored to the unique needs of migrant workers and their families, enhancing their skills, knowledge, and confidence in using digital financial services.
- **Disseminate and implement financial literacy solutions:** Effectively distribute and apply the developed DFL programs in the targeted districts, ensuring accessibility and engagement among the migrant worker population.
- **Promote sustainable financial practices:** Encourage the use of formal financial channels and educate participants on effective financial management, including account management, credit applications, and investment in new or existing businesses.

3. Requirements

UNCDF seeks to partner with a private organization, or potentially a consortium of organizations, to tackle a critical challenge hindering Bangladesh's economic development which is the underutilization of migrant remittances. Despite significant volumes of remittances flowing into the country, a substantial portion remains trapped in informal channels, hindering national economic benefits and exposing migrant workers and their families to financial risks. Additionally, limited financial and digital literacy among these families restricts their ability to effectively manage and leverage these resources for long-term financial stability and investment.

UNCDF is committed to unlocking the full potential of remittances for sustainable development in Bangladesh. To achieve this, UNCDF will provide a competitive grant to the selected organization(s) to support the development, implementation, and monitoring of innovative Digital Financial Literacy (DFL) solutions. This grant will empower the chosen partner(s) to design and deliver impactful programs that address the specific needs of migrant workers and their families, particularly women, residing in the six targeted districts.

UNCDF would like to partner with an entity that can develop DFL solutions that are:

- **Gender-Smart:** The ToR recognizes the unique challenges faced by women in accessing financial services and participating in financial decision-making. The selected proposal will demonstrate a clear understanding of these challenges and propose strategies to ensure women actively participate and benefit from the DFL programs.
- **Culturally Relevant:** The DFL solutions should be tailored to the specific needs and cultural context of migrant worker communities in the targeted districts. This may involve utilizing local languages, leveraging existing community networks, and developing content that resonates with the target audience.

² *Solution- it could be any program, training modules, mobile applications, innovative strategies that should be suitable to disseminate among the migrant communities.

- **Action-Oriented:** The DFL programs should equip participants with practical skills and knowledge to manage their finances effectively. This could include training on budgeting, saving, investing, sending and receiving remittances through formal channels, and utilizing mobile banking services.

This ToR prioritizes both immediate impact and long-term sustainability. Applicants should propose solutions that can be:

- **Scalable:** The DFL programs should be designed to be easily replicated and scaled in other districts across Bangladesh.
- **Tech-Enabled:** Leveraging digital platforms and mobile technologies can ensure wider reach and accessibility for geographically dispersed migrant communities.
- **Partner-Driven:** The proposal should foster collaboration between the NGOs, financial institutions, fintech companies, and community-based organizations to create a robust ecosystem for financial inclusion.

Thematic Scope of the ToR

| Areas In Need of intervention | | Specific Development Challenges | Target Results/Outcomes to be Achieved |
|-------------------------------|----------------------------|--|--|
| 1 | Digital Financial Literacy | <p>Limited financial and digital literacy among migrant workers and families.</p> <p>Reliance on informal remittance channels.</p> <p>Lack of knowledge and skills for effective financial management.</p> | <p>Increased knowledge, skills, and confidence in using digital financial services.</p> <p>Increased awareness of benefits and security of formal remittance channels.</p> <p>Improved financial management practices, including budgeting, saving, and investing.</p> |
| 2 | Gender Equity | <p>Constraints faced by women in accessing and using financial services.</p> <p>Limited participation of women in financial decision-making.</p> | <p>Increased participation of women in DFL programs.</p> <p>Improved financial knowledge and skills among women.</p> <p>Increased access and use of formal financial services by women.</p> |

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. The project will initially concentrate on key migrant-prone districts: Chattogram, Feni, Cumilla, Munshiganj, Tangail, and Narshingdi. 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. A gender-smart market analysis is not required, but applicants are expected to consider the specific needs and challenges faced by women migrant workers and their families when designing their DFL 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 DFL programs 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 DFL 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 on six districts of 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 expected starting from 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 96,000 per solution where the applicant must contribute at least 40% of total cost of delivering the milestones.

Specific projects will be financed based on business needs. Depending on the maturity of the solutions and the success of the pilot, UNCDF would be able to continue its support for the mobilization of investment capital (loan and guarantee) and 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 ³ | Target Outcome/Results |
|--|--|---|--|
| Number of digital financial literacy solution developed | N/A | 0 (There is no solution targeting the migrants and their families). Banks have financial literacy modules open for all in their website as per guideline of Bangladesh Bank. | 01 |
| Number of people demonstrating improved understanding of financial concepts (budgeting, account management, saving, credit management) | Gender Low income group Location | According to UNCDF IDES Scorecard, 2022 , The financial literacy score is 48% | 15,000 (At least 50% women) Low income group (Less than USD 430 monthly income) -80% All located in the target geographical area |
| Percentage increase in participants using digital financial services (e.g., mobile banking, online transactions). | Gender Low income group Location | According to Global index data, 2021 , 53% of the adult population of Bangladesh, which represents approximately 60.2 million adults out of total adult population of 113.5 million have access to formal financial services. | 25% (50% women) Low income group (Less than USD 430 monthly income) 80% All located in the target geographical area. |
| Number of people with Improved financial management practices, including budgeting, saving, and investing. | Gender Low income group Location | 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. | 3,000 (50% women) (At least 50%) Low income group (Less than USD 430 monthly income) 80% All located in the target geographical area |

³ Baseline exercise is underway and findings from that will be used to finalise targets.

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| (adopt at least one financial services such as formal bank account, savings account, formal loan, insurance etc.) | | | |
| Number of participants transitioning from informal to formal financial services. | Gender Low income group | According to the Project Baseline Data (2024), At least 55% people using informal channel for sending remittance, representing a total of 1,125 individuals from project locations. | 1,000 (50% women) Low income group (Less than USD 430 monthly income) 80% |
| Percentage increase in financial decision-making by women in their households. | 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 survey population of 435 women from project locations. | +20% |

It is essential for the project to collaborate work only with applicants whose data can clearly demonstrate and establish 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 ⁴ | Grant % Due |
|--------------------------------------|---|---|----------------|
| Milestone 1: | <p><i>Project kick off meeting with onboarded team members</i></p> <p><i>Project workplan submission for the entire project duration as well as a detailed first year project plan submission</i></p> | <p>Workplan is finalized, approved and accepted by UNCDF</p> <p>Minutes of inception approved by UNCDF</p> <p>Team members are mobilized, introduced to UNCDF, designated roles agreed by UNCDF, and implementation activities are initiated as per documentations validated and accepted by UNCDF.</p> | 10% |
| Milestone 2: | <p>Digital financial literacy solution developed</p> <p>The proposed solution should have features that will enable UNCDF to determine the profile of the clients, the location of the clients, and verify if the target beneficiaries in the target locations are being served</p> | <p>Details of the solution- such as training module, app release note etc approved and accepted by UNCDF.</p> <p>Copy of all collateral, training materials approved and accepted by UNCDF</p> <p>Official release of the DFL solution such as launching letter/advertisement/press release etc. approved and accepted by UNCDF</p> <p>Video recording of the demonstration of solution to target market witnessed and attended 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 geographical locations are being served. This will be documented and reported by the UNCDF</p> | 10% |

⁴ 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.

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| | | <p>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>At least 3,000 (At least 50% women and 80% with monthly income less than USD 430 in the target geographical locations) cumulative beneficiaries demonstrating improved understanding of financial concepts (budgeting, account management, saving, credit management)</p> <p>At least 750 cumulative (At least 50% women and 80% with monthly income less than USD 430 in the target geographical locations) beneficiaries using digital financial services (e.g., mobile banking, online transactions) as a new customer</p> <p>At least 300 (At least 50% women and 80% with monthly income less than USD 430 in the target geographical locations) beneficiaries with Improved financial management practices, including budgeting, saving, and investing. (adopt at least one financial services such as formal bank account, savings account, formal loan, insurance etc.)</p> | <p>Grantee to provide a system generated database of 750 migrant workers and their families (At least 50% women, 80% low income out of 750) using new formal financial services as a new customer.</p> <p>Grantee to provide a system generated database of 300 beneficiaries (At least 50% women, 80% low income out of 300 and all located in the target geographical areas) adopt at least one financial service (savings, investment, credit, insurance).</p> <p>Photographs and video clips of engagement and activities such as product promotion, campaigns, trainings captured by the grantee and also observed and captured by UNCDF representative during monitoring field visit.</p> <p>Pre and post assessments on 3,000 migrant workers and families (At least 50% women, 80% low income out of 3,000 all located in the target geographical areas) demonstrated improved understanding of financial concepts. The assessment will be conducted by UNCDF through digital survey and grantee will provide the database of the participants.</p> | 20% |
| Milestone 4: | <p>At least 8,000 cumulative beneficiaries (At least 50% women and 80% with monthly income less than USD 430 all located in the target geographical areas) demonstrating improved</p> | <p>Grantee to provide a system generated database of 2,000 migrant workers and their (At least 50% women, 80% low income out of 2,000) and all</p> | 20% |

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| | <p>understanding of financial concepts (budgeting, account management, saving, credit management)</p> <p>At least 2,000 cumulative beneficiaries (At least 50% women and 80% with monthly income less than USD 430 all located in the target geographical areas) using digital financial services (e.g., mobile banking, online transactions) as a new customer</p> <p>At least 1,000 (cumulative beneficiaries (At least 50% women and 80% with monthly income less than USD 430) with Improved financial management practices, including budgeting, saving, and investing. (adopt at least one financial services such as formal bank account, savings account, formal loan, insurance etc.)</p> <p>At least 500 beneficiary cumulative (At least 50% women and 80% with monthly income less than USD 430) transitioning from informal to formal financial services.</p> | <p>located in the target geographical areas using formal services as new customer.</p> <p>Grantee to provide a system generated database of 1,000 beneficiaries (At least 50% women, 80% low income out of 1,000) and all located in the target geographical areas adopt at least one financial service (savings, investment, credit, insurance)</p> <p>Pre and post assessments on 8,000 migrant workers and families (At least 50% women, 80% low income out of 8,000, all located in the target geographical areas) demonstrated improved understanding of financial concepts. The assessment will be conducted by UNCDF through digital survey and grantee will provide the database of the participants.</p> <p>Photographs and video clips of engagement and activities such as product promotion, campaigns, trainings captured by the grantee and also observed and captured by UNCDF representative during monitoring field visit.</p> | |
| Milestone 5: | <p><i>At least 15,000 (At least 50% women and 80% with monthly income less than USD 430, all located in the target geographical areas) cumulative beneficiaries demonstrating improved understanding of financial concepts (budgeting, account management, saving, credit management)</i></p> <p>At least 4,000 cumulative (At least 50% women and 80% with monthly income less than USD 430, all located in the target geographical areas) beneficiaries using digital financial services (e.g., mobile banking, online transactions) as a new customer</p> <p>At least 3,000 (At least 50% women and 80% with monthly income less than USD 430, all located in the</p> | <p>Grantee to provide a system generated database of 4,000 migrant workers and families (At least 50% women, 80% low income out of 4,000), all located in the target geographical areas, using formal financial services as a new customer.</p> <p>Grantee to provide a system generated database of 3,000 beneficiaries (At least 50% women, 80% low income out of 3,000), all located in the target geographical areas, adopt at least one financial service (savings, investment, credit, insurance)</p> | 0% |

| | | | |
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| | <p>target geographical areas) cumulative beneficiaries with Improved <i>financial management practices, including budgeting, saving, and investing. (adopt at least one financial services such as formal bank account, savings account, formal loan, insurance etc.)</i> At least 1,000 beneficiary cumulative (At least 50% women and 80% with monthly income less than USD 430, all located in the target geographical areas) transitioning from informal to formal financial services. At least 200 women transformed in financial decision-making in their households.</p> | <p>Pre and post assessments on 15,000 migrant workers and their families (At least 50% women, 80% low income out of 15,000), and all located in the target geographical areas, demonstrated improved understanding of financial concepts. The assessment will be conducted by UNCDF through digital survey and grantee will provide the database of the participants.</p> <p>UNCDF monitoring and validation report including evaluation of database provided by the grantee which will include an assessment showing that at least 1,000 beneficiaries (meeting the specified criteria and all located in the target geographical areas) have transitioned from informal to formal financial services, with evidence that at least 200 women have taken on roles in financial decision-making. Photographs and video clips of engagement and activities such as product promotion, campaigns, trainings captured by the grantee and also observed and captured by UNCDF representative during monitoring field visit.</p> | |
| Milestone 6: | <p><i>Project closure and sustainability interventions institutionalized</i></p> | <p>Project closing and sustainability report, duly accepted by UNCDF Project final report must include the following key information: (a) all baseline information for various parameters in the TOR and the corresponding improved numbers achieved by the completing the work of the grantee; (b) challenges, (c) best practices and lessons learnt, and (d) recommendations for scaling up and for continuing the work going forward, duly accepted by UNCDF.</p> | 0% |

The Monitoring and Evaluation Analyst of the project UNCDF with the support of the Project Officer and District Project Associates, will conduct the 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 conduct 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 duly 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 used to track progress, measure outcomes, and ensure data accuracy and reliability. Additionally, applicants may propose additional Key Performance Indicators (KPIs) that align with their 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 separate 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 catalyzation) 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 DFL service providers (National or international) for the purpose of this grant, and consortiums of entities led by private institutes are also encouraged to apply.

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

| Eligibility Requirement | Document to be provided |
|--|---|
| Registered and certified private institution | <input type="checkbox"/> Registration of the business, including Articles of Incorporation, or equivalent document if Applicant is not a corporate entity. <input type="checkbox"/> Latest Audited Financial Statement (Income Statement and Balance Sheet) including Auditor's Report and opinion for the past 2 years <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"/> 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 DFL solution 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 profile/Annual Report/Newspaper article relevant to the eligibility criteria. <input type="checkbox"/> Statement of Satisfactory Performance from the Top 2-3 Clients in the past three 5 years especially where the work is similar to the requirements of the ToR. |
| Detailed information regarding any past and current litigation involving the Applicant during the last three (3) year | <input type="checkbox"/> All information regarding any past and current litigation during the last three (3) 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 Documents (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 |

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.

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 | Organization profile and experience The applicant's profile is compliant with the eligibility requirements The track record, reputation, experience are similar to the requirement The applicant has successfully completed any form of engagement with UNCDF in the past. | Eligibility documents that will be submitted by the Applicant | 20 |
| 2 | Suitability of Team Composition and Qualifications The applicant's proposed team structure, and the experiences of the team members are suited for this TOR Their management skills, technical know-how, on the field footprint, monitoring and RM capacities, etc. are aligned with the requirements of this TOR | CVs of Team Leader and Members that will directly work with UNCDF | 20 |
| 3 | Appropriateness of the Proposed Solution The applicant's proposed solution is appropriate to the development challenges and the project environment. The solution has been piloted/tested and proven to have been effective and successful in the past. The solution serves the objectives of the grant/investment, and directly translates into the results/outcomes intended for this selection process. The workplan is realistic and achievable. | Description of Proposed Solution that addresses how each of these criteria will be met | 20 |

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| | <p>There is sufficient risk management, quality control, reporting and other project management good practices.</p> <p>The DFL solutions can be tailored to the specific needs and cultural context of migrant worker communities in the targeted districts.</p> <p>It involves utilizing local languages, leveraging existing community networks, and developing content that resonates with the target audience.</p> <p>The DFL programs equip participants with practical skills and knowledge to manage their finances effectively, including training on budgeting, saving, investing, sending, and receiving remittances through formal channels, and utilizing mobile banking services.</p> <p>There is evidence of the applicant's ability to report on whether the target indicators and market segments will be met.</p> | | |
| 4 | <p>Value Addition</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> <p>Examples of such desired value addition may include any or any combination of the following:</p> <ul style="list-style-type: none"> • Strengthening institutional capacities of stakeholders and partners • Supporting community-based self-help initiatives which may include income-generating activities designed to alleviate poverty • Advocacy activities and networking between CSOs, Govt and donors • Supporting nature-based solutions, climate change actions, gender equality and poverty eradication • Solving development challenges that still require some level of experimentation to identify the most feasible solution • Strategic interest in the development of stakeholders beyond the duration of the grant | <p>Corresponding Narrative Provided in the Description of Proposed Solution which addresses how each of the criteria will be met</p> | 10 |
| 5 | <p>Gender perspective</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 actively participate and benefit from the DFL programs.</p> | <p>Corresponding Narrative Provided in the Description of Proposed Solution which explains how each of the criteria will be met</p> | 10 |

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| 6 | Sustainability of Proposed Solution The proposed solution is sustainable, and plan are in place to continue its use long after the implementation of the grant agreement The proposed solution is scalable and can be expanded to other districts in Bangladesh and other market segments. The proposed solution leverages on digital platforms and mobile technologies that can ensure wider reach and accessibility for geographically dispersed migrant communities. The proposed solution can be used as a tool to foster collaboration between the implementing organization(s), financial institutions, fintech companies, and community-based organizations to create a robust ecosystem for financial inclusion. | Corresponding Narrative Provided in the Description of Proposed Solution which explains how each of the criteria will be met | 10 |
| 7 | Results Measurement 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 information needs to be **uploaded in UNCDF Plug and Play platform**. However, we invite you to use the Main Application guidance document⁵ to prepare this information offline. 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:

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| Deadline of Submission of Application | January 15, 2025 |
| Time of Latest Submission* | 23:59 EST 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/241115_BGD-DFL-4-Migrant-Workers |
| Date and Time of Meeting / Q&A between UNCDF and Prospective Applicants | Date: 28 November 2024 Time: 3 PM to 4.30 PM Link: https://undp.zoom.us/j/82256417389 Meeting ID: 822 5641 7389 |
| Last day for the transmission of questions/queries | 07 days before the submission deadline |
| Email address for submission of Questions | queries@uncdf.org |
| Areas of Intervention where an Applicant can apply (Applicant | The applicant should implement the activities in the following district(s): Narshingdi, Tangail, Munshiganj, |

⁵ The guidance is attached at the end of this TOR.

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| indicate the areas targeted in the application they are submitting) | Cumilla, Chattogram and Feni. |
| Validity of the Application | 150 calendar days |
| Currency of the Budget Proposal | USD (payments would 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) See template here: https://apply.uncdf.org/protected/nr/MXWZh/LVPBPA.docx |
| No. of Applicants that Will be Selected and Awarded an Agreement (depending on the investment readiness level and outreach potential of the solution proposed). | Up to 3 (depending on applications received and proposed application with multiple districts) |
| Latest Expected Date of Signing the Agreement with the Successful Applicant/s | February 2025 |
| Expected Duration of the Agreement | Maximum twenty-four (24) months from signing date |
| Other Information [pls. specify] | Not Applicable |

* 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. ANNEXES TO THIS TOR

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|--|---|
| 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/D5GTh/241115_-_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 |