

United Nations Capital Development Fund

TERMS OF REFERENCE

Provision of Digitization and Credit services to Micro and Small Agribusinesses in the regions of Northern Uganda, Southwestern and Karamoja

240731 - UGA

I. BACKGROUND

Founded by the UN General Assembly resolution in 1966, the United Nations Capital Development Fund (UNCDF) is the United Nations' flagship catalytic financing entity for the world's 46 Least Developed Countries (LDCs). With its unique capital mandate and focus on the LDCs, UNCDF works to invest and catalyze 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 & 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 & biodiversity finance, and sustainable food systems finance).

UNCDF's expertise is in three primary areas of work: (1) **development and financing of inclusive digital economies** through a market development approach, largely driven by digital finance and innovation; (2) **local development finance** through fiscal decentralization (including local climate adaptation finance), municipal finance and structured project finance, to drive market transformation in local economic development; and (3) **investment finance**, to drive capital accumulation and market transformation in financially underserved areas, including investment sourcing, due diligence, de-risking, deployment of loans and guarantees, and crowding in of investment capital from domestic and international investors.

II. PROJECT CONTEXT

UNCDF is partnering with the World Food Programme (WFP)-Agriculture Market Support (AMS) programme to deliver on a project funded by the Mastercard Foundation with the ultimate objective of creating job opportunities for 90,500 youth in rural Uganda. WFP AMS will contribute to the Mastercard Foundation Young Africa Works strategy to create decent and fulfilling work and business growth opportunities for the youth, especially young women, and increase financial inclusion through a combination of capacity strengthening strategies in the agricultural sector in Uganda.

This digitization and access to credit project aims to accelerate the digitalization of youth, women and refugee led agribusiness MSEs. Digital tools and solutions will be introduced in the agribusinesses to assist the linkage to markets, quality inputs, produce bulking, extension and advisory services. Ultimately, the usage of digital tools and the ensuing digital data records will then be used to link the businesses to financial institutions to unlock access to financing.

1. Development Challenges

Access to finance for youth, women, and refugee-led agribusinesses in Uganda faces significant challenges, deeply affecting their growth and sustainability. These groups often encounter systemic barriers, including limited collateral, lack of financial literacy, and stringent lending criteria set by traditional financial institutions. Youth and women, in particular, struggle with socio-cultural constraints that limit their economic participation and asset ownership, making it difficult to meet the requirements for formal credit. Refugee-led agribusinesses face additional hurdles such as legal and regulatory challenges, lack of identification, and restricted mobility, which further impede their access to financial services. Moreover, the high-risk perception of agribusinesses, exacerbated by climate change and market volatility, deters financial institutions from extending credit to these vulnerable groups. Consequently, there is a pressing need for innovative financing solutions, policy reforms, and targeted support programs to enhance financial inclusion and empower these marginalized agribusinesses in Uganda.

2. Target Development Outcome/s of the Project

The final outcomes of this intervention to be achieved by each partner are:

- a. 8,000 youth, women, refugees, SHF enterprises and MSEs accessing and using different types of digital services (finance, record management, information market linkages, inputs, advisory etc.)
- b. 3,500 youth, women and refugee led agribusiness MSEs accessing credit.

III. TERMS OF REFERENCE

1. Problem Statement

Access to finance for youth, women, and refugee-led agribusinesses in Uganda faces significant challenges, deeply affecting their growth and sustainability. These groups often encounter systemic barriers, including limited collateral, lack of financial literacy, and stringent lending criteria set by traditional financial institutions. Youth and women, in particular, struggle with socio-cultural

constraints that limit their economic participation and asset ownership, making it difficult to meet the requirements for formal credit. Refugee-led agribusinesses face additional hurdles such as legal and regulatory challenges, lack of identification, and restricted mobility, which further impede their access to financial services. Moreover, the high-risk perception of agribusinesses, exacerbated by climate change and market volatility, deters financial institutions from extending credit to these vulnerable groups. Consequently, there is a pressing need for innovative financing solutions, policy reforms, and targeted support programs to enhance financial inclusion and empower these marginalized agribusinesses in Uganda.

2. Objectives

The UNCDF projects aims to catalyze the digitization process of agribusiness MSEs, VSLAs and farmer cooperatives led especially by the youth, women and refugees. The successful applicant to this selection process shall assist UNCDF in achieving the following objectives:

- i. Youth, women, refugees, SHF enterprises, and MSEs will have increased access to digital services that improve access to credit, marketing, market information, ag-extension, and ag-inputs.
- ii. Digital services providers (AgriTechs, FinTechs, etc.) have improved business models and services that enhance employment or business opportunities for youth, women, refugees or SHF enterprises and MSEs.
- iii. Increased access to relevant financial services (especially credit) for youth, women, refugees, and their MSEs.

3. Requirements

UNCDF would like to engage both digital solution providers that have a platform that will enable the agribusiness MSEs to access markets, marketing information, quality inputs coupled with financial service providers that will develop and avail suitable loan products that employ alternative credit scoring algorithms using digital data. The goal is to increase access to finance for the agribusiness MSEs, VSLAs and farmer cooperatives.

The successful applicant(s) to this selection process is one who can provide a scalable solution that can be deployed to the Northern, West Nile, Karamoja and Southwestern regions of Uganda.

The development results that should be achieved by the successful applicant during and after the engagement with UNCDF are as follows:

- To have the target beneficiaries mainly youth, women and refugees accessing digitization tools and solutions to improve their businesses through accessing market information, quality inputs, market linkages and mainly access to affordable finance.
- Another result of this project is the target beneficiaries accessing affordable finance (credit) for their businesses for capital, asset acquisition, business expansion to increase their income and create jobs.

UNCDF will sign a Performance Based Payment Agreement with the successful applicant that will digitize the market linkages, access to finance, operations and record management for the agribusinesses led and owned by the target beneficiaries and develop a tailor-made product(s) for

target beneficiaries) which will result in the applicants deploying their own funds as credit to the target beneficiaries.

| Areas In Need of intervention | | Specific Development Challenges | Target Results/Outcomes to be Achieved |
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| Stage 1 | Digitization of MSEs and ag-related value chains | Most MSEs in Uganda, including those in agribusiness, remain informal and thus lack business records, credit history, collateral, working capital gaps, and poor governance and management among others. Many agribusinesses' MSEs in Uganda operate in rural areas and are faced with limited access to digital infrastructure, limited knowledge, and skills in using digital technologies and inadequate financial resources to invest in digitalization | Solution Digital tools and solutions will be introduced to the MSE agribusiness and in the key ag-value chains of the target regions of Northern, Southwestern, and Karamoja with the objective of facilitating record management, forward, horizontal and backward linkages to quality inputs suppliers, market information and financial service providers. |
| Stage 2 | Leveraging digital data and tools to increase access to finance (credit) for target population . | MSEs and specifically those targeted under this project - SHF enterprises and MSEs by youth, women, refugees – are particularly excluded and underserved by traditional formal financial service providers. This is aggravated by the following challenges/ gaps on the demand and supply side: <ul style="list-style-type: none"> ▪ Information gap – lack of knowledge of FSP funding requirements on the demand side and lack of information on MSEs to do proper risk assessment on the supply side. ▪ Collateral gap – lack of sufficient collateral on the demand side and stringent collateral requirements on the supply side. ▪ Skills gap – lack of financial management skills on the demand side and lack of skills to develop tailor made products for MSEs on the supply side. Product gap – specialized product | The solution entails the utilization of digital data to design tailor made loan products for these target agribusinesses using alternative credit algorithms to determine the credibility of the loan applicants. This solution is aimed at improving access to affordable credit for youth, women, refugees led agribusinesses. |

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| | | requirements on the demand side and products not adapted to MSE business cycles on the supply side. | |
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4. Target segment / Sectors

The project will target Smallholder Farmer Enterprises and agribusiness MSEs led by youth, women and refugees in Northern, Southwestern and Karamoja regions of Uganda.

5. Geographical scope

The solutions proposed shall focus on Northern, Southwestern and Karamoja regions of Uganda.

6. Duration

The implementation of the Agreement that will be signed between UNCDF and the applicant is expected to have a *24 months (about 2 years) duration*. Activities are expected to commence on 1st September 2024 and be completed no later than September 2026. Final and assessment report will have to be submitted no later than December 2026.

7. Budget

Applications will need to describe how applicants will deploy the Grant and if any technical assistance or mentorship services are being sought during the project implementation.

UNCDF contributions may range from 360,000,000UGX (USD 100,000) to 540,000,000UGX (USD 150,000) for each applicant. Each applicant must contribute at least 15% of the project's total costs.

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 ¹ | Target Outcome/ Results |
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| Number of digital services / products refined / adapted for youth, especially young women ² | N/A | 0 | 3 |
| Number of participants (business owners) / businesses that are using the digital solutions to access finance, information, market linkages, inputs, and Agro-advisory services | Refugees owned SMEs, Youth owned SMEs, Women owned SMEs | 0 | 8,000 |
| Number of finance products developed and accessed by the targeted youth, women and youth led enterprises | Loan products | 0 | 1 |
| Number of participants that have received loans from the partner FSP | Young men and women aged 18-35 70% women 7% refugees) | 0 | 3,500 |

Applicants who are not able to report on one or multiple indicators or provide disaggregated data should provide a justification.

The impact/performance indicators indicate above are only a preliminary list. The specific impact indicators and monitoring framework shall be developed and finalized by UNCDF in coordination with the successful applicant.

¹ Given that we are refining/developing a tailor made digital solution and loan products for the target beneficiary led businesses, we have a zero baseline. This does not at all mean that no work of this kind has been done in the country before. A baseline of zero was indicated to enable UNCDF to measure, track and attribute UNCDF's contribution to the target demographic.

² Digital services to be provided include (but not limited to) ; access to markets, marketing information, quality inputs, linkage to other value chain actors, record and data storage, management coupled with financial service providers.

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 ³ | Grant Amount Due |
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| <ul style="list-style-type: none"> • PBP Agreement sign off by both parties • Regional Kick off meetings • Assessment of the existing digital platforms/solutions, tools and loan products available for the target beneficiaries | <ul style="list-style-type: none"> • Signed PBP Agreement • Inception Report with the following components: <ol style="list-style-type: none"> i. Regional Kick off meeting discussions, findings and lessons learned. ii. Assessment of the existing digital platforms/ solutions and tools on the market availed to the target beneficiaries. iii. Assessment of the existing loan products availed to the target beneficiaries iv. Proposed digital platform/solution design indicating how to address the gaps and challenges of the prevailing solutions v. Clear Go to market | <ul style="list-style-type: none"> • Signed PBPA • UNCDF Review and approval of the Inception report with all the five sections on the regional kick off meetings, assessment of digital platforms/ solutions and tools, assessment of existing loan products availed to the target beneficiaries, a proposed digital platform/solution design and a clear go to market strategy⁴. | 10% of the contract value |

³ Regardless of the value of the grant, UNCDF reserves the right to engage an independent assessor, internal or external, to validate and milestones achieved. If the independent assessor recommends changes in the milestones and KPIs after the agreement has been signed, UNCDF reserves the right to amend the agreement that will be signed to incorporate more detailed KPIs, 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.

⁴ All milestones shall be subjected to the review, validation and verification by the Project Manager and Results Measurement Officer and the same shall be subjected to final approval by the Digital Country Lead.

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| | strategy for the digital solution and the developed loan products. | | |
| Designing/ customizing of digital solutions/services for the agribusiness MSEs, VSLAs and cooperatives | <p><i>Digital solution to digitize MSE agribusinesses, VSLAs and cooperatives designed and ready for testing.</i></p> <p><i>The test of the proposed solution should prove that it has features that will enable UNCDF to determine the profile of the clients and verify if the target beneficiaries in the target geographic areas are the ones being served</i></p> | <p>User tests of the digital platform/solution by at least 1% of the target beneficiaries and the UNCDF Team to demonstrate that the following are achieved:</p> <ul style="list-style-type: none"> i. User Business information e.g business name, location, number of members(for groups and cooperatives), branches etc ii. Users are able to use the platform for linkage to other value chain actors like markets, input dealers, record keeping and management to track cost of doing business and calculate revenue iii. Ability to aggregate the data entered by the business and generate the necessary reports required for decision making and developing of the right loan products | 10% of the contract value |
| Deployment of the digital platform/ solution to the agribusinesses either | 2,000 beneficiaries (business owners either in their groups, | Digital platform deployment report reviewed and approved | 10% of the contract amount |

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| <p>individually, through their VSLAs or the cooperatives</p> | <p>cooperatives or individually) using the digital services. .</p> | <p>by the UNCDF Team indicating</p> <ul style="list-style-type: none"> i. Number of businesses profiled and registered on the platform ii. Business ownership details (for groups and cooperatives information should be disaggregated by sex, age and nationality) iii. Screenshot of platform dashboard showing at least 2000 total beneficiaries (70 % women 7% refugees) iv. Aggregated data on market linkages made by the businesses through the platform, records showing costs of doing businesses and revenue etc v. Challenges and lessons learned | |
| <ul style="list-style-type: none"> ▪ Continued deployment of the digital platform/ solution to the agribusinesses either individually, through their VSLAs or the cooperatives ▪ Developing/ refining of tailor-made loan | <p>Additional 2,000 beneficiaries (business owners either in their groups, cooperatives or individually) using the digital services. .</p> <p>Loan Product key facts documentation detailing the loan product features, application modality indicating alternative credit scoring</p> | <p>Digital platform deployment report reviewed and approved by the UNCDF Team indicating</p> <ul style="list-style-type: none"> i. Number of businesses profiled and registered on the platform ii. Business ownership details (for groups and | <p>10% of the contract amount</p> |

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| <p>product for the target beneficiaries using the digital data collected</p> | <p>algorithm as a criteria to access the loans</p> | <p>cooperatives membership information should be included and disaggregated by sex, age and nationality)</p> <p>iii. Screenshot of platform dashboard showing at least 4,000 total beneficiaries (70 % women 7% refugees)</p> <p>iv. Aggregated data on market linkages made by the businesses through the platform, records showing costs of doing businesses and revenue etc</p> <p>v. Challenges and lessons learned</p> <p>Loan Product key facts documentation detailing the loan product features, application modality and indicating alternative credit scoring algorithm as a criteria reviewed and approved by the UNCDF team .</p> | |
| <ul style="list-style-type: none"> ▪ Continued deployment of the digital platform/ solution to the agribusinesses either individually, through their VSLAs or the cooperatives ▪ Disbursement of | <p>Additional 2000 beneficiaries (business owners either in their groups, cooperatives or individually) using the digital services.</p> <p>Atleast 875 youths have received loans (aged 18-35 70% women</p> | <p>Digital platform deployment report reviewed and approved by the UNCDF Team indicating</p> <ul style="list-style-type: none"> i. Number of businesses profiled and registered on the platform ii. Business | <p>15% of the contract amount</p> |

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| <p>loans to the agribusiness MSEs under the newly developed/refined loan products</p> | | <p>ownership details (for groups and cooperatives membership details should be included and disaggregated by sex, age and nationality)</p> <ul style="list-style-type: none"> iii. Screenshot of platform dashboard showing atleast 6000 total beneficiaries (70 % women 7% refugees) iv. Aggregated data on market linkages made by the businesses through the platform, records showing costs of doing businesses and revenue etc v. Challenges and lessons learned <p>Loan disbursement report reviewed and approved by the UNCDF Team indicating:</p> <ul style="list-style-type: none"> a) Loan applicant profiles (for groups and cooperatives membership details should be included and disaggregated by sex, age and nationality b) Date of application for loan from businesses c) Date of disbursement | |
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| | | <ul style="list-style-type: none"> d) Amount(value) applied for e) Amount (value) disbursed f) Loan tenure g) Amount (loan value) Outstanding h) Total beneficiaries should be atleast 875 youth (aged 18-35, 70% women and 7% refugees) | |
| <ul style="list-style-type: none"> ▪ Continued deployment of the digital platform/ solution to the agribusinesses either individually, through their VSLAs or the cooperatives ▪ Continued Disbursement of loans to the agribusiness MSEs under the newly developed/refined loan products | <p>Additional 2,000 beneficiaries (business owners either in their groups, cooperatives or individually) using the digital platform for linkage to other value chain actors, record and data storage and management</p> <p>An additional 875 youths have received loans (aged 18-35 and 70% women)</p> | <p>Digital platform deployment report reviewed and approved by the UNCDF Team indicating</p> <ul style="list-style-type: none"> i. Number of businesses profiled and registered on the platform ii. Business ownership details (for groups and cooperatives membership details should be included and disaggregated by sex, age and nationality) iii. Screenshot of platform dashboard showing at least 8,000 total beneficiaries (70 % women 7% refugees) iv. Aggregated data on market linkages made by the businesses through the | 15% of the contract value |

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| | | <p>platform, records showing costs of doing businesses and revenue etc</p> <p>v. Challenges and lessons learned</p> <p>Loan disbursement report reviewed and approved by the UNCDF Team indicating:</p> <ul style="list-style-type: none"> a) Loan applicant profiles (for groups and cooperatives membership details should be included and disaggregated by sex, age and nationality b) Date of application for loan from businesses c) Date of disbursement d) Amount(value) applied for e) Amount (value) disbursed f) Loan tenure g) Amount (loan value) Outstanding h) Total beneficiaries should be atleast 1,750 youth (aged 18-35 70% women and 7% refugees) | |
| Continued Disbursement of loans to the agribusiness MSEs under the newly developed/refined loan products | An additional 875 youths have received loans (aged 18-35 and 70% women) | <p>Loan disbursement report reviewed and approved by the UNCDF Team indicating:</p> <ul style="list-style-type: none"> a) Loan applicant profiles (for | 15% of the contract value |

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| | | <p>groups and cooperatives membership details should be included and disaggregated by sex, age and nationality</p> <p>b) Date of application for loan from businesses</p> <p>c) Date of disbursement</p> <p>d) Amount(value) applied for</p> <p>e) Amount (value) disbursed</p> <p>f) Loan tenure</p> <p>g) Amount (loan value) Outstanding</p> <p>h) Total beneficiaries should be atleast 2,625 youth (aged 18-35 70% women and 7% refugees)</p> | |
| <ul style="list-style-type: none"> Final loan disbursement Reporting on the performance of the digital solution and loan products developed, usage and uptake by the target beneficiaries, lessons learned and continuity Plan | <p>An additional 875 youths have received loans (aged 18-35 and 70% women)</p> <p>Final report indicating the performance of the digital solution(s), developed/refined loan products, usage and uptake by the target beneficiaries, lessons learnt and the continuity plan/strategy</p> | <p>Loan disbursement report reviewed and approved by the UNCDF Team indicating:</p> <p>a) Loan applicant profiles (for groups and cooperatives membership details should be included and disaggregated by sex, age and nationality</p> <p>b) Date of application for loan from businesses</p> <p>c) Date of</p> | 15% |

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| | | <p>disbursement</p> <p>d) Amount(value) applied for</p> <p>e) Amount (value) disbursed</p> <p>f) Loan tenure</p> <p>g) Amount (loan value) Outstanding</p> <p>h) Total beneficiaries should be atleast 3,500 youth (aged 18-35 70% women and 7% refugees</p> <p>Final Report reviewed and approved by the UNCDF Team indicating</p> <ul style="list-style-type: none"> i. Screenshot of the platform dashboard indicating number of businesses, beneficiaries registered on the platform ii. Performance evaluation of the digital platform/solution iii. Performance of the developed loan products (PAR, Amount Outstanding, number of loans disbursed etc) iv. Lessons learned v. Business continuity strategy | |
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All reports shall be reviewed and verified by the project manager and Results measurement team and shall be approved by the digital country Team Leader.

Additionally, UNCDF shall expect the implementing partner to submit quarterly qualitative and quantitative reports indicating the progress of the activities, planned activities for the next quarter, lessons learnt, corrective actions to be taken, and quantitative data.

UNCDF shall verify the quarterly reports by performing joint monitoring visits with the stakeholders, spot checks and beneficiary engagements to ensure data quality.

A quarterly steering committee meeting will be held to track progress of the activities. The steering committee will include members from UNCDF (project manager, results measurement personnel, digital country team leader), applicant key project staff, other development agency staff (WFP) and other key stakeholders.

The successful applicant will organize monthly progress calls with UNCDF.

Disbursements will be linked to the validation and approval of deliverables by the project manager, results measurement officer and digital country lead. Should a deliverable not meet the standard agreed, UNCDF will withhold the disbursement and discuss remedial actions with the contractor.

IV. ROLE OF UNCDF

UNCDF takes a tailored approach to engagement with partners, working with them throughout to identify business and customer needs, and helping to design, pilot and scale up the solution along the way.

Some examples of the ways in which UNCDF works with partners include:

- **Product Research:** Sharing market research and knowledge to deepen partners' understanding of customers' behaviours, needs, constraints and aspirations. This also includes providing transaction data analysis and training to the business teams.
- **Product design:** Providing human-centred design expertise to better understand the customer journey - physical and financial – for better product design and use-case development tailored to the needs of low-income customers and their families. The efforts may also involve analysing the transaction data from a customer lens.
- **Provisioning:** Providing technical assistance to help design, pilot, deploy, and scale up solutions for impact. Technical assistance is provided by digital finance experts who are experienced in product design, business model development and go-to-market strategies in some of the most challenging markets in Africa and Asia.
- **Partnerships:** Facilitating strategic partnerships with stakeholders – including cross-border payment hubs, mobile network operators, financial institutions, and non-bank financial institutions – to enable partners to reach last-mile customers, and to grow sustainably. UNCDF is uniquely positioned to be a neutral broker of partnerships and has a record of building strong relationships with private and public organizations across Africa, Asia, and Pacific.
- **Policy and Advocacy:** Convening efforts to support an enabling environment and build policy and advocacy capacity for human-centred products and services to be piloted and potentially scaled.

In the course of applying, applicants may identify and suggest specific areas where the technical support from UNCDF and its network of expertise will be needed by the applicant.

V. ELIGIBILITY FOR APPLICATION AND EVALUATION CRITERIA

1. Applicants

Eligible entities can apply alone or as lead applicant in a consortium of firms, as long as they comply with the eligibility requirements set forth 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

Entity registration

The applicant must be a registered entity duly incorporated and registered according to the rules of Uganda with a lending license. (e.g. a bank, a microfinance institution, fintech...). Applicant (s) should have audited financial statements for at least the last 2 years.

Consortiums

Applicants can only apply once under this TOR whether independently or in a consortium.

Joint applications between market players in the target country or countries are encouraged if the solution proposed will expand delivery networks and promote rural and/or other last-mile access to [include the type of services that should be promoted].

Applications from consortiums of organizations must show that the partnership was legally established prior to this call for applications, and proof of such formalization must be provided.

The lead applicant and their financial service provider partner must be registered entities with at least one year of operations, and must have statutory accounts and audited financial statements for at least one operating year.

The Eligibility Documents shall consist of the following :

Mandatory Documents

- Organization Profile, which should not exceed fifteen (15) pages, highlighting the work that are similar to the requirements of the TOR
- Registration of the business, including Articles of Incorporation, or equivalent document if Applicant is not a corporate entity
- Local Government permit to locate and operate in the current location of office, if required in the location
- 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
- 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
- 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
- Trade name registration papers, if applicable or if required in the location
- Latest Audited Financial Statement (Income Statement and Balance Sheet) including Auditor's Report and opinion for the past *[indicate number of years of reference]*
- List of top 5-10 clients who have previously benefitted from the solutions being proposed to UNCDF, their contact person, contact details;
- Statement of Satisfactory Performance from the Top *[indicate number]* Clients in the past *[indicate number of years of reference]* specially where the work is similar to the requirements of the TOR
- List of Bank References (Name of Bank, Location, Contact Person and Contact Details)
- Official Letter of Appointment as local representative, if Applicant is submitting for and on behalf of an entity located outside the country
- 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.

If any of the documents below cannot be provided, the Applicant must provide an explanation.

Optional Documents

- International Accreditation Certificates, awards, citations, and other recognitions received in the past by the applicant
- Environmental Compliance Certificates, Accreditations, Markings/Labels, and other evidences of the Applicant's practices which contributes to the ecological sustainability and reduction of adverse environmental impact (e.g., use of non-toxic substances, recycled raw materials,

energy-efficient equipment, reduced carbon emission, etc.), either in its business practices or in the goods it manufactures

- Patent Registration Certificates, if any of technologies submitted is patented by the Applicant

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 below evaluation criteria, 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 complies with the eligibility requirements of the TOR</p> <p>Its track record, reputation, experience are similar to the requirements of this TOR</p> | Eligibility documents that will be submitted by the Applicant | 15 |
| 2 | <p><u>Suitability of Team Composition and Qualifications</u></p> <p>The applicant’s proposed team structure, and the experiences of the Team Leader and the team members are suited for implementing the agreement</p> <p>The management skills, technical know-how, on the field foot print, are relevant to the requirements of the TOR</p> | CVs of Team Leader and Members that will directly work with UNCDF | 15 |
| 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 proposed solution has been piloted/tested and proven to have been effective and successful in the past</p> <p>The proposed solution serves the objectives of the grant/investment, and will directly translate into the results/outcomes intended for this selection process</p> <p>The workplan is realistic and achievable</p> | Description of Proposed Solution and how it meets the criteria listed | 20 |

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|--------------|---|---|------------|
| | There is sufficient assessment of risks, risk management measures, quality control, reporting and other project management good practices in place | | |
| 4 | <p><u>Value Addition</u> Describe how the proposed solution will have any other valuable development impact in addition to the target outcomes/Results of the selection process.</p> <p><i>Examples of such desired value addition may include any or any combination of the following:</i></p> <ul style="list-style-type: none"> - <i>Strengthening institutional capacities of stakeholders and partners</i> - <i>Supporting community-based self-help initiatives which may include income-generating activities designed to alleviate poverty</i> - <i>Advocacy activities and networking between CSOs, Govt and donors</i> - <i>Supporting nature-based solutions, climate change actions, gender equality and poverty eradication</i> - <i>Solving development challenges that still require some level of experimentation to identify the most feasible solution</i> - <i>Strategic interest in the development of stakeholders beyond the duration of the grant</i> | Corresponding Narrative Provided in the Description of Proposed Solution and how it meets the criteria listed | 10 |
| 5 | <p><u>Gender perspective</u> The proposed solution integrates and prioritizes gender Equality and Inclusion as part of the design and implementation</p> <p>The gender gap analysis and impact assessment is sufficient</p> | Corresponding Narrative Provided in the Description of Proposed Solution and how it meets the criteria listed | 10 |
| 6 | <p><u>Sustainability of Proposed Solution</u> The proposed solution is sustainable long after the implementation of the grant agreement</p> | Corresponding Narrative Provided in the Description of Proposed Solution and how it meets the criteria listed | 15 |
| 7 | <p><u>Results Measurement</u> There is effective and coherent results measurement plan and data management plans in place.</p> | Corresponding Narrative Provided in the Description of Proposed Solution and how it meets the criteria listed | 15 |
| 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 to be reasonable, justified and comply with the principle of sound financial management, in particular regarding economy and efficiency;
- The costs are 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 is eligible. If applicable, this will include all related expenditure, such as the cost of the venue, participant travel, and so on. Training for the employees of the institution applying for the grant is also eligible as long as it has been demonstrated that it will link directly to the project output;
- 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.

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 evidences of such compliance.
- Budget and Resources Plan – this should make use of UNCDF’s template, and breakdown the budget into what the 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 | 14 September 2024 |
| Time of Latest Submission* | 23:59 EDT TIME |
| Language of the Application and all supporting documents | English |
| Method for Submission of Application | UNCDF e-investment platform ⁵ |
| Date and Time of Meeting / Q&A between UNCDF and Prospective Applicants | Date : 3 days after publication Time: To be communicated |
| Last day for the transmission of questions/queries | 5 days after publication |
| 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) | Refer to Areas of Intervention in Section 3 of the document |
| Currency of the Budget Proposal | UGX or US\$ (For entities not based in Uganda) |
| Percentage of the Total Budget Proposal that the applicant is expected to fund in cash (for costs such technical resources, staff, and operational expenses). | 15% |
| Range of UNCDF’s contributions / Percentage share of the Total Budget Proposal | \$100,000 - \$150,000 |
| Type of Agreement to be Signed with Successful Applicant/s | Performance-Based Payment Agreement |

⁵ <https://apply.uncdf.org/prog/240731 - uga - provision of digitization and credit services to micro and small agribusinesses in the regions of northern uganda southwes tern and karamoja>

| | |
|---|-------------------------------|
| 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 of two (2) applicants |
| Latest Expected Date of Signing the Agreement with the Successful Applicant/s | To be communicates |
| Expected Duration of the Agreement | 2 years |

* 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 which consists of various verification and may require additional information from the applicant. At this stage, additional documentation and evidence may be requested by UNCDF from the applicants;
- d) Final approval of the grant by UNCDF Global Impact and Investment Committee (IDIC); and
- e) Notification of applications of the status of their applications, both successful and unsuccessful.

VI. ANEXES TO THIS TOR

1. [Instructions to Applicants](#)
2. [Template Agreement to be signed by UNCDF with the Successful Applicant/s](#)area
3. [Partner Capacity Assessment Template](#)
4. [Due Diligence](#) – the successful applicant may be subjected to due diligence review
5. [Micro Assessment](#) – the successful applicant may be subjected to this depending on the value of the grant