

United Nations Capital Development Fund

TERMS OF REFERENCE

Administration and Disbursement of Seed Grants to Micro and Small Agribusinesses in the Northern, Southwestern, West Nile and Karamoja regions of Uganda

241125 - UGA

I. BACKGROUND

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

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

As per its Strategic Framework, UNCDF works to deploy its functions as a hybrid development organization and development finance institution. UNCDF responds to Member States requests for assistance by providing targeted technical and financial advisory services on investments for development outcomes, designing bespoke financial structuring solutions, undertaking financial derisking of investments, and enhancing investment readiness of SDG aligned projects in partnership with private sector, UNOs, International and Local Finance Institutions, Development Finance Institutions as well as Foundations and Philanthropy, among others.

UNCDF works to develop local financial systems, new markets and mobilize and crowd in capital from public and private sources. UNCDF is driven by a partnership mindset which enables it to deploy its different capital capabilities in highly tailored and responsive ways in order to mobilize investments flows from other sources, in particular from the private sector. By structuring transactions which are highly impactful, but also recognize the need for multiplying the impact of its own capital, UNCDF seeks to position itself as a preferred partner for different stakeholders. UNCDF’s work is focused on six priority areas, including:

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

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

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

II. PROJECT CONTEXT

UNCDF has partnered 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. UNCDF, together with WFP AMS, will collaborate to contribute to the Mastercard Foundation Young Africa Works strategy which aims 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.

As a starting point, UNCDF has contracted a private entity with expertise in business skilling (BDS), to customize and digitize their BDS content and delivery mechanisms to suit the needs of Micro and Small agribusiness Enterprises in the targeted regions. Through this partnership, UNCDF, envisages improving business performance of the agribusiness MSEs through trainings, mentorship and coaching that will be delivered by last mile BDS providers recruited and trained by The Innovation Village.

The BDS providers are tasked with preparation of these businesses to access financing either through loans or seed grants. During the coaching and mentorship phase, the BDS providers will support the agribusinesses to prepare and apply for either loans or seed grants.

For the Seed Grant Fund Initiative, UNCDF aims to engage a qualified, experienced and skilled Grant Fund Manager to facilitate the disbursement of micro-grants, and overseeing the grant fund utilization, to at least 4,000 beneficiaries. in the Northern, Southwestern, West Nile, and Karamoja regions of Uganda. This intervention seeks to enhance access to finance among small and micro-enterprises (MSEs) within the agribusiness sector, focusing on empowering youth, women, and refugee-owned businesses who will be considered as grant recipients of the micro grants.

The grant recipients (targeted for agribusiness MSEs) will be selected through rounds of call for competitive applications run by the grant fund manager, designed to identify high-potential agribusinesses that have demonstrated strong business acumen and growth potential. These applicants will emerge from a pipeline

of agribusinesses that have undergone comprehensive business development services (BDS) training, equipping them with the skills to develop viable business plans and strategies. The BDS providers will also be expected to conduct monitoring, collect data and report on the usage of the grant funds to the grant fund manager.

By providing targeted seed grants, UNCDF aims to catalyse the growth of resilient and scalable agribusinesses in these regions, thereby creating employment, supporting food security, and fostering economic inclusion in underserved areas. This approach not only aims to reduce financial barriers but also to build a foundation for sustainable growth by investing in enterprises that contribute to the social and economic fabric of these communities.

1. Development Challenges

One of the major development challenges facing agribusinesses in Uganda—particularly those owned by youth, women, and refugees—is the chronic lack of access to finance, which limits these groups' ability to grow their ventures, achieve economic independence, and escape cycles of poverty. UNCDF aims to address this problem by availing micro-grants specifically targeted to agribusinesses in these marginalized communities, as they are among the most financially underserved.

In Uganda, youth(18-35 years of age) account for 75% of the population, yet 60% remain unemployed or underemployed, with women facing significant barriers to equitable opportunities in business due to limited access to assets and financial services. Gender inequality compounds these issues, with women-owned MSMEs receiving only about 5-10% of all financing directed to small businesses, despite representing approximately 42% of all MSMEs.

Refugees face similar, if not more pronounced, challenges; though Uganda has one of the world's most progressive refugee policies, over 80% of refugees still struggle with financial exclusion. Smallholder farmers, who constitute 70% of Uganda's agricultural production, also face challenges accessing formal credit, with just 13% reporting access to agricultural loans.

Limited financial inclusion for these groups perpetuates poverty, constrains economic growth, and hinders Uganda's progress toward the Sustainable Development Goals (SDGs), specifically SDG 1 (No Poverty), SDG 5 (Gender Equality), and SDG 8 (Decent Work and Economic Growth).

By providing micro-grants, UNCDF seeks to empower these groups, fostering gender equality, promoting youth inclusion in agribusiness, and supporting refugees to transition from aid dependency to self-reliance through productive employment in agriculture.

This intervention is expected to catalyse broader access to credit, enabling these agribusinesses to invest in inputs, improve productivity, and create employment opportunities, thus building more resilient, inclusive local economies.

2. Target Development Outcome/s of the Project

The main outcome that the project would like to achieve is increased access to finance among youth, women and refugees and their Micro and Small Enterprises.

The specific output is to have at least 4,000 youth, women, refugees receiving seed business grants from the Innovation Challenge Fund.

III. TERMS OF REFERENCE

1. Problem Statement

This Terms of Reference (TOR) seeks to address a core development challenge: the persistent financial exclusion of agribusinesses owned by vulnerable groups, specifically youth, women, and refugees in underserved regions such as Northern Uganda, Southwestern Uganda, West Nile, and Karamoja. Despite these regions' rich potential in agriculture, systemic barriers—such as limited access to credit, inadequate collateral, and lack of tailored financial products—constrain the growth and productivity of these agribusinesses. Additionally, many micro and small enterprises (MSEs) lack access to the business development services (BDS) and technical support required to effectively manage and scale their operations.

This TOR intends to bridge these gaps by providing financial access through micro-grants to agribusinesses with viable business plans and high potential for social and economic impact. By facilitating the selection of grant recipients through innovation challenges, the project will identify and support agribusinesses that have benefited from capacity-building services, creating a pathway for more sustainable and impactful outcomes. Through this approach, the project aims to achieve larger development outcomes, including increased employment, food security, and economic stability in target regions, while contributing to gender equality and economic inclusion.

2. Objectives

The main objective of this selection process is to engage a Grant Fund Manager that will administer grants to increase access to finance for micro and small enterprises owned by youth, women and refugees that are otherwise struggling to secure funding from the traditional financial service providers due to a number of barriers.

3. Requirements

UNCDF is seeking to engage an entity, which has a legal authorization and track record to perform the role of a Grant Fund Manager, to administer the disbursement of funds that will support access to finance for micro and small enterprises (MSEs) owned by youth, women, and refugees in selected underserved regions of Uganda.

This partner entity will be responsible for the administration, disbursement, and monitoring of micro-grants, ensuring that the target beneficiaries are empowered to overcome financial barriers and sustain their agribusiness ventures. Through this selection process, UNCDF aims to identify an organization with the capacity to effectively manage grants, deliver technical assistance, and drive the development outcomes central to this initiative. The entity will be required to implement the following activities:

- Develop a manual detailing, among others, the following key contents :
 - criteria for selecting participants that takes into consideration the target sectors cited in this TOR, including gender-sensitive criterion,
 - strategies to attract such sector;
 - formation of the Investment Committee, its members, their roles, frequency of meetings, how they will make decisions, etc.
 - standardized procedure for the disbursement, validation of milestone accomplishments, monitoring, oversight and management of the micro grants;
 - establishing the financing criteria including tools and templates for the different stages of the financing process such as the application stage, monitoring & validation of results as well as reporting on the performance of the grants.

- Train the BDS providers on how to guide the target beneficiaries in navigating the financing process and use the tools and/or templates in addition to performance tracking measurement, and management.

- Run call for applications, receive and prepare grant applications for the Investment committee approval. The Investment committee will constitute members from UNCDF and WFP technical teams.

- Effectively manage the disbursement of the approved grant funds.

- Validate the grant performance reports submitted through the BDS provider.

- Submit quarterly performance reports to UNCDF indicating the extent of compliance with the agreed key performance indicators such as the amounts disbursed to recipients where the data should be disaggregated by sex, age, nationality, type of businesses supported, number of businesses linked to FSPs, their location, etc. taking into consideration the geographical scope and target sectors.

- Periodically review and update the set criteria, if need be, with guidance from UNCDF and other stakeholders.

	Areas In Need of intervention	Specific Development Challenges	Target Results/Outcomes to be Achieved
1	<ul style="list-style-type: none"> • Limited Access to Finance • Gender Inequality in access to finance 	<p>Limited Access to Finance: Smallholder farmers and agribusinesses, especially those owned by youth, women, and refugees in Uganda’s rural and marginalized regions, face significant barriers to accessing financial services. Many do not have the necessary collateral or formal financial records required by traditional financial institutions to qualify for loans or grants. As a result, these groups are excluded from formal financial systems, limiting their ability to invest in their businesses, purchase quality inputs, or adopt modern technologies. Financial institutions are often unwilling to extend credit due to perceived high risks associated with agriculture, particularly in remote areas where the capacity to assess creditworthiness is limited. The lack of tailored</p>	<ul style="list-style-type: none"> • Improved Access to Initial Capital: Targeted businesses will have access to critical seed funding to kick-start or scale their agribusiness operations, overcoming the primary barrier of financial exclusion due to lack of collateral or credit history. • Increased Business Growth and

		<p>financial products further exacerbates this problem, as the existing offerings do not align with the specific needs or repayment capacities of agribusinesses, especially those dealing with seasonal and unpredictable agricultural cycles. This creates a cycle of financial exclusion, stifling growth and reducing opportunities for rural development and poverty alleviation.</p> <p>Gender Inequality in Access to Finance: Women, particularly in rural and refugee communities, face additional financial barriers due to gender norms, limited access to land or property rights, and societal expectations that restrict their participation in economic activities. Despite being integral to the agricultural workforce, women often struggle to access credit or business development services, as financial institutions tend to favor male applicants, citing issues like lack of collateral or business experience. Cultural biases and discriminatory practices further limit women’s ability to make independent financial decisions or control resources, even within their own businesses. This gender disparity is compounded by low financial literacy, as women have fewer opportunities to engage in financial education programs or formal business training. Consequently, women’s agribusinesses are underfunded and unable to scale, perpetuating cycles of economic inequality.</p>	<p>Sustainability: Micro-seed grants will enable beneficiaries to invest in essential inputs, equipment, and technology, leading to increased productivity, improved quality of goods and services, and long-term business viability.</p> <ul style="list-style-type: none"> • Enhanced Economic Participation of Women and Refugees: Women and refugee-owned businesses will experience greater financial inclusion, allowing them to participate actively in local economies. This will foster economic self-reliance, particularly for refugees, and contribute to reducing gender disparities in the agribusiness sector.
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4. Target segment / Sectors

In line with the areas of intervention, the target sectors are primarily agribusiness MSEs owned by youth, women, and refugees in economically disadvantaged regions of Uganda, specifically those located in Northern, Southwestern, West Nile, and Karamoja. The final beneficiaries of the grant and investment include:

- a) **Women in Refugee Camps:** Women entrepreneurs within refugee settlements in West Nile and Northern Uganda, who face limited access to financial resources and are often excluded from formal financial services due to displacement.
- b) **Youth-led Agribusinesses:** Young entrepreneurs in rural and peri-urban areas across the targeted regions who are engaged in agriculture and agribusinesses but face barriers to financing.
- c) **Women-owned Agribusiness MSEs:** Female smallholder farmers and agribusiness owners across the targeted regions who are impacted by gender-specific barriers, such as limited collateral and financial literacy.
- d) **Smallholder Farmers:** Rural smallholder farmers engaged in agriculture, particularly those focusing on crops or livestock relevant to local food security and income generation. These farmers often lack access to capital for farm inputs, equipment, or sustainable practices and will benefit from grants that support productivity and resilience.

- e) **Community-based Agribusiness Farmer groups and Cooperatives:** Farmer groups or cooperatives in the target regions that foster collaborative efforts in production, processing, and market access.

5. Geographical scope

The Terms of Reference (TOR) is national in scope, focusing specifically on 15 districts in the Northern, Southwestern, West Nile, and Karamoja regions of Uganda.

6. Duration

The implementation of the Agreement that will be signed between UNCDF and the applicant to the Grant Fund Management responsibility is expected to have a 24 months duration period. Activities are expected to be terminated no later than December 2026. Final and assessment report will have to be submitted no later than March 2027.

7. Budget

UNCDF will sign a Performance-Based Payment Agreement (PBPA) with the successful applicant to this TOR which shall be selected in accordance with the Evaluation Criteria provided in the later section of this document.

The value of the PBPA may range from UGX 4,212,000,000 (approximately USD 1,170,000¹) TO UGX 4,320,000,000 (USD 1,200,000). If the successful applicant to this TOR is a Ugandan entity, the PBPA shall be valued and disbursed at the local currency. If the successful applicant is an international entity, UNCDF may sign the PBPA in the United States Dollar Currency.

The breakdown of the amount is expected to be as follows:

- i) Grant Fund of UGX 3,921,550,000 (USD 1,070,000) – this is the amount that can be disbursed to grant applicants;
- ii) Grant Administration Fee of UGX 476,450,000 (USD 130,000) – this is the maximum fee that the Grants Fund Manager can charge UNCDF for the work they will perform under this TOR

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

¹ Using UN Operational Rate of Exchange (UNORE) of November 2024. The UNORE varies from month to month.

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

Impact/Performance Indicators	Disaggregation of Data	Current Situation	Target Outcome/Results
<i>Number of beneficiaries accessing seed grant financing</i>	<i>Age, Sex, nationality, location, type of business etc. (The disaggregation should focus on and comply with the target geographical location and target segments in the previous section)</i>	0 (At the moment, for these target beneficiaries, most of the grant funds are given in kind in form of equipment, training, farm inputs, post harvest handling materials etc.)	4,000 beneficiaries

The product / services / solution that will be proposed by Applicants must have the ability to report results and evidences that the above indicators and target results have been achieved. Such ability should be described clearly in the proposal, specially in the articulation of methodology for validating the milestone achievements as basis for the disbursement of grant tranches.

The impact/performance indicators indicate above are only a preliminary list. The specific impact 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 ²	Grant Amount Due in %
UNCDF has approved and accepted the seed grant fund manual	The manual details include the criteria for selecting participants that takes into consideration the target sectors cited in this TOR, including gender-sensitive criterion, strategies to attract such sector; standardized procedure for the disbursement, monitoring, oversight and	Final version of the Manual reviewed by UNCDF technical team (Investment Specialists, Agriculture Finance Analyst)	USD 10,000

² In view of the amount involved, the verification and validation work for this shall be conducted by an Independent Assessor engaged by UNCDF. The validation method indicated in this TOR shall be considered as indicative. The final monitoring framework and validation method that will be adopted shall be developed by the IA and duly approved by UNCDF. The finalized monitoring framework and validation method shall form part of the PBPA that will be signed.

	<p>management of the micro grants; establishing the financing criteria including tools and templates for the different stages of the financing process such as the application stage, monitoring & validation of results as well as reporting on the performance of the grants</p> <p>The manual also details the fund structure indicating that the Fund manager will report to an Investment committee (which has members from UNCDF and WFP technical teams)</p>		
<p>Training content, methods, tools and post-training survey questions approved by UNCDF prior to roll-out</p> <p>BDS providers have been trained on how to use the tools in the seed grant Fund manual for application and reporting</p>	<p>Report made by the Grant fund manager and submitted to UNCDF detailing the training delivered to the BDS providers on utilization of the seed grant fund manual and facilitating the application and reporting activities of this project.</p>	<p>Training report verified by the BDS provider and the UNCDF technical team.</p> <p>Verification to be done by conducting a survey among the BDS providers to ensure they understand the grant fund purpose, how to apply for it, how to monitor and report on the fund usage</p>	
<p>The Grants Management Process is Running and Target Sectors are Benefitting from them</p>	<p>The call for applications for the seed grants is continuously running and progressing as planned</p> <p>A list of applications summing at least 4,000 beneficiaries coming from the target sector and locations have been generated and approved by the Investment Committee</p> <p>Disbursements are being made in a timely and seamless manner</p>	<p>Validation shall be done by the IA through the following actions, among others that may be agreed and developed prior to the signing of the PBPA:</p> <ul style="list-style-type: none"> Evidence of the call for applications advert indicating that they are directed 	<p>For every accumulated disbursement of USD 100,000 from the grant fund, the Fund Manager will be compensated with an administration fee equivalent to 10% of the disbursed amount (USD</p>

	<p>Grants disbursed are being used by recipients in accordance with their intended and approved purpose</p> <p>Reports are submitted each time the total disbursement amount of \$100,000 is reached, and the reports are demonstrating the process is moving towards the achievement of the targeted results (i.e., it should include how far is the process from reaching the target numbers including measures that will be put in place in order to ensure that the minimum targets will be met).</p>	<p>towards the target market/sector and location</p> <ul style="list-style-type: none"> • Detailed lists of applications received from agribusinesses (details should include business type, amount applied for, reason for finance need etc., and reflect information needed for data aggregation) • Business ownership details should be disaggregated by sex, age and nationality (targeting at least 4000 beneficiaries from the sectors and locations cited in this TOR) • Disbursement Reports detailing all the above information in the applications including amount disbursed and reason for disparity if any. • Review of Quarterly 	<p>10,000).</p> <p>The disbursement of subsequent funds is contingent upon the submission and successful verification of the report detailing the utilization of previously disbursed funds and the validation method conducted by the IA confirms that the funds were utilized for their intended purposes.</p>
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		disbursement reports <ul style="list-style-type: none"> • Random Field visits/ phone calls to agribusiness grant applicants and grant beneficiaries 	
Grant fund performance report is accepted by UNCDF.	The Grant fund performance report should cover the following : <ul style="list-style-type: none"> • financial overview of the fund (disbursed and unutilized funds), • grant beneficiary profiles, achievements, success stories and challenges • best practices, key lessons learnt and recommendations for future similar arrangements. 	Desk review of Grant Fund performance report by project manager, Investment specialist, results measurement analyst and Program Manager	USD 20,000

Additionally, UNCDF shall expect the Grants Fund Manager to call and 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, with the aim of ensuring that the progress is leading to the achievement of the target results and outcomes.

UNCDF, together with, or through, an independent assessor, shall verify the quarterly reports by performing joint monitoring visits with the stakeholders, spot checks and beneficiary engagements to ensure data quality. All disbursements shall be subject to the validation and recommendation by the IA.

A quarterly steering committee meeting for all the stakeholders will be held to track progress of the activities.

10. The Role of the Independent Assessor³ in the Disbursement of Payment

Prior to UNCDF's signature of the PBPA with the successful applicant, an independent assessor shall review, validate, clarify, the following:

- a) The theory of change in the Project Document, and its alignment with the milestones and expected results under the agreement;
- b) The indicators to be used to measure the achievement of the milestones/results and performance targets against these indicators, ensuring that they are clearly articulated, measurable, verifiable and include detailed conditions for trigger disbursement of payments to the grantee; and
- c) The adequacy and feasibility of risk management measures, including compliance with social and environmental standards.

The independent assessor shall also develop a methodology plan and monitoring framework which shall be used to verify the achievement of milestones and shall serve as a guide for UNCDF to confirm that targets have been met and results reported by the successful applicant are validated.

UNCDF and the successful applicant shall collaborate and agree on the outputs arising from the recommendations of the independent assessor, and incorporate all such conditions on the Agreement, either prior to the signing of the Agreement or in the form of an amendment to a signed Agreement.

During the implementation of the Agreement, and upon reporting of their achievements by the grantee, the independent assessor shall be requested by UNCDF to conduct verification of milestones using independent data collection and validation methods, based on the agreed upon methodologies and frameworks. The independent assessor shall provide the following to UNCDF:

- a) a confirmation of the results achieved and a recommendation to authorize the disbursement of the corresponding payment as agreed in the signed Agreement; or
- b) a confirmation of partial achievement or non-achievement of results, together with recommendations on action points to be undertaken in order to fully achieve the targeted results; or
- c) other important recommendations that are necessary for both UNCDF and the successful applicant to consider, in order to achieve the development results agreed in the signed Agreement, including best practice observed and lessons learned.

³ See attached excerpt of UNCDF policy on the role of the Independent Assessor (Annex 7)

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 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

Eligibility Requirements	Documentary Requirements to Establish Eligibility
Legally registered entity in Uganda with at least 5 years of operational experience in managing and disbursing funds.	Registration Documents as issued by the proper Govt. authority in Uganda, indicating registration number and date of registration Articles of Incorporation citing the activities that the entity is legally allowed to perform/conduct
Licensed to operate as a fund manager in Uganda with all requisite regulatory approvals	Copy of trading license as issued by the proper authority in Uganda
Proven expertise in Management of similar funds in Uganda	List of clients over the past 5 years who are from the said location,

	indicating the size of the portfolio and other relevant details
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Consortiums

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 finance.

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.
- List of clients over the past 5 years who are from the said location, indicating the size of the portfolio and other relevant details.
- Registration of the business, or equivalent document if Applicant is not a corporate entity, as issued by the proper Govt. authority in Uganda, indicating registration number and date of registration.
- Articles of Incorporation citing the activities that the entity is legally allowed to perform/conduct.
- Copy of the license as issued by Capital Markets Authority (CMA) in Uganda authorizing the entity to operate as a fund manager, with all requisite regulatory approvals.
- 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.
- Latest Audited Financial Statement (Income Statement and Balance Sheet) including Auditor's Report and opinion for 2024 (mid year), 2023, 2022, 2021 and 2020.
- 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 *five* Clients in the past *5 years* 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> <ul style="list-style-type: none"> • The applicant’s profile is compliant with the requirements of this TOR. • The track record, reputation and experience of the applicant is similar to the work required by this TOR • Established presence and networks in Uganda’s agribusiness ecosystem, including partnerships with local governments, community organizations, and financial service providers. • The past and present clients of the Applicant is of comparable nature and size as UNCDF. • Ability to provide references or testimonials demonstrating successful implementation of similar grant programs or fund management projects in Uganda. 	Eligibility documents that will be submitted by the Applicant	20
2	<p><u>Suitability of Team Composition and Qualifications</u></p> <ul style="list-style-type: none"> • The applicant’s proposed team structure is relevant and appropriate for the work required in the TOR • The proposed team has both technical and managerial capacity, including expertise in fund administration, financial management, monitoring and evaluation, and capacity-building. • The proposed team has extensive experience in implementing gender-sensitive and inclusive financial programs, ensuring equitable access to resources for marginalized groups. 	CVs of Team Leader and Members that will directly work with UNCDF, which contains details demonstrating the criteria listed in the previous column	20
3	<p><u>Appropriateness of the Proposed Solution</u></p> <ul style="list-style-type: none"> • The applicant’s proposed solution fully addresses the development challenges and is appropriate for the project environment • Robust financial management systems and controls to ensure accountability, transparency, and effective use of grant funds. • The proposed solution serves the objectives of the grant/investment, and will directly translate into the results/outcomes intended for the project • There is sufficient quality control, reporting and other project management foreseen as well as good practices in place. 	Description of Proposed Solution	20

4	<p><u>Value Addition</u></p> <p>The applicant must indicate if the proposed solution will have any other valuable development impact in addition to the target outcomes/Results of this grant</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>Supporting community-based self-help initiatives which may include income-generating activities designed to alleviate poverty</i> 	Corresponding Narrative Provided in the Description of Proposed Solution	10
5	<p><u>Gender perspective</u></p> <ul style="list-style-type: none"> • The proposed solution prioritizes and fully integrates gender Equality and Inclusion in its design and implementation • The proposed solution takes into consideration a good gender gap analysis and impact assessment 	Corresponding Narrative Provided in the Description of Proposed Solution Explaining How Each of the Criteria Will be Met	10
6	<p><u>Sustainability of Proposed Solution</u></p> <ul style="list-style-type: none"> • The proposed solution is sustainable long after the implementation and completion of the grant agreement 	Corresponding Narrative Provided in the Description of Proposed Solution	10
7	<p><u>Results Measurement</u></p> <ul style="list-style-type: none"> • The proposed solution provides an effective and coherent results measurement plan and data management plans. 	Corresponding Narrative Provided in the Description of Proposed Solution	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 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 information needs to be uploaded in UNCDF Plug and Play platform. However, we invite you to use the Main Application guidance document 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.

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	09 December 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: https://apply.uncdf.org/prog/241125-UGA-Seed_Grant_Disbursement
Last day for the transmission of questions/queries	05 December 2024
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)	Propose a project for a combination of the listed areas of intervention
Validity of the Application	Minimum of 150 calendar days
Currency of the Budget Proposal	UGX
Percentage of the Total Budget Proposal that the applicant is expected to fund in cash (for costs such technical resources, staff, and operational expenses).	
Range of UNCDF's contributions / Percentage share of the Total Budget Proposal	\$1,200,000
Type of Agreement to be Signed with Successful Applicant/s	Performance-Based Agreement (PBA)
No. of Applicants that Will be Selected and Awarded an Agreement (depending on the investment readiness level and outreach potential of the solution proposed).	One
Latest Expected Date of Signing the Agreement with the Successful Applicant/s	Q1 2025
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 – 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

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
Performance Based Agreement	https://apply.uncdf.org/protected/nr/xR38n/PBPA_template.pdf
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
On-Granting Terms and Conditions – Annex to the PBPA for partners that will administer sub-grants.	https://apply.uncdf.org/protected/nr/mTgrM/On-Granting_Provisions.pdf
The Roles and Responsibilities of the Independent Assessor in Accordance with UNDP/UNCDF Programme and Operations Policies and Procedures	https://apply.uncdf.org/protected/nr/NZBTQ/Roles_and_Responsibilities_of_IA.pdf