



United Nations Capital Development Fund REQUEST FOR APPLICATION

Enabling interoperability for low-income people in Myanmar: Building a production grade Mojaloop Integration Platform to facilitate a COVID-19 response.

SUMMARY

The United Nations Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 47 least developed countries. With its capital mandate and instruments, UNCDF offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

Leaving no one behind in the digital era

UNCDF has formulated its strategy ‘Leaving no one behind in the digital era’ based on over a decade of experience in digital finance in Africa, Asia and the Pacific. UNCDF recognizes that reaching the full potential of digital financial inclusion in support of the Sustainable Development Goals aligns with the vision of promoting and financing digital economies that leave no one behind. The vision of UNCDF is to empower millions of people by 2024 to use services daily that leverage innovation and technology and contribute to the Sustainable Development Goals.

Inclusion is at the heart of UNCDF strategy to promote digital economies that leave no one behind, which can only be achieved if the digital economies are developed at the national level and if there is a focus on making them inclusive—without any new form of exclusion. We place particular importance on youth, women, migrants, refugees, and MSMEs, customer segments that are often marginalized and denied digital innovation and technology due to social norms, societal status, and limited revenue and capacity. We place the empowerment of these customer segments at the center of UNCDF initiatives to develop innovative services in various sectors.

Our approach focuses on accelerating the development and financing of inclusive digital economies at the country level with the government, the private sector and academia, with specific attention given to the development and financing of the right services to reduce the digital divide and to empower key customer segments.

To implement the UNCDF strategy, we apply a country-level market development approach. The objective of such an approach is to continuously aim to understand and intervene in select market systems to address underlying market dysfunctions in order to improve efficiencies, effectiveness and sustainability. The approach seeks to (1) leverage the roles and behaviors of current players in the marketplace, support them to do what they do better or to change their behaviors; (2) strengthen the systems and relationships among the various market and sector actors; and (3) work with current players to de-risk new business models in order to make digital solutions more inclusive for key segments and reduce the digital divide.



Project Description

'Enabling interoperability for low-income people in Myanmar: Building a production grade¹ Mojaloop Integration Platform to facilitate a COVID-19 response' project is a key component of the "Leaving no one behind in the digital era" strategy in Myanmar. It is designed to support the digital transformation of Myanmar's financial sector, with the microfinance sector in particular, through a common payment Level One² aligned platform.

Currently, there is an ongoing pilot phase of the Level One Aligned Platform that is designed to integrate microfinance institutions (MFIs) based in Myanmar through an interoperable payment system with other types of financial services providers (FSPs), such as mobile financial service providers, banks, among others. The project also prepares FSPs to integrate to the future National Payment System. The integration platform is currently in a "pilot-phase" as a test environment.

As a next step for the existing pilot, the project aims to build a production grade Mojaloop integration platform aimed to provide real-time affordable digital financial services (DFS) for the people living at the bottom of the pyramid in Myanmar. This will be done through expanding the range of digital financial services that MFIs can offer to their current and future clients (mostly low-income women and the rural population). The current project is attempting to respond to the ongoing COVID-19 health and economic crisis by enabling different types of digital payments for low-income people, leveraging the MFIs, starting with electronic cash transfer (e-CTs) initiatives.

Area of Intervention

Integrating Myanmar's microfinance sector through an interoperable payment system for real-time payments, including B2P, P2B, P2P and G2P transactions. The focus will be to enable government-to-person (G2P) electronic cash transfers.

Geographic Focus

This project will support MFIs based in Myanmar to integrate with the country's National Payment System. The scope of project and its impact to beneficiaries is nation-wide.

UNCDF will provide a grant to the most suitable organization to support the implementation of a real-time payment platform for MFIs and other types of digital financial services providers (DFSPs) in order to enable payments.

Selected applicants will sign a Performance-Based Agreement³ (PBA) with UNCDF. The selected applicants will be technically responsive to this Request for Application. UNCDF's contribution can be up to USD\$1,420,000 based on the investment readiness level and outreach potential of the solution proposed. UNCDF will not consider any proposals for more than this amount. Applicants are encouraged to submit the best quality results and proposal within this envelope. UNCDF will only select one applicant to implement the solution.

¹ "Production grade" describes here a more robust and rugged hardware and software that is designed for intensive business and enterprise computing environments. The Mojaloop integration platform or environment is expected to go mass-market.

² See: <https://leveloneproject.org/>

³ A performance-based grant implies that grant amounts that are contingent on the successful achievement of pre-determined milestones. Achieving a milestone will therefore trigger a grant payment. Grant payments will be reimbursements for funds spent by the grantees, according to the project implementation plan and pre-agreed milestones. The Grantee will be responsible of providing a comprehensive and compliant financial report reporting all the financial transactions relating to grant. The Grantee will need to keep supporting documents related to these transactions to justify all actual costs incurred.



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Selected applicants will be expected to fund at least twenty percent (20%) of the total project cost in-kind or cash contribution. Applicants may apply independently or in a consortium provided that the consortium has a pre-established partnership prior to when this request for applications was issued.

All applications must be submitted by 19 October 2020, 23:59 EST time to uncdf.rfa@uncdf.org with subject line: “Enabling interoperability for low-income people in Myanmar: Building a production grade Mojaloop Integration Platform to facilitate a COVID-19 response”.



1. INTRODUCTION

Despite the substantial improvements over the last decade, Myanmar continues to experience high levels of poverty and remains economically vulnerable to natural and human-made disaster and remains as a country still graduating from the Least Developed Countries. Unfortunately, the COVID-19 health and economic crisis has critically affected some vulnerable population, putting at risk the efforts and improvements of the last decade.

The Financial Sector Landscape in Myanmar

Although there has been a significant increase in access to some financial products, such as credit and over-the-counter (OTC) remittances over the past few years, financial institutions have focused on the most obvious commercial opportunities, including serving the formally employed/salaried market, fast growing private corporate sector and higher income individuals. Thus, leading to widespread benefits to urban and rural areas, as well as men and women.

MFIs are partially meeting the unsatisfied demand for credit and are displacing moneylenders and pawnshops and lowering the interest rates charged. Banks are expanding bank branches and ATMs in easier to reach urban and semi-urban areas. But the pace of this progress is too slow compared to the vastness of Myanmar and the challenges of the pandemic.

Additionally, with the expansion of services there is a risk that progress could slow down given the complexity and challenges outlined, and that it will leave behind less profitable and hard to reach groups of citizens such as low-income households particularly, women or people living with disabilities. The current imbalance has been exacerbated with COVID-19, bringing to the frontline a new group of vulnerable people directly affected by the health and economic crisis.

An Inclusive Integration Platform that Leaves No One Behind: Origin of the Initiative

In early 2020, UNCDF began the implementation of the pilot-phase of '*A Level One Aligned Integration Platform: Enabling MFIs access to the National Payment System*', an initiative that was designed to support the digital transformation of Myanmar's microfinance sector through a common payment platform.

The objective of the pilot project is to test a payment platform that will provide affordable digital financial services for individuals living at the bottom of the pyramid in Myanmar by expanding the range of digital financial services that MFIs can offer to their current and future clients (mostly low-income women).

In its design, UNCDF project team assessed different frameworks for an inclusive payment ecosystem; it was decided that the ecosystem should be aligned with The Level One Framework from the The Level One Project⁴ to help the future implementor to have a reference framework in the implementation of an inclusive payment system that leaves no one behind. It was also decided that the technology which best fit the needs of the project was Mojaloop. The activity began implementation with the following objectives:

⁴ More information here: <https://www.leveloneproject.org/>

- (a) Assessing the capacity of the MFIs to connect to a national payment platform;
- (b) Building the technical capability to perform that task by connecting the participants to a Mojaloop platform; and,
- (c) Testing a use case of interest for the industry by conducting some real-time payments⁵.

Currently, the pilot for a Mojaloop test-lab has achieved the following outputs:

1. Designed microfinance loan repayment use case: Through a series of online design sessions, 15 industry stakeholders including microfinance institutions (MFIs), banks, mobile money, and technology service providers created the first loan repayment standard for Myanmar. The use case will be digitized through the Mojaloop Lab in order to create a standard method for processing transactions. The use case will continue to be improved through an iterative process.
2. Held technical trainings on real-time payments and Mojaloop: hosted three online training courses to build the capabilities of digital financial service providers (DFSPs) to participate in real-time digital payments. In total, more than 20 organizations attended the trainings.
3. Establish Mojaloop Lab and connect four DFSPs: deployed and configured the Mojaloop Lab in Amazon Web Services. Following the deployment, testing it with four DFSPs and their technology vendors to connect their core banking system to the Lab and test real-time transactions.

COVID-19 in Myanmar: An Emergency Scenario and Recognizing the Need to Digitize

With the spread of COVID-19, like many developing countries, Myanmar has been facing dire circumstances both economically and socially. As the virus continued to spread across the region, the tourism sector in Myanmar started to decline as many countries and travelers restricted movement along borders. The economic conditions in Myanmar worsened as the hospitality sector started closing their doors and laying-off their staff. The garment sector also suffered greatly as factories started facing their first of many supply chain disruptions, as their Chinese supplies stopped shipping raw material needed for their operations, and a general decline of demand.

The financial sector as a whole has been affected by the crisis, with a particular hit on the MFI sector and their clients. Myanmar's Financial Regulatory Department (FRD), which regulates the microfinance sector, issued a directive to halt all microfinance operations, including collections and disbursements of loans during April and May 2020.

The urgency and magnitude of the situation overwhelmed both the private and public sector, without enough bandwidth to implement health and economic measures compared to developed nations. Despite the limitations, in April, the Government of Myanmar (GoM) launched its COVID-19 Economic Relief Plan (CERP), which seeks to mitigate the economic impact of the

⁵ The use case that garnered most of the interest from the industry was MFI digital loan repayments. This product proved to be in high demand by most of the participants, including MFIs and mobile financial services providers (MFSPs). The activity developed a complete use case for digital loan repayments with the rest of the digital financial service providers (MFIs, MFSPs, Banks, etc.). The use case is made available online to serve as a public good.



pandemic by implementing new measures and response plans, ranging from monetary reforms and increased government spending which aims to strengthen the health care system in the country. Recognizing the need to minimize face-to-face interactions with clients and handling of cash, the plan includes an output to increase the use of digital financial services.

The Government also recognizes the need for and is prioritizing social payments as a mechanism to address the economic disruption caused by COVID-19. As of August 2020, the Department of Social Welfare (DSW) started providing cash assistance to 400,000 people affected by COVID-19⁶. Another ambitious program from the Government aims to disburse cash transfers to citizens above 80 years old (around 0.8% of the population⁷ – roughly 430,000, 60% of them women). Lastly, the Government is also implementing a program for pregnant women and young children that aims to target around 700,000 women⁸. Altogether, and without considering possible overlaps, this means approximately 2.1 million potential recipients of social payments in the immediate present.

Given the impact of COVID-19, the GoM and the financial services sector have recognized the urgent need to digitize and adapt under the COVID-19 Economic Relief Plan (CERP):

- A large proportion of low-income people has been extremely affected by the current crisis demanding some support from the Government, in order to fill their most basic needs. The Government is willing to expand its existing social programmes.
- Due to health concerns, COVID-19 makes it extremely difficult for personal interaction and handling of cash; it has led to the need to digitize key business processes.
- COVID-19 has especially impacted MFIs and their clients due to the high-touch nature of microfinance. Since April 2020, FRD has limited microfinance operations by restricting loan officers to make field visits and collections in clients' villages.

⁶ <https://myanmar.un.org/en/47563-lift-and-dsw-announce-usd9-million-covid-19-cash-support-mothers-pregnant-women-and-social>

⁷ <https://academic.oup.com/gerontologist/article/57/4/599/2890806>

⁸ <https://projects.worldbank.org/en/projects-operations/project-detail/P164129?lang=en#finances>

2. SCOPE OF WORK

2.1 Area of Intervention

The project will build on the existing ongoing pilot ‘A Level One Aligned Integration Platform: Enabling MFIs the access to the national payment system⁹’ through a Mojaloop platform. The project will build on the success of the pilot and accelerate the integration of MFIs and other FSPs into a production grade Mojaloop platform. Building on the pilot, the project aims to produce new uses adapted to Mojaloop. The successful organization will also continue to expand the ongoing training for the FSP participants to support them in building the capacity to deliver digital financial services. Lastly, the project needs to accommodate to needs of FRD and the Central Bank of Myanmar (CBM), and the future National Payment System.

The priority use case to build, identified during the inception phase, is G2P or electronic cash transfers (e-CTs). It is expected that, by the end of the project, the Department of Social Welfare (DSW), as well as other organizations delivering e-CTs, will be ready to provide real-time payments through the common payment platform, opening to their beneficiaries the opportunity to select the most convenient financial services provider, simplifying disbursement procedures and the negotiation of agreements. As part of the scaled project, the common payment platform will also expand the range of FSPs participating on it. In the mid-term, the common payment platform will be integrated with the country’s National Payment System, governed by the CBM.

In addition, MFIs will be able to provide their clients with new digital use cases, such as digital loan repayments and digital loan disbursements. The primary segment of the project are low-income women, beneficiaries or potential beneficiaries of e-CTs through the governmental national Maternal-Child Cash Transfer (MCCT) programme, and COVID-19 response.

The project is expected to happen in 2 phases. The second phase dependent on the success of the previous:

Phase 1: Rapid Deployment and Initial Operations (6 months)

- Deploy and configure a production grade Mojaloop payment platform;
- Train and onboard 20 financial service providers;
- Develop standard e-CTs product with the DSW and other related organizations;
- Support Myanmar Microfinance Association (MMFA) and the World Food Programme (WFP) with design work to convert existing databases into Mojaloop Oracles;
- Support the launch relevant financial literacy content in coordination with UNCDF partners;

Phase 2: Transition to Local Operations (12 months)

- Integrate with the DSW’s Social Management Information System;
- Iterate on business rules for use cases;
- Integrate the Mojaloop oracle into the MFI client database (MCIX) ;
- Migrate the Mojaloop deployment to a local cloud provide;r
- Scale electronic cash transfers and MFI use cases;
- Iterate on business rules for use cases;
- Transfer to local operations and ownership;
- Sustainability: Mojaloop platform is covering at least 50% of its costs by the end of the project from its participants;

⁹ More information here: <https://www.uncdf.org/article/4688/call-for-applications-enabling-mfis>



Given the sense of urgency due to COVID-19 and government initiatives, as well as the groundwork that has been put forth from the pilot project, the successful candidate must be knowledgeable in developing Mojaloop integration platforms. Moreover, the organization must be readily available to begin implementation of the activities within this project.

For this request for applications (RFA), UNCDF invites applications from registered and experienced entities that can offer innovative and scalable solutions addressing the following challenges through the following intervention:

Area of intervention	Challenges/Problem Statement and Objectives for solution
<p>Advancing Myanmar's financial sector through an interoperable payment system for B2P, P2B, P2P and G2P transactions (e.g. digital loan disbursements and repayments, remittances and social transfers).</p>	<p>Challenges:</p> <ul style="list-style-type: none"> • Need for an interoperable payment platform that allows beneficiaries to receive cash transfers as fast and as reliable as possible, in comparison with current cash-in-envelop systems; • Need to maintain social distancing, while keep providing financial services, loan disbursements, loan repayments; • High smartphone penetration rate but extremely low digital and financial literacy especially in rural communities; • The increasing need to social distance combined with the lack of an interoperable system in the financial sector makes it difficult for FSPs, governments and citizens to access the financial sector; • There is a lack of regulatory framework, guidance and knowledge to help govern digital finance; • Existing MFI clients and electronic cash transfers beneficiaries database have difficulties integrating to payment integration platforms; <p>Objectives:</p> <ul style="list-style-type: none"> • Myanmar's payment infrastructure is strengthened through the use of the open, digital payment system and allowing financial service providers, including MFIs, and electronic cash transfers initiatives to continue digitally during COVID-19 crisis; • The open payment system is established and able to provide industry-defined electronic cash transfers and MFI use cases amid COVID-19 crisis; • Digital financial service providers integrate into the open payment system using new skills and knowledge amid COVID-19 crisis; • Building or transforming existing databases into Mojaloop oracles that can be integrated to the Mojaloop Integration Platform; • To develop a sustainability plan for the Mojaloop payment platform to ensure the continuity of operations after the implementation has finalized;

The examples of solutions in the identified areas of intervention are not exhaustive. The team at UNCDF is excited to hear what potential applicants have in mind outside these examples as long as your scale, commercial viability and impact objectives are aligned. The areas of interventions must be linked to give a quick response to COVID-19, and digital financial services.



2.2 How UNCDF works with partners

UNCDF takes a tailored approach to engagement with partners, working with each 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 RFA, applicants may identify and suggest areas where the technical support from UNCDF and its network of expertise is sought.

2.3 Expected results

According to the projects and solutions presented, candidates must include in the proposal a complete list of results, outcome indicators and targets for monitoring achievement of different results. Below is a non-exhaustive list of key performance indicators (KPIs) for the projects. Other indicators would be finalized based on the nature of the project and tracked to ensure its success.

Deliverables will be derived from key project milestones to be agreed mutually between UNCDF and the selected applicant in accordance to the identified milestones, outcomes and targets of the KPIs, during the due-diligence and negotiation phase. For illustration, milestones can include market research conducted, and go-to-market strategy finalized.

In the application form, candidates will have to provide set reliable and attainable targets for each of the following indicators.

Indicator	Current Baseline (September 2020)	Proposed End of 1 st phase (6 months) ¹⁰	Proposed End of the project (18 months)
Number of institutions that co-create the digital payment product document for digital loan repayments	11	15	20
Number of MojaLoop Lab Environments created	1	1	1
Number of DFSPs ¹¹ that receive a technical assessment	7	20	
Number of institutions that participate in Mojalooop Partner Program training	7	20	
Number of people who participate in Mojalooop Partner Program training	15	60	
Number of DFSPs that complete integration with MojaLoop Lab Environment	5	7	
Number of training sessions in-person or webinar with financial services providers, vendors and integrators	2	6	
Number of case studies for the industry and the regulator	1	3	
Number of institutions that co-create the product document for digital social payments	0	15	
Number of institutions that co-create the product document for digital loan disbursements	0	14	
Number of use cases identified and developed with the DFSPs	1	3	
Number of mobile money access solutions (e.g. MFSPs and/or bank wallets) integrated in open payment system	0	4	
Number of sustainability plans developed	0	0	1
Number of designs for transformation of industry databases into Mojalooop oracles	0	2	
Number of industry existing databases converted into Mojalooop Oracles	0	0	2
Number of live demonstrations and testings completed	0	3	

Please note that during the negotiations process of the PBA, applicants shall be required to integrate the monitoring framework with additional KPIs.

¹¹ DFSPs here is a broad term that includes MFIs, banks, mobile money operators, etcetera. It includes any type of regulated financial institution capable of providing digital financial services in any of its varieties (saving, lending, payments, insurance).



3. ELIGIBILITY FOR APPLICATION AND EVALUATION CRITERIA

Only applications that meet the eligibility requirements and minimum criteria for the submission will be scored.

3.1 Eligibility requirements

Entity registration

- The applicant/lead applicant must be a registered entity developing payment integration platform/solutions or digital integration for financial service providers with experience in Mojaloop development.

Country of operation

- Applicants must be a registered entity, either incorporated in Myanmar or abroad.

Consortiums (when applicable)

- Applicants may apply only once under this RFA, 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 beneficiaries.
- Applications from consortiums of organizations must show that the partnership was established prior to this call for applications.
- The lead applicant and partner must be registered entities with at least 3 years of operations and must have statutory accounts and audited financial statements for at least 3 operating years.

Solutions to be supported

- Applicants must demonstrate at least 2 years of proven experience developing production grade Mojaloop platforms.
- Applicants must have an existing solution that has been tested in more than one developing country, with a preference in Myanmar or South East Asia.

Project funding

- Applicants must contribute at least 20 percent, in kind or cash, of the project's costs (costs may include technical infrastructure, resources, and operations).

Exclusionary criteria:

- Applicants shall not have been the subject of bankruptcy, liquidation, judicial settlement, safeguarding, cessation of activity or any other similar situation resulting from a similar procedure.
- Applicants and any of their staff or member of their board of directors shall not be included in the United Nations financial sanctions lists⁵, particularly in the fight against the financing of terrorism and against attacks on international peace and security¹²; and
- Applicants must not be involved in any of the following activities¹³:
 - Manufacture, sale or distribution of controversial weapons or their components, including cluster bombs, anti-personnel mines, biological or chemical weapons or nuclear weapons
 - Manufacture, sale or distribution of armaments and/or weapons or their components, including military supplies and equipment
 - Replica weapons marketed to children
 - Manufacture, sale or distribution of tobacco or tobacco products and any illegal narcotics
 - Involvement in the manufacture, sale and distribution of pornography
 - Manufacture, sale or distribution of substances subject to international bans or phase-outs, and wildlife or products regulated under the CITES
 - Gambling including casinos, betting etc. (excluding lotteries with charitable objectives)
 - Violation of human rights or complicity in human rights violations
 - Use or toleration of forced or compulsory labor
 - Use or toleration of child labor
- Applicants shall have fulfilled all the obligations relating to the payment of social security contributions or obligations relating to the payment of taxes in accordance with legal provisions in force in the country of incorporation

UNCDF will conduct due diligence on selected applicants. Applicants must have documents ready for confirmation that they meet the eligibility criteria including certificate of compliance with the tax authorities and any other documentary evidence that might be requested by UNCDF besides the application form.

3.2 Evaluation criteria

The Evaluation Committee will score the applications according to the below evaluation criteria. Only applications that score at least [70 out of 100] will be considered successful and move to the due-diligence stage.

Applicants with a demonstrated presence and experience/involvement in Mojaloop implementations will be prioritized.

¹² See: <https://www.un.org/securitycouncil/sanctions/information>

¹³ See UNDP Policy on Due Diligence and Partnerships with the Private Sector (2013): https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/BER_A_Partnerships_UNDP%20private%20sector%20due%20diligence%20policy%202013_FINAL.pdf&action=default

Evaluation Criteria		Max Score
PRODUCT DEVELOPMENT STAGE – Is the proposed Mojaloop solution ready to go to market or in the market		
1	Applicant has limited or no experience developing Mojaloop products	0
2	Applicant has some experience with Mojaloop products but not ready for deployment.	3
3	Applicant has developed some Mojaloop products that have been tested, but not used in the market	9
4	Applicant has developed Mojaloop products, including integration tools, training and production deployment tools which are being deployed and used in other markets	14
RELEVANCE – To what extent does product or service address the SDGs/ Problem Statement/ market needs directly? What steps have been taken to validate the solution for the market/ segment?		
1	The solution does not address the problem yet; the solution is not directly related to the SDGs. The solution is not targeting low-income segments/ market segments identified by the Strategy “Leaving no one behind the Digital Area”	0
2	The solution indirectly addresses the problem; yet; the solution is not directly related to the SDGs. The solution is indirectly targeting low-income segments/ market segments identified by the Strategy “Leaving no one behind the Digital Area”	3
3	The solution addresses the problem and it is related to the SDGs. The applicant has limited experience using the solution in targeting low-income segments/ market segments identified by the Strategy “Leaving no one behind the Digital Area”	8
4	The solution directly addresses the problem and it is related to the SDGs. The Applicant has direct experience targeting low-income segments/ market segments with preference to Myanmar through digital payments identified by the Strategy “Leaving no one behind the Digital Area”. Applicant has tested the product, and it is therefore Plug and play and almost immediate	13
SCALABILITY - How sustainable is the solution for long-term growth? To what extent can the solution be scaled? We will look at outreach targets as measured by # of end-users that use or are impacted by the product, and evaluate whether the proposed target is backed by sound logic (e.g. current user base, applicant’s ability to deliver)		
1	Limited evidence to suggest capacity to scale (market research completed)	0
2	Some evidence to suggest capacity to scale at this point (market validation completed)	3
3	Significant evidence to suggest capacity to scale (business plan and revenue model completed, demonstrating scalability with customer segment/beneficiary segment from different communities or employed in different industries or with levels and patterns of use of digital financial services)	8
4	More than enough evidence to suggest capacity to scale (evidence of extensive experience DFSPs to scale nationwide, strong presence in more than one market/segment including multiple classes of DFSPs)	12
ORGANIZATION TECHNICAL CAPACITY – Relevant experience in the industry, - human resources, financial, infrastructure, technology, brand recognition, geographical footprint		
1	Organization has minimal experience as a startup in the area of intervention and in developing and testing solutions in developing countries	0
2	Organization has some experience in the area of intervention and in developing and testing solutions in developing countries	3
3	Organization has significant direct experience in middle and senior management roles in the area of intervention and developing and testing Mojaloop payment solutions in developing countries (South East Asia)	9



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4	Organization has very strong industry experience and networks in delivering and scaling results in the area of intervention and in developing and testing Mojaloop payments solutions in developing countries with multiple classes of financial service providers) (South East Asia)	15
PARTNERSHIPS – Does your organization have partnerships with private and public entities to implement payment solutions? Type of partnership; past, current and future joint work; relationship with the Government of Myanmar; relationship with MFIs, banks and mobile money operators.		
1	Organization has no relationship with the private and public sector in Myanmar	0
2	Organization has some relationship with few actors from private and public sector in Myanmar	5
3	Organization has at least five proven partnerships with a financial service provider/government entity in Myanmar and has managed mutli-stakeholder collaboration projects across several DFSPs.	13
4	Organization has at least ten proven partnerships and relationships with financial service providers from multiple classes (banks, MFIs and mobile money) in Myanmar on payment related use cases.	20
RISK PROFILE – The extent to which the product or service costs are relative to the expected results and impact		
1	Applicant does not have any prior knowledge of current regulatory environment to help with regulatory approvals. Applicant has not shown understanding of risks facing the project success.	0
2	Applicant has worked with regulators in the past with some understanding of current payment and microfinance regulatory environment. Applicant has demonstrated understanding of risks associated with the project and some experience mitigating these risks.	3
3	Applicant has solid understanding of the Myanmar regulatory environment and the Central Bank of Myanmar's National Payment Strategy. Applicant has similar experience working with regulators on real time payment systems	8
4	Applicant has direct experience in Myanmar on digital finance and payments. Applicant has a very solid understanding of the National Payment Strategy and has articulated how this project will fit into that strategy. Applicant has extensive direct experience working with regulators on real time payment systems.	14
FINANCIAL FEASIBILITY– The extent to which the proposed solution model has potential to become financially viable over time.		
1	The Applicant has limited understanding of the costs associated with deploying and maintaining a Mojaloop system. Applicant did not make a sound case for a sustainability plan.	0
2	The Applicant has shown some understanding of the costs associated with deploying, maintaining and integrating Mojaloop systems. Applicant sustainability plan is not very well thought through.	3
3	Applicant sustainability plan is well thought through and Applicant has some experience with the costs associated with a Mojaloop deployment, integration and maintenance.	8
4	Applicant has direct experience with integrations with Mojaloop and can leverage previous work to reduce costs. Applicant sustainability plan is extremely well thought through.	12

3.3 Eligible costs

The criteria for eligible expenditure determine whether a cost qualifies for funding under UNCDF rules and procedures.

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

- Eligible costs must be incurred by the applicant during the project (after the signature of the Performance-based Agreement and up to the end of the Grant period).
- Eligible costs should be indicated in the estimated overall budget of the action attached to the Performance-based Agreement.
- Costs must be 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.
- Costs must comply with the requirements of applicable tax and social legislation.
- Costs must be reasonable, justified and comply with the principle of sound financial management, in particular regarding economy and efficiency.
- Consultancy costs – 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. Consultants' travel costs, including for subsistence, are to be shown as travel expenditure. The applicant may be required to justify the daily fee.
- Workshop costs are eligible, for the workshop venue, food and beverages, and publication material. Costs for online workshops or webinars are also eligible.
- Training expenditure (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. Costs for online training are also eligible.
- Investment costs directly attributable to the project, relating to research and innovation, are allowable.

3.4 Ineligible costs

The following costs are ineligible and not accepted:

- Returns on capital and dividends paid by a beneficiary;
- Debt and debt service charges;
- Provisions for losses or debts;
- Interest owed;
- Costs declared by the applicant in the framework of another action receiving a grant financed from another donor;
- Indirect costs, also called overheads.



4. AGREEMENT PARAMETERS

Applicants shall give evidence that their solutions are aligned to the following parameters.

4.1 Applicants

Candidates can apply alone or as lead applicant in a consortium of firms, as long as they comply with the eligibility requirements set forth in section 3.1. In case of a consortium of entities applying to the RFA, the lead applicant shall comply with the eligibility requirements. The lead applicant will be responsible for:

- i. submitting the application form on behalf of the consortium
- ii. ensuring that each partner is fully aware of the composition of the partnership and of the contents of the Application Form;
- iii. signing the Performance-based Agreement with UNCDF;
- iv. fulfilling all obligations set out in the Performance-based Agreement;
- v. ensuring the allocation and the fulfilment of the funds amongst the partner in the consortium in compliance with the Performance-based Agreement;
- vi. ensuring the allocation and the fulfilment of the tasks amongst the partner in the consortium in compliance with the Performance-based Agreement

4.2 Target segment

The primary segment of the project are low-income women, beneficiaries or potential beneficiaries of electronic cash transfers through the governmental national Maternal-Child Cash Transfer programme, and COVID-19 response.

The secondary segment are current and future clients of MFIs, predominantly low-income, and rural.

4.3 Geographical scope

The project is nation-wide in Myanmar. Some ad-hoc pilots might be tested in certain geographical areas, depending on the needs and the interest of the Government and the Financial Services Providers participants.

4.4 Project duration

The project is expected to have a 18 months duration. Final and assessment report will have to be submitted no later than two months after project completion.

4.5 Language

The deliverables and any correspondence between the applicant organization and UNCDF must be in English.



4.6 Budget

UNCDF will provide a grant to the selected applicants which are technically compliant in accordance to the Evaluation Criteria as set forth in section 3.2 UNCDF contributions is up to USD\$ 1,420,000. Applicants are encouraged to submit the best quality results and proposal within this envelope.

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

Applications will need to describe how applicants will deploy the Grant and if any technical assistance or mentorship services are being sought. Additional technical assistance services will be provided by UNCDF through a separate budget line.

5. APPLICATION REQUIREMENTS AND PROCESS

5.1 Structure of the application

The applicant must submit the following documents:

- Annex I: Submission letter
- Annex II: Technical proposal
- Annex III: Budget
- Company's legal registration/certificate of incorporation documents
- Company's audited financial statements for the last 3 years
- CV of main staff that will lead the project

All submissions must be completed in English.

Only applications with complete submissions will be considered.

In addition the applicant may supplement with:

1. A deck that visually outlines what the project and/or product is (15 slides maximum and as a PDF). The deck shall include the following headed sections:
 - a. (i) Executive summary,
 - b. (ii) Problem statement and market need, including existing regulatory environment and how applicant will fit into existing national payment strategy;
 - c. (iii) Solution: Description of use of Mojaloop for the proposed use cases and DFSPs ,
 - d. (iv) Milestones and go-to-market strategy: including recommended participant DFSPs and other stakeholders, and relationships with them,
 - e. (v) Team
 - f. (vi) Deployment of UNCDF funding,
 - g. (vii) Sustainability plan: Proposed business model and sustainability plan with cost and revenue projections



5.2 Application deadline

All applications must be submitted by 19 October 2020, 23:59 EST time to uncdf.rfa@uncdf.org with subject line: “Enabling interoperability for low-income people in Myanmar: Building a production grade Mojaloop Integration Platform to facilitate a COVID-19 response”

5.3 Selection process

- Step 1: Eligibility screening – eligibility will be assessed according to the eligibility requirements as set forth in section 3.1.
- Step 2: Evaluation of eligible applications – applications will be evaluated based on the evaluation criteria set out in section 3.2.
- Step 3: Due diligence – due diligence on the applications and their applicants will be conducted on applications that receive the minimum qualifying score (70/100).
- Step 4: Notification of applications – all applicants will be notified of the status of their applications.
- Step 5: Pre-Grant negotiation and Performance-based Agreement – the selected applicants will finalise the scope of the grant and finalise budgets, indicators and targets, workplan and disbursements of the Grant that will be released on achievement of each milestone.
- Step 6: Approval of the selected applications by the Investment Committee
 - applications selected by the Evaluation Committee will be reviewed, discussed and approved by the Investment Committee. Any further due diligence requirements, risk analysis or milestone recommendations from the Investment Committee will be followed in later steps.
- Step 7: Notification of applications - all applicants will be notified of the status of their applications after final approval from UNCDF.

5.4 Timeline

1 October 2020	Application window opens
9 October 2020	Deadline for submitting questions
10 October 2020	FAQ document published
19 October 2020, 23:59 EST time	Deadline for submission

5.5 Assistance from UNCDF

For questions, please send an email to uncdf.rfa@uncdf.org