

**UNITED NATIONS CAPITAL DEVELOPMENT FUND (UNCDF)**  
**Better Than Cash Alliance (BTCA)**  
**Update of Better Than Cash Alliance Diagnostic**  
**REQUEST FOR APPLICATIONS**  
**Deadline for submission: 20<sup>th</sup> February at midnight EDT**

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**1. INTRODUCTION TO THIS REQUEST FOR APPLICATIONS**

**a) Purpose of the RFA**

The purpose of this request for applications (RFA) is to assist the Philippines achieve a better understanding of the current state of payments digitization by performing a new BTCA Diagnostic of the country. This new BTCA Diagnostic of the Philippines will help update the figures and findings that resulted from the original 2015 BTCA Diagnostic of the Philippines. The new BTCA Diagnostic of the Philippines will use the best available data to measure the progress made in the digitization of payments as compared to the 2015 baseline. In addition, the new Diagnostic will assess the trajectory of the shift to digital payments<sup>1</sup> in a way that can inform a country's decisions and priorities such as including poor people in the formal economy. The assessment will be carried out at the request of the Bangko Sentral ng Pilipinas (BSP) and will be focused on understanding the role of the payments ecosystem as part of a broader context of digitization and inclusive finance<sup>2</sup>, developing recommendations and a roadmap for bolstering the transition from cash to digital payments in the country and building capabilities of local authorities (BSP, Philippine Statistics Authority and other as appropriate) to own and be able to autonomously carry out a BTCA Diagnostic in the future. The expected result is a publicly available Better Than Cash Country Diagnostic of the Philippines assessing the country's digital payments ecosystem and one or more local authority with the technical capacity to implement the BTCA Diagnostic methodology in the country.

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<sup>1</sup> There is no one standard definition of a digital or electronic payment. Digital Payments are transfers of value which are initiated and/or received using electronic devices and channels to transmit the instructions. While payments are made using instruments (e.g., cash, checks), digital payments are not one instrument but rather an umbrella term applied to a range of instruments used in different ways. These instruments can be grouped together with respect to their underlying nature in two ways: narrow choice – 'Paper' vs 'non-paper' and broad choice – 'cash' vs 'non-cash'. <https://www.betterthancash.org/tools---research/toolkits/payments---measurement/focusing---your---measurement/introduction>

<sup>2</sup> The PAFI report provides an analysis of the payment aspects of financial inclusion, on the basis of which it sets out guiding principles designed to assist countries that seek to advance financial inclusion in their markets through payments. For more information see <http://www.bis.org/cpmi/publ/d133.pdf>

This research aims to:

1. Document the current state of digitization of payments across the requested payments streams in the Philippines economy., including a clear understanding of the different players of the country's digital payments ecosystem, based on robust and detailed surveys, data gathering and research,
2. Compare 2018 or the latest data to the 2015 baseline and identify reasons for the changes.
3. Identify potential incentives for different players to accelerate digital payments ecosystem development
4. Provide tailored recommendations with clear evidence of the basis for those policy or market interventions;
5. Draft a clear roadmap to advance the digitization of payments in the country;
6. Strengthen the capabilities of identified local authorities (BSP, Philippine Statistics Authority and/or other relevant agencies, as appropriate) to implement and update the BTCA Diagnostic methodology for any future updates and,
7. Distill lessons from the Philippine experience in the transition from cash to digital payments for other Better Than Cash member countries.

The final outputs and deliverables of this RFA are intended to serve as a benchmark as well as provide support to the development of an inclusive digital payments ecosystem in the Philippines. The BTCA Diagnostic will provide insights and valuable lessons for other countries endeavoring to do the same or for in-country organizations to understand the state of payment digitization and the role they can play. After appropriate consultation with the BSP, outputs and deliverables for the diagnostic will be made public with the intent that it can be freely and widely used by other parties.

**b) Timing**

Applications should be returned to the Better Than Cash Alliance Secretariat **by email** no later than midnight on **Feb 20<sup>th</sup> of 2019**.

It is anticipated that negotiations and grant signing will commence within 3 to 4 weeks of application deadline (midnight on **March 20 of 2019 EDT**).

The overall duration of the project should not exceed **6 months**.

**c) Contact**

Applications and any consultation about this RFA should be submitted via email to [camilo.tellez@uncdf.org](mailto:camilo.tellez@uncdf.org); copying in (cc) [amela.cosovic-medic@uncdf.org](mailto:amela.cosovic-medic@uncdf.org) and [rodrigo.mejia.ricart@uncdf.org](mailto:rodrigo.mejia.ricart@uncdf.org). Please include in the subject line of the email: BTCA Diagnostic

of the Philippines 2019.

**d) Responses**

All queries and submitted applications will be acknowledged.

**1. ORGANIZATION CONTEXT AND BACKGROUND INFORMATION**

**a) Organization Context**

**UNCDF** is the UN’s capital investment agency for the world’s 48 least developed countries. It creates new opportunities for poor people and their communities by increasing access to microfinance and investment capital. UNCDF focuses on Africa and the poorest countries of Asia, with a special commitment to countries emerging from conflict or crisis. It provides seed capital – grants and loans – and technical support to help microfinance institutions reach more poor households and small businesses, and local governments finance the capital investments – water systems, feeder roads, schools, irrigation schemes – that will improve poor peoples’ lives. UNCDF programs help to empower women and are designed to catalyze larger capital flows from the private sector, national governments and development partners, for maximum impact toward the Millennium Development Goals.

**1.**

The **Better Than Cash Alliance** is a partnership of governments, private sector and international organizations that accelerates the transition from cash to digital payments in order to reduce poverty and drive inclusive growth.

The Better Than Cash Alliance partners with governments, companies, and international organizations that are the key drivers behind the transition to make digital payments widely available by:

1. Advocating for the transition from cash to digital payments in a way that advances financial inclusion and promotes responsible digital finance.
2. Conducting research and sharing the experiences of our members to inform strategies for making the transition.
3. Catalyzing the development of inclusive digital payments ecosystems in member countries to reduce costs, increase transparency, advance financial inclusion– particularly for women– and drive inclusive growth.

**b) Background Information about BTCA Payments Ecosystem Diagnostics**

The ‘payments ecosystem’ is a term describing the interaction of various stakeholders who provide or process payment instruments with those who use them for a wide range of purposes in the economy. It goes beyond the systems used by those who provide or regulate payments by considering the requirements, behaviors, needs and implications for all users and potential users of payments. Governments can be prime movers and play a catalytic role in supporting the evolution of a robust inclusive digital ecosystem and in moving the digital agenda toward financial inclusion. Government payments are important to any developed or developing country. This relative importance is usually measured as a

percentage of government expenditures and/or tax collections. Those ratios range between 15% and 45% of a country's GDP. Payments also vary based on who is the payer and who is the payee (See table in next page). BTCA is also interested to assess state of digitization for corporate supply chain payments in the Philippines: B2B (suppliers and distributors payments), P2B (credit and debit card payments at merchants' level) and/or B2P (salaries and benefits).

		PAYEE		
		Government	Business	Person (Individual)
PAYER	Government	<b>G2G</b> Central government disbursements to local level, Transfers within the central government	<b>G2B</b> Supplier payments, Utility payments	<b>G2P</b> Welfare programs, Salaries, Pensions
	Business	<b>B2G</b> Taxes, Fees for licenses and permits, Payments to gov't utilities	<b>B2B</b> Supplier payments, Utility payments, Pension contributions	<b>B2P</b> Salaries and benefits
	Person (Individual)	<b>P2G</b> Taxes, Utilities, Debit card payment of taxes, Payments to gov't utilities	<b>P2B</b> Utilities, School fees, Credit card payments, Pension contributions, Debit card payment at stores	<b>P2P</b> Remittances, Gifts
	Development community	<b>D2G</b> Taxes <sup>2</sup>	<b>D2B</b> Utility payments	<b>D2P</b> Cash transfers, Salaries for local employees

Figure 1. The Payment Grid – Types of Payments by Payer and Payee. (Source: BTCA, 2012)

c) **Background Information about the Philippines and the Better Than Cash Alliance**

The Philippines is a founding member of the Better Than Cash Alliance, making clear its commitment to the cause of digitization and the work of the Alliance since day one.<sup>3</sup> Since then, the Philippines has remained a reliable advocate for the digitization of payments as a means to achieve financial inclusion<sup>4</sup> and an active partner and collaborator of the Alliance's Peer Learning agenda.<sup>5</sup>

In 2015, a diagnostic study was carried out at the request of the Philippines with the collaboration of the Bangko Sentral ng Pilipinas (BSP), the Department of Budget and Management (DBM), the Department of Social Welfare, the Department of Trade and Industry, the National Statistical Coordination Board, the Office of the Director of Public Procurement as well as key stakeholders from the private sector.

The 2015 BTCA Diagnostic study of the Philippines provided national policymakers with a baseline of the country's state of digitization of payments, an assessment of the trajectory of the shift to digital payments and advanced recommendations on case studies and

<sup>3</sup> <https://www.betterthancash.org/news/blogs-stories/empowering-people-one-transaction-at-a-time> and <https://www.betterthancash.org/news/blogs-stories/better-than-cash-launch-event>

<sup>4</sup> <https://www.betterthancash.org/news/blogs-stories/pioneer-governments-lead-the-way-on-shifting-from-cash-to-digital-payments>

<sup>5</sup> <https://www.betterthancash.org/news/blogs-stories/join-our-webinar-digitizing-business-payments-in-the-philippines> and <https://www.youtube.com/watch?v=D2RExGAoT6U>

measurement activities.<sup>6</sup>

**Table 1. Payments per payer in the Philippines, 2015**

Payer	No. of payments/ month million	% volume electronic	Total value PHP million	Total value US\$ million <sup>3</sup>
Government	17	54%	236,436	\$5,666
Business	603	1%	2,546,647	\$61,120
Individuals	1,914	0.3%	311,605	\$7,479
Dev. partners	6	59%	368	\$9
<b>Total per month</b>	<b>\$2,539</b>	<b>1.03%</b>	<b>3,095,056</b>	<b>\$74,273</b>
<b>Total per year</b>	<b>\$30,474</b>	<b>1.03%</b>	<b>37,140,670</b>	<b>\$891,279</b>

*Source: BTCA Diagnostic of the Philippines, 2015*

The data, information and insights produced by the 2015 BTCA Diagnostic of the Philippines proved useful for policy-makers as they were designing their digitization and financial inclusion initiatives. Three years after its publication, Filipino authorities are keen on having an up-to-date overview of the progress made in order to review and adjust existing policies and approaches as needed in the light of current trajectory and new trends in digital financial services. National authorities of the Philippines have also expressed interest in building internal technical and administrative capabilities to use the BTCA Diagnostic methodology in the future as a means to autonomously assess its progress and performance in the digitization of payments and its desired evolution towards a more inclusive and robust digital payments ecosystem. The Bangko Sentral ng Pilipinas will dedicate 1-3 resources to join the project team through the duration of the engagement.

#### d) **Comparability**

It is expected that, where possible, the BTCA Diagnostics conducted should utilize the same methodologies as previous BTCA Diagnostics and provide comparable snapshot or summary statistics across BTCA country diagnostics. This is helpful for purposes of international benchmarking and comparison. Any variations or exceptions would need to be approved by the designated BTCA representative and be made in line with Government priorities.

It is also expected that these diagnostics will be updated in the future to provide a snapshot of market progress, therefore the methodology and data sources as well as assumptions made will need to be clearly highlighted in such a way such that the report could be updated in the future.

<sup>6</sup> <https://www.betterthancash.org/tools-research/case-studies/country-diagnostic-the-philippines>

## WHAT IS THE DIFFERENCE BETWEEN A “BETTER THAN CASH” DIAGNOSTIC AND A PAYMENT SYSTEM DIAGNOSTIC?

Most payment diagnostics focus on the payment system itself, including payment providers, instruments, technologies, rules, regulations, etc. The Better Than Cash Alliance approach uses this data but then assesses the payments ecosystem, to identify cash payment use cases to catalyze their shift to digital or electronic alternatives, rather than specific instruments <sup>1</sup>.

A Better Than Cash Diagnostic ensures there is a focus on:

- **Inclusiveness:** Ensuring that all potential participants are included in the financial system, with a specific regard for underserved segments such as women.
- **Cash to Digital.** BTCA identifies payments that are currently undertaken predominantly in cash to catalyze their migration to digital channels.
- **Ecosystem Approach:** The Better Than Cash Alliance diagnostic addresses all participants in the payments ecosystem to understand their use cases and ensure participation of public sector, private sector and civil society, including international development organizations.

**The BTCA Diagnostic approach has two distinguishing features:**

1. It measures or estimates the number and value of payments and the proportion of those payments made by digital means across all payment flows in the payment grid (in other words: in all payer-payee combinations)
2. Rather than addressing the payments system as a whole, it focuses on solving the problem of moving from cash to digital and its various use cases. Some examples of use cases that might be included could be (illustrative only)
  - A Mass Electronic Credit, such as a pension or social security payment regularly made from the Government to eligible citizens
  - Remote bill payments, such as utility bills paid over-the-counter at a range of agents
  - Electronic invoice payments, such as a company receiving payments digitally rather than in cash from its network of small distributors at reception of goods.
  - Card payments at merchants by consumers for goods and services<sup>1</sup>.

Use cases describe a cluster of characteristics attached to a payment type which identify: a specific store of value, such as a bank account or a mobile wallet from and to which payment is made; a specific channel, such as an ATM or a website which is used to initiate and authorize the payment; and a specific payment instrument, such as a debit card or a check, which is used to execute the payment.

e) **Comparability**

It is expected that the 2019 Diagnostic of the Philippines leverage the nature of the Alliance and build on current and ongoing country diagnostics by partner organizations such as the World Bank's payments team, CGAP, GPFI, IMF, IADB, ADB, etc. but also on related studies/researches undertaken in the country and as part of the literature review. This may include also diagnostics done by private sector organizations such as MasterCard, McKinsey amongst others.

The report should consider other research that has either been done previously, or is being conducted in parallel, and ensure a cooperative approach such that the BTCA Diagnostic and other research activities are complementary to each other. For example, the BTCA Diagnostic may look at a view taking into account the entire payments ecosystem, whereas another activity may take a deep-dive into one particular payment stream such as G2P.

BTCA Diagnostics are conducted in response to demand from Government members; therefore, BTCA will work with Government counterparts to ensure coordination between different research efforts and to ensure on consistency of data sources.

f) **Data Availability:**

The nature of the data availability and diversity in sources in diagnostics methodology means data can be imperfect and varied. Assumptions will need to be made and expressed clearly

In previous efforts, BTCA along with the selected provider has worked closely with the Government to ensure support and it is expected in this case, the firms will be expected collaborate with the relevant government agencies on data collection.

This will ensure robustness of data to the degree possible and streamline the level of effort required ensuring buy-in by government authorities. For example, the National Statistics Bureau could be a potential partner for data collection, building national capability and securing government buy-in, also laying the foundation for future data updates.

It is also expected that the best available data will be used to estimate savings achieved by digitization so far as well as potential savings from digitizing payment streams. This could consider different scenarios (i.e. conversion of 50% of payments to digital, 70% conversion and 100% conversion to digital payments) to estimate total savings for each stakeholder and the whole ecosystem.

2.

**SCOPE OF EXPECTED OUTPUTS AND DELIVERABLES**

BTCA is seeking applications from qualified technical partners (e.g., commercial for-profit consulting firm, non-for-profit organization with proved experience carrying out similar projects) to apply the BTCA Diagnostic methodology in the Philippines, compare the results with the 2015 baselines, building the technical capabilities of key Filipino authorities to conduct a BTCA diagnostic study.

The expected results are findings that policy-makers can use to make data-driven decisions. The 2019 Diagnostic will provide an accurate picture of the process of digitization that is unfolding in the country, identify which areas have made significant progress, where some of the biggest opportunities lie, and help policymakers prioritize efforts to significantly advance the digitization agenda. It is also expected that the diagnostic puts forward actionable recommendations and a roadmap for the digitization of payments in the Philippines and distills clear lessons for other members of the Alliance going through a similar process or experience. **Analysis and recommendations will, to the extent possible, include a gender perspective in the analysis and recommendations.**

Diagnostic will be useful for payment stakeholders beyond Governments, such as financial service providers, manufacturers, distributors, FMCG companies, retailers and development organizations, that are seeking to identify opportunities to digitize payments and to leverage activity that is already occurring across other use cases. For these stakeholders, the Diagnostic will include an analysis of current incentives and costs facilitating or undermining the digitization process, while highlighting how an ecosystem approach can unlock the value of digital payments. The diagnostic aims to create a public source of information enabling the opportunities to be realized.

**2.1 Indicative Table of Contents**

Recognizing that every country is different and that the research conducted may lead to changes and improvements in this table of contents, the table below shows a general framework for BTCA Country Diagnostics. The section headings are those that have been used in previous country diagnostics and the subheadings illustrate some of the content anticipated. It contains suggested sections and questions that may need to be answered. Overall, it is expected that the firm suggest any needed improvements to better meet the seven objectives of the research identified on page 2 and updates this table of contents at the time of the proposal based on its experience doing similar studies, and/or during the course of the study based on the findings of the research.

- I. **Executive Summary**
- II. **Introduction**
  - 1. The (BTCA) diagnostic approach
  - 2. Key country findings:
    - Current Status
    - Trends and Accelerators in the transition to digital

- Recommended next steps
3. Outline of the report
  4. Payment flow diagnostic features

### III. **Country context – What makes this market unique?**

1. What drives the demand for cash in the market?
2. Who is leading financial inclusion in the country and how? What is the state of financial inclusion by gender?
3. What are the levels of acceptance of payments?
4. Relevant information such as: uses of cash and electronic payments across the value chain, persistence on cash, growth concentration of electronic payments
5. Determine which are the frontier issues affecting this country ecosystem? Are there any initiatives on the horizon that could be game-changers? (i.e. Fintech innovations, Digital identity, frontier consumer protection issues, ID, E-signatures, eKYC, API, Aggregators, etc.)

### IV. **How has the country digitized so far?**

1. Technical and legal infrastructure
2. Government leadership and policy towards financial inclusion
3. What are the government policies, if any, targeting specific payment streams?
4. Payment ecosystem milestones, including overview of leading solutions available in the country for electronic payments
5. State of payment digitization in corporate value chain (suppliers, distributors, salaries)
6. Drivers or accelerators of change in policy and attitudes

### V. **Benchmarking and snapshot of the state of transition to digital**

1. Main indicators (including estimated cost of cash)
2. Data quality index
3. Payments data by payer and payee (include gender disaggregated analysis as possible)
4. Comparison to other sources (including estimated savings from digitization since first diagnostic and estimations of future cost savings from continued digitization; benchmark to similar markets or studies available)

### VI. **Trajectory of shift: payment infrastructure and incentives**

1. Current trends in the shift to digital payments
2. Incentives shaping the trajectory of digital payments.
3. Influence of legal and technical infrastructure on the shift

4. Key issues and risks affecting the trajectory of digital payments

**VII. Roadmap and recommendations for accelerating shift to digital payments**

1. Roadmap and potential project sequencing
2. Assess and recommend approaches for sequencing and implementation to ensure uptake and usage of findings
3. Mapping of potential coalition partners, including important business bulk payers that could shift large payment flows from cash to digital
4. Potential scenarios for the future of the country's payments ecosystem
5. Recommendations

**VIII. Lessons on sequencing and prioritizing the shift – What can other countries learn from this country experience and accelerators?**

1. Status of the country's journey
2. What are the accelerators or inhibitors in this journey?
3. What are the initiatives and coalitions underway? Are there any game-changers on the horizon (refer to section above)?
4. Are there any financial sector or business barriers to shifting?
5. Are there regulatory obstacles or policy concerns that are relevant internationally?
6. Is it possible to compare the country's journey with any other sources/studies?

- Annexes (All considered relevant including data comparability and visualization)
- List of acronyms and glossary
- Detailed payment grid
- Others

**2.2 Expected Outputs**

***The 2019 Better Than Cash Diagnostic of the Philippines will involve desk research and in-country data collection and is expected to cover the following main areas:***

- 2.2.1 **Assessment of payments ecosystem compared to the 2015 Better Than Cash Diagnostic:** this involves understanding the country context and payments ecosystem, as well as its current state of transition and evolution toward digital payments. This assessment will, to the extent possible, always include a gender perspective.
  - An overview of key elements of the relevant country context. Building on the 2015 Diagnostic, the diagnostic is expected to use a robust analytical approach and provide an overview of the relevant macroeconomic context for digitizing payments in the

- country including an assessment of economic context, state of financial inclusion (considering gender differences), state of digital payments infrastructure and market development, government and regulatory policy toward digital payments, and how political economy issues, pricing rules, technical challenges, and consumer awareness/education difficulties combined are hindrances to digital payments; and for identifying incentives of different players in the ecosystem and opportunities to shift to digital payments as well as identifying champions and allies, in the government, financial sector but also other business sectors as bulk payers. This assessment will also include an estimation of savings from the digitization of payments as well as of the opportunity of continued efforts in terms of cost savings.
- Evolution of Policy Towards Digital Payments. It should include a chronology of key policy initiatives – by the government and the private sector – which have propelled the shift from cash to electronic payments. It may discuss how political economy issues, pricing rules, technical challenges, and consumer awareness/education may help or hinder the shift to digital payments. It should examine specific initiatives relevant to digital payments, and factors contributing to their success and failure. This may include, for example identify incentives of different players in the ecosystem and opportunities to shift to digital payments as well as identifying champions and allies.
  - Current State of Payments. This will be focused on compiling existing data and calculations to quantify the number and values of payments made in each cell of the payments grid which includes the following (see Figure 1 in section 1.b and list below) as well as percentage of payments made by digital means.
  - **Payments to be included:**
    - G2G: Central government disbursements to local level and transfers within the central government
    - G2B: Supplier payments and utility payments
    - G2P: Cash transfers or welfare programs, salaries and pensions
    - B2G: Taxes, fees for licenses and permits, payments to government utilities
    - B2B: Supplier and distributor payments; utility payments; pension contributions
    - B2P: Salaries and benefits
    - P2G: Taxes, utilities, debit card payments of taxes, payments to gov. utilities
    - P2B: Utilities, school fees, credit card payments, pension contributions, debit card payment at stores
    - P2P: Remittances, gifts
    - D2G: Taxes
    - D2B: Utility payments
    - D2P: Cash transfers, salaries for local employees
- Estimate the aggregate number and value of payments and the proportion of payments made digitally across all payment flows in the country. Indicators expected from the analysis are country context indicators, payments by payer per month by volume and value. Estimates should be done using the best available data, also the diagnostic will

provide an evaluation of available data (data quality index)

- The estimates for payments in the country should allow a benchmark in the context of the estimates of the 2015 Diagnostic of the Philippines as well as for the countries BTCA has performed a diagnostic and any other existing diagnostics performed by research partners such as the World Bank and CGAP.
- Sources to consult for performing the assessment include, but are not restricted to, the Central bank, Ministry of finance, Government payment agencies, Government statistics office, Social welfare ministry, Revenue authority, Treasury, Telco regulator, national and sub---national agencies, banks, bankers association, switches and clearing houses, MNOs, remittances services, FMCGs, retailers and small merchants, agent networks, card networks, Chamber of commerce, Industry groups, utility companies, research firms, donors, development partners, technology and fintech providers, workers associations. The technical partner is expected to perform in-person interviews and self-response questionnaires. Interviewees for the diagnostic should be asked for their insights on the current pace of change towards the usage of digital payments within the ecosystem and the relevant use cases and what is affecting it.

2.2.2 **Trajectory towards electronic payments:** this involves identifying a relevant set of payment types or use cases and assessing the likelihood of further movement.

- **Identify and prioritize use cases.** This involves taking into account the evolution with regards to the 2015 findings, identifying and prioritizing at most 3 use cases that will help to assess the trajectory of the shift (see Figure 2 for an example). Readers of the diagnostic should be able to understand the importance of the chosen use cases relative to the larger payments space, as well as discuss any evolution or change since the 2015 baseline.
- Prioritization of use cases should inform the main criteria for choices of payment use cases (e.g., information needs that other market participants have, quantitative importance of a use case relative to other use cases, information that can be gathered with a reasonable level of effort and resources, level of expertise available to conduct the analysis.) Examples of payment use cases done in previous BTCA country payment ecosystem diagnostics include: mass electronic credit, remote bill payment, card payment at merchants, mobile payments to merchants, and p2p payments.<sup>7</sup> The choice of use cases will be informed by the

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<sup>7</sup> The quantitative importance of a use case relative to other use cases is exemplified in the following two cases: In the Banco Central do Brazil (BCB)'s stock-taking, closed-loop card networks and mobile payment schemes, as well as any transactions involving the credit unions sector, were excluded from analysis — all because transaction volumes and values were so low compared to other payment types. For the same reason, mobile money person-to-person payments were not chosen for the BTCA diagnostics; in the four countries studied, usage is nascent or low, and other use cases better illustrate the key payments actors' incentives. However, the BTCA diagnostic for Malawi did include mobile money because development partners there have begun to use mobile money schemes to distribute emergency cash transfers. These efforts have struggled in the face of low penetration of access points and other operational

findings of the 2015 BTCA Diagnostic of the Philippines and discuss any relevant changes since the previous diagnostic took place.

		PAYEE		
		G	B	P
PAYER	G		1: Bulk electronic credit 2: Remote bill payment	1: Bulk electronic credit
	B	2: Remote bill payment	2: Remote bill payment	1: Bulk electronic credit
	P	2: Remote bill payment	2: Remote bill payment 3: Debit card payment at merchants	
	D		2: Remote bill payment	

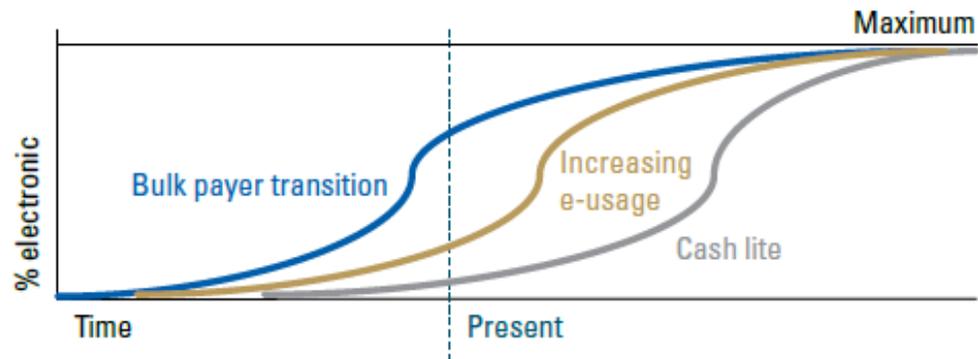
FIGURE 2. MAPPING USE CASES INTO THE GRID

- Evaluate the likely trajectory of digital payments by assessing the country trajectory for the shift to digital payments before and after 2015, given current ecosystem conditions and incentives in the market (see Figure 3 for an example); and identifying barriers affecting the trajectory of digital payments. This assessment will be done using the use cases previously identified. It is expected the firm analyses options, barriers, data and trajectory for each payment. Analysis of barriers should include specific regard to barriers that prevent inclusive digital finance for all, including women and vulnerable populations.
- Provide lessons about sequencing and prioritizing the shift

FIGURE 3. SHIFTS BETWEEN THE STAGES FROM CASH HEAVY TO CASH LITE

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challenges. P2P usage is at a low base, as one MNO's scheme had been in the market for just two years and the others for less than one year at the time of the study



2.2.3 **Roadmap and recommendations for the shift:** the diagnostic is expected to provide a roadmap and recommendations to shift to digital payments taking into account competing and complementary incentives of the different stakeholders as well as identify champions and allies to move the process forward and opportunities for empowering them. These recommendations could be policy, regulation, partnership, or processes that those use cases should follow to address identified barriers. The roadmap should be based on the findings and analysis during previous outputs of the report and the lessons from the 2015 Diagnostic.

- Recommend ways in which the government, private sector and other stakeholders can promote the expansion of appropriate, inclusive, affordable, and accessible digital payments.
- Identify opportunities the government and the private sector has to leverage current digital payments initiatives in the country (e.g., mobile platforms, electronic identification initiatives)
- Make suggestions on how to take forward the process of change after the recommendations and lessons from the 2015 and 2019 diagnostics (e.g., pilot programs to operationalize recommendations). It is expected that the Government will be actively involved in the discussions of the road map and so will be ready to implement applicable and accepted recommendations that result from this deep dive.
- Describe potential scenarios for the future of the country's payments ecosystem, given the potential use cases that have been identified as part of the diagnostic.
- Map out potential coalition partners within government, financial industry, corporate, donors, MNOs etc.

2.2.4 **Capacity building on the use of the BTCA Diagnostic methodology for local authorities.** This involves the development and delivery of training modules and supporting materials to train local staff from government authorities such as the BSP and the Philippines Statistics Authority in the use and application of the BTCA Diagnostic methodology. The capacity building exercise will include three training workshops, one before the research for the BTCA Diagnostic of the Philippines takes

place, and two post-diagnostic workshops. These deliverables entail in the organization of the training workshops in terms of the development of the agenda, content, supporting materials, facilitation and follow-up as required. It also involves technical support in the process of data collection by local authorities as needed. The firm will take 1-3 BSP staff as project team members for on-the-job training throughout the project engagement as part of the capacity building process.

### **2.3 Expected Deliverables**

Deliverables in early phases will be produced in PowerPoint. During the final phase, the technical partner will produce:

- In-person presentation to kick-off the project with the BSP in the Philippines to discuss and agree on the scope of the project.
- Draft report of the BTCA Diagnostic of the Philippines. Two revisions of the report to agree with the BSP on a final version to be made public.
- In-person presentation of the draft report to the BSP in the Philippines.
- Presentation of the draft report to BTCA's Editorial and Publications Committee (conference call).
- A final detailed report in Word document that will be shared with BTCA as well as with the BSP and any other relevant local authorities. The expected length of the document is 45---50 page.
- Highlights of the diagnostic in Power Point (key findings ready for a high-level presentation).
- A "Highlights" version of the report (summary).
- Excel sheets with source files with the data collected by researchers. All data collected is considered a public good and will be required to be clean to feed to a data visualization tool for ease of comparability.
- Presentation of the final report to BTCA's Editorial and Publications Committee (conference call).
- In-person presentation of the final report to the BSP in the Philippines.
- A blog post for media placement in relevant market –with relevant data and examples
- The supporting data for an infographic with key messages and informed data to be promoted on social media –mainly twitter andLinkedIn
- Development, organization and delivery of three capacity building workshops on the use of the BTCA Diagnostic methodology. These workshops will take place in the Philippines with relevant stakeholders as to ensure national capacity to implement the methodology is developed (i.e. BSP, Philippine Statistics Authority). One first capacity building workshop will take place prior to the research activities linked to the BTCA Diagnostic of the Philippines and two post-diagnostic capacity building workshops.
- Participation in a 1-hour webinar for BTCA members – produced in collaboration with the BTCA team

These deliverables should incorporate feedback from BTCA and key stakeholders before receiving the status of final deliverables. These include BTCA's Editorial and Publications Committee, the Member Services Committee (and their respective members as needed) as well as external reviewers and partners of BTCA's research projects, such as the World Bank, CGAP, and other relevant institutions as required. The firm should leverage a professional writer / copy editor as needed with the ability to communicate to different audiences and be assertive in engaging BTCA's target audience; which the firm will provide (i.e. included within applicant's budget allocation and timeline).

The firm is expected to work with the BTCA **Member Services** and **Research teams** during the lifecycle of the project and with the **communications team** specifically to help promote the key findings of the paper. Target audience are decision-makers and experts from governments, central banks, companies and international organizations, as well as other stakeholders, who are involved or interested in moving away from cash to digital payments. These include –but not restricted to--- [BTCA members](#), potential new members and funders, as well as partners. BTCA would also like to raise media attention, which will require the study to highlight new data as well as gender and human-interest stories about the positive impact of effective shift to inclusive digitization.

#### 4. AGREEMENT PARAMETERS

**a) *Outputs and deliverables***

The outputs and documents produced in the course of this study (i.e. lessons learnt) will be considered a public good. Thus, they will be placed in the public domain with the intent that they can and should be freely and widely used by other parties.

**b) *Duration***

*The technical partner is expected to sign a **Performance Based Financing (Grant) Agreement** with UNCDF starting in March 2019 (see Annex 2 for a sample of our legal language in this regard). Expected date of full completion is September, 2019.*

**c) *Agreement size***

Up to US\$200,000 (TWO HUNDRED THOUSAND US DOLLARS) for the update of the BTCA Diagnostic of the Philippines and building the capabilities of selected national institutions to use the BTCA Diagnostic methodology. Applicants should provide budgets indicating how they would allocate costs to produce high quality expected results with their technical approach.

**d) *Language***

The response to the RFA should be in English. If the financial statements are in any other language, they should be included along with a non-official translation into English. Deliverables, as well as any related correspondence exchanged by the organization and UNCDF, shall be written in English. Final deliverables shall be provided in English.

## 5. APPLICATION REQUIREMENTS

### a) *Minimum qualification criteria*

- Any type of organization (commercial for-profit firms, educational institutions, and non-profit organizations) is eligible to compete
- **Philippine Specific Experience:** Due to the requirements and timing of the country diagnostic, local presence, experience and staff are requirements for this assignment. The firm must be able to demonstrate an understanding of and stakeholder relationships in the Philippines:
  - Experience working with high level government, private sector and international organizations preferred
  - Knowledge of key payments databases internationally and in the Philippines, including supply-side and demand-side
  - Demonstrated familiarity with key stakeholders in the country's payments system and understanding of responsibilities and relationships of government agencies
  - Existing relationships with key private and public sector stakeholders.
  - Commitment to provide in-country resources as needed to fill gaps in data and analysis
- Having successfully conducted similar assignments at a country or regional level such as on digital payments diagnostics, digitization of government payments, electronic payments, financial and social inclusion, and digital financial services with proven excellent results
- Demonstrated experience and deep understanding of public sector decision-making process, public financial management, working reform process with governments in digital payments, digital finance, government payments, electronic money, and/or financial inclusion
- The team should consist of general payments, measurement, and policy experts (e.g., a senior level consultant with experience across banking, MNO, or payment regulation), as well as research and country analysts.
  - Payments expertise: Global level expertise on the issues surrounding the conversion of cash payments to digital forms in emerging countries from an ecosystem perspective. Demonstrated understanding of the components of payments systems in emerging countries including experience in analyzing such systems. Regulatory and/or industry experience related to retail payments systems, such as interoperability, branchless banking, and mobile money or agent networks. Demonstrated understanding of payment processes, trends and recommended practices for governments, businesses and development partners.
  - Expertise dealing with development issues, including financial inclusion. The team should show a demonstrated ability to research issues affecting poor and excluded populations, and an ability to understand the financial and economic issues affecting these segments, for maximum social impact.
  - Measurement expertise: Strong and rigorous financial inclusion research skills, leading to reports, manuals or handbooks which can be understood by non-experts—

as evidenced by previous publications. Experience planning and executing national-level quantitative research on consumer payments.

- Facilitation expertise: Experience in facilitating an inclusive research process across the financial sector that includes both managing and coordinating senior level interface with a range of governments, business and donor agencies as well as engaging with non-government organizations
  - Excellence in technical writing and fluency in speaking in English.
  - Ability to translate technical terms into actionable language and recommendations.
  - Evidence of high quality of documentation, packaging, and disseminating technical knowledge to a wide range of audiences
  - Have confirmed human resources to cover all planned/required activities
  - Provide written confirmation (Annex 1) that the organization has reviewed the UNCDF Grant Agreement template (Annex 2), is prepared to sign it upon notification of final selection, without revision to standard language
  - Submit a complete application
- b) Other requirements and qualifications**
- Experience working in developing and emerging countries, relevant countries preferred
  - Demonstrated excellence in research, analytical, and field implementation capacity
- c) Structure of the Application**
- The application should follow the template provided in Annex 1: *Submission Format*.
  - Only applications that follow the **Submission Format** and include all the necessary documentation will be accepted.
- d) Submission of the Application**
- Applications and any consultation about this RFA should be submitted via email at to [Camilo.tellez@uncdf.org](mailto:Camilo.tellez@uncdf.org) CC [rodrigo.mejia.ricart@uncdf.org](mailto:rodrigo.mejia.ricart@uncdf.org) and [amela.cosovic-medic@uncdf.org](mailto:amela.cosovic-medic@uncdf.org).
  - The subject line of the email should be: BTCA Diagnostic of the Philippines 2019
  - The **deadline** to submit the applications is **Feb 20, 2019**.



**ANNEX 1: SUBMISSION FORMAT**

[insert: Location]  
[insert: Date]

To: Ruth Goodwin-Groen, Managing Director, BTCA

Dear Sir/Madam:

We, the undersigned, hereby apply for *2019 BTCA Diagnostic of the Philippines* in accordance with your Request for Application dated [insert: Date] and our Application. We are hereby submitting our Application, which includes the Technical Proposal including proposed budget allocation.

We hereby declare that:

- a) All the information and statements made in this Application are true and we accept that any misrepresentation contained in it may lead to our disqualification; and
- b) We have no outstanding bankruptcy or pending litigation or any legal action that could impair our operation as a going concern

We confirm that we have read, understood and hereby accept the duties and responsibilities required of us in this RFA, and the standard language of UNCDF’s Performance Based Agreements (PBA), including the requirements regarding the public good nature of the outputs to be produced (see Annex 2 for a sample of our legal language in this regard). Therefore, if our application is accepted, we will be ready to sign and accept the legal language, without modification, of the UNCDF grant agreement (performance based) by XXX 2019.

We fully understand and recognize that UNCDF is not bound to accept this application, that we shall bear all costs associated with its preparation and submission, and that UNCDF will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the evaluation.

We remain,

Yours sincerely,

Authorized Signature [In full and initials]: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Contact Details: \_\_\_\_\_

*[Please mark this letter with your corporate seal, if available]*

## SECTION 1: GENERAL APPLICANT'S INFORMATION

1. Applicant's Legal Name:
2. Type of Organization (e.g. commercial for-profit firm, educational, non---profit, etc.):
3. In case of Joint Venture (JV), legal name of each party:
4. Actual or intended Country/ies of Registration/Operation:
5. Year of Registration:
6. Countries of Operation / No. of staff in each Country / Years of Operation in each Country
7. Legal Address/es in Country/ies of Registration/Operation
8. Description and value of top three grants or contracts relevant to the scope of this RFA for the past five years. Provide the following information for each of them.
  - Name of the project (website if applicable):
  - Date, location:
  - Client/Funder (if applicable):
  - Grant/Contract value in USD:
  - Types of results produced/activities undertaken:
  - References, contact details (name, position, email, phone number):
9. Applicant's Authorized Representative Information
  - Name:
  - Address:
  - Telephone/Fax numbers:
  - Email Address:
10. Are you in the UN Ineligibility List?  YES or  NO
11. Attached are copies of original documents of:
  - Financial statements for the past 2 years (in English)
  - Letter from the applicant organization's executive director, CEO, or board, expressing its commitment to the execution and participation in this process
  - Complete resumes of all the team members involved in the assignment
  - Staff time allocation spreadsheet per result
  - Electronic copies and hyperlinks where available of studies, knowledge products produced under similar assignments and list of dissemination channels

## SECTION 2: Technical and Strategy Experience on Country Payments Diagnostic

1. Please describe your organization's experience in producing **similar** projects/studies. For each one, make sure you describe the following (maximum 2 pages per project):
  - a. Name of the project (website if applicable):
  - b. Client/Funder (if applicable):
  - c. Grant/Contract value:
  - d. Description of the **approach/methodology**:
  - e. Types of **outputs/deliverables** produced, and activities undertaken:
  - f. Tools used to conduct the study (e.g., ecosystem assessment, payments mapping and data collection, data measurement, stakeholder's analysis, research on the supply and the demand side of the payments ecosystem, roadmap to digitize payments, metrics/indicators collected, etc.):
  - g. Tools you used to identify opportunities and constraints at the policy, regulatory, and/or implementation level:
  - h. Time it took you to complete the assignment, dates, location:
  - i. Number of people and names of the staff that participated in the assignment:
  - j. Knowledge product production and dissemination strategy of the assignment:
  - k. References, contact details (name, position, phone number, email):
2. Please describe your organization's experience in gathering data for/performing country Better Than Cash Diagnostics as described in the scope of this RFA and key takeaways from performing those studies (maximum 3 pages)
3. Please describe your organization's experience in assessing payment ecosystems –understanding the country context and payment ecosystem, as well as its current state of transition and evolution toward electronic payments (maximum 1 page)
4. Please describe your organization's experience in assessing trajectory towards electronic payments identifying, understanding and prioritizing payment use cases and evaluating the likely trajectory of digital payments (maximum 1 page)
5. Please describe your organization's experience in roadmap and recommendations to shift to digital payments (maximum 1 page)

## SECTION 3: APPROACH AND IMPLEMENTATION PLAN (15 pages maximum)

### 1. Ecosystem diagnostic toolkit

It is expected the applicant uses BTCA's methodology as a cornerstone for the diagnostic. Please describe how you are planning to use this toolkit by itself or along with other frameworks/toolkits (e.g., BTCA's measurement and stakeholder toolkits, proprietary or third-party) on this project.

Please also describe how you will ensure results from this diagnostic are comparable to previous diagnostics and will reference other relevant activities.

### 2. Approach to the Results Required

Please provide a detailed description of the approach/methodology for how the applicant will plan, focus the diagnostic, conduct research, gather data, perform analysis, and achieve project outputs and deliverables, keeping in mind the appropriateness to local conditions and project environment. Please provide an indication of data sources that will be used and resources that will be utilized to gather this data.

- a. **Sub-grantees:** Explain whether any work would be delegated, to whom, how much percentage of the work, the rationale for such, and the roles of the proposed sub-grantees. Special attention should be given to providing a clear picture of the role of each entity and how everyone will function as a team.

### 3. Implementation Timelines

Please submit a Gantt Chart or Project Schedule indicating the detailed sequence of phases, activities that will be undertaken and their corresponding timing, specifying timelines, responsibility, and time devoted to each result.

### 4. Risks / Mitigation Measures

Please describe the potential risks for the implementation of this project that may impact achievement and timely completion of expected results as well as their quality. Describe measures that will be put in place to mitigate these risks.

### 5. Technical Quality Assurance Review Mechanisms

Please describe details of the applicant's internal technical and quality assurance review mechanisms.

### 6. Reporting and Monitoring

Please provide a brief description of the mechanisms proposed for this project for reporting to

UNCDF and partners, including a reporting schedule (also reflected in Gantt chart).

**7. Research Methodologies**

Please explain your organization's experience using quantitative and qualitative research methodologies are adequate to learn about government payments and payments ecosystem

## SECTION 4: PERSONNEL

### 1. Management Structure

Describe the overall management approach toward planning and implementing this result. Include an organization chart for the management of the project describing the relationship, roles and responsibilities of key positions and designations.

### 2. Staff Time Allocation

Provide a spreadsheet to show the activities of each staff member and the time allocated for his/her involvement. Please describe any travel/missions/field visits planned for this assignment indicating team member participation and duration.

*(Note: This spreadsheet is crucial, and no substitution of personnel will be tolerated once the grant has been awarded except in extreme circumstances and with the written approval of UNCDF. If substitution is unavoidable it will be with a person who, in the opinion of the UNCDF's Digital Finance Specialist, is at least as experienced as the person being replaced, and subject to the approval of UNCDF. No increase in grant will be considered as a result of any substitution.)*

### 3. Qualifications of Key Personnel

Provide the CVs for key personnel (Team Leader, Managerial, Technical experts and general staff) that will be provided to support the implementation of this project. CVs should demonstrate qualifications in areas relevant to the results to be produced. In addition to the CVs, please submit a summary for each person in the following format:

Name:		
Position for this Contract:		
Nationality:		
Contact information:		
Countries of Work Experience:		
Language Skills:		
Educational and other Qualifications:		
Summary of Experience: <i>Highlight experience in the region and on similar projects.</i>		
<b>Relevant Experience (From most recent):</b>		
<b>Period: From – To</b>	<b>Name of Organization/Project/Activity, if applicable:</b>	<b>Job Title and Activities undertaken/Description of actual role performed:</b>
<i>e.g. June 2015---February 2016</i>		
<i>Etc.</i>		
<i>Etc.</i>		

<b>References no.1 (minimum of 3):</b>	<i>Name Designation Organization Contact Information – Address; Phone; Email; etc.</i>
<b>Reference no.2</b>	<i>Name Designation Organization Contact Information – Address; Phone; Email; etc.</i>
<b>Reference no.3</b>	<i>Name Designation Organization Contact Information – Address; Phone; Email; etc.</i>
<b>Declaration:</b>	
I confirm my intention to serve in the stated position and present availability to serve for the term of the proposed grant agreement. I also understand that any willful misstatement described above may lead to my disqualification, before or during my engagement.	
_____	_____
Signature of the Nominated Team Leader/Member	Date Signed

## SECTION 5: PROPOSED BUDGET ALLOCATION

Please provide budget allocation in the following suggested format for each of the countries of interest

### 1. Summary of costs

Level of effort		# Days	Cost	Total
	Team member #1	.. days		
	Team member #2	.. days		
	.....	.. days		
			Sub---Total LOE	<b>USD ...</b>
Travel/mission/other budget			Cost	Total
	Travel/mission #1			
	Travel/mission #2			
	Other (describe)			
			Sub---Total Travel	
			<b>Total</b>	<b>USD ...</b>

## 2. Cost Breakdown per deliverables

#	Deliverables <i>[List them as referred to in the RFA, the following list is an example and not restrictive]</i>	Percentage of Total Price (Weight for payment)	Price (Lump Sum, All Inclusive)
1	Clear study outline and plan		
2	Data to collect (e.g., survey tools, focus groups, questionnaires, metrics/indicators, etc.) indicating what to collect and where to collect it from.		
3	Assessment of payment ecosystem --- understanding of the country context and payment ecosystem, as well as its current state of transition and evolution toward electronic payment		
4	Trajectory towards electronic payments		
5	Roadmap and recommendations for the shift		
6	Draft of Research report		
7	Multiple presentations of key findings to relevant stakeholders		
8	Final research deliverables		
	<b>Total</b>		<b>USD .....</b>

## ANNEX 2: Sample of Performance Based Financing Agreement

Between  
THE UN CAPITAL DEVELOPMENT FUND  
(UNCDF)

And

Recipient Institution

### **SAMPLE OF PERFORMANCE BASED FINANCING AGREEMENT Between UNCDF and RECIPIENT INSTITUTION**

The Performance Based Agreement (hereinafter referred to as the "Agreement") made between the **UN Capital Development Fund, represented by its Executive Secretary** (hereinafter referred to as "**UNCDF**") and **Name of Institution** represented by its XXX, (hereinafter referred to as the "**RECIPIENT INSTITUTION**").

The purpose of this Agreement is to support the **implementation of NAME OF UNCDF PROGRAMME XXX**).

WHEREAS **UNCDF** desires to provide funding to the **RECIPIENT INSTITUTION** in the context of XXXX that aims to complete an initial wave of research, analysis, mapping, recommendations and knowledge-sharing to track and understand the XXXXXX in the country of XXXXX. This wave of assessment, to be called the XXXXX.

WHEREAS **RECIPIENT INSTITUTION** is ready and willing to accept such funds from **UNCDF** for the activities identified below on the terms and conditions expressed in this agreement.

NOW, therefore, the parties hereto agree as follows:

#### **1. Responsibilities of the RECIPIENT INSTITUTION**



The RECIPIENT INSTITUTION agrees to undertake the activities described in this grant agreement as per Annex A – “XXXXXX.” Funds provided pursuant to this Agreement shall be used for purposes related to producing results specified in in this agreement.

1.1. The RECIPIENT INSTITUTION agrees that the results shall be fully expressed in the following deliverables:

**Table of Deliverables/Outputs**

Activity	Deliverables	Start Date	End Date	Support Required
1A: XXXXX	<ul style="list-style-type: none"> <li>• XXXXX</li> <li>• XXXXX</li> <li>• XXXX</li> <li>• XXXX</li> <li>• <b>XXXX*</b></li> <li>•</li> </ul>	XX/XX/XXXX	XX/XX/XXXX	<ul style="list-style-type: none"> <li>• XXXXX</li> <li>•</li> </ul>

\*indicates reports for publication.

1.2 For the purpose of defining ‘submission’ as stated above in respect of reports and publications:

- The final form of all blogs and documents for publication will be finalized between UNCDF and the RECIPIENT INSTITUTION prior to use or release. In the case of reports for publication, *submission* shall follow this process: RECIPIENT INSTITUTION shall provide draft versions for comments from UNCDF and other parties, as UNCDF requires.
- The RECIPIENT INSTITUTION shall provide final draft versions which address all comments and are provided in a form that may be independently edited and formatted.
- In the case of blogs and PowerPoint presentations, submission shall be done in formats provided by UNCDF and updated from time to time.
- The RECIPIENT INSTITUTION may not publish any materials developed under this agreement without the express written consent of UNCDF.

## 2. Key Results/Milestone and Payments

2.1 UNCDF shall provide funds to the **RECIPIENT INSTITUTION** of an amount of USD XXXXXX according the schedule set out below. Payments are subject to the **RECIPIENT INSTITUTION** achieving the Development Results represented in the disbursement conditions set forth in this article, if any.

Payment/ Likely Date	Amount (in USD)	Key Results/ Milestones to Be Achieved	Disbursement Conditions
XX/XX/XXXX	XXXX	XX% upon signature of grant agreement	
XX/XX/XXXX	XXXX	XX% upon completion of the following: 1. XXXXX 2. XXXXX 3. XXXXXX	XXXXXX
XX/XX/XXXX	XXXX	XX% upon completion of XXX	XXXXXXXXXX
XX/XX/XXXX	XXXX	xx% upon completion of XXXX	XXXXXX
<b>TOTAL</b>	XXXX		

2.2 Disbursement Conditions shall include meeting reporting requirements.

Mechanism	Timing/Due Date	Scope	Responsibility
XXXXXX	XXX	XXXX	XXXXXX
XXXXXX	XXXX.	XXXXXX	XXXXXX.
XXXXXX	XXXX.	XXXXXX	XXXXXX.

2.3. The RECIPIENT INSTITUTION agrees to inform UNCDF about any problems it may face in



attaining the objectives agreed upon.

### **3. Duration**

3.1 This Agreement will come into effect on the signature date and shall expire on **XX/XX/XXXX**. It can be extended, if necessary, by exchange of letters, noting the new expiration date.

3.2 Should any change arise in the countries where activities are planned, in case the type of activity needs to change as a result, a grant modification or increase might be approved based on exchange of letters and new budgets with the RECIPIENT INSTITUTION.

3.3 In case of need, this agreement can be extended and/or the amount reviewed to cover: circumstances in a country outside of the control of the RECIPIENT INSTITUTION which results in material delays or changes in scope of activities in that country; or additional case studies requested by UNCDF and additional measurement activities by UNCDF to achieve greater precision and definition by exchange of letters, noting the new budgets and duration, in addition to the reasons of such an extension and/or increase.

### **4. Payments**

4.1 UNCDF shall provide funds in United States Dollars. The amount will be up to USD **XXXX; XXXXX** (IN WORDS) U.S. dollars).

4.2 All payments shall be deposited into the RECIPIENT INSTITUTION's bank account of which the details are as follows:

NAME OF THE BANK: **XXXX**  
BANK ROUTING NUMBER: **XXXXXX**  
Swift code: **XXXX**  
BENEFICIARY ACCOUNT NAME: **XXXXX**  
BENEFICIARY ACCOUNT NUMBER: **XXXXX**  
ADDRESS OF THE BANK: **XXXXXXXXXX**

4.3 The amount of payment of such funds is not subject to any adjustment or revision because of currency fluctuations or the actual costs incurred by the RECIPIENT INSTITUTION in the performance of the activities under this agreement.

### **5 Records, Information and Reports**

5.1 The RECIPIENT INSTITUTION shall maintain clear, accurate and complete records in respect of the funds received under this Agreement.

5.2 The RECIPIENT INSTITUTION shall provide a progress report to UNCDF on a quarterly basis, with the

activities carried out as at the report date, the budget/ expenses situation, and the plan forward.

5.3 The RECIPIENT INSTITUTION shall furnish, compile and make available at all times to UNCDF any records or information, oral or written, which UNCDF may reasonably request in respect of the funds received by the RECIPIENT INSTITUTION.

5.4 Within sixty days after completion of project activities, the RECIPIENT INSTITUTION shall provide UNCDF with a final report with respect to all expenditures made from such funds (including fees, travel and supplies).

5.5 All further correspondence regarding the implementation of this Agreement should be addressed to:

For UNCDF:  
XXXXXX

For the RECIPIENT INSTITUTION:  
XXXXXXXX

## **6. Copyright, Patents and Other Proprietary Rights:**

6.1 UNCDF is custodian of copyright, patents and other proprietary rights. Except as is otherwise expressly provided in writing in the Agreement, the UNCDF shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the RECIPIENT INSTITUTION has developed for the UNCDF under the Agreement and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Agreement, and the RECIPIENT INSTITUTION acknowledges and agrees that such products, documents and other materials constitute works made for the UNCDF. In line with the public good nature of the UNCDF, UNCDF will place all the deliverables for publication specified in the public domain with the intent that they can and should be freely and widely used by other parties and the RECIPIENT INSTITUTION shall not be excluded from the ability to use such deliverables on the same basis as other external parties.

6.2 To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the RECIPIENT INSTITUTION: (i) that pre-existed the performance by the RECIPIENT INSTITUTION of its obligations under the Agreement, or (ii) that the RECIPIENT INSTITUTION may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Agreement, the UNCDF does not and shall not claim any ownership interest thereto, and the RECIPIENT INSTITUTION grants to the UNCDF a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Agreement.

6.3 At the request of the UNCDF; the RECIPIENT INSTITUTION shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to the UNCDF in compliance with the requirements of the applicable law and of the Agreement.

6.4 Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the RECIPIENT

INSTITUTION under the Agreement shall be the property of the UNCDF, shall be made available for use or inspection by the UNCDF at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to UNCDF authorized officials on completion of work under the Agreement.

## **7. Use of Name, Emblem or Official Seal of UNCDF or the United Nations:**

7.1 The RECIPIENT INSTITUTION shall not advertise or otherwise make public the fact that it is a RECIPIENT INSTITUTION with UNCDF without the express written consent of UNCDF, nor shall the RECIPIENT INSTITUTION, in any manner whatsoever use the name, emblem or official seal of UNCDF or The United Nations, or any abbreviation of the name of UNCDF or United Nations in connection with its business or otherwise.

7.2 However, the RECIPIENT INSTITUTION may represent in the course of the activities necessary to produce these results and in general that it has been appointed by UNCDF to complete the activities and deliverables specified in this agreement; provided that the RECIPIENT INSTITUTION or any party associated with it may not make any public announcement to this effect until UNCDF has issued an announcement.

7.3 The RECIPIENT INSTITUTION shall have no ability to make any representations which bind UNCDF other than in the direct course of delivering the specific results indicated here.

7.4 While all publications resulting from this Agreement shall follow the template and format to be defined by UNCDF, the authorship of RECIPIENT INSTITUTION, including specific members of the RECIPIENT INSTITUTION's consortium shall be acknowledged in each publication.

## **8. Confidential Nature of Documents and Information:**

Information and data that is considered proprietary by either party and that is delivered or disclosed by one party ("Discloser") to the other party ("Receiver") during the course of performance of the Agreement, and that is designated as confidential ("Information"), shall be held in confidence by that Party and shall be handled as follows:

8.1 The receiver ("Receiver") of such information shall use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser's Information as it uses with its own similar information that it does not wish to disclose, publish or disseminate; and, use the Discloser's Information solely for the purpose for which it was disclosed.

8.2 Provided that the Receiver has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the Agreement and this Article 8, the Receiver may disclose Information to any other party with the Discloser's prior written consent; and, the Recipient's employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Agreement, and employees officials, representatives and agents of any legal entity that it controls, controls it, or with which it is under common control, who have a need to know such Information for purposes of performing obligations under the Agreement, provided that, for these purposes a controlled legal entity means:

8.2.1 a corporate entity in which the Party owns or otherwise controls, whether directly or indirectly, over fifty percent (50%) of voting shares thereof; or,

8.2.2 any entity over which the Party exercises effective managerial control; or,

8.2.3 for the UNCDF, UNDP and UNV, as associated fund of UNDP.

8.3 The RECIPIENT INSTITUTION may disclose Information to the extent required by law, provided that, subject to and without any waiver of the privileges and immunities of the United Nations, the RECIPIENT INSTITUTION will give the UNCDF sufficient prior notice of a request for the disclosure of Information in order to allow the UNCDF to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made, to the extent allowed by law.

8.4 The UNCDF may disclose Information to the extent as required pursuant to the Charter of the UN, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General.

8.5 The Receiver shall not be precluded from disclosing Information that is obtained by the Receiver from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Receiver, or at any time is developed by the Receiver completely independently of any disclosures hereunder.

8.6 These obligations and restrictions of confidentiality shall be effective during the term of the Agreement, including any extension thereof, and, unless otherwise provided in the Agreement, shall remain effective following any termination of the Agreement for a period not to exceed 2 years from termination.

## **9. General Provisions**

9.1 This Agreement and the Annexes attached hereto shall form the entire Agreement between RECIPIENT INSTITUTION and UNCDF superseding the contents of any other negotiations and/or agreements, whether oral or in writing, pertaining to the subject of this Agreement.

9.2 The RECIPIENT INSTITUTION shall carry out all activities described in its proposal with due diligence and efficiency. Subject to the express terms of this Agreement, it is understood that the RECIPIENT INSTITUTION shall have exclusive control over the administration and implementation of the activities referred to above in paragraph 1.1 in Coordination with UNCDF. If at any time RECIPIENT does not produce the required results in agreed timeframes and to level of quality acceptable, UNCDF may serve notice of its intent to terminate indicating the grounds; and if breaches in the performance are not rectified within an agreed timeframe, UNCDF may decide to declare this Agreement terminated by written notice to the RECIPIENT INSTITUTION as described in paragraph 9.6 below; and/or seek any other remedy as may be necessary.

9.3 UNCDF undertakes no responsibilities in respect of life, health, accident, travel or any other insurance coverage for any person, which may be necessary or desirable for the purpose of this Agreement or for any personnel undertaking activities under this Agreement. Such responsibilities shall be borne by the RECIPIENT INSTITUTION.

9.4 The rights and obligations of the RECIPIENT INSTITUTION are limited to the terms and conditions of this Agreement. Accordingly, the RECIPIENT INSTITUTION and personnel performing services on its behalf shall not be entitled to any benefit, payment, compensation or entitlement except as expressly provided in this Agreement.

9.5 The RECIPIENT INSTITUTION shall be solely liable for claims by third parties arising from the RECIPIENT INSTITUTION's acts or omissions in the course of performing this Agreement and under no



circumstances shall UNCDF be held liable for such claims by third parties.

9.6 On the grounds defined in 9.2 above, this Agreement may be terminated by either party before completion of the Agreement by giving thirty (30) days written notice to the other party, and the RECIPIENT INSTITUTION shall promptly return any unutilized funds to UNCDF as per paragraph 9.7 below. Unutilized funds shall mean any funds in possession of RECIPIENT INSTITUTION after allowing for the settling all obligations incurred up to the date of termination. Also, in the event that funds are in fact due to RECIPIENT INSTITUTION for activities undertaken by RECIPIENT prior to termination, then these funds will be specified and paid by UNCDF to the RECIPIENT INSTITUTION.

9.7 The RECIPIENT INSTITUTION acknowledges that UNCDF and its representatives have made no actual or implied promise of funding except for the amounts specified by this Agreement. If any of the funds are returned to UNCDF or if this Agreement is rescinded, the RECIPIENT INSTITUTION acknowledges that UNCDF will have no further obligation to the RECIPIENT INSTITUTION as a result of such return or rescission.

9.8 No modification of or change to this Agreement, waiver of any of its provisions or additional contractual provisions shall be valid or enforceable unless previously approved in writing by the parties to this Agreement or their duly authorized representatives in the form of an amendment to this Agreement duly signed by the parties hereto.

9.9 Any disputes between the Parties arising out of or relating to this Agreement which is not settled amicably or by other agreed mode of settlement shall be submitted to arbitration at the request of either Party. Each Party shall appoint one arbitrator, and the two arbitrators so appointed should appoint a third, who shall be the chairman. If within thirty days of the request for arbitration either Party has not appointed an arbitrator or if within fifteen days of the appointment of two arbitrators the third arbitrator has not been appointed, either Party may request the President of the International Court of Justice to appoint an arbitrator. The procedure of the arbitration shall be fixed by the arbitrators, and the expenses of the arbitration shall be borne by the Parties as assessed by the arbitrators. The arbitral award shall contain a statement of the reasons on which it is based and shall be accepted by the Parties as the final adjudication of the dispute.

9.10 The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication or any such controversy or claim.

9.11 Nothing in or relating to this Agreement shall be deemed a waiver of any privileges and immunities of the United Nations, or UNCDF.

IN WITNESS WHEREOF, the undersigned, duly appointed representatives of UNCDF and the RECIPIENT INSTITUTION, respectively, have on behalf of UNCDF and the RECIPIENT INSTITUTION signed the present Agreement on the dates indicated below their respective signatures.

**On behalf of UNCDF:**

Name: Judith Karl

Title: Executive Secretary

**On behalf of the RECIPIENT INSTITUTION:**

Name: XXXXXXXXXXXX

Title: XXXXXXXXXXXX



Date \_\_\_\_\_

Date \_\_\_\_\_

**ANNEX A:**

**Proposal to UNCDF for XXXXX - is attached and considered part of this agreement.**