



23 June 2019

REQUEST FOR PROPOSAL (RFP-BD-2019-025)

Dear Sir / Madam:

UNDP kindly request you to submit your Proposal for **Hiring Firm to Research on Digital Transformation of FMCG Supply Chain Operations and Payments in Bangladesh Challenges, Opportunities and Way Forward-UNCDF.**

Proposals shall be submitted on or before 4.30 p.m. (local time) on Thursday, July 11, 2019

Please be guided by the form attached hereto as Annex 2, in preparing your Proposal.

Proposals may be submitted on or before the deadline indicated by UNDP in the e-Tendering system. Bids must be submitted in the online e-Tendering system in the following link:

<https://etendering.partneragencies.org>; using your username and password. If you have not registered in the system before, you can register now by logging in using

Username: event.guest

Password: why2change

and follow the registration steps as specified in the system user guide.

Your Proposal must be expressed in the English, and valid for a minimum period of 90 days.

You are kindly requested to indicate whether your company intends to submit a Proposal by clicking on "Accept Invitation" in the system.

In the course of preparing and submitting your Proposal, it shall remain your responsibility to ensure that it submitted into the system by the deadline. The system will automatically block and not accept any bid after the deadline. Kindly ensure attaching the required supporting documents (with file name less than 60 characters) in pdf format which must be free from any virus or corrupted files. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation.

The Financial Proposal and the Technical Proposal files MUST BE COMPLETELY SEPARATE and uploaded separately in the system and clearly named as either "TECHNICAL PROPOSAL" or "FINANCIAL PROPOSAL", as appropriate. Each document shall include the Proposer's name and address. **The file with the "FINANCIAL PROPOSAL" must be encrypted with a password** so that it cannot be opened nor viewed until the Proposal has been found to pass the technical evaluation stage. Once a Proposal has been found to be responsive by passing the technical evaluation stage, UNDP shall request via email the Proposer to submit the password to open the Financial Proposal. The Proposer shall assume the responsibility for not encrypting the financial proposal.

PLEASE DO NOT PUT THE PRICE OF YOUR PROPOSAL IN THE 'LINE ITEMS' IN THE SYSTEM. INSTEAD PUT 1 AND UPLOAD THE FINANCIAL PROPOSAL AS INSTRUCTED ABOVE.

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be a combination of letters and a flourish.

The Proposal that complies with all of the requirements meets all the evaluation criteria and offers the best value for money shall be selected and awarded the contract. Any offer that does not meet the requirements shall be rejected.

Any discrepancy between the unit price and the total price shall be re-computed by UNDP, and the unit price shall prevail and the total price shall be corrected. If the Service Provider does not accept the final price based on UNDP's re-computation and correction of errors, its Proposal will be rejected.

No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted by UNDP after it has received the Proposal. At the time of Award of Contract or Purchase Order, UNDP reserves the right to vary (increase or decrease) the quantity of services and/or goods, by up to a maximum twenty five per cent (25%) of the total offer, without any change in the unit price or other terms and conditions.

Any Contract or Purchase Order that will be issued as a result of this RFP shall be subject to the General Terms and Conditions attached hereto. The mere act of submission of a Proposal implies that the Service Provider accepts without question the General Terms and Conditions of UNDP, herein attached as Annex 3.

Please be advised that UNDP is not bound to accept any Proposal, nor award a contract or Purchase Order, nor be responsible for any costs associated with a Service Providers preparation and submission of a Proposal, regardless of the outcome or the manner of conducting the selection process.

UNDP's vendor protest procedure is intended to afford an opportunity to appeal for persons or firms not awarded a Purchase Order or Contract in a competitive procurement process. In the event that you believe you have not been fairly treated, you can find detailed information about vendor protest procedures in the following link:


<http://www.undp.org/content/undp/en/home/operations/procurement/protestandsanctions/>

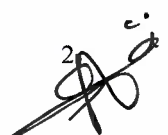
UNDP encourages every prospective Service Provider to prevent and avoid conflicts of interest, by disclosing to UNDP if you, or any of your affiliates or personnel, were involved in the preparation of the requirements, design, cost estimates, and other information used in this RFP.

UNDP implements a zero tolerance on fraud and other proscribed practices, and is committed to preventing, identifying and addressing all such acts and practices against UNDP, as well as third parties involved in UNDP activities. UNDP expects its Service Providers to adhere to the UN Supplier Code of Conduct found in this link: http://www.un.org/depts/ptd/pdf/conduct_english.pdf

Thank you and we look forward to receiving your Proposal.

Sincerely yours,


Operations Manager
June 23, 2019

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Description of Requirements

Context of the Requirement	<ul style="list-style-type: none"> • Consultancy to conduct a research on the business case of FMCG supply chain digitization in Bangladesh with particular focus on adoption of digital solutions in supply chain operations and payments among different actors including FMCG companies, distributors, wholesalers and retail micro-merchants. • Note: UNCDF will be the lead agency contracting and monitoring the delivery of these services. The study also incorporates the inputs and guidance from UNCDF partner organizations and other stakeholders.
Implementing Partner	UN Capital Development Fund (UNCDF)
Brief Description of the Required Services	<p>In Bangladesh, FMCGs are broadly categorized as per the types of products they supply- food and beverages, personal care and household care. The study will assess business cases of minimum of 04 FMCG companies with at least one from each category from the following:</p> <ul style="list-style-type: none"> - Food and beverages - Personal care - Household care - Local FMCG company (regional market presence in specific districts/ division/ geographic locations of Bangladesh, for example, a local district level bakery supply chain) <p>Selection of FMCG companies can include both local and international conglomerates. At least one company among the four should be an international conglomerate doing business in Bangladesh.</p> <p>The study will:</p> <ul style="list-style-type: none"> • Map and assess existing digital supply chain management and payment practices in the overall FMCG sector of Bangladesh <ol style="list-style-type: none"> i) Review and map the current extent of digitization of supply chain operations in the overall FMCG sector including 04 selected companies ii) Review the process of payment transactions throughout the supply chain among different actors i.e. FMCG companies, distributors, dealers and micro-merchants for aforementioned categories. iii) Identify existing digital payment options and services available for FMCG supply chain actors. • Identify global best practices/ examples of digitizing supply chain operations and payments through illustrating 03 cases relevant to Bangladesh FMCG industry context • Identify the level of preparedness and potential challenges of 04 selected FMCG companies to undertake digitization of supply chain operations and payments

	<ul style="list-style-type: none"> <ul style="list-style-type: none"> i) Understand the capacity, willingness and readiness of FMCG companies, distributors, merchants and other actors in the respective supply chain in introducing digital solutions for managing operations and payments. ii) Identify potential systemic constraints the FMCG companies and supply chain actors may face in adopting digitization of supply chain operations and payment. • Measure the level of investment required in digital platform development, integration and technical capacity enhancement within the organization and for actors across the supply chain <ul style="list-style-type: none"> i) Assess the potential investment required for digitizing supply chain operations and payments for each category of FMCGs. ii) Identify the level of investment required for capacity enhancement of organization staffs, distributors, retail merchants and other supply chain actors in adopting digital solutions • Measure the level of efficiency gain for selected 04 FMCG companies in terms of <ul style="list-style-type: none"> i) Time, operations and distribution management and cost ii) Efficiency gain in stock ordering and inventory management processes iii) Market penetration and expansion iv) Real-time, data-driven insights, forecasting and decision making • Identify suitable digital payment options and benefits of adopting digital transactions for supply chain payments <ul style="list-style-type: none"> i) Identification of appropriate payment modality for facilitating transactions between various supply chain actors, considering available services and their features (i.e. MFS wallets/ agent banking services/ formal bank accounts etc.) ii) Outline potential gains for FMCG companies and all supply chain actors including retail merchants in managing cash flow and finance iii) Identify scopes of product development for financial service providers targeting FMCG supply chain payment digitization iv) Potential of utilizing digital transaction, sales and credit records for developing credit, insurance and other products targeting retail micro-merchants
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- **Recommend a step by step time bound strategic roadmap for each category of FMCG companies in undertaking digitization of supply chain operations and payments.**

Final deliverables are:

- 1) 04 case studies on selected FMCG companies outlining
 - The level of preparedness and potential challenges of each company in undertaking digitization of supply chain operations and payments
 - Level of investment requirement in digital platform development, integration and technical capacity enhancement within the organization and for all the actors across the supply chain
 - Efficiency gain in terms of operational processes, cost, time, data-driven forecasting accuracy, market penetration and expansion etc.
 - Recommendation on appropriate digital payment options each company can adopt in facilitating payments across the supply chain among various actors
 - Step by step time-bound strategic roadmap for introducing digital solutions in supply chain operations and payments for each company
- 2) Consolidated report on the business case of digitizing supply chain operations and payments for the broader FMCG sector based on literature review, mapping of existing digital supply chain operations and payment management practices, review of global best practices and findings of the case studies on 04 types of selected FMCG companies illustrating:
 - Existing digital FMCG supply chain operations and payment management practices in Bangladesh
 - Relevant global best practices and examples of supply chain operations and payment digitization which can be adopted by Bangladeshi FMCG companies
 - Preparedness and potential challenges of introducing digital solutions for each category of companies (i.e. Food and beverages, Personal care, Household care, local/ region specific supply chains etc.)
 - Level of investment requirement in digital platform development, integration and technical capacity enhancement within the organization and for all the actors across the supply chain for different types of FMCG companies
 - Efficiency gain in terms of operational processes, cost, time, data-driven forecasting accuracy, market penetration and expansion, enhancing competitiveness etc.
 - Recommendations on appropriate digital payment options different types of FMCG supply chains can adopt in facilitating payments across the supply chain among various actors

- A generic step by step roadmap for introducing digital solutions in FMCG supply chain operations and payments

3) Organize a dissemination event to share the research findings with FMCG companies, regulators, policy makers and other key Stakeholders.

Research Methodology

The research methodology should follow the methods outlined below as a minimum:

- Systematic Review

Review of the existing literature and evidence on the FMCG supply chain digitization, currently available digital solutions for supply chain operations and payments management and critical assessment overall FMCG supply chain landscape and key actors i.e. FMCG companies, distributors, dealers, wholesalers and more importantly micro-merchants.

- In-depth interview and Key Informant Interview (KII)

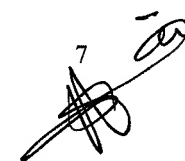
- Minimum of 04 KII or In-depth interviews with senior decision makers (CEO/ Managing Director or similar level) (at least 01 for each selected FMCG company) of selected FMCG companies to assess the preparedness and strategic vision of the company in introducing new digital innovations.
- Minimum 10 KII or In-depth interviews with senior or mid-senior level management (e.g. Head of Supply Chain/ Head of Business Development/Head of Sales) of selected 04 companies (minimum 02 from each) and any other major FMCG companies (02) to understand the key issues, market strategies and aligned benefits and constraints of promoting digitization in respective supply chains.
- Minimum 06 KII or In-depth interviews with other FMCG senior experts, researchers, supply chain association leaders, regulators and policymakers to get perspectives on the overall sector dynamics
- Minimum 05 KII or In-depth interviews with financial sector experts involved in supply chain financing, digital finance solutions for enterprises/ FMCG operations to assess the suitability of existing digital payment channels and generating insights on how digital payment mechanisms can be utilized for facilitating transactions within the FMCG supply chain

- Focus Group Discussions (FGD):

- Minimum 08 FGDs are recommended for the assignment. Minimum 02 FGDs need to be conducted for each of the four FMCGs selected which should be in the following order and includes at least 08 participants:
- 1 FGD with distributors or dealers and wholesalers of different regions

	<ul style="list-style-type: none"> - 1 FGD with retail micro-merchants (minimum 50% participants from small and medium-sized retail shop owners from rural and suburban areas. <p>This indicative list of interviews is minimum requirement for the assignment, bidders can consider to conduct additional interviews/ utilize any other relevant investigative technique for the study.</p> <ul style="list-style-type: none"> - <u>Validation and Dissemination of the findings:</u> <p>Validation:</p> <ul style="list-style-type: none"> - Business cases and findings for each of the four selected FMCG companies to be validated in separate workshops with senior and mid-level officials from each company - The consolidated report should be validated through a validation workshop participated by minimum 15 sector stakeholders. Based on the feedback of the validation workshop the final report will be prepared. <p>Dissemination Workshop:</p> <p>The assigned firm will arrange a half-day dissemination workshop ensuring participation of minimum 60 stakeholders including senior representatives from minimum 20 FMCG companies and 10 financial service providers.</p>										
List and Description of Expected Outputs to be Delivered	<table border="1"> <thead> <tr> <th>Key Tasks</th><th>Estimated Timeline</th></tr> </thead> <tbody> <tr> <td>Inception meeting with UNCDF and consortium partners</td><td>Within 1 week of signing the contract</td></tr> <tr> <td>Submission of Inception report which includes <ul style="list-style-type: none"> - Research approach and design - The confirmed list of the four FMCGs participating in the case studies - Detail methodology of assessment for each selected FMCG company </td><td>Within 3 Weeks of signing the contract</td></tr> <tr> <td>Primary research <ul style="list-style-type: none"> - Literature review - Design of KII and in-depth interview questionnaires - FGDs design and consultation agenda - Conducting interviews and FGDs - Draft report preparation with full narrative, data, graph, tables, figures and illustrations, annexures and bibliographies </td><td>Within 11 Weeks of signing the contract</td></tr> <tr> <td>Completion of validation with FMCG companies and sector stakeholders</td><td>Within 15 Weeks of signing the contract</td></tr> </tbody> </table>	Key Tasks	Estimated Timeline	Inception meeting with UNCDF and consortium partners	Within 1 week of signing the contract	Submission of Inception report which includes <ul style="list-style-type: none"> - Research approach and design - The confirmed list of the four FMCGs participating in the case studies - Detail methodology of assessment for each selected FMCG company 	Within 3 Weeks of signing the contract	Primary research <ul style="list-style-type: none"> - Literature review - Design of KII and in-depth interview questionnaires - FGDs design and consultation agenda - Conducting interviews and FGDs - Draft report preparation with full narrative, data, graph, tables, figures and illustrations, annexures and bibliographies 	Within 11 Weeks of signing the contract	Completion of validation with FMCG companies and sector stakeholders	Within 15 Weeks of signing the contract
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	Incorporation of feedback from validation workshops and from UNCDF	Within 17 Weeks of signing the contract						
	Dissemination workshop	Within 20 Weeks of signing the contract						
Person to Supervise the Work/Performance of the Service Provider	Country Project Coordinator, SHIFT SAARC, UNCDF in Bangladesh							
Frequency of Reporting	<i>As indicated in the ToR</i>							
Progress Reporting Requirements	<i>As indicated in the ToR</i>							
Location of work	<input type="checkbox"/> Exact Address/es <i>As indicated in the ToR</i>							
Expected duration of work	Duration of the assignment will be 5 months							
Target start date	August 2019							
Latest completion date	January 2020							
Travels Expected	<i>As indicated in the ToR</i>							
Special Security Requirements	<input type="checkbox"/> Security Clearance from UN prior to travelling <input type="checkbox"/> Completion of UN's Basic and Advanced Security Training <input type="checkbox"/> Comprehensive Travel Insurance <input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Others <i>[pls. specify]</i>							
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	<input type="checkbox"/> Office space and facilities <input type="checkbox"/> Land Transportation <input checked="" type="checkbox"/> Others As per ToR							
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required							
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required							
Currency of Proposal	<input checked="" type="checkbox"/> United States Dollars <input type="checkbox"/> Euro <input checked="" type="checkbox"/> Local Currency, BDT							
Value Added Tax on Price Proposal	<input checked="" type="checkbox"/> must be inclusive of VAT							
Validity Period of Proposals (Counting for the last day of submission of quotes)	<input type="checkbox"/> 60 days <input checked="" type="checkbox"/> 90 days <input type="checkbox"/> 120 days <p>In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.</p>							
Partial Quotes	<input checked="" type="checkbox"/> Not permitted <input type="checkbox"/> Permitted							
Payment Terms	<table border="1"> <thead> <tr> <th>SN</th><th>Deliverables of Assignment</th><th>% of payment</th></tr> </thead> <tbody> <tr> <td> </td><td> </td><td> </td></tr> </tbody> </table>		SN	Deliverables of Assignment	% of payment			
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	A.	Upon signing of contract, submission and approval of inception report, approved by the Contract Administrator	20%
	B.	Upon completion of primary research works and submission of the draft report, approved by the Contract Administrator	35%
	C.	Upon submission of the final report and dissemination event report, approved by the Contract Administrator	45%
	Total		
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	Country Project Coordinator, SHIFT SAARC, UNCDF in Bangladesh		
Type of Contract to be Signed	<input type="checkbox"/> Purchase Order <input type="checkbox"/> Institutional Contract <input checked="" type="checkbox"/> Contract for Professional Services <input type="checkbox"/> Long-Term Agreement <input type="checkbox"/> Other Type of Contract		
Criteria for Contract Award	<input type="checkbox"/> Lowest Price Quote among technically responsive offers <input checked="" type="checkbox"/> Highest Combined Score (based on the 70% technical offer and 30% price weight distribution) <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criteria and cannot be deleted regardless of the nature of services required. Non acceptance of the GTC may be grounds for the rejection of the Proposal.		
Criteria for the Assessment of Proposal	<p>Evaluation and comparison of proposals: Prior to the technical evaluation all proposals will be screened based on the minimum eligibility criteria mentioned below:</p> <p>Minimum eligibility criteria of the consultancy firm:</p> <ul style="list-style-type: none"> • Business Licenses – Registration Papers, Tax Payment Certification, etc. • Latest Audited Financial Statement – income statement and balance sheet to indicate its financial stability, liquidity, credit standing, and market reputation, etc.; • Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List; • The firm must have Experience in the delivery of a similar type of services to government/international organization/ FMCG supply chain/private sector value chain actors (in Bangladesh or South Asia) during the last five years. A brief summary of at least two such assignments to be submitted with the proposal as a proof. • The firm must have Experience of undertaking a similar study utilizing qualitative methodology. • The firm must have Experience in the FMCG sector in particular supply chain operations and digital financial services (DFS) 		

Minimum eligibility criteria of the key personnel:

Team Leader:

- Must have minimum Master's in business administration, Economics, Statistics or Development Studies.
- Must have Experience of working on a similar type of project on FMCG supply chain delivered to government/ international organizations/private sector value chain actors during the last five years.
- Must have experience (minimum 10 years) in research related areas of FMCG industries, supply chain operations, access to financial services and economic development.
- Must have experience in extensive research on development and poverty reduction with leading policy works

Team members

- Must have minimum Master's degree in Economics/Social Sciences, statistics, development management, development studies or related field;
- Must have experience in FMCG sector, supply chain operation and associated sectors in Bangladesh and other developing countries;
- At least two prior assignments successfully completed, brief summary of assignments to be submitted with technical proposal as a proof;
- Must have experience (minimum 05 years) in developing and conducting research within a similar team approach;
- Must have experience in qualitative research, analytical ability and academic credibility and ability to draw on international experience in FMCG industries, supply chain operation and digital financial service;

Firm's support service staff: Must have minimum Bachelor's in accounting/ financial management, Business Administration or similar disciplines

Note: Necessary documentation must be submitted to substantiate the above eligibility criteria.

Consultancy firms that do not meet the above eligibility criteria shall not be considered for further evaluation.

The firm must provide CVs of all proposed personnel for the assignment, stating name, highest academic qualification, professional certification, length of experience, role/function and other related information.

Technical Proposal (70%)

- ☒ Background experience/ Expertise of Firm
- ☒ Adequacy and comprehensiveness of the proposal (concept, approach, work plan)
- ☒ Qualifications and competence of the key staff for the Assignment

	BASIS OF TECHNICAL EVALUATION		
	Criteria	Weight	Max. Points
	Criteria 1: Quality of technical proposal	30	
	The methodology of conducting research		20
	Use of different research tools and techniques		10
	Criteria 2: Competence, qualification of personnel in the team	20	
	Team Leader's qualification and relevant experience.		10
	Team Members qualification and relevant experience.		10
	Criteria 3: Capacity of the organization	15	
	Prior experience in similar research assignments/ projects		5
	Experience in research on FMCG sector, supply chain and digital financial services		5
	Sufficient resource pool (human and financial), ability to mobilize additional resources (access to pool of enumerators, supervisors, moderators (for FGD) etc.)		5
	Criteria 4: Time Planning	5	
	The proposed timeline for completing the study		5
	Total		70
	Financial Proposal (30%)		
	In the Second Stage, the price proposal of all contractors, who have attained minimum 70% score in the technical evaluation, will be compared. The contract will be awarded to the bidder offering the 'best value for money'. The contract will be awarded to the Contractor based on the cumulative method. The formula for the rating of the Proposals will be as follows:		
	Rating the Technical Proposal (TP): $TP\ Rating = (Total\ Score\ Obtained\ by\ the\ Offer / Max.\ Obtainable\ Score\ for\ TP) \times 100$ Rating the Financial Proposal (FP): $FP\ Rating = (Lowest\ Priced\ Offer / Price\ of\ the\ Offer\ Being\ Reviewed) \times 100$ Total Combined Score: $(TP\ Rating) \times (Weight\ of\ TP,\ e.g.\ 70\%) + (FP\ Rating) \times (Weight\ of\ FP,\ e.g.,\ 30\%)$ =Total Combined and Final Rating of the Proposal		
	The proposal obtaining the overall highest score after adding the score of the technical proposal and the financial proposal is the proposal that offers best value for money		
	UNDP will award the contract to:	<input checked="" type="checkbox"/> One and only one Service Provider	
	Annexes to this RFP	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 3) <input checked="" type="checkbox"/> Detailed TOR (Annex 4) <input checked="" type="checkbox"/> Written Self-Declaration (Annex 5)	

<p>Contact Person for Inquiries (Written inquiries only)</p>	<p>bd.procurement@undp.org <i>Please mention the following in the subject while sending any query to UNDP regarding this RFP on or before 27 JUNE 2019.</i> <i><u>"Queries on RFP-BD-2019-025"</u></i> Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.</p>
<p>Other Information</p>	<p>A pre-bid meeting will be held at IDB Bhaban, (19th floor), meeting room, for the clarification on the bidding document and ToR <u>on 27 June 2019 at 11.00 AM.</u></p> <p>Note: Bidder needs to carry a valid Passport/NID/Credit or Debit card with photo/Original driving license in order to enter into IDB Bhaban for the pre-bid meeting.</p>

FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery)

[insert: Location].

[insert: Date]

To: [insert: Name and Address of UNDP focal point]

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to UNDP in conformity with the requirements defined in the RFP dated [specify date] , and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions:

Minimum eligibility criteria of the consultancy firm:

- Business Licenses – Registration Papers, Tax Payment Certification, etc.
- Latest Audited Financial Statement – income statement and balance sheet to indicate its financial stability, liquidity, credit standing, and market reputation, etc.;
- Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List;
- The firm must have Experience in the delivery of a similar type of services to government/international organization/ FMCG supply chain/private sector value chain actors (in Bangladesh or South Asia) during the last five years. A brief summary of at least two such assignments to be submitted with the proposal as a proof.
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Minimum eligibility criteria of the key personnel:

Team Leader:

- Must have minimum Master's in business administration, Economics, Statistics or Development Studies.
- Must have Experience of working on a similar type of project on FMCG supply chain delivered to government/ international organizations/private sector value chain actors during the last five years.
- Must have experience (minimum 10 years) in research related areas of FMCG industries, supply chain operations, access to financial services and economic development.
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Firm's support service staff: Must have minimum Bachelor's in accounting/ financial management, Business Administration or similar disciplines

Note: Necessary documentation must be submitted to substantiate the above eligibility criteria.

The firm must provide CVs of all proposed personnel for the assignment, stating name, highest academic qualification, professional certification, length of experience, role/function and other related information.

A. Proposed Methodology for the Completion of Services

The Service Provider must describe how it will address/deliver the demands of the RFP; providing a detailed description of the essential performance characteristics, reporting conditions and quality assurance mechanisms that will be put in place, while demonstrating that the proposed methodology will be appropriate to the local conditions and context of the work.

B. Qualifications of Key Personnel

If required by the RFP, the Service Provider must provide:

- a) Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are supporting, etc.;*
- b) CVs demonstrating qualifications must be submitted if required by the RFP; and*
- c) Written confirmation from each personnel that they are available for the entire duration of the contract.*

C. Cost Breakdown per Deliverable* (This portion to be provided in separate sealed envelope)

	Deliverables <i>[list them as referred to in the RFP]</i>	Percentage of Total Price <i>(Weight for payment)</i>	Price <i>(Lump Sum, All Inclusive)</i>
1	Deliverable 1		
2	Deliverable 2		
3		
	Total	100%	

**This shall be the basis of the payment tranches*

D. Cost Breakdown by Cost Component [This is only an Example]:

Description of Activity	Remuneration per Unit of Time	Total Period of Engagement	No. of Personnel	Total Rate
I. Personnel Services				
1. Services from Home Office				
a. Expertise 1				
b. Expertise 2				
2. Services from Field Offices				
a. Expertise 1				
b. Expertise 2				
3. Services from Overseas				
a. Expertise 1				
b. Expertise 2				
II. Out of Pocket Expenses				
1. Travel Costs				
2. Daily Allowance				
3. Communications				
4. Reproduction				
5. Equipment Lease				
6. Others				
III. Other Related Costs				

[Name and Signature of the Service Provider's Authorized Person]

[Designation]

[Date]

General Terms and Conditions for Services**1.0 LEGAL STATUS:**

The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis the United Nations Development Programme (UNDP). The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of UNDP or the United Nations.

2.0 SOURCE OF INSTRUCTIONS:

The Contractor shall neither seek nor accept instructions from any authority external to UNDP in connection with the performance of its services under this Contract. The Contractor shall refrain from any action that may adversely affect UNDP or the United Nations and shall fulfill its commitments with the fullest regard to the interests of UNDP.

3.0 CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES:

The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

4.0 ASSIGNMENT:

The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of UNDP.

5.0 SUB-CONTRACTING:

In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance of UNDP for all sub-contractors. The approval of UNDP of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform to the provisions of this Contract.

6.0 OFFICIALS NOT TO BENEFIT:

The Contractor warrants that no official of UNDP or the United Nations has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

7.0 INDEMNIFICATION:

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices,

copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

8.0 INSURANCE AND LIABILITIES TO THIRD PARTIES:

- 8.1** The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.
- 8.2** The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or the equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.
- 8.3** The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.
- 8.4** Except for the workmen's compensation insurance, the insurance policies under this Article shall:
 - 8.4.1** Name UNDP as additional insured;
 - 8.4.2** Include a waiver of subrogation of the Contractor's rights to the insurance carrier against the UNDP;
 - 8.4.3** Provide that the UNDP shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.
- 8.5** The Contractor shall, upon request, provide the UNDP with satisfactory evidence of the insurance required under this Article.

9.0 ENCUMBRANCES/LIENS:

The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with the UNDP against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Contractor.

10.0 TITLE TO EQUIPMENT:

Title to any equipment and supplies that may be furnished by UNDP shall rest with UNDP and any such equipment shall be returned to UNDP at the conclusion of this Contract or when no longer needed by the Contractor. Such equipment, when returned to UNDP, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate UNDP for equipment determined to be damaged or degraded beyond normal wear and tear.

11.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:

- 11.1** Except as is otherwise expressly provided in writing in the Contract, the UNDP 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 Contractor has developed for the UNDP under

the Contract 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 Contract, and the Contractor acknowledges and agrees that such products, documents and other materials constitute works made for hire for the UNDP.

11.2 To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Contract, the UNDP does not and shall not claim any ownership interest thereto, and the Contractor grants to the UNDP 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 Contract.

11.3 At the request of the UNDP; the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to the UNDP in compliance with the requirements of the applicable law and of the Contract.

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

12.0 USE OF NAME, EMBLEM OR OFFICIAL SEAL OF UNDP OR THE UNITED NATIONS:

The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with UNDP, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of UNDP or THE United Nations, or any abbreviation of the name of UNDP or United Nations in connection with its business or otherwise.

13.0 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 ("Recipient") during the course of performance of the Contract, and that is designated as confidential ("Information"), shall be held in confidence by that Party and shall be handled as follows:

13.1 The recipient ("Recipient") of such information shall:

13.1.1 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,

13.1.2 use the Discloser's Information solely for the purpose for which it was disclosed.

13.2 Provided that the Recipient has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the Contract and this Article 13, the Recipient may disclose Information to:

13.2.1 any other party with the Discloser's prior written consent; and,

13.2.2 the Recipient's employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Contract,

and employees officials, representatives and agents of any legal entity that it 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 Contract, provided that, for these purposes a controlled legal entity means:

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

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

13.2.2.3 for the UNDP, an affiliated Fund such as UNCDF, UNIFEM and UNV.

- 13.3** The Contractor 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 Contractor will give the UNDP sufficient prior notice of a request for the disclosure of Information in order to allow the UNDP to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.
- 13.4** The UNDP 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.
- 13.5** The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient 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 Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.
- 13.6** These obligations and restrictions of confidentiality shall be effective during the term of the Contract, including any extension thereof, and, unless otherwise provided in the Contract, shall remain effective following any termination of the Contract.

14.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

- 14.1** In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to the UNDP, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify the UNDP of any other changes in conditions or the occurrence of any event that interferes or threatens to interfere with its performance of this Contract. On receipt of the notice required under this Article, the UNDP shall take such action as, in its sole discretion; it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.
- 14.2** If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, the UNDP shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.
- 14.3** Force majeure as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.
- 14.4** The Contractor acknowledges and agrees that, with respect to any obligations under the Contract that the Contractor must perform in or for any areas in which the UNDP is engaged in, preparing to engage in, or disengaging from any peacekeeping, humanitarian or similar

operations, any delays or failure to perform such obligations arising from or relating to harsh conditions within such areas or to any incidents of civil unrest occurring in such areas shall not, in and of itself, constitute force majeure under the Contract..

15.0 TERMINATION

- 15.1** Either party may terminate this Contract for cause, in whole or in part, upon thirty (30) days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16.2 ("Arbitration"), below, shall not be deemed a termination of this Contract.
- 15.2** UNDP reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case UNDP shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.
- 15.3** In the event of any termination by UNDP under this Article, no payment shall be due from UNDP to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.
- 15.4** Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, the UNDP may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Contract forthwith. The Contractor shall immediately inform the UNDP of the occurrence of any of the above events.

16.0 SETTLEMENT OF DISPUTES

- 16.1 Amicable Settlement:** The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.
- 16.2 Arbitration:** Any dispute, controversy, or claim between the Parties arising out of the Contract or the breach, termination, or invalidity thereof, unless settled amicably under Article 16.1, above, within sixty (60) days after receipt by one Party of the other Party's written request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. For all evidentiary questions, the arbitral tribunal shall be guided by the Supplementary Rules Governing the Presentation and Reception of Evidence in International Commercial Arbitration of the International Bar Association, 28 May 1983 edition. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Contract, order the termination of the Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim Measures of Protection") and Article 32 ("Form and Effect of the Award") of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate ("LIBOR") then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

17.0 PRIVILEGES AND IMMUNITIES:

Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

18.0 TAX EXEMPTION

18.1 Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter-alia that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the United Nations exemption from such taxes, duties or charges, the Contractor shall immediately consult with the UNDP to determine a mutually acceptable procedure.

18.2 Accordingly, the Contractor authorizes UNDP to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with the UNDP before the payment thereof and the UNDP has, in each instance, specifically authorized the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide the UNDP with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

19.0 CHILD LABOUR

19.1 The Contractor represents and warrants that neither it, nor any of its suppliers is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.

19.2 Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, at no cost to UNDP.

20.0 MINES:

20.1 The Contractor represents and warrants that neither it nor any of its suppliers is actively and directly engaged in patent activities, development, assembly, production, trade or manufacture of mines or in such activities in respect of components primarily utilized in the manufacture of Mines. The term "Mines" means those devices defined in Article 2, Paragraphs 1, 4 and 5 of Protocol II annexed to the Convention on Prohibitions and Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects of 1980.

20.2 Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind of UNDP.

21.0 OBSERVANCE OF THE LAW:

The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

22.0 SEXUAL EXPLOITATION:

- 22.1** The Contractor shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by it or by any of its employees or any other persons who may be engaged by the Contractor to perform any services under the Contract. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Contractor shall refrain from, and shall take all appropriate measures to prohibit its employees or other persons engaged by it from, exchanging any money, goods, services, offers of employment or other things of value, for sexual favors or activities, or from engaging in any sexual activities that are exploitive or degrading to any person. The Contractor acknowledges and agrees that the provisions hereof constitute an essential term of the Contract and that any breach of this representation and warranty shall entitle UNDP to terminate the Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.
- 22.2** The UNDP shall not apply the foregoing standard relating to age in any case in which the Contractor's personnel or any other person who may be engaged by the Contractor to perform any services under the Contract is married to the person less than the age of eighteen years with whom sexual activity has occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such Contractor's personnel or such other person who may be engaged by the Contractor to perform any services under the Contract.

23.0 AUTHORITY TO MODIFY:

Pursuant to the Financial Regulations and Rules of UNDP, only the UNDP Authorized Official possesses the authority to agree on behalf of UNDP to any modification of or change in this Contract, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Contractor. Accordingly, no modification or change in this Contract shall be valid and enforceable against UNDP unless provided by an amendment to this Contract signed by the Contractor and jointly by the UNDP Authorized Official

Terms of Reference (ToR)

Hiring Firm to Research on Digital Transformation of FMCG Supply Chain Operations and Payments in Bangladesh Challenges, Opportunities and Way Forward

A. Description of the Assignment

Consultancy to conduct a research on the business case of FMCG supply chain digitization in Bangladesh with particular focus on adoption of digital solutions in supply chain operations and payments among different actors including FMCG companies, distributors, wholesalers and retail micro-merchants.

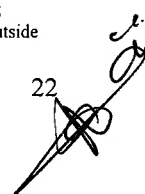
Note: UNCDF will be the lead agency contracting and monitoring the delivery of these services. The study also incorporates the inputs and guidance from UNCDF partner organizations and other stakeholders.

B. Project Description

UN Capital Development Fund (UNCDF) and Inclusive Finance: UNCDF provides investment capital and technical support to both the public and the private sector. It provides capital financing -- in the forms of grants, soft loans and credit enhancement – and the technical expertise to unleash sustainable financing at the local level. UNCDF's work on inclusive finance seeks to develop inclusive financial systems and ensure that a range of financial products is available to all segments of society, at a reasonable cost, and on a sustainable basis. UNCDF supports a wide range of providers (e.g. microfinance institutions, banks, cooperatives, money transfer companies) and a variety of financial products and services (e.g. savings, credit, insurance, payments, and remittances). UNCDF also supports new delivery channels (e.g. mobile phones, digital platforms) that offer tremendous potential for scale. It contributes to Sustainable Development Goals (SDGs) 1 on no poverty, 5 on gender equality and 17 on partnership for development.

Shaping Inclusive Finance Transformations (SHIFT) SAARC Program: UNCDF has been implementing Shaping Inclusive Finance Transformations (SHIFT) in SAARC program since mid-2016 in Bangladesh for accelerating uptake and usage of digital financial services in the country to expand financial inclusion through digital pathways. Key pillars of the intervention include- • Data and Evidence • Capacity Enhancement • Policy and Advocacy, and • Innovation and Communication. The program has two components: 1. Policy and Regulation Component and 2. Micro-Merchant (MM)¹ Component. The MM Component, funded by the European Union under the 'Poverty Reduction through Inclusive and Sustainable Markets (PRISM)' funding umbrella, specifically aims to strengthen business linkages for

¹ Fast-Moving Consumer Goods (FMCG) micro-merchants cover all types of micro-merchants including floating, mobile and with fixed outlets, retailing fast moving consumer goods, including both food and non-food items. Micro-merchant definition, in line with Bangladesh Industrial Policy (2016) section 3.3.10 (pp 4): Asset (outside land and building) must be BDT 1 million and/or have less than 15 staff.



micro-merchants with FMCG (Fast-Moving Consumer Goods) producers and BDS (Business Development Services) providers so that enhanced real economic activities contribute to the lives of the micro-merchants, bottom of the pyramid segments and local population. The next section discusses the micro-merchant (MM) component in further detail.

Merchants' Development Driving Rural Markets (MDDRM): Bangladesh's labor force is growing at 3.1% per annum with an estimated 21 million people projected to enter the workforce between 2015 and 2025. Small Medium Enterprises (SMEs) sector is among the largest employers with an estimated 34% of people employed in the services sector. Within the services sector, retail and wholesale growth averaged over 10% in recent years, and in FY 2014/15 contributed to 13.5% of Bangladesh's GDP². Accelerating the shift from the low-skill; low-return agricultural sector employment and informal work to more productive employment in the manufacturing and organized services sectors coupled with greater access to financial services is a key government strategy towards achieving the goal of becoming a middle-income country by 2021.

Policy makers and the financial services sector have prioritized Digital Financial Services (DFS) as the key mechanism to achieve the country's financial inclusion objectives and are increasingly looking for ways to expand Digital Financial Services (DFS) especially given that 57% of the population does not have any financial account³. As such, there is a strong need to find user cases in high volume driver segments in Bangladesh for accelerating DFS adoption. In the light of the above, micro-merchants, known as "mudi dokandar" i.e. small neighborhood stores can be utilized as a mechanism to expand access to FMCGs and DFS products and services into rural areas. There are an estimated 1.3 million⁴ such retail shops present throughout Bangladesh especially situated in poor, rural areas. These "mudir dokans" have already started to demonstrate the high potential to fuel growth and provide citizens with access to diverse digital financial services; merchants engage in over 100 million financial transactions per day and manage USD 16.71 billion annual value of inventory⁵.

To facilitate uptake of digital innovations in FMCG supply chain and promote growth opportunities for retail merchants, UNCDF is implementing Merchants Development Driving Rural Markets (MDDRM) component of SHIFT SAARC program in Bangladesh focusing on generating data and evidence, capacity enhancement of retail merchants and business development service providers, raising awareness through communications campaign and promoting digital innovations through pilots in four northern districts of Bangladesh -Jamalpur, Sherpur, Shirajgonj and Tangail. The interventions aim to accelerate digital financial inclusion for the micro-merchants segment by introducing innovative solutions, both demand and supply side capacity development and awareness raising and

² Consultative Group to Assist the Poorest (2015). Landscape for Digital Finance for Small Business in Bangladesh. Word Bank Group.

³ Intermedia (2016). Wave Report FII Tracker Survey. Bangladesh. Available here: <http://finclusion.org/uploads/file/reports/2015%20InterMedia%20FII%20BANGLADESH%20Wave%20Report.pdf>.

⁴ Klincic Andrews, A. & Aligishiev, Z. (2018). Landscape assessment of retail micro-merchants in Bangladesh. United Nations Capital Development Fund. Available here: https://www.microentrepreneursasia.com/pdf_book_preview/Landscape_Assessment_of_Retail_Micro-merchants_in_Bangladesh.pdf

⁵ ibid

strengthening the linkage between retail, FMCG and financial services providers (FSPs) for new product and service development.

C. Background of the Research

UNCDF conducted a nationwide survey on retail micro-merchants in 2017 as part of implementing the MDDRM component⁶, first of a kind in the country assessing the landscape of FMCG retail merchants in the country. The study has covered various aspects of retail micro-merchants generating nationally representative data on their business profile and access to finance and technology issues. Though the study mapped the overall supply chain and the actors in the upper layer including FMCG companies, wholesalers/ dealers/ distributors and business development service providers, assessment of the existing level of digitization in operations and payments across FMCG supply chain was beyond the scope of the research.

The findings of 'Landscape assessment of retail micro-merchants in Bangladesh' suggests that The retail sector is poised to become the next booming sector in Bangladesh demonstrating high potential for entrepreneurship and employment opportunities⁷. The growth potential can be further enhanced by embracing digital innovations in supply chain management and transactions. Utilization of digital platforms for supply chain management and payments will increase operational efficiency for all the actors involved including FMCG companies, dealers/ distributors and last mile retail merchants. Evidence suggests digitization of stock ordering process and inventory management will enable FMCG companies and distributors efficiently manage their distribution network and generate real-time data-driven future demand forecast whereas the merchants will be more capable of evaluating stock-outs, which is currently done in manual process.

At the same time, digitization of supply chain transactions and payments will enable the value chain actors better manage their cash flow and finances across all layers of the supply chain. Digitization of payments will facilitate access to a wide range of digital financial services for the previously unserved or underserved retail merchants including access to digital credit, insurance and other products and services through generating bankable data. Digital solutions can also help micro-merchants easily keep track of credit sales, which accounts for 73.1% of sales, as revealed by the Landscape Assessment of Retail Micro-merchants in Bangladesh study. Digitization of payments will open up various credit product development opportunities utilizing a credit scoring system based on sales records and credit sales data. Adoption of digital payment options will also facilitate the introduction of more convenient ways of payment both for customers and merchants using person to business (P2B) and business to business (B2B) options.

However, limited evidence are available in the Bangladesh context demonstrating the business case of digitizing supply chain operations and transaction digitization. Due to this gap in evidence showcasing the business case of FMCG supply chain operations and payment digitization, there is a need to examine whether and how the digitization of FMCG supply chain operations and payments can benefit FMCG companies and all supply chain actors including the last mile retail merchants. Therefore, UNCDF is commissioning this research to explore the business case of FMCG supply chain digitization with particular focus on digitizing supply chain operations and payments.

In Bangladesh, FMCGs can be classified under three major product categories- food and beverages, personal care and household care⁸. 'Landscape assessment of retail micro-merchants in Bangladesh' findings also suggest the top five kinds of fast-moving consumer goods sold by the micro-merchants are tobacco products, oil, rice, packet biscuits and flour. Supply chain operations and transaction

⁶ 2,100 retail micro-merchants participated in the study. With 75% of them being in rural areas and 25% in urban areas. All micro-merchants participating in the study had to be involved in FMCG sector.

⁷ Klincic Andrews, A. & Aligishiev, Z. (2018). Landscape assessment of retail micro-merchants in Bangladesh. United Nations Capital Development Fund. Available here: < https://www.microentrepreneurasia.com/pdf_book_preview/Landscape_Assessment_of_Retail_Micro-merchants_in_Bangladesh.pdf>

⁸ FMCG industry review of Bangladesh. Retrieved from http://www.eblsecurities.com/AM_Resources/AM_ResearchReports/SectorReport/FMCG%20Industry%20Review%20of%20Bangladesh.pdf

features for companies involved in each category of business vary from the other, thus modality of appropriate digital solutions, required level of investment, efficiency gain, potential challenges and overall business case for these categories are also different.

The proposed research intends to explore the business case of digitizing FMCG supply chain operations and payments through analyzing (i) existing digital supply chain management and payment practices in FMCG sector of Bangladesh (ii) potential benefits of digitizing supply chain operations (i.e. stock ordering and distribution, inventory management, logistics and channel distribution management etc.) for FMCG companies, distributors and retail merchants (iii) level of investment required to introduce digital solutions in supply chain operations and potential challenges (iv) scopes and benefits of digitizing payments across all supply chain actors (v) step by step time bound strategic roadmap for adopting digital solutions for supply chain operations management and payments. The key objective is to develop evidence backed business case for FMCG companies, financial service providers, technology service providers and policymakers encouraging investment and adoption of digital solutions in FMCG supply chain.

D. Scope of Work

In Bangladesh, FMCGs are broadly categorized as per the types of products they supply- food and beverages, personal care and household care. The study will assess business cases of minimum of 04 FMCG companies with at least one from each category from the following:

- Food and beverages
- Personal care
- Household care
- Local FMCG company (regional market presence in specific districts/ division/ geographic locations of Bangladesh, for example, a local district level bakery supply chain)

Selection of FMCG companies can include both local and international conglomerates. At least one company among the four should be an international conglomerate doing business in Bangladesh.

The study will:

- **Map and assess existing digital supply chain management and payment practices in the overall FMCG sector of Bangladesh**
 - iv) Review and map the current extent of digitization of supply chain operations in the overall FMCG sector including 04 selected companies
 - v) Review the process of payment transactions throughout the supply chain among different actors i.e. FMCG companies, distributors, dealers and micro-merchants for aforementioned categories.
 - vi) Identify existing digital payment options and services available for FMCG supply chain actors.
- **Identify global best practices/ examples of digitizing supply chain operations and payments through illustrating 03 cases relevant to Bangladesh FMCG industry context**
- **Identify the level of preparedness and potential challenges of 04 selected FMCG companies to undertake digitization of supply chain operations and payments**
 - iii) Understand the capacity, willingness and readiness of FMCG companies, distributors, merchants and other actors in the respective supply chain in introducing digital solutions for managing operations and payments.
 - iv) Identify potential systemic constraints the FMCG companies and supply chain actors may face in adopting digitization of supply chain operations and payment.
- **Measure the level of investment required in digital platform development, integration and technical capacity enhancement within the organization and for actors across the supply chain**

- iii) Assess the potential investment required for digitizing supply chain operations and payments for each category of FMCGs.
 - iv) Identify the level of investment required for capacity enhancement of organization staffs, distributors, retail merchants and other supply chain actors in adopting digital solutions
- **Measure the level of efficiency gain for selected 04 FMCG companies in terms of**
 - v) Time, operations and distribution management and cost
 - vi) Efficiency gain in stock ordering and inventory management processes
 - vii) Market penetration and expansion
 - viii) Real-time, data-driven insights, forecasting and decision making
- **Identify suitable digital payment options and benefits of adopting digital transactions for supply chain payments**
 - v) Identification of appropriate payment modality for facilitating transactions between various supply chain actors, considering available services and their features (i.e. MFS wallets/ agent banking services/ formal bank accounts etc.)
 - vi) Outline potential gains for FMCG companies and all supply chain actors including retail merchants in managing cash flow and finance
 - vii) Identify scopes of product development for financial service providers targeting FMCG supply chain payment digitization
 - viii) Potential of utilizing digital transaction, sales and credit records for developing credit, insurance and other products targeting retail micro-merchants
- **Recommend a step by step time bound strategic roadmap for each category of FMCG companies in undertaking digitization of supply chain operations and payments.**

Final deliverables are:

- 3) 04 case studies on selected FMCG companies outlining
 - The level of preparedness and potential challenges of each company in undertaking digitization of supply chain operations and payments
 - Level of investment requirement in digital platform development, integration and technical capacity enhancement within the organization and for all the actors across the supply chain
 - Efficiency gain in terms of operational processes, cost, time, data-driven forecasting accuracy, market penetration and expansion etc.
 - Recommendation on appropriate digital payment options each company can adopt in facilitating payments across the supply chain among various actors
 - Step by step time-bound strategic roadmap for introducing digital solutions in supply chain operations and payments for each company
- 4) Consolidated report on the business case of digitizing supply chain operations and payments for the broader FMCG sector based on literature review, mapping of existing digital supply chain operations and payment management practices, review of global best practices and findings of the case studies on 04 types of selected FMCG companies illustrating:
 - Existing digital FMCG supply chain operations and payment management practices in Bangladesh
 - Relevant global best practices and examples of supply chain operations and payment digitization which can be adopted by Bangladeshi FMCG companies
 - Preparedness and potential challenges of introducing digital solutions for each category of companies (i.e. Food and beverages, Personal care, Household care, local/ region specific supply chains etc.)

- Level of investment requirement in digital platform development, integration and technical capacity enhancement within the organization and for all the actors across the supply chain for different types of FMCG companies
- Efficiency gain in terms of operational processes, cost, time, data-driven forecasting accuracy, market penetration and expansion, enhancing competitiveness etc.
- Recommendations on appropriate digital payment options different types of FMCG supply chains can adopt in facilitating payments across the supply chain among various actors
- A generic step by step roadmap for introducing digital solutions in FMCG supply chain operations and payments

3) Organize a dissemination event to share the research findings with FMCG companies, regulators, policy makers and other key Stakeholders.

Research Methodology

The research methodology should follow the methods outlined below as a minimum:

- Systematic Review

Review of the existing literature and evidence on the FMCG supply chain digitization, currently available digital solutions for supply chain operations and payments management and critical assessment overall FMCG supply chain landscape and key actors i.e. FMCG companies, distributors, dealers, wholesalers and more importantly micro-merchants.

- In-depth interview and Key Informant Interview (KII)

- Minimum of 04 KII or In-depth interviews with senior decision makers (CEO/ Managing Director or similar level) (at least 01 for each selected FMCG company) of selected FMCG companies to assess the preparedness and strategic vision of the company in introducing new digital innovations.
- Minimum 10 KII or In-depth interviews with senior or mid-senior level management (e.g. Head of Supply Chain/ Head of Business Development/Head of Sales) of selected 04 companies (minimum 02 from each) and any other major FMCG companies (02) to understand the key issues, market strategies and aligned benefits and constraints of promoting digitization in respective supply chains.
- Minimum 06 KII or In-depth interviews with other FMCG senior experts, researchers, supply chain association leaders, regulators and policymakers to get perspectives on the overall sector dynamics
- Minimum 05 KII or In-depth interviews with financial sector experts involved in supply chain financing, digital finance solutions for enterprises/ FMCG operations to assess the suitability of existing digital payment channels and generating insights on how digital payment mechanisms can be utilized for facilitating transactions within the FMCG supply chain

- Focus Group Discussions (FGD):

- Minimum 08 FGDs are recommended for the assignment. Minimum 02 FGDs need to be conducted for each of the four FMCGs selected which should be in the following order and includes at least 08 participants:
- 1 FGD with distributors or dealers and wholesalers of different regions
- 1 FGD with retail micro-merchants (minimum 50% participants from small and medium-sized retail shop owners from rural and suburban areas.

This indicative list of interviews is minimum requirement for the assignment, bidders can consider to conduct additional interviews/ utilize any other relevant investigative technique for the study.

- Validation and Dissemination of the findings:

Validation:

- Business cases and findings for each of the four selected FMCG companies to be validated in separate workshops with senior and mid-level officials from each company
- The consolidated report should be validated through a validation workshop participated by minimum 15 sector stakeholders. Based on the feedback of the validation workshop the final report will be prepared.

Dissemination Workshop:

The assigned firm will arrange a half-day dissemination workshop ensuring participation of minimum 60 stakeholders including senior representatives from minimum 20 FMCG companies and 10 financial service providers.

Indicative timeline and milestones for this assignment are presented in the table below:

As per RFP Document**E. Impact Result**

The four case studies conducted on selected FMCG companies will benefit each participating organization to understand its capacity in undertaking digitization of supply chain operations and payments. The findings from the case studies will help each FMCG company to determine its investment requirement to introduce/ expand utilization of digital platforms in supply chain operations and payments; overall business case of such investment in terms of efficiency gain regarding operational processes, cost, time and real-time data insights enabling informed decision making and new market penetration opportunities.

The consolidated report based on the literature review, mapping of existing digital supply chain operations and payments and case studies conducted on the selected four FMCGs will provide an overview of the business case of digitizing supply chain operations and payments in the Bangladesh context. The findings from the study will help to design a strategic roadmap for introducing digital solutions in FMCG supply chain operations and payments which the FMCG companies can follow and further customize while undertaking digitization in respective supply chain operations and payments.

The findings of the research will be used to design an inclusive intervention in the sector to benefit all the players within the FMCG sector, with the key focus on micro-merchants.

F. Institutional Arrangement

The contracted firm will report to the Country Project Coordinator, SHIFT SAARC, UNCDF in Bangladesh, who will also carry out a performance evaluation at the end of the assignment.

G. Duration of the Work and Duty Station

The duration of the assignment will be a maximum of 6 months, beginning on 1st week of July 2019 and finishing by the end of November 2019. The principal working location (duty station) is Dhaka, with travel outside Dhaka city as required by the assignment (for stakeholder interviews, FGDs etc.)

H. Final product and Deliverables

Deliverables 1: Undertake necessary preparatory work to Prepare to develop research method, questionnaire design and report outline.

1.1 Develop research approaches, methods and design: Research approach up to 5 pages is an internal document informing the research firm and SHIFT SAARC about: how, where, why, when, what, who related to the research. Research approach/methods should outline research limitations and room for future research.

1.2 Please include CVs of proposed staff that will be undertaking this assignment, with a clear description of roles and responsibilities.

Deliverables 2: Undertake fieldwork i. e. KII, in-depth interview, FGDs as per agreed research plan.

2.1 Develop questionnaires, interview guide under close supervision and guidance of SHIFT SAARC, UNCDF.

2.2 Documented interviews.

2.3 Organize FGDs, submit consultation agenda, Reports and key takeaways and participants list to SHIFT SAARC, UNCDF.

Deliverables 3: Submit a draft report to SHIFT SAARC, UNCDF.

3.1 Draft narrative report with complete data, graph, tables, figures and illustrations, annexures and bibliographies for following deliverables:

1) 04 case studies on selected FMCG companies outlining

- The level of preparedness and potential challenges of each company in undertaking digitization of supply chain operations and payments
- Level of investment requirement in digital platform development, integration and technical capacity enhancement within the organization and for all the actors across the supply chain
- Efficiency gain in terms of operational processes, cost, time, data-driven forecasting accuracy, market penetration and expansion etc.
- Recommendation on appropriate digital payment options each company can adopt in facilitating payments across the supply chain among various actors
- Strategic step by step time-bound roadmap for introducing digital solutions in supply chain operations and payments for each company

2) Consolidated report based on literature review, mapping of existing digital supply chain operations and payment management practices, review of global best practices and findings of the case studies on 04 selected FMCG companies illustrating:

- Existing digital FMCG supply chain operations and payment management practices in Bangladesh
- Relevant global best practices and examples of supply chain operations and payment digitization which can be adopted by Bangladeshi FMCG companies
- Preparedness and potential challenges of introducing digital solutions for each category of companies (i.e. Food and beverages, Personal care, Household care, local region-specific supply chains etc.)
- Level of investment requirement in digital platform development, integration and technical capacity enhancement within the organization and for all the actors across the supply chain for different types of FMCG companies
- Efficiency gain in terms of operational processes, cost, time, data-driven forecasting accuracy, market penetration and expansion, enhancing competitiveness etc.
- Recommendations on appropriate digital payment options different types of FMCG supply chains can adopt in facilitating payments across the supply chain among various actors
- A generic step by step roadmap for introducing digital solutions in FMCG supply chain operations and payments

(Plan for 2 round of comments from SHIFT SAARC team).

Deliverables 4: Submit final research reports to SHIFT SAARC team.

4.1 Submit a 'ready to publish' version of deliverables mentioned in Section 3.1 with complete data, graph, tables, figures and illustrations, annexures and bibliographies.

[The consulting firm should consult with UNCDF on overall design to comply with both donor and UNCDF communication policy.]

Deliverable 5: Organize a half-day event to disseminate research findings.

5.1 Organize a half-day event (including responsibilities of invitations, event management, venue, food and the like) in Dhaka bringing together up to 60 sector stakeholders including representatives from minimum 20 FMCG companies and 10 financial service providers. Invitee list should be prepared in consultation with UNCDF.

5.2 Dissemination Event Report (2 – 3 pages) highlighting key event takeaways, PPT deck, full participant list, and 10 good quality photos to be used as visibility materials by SHIFT SAARC, UNCDF.

I. Qualification of the Successful contractor/consultant

As per RFP Document

The remuneration of the successful contractor will be fixed and bids should be submitted on this basis. No adjustment will be given for the period and determined by the specified outputs as per this TOR. The price should take into account all professional fees, travel costs, DSA, subsistence and ancillary expenses.

UNCDF shall make payments, by bank transfer to the consultancy firm's bank account, upon acceptance by UNCDF of the deliverables specified in the ToR. Payments will be made after the approval of time sheets by the Country project Coordinator, SHIFT SAARC.

The payment schedule will be made as follows:

As per RFP Document

J. Recommended Presentation of Proposal

Interested firms must submit the following: A detailed proposal made up of documentation to demonstrate the qualifications of the prospective firm, to enable an appraisal of competing bids. This should include technical and financial proposals, details of which are listed below.

1. Technical Proposal

- i. Name of the Firm and details of registration, address and bank account; business registration certificate and corporate documents (Articles of Association or other founding authority); description of present activities and most recent annual report (including audited financial statements);
- ii. Description of experience in projects of a comparable nature, with a specific description of technical specialization of the Firm in the required area;
- iii. List of current and past assignments of the Firm;
- iv. Research methods and approaches to be adopted in delivering this assignment, both for individual company-specific case studies and consolidated report, including implementation timelines;
- v. List of FMCG companies operating in Bangladesh complying with the criteria mentioned in Section D;
- vi. Proposed list of FMCG companies for each category on which case studies will be conducted (proposed list may contain alternative options for each category) complying with the criteria mentioned in Section D. The bidder will be assessed based on the composition of proposed list of FMCG companies; the assessment will consider the scale of their business, diversity of products manufactured, distribution channel, adoption of digitization and countrywide/ multinational presence of the FMCGs on which case studies have been proposed.
- vii. The rationale of selecting each company and the aforementioned information regarding the company's business profile must be highlighted in the proposal. Details of any prior research engagement with proposed companies are recommended to be submitted with the technical proposal. Any formal expression of interest from the proposed FMCGs for participating in the case studies can be also submitted (if available).
- viii. CVs of the proposed team leader and experts to be included within the team. Please note that proposing firms will be expected to deploy the consultants listed in the proposal; substitutions will only be accepted with the prior consent of UNCDF.

1. Financial Proposal (including fees, travel cost, DSA, and other relevant expenses)

i) The financial proposal shall specify a total amount including consultancy fees and all associated costs) i.e. travel costs, subsistence per Diems, consultation workshop costs etc.

ii) In order to assist UNCDF in the comparison of financial proposals, the financial proposal will include a breakdown of this amount, disclosing the key assumption employed in costing the working. This must at least specify: the daily rates and a number of anticipated working days (for each professional team member), any travel costs and overhead recharges. Payments will be based upon output, i.e. upon delivery of the services specified in the ToR.

The cost of preparing a proposal and of negotiating a contract, including any related travel, is not reimbursable.

K. Evaluation

A cumulative analysis weighted-scoring method will be applied to evaluate the firm. The award of the contract will be made to the tenderer whose offer has been evaluated and determined as:

- a) Responsive/ compliant/ acceptable with reference to this ToR, and;
- b) Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to, the solicitation, with the ratio set at 70: 30 respectively (this is to reflect the high-level skills mix required).

Only firms obtaining a minimum of 70% of the maxim achievable score (49 points) in the technical analysis would be considered for financial appraisal, and ultimately, therefore, for contracting

Basis for Evaluation:

As per RFP Document

Declaration

Date:

United Nations Development Programme

UNDP Registry, IDB Bhaban, Agargaon
Sher-E-Bangla Nagar, Dhaka, Bangladesh

Assignment _____

Reference: RFP-BD-2019-025

Dear Sir,

I declare that is not in the UN Security Council 1267/1989 List,
UN Procurement Division List or Other UN Ineligibility List.

Yours Sincerely,