



Application Document

Kampala, 08 September 2020

Section 1 - Call for Proposals

'Youth4Business Innovation and Entrepreneurship Facility' Open Innovation Challenge Fund Call for the Development Minerals Subsector

The United Nations Development Programme (UNDP) Uganda in collaboration with the Stanbic Uganda Holdings Limited (SUHL) hereby invites you to submit a Proposal to Youth4Business Innovation and Entrepreneurship Facility Open Innovation Challenge Fund Call for the Development Minerals Subsector.

This Call includes the following documents:

- Section 1 – This Call for Proposals Invitation Letter
- Section 2 – Generic Instructions to Proposers
- Section 3 – Terms of Reference
- Section 4 – Proposal Submission Cover Letter
- Section 5 – Proposer Information Form

Your proposal comprising of a Proposed Solution, Proposed Budget and all other requested documents should be submitted in accordance with Section 2: Instructions to Proposers, Clause 7.

Should you need further clarification, kindly communicate with the contact person indicated in Section 2: Instruction to Proposers, Clause 8, duly assigned to handle all queries for this Call.

We look forward to receiving your proposal and thank you in advance for your interest in this UNDP Uganda Open Innovation Challenge Call for the Development Minerals Subsector.

Section 2 – Generic Instructions to Proposers

“Youth4Business Innovation and Entrepreneurship Facility” Open Innovation Challenge Fund Call for the Development Minerals Subsector

A. General

1. UNDP and Stanbic Uganda Holdings Limited solicits Proposals in response to this Call. While proposers are encouraged to adhere to all the requirements of this Call, they are also encouraged to provide any suggestions and solutions that may achieve a more cost-effective and value-for-money approach to fulfilling the requirements of this Call.
2. Submission of a Proposal shall be deemed to constitute an acknowledgement by the proposer that all obligations stipulated by this Call will be met and unless specified otherwise, the proposer has read, understood and agreed to all the instructions provided in this Call.
3. Any Proposal submitted will be regarded as an offer by the Proposer and not as an acceptance of an offer of any Proposal by UNDP and or Stanbic Uganda Holdings. This Call does not commit UNDP and or Stanbic Uganda Holdings to award a contract.
4. Proposers shall not be in any position of conflict of interest arising from their current or future work with respect to UNDP and or Stanbic Uganda Holdings.
5. All Proposers found to have a conflict of interest shall be disqualified. Proposers may be considered to have a conflict of interest with one or more parties in this solicitation process, if they:
 - 5.1 are or have been associated in the past, with a firm or any of its affiliates which have been engaged by UNDP and or Stanbic Uganda Holdings to provide services for the preparation of the design, specifications, Cost Analysis, Terms of Reference and other documents to be used for the procurement of the goods and services to be purchased in this solicitation process;
 - 5.2 were involved in the preparation and/or design of the programme/project related to the services requested under this Call;
 - 5.3 have owners, officers, directors, controlling shareholders, or key personnel who are related by blood or affinity up to third civil degree to UNDP and or Stanbic Uganda Holdings Limited staff involved in procurement functions and/or the Government of the country receiving services under this Call;
 - 5.4 Submit more than one Proposal in this Call, either as an individual entity, or through its membership with a joint venture/consortium/association that is also submitting a Proposal for the same contract. However, this does not limit the participation of subcontractors in more than one Proposal;
 - 5.5 Have combined functions of consulting and supply of goods and the advisory services may lead to the procurement of such goods;
 - 5.6 Are found to be in conflict for any other reason, as may be established by, or at the discretion of, UNDP.

In the event of any uncertainty in the interpretation of what is potentially a conflict of interest, Proposers must disclose the condition to UNDP and seek UNDP’s confirmation on whether or not such conflict exists.

6. The eligibility of Proposers’ entities that are wholly or partly owned by the Government shall be subject to UNDP’s further evaluation and review of various factors such as extent of Government ownership, receipt of subsidies, mandate, and

access to information in relation to this Call, and others that may lead to undue advantage against other Proposers.

B. Contents Of Proposal

7. Sections of Proposal

Proposers are required to complete, sign and submit in email the following documents:

7.1 Proposal Submission Cover Letter (see Section 4);

7.2 Proposer Information Form (see Section 5);

7.3 Technical Proposal (see Section 3; proposal outline);

7.4 Budget and Work plan (Attached)

7.5 Any attachments and/or appendices to the Proposal, including documents establishing the eligibility and qualifications of the Micro, Small and Medium Scale Enterprises (MSMEs), including:

- Company Profile, which should not exceed two (2) pages, including printed brochures and product catalogues relevant to the goods/services being procured
- Certificate of Registration of the business, including Articles of Incorporation, or equivalent document if Proposer is not a corporation

8. Clarification of Proposal

Interested proposers may request a clarification of any of the Call documents no later than a week before the proposal submission date. Any request for clarification must be sent in writing, or by electronic means to the attention of the focal point in UNDP as indicated below. UNDP will respond in writing or by electronic means and will post written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all Proposers through the main page of advertisement for the Call. UNDP shall endeavour to provide such responses to clarifications in an expeditious manner, but any delay in such response shall not cause an obligation on the part of UNDP to extend the submission date of the Proposals, unless UNDP deems that such an extension is justified and necessary.

Contact Details for submitting clarifications/questions:

Focal Person in UNDP: Resident Representative

Attention: Youth4Business Innovation and Entrepreneurship Facility
Innovation Challenge Fund for the Development Minerals
Subsector

E-mail address dedicated for this purpose: y4bf.ug@undp.org with a copy to tenders.kampala@undp.org

C. Preparation Of Proposals

9. Cost of Proposal

The Proposer shall bear any, and all costs related to the preparation and/or submission of the Proposal, regardless of whether its Proposal was selected or not. UNDP shall in no case be responsible or liable for those costs, regardless of the conduct or outcome of the process.

10. Language of Proposal

The Proposal, as well as all related correspondence exchanged by the Proposer and UNDP, shall be written in English. Any printed literature furnished by the Proposer written in a language other than English, must be accompanied by a translation English. For purposes of interpretation of the Proposal, and in the event of discrepancy or inconsistency in meaning, the version translated into the English shall govern.

11. Proposal Format

As much as possible, the Proposer shall structure the Proposed Solution per the outline provided in Terms of Reference (ToRs). In addition, Proposers are encouraged to list all major cost components associated with the service. All outputs and activities described in the Proposed Solution must be priced separately on a one-to-one correspondence in the Proposed Budget. Any output and activities described in the Proposed Solution but not priced in the Proposed Budget, shall be assumed to be included in the prices of other activities or items, as well as in the final total price.

12. Currencies of Proposals

All prices from Proposers shall be quoted in Uganda Shillings (UGX).

13. Documents Establishing the Eligibility and Qualifications of the Proposer

The Proposer shall furnish evidence of its status as an eligible and qualified vendor, using the forms provided under Documents Establishing the Eligibility and Qualifications of the Proposer. The documentary evidence of the Proposer's qualifications to perform the Contract, if the contract is awarded to the Proposer, shall be established to UNDP's satisfaction. This evidence shall include, and must demonstrate, the following:

- 13.1 That, in the case of a Proposer offering to supply goods under the Contract which the Proposer did not manufacture or otherwise produce, the Proposer has been duly authorized by the goods' manufacturer or producer to supply the goods in the country of final destination; and
- 13.2 That the Proposer has the financial, technical, and production capability necessary to perform the Contract.

14. Joint Venture, Consortium or Association

If the Proposer is a joint venture, consortium, or association, all of the parties shall be jointly and severally liable to UNDP for the fulfilment of the provisions of the Contract and shall designate one party to act as a leader with authority to legally bind the joint venture, consortium, or association. The leader or lead entity, composition or the constitution of the joint venture, consortium, or association shall not be altered without the prior consent of UNDP.

15. Period of Validity

Proposals shall remain valid for 4 months, commencing on the submission deadline date indicated in the Call. A Proposal valid for a shorter period shall be immediately rejected by UNDP and rendered non-responsive. In exceptional circumstances, prior to the expiration of the proposal validity period, UNDP may request Proposers to extend the period of validity of their Proposals. The request and the responses shall be made in writing and shall be considered integral to the Proposal.

D. Submission and Opening of Proposals

16. Submission and Opening of Proposals

Proposals must be submitted with all relevant attachments to the email address y4bf.ug@undp.org with a copy to tenders.kampala@undp.org. The subject line must be clearly marked as "Youth4Business Facility Innovation Challenge Fund and Growth Accelerator Proposal for the Development Minerals Subsector" and MUST also bear the name of the Proposer. Please note that the maximum file size attachable is 35MB.

17. Deadline for Submission of Proposals and Late Proposals

- 17.1 Proposals must be received by UNDP at the email address specified no later than 23:59 hours (East African Standard Time), Monday 30 November 2020.
- 17.2 UNDP shall not consider any Proposal that arrives after the deadline for submission of Proposals. Any Proposal received by UNDP after the deadline for submission of Proposals shall be declared late and rejected.

18. Withdrawal, Substitution, and Modification of Proposals

- 18.1 Proposers are expected to have sole responsibility for taking steps to carefully examine in detail the full consistency of their Proposals to the requirements of the Call, keeping in mind that material deficiencies providing information requested by UNDP, or clarity in the description of services to be provided, may result in the rejection of the Proposal. UNDP shall not assume any responsibility regarding erroneous interpretations or conclusions made by the Proposer in the course of understanding the Call out of the data furnished by UNDP.
- 18.2 A Proposer may withdraw, substitute or modify its Proposal after it has been submitted by sending a written notice in accordance with Call Clause 19, duly signed by an authorized representative, and shall include a copy of the authorization. The corresponding substitution or modification of the Proposal must accompany the respective written notice. All notices must be received by UNDP prior to the deadline for submission and submitted in accordance with Clause 19 (except that withdrawal notices do not require copies). The respective emails shall be clearly marked "WITHDRAWAL," "SUBSTITUTION," or "MODIFICATION".
- 18.3 No Proposal may be withdrawn, substituted, or modified in the interval between the deadline for submission of Proposals and the expiration of the period of proposal validity specified by the Proposer on the Proposal Submission Form or any extension thereof.

19. Proposal Opening

- 19.1 UNDP will open the Proposals according to procurement rules for opening applications received by email.
- 19.2 The Proposers' names, modifications, withdrawals, the presence or absence of documents, and such other details as UNDP may consider appropriate, will be announced at the opening. No Proposal shall be rejected at the opening stage, except for late submission.

E. Evaluation and Comparison of Proposals

20. Confidentiality

- 20.1 Information relating to the examination, evaluation, and comparison of Proposals, and recommendation of contract award, shall not be disclosed to Proposers or any other persons not officially concerned with such process, after until publication of the contract award.
- 20.2 Any effort by a Proposer to influence UNDP in the examination, evaluation and comparison of the Proposals or contract award decisions may, at UNDP's decision, result in the rejection of its Proposal.
- 20.3 In the event that a Proposer is unsuccessful, the Proposer may seek a meeting with UNDP for debriefing but said debriefing shall be limited to the discussions of the

strengths and weaknesses of the Proposal of said Proposer, and no information relating to the Proposal or rating of other Proposers may be discussed.

21. Clarification of Proposals

To assist in the examination, evaluation and comparison of Proposals, UNDP may, at its discretion, ask any Proposer for a clarification of its Proposal. UNDP's request for clarification and the response shall be in writing. Notwithstanding the written communication, no change in the prices or substance of the Proposal shall be sought, offered, or permitted, except to provide clarification, and confirm the correction of any arithmetic errors discovered by UNDP in the evaluation of the Proposals. Any unsolicited clarification submitted by a Proposer in respect to its Proposal, which is not a response to a request by UNDP, shall not be considered during the review and evaluation of the Proposals.

22. Preliminary Examination of Proposals

UNDP shall examine the Proposals to determine whether they are complete, whether the documents have been properly signed, and whether the Proposals are generally in order. UNDP reserves the right to reject any Proposal after preliminary examination of Proposal, if UNDP finds justifiable reason for such rejection, including but not limited to the discovery of significant or material deviation, conflict of interest, fraud, among others.

23. Evaluation of Proposals

- 23.1 UNDP shall examine the Proposals to confirm that all terms and conditions under the Instruction to Proposer and Proposers have been accepted by the Proposer without any deviation or reservation.
- 23.2 The evaluation committee shall review and evaluate the Proposals based on their responsiveness to the Terms of Reference and other documentation provided, applying the evaluation criteria and sub-criteria. Absolutely no changes may be made by UNDP in the criteria and sub-criteria after all Proposals have been received.
- 23.3 UNDP shall reserve the right to determine to its satisfaction the validity of information provided by the Proposer, through verification, due diligence and reference checking, among other means that it deems appropriate, at any stage within the selection process.

24. Responsiveness of Proposal

- 24.1 UNDP's determination of a Proposal's responsiveness is to be based on the contents of the Proposal itself.
- 24.2 A substantially responsive Proposal is one that conforms to all the terms, conditions, and specifications of the Call without material deviation, reservation, or omission.
- 24.3 If a Proposal is not substantially responsive, it shall be rejected by UNDP and may not subsequently be made responsive by the Proposer by correction of the material deviation, reservation, or omission.

25. Nonconformities, Errors and Omissions

- 25.1 Provided that a Proposal is substantially responsive, UNDP may waive any nonconformities or omissions in the Proposal that do not constitute a material deviation.
- 25.2 Provided that a Proposal is substantially responsive, UNDP may request the Proposer to submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial nonconformities or omissions in the Proposal related to

documentation requirements. Such omission shall not be related to any aspect of the price of the Proposal. Failure of the Proposer to comply with the request may result in the rejection of its Proposal.

25.3 Provided that the Proposal is substantially responsive, UNDP shall correct arithmetical errors on the following basis:

25.3.1 if there is a discrepancy between the unit price and the line item total that is obtained by multiplying the unit price by the quantity, the unit price shall prevail and the line item total shall be corrected, unless in the opinion of UNDP there is an obvious misplacement of the decimal point in the unit price, in which case the line item total as quoted shall govern and the unit price shall be corrected;

25.3.2 if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail, and the total shall be corrected; and

25.3.3 if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to the above.

25.3.4 If the Proposer does not accept the correction of errors made by UNDP, its Proposal shall be rejected.

26. Fraud and Corruption

UNDP implements a policy of zero tolerance on fraud and corrupt practices and is committed to preventing, identifying and addressing all acts of fraud and corrupt practices against UNDP as well as third parties involved in UNDP activities.

F. Award of Contract

27. Right to Accept, Reject, or Render Non-Responsive Any or All Proposals

UNDP reserves the right to accept or reject any Proposal, to render any or all Proposals as nonresponsive, and to annul the challenge and reject all Proposals at any time prior to award of contract, without thereby incurring any liability to the affected Proposer, or any obligation to inform the affected Proposer(s) of the grounds for UNDP's action.

28. Award Criteria

Prior to expiration of the period of proposal validity, UNDP shall award the contract to the qualified Proposer with the highest evaluated score based on the evaluation method indicated in the Terms of Reference.

29. Right to Vary Requirements at the Time of Award

At the time of award of Contract, UNDP reserves the right to vary the quantity of services and/or goods, by up to a maximum 15% of the total price offer, without any change in the unit price or other terms and conditions.

30. Contract Signature

Within fifteen (15) days from the date of receipt of the Contract, the successful Proposer shall sign and date the Contract and return it to UNDP.

31. Information to the Unsuccessful Proposers

UNDP shall write a letter of regret or an email to inform all unsuccessful shortlisted Proposers as soon as a contract is signed with the most responsive offerors.

Section 3 - Terms of Reference

I. General Information

Title of the Innovation Challenge:	Youth4Business Innovation and Entrepreneurship Facility
Agency:	UNDP Uganda; Stanbic Uganda Holdings Limited
Type of Contract:	Agreement between UNDP and the Winning Companies under the “Youth4Business Innovation and Entrepreneurship Facility”

II. Background

Uganda is well endowed with mineral resources and is keen on ensuring that these resources play a transformative role in its long-term structural transformation dream - Vision 2040. The Government of Uganda has in its National development Plan III identified the sustainable exploitation of the country’s vast mineral resources as crucial for its industrialization agenda and the creation of decent jobs for her citizenry. Uganda’s mining sector comprises of minerals that are grouped as metallic such as the high value minerals for instance gold, iron ore, and zinc; and non-metallic minerals that include Development Minerals such as limestone, phosphates, stone aggregate, sand, clays, marble and other dimension stones as well as salt.

Development Minerals are minerals that are mined, processed, manufactured and utilized domestically in industries such as construction, manufacturing, infrastructure development and agriculture. Eight of the top ten produced mineral commodities in the world are Development Minerals, which total 84% of global mineral production. Uganda boasts a diversity of Development Minerals crucial to fulfilment of the nation’s development goals. These include industrial minerals, like limestone, pozzolana and salt; construction materials, like clay, sand and gravel; dimension stones, like marble and granite; and semi-precious stones, like garnet and tourmaline.

Uganda is yet to optimally harness the benefits from these minerals despite them being an opportunity for addressing unemployment challenge. The subsector directly employs 390,000 Ugandans, 44% of whom are women. Artisanal and small-scale mining of development minerals also provides a major source of employment for young people due to the diversity and even geographical distribution of these minerals; as well as minimal capital requirements that can be domestically fulfilled to spur value addition and innovation. In addition, over 2.7 million Ugandans directly or indirectly benefit from the Development Minerals subsector, indicating the big impact this has on the livelihoods of many communities. Development Minerals, whose major production is from ASM (83%), contribute an approximate \$350 million in production Value to Uganda’s economy¹ albeit with minimal value addition.

In support of national efforts to create decent employment opportunities, UNDP is implementing the ACP-EU Development Minerals Programme. The programme - an initiative of the African, Caribbean and Pacific (ACP) Group of States, financed by the European Union

¹ Baseline Assessment and Value Chain Analysis of Development Minerals in Uganda (2018)

and the United Nations Development Programme (UNDP) - aims to build the profile, and improve the management, of Development Minerals by strengthening the capacity of Artisanal small-scale mining enterprises (ASMEs). The Programme aims to support the ASMEs to enhance productivity, create jobs, increase income and put in place environmental and social safeguards in and around mining areas.

III. Context

With a median age of just under 16 years old, Uganda has one of the youngest and most rapidly growing populations in the world. The country is also home to one of the most youthful populations in the world – a staggering 23 per cent of the country's population are aged 18 – 30 years². A large youth population constitutes a tremendous and essential asset worth investing in, opening the door to an unparalleled multiplier effect. The country is at risk of losing the potential benefits of this youth bulge as the young people are faced with incredible challenges and even life-threatening risks, disproportionately carried by girls and young women.

Currently about 1,000,000 young people reaching working age every year. This is expected to increase, resulting in an estimated additional thirteen million workers who are expected to enter the job market between 2017 and 2030³. However, trend growth in Uganda's economy has not been fast enough to create enough jobs with higher/or decent? earnings for one of the world's fastest growing workforces. Whilst Uganda's youth unemployment rate is 13.3 per cent⁴, about 10% of those in the "employed" category have formal jobs, while 90 per cent work informally, that is, in low paying and vulnerable employment. 54 per cent of the latter category are self-employed entrepreneurs running micro and small-scale informal businesses.

The outbreak of the Corona Virus Disease (COVID-19) pandemic has not only caused a global health emergency and created new challenges, but also aggravated the youth unemployment situation in Uganda. The country's efforts to suppress the spread of COVID-19, while commendable, have not only resulted in disruption of economic activity but also threatened the survival of many Micro, Small and Medium Enterprises (MSMEs). The stringent limitations on business operations occasioned by the lockdown disproportionately affected trade in goods and services especially for SMEs. Jobs and livelihood opportunities have been lost following SMEs' temporary closures due to business and liquidity drying up.

Decent jobs are key to moving young people out of poverty, they are also crucial to preventing the type of disenfranchisement that can spill into radicalization and conflict. The youth demographic 'bulge', a stubbornly high youth unemployment and underemployment rate, a significant proportion of the working poor in vulnerable employment, and a high level of economic disengagement, together can create disaffection, drive migration, incite social unrest and slow progress towards development goals. It is therefore critical that young people are supported to access and benefit from emerging economic opportunities from growing sectors such as Development Minerals.

IV. Rationale

Entrepreneurship presents a suitable and empowering alternative to the persistent challenge of unemployment and underemployment amongst youth. Entrepreneurship offers young

² MOFPED (2019), State of Uganda Population Report

³ World Bank (2020), Uganda: Jobs Strategy for Inclusive Growth

⁴ UBOS Uganda National Household Survey 2016-2017

people the opportunity to not only take themselves out of unemployment, but by growing their businesses, offering jobs to others. This is especially true as almost a third of the youth are already engaged in some sort of business activity. Specific to Development Minerals, the opportunities to innovate and optimize the value chains provide a unique opportunity for sector SMEs to contribute to the resolution of the highlighted youth unemployment challenge.

Uganda has for long been lauded for being at the forefront in terms of entrepreneurship and business start-ups. It was recently ranked as the world's most entrepreneurial country by Global Entrepreneurship Monitoring (GEM), recording the highest rate of youth entrepreneurs with 55.6 percent of the youth population involved in new or established businesses. Uganda has also been ranked among the top three countries with the highest percentages of women-owned businesses (4 out of every 10 business owners in Uganda are women) across the 58 markets evaluated around the world⁵.

Young people's business ventures, however, remain precarious and, for many, short-lived. Limited access to information about enterprise establishment and sustainability; limited of business incubation and development support; absence of appropriate start-up financing products for young entrepreneurs; and the high cost of credit for business expansion have been identified as constraints to the growth and sustainability of SMEs⁶. Young women are particularly impacted as they face even greater barriers to accessing financing opportunities.

Further, financial institutions are often reluctant to fund startups, particularly those owned by youth, and to lend to young business owners to scale initiatives or diversify their product or service line because of the risky nature of business, lack of, or sometimes limited, enterprise development experience, the long-term expectation of profitability as well as risks inherent in financing relatively small business propositions with few assets. Turning a business idea into reality therefore remains a distant dream for too many young people.

Additionally, most companies initiating an innovative Inclusive business⁷ idea - solve social and environmental issues (including youth unemployment through engaging youth in their business value chain as suppliers of inputs/ raw materials; distributors of their products; and providers of services to their businesses) while at the same time maximising their competitiveness and profitability traditionally - lack the technical support required, are too large for micro-finance, and too small and risky for mainstream commercial debt and venture capital, the so-called "missing middle". Furthermore, financing for Development Minerals has been sporadic and minimal in nature due to the limited interaction of financiers with sector players in order to develop tailor-made financial products that support the optimization of Development Minerals supply and value chains and opportunities contained therein.

To address some of the above challenges that impede the growth of youth owned, youth focused and inclusive businesses and ultimately tackle youth unemployment in Uganda, UNDP in partnership with Stanbic Uganda Holdings Limited have developed the *Youth4Business Innovation and Entrepreneurship Facility* (Y4BF). The Facility is designed to spur impact-driven entrepreneurship and engage enterprises in tackling unemployment amongst youth (defined in this call as all persons aged 18 to 35 years inclusive) resident in

⁵The Mastercard Index of Women Entrepreneurs report (2019)

⁶ Uganda Entrepreneurial Ecosystem Initiative survey report (2018)

⁷ UNDP (2013), Realizing Africa's Wealth – inclusive businesses are enterprises that integrates youth in its business value chain as employees; suppliers of inputs/ raw materials; or distributors of their products or services – agency - while providing solutions to development challenges

Uganda by leveraging innovations⁸ and inclusive businesses in the Development Minerals subsector to create jobs and livelihood opportunities; improve quality of people's lives and provide access to affordable finance, products and services.

V. Objectives

The key objectives of the Facility are to:

- a) Support youth resident in Uganda and enterprises to pilot innovative ideas (solutions, technologies, business models), or new ways and markets of delivering products and services with a commercial imperative;
- b) Enable enterprises to transform successful innovative pilots with commercial viability into impact at scale;
- c) Stimulate faster recovery of SMEs from the impacts of COVID-19 and enable them build sustainable enterprises that are resilient to similar disruption; and
- d) Establish a functional ecosystem platform to connect young entrepreneurs, MSMEs, Government, Development Partners, financial institutions and all other relevant actors

The Facility comprises of three interventions, namely:

- i. Innovation Challenge Fund and Growth Accelerator that provides competitive matching grant awards necessary to spur impact-driven innovation by the youth and SMEs in sectors where growth leads to jobs.
- ii. Enterprise Challenge Fund which provides competitive catalytic funding in form of blended finance (grant awards and concessional debt finance from partner financial institutions) to SMEs with commercially viable businesses that address a defined key development challenge.
- iii. Youth Entrepreneurship and Innovation Ecosystem platform which will revitalize youth networks including the YouthConnekt in order to collectively identify and tackle systemic issues impeding the social economic empowerment of young people.

These will be complemented with technical assistance from the Stanbic Business Incubator (in form of an enterprise development and corporate governance training; and business development services support for the youth-owned enterprises focused on coaching and mentorship; networking; access to markets, value addition and value chain integrations) and mentorship from UNDP Accelerator lab to foster the nexus between business development services and development solutions.

VI. Development Impact

The expected development impact across the components of the initiative is the creation of twenty thousand new decent jobs for youth resident in Uganda; retooling and skilling fifty thousand youth to increase their entrepreneurial success rate and have a multiplier effect through the creation of over one hundred thousand indirect jobs and improved livelihood opportunities.

Collectively, the successful entrepreneurs and MSMEs in these funding windows will contribute to reducing poverty; promoting gender equality and empowerment of women; promoting sustainable economic growth and decent work; fostering inclusive and green

⁸ Y4BF views innovation in its broadest sense including i) a new approach, product, idea or service that has not been tested anywhere; ii) a new approach, product, idea or service that is new to Uganda; or iii) a new approach, product, idea or service that lead to substantial contributions in addressing development challenges

business models; ensuring sustainable consumption and production patterns; and improving the ecosystem for successful entrepreneurship.

VII. The Innovation Challenge Fund Call

UNDP Uganda in partnership with Stanbic Uganda Holdings Limited have initiated an Innovation Challenge Fund Call to provide competitive matching grant awards as well as mentoring, capacity building and entrepreneurship development training to youth owned and youth focused enterprises and MSMEs legally recognised under the Laws of Uganda, operating in the Development Minerals subsector; with a product or service on the market.

The Call targets MSMEs in the Development Minerals subsector looking to pilot and or scale their inclusive business models and solutions (inclusive business models and solutions are enterprises that include low-income people as customers, as owners, employees, producers and entrepreneurs at various points within the value chain).

Interested Firms are invited to submit Proposals in accordance with the instructions contained in Section 2 of this Request for Proposals (RFP). All proposals must demonstrate how the proposed solution will sustainably impact on the creation of employment and livelihood opportunities for youth.

VIII. Eligibility Criteria for the Innovation Challenge Fund and Growth Accelerator

Who can apply?

Firms interested in accessing the support from the Innovation Challenge Fund and Growth Accelerator component of the Youth4Business Innovation and Entrepreneurship Facility must meet all the following criteria:

- 1) Must be a firm/joint venture that is legally recognized under the Laws of Uganda with a business license readily available for verification.
- 2) Must be an established operational firm/ joint venture in business for at least 12 months ending 31 March 2020, that is either:
 - a) founded/owned by youth (defined in this call as all persons aged 18 to 35 years inclusive) resident in Uganda, with the founder/owner being involved fulltime in the management of the day to day affairs of the enterprise; OR
 - b) managed by an entrepreneur that is keen on piloting and or scaling an inclusive business solution (defined in this call as enterprises that integrates youth in its business value chain as employees; suppliers of inputs/ raw materials; or distributors of their products or services – agency - while providing solutions to development challenges) that creates direct or indirect jobs for youth; OR
 - c) managed by an entrepreneur that is keen on piloting and or scaling an innovative solution that integrates youth in its business value chain as suppliers of inputs/ raw materials; and distributors of their products or services (agency) while providing solutions to development challenges.
- 3) Must be a firm operating in the Development Minerals subsector, with a product or service on the market; or a not-for-profit social enterprise founded/ owned by youth with a financially viable and sustainable business model; and able to demonstrate a track record of at least twelve months of business operations ending 31 March 2020.

- 4) Be financially viable, socially responsible, environmentally friendly and culturally sensitive firm willing and able to match the grant award with own resources of at least 20% of the grant award in-cash and the rest in-kind.
- 5) Must demonstrate capacity and dedication to implement their innovation and or scale their business and demonstrate sound financial performance and practices.

Unsuccessful applicants whose applications were competitive are strongly encouraged to apply in this round.

Exclusions

Applications for the Y4BF Innovation Challenge Fund and Growth Accelerator will be deemed ineligible if they are any of the following:

- i. of benefit to an individual only.
- ii. to be implemented primarily outside of the boundaries of the State of Uganda.
- iii. in support of an organisation that discriminates based on race, religion, or gender
- iv. for general operating or administrative support.
- v. for retroactive funding, debt retirement, or reserves.
- vi. for conferences, symposia, annual events, or travel to/ attendance at such events, tickets, tables, benefits, raffles, souvenir programs, advertising or fundraising dinners.
- vii. to cover the cost of fundraising activities.
- viii. for religious organisations that serve primarily their membership and/ or their direct religious purposes, unless the community at large will benefit significantly for endowment grants.
- ix. from Government bodies

How to apply?

Proposers must submit a proposal in line with the outline provided.

All proposals and other related documents must be submitted to y4bf.ug@undp.org with a copy to tenders.kampala@undp.org no later than 23:59 hours (East African Standard Time), Monday 30 November, 2020.

IX. The Benefits

Successful Applicants can receive from USD 10,000 up to a maximum of USD 40,000 in cash and/or in-kind support (goods such as equipment and services such as technical assistance) through this Innovation Challenge Fund

Successful Applicants might also receive 12 months of tailored business development services and enterprise development training from the Stanbic Business Incubator and mentorship from UNDP Accelerator lab to foster the nexus between business development services and development solutions.

The grant award contribution must be matched with the same amount by the recipient of the award, completely in cash or a combination of 20% of grant award in cash and the remainder of the 80% in-kind. Complete cash contributions on the part of proposers are encouraged and will be preferred in the evaluation. In case of maximum 80% in-kind matching, only new contributions (as opposed to existing resources) by the proposer will be taken into consideration. However, reassigning current employees to implement the proposed solution by carrying out new activities shall be considered an in-kind contribution.

X. Application Timeline and Process

10 September 2020	Call for proposals advertised
20 November 2020	Final date for receiving and responding to requests for clarifications.
23 November 2020	Responses to clarification questions posted on the website
30 November 2020	Deadline for submission of proposals

XI. Submitting your Proposed Solution

All proposed solutions must follow this Outline:

Section I. About the enterprise

- 1.1 Name and company Profile
- 1.2 Registration details, year of establishment, names and dates of birth of the directors/ board in case of Community Based Organizations, Village Loan and Savings Schemes (VSLAs); and Savings and Credit Cooperative Societies (SACCOS)
- 1.3 Memorandum and Articles of Association/ Constitution/ Bye-laws
- 1.4 Summary of Key Personnel and Management Structure
- 1.5 Memorandum of Understanding and key information on the consortium members and their roles if joint venture

Section II. Proposed business idea/ solution

- 2.1 Proposed business idea/solution
- 2.2 Approach to implementation of the solution and key activities
- 2.3 What is innovative about the proposed solution
- 2.4 Implementation timelines
- 2.5 Potential impact on the job creation/ business opportunities for youth
- 2.6 Potential for Replication or Scaling
- 2.7 Risk and Mitigation Measures
- 2.8 Reporting and Monitoring

Section III. Financial Details

- 3.1 Budget summary
- 3.2 Detailed Budget description
- 3.3 Funds requested from the Innovation Challenge Fund
- 3.4 Detailed description of own contribution
- 3.5 Anti-corruption Strategy

Annexes

Registration Certificates (Annex 1)

Memorandum and Articles of Association/ Constitution/ Bye-Laws (Annex 2)

Copies of national identification document or passport bio data page of firm owners (Annex 3)

Information Sessions

a) Online Webinars

We will be hosting online webinars on the underlisted dates to provide clarifications and answer any questions you might have about the Youth4Business Innovation and

Entrepreneurship Facility, the Innovation Challenge Fund and Growth Accelerator and the application process:

- Wednesday 16 September 2020, 15:30 – 17:00 hours
- Wednesday 23 September 2020, 15:30 – 17:00 hours
- Wednesday 07 October 2020, 15:30 – 17:00 hours
- Wednesday 21 October 2020, 15:30 – 17:00 hours
- Wednesday 04 November 2020, 15:30 – 17:00 hours
- Wednesday 18 November 2020, 15:30 – 17:00 hours

Information on the upcoming webinar and links to register will be posted on the UNDP website and social media portals. If you are interested to attend any of these webinars that will be conducted on Zoom with links for Facebook and YouTube live, please send an email to y4bf.ug@undp.org indicating your contact details (name, email address, and phone number). After registration you will receive a notification with a link to join the webinar.

b) Regional road shows

Stanbic Uganda Holdings Limited and UNDP will be conducting regional information sessions across the country through its regional Hubs of Hoima, Mbarara in the west, Jinja and Mbale in the East, Gulu and Lira in the north. Further mini info-sessions shall also be held in districts neighbouring the regional hubs. This shall be done in collaboration with various local stakeholders to pass on the information to the last mile applicants.

XII. Selection Criteria and Process

Our ambitious targets mean we seek market-based solutions with innovative and scalable approaches. UNDP will set up an evaluation committee, comprising mainly of UNDP staff as and individuals from Stanbic Business Incubator to review all proposals received using UNDP's principles of fairness and integrity. UNDP may, at its discretion, invite persons and or partner institutions with expert knowledge in the targeted sectors to complement UNDP's expertise and improve the selection of the most viable proposals.

Firms whose proposals are shortlisted will be invited to make a pitch of their business idea to the evaluation panel. They will also receive individual feedback by experts and eminent persons to gain valuable insights into business ideas.

In this call, UNDP will select and award a minimum of USD 10,000 and up to a maximum of USD 40,000 in cash and/or in-kind support to each of the selected MSMEs with the most viable proposals.

Eligible and complete applications will be evaluated according to the evaluation criteria below:

a) General Organisational Capability (5%)

- Business registration details, ownership and management, contact details and profile
- Business model and commentary on your financial history highlighting sources of your business finance over the past 12 months.

b) Innovativeness of the proposed solution (30%)

- Originality of the proposed solution

- Technical feasibility of the proposed solution
- Relevant technical expertise of the firm

c) Commercial viability and sustainability of the proposed solution (25%)

- Demonstrated market demand for product or services in the target markets.
- If (a new) product or service, the level of certainty that the product/service has an assured market in Uganda or internationally (market feasibility study).
- Value for money and cost effectiveness

d) Development Impact and Sustainability (30%)

- The number of beneficiaries (youth) that the proposal will aim to target.
- The extent to which the solution is expected to contribute, directly or indirectly to creation of livelihood and employment opportunities for youth.
- Potential for scaling or replication
- Demonstration that the project would not proceed without the Innovation Challenge Fund financial support.

e) Availability of co-financing (10%)

- The grant award contribution must be matched with the same amount by the recipient of the award, completely in cash or a combination of 20% of grant award in cash and the remainder in-kind. Complete cash contributions on the part of proposers are encouraged and will be preferred in the evaluation. In case of maximum 80% in-kind matching, only new contributions (as opposed to existing resources) by the proposer will be taken into consideration. However, reassigning current employees to implement the proposed solution by carrying out new activities shall be considered an in-kind contribution.
- MSMEs matching UNDP funding with own cash funds one-to-one will receive 8 percentage points. MSMEs contributing more than UNDP funding in cash will receive 10 percentage points, while MSMEs contributing a combination of 20% of grant award in cash and the remainder in-kind will receive 5 percentage points.

MSMEs, contributing less than UNDP funding (both in cash and in-kind) are ineligible.

If your application to the previous round was unsuccessful, you are strongly encouraged to submit a revised application to this round.

XIII. PAYMENT MILESTONES

Successful proposers will receive from USD 10,000 up to USD 40,000 that will be disbursed in Uganda Shillings based on the effective UN exchange rate, and only after the approving authority confirms the successful completion of each deliverable as stipulated hereunder.

Instalment of Payment/ Period	Deliverables or Documents to be Delivered	Percentage of Payment
1 st Instalment	Agreed upon Action Plan with clear timeline and budget for how the award will be used by 16 October 2020	70%

Instalment of Payment/ Period	Deliverables or Documents to be Delivered	Percentage of Payment
2 nd Instalment	Final report showing completion of action plan by agreed completion date or latest 18 June 2021	30%

Successful proposers will be required to submit progress and impact reports as agreed in the inception meeting.

Section 4 - Proposal Submission Cover Letter

[Insert Place, Date]

To: Elsie G. Attafuah

Resident Representative

RE: Application to the UNDP/Y4BF Innovation Challenge Fund – Round 2

Dear Sir/Madam:

We, the undersigned, hereby submit our Proposal in accordance with your Open Innovation Challenge call dated 07 September 2020.

We hereby declare that all the information and statements made in this Proposal are true and we accept that any misinterpretation contained in it may lead to our disqualification.

We confirm that we have read, understood and hereby accept the Terms of Reference describing the duties and responsibilities required of us in this Call, the Instruction to Proposers and the General Terms and Conditions of UNDP's Innovation Challenge Agreements for companies.

We agree to abide by this Proposal for 120 Days.

We undertake, if our Proposal is accepted, to initiate the services as soon as agreed with UNDP.

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

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 5 - Proposer Information Form⁹

Date: *[insert date (as day, month and year) of Proposal Submission]*

⁹ The Proposer shall fill in this Form in accordance with the instructions. Apart from providing additional information, no alterations to its format shall be permitted and no substitutions shall be accepted.

1. Proposer's Legal Name <i>[insert Proposer's legal name]</i>		
2. In case of Joint Venture (JV), legal name of each party: <i>[insert legal name of each party in JV]</i>		
3. Year of Registration: <i>[insert Proposer's year of registration]</i>		
4. Countries of Operation	5. No. of staff in each Country	6. Years of Operation in each Country
7. Legal Address/es in Country/ies of Registration/Operation: <i>[insert Proposer's legal address in country of registration]</i>		
8. Brief description of litigation history (disputes, arbitration, claims, etc.), indicating current status and outcomes, if already resolved.		
9. Proposer's Authorized Representative Information Name: <i>[insert Authorized Representative's name]</i> Address: <i>[insert Authorized Representative's name]</i> Telephone/Fax numbers: <i>[insert Authorized Representative's name]</i> Email Address: <i>[insert Authorized Representative's name]</i>		
10. Are you in the UNDP List 1267.1989 or UN Ineligibility List? <input type="checkbox"/> YES or <input type="checkbox"/> NO		
11. Attached are copies of original documents of: <input type="checkbox"/> If Joint Venture/Consortium – copy of the Memorandum of Understanding/Agreement or Letter of Intent to form a JV/Consortium, or Registration of JV/Consortium, if registered <input type="checkbox"/> If case of Government corporation or Government-owned/controlled entity, documents establishing legal and financial autonomy and compliance with commercial law.		

Joint Venture Partner Information Form (if Registered and if applicable only)¹⁰

Date: [insert date (as day, month and year) of Proposal Submission]

Page _____ of _____ pages

1. Proposer's Legal Name: [insert Proposer's legal name]
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¹⁰ The Proposer shall fill in this Form in accordance with the instructions. Apart from providing additional information, no alterations to its format shall be permitted and no substitutions shall be accepted.

2. JV's Party legal name: [insert JV's Party legal name]		
3. JV's Party Country of Registration: [insert JV's Party country of registration]		
4. Year of Registration: [insert Party's year of registration]		
5. Countries of Operation	6. No. of staff in each Country	7. Years of Operation in each Country
8. Legal Address/es in Country/ies of Registration/Operation: [insert Party's legal address in country of registration]		
9. Brief description of litigation history (disputes, arbitration, claims, etc.), indicating current status and outcomes, if already resolved.		
10. JV's Party Authorized Representative Information Name: [insert name of JV's Party authorized representative] Address: [insert address of JV's Party authorized representative] Telephone/Fax numbers: [insert telephone/fax numbers of JV's Party authorized representative] Email Address: [insert email address of JV's Party authorized representative]		
11. Attached are copies of original documents of: [check the box(es) of the attached original documents] <input type="checkbox"/> Articles of Incorporation or Registration of firm named in 2. <input type="checkbox"/> In case of government owned entity, documents establishing legal and financial autonomy and compliance with commercial law.		