



REQUEST FOR PROPOSAL (RFP) (For Low-Valued Services)

NAME & ADDRESS OF FIRM	DATE: November 23, 2021
	REFERENCE: Strategic mapping of SMEs Innovative Finance in Africa and development of a sustainable financing framework for SMEs

Dear Sir / Madam:

We kindly request you to submit your Proposal for the: **Strategic mapping of SMEs Innovative Finance in Africa and development of a sustainable financing framework for SMEs**

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

Technical and Financial Proposals may be submitted **IN SEPARATE ATTACHMENTS WITH A PASSWORD ENCRYPTED FINANCIAL PROPOSAL** to bid.pretoria@undp.org no later than **16h00 Thursday, December 09, 2021**.

Your Proposal must be expressed in English, and valid for a minimum period of 3 months

In the course of preparing your Proposal, it shall remain your responsibility to ensure that it reaches the address above on or before the deadline. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation. If you are submitting your Proposal by email, kindly ensure that they are signed and in the .pdf format, and free from any virus or corrupted files.

Services proposed shall be reviewed and evaluated based on completeness and compliance of the Proposal and responsiveness with the requirements of the RFP and all other annexes providing details of UNDP requirements.

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,

*UNDP Procurement Unit
UNDP South Africa
11/23/2021*

Description of Requirements

Context of the Requirement	<p>In order for Africa to recover from the covid-19 pandemic and set itself on a resilient and sustainable development path, efforts to address the challenges impeding the realisation of the SDGs must be decisively increased. Two primary challenges need to be tackled. First is the need to prevent further erosion of gains and to accelerate progress towards the achievement of SDGs. And second is the need to bridge the SDG financing gap, which in the case of Africa now requires an estimated additional \$154 billion¹ to address costs associated with the impact of the pandemic- this is on top of a pre-existing annual financing gap of \$200 billion.</p> <p>The critical importance of supporting Small and Medium enterprises (SMEs) for quick recovery post-Covid 19 and for the advancement of the SDG Agenda is universally recognized. They are engines of growth and essential drivers of productivity and competitiveness in developing countries. They are also the largest employment providers and responsible for nurturing domestic entrepreneurial capacities, innovation, technical skills and management competencies. SMEs are also key to promote social inclusion and supporting their development yields a developmental multiplier effect by widening income distribution, providing inclusive support for women and youth-owned businesses as well as social value creation through the support of social enterprises.</p> <p>One of the prevailing constraints facing SMEs is access to finance. Creating and scaling-up new tailored financing solutions for SMEs is therefore one of the keys to advancing economic development, wealth creation and reducing poverty. The challenges of SME access to finance can be clustered into two broad categories. The first category is the supply-side challenge in terms of mobilization of financial resources earmarked for SMEs transformation and development via such avenues as government funds, donors' funds, funds of funds on one hand, and in terms of challenges associated with local financial institutions and financial markets direct supply of funds to SME on the other.</p> <p>The second category is the demand-side challenge in terms of SME risk-profile, financial literacy, SMEs financial profile, management capability, and entrepreneurial readiness. Addressing the demand-side challenges is vital to SMEs sustainability as going concerns.</p> <p>Innovative financing mechanisms are essential to alleviate challenges on the supply-side of the equation. The public and private financial systems require appropriate reforms and technical assistance to reduce financial exclusion and de-risking financing SMEs. This are increasingly taking place through joint interventions, coordinated actions and digital finance solutions. Recent research carried out by the UNDP Africa Finance Sector Hub (AFSH) has shown that several factors can play a vital role in alleviating the foregoing challenges.</p> <p>(1) Facilitating SMEs access to finance through earmarked public funds (domestic and international) and addressing regulatory prudential (e.g. Basle III-related capital requirements) preventing small financial institutions like the Microfinance Institutions (MFI) from accessing public funds and earmarked liquidity.</p> <p>(2) Developing financing channels other than mainstream commercial banks and boldly promote alternative channels such as SME sector-friendly banks and other decentralized financial systems such as microfinance institutions, village banks, NGOs, etc.</p> <p>(3) Aggressively promoting the development of digital finance -inclusive of accounts, payment, financing and e-commerce solutions- through dedicated programs aimed at establishing dynamic and lively ecosystems for Fintech enterprises/e-businesses development. This would include appropriate regulatory intervention, dedicated development of capital markets and equity financing, interventions in the education system, as well as innovation promotion through incubation and acceleration programs.</p> <p>(4) Scaling-up the usage of blended finance mechanisms to de-risk SMEs-related lending and investment activities, for example through portfolio guarantee for SMEs lending of MFIs and other decentralized financial system lending programmes and well as the use of innovation funds.</p> <p>(5) Promoting and scaling-up SME capacity-building programs that will contribute to address the challenges associated the demand-side of the equation, and alleviate the risks associated with lending to smaller, less formal enterprises, including marginalised groups such as women associations/groups, youth entrepreneurs' associations and farmers associations/groups.</p>
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¹ <https://unctad.org/osgstatement/unctad-economic-development-africa-report-2020-press-conference>

	<p>(6) Supporting important headways realised in various countries in Africa in developing SMEs finance through securities issuance, inclusive of small-cap stock and alternative securities (basket bonds etc.).</p> <p>(7) Supporting the development of start-up finance and rapid growth through mechanisms and instruments such as challenge awards for concept and seed stage business, financing for unicorn firms, venture capital financing, green business catalytic funding and crowdfunding.</p> <p>(8)Addressing SME Insurance in the context of business interruption due to emergencies, disasters and other climate and commercial vulnerabilities.</p> <p>Against this backdrop, the AFSH is seeking the services of an Institutional Consultant to carry out a Strategic Mapping of Innovative SMEs Finance Models in Africa and develop a sustainable financing framework for SMEs. Considering the UNDP Country Offices and AFSH work to support MSMEs and entrepreneurship development and financing, this research exercise will also be expected to survey the digital financial, payment and e-commerce products and services to meet the needs of SMEs to address COVID-19 challenges. It will also explore the best global practises from the SME Finance Forum, relevant SME foundations, and other SMEs development initiatives across the Global South. Furthermore, beyond the identification of key approaches to promoting SME financing, it will also formulate concrete and structured interventions to be carried out by the AFSH along with relevant national and regional partners.</p>														
Implementing Partner of UNDP															
Brief Description of the Required Services ²	<p>The UNDP AFSH is looking for an institutional consultant to:</p> <p>1) Carry out a mapping of successfully implemented innovative models, mechanisms, instruments, and practices in Africa and beyond to promote SME financing;</p> <p>2) Work closely with the AFSH technical team to identify 2 targeted actionable areas of most relevance and importance to SMEs development in SSA, and carry out a strategic/SWOT analysis integrating potential target countries, timeline, potential impact as well as required resource and capacity needs for concrete intervention by the AFSH;</p> <p>3) Outline a roadmap and program of actions for two countries specifying key entry points and recommendations for implementation of this financing framework or initiative. Particular attention should be given to strong entry points and selection within existing incubation and acceleration programs, investment readiness needs and good practices as well as the inclusive digital finance, trade and green finance opportunities with the greatest growth potential for SMEs;</p> <p>4) Produce a final report capturing the above, and a PowerPoint slides summarizing key findings.</p>														
List and Description of Expected Outputs to be Delivered	<table><tr><th>No.</th><th>Deliverable/output</th><th>Estimated duration</th></tr><tr><td>1</td><td>An inception meeting with the PSSI technical team to agree on the detailed implementation plan for the consultancy.</td><td>At the beginning of the consultancy</td></tr><tr><td>2</td><td>An inception report identifying preliminarily 3-4 key areas of top relevance and importance to SME in SSA needs and growth opportunities and outlining the approach that will be adopted for the engagement.</td><td>10 working days</td></tr><tr><td>3</td><td>A draft report, with a mapping of innovative SME Finance mechanisms, instruments, and successful practices around the world and a SWOT analysis of any two suggested SMEs financing framework relevant to SSA context.</td><td>22 working days</td></tr></table>	No.	Deliverable/output	Estimated duration	1	An inception meeting with the PSSI technical team to agree on the detailed implementation plan for the consultancy.	At the beginning of the consultancy	2	An inception report identifying preliminarily 3-4 key areas of top relevance and importance to SME in SSA needs and growth opportunities and outlining the approach that will be adopted for the engagement.	10 working days	3	A draft report, with a mapping of innovative SME Finance mechanisms, instruments, and successful practices around the world and a SWOT analysis of any two suggested SMEs financing framework relevant to SSA context.	22 working days		
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² A detailed TOR may be attached if the information listed in this Annex is not sufficient to fully describe the nature of the work and other details of the requirements.

	4	Organization of stakeholders' consultation session to harvest ideas on sustainable SMEs financing framework or mechanisms	7 working days
	5	Strategies and a roadmap for action which indicates AFSH PSSI's specific entry point in 2 SSA countries to apply and upscale the successful SME finance solutions in the African continent and specific implementation strategies	8 working days
	6	Organization of stakeholders' validation session	8 working days
	7	A final report consolidating the mapping, the SWOT analysis, and the strategies for innovating and diversifying SME finance in SSA.	10 working days
	8	The production of a technical PowerPoint summarizing the findings and recommendations of the final report as well as the program brochure materials.	10 working days
	Total days required for the assignment		75 working days
Person to Supervise the Work/Performance of the Service Provider	Private Sector Special Advisor		
Frequency of Reporting	<i>AS and when required in the workplan</i>		
Progress Reporting Requirements	<ul style="list-style-type: none"> - The institutional Consultant will report to a UNDP coordination team composed of PSSI Unit experts. All deliverables will be validated by the Private Sector Special Advisor. - An inception meeting shall take place at the beginning of the consultancy. During this inception meeting, the institutional Consultant shall endeavour to precisely outline its envisaged approach for this assignment and seek clarifications of any pending issues to ensure a joint understanding on the scope, deliverables, and timeline for the work. - The institutional Consultant will engage on a weekly basis with the coordination team to report on deliverables development to ensure compliance with estimated duration for completion under the deliverables/output table in section III as well as swift deliverables validation. 		
Location of work	<input type="checkbox"/> <input checked="" type="checkbox"/> At Contractor's Location		
Expected duration of work	15 Weeks		
Target start date	Upon signing of the contract by both parties		
Latest completion date	15 Weeks		
Travels Expected	n/a		
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"/> Others (N/A)		

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 (None)																	
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 type="checkbox"/> United States Dollars <input type="checkbox"/> Euro <input checked="" type="checkbox"/> Local Currency (South African Rands)																	
Value Added Tax on Price Proposal ³	<input checked="" type="checkbox"/> must be inclusive of VAT and other applicable indirect taxes <input type="checkbox"/> must be exclusive of VAT and other applicable indirect taxes																	
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 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.																	
Partial Quotes	<input checked="" type="checkbox"/> Not permitted <input type="checkbox"/> Permitted																	
Payment Terms ⁴	<table border="1"> <thead> <tr> <th>Instalment of Payment/ Period</th> <th>Deliverable Details</th> <th>Percentage of Payment</th> </tr> </thead> <tbody> <tr> <td>1st instalment</td> <td>Deliverable 1 (Inception Report)</td> <td>30%</td> </tr> <tr> <td>2nd instalment</td> <td>Deliverable 2 (Draft report)</td> <td>40%</td> </tr> <tr> <td>3rd instalment</td> <td>Deliverable 3 (Final report)</td> <td>30%</td> </tr> <tr> <td></td> <td></td> <td>100%</td> </tr> </tbody> </table>			Instalment of Payment/ Period	Deliverable Details	Percentage of Payment	1st instalment	Deliverable 1 (Inception Report)	30%	2nd instalment	Deliverable 2 (Draft report)	40%	3rd instalment	Deliverable 3 (Final report)	30%			100%
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³ VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.

⁴ UNDP preference is not to pay any amount in advance upon signing of contract. If the Service Provider strictly requires payment in advance, it will be limited only up to 20% of the total price quoted. For any higher percentage, or any amount advanced exceeding \$30,000, UNDP shall require the Service Provider to submit a bank guarantee or bank cheque payable to UNDP, in the same amount as the payment advanced by UNDP to the Service Provider.

	All payment will be effected within 30 days of receipt of an invoice and upon approval by the respective authorities of UNDP
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	Private Sector Special Advisor
Type of Contract to be Signed	<input checked="" type="checkbox"/> Purchase Order <input checked="" type="checkbox"/> Institutional Contract <input type="checkbox"/> Contract for Professional Services <input type="checkbox"/> Long-Term Agreement ⁵ <input type="checkbox"/> Other Type of Contract
Criteria for Contract Award	<input checked="" type="checkbox"/> Lowest Price Quote among technically responsive offers <input 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 criterion 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>Technical Proposal (70% of the overall proposal - 100 points)</p> <p>Technical Criteria Weight Max 70.</p> <ul style="list-style-type: none"> - Educational relevance of faculty members - 20 points. - Understanding the scope of work as evidenced in the technical proposal- 25 points. - Strong experience and accomplishment in research and training 25 points - Strong record of accomplishment in enterprise and local development financing, including microfinance and private sector engagement experience - 15 points. - Experience of similar assignment/regional market analytics & trade work - 15 pts <p>(minimum qualifying score – 70 points)</p> <p>Financial Proposal (30%)</p> <p>To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNDP.</p>
UNDP will award the contract to:	<input checked="" type="checkbox"/> One and only one Service Provider

⁵ Minimum of one (1) year period and may be extended up to a maximum of three (3) years subject to satisfactory performance evaluation. This RFP may be used for LTAs if the annual purchases will not exceed \$100,000.00.

	<input type="checkbox"/> One or more Service Providers, depending on the following factors:
Annexes to this RFP ⁶	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 3) ⁷ <input checked="" type="checkbox"/> Detailed TOR <input type="checkbox"/> Others ⁸ [pls. specify]
Contact Person for Inquiries (Written inquiries only) ⁹	<p>Procurement Unit procurement.enquiries.za@undp.org</p> <p>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>
Other Information [pls. specify]	

⁶ Where the information is available in the web, a URL for the information may simply be provided.

⁷ Service Providers are alerted that non-acceptance of the terms of the General Terms and Conditions (GTC) may be grounds for disqualification from this procurement process.

⁸ A more detailed Terms of Reference in addition to the contents of this RFP may be attached hereto.

⁹ This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.