

UNICEF Lebanon Terms of reference (TOR) for a Long-Term Arrangement for services

PROJECT/ASSIGNMENT TITLE:

Direct Cash Disbursement to beneficiaries (Cash over the counter)

Background

Lebanon is facing an acute economic crisis, the COVID-19 pandemic, the disastrous impact of the Beirut Port explosions and continued impact of hosting over one million Syrian refugees. In this context, the situation of children in Lebanon is worsening every day. Since October 2019, when the economic crisis began, the Lebanese Pound has lost more than 90 per cent of its value, leading to a high inflation rate. Number of families that found themselves unable to afford or access limited basic goods and services, including food, health, education, electricity, water and hygiene items has been increased. Three-quarters of Lebanese and far more than 90% of Syrians are either living in poverty or are income vulnerable. Negative coping mechanisms have also been increasingly reported.

UNITED NATIONS CHILDREN FUND (UNICEF) during the past years, in response to the crises, and to the increase of needs of the most vulnerable individuals, implemented several social assistance programmes, providing cash grants to the identified individuals.

Objectives:

UNICEF aims to contract a safe, efficient, and reliable financial service provider (FSP) to carry out the cash payments to identified beneficiaries/individuals. The purpose of this ToR to issue a Long Term Agreement (LTA) with an FSP to support UNICEF transferring the social assistance to beneficiaries/individuals during the implementation of the programmes.

Purpose of Assignment and Scope of work

The FSP will support implementation of UNICEF's cash programmes or other services provided to Lebanese and non-Lebanese beneficiaries/individuals. The FSP will be responsible for timely delivery of cash transfers to beneficiaries/individuals selected by UNICEF, at payment sites through authorized, as well as ensuring the monitoring and enhancing of the financial transactions.

To meet the objectives, the selected FSP will deliver a suite of services and solutions that will cover the aspects of the programmes.

SCOPE of WORK:

Potential bidders should present evidence and examples of the effectiveness of their services, in all geographical areas of Lebanon. The bidder should also describe how their funds transfer system will deal with one-time cash transfers and regular transfers (monthly or other frequency). In addition, FSPs must detail their accessibility, for example the availability of the telecommunication network or the availability of agents / branches with sufficient liquidity to make disbursements.

1. Availability of Liquidity

- a. The FSP shall confirm the capacity to continuously operate the branches/agents with enough liquidity to cover the cash volume requirements set by UNICEF to be delivered on time and in whole to the intended beneficiaries/individuals, in the agreed currency.
- b. The FSP shall ensure the availability of all denominations of the agreed currency at all agents/branches and ensure communicating with UNICEF the cash volume capacity to be handled by agent/branch.

- c. In the event the FSP foresees an insufficient liquidity to complete payments for a given payment list, the FSP shall communicate this limitation to UNICEF immediately upon receipt of the payment list, or as soon as identified by the FSP.

2. Currency of Transfer, Fees and Exchange rates

- a. The FSP shall disburse the assistance amount in the same currency included in the payment file, and according to the agreement with UNICEF at the level of each programme
- b. The FSP should quote the corresponding fees according to the currency of the transfer
- c. The FSP should provide the definition(s) of the exchange rates should there be any need to use them in the processing of the payments and/or fees.

3. Coverage and premises

- a. The FSP shall confirm availability to provide services throughout the agreement period across the country, especially in hard-to-reach areas.
- b. The FSP shall provide the list of all operational branches/agents that can be used for the disbursement of the assistance across the country.
- c. The FSP shall show the willingness to expand the network to cover areas not covered by their services, by opening new branches, or contracting new agents.
- d. The list should include the address/geographical locations of the branches/agents, the type of location (Branch/Agent), and the normal working hours of the location.
- e. The list shall identify designation of FSP own agency network agents/branches, and those subcontracted agents/branches.
- f. The list shall identify agents/branches able to ensure minimal COVID related mitigation measures on the disbursement site
- g. The list shall identify agent/branches with access and effective use of the service by people with specific needs or vulnerabilities - including people with disabilities, the elderly and the illiterate.

4. Payment Instructions

- a. The FSP shall confirm capacity to process bulk payment instructions and provide details on how this bulk payment can be performed.
- b. The FSP shall confirm the capacity to process more than one active payment list at a time.
- c. The FSP shall agree with UNICEF on minimum processing time periods from the point of receipt of a payment instruction (and liquidity), until disbursement to beneficiaries started.
- d. UNICEF and the FSP shall agree on the templates to be used for sharing the payment instructions.
- e. The FSP shall confirm the availability of secure channels that can be used to share payment instructions and other related files.

5. Recipient identification

- a. The FSP shall communicate to UNICEF the standard identification requirements for beneficiary identification prior to payment.
- b. 3.5.2. The FSP shall communicate the Identification Documents accepted for the verification process, this for the different nationalities, Lebanese, Syrian, Lebanese and others.

6. Payment at the Branch/Agent

- a. The FSP shall confirm a standard beneficiary information to be agreed before the start of payment.
- b. The FSP shall share the beneficiary redemption journey, including the detailed payment process.

7. Customer Service

- a. The FSP shall confirm availability of a customer service system, and relevant procedures for use including dedicated hotline and/or service desk numbers
- b. The FSP customer service system shall be able to manage
 - i. UNICEF service-related issues

ii. Beneficiaries service-related issues

- c. The FSP shall provide services to recipients to access their account balances, when necessary

8. Security and Personal Data Protection

- a. The FSP shall provide details about their security and data protection measures that are implemented to ensure the safety and protection of the data collected, stored and processed in the FSP system(s).
- b. The FSP shall transfer the data collected in its systems for the purposes of UNICEF transactions to UNICEF for storage and processing and should keep only the data elements that are needed and/or required by the national legislation and/or internal FSP procedures for the processing of the transaction.
- c. The FSP shall share with UNICEF the detailed safety and security procedures followed by the agents/outlets.
- d. The FSP shall share a detailed crowd control processes, showing how COVID-19 prevention measures are followed.

9. Reporting

- a. The FSP shall acknowledge receipt of each bulk payment instruction from UNICEF within 24 hours.
- b. The FSP shall provide confirmation of successful transactions in real-time back to UNICEF, or at a minimum every 24 hours.
- c. The FSP should provide daily reconciliation reports for all transactions executed the day before. The reconciliation file should information to be agreed on with UNICEF.

10. COVID 19 prevention

- a. The FSP shall share a detailed COVID-19 measures followed at their premises/outlets, to avoid the transmission of the virus.
- b. The FSP shall ensure its personnel/agent involved in the payment are fully aware of the COVID 19 related symptoms, transmission mechanism and preventive measures
- c. The FSP shall ensure that the personnel/agent wear appropriate protective items including gloves and masks while performing their function and regularly wash their hands or clean them with hand sanitizer,
- d. The FSP shall show how prevention measures are handled by agents, especially in relation to the banknotes (counting/sorting...etc.).
- e. FSP shall clearly share the measures against agents not abiding by the rules. Rules should be strictly enforced to keep sick employees at home and away from the workplace.
- f. FSP shall ensure the availability of hand washing facilities or hand sanitizer at all payment sites and request beneficiaries to wash/disinfect their hands before proceeding to the cashier.
- g. THE FSP shall ensue disinfecting all public areas and surfaces on a regular basis.

Deliverables

The main deliverables of the services that will be required of the selected FSP(s) will thus involve:

1. Disbursing cash-based assistance directly to identified program beneficiaries on a monthly, weekly, or daily basis or as one-off assistance, noting that the type of assistance, amount of assistance, and the list of beneficiaries may change from programme to another.
 - a. FSP shall ensure the presence and availability of services with sufficient and well distributed outlets/agents and ready to expand the network according to the need, especially in hard-to-reach areas.
 - b. FSP shall show reliable and secure services that are accessible by large population through a reliable network Agents/outlets or any other owned point of payments
 - c. Ensure the availability of physical cash bills at agents' locations of the FSP
2. Provide Financial and technological solutions that have comprehensive and low-cost benefits
3. Reporting and Reconciliation: Regular reports shall be provided by the FSP for monitoring, recording and reporting of transactions, including order receipts and evidence of withdrawal/disbursement and receipt of funds by the beneficiaries.
 - a. Provide financial record of all transactions done by each beneficiary, allowing timely reconciliation of the financial transactions for each programme using the service
 - b. The FSP should report to UNICEF any programme related issue or challenge during the disbursement of the assistance.
4. Data protection: services and proposed transfer mechanisms must be aligned with UNICEF policy on the protection of personal data of individuals under its mandate and must reflect the rules and processes that allow the encryption of beneficiaries' data.
 - a. The FSP should have in place appropriate data protection policies or be able to put in place policies.
5. The FSP Customer service to manage UNICEF and beneficiaries related issues and report to UNICEF all details related to any issue.
 - a. The FSP should be able to provide a dedicated service to UNICEF, including the provision of a focal point dedicated to managing the programmes, answering questions and solving any operational problems within a reasonable timeframe.
 - b. The FSP should be available to provide this support during normal working days and business hours from Monday to Friday. The channels of communication and reporting mechanisms should be established to ensure efficient resolution of issues.

Qualification Requirements

The main qualification requirements: detailed in the evaluation matrix:

1. Bidders must be duly registered in line with the Lebanese regulation and having required technically qualified personnel on board who can fulfil the requirements and conditions of the agreement
2. Bidders must be an accredited financial institution in Lebanon for either banking, microfinance, remittance, or other relevant services as authorized by the Government of Lebanon.
3. Bidders must clearly present their proposed payment process at their agents/outlets, including beneficiary journey and the process of ensuring the availability of bills at each outlet.
4. Bidders must detail the security and data protection processes to be followed during the payment process.
5. Bidders must describe their customer services systems and procedures for both UNICEF and beneficiaries, including Hotlines and service desks.
6. Bidders must share a list of all agents with their geographical locations
7. Bidders must clearly describe the reporting process.
8. Bidders must share their Financial proposals.

Evaluation process and method

Technical Evaluation Criteria:

Service Providers are encouraged to ensure they meet the below requested evaluation and qualification criteria

Technical evaluation is composed of 70 points, 70% of the full evaluation

Minimum successful score for the technical evaluation is 49 points

No.	REQUIREMENTS	Description	Score
Geographic coverage			9
1	Share the list of all agents across the country	Provide the list of Agents/outlets by region where recipients will be able to collect their assistance, indicating whether they are standalone branches or not and with exact coordinates.	1.5
2	FSP must have the ability to expand the network, to cover all beneficiaries targeted by UNICEF across the country	<p>FSP should describe their plans and show their capacity of having new agents with sufficient liquidity, especially in hard-to-reach areas. FSP to precise the conditions, process, and timeline for installing additional points of payment.</p> <p>Procedures for contracting new agent or open new payments' points, especially in remote locations (creation of new agents/branches, mobile banking, etc.).</p>	1.5
3	FSP agents/outlets must have sufficient security for personnel, assets, and beneficiaries to remain safe.	<p>The FSP must submit, as part of the proposal, a detailed security measures to be put in place to secure the payment sites. The identification of security structure and personnel for each payment site and of cashiers as well as the accountability of their performance, are the sole responsibility of the FSP.</p> <p>The FSP shall state and justify the mechanisms that will be implemented to ensure the security of beneficiaries at the point of withdrawal/disbursement of the money.</p>	3

4	FSP agents/outlets can be easily accessed by people with specific needs.	FSPs should clearly demonstrate what measures are being taken to ensure that the targeted beneficiaries are able to access agent/outlets and effectively use the service. In particular, the FSPs are should provide details on how their services can be accessed and used by people with specific needs or vulnerabilities - including people with disabilities, the elderly, and the illiterate.	3
Redemption process and Identification			28
5	Describe the proposed Transfer system, how payments should be transferred by UNICEF to the FSP, and how the FSP will report back to UNICEF	Describe in detail the proposed delivery mechanism including main tasks and responsibilities between Service Provider, UNICEF, and other institutions (if any), including provisioning and maintenance of necessary devices (if any) and how beneficiaries will be identified.	4
6	The FSP must have the ability to send SMS on behalf of UNICEF to beneficiaries.	Describe you SMS system if available. The FSP should be capable to send SMS to the recipients at the time of transferring the assistance. FSP to confirm the possibility to customize the SMS (amount, recipient, payment ID) and/or set specific sending time/day	1
7	Recipients should be allowed to redeem their entitlement in any agent/outlet of the FSP	FSP should confirm that recipients can redeem their entitlement in any agent/outlet of the FSP, irrespective of their area of residence	3
8	Recipients can redeem their assistance any time during 6 days a week at minimum	FSP should confirm the ability to cash redemption at agents/outlets 6 days a week at minimum	1
9	Availability of the volumes of liquidity required at the agents/outlets	The FSP must confirm the availability of the volumes of liquidity required at the agents/outlets. Describe the process of ensuring the availability of bills at any agent. What are the procedures to be taken in case of shortage of bills? What are the mitigation measures to be followed to ensure no gap at any agent will raise?	3

10	Beneficiaries should receive the full amounts, no fees to be deducted	Irrespective of the payment method, UNICEF recipients must receive the full benefit amount indicated in the payment, with the same currency shared in the payment as well. No charges/fees shall be deducted from the beneficiary amount. Describe the measures to be taken, in case of one of the agents requested fees, or didn't give the full amount to beneficiaries	3
11	Describe the redemption process	The FSP must detail the beneficiary journey including redemption process and required recipient authentication and controls. Beneficiary Identification/KYC: please describe beneficiaries' identification processes and your information requirements. This should also reflect the time required and the formats in which beneficiary's information needs to be submitted by UNICEF.	5
12	Description of the valid/accepted documents	The FSP must specify valid/accepted identification documents for receiving the transfers, in compliance with national Know Your Customer (KYC) regulations	1.5
13	Propose solutions in case not all recipients have the accepted documents	In the event not all recipients can produce accepted identification document, the FSP must specify solutions and possible adaptations to ensure the transfer services can be provided to the target beneficiaries (e.g. using ad hoc individual ID/beneficiary cards with sufficient security and protection features).	1.5
14	Description of the Fraud Prevention measures	FSP to provide the fraud prevention measures that are set in the system and the type of Fraud monitoring system used (online or offline)	5
Customer services			4

15	Description of the call center and complaints mechanism	FSP must Describe Customer services systems and procedures for both UNICEF and beneficiaries, including Hotlines and service desks. Provide a description of the complaints procedure that beneficiaries can use when they encounter problems. The FSP should precise availability and provide details of Technical Support Helpdesk capacity (hotline or other means) to receive and addressee recipients claims.	3
16	Availability of support representatives	Confirm where your support representatives are located and provide information on the language capabilities of your support function.	1
Security and Personal Data Protection			11
17	Data protection and privacy policies are available	FSP should confirm the availability of Personal Data Protection and Privacy policies FSP must share details about their Personal Data Protection and Privacy policies	4
18	Security and control processes are in place	Describe the security features and internal control processes that the FSP would follow during all processes	4
19	What are the risks that might be raised during disbursement	Please describe the risks that you foresee during disbursement of assistance and explain why and the mitigating actions you would take	3
SYSTEM ACCESS			6
20	UNICEF must have access to the transactions	The FSP must provide UNICEF with web remote access to transactions, please describe what will be the access, how to set it up, and how long will take to set it up	3
21	Data exchange should be through secured channels	All data exchanged by the FSP with UNICEF should be through secure methods including offline files and online data information. FSP to detail the secured channels they are using.	3
REPORTING			12

22	Provide confirmation report after each payment transfer request by UNICEF	Payment confirmation receipts must be stored at the FSP regional or central office for auditing purposes if needed. Unpaid funds must be deposited back in the UNICEF accounts immediately after the submission of the final reconciliation report.	3
23	Provide UNICEF with real time online reports on each transaction, and balance. If not feasible, FSP to precise the frequency to which this information will be made available to UNICEF.	FSP to confirm the ability to provide daily account balance/reconciliation including total remaining balance A monthly report should be provided detailing a) Summary report including each account initial load, spent, balance unspent, b) Detailed transactions report for each account including date, time, point of payment and amount, c) Global Reconciliation Report.	3
24	Real-time access to all beneficiaries' transactions	UNICEF must be able to access transactions and redemption receipts on a real-time basis for all beneficiaries instructed to be paid by that UNICEF. FSP should describe how UNICEF will have real-time access, how to set it up and how long it will take to set it up	3
25	Transaction and reconciliation reports should be generated automatically	All transactional data should be exchanged with a frequency of maximum 24 hours (during working days), FSP should ensure automation of generation and sharing of a daily reconciliation report Confirm ability to automate sharing of data/reports.	3
Total			70

Financial evaluation Criteria:

Only bidders obtaining the minimum pass mark in the technical evaluation (49 points) will be considered for the financial evaluation.

Service Providers should fill the Financial matrix for calculation of the financial evaluation.

Financial evaluation is composed of 30 points. The lowest financial offer will obtain 30 points.

Timing/Duration of Contract

The LTA will be concluded for an initial period of three years renewable for two additional years up to five years according to UNICEF's needs and based on UNICEF's policies and provided performance is satisfactory. POs shall be raised against the LTA as may be required.

Clarifications:

UNICEF might enter into LTAs with more than one Service Provider.

Contracts for each service will be issued against the LTA(s) and will be managed by the Budget Owner

The Supply and Logistics unit will be responsible for managing the contracts.

LTA holders will strictly abide by UNICEF's policies and regulations on Prevention from sexual exploitation and abuse (PSEA) and Prevention from sexual harassment.

Service providers must demonstrate adequate capacity of branches/outlets and of cash availability (USD and LBP) under points 2 and 9 above in order to be considered for further review.