

TERMS OF REFERENCE

Provision of Financial Services for Delivering Cash based Interventions in the State of Palestine

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1 Quick overview of requirement

Purpose:

UNICEF in the State of Palestine seeks to establish Long Term Arrangements (LTAs) with Financial Service Providers (FSP) that can deliver financial transfer services in the State of Palestine (Gaza Strip and West Bank including East Jerusalem) to deliver cash transfers to eligible beneficiaries. The FSPs should have a nation wide geographic coverage of delivery points to provide quality services.

The financial transfer services include, but are not limited to:

- One-time monetary transfers.
- Regular, monthly, bi-monthly or semi-annual monetary transfers.

As part of the One UN agenda, and as per UNICEF commitments as part of the UN Common Cash Statement, these LTAs are expected to be available to other UN agencies to support their respective programmatic and organizational needs.

Specific objectives

- a. Deliver cash payments to eligible beneficiaries as per the parameters and list/s provided by UNICEF.
- b. Properly account for the transfers delivered and make the reconciliation of delivered benefit amounts at the end of each payment phase.

Contractual Approach The selected service providers will be awarded a Long-Term agreement (LTA) for the provision of cash payments to beneficiaries. Following the issuance of the LTA, the LTA holder will be awarded service contracts under the framework of the signed LTA against the agreed rates. These service contracts will cover the payment cycle(s), scope and duration only subject to funding availability.

LTA(s) are contractual frameworks in which UNICEF and a selected service provider agree on a list of services, the conditions of their delivery and their prices, for a defined period of time.

The LTA itself is non-financially binding. In that sense, the LTA may be considered as an intermediate step towards a Contract. Therefore, UNICEF shall issue Contracts on the basis of the LTA, specifying services, quantities, time and scope during the validity of the LTA.

Location

State of Palestine

Duration for the LTA

The LTA will be valid for 24 months with the possibility to extend for an additional 24 months subject to a continued requirement of service and satisfactory performance of the Financial Service Provider.

Reporting to:

UNICEF State of Palestine Chief Social Policy, Planning, Monitoring & Evaluation

2 Background

In the State of Palestine coverage of social assistance programmes implemented through the Ministry of Social Development (MoSD) and humanitarian actors is relatively widespread. Nationally, 40 per cent of all Palestinian households receive at least one type of social protection transfer. Coverage of these initiatives is largest in Gaza, where 35 per cent of households receive a government benefit, and 70 per cent receive a non-governmental benefit. Importantly, many households often report receiving more than one type of social transfer, reflecting the high levels and multiple forms of deprivations, but also the importance of coordination between government and non-governmental programmes for efficient planning and use of resources.

Prior to the COVID-19 crisis, both poverty and extreme poverty had increased throughout the OPT since 2011, particularly in the Gaza Strip. The COVID-19 pandemic and the May 2021 conflict in the Gaza Strip are believed to have caused significant increases in household vulnerability. The national poverty rate was at 29.24 percent in 2017 and rose to 31.08 percent in 2020. The recent conflict in Gaza has resulted in worse social conditions in the Strip. World Bank estimates suggest that the conflict has pushed poverty in Gaza to 59.3 percent in 2021 (using US\$5.50 a day (2011 PPP) international poverty line). This is a 16.3 percentage point increase above the 2016-2017 values. The losses in the social protection sector were estimated at US\$40 – \$50 million, resulting from the impact of the conflict on livelihoods and safety nets of the most vulnerable.

Lack of funding to provide regular Payment to the NCTP beneficiaries resulting from the reluctance from some donors to channel the benefit amount through the national treasure and

the lack of income. The Palestinian authorities lost 80 percent of the income devoted to paying salaries, delivering basic services, and maintaining social assistance programs.¹

Also prior to the COVID-19 pandemic, around a quarter of Palestinians lived below the poverty line, including 53 per cent in the Gaza Strip.² The forecasts for the Palestinian economy in 2020 and 2021 were already pessimistic, with GDP per capita projected to decrease by 3 to 4.5 per cent.³ Many people lost their source of income due to the compounded impacts of the 14-year closure of the Gaza Strip and COVID-19.

Since 2007, the closure has tremendously increased poverty and unemployment. It is estimated to have cost the densely populated Palestinian enclave US\$16.7 billion in economic losses between 2007 – 2018.⁴ The closure continues to limit access to basic social services, social protection interventions and restricts freedom of movement. More than one million children have limited access to essential services and at least 500,000 children have restricted access to safe and clean drinking water.⁵

This complex humanitarian crisis coupled with structural needs will contribute to further worsening the socioeconomic conditions of the affected population, especially the most vulnerable groups: children, women-headed households, persons with disabilities, refugees, internally displaced persons (IDPs), people affected by conflict-related violence and those already living below the poverty line. The growing needs resulting from the May 2021 escalation exacerbated constraints already faced by the existing flagship National Cash Transfer Programme (NCTP), which was not designed to address critical humanitarian needs. Therefore, the most vulnerable households are experiencing difficulties to access basic needs and services for children hence a negative impact to their development and growth.

The cash transfers will be undertaken in line with Cash Working Group standards including with payment values aligned to the Minimum Expenditure Basket (MEB). UNICEF is an active member of the Cash Working Group and is engaging with the CWG to embed the knowledge and understanding of the national social protection with CWG partners, and to find coordination between CWG members and the MOSD as part of the nexus approach. In this context, the UNICEF Palestine Country office intends to sign an LTA with strong FSPs in order to provide secure and effective cash transfer assistance to the most vulnerable affected households either living in poverty or which are affected by crises. The LTA will enable the CO to move towards wider

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https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/hrp_2021_0.pdf

² World Bank (2020), <https://documents1.worldbank.org/curated/en/844141590600764047/pdf/Economic-Monitoring-Report-to-the-Ad-Hoc-Liaison-Committee.pdf>

³ UNCTAD (2020), https://unctad.org/system/files/official-document/a75d310_en_1.pdf

⁴ UNCTAD (2020), https://unctad.org/system/files/official-document/a75d310_en_1.pdf

⁵ UNICEF (2020), <https://www.unicef.org/documents/state-palestine-humanitarian-situation-report-end-year-2020>

adoption and usage of cash in its programming as an alternative modality whenever an opportunity arises.

The following Terms of Reference (ToR) describes the scope, tasks and responsibilities, deliverables and required qualifications of the assignment. The FSP will be contracted by UNICEF, as the Contracting Authority, and will coordinate with the other service providers as described in this ToR.

3 Scope of Work

UNICEF will securely transmit to the FSP the lists of target beneficiaries, the amount to transfer and the frequency of transfer. The FSP will be responsible for transferring the designated funds to the identified persons in an accountable, timely, safe and secure way.

3.1 Key task and responsibilities of the FSP

- Location of services: Money is to be transferred across all locations in the State of Palestine in both the Gaza Strip and the West Bank including East Jerusalem.
- Number of persons/accounts: The number of beneficiary households will depend on programme design and funding available and will be outlined in each and every specific contract and when services are required.
- Duty station: The service provider and its contract manager(s), including appropriate staffing, must have offices in the State of Palestine. Additionally, the service providers shall have branches or agents across the country (including Gaza strip & West Bank) in order to support the beneficiaries in collecting their money.
- The service providers will maintain the accounts under contract based on and generally accepted accounting principles. Accounts should be maintained in a computerized standard accounting software.
- The service provider will offer a one-way communication channel with beneficiaries to inform them about payment modalities and schedules, as well as a two-way communication channel to address technical difficulties experienced by beneficiaries concerning their payments.
- The service provider will maintain a real-time digital list of payments/transactions processed by date, location and this should be reconciled every month and should be accessible on real time basis by UNICEF designated personnel.
- The service provider will maintain proper records and documentation of funds received and disbursed under this contract. The service provider should produce all records to UNICEF as and when requested.

- The service provider will set up, maintain and manage a safe, secure, effective and efficient mechanism for any type of cash transfer/distribution.
- The service provider will ensure that payment slips are issued to all beneficiaries for all the payments made and scanned copy of it is maintained in the service provider records.
- The service provider will ensure all reimbursement claims are processed within a maximum of 21 days for all payments not successfully done, unless if the cash is handled from UNICEF sub bank account.
- The service provider will maintain an overview and checklist of all payments made e.g. for reimbursement claims received for all unsuccessful transactions.
- The service provider will ensure that all financial records are available for audit/review by UNICEF as and when required by UNICEF for 5 years.
- Any excess or wrong payments made by the service provider and billed to UNICEF will be recovered. The recovery will be made by deducting the amount paid in excess/wrongly from the service provider's monthly invoices/services fees or the amount related to the bank guarantee provided by the FSP. If any bank guarantee has not been applied, the contractor will reimburse UNICEF the amount equal to the excess or wrong payments. The service provider will cooperate, as required, with independent third-party verification of beneficiary's payments on a simple random selection process each month. FSP should provide access to Third Party Monitoring organization(s) contracted by UNICEF at payment sites during operational hours.

Potential bidders should present evidence and /or examples of the effectiveness of their services, especially in the aforementioned geographical areas, or at least in areas with similar conditions with a clean, proven track record of implementing similar services for UN agencies, INGOs, donors or international multilateral or similar organizations in the past.

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, FSP bidders must detail their accessibility, for example, the availability of the telecommunication network or the availability of agents/branches with sufficient liquidity to make disbursements based on the required volumes.

Bidders should note that some of the beneficiaries are children under **the age of 18 years old**, hence within the technical proposal and delivery mechanism offered bidders may need to address how the delivery mechanism will meet the needs of these beneficiaries. Bidders will also be subject to UNICEF Child Safeguarding Policy and would require key FSP staff to undergo UNICEF Safeguarding induction.

The proposed transfer mechanism(s) should be clearly presented and detailed in the proposal.

3.2 Types of transfer mechanisms and disbursement:

The types of transfer mechanism and disbursement considered include (the bidder can propose one or several mechanisms):

- Debit or prepaid cards
- Transfer to Bank Account
- Mobile money/ token
- Direct cash disbursement by an agent.

Transfer/delivery mechanism	Minimum standards
Debit or prepaid cards	<ul style="list-style-type: none"> • Rechargeable, prepaid cards to make withdrawals in withdrawal/payment points; • Cards are provided and distributed in sealed envelopes to each beneficiary individually by the FSP. • Each card must have a unique identification code/PIN code; • The possibility to have multiple portfolios (multiple wallets) on individual cards/subaccounts must be specified and will be an asset; • Cards must be able to be quickly cancelled on request of UNICEF or the beneficiary (in case of loss, theft, expiration or suspected fraud) and the amount refunded without delay to UNICEF. FSP will need to indicate the estimated timeline of replacing the cards. • The cards will be available for cash withdrawals made at a cash machine (ATM) or through mutual agreement with an agent approved by the FSP; • The FSP provides a detailed list and the precise location of withdrawal of liquidity points approved in each area of intervention; • The FSP guarantees the availability of the volumes of liquidity required in the pick-up points within a maximum period of 5 business days after credit card accounts by UNICEF; • The FSP should reduce the balance of card accounts whenever the beneficiaries carry out withdrawals or purchases per each transaction. Statements of UNICEF owned card accounts (showing the movements and balances) must be regularly communicated to UNICEF. The balance of the card accounts represents the total of the amounts that have not been used by beneficiaries; • The FSP must require that the beneficiary complies with the

	<p>procedures of verification of the identity of the person and require the signature of the recipient on the list of payment (except in the case of automated operations).</p>
Transfer to bank account	<ul style="list-style-type: none"> • Standard rules for the transfer of bank account to bank account with verification and data protection guidelines followed.
Mobile money/ token	<ul style="list-style-type: none"> • SIM cards are provided and distributed to each beneficiary target individually by the FSP or beneficiaries use their existing sim cards. • Each beneficiary with a SIM card must have a unique identification code/PIN code; • SIM cards must be able to be quickly cancelled on request of UNICEF or the beneficiary (in case of loss, theft or other) and the remaining amount on the mobile account refunded without delay to UNICEF. FSP will need to indicate the estimated timeline of replacing the SIM cards in case it is an FSP issued sim card. • The FSP provides a detailed list and the precise location of withdrawal or liquidity points approved in each area of intervention; • The FSP guarantees the availability of the volumes of liquidity required by UNICEF in mobile points of withdrawal within a maximum period of 5 days after the credit of the account; • The FSP should reduce the balance of each mobile account each time that the beneficiaries carry out withdrawals or purchases per each transaction. Mobile statements (indicating movements and balances) for any UNICEF owned accounts must be regularly communicated to UNICEF. The mobile account balance represents the total of the amounts that have not been received/used by beneficiaries; • The FSP must require that the beneficiary complies with the procedures of verification of the identity of the person and require the signature of the recipient on the list of payment (except in the case of automated operations).
Direct cash disbursement cash by an agent	<ul style="list-style-type: none"> • The FSP provides a detailed list and the precise location of withdrawal or liquidity points approved in each area of intervention; • The FSP guarantees the availability of the volumes of liquidity required in the pick-up points within a maximum period of 5 days after the information is provided by UNICEF. • The FSP must require that the beneficiary complies with the procedures of verification of the person's identity and require the signature of the recipient on the list of payment (except in the case of automated operations).

3.3 Dedicated account management and client service hotline

FSPs are expected to fulfil at least one of the below recommended customer service/account management requirements:

- a) The FSP should be able to provide a dedicated service to UNICEF (or other UN agencies), including providing an office or a focal point dedicated to managing this project, answering questions, attending ad hoc meetings and solving any operational problems within a reasonable timeframe.
- b) The FSP should be available to provide this support during normal business hours from *Sunday to Thursday*. The channels of communication and reporting mechanisms should be established to ensure efficient resolution of issues.

A free telephone hotline for individual beneficiaries (in Arabic) *should* be included, especially in the case of loss or theft of means of withdrawal or other technical problems. A free telephone hotline and online access must be included for UNICEF staff and other organizations authorized by UNICEF, who will use this service for the resolution of urgent problems related to the operation of the service. To the extent possible, this hotline for FSP staff should be accessible 24/7, in english and arabic.

3.4 Data Protection agreement

It is a preeminent requirement of UNICEF to protect the confidentiality and security of the people under its protection. Therefore, services and proposed transfer mechanisms must be aligned with the 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. If it exists and where national Know-Your-Customer policy requires disclosure of personal data and identification of beneficiaries, FSPs are asked to specify whether an exception to these rules can be obtained from the authorities.

FSP will be required to sign, observe and committed to comply with UNICEF's Data Protection Policy and Non-Disclosure Agreement which details the permitted purposes to use personal data shared by UNICEF during and after the contract.

The FSP must have in place appropriate data protection policies or be able to put in place policies, including the document below which should be shared as part of the document submitted by the bidding FSP:

- The encryption of any database providing details on the beneficiaries;
- The policy for handling and management of personal data.

The FSP must adhere to COVID – 19 prevention measures where service users collect cash at the sites, including but not limited to:

- Ensure its personnel/agent involved in the payment are fully aware of the COVID 19 related symptoms, transmission mechanism and preventive measures.

- Ensure that the personnel/agent wear appropriate protective gear while performing their functions and regularly wash their hands or clean them with hand sanitiser.
- Ensure that the agents/ cash handlers:
 - Correctly handle banknotes and instruct service users to do the same.
 - Wash their hands with soap and water regularly.
 - Avoid touching banknotes and then touching their eyes, nose, or mouth areas.
 - Always follow public health guidance on the safe ways to cough or sneeze
- Rules should be strictly enforced to keep sick employees at home and away from the workplace.
- Ensure the availability of handwashing facilities or hand sanitiser at all payment sites and request service users to wash/disinfect their hands before proceeding to the cashier.
- Request service users to cover their nose and mouth with any suitable cloth or clothing while at the payment site.
- Ensure that all payment sites, especially in main urban centres or locations with large crowds, use a token system for crowd management. This means that an assigned payment agent staff will assign a number to each beneficiary, provide the beneficiary with a paper token containing that number, and request the beneficiary to wait nearby until the agent calls out that number. In this way, the service users will not have to wait in line and maintain physical distancing while awaiting their turn.
- Where possible and if a shade is available, service users should wait outdoors with the physical distance between them. The payment agent must make efforts to minimise the service users' time at the cash out site.
- All public-facing areas should be disinfected regularly, in the beginning, during, and the end of operations, without causing alarm to service users

3.5 Mechanisms of internal control and risk management

The FSP will ensure that appropriate internal control and fraud prevention mechanisms are in place. Although such mechanisms may vary depending on the type of FSP, the internal control mechanisms provided shall be clearly specified in the proposal. The submission should detail the company's *Business Continuity Plan*, measures for monitoring and regular testing of security systems and procedures, and the mechanism of monitoring and detection and response in real time to technical problems and potential fraud.

The FSP will open a dedicated account for UNICEF, which will be supplied by UNICEF and will be used to conduct transfers to the sub-accounts or mobiles of the target beneficiaries. The service provider must ensure complete separation of the funds and the traceability of these up to their withdrawal/disbursement by the beneficiaries.

The FSP must reimburse UNICEF for any balance on any UNICEF owned accounts that are not withdrawn by the beneficiaries in accordance with the criteria which UNICEF will specify in the contract.

The FSP must maintain an up-to-date information security policy that is in line with the UNICEF policy on the protection of personal data.

The FSP must ensure that control measures of physical or virtual system access, restricting access to the data of the beneficiaries and monitoring the access of users, are in place.

The FSP shall state and justify the mechanisms that will be implemented to ensure the security of beneficiaries and staff of UNICEF or its partners at the point of withdrawal/disbursement of the money.

In advance of issuing any contract, UNICEF will undertake a Financial Strength Assessment of any technically cleared FSP, and the FSP will be required to share all required background documentation with UNICEF for this assessment. Documents required include (but are not limited to) company license and audited financial statements and must be provided with an official translation in English.

3.6 Identification of the Beneficiaries

UNICEF (or other UN agencies) will provide lists of the targeted beneficiaries to the FSP in the form of an encrypted file. The file will include the name and identification number of each beneficiary, the amount to and the frequency of the transfers and any other relevant details. Upon receipt of this file, the FSP will proceed with paying money to the targeted beneficiaries.

All transfers of data must be encrypted, contain integrity checks, and must be sent over secure lines, using protocols such as Secure File Transfer Protocol (SFTP). The provider must provide detailed information about the security measures they use.

Each transaction to an individual beneficiary must be individually recorded and documented by the FSP, with all the relevant details of the transfer.

Tenders must indicate the maximum period, in number of days, between receipt of the list of beneficiaries from UNICEF and the effective date for availability of funds to the beneficiaries.

The FSP must specify in its proposal what are the valid pieces of identification for receiving the transfers. If relevant, other identification documents such as passport, driver's license, ID card, voter registration card, marriage certificate / birth should also be taken into account.

The FSP must specify in its proposal the procedure and mechanisms that will be implemented to ensure that the transfers are provided to the targeted beneficiaries according to the lists provided by UNICEF. The FSP must specify all means to be implemented to limit the risk of fraud and misidentification (i.e., using a PIN code).

3.7 Usability of the transfer mechanism

FSPs are encouraged to clearly demonstrate what measures are being taken to ensure that the targeted beneficiary is able to access and effectively use the transfer service. In particular, the FSPs are invited to 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.

Proposals must include the activities, modes and methods of communication and/or training that will be implemented to ensure adequate knowledge of the transfer mechanism to ensure its proper use, both for the beneficiaries and for UNICEF staff and partners.

The FSP is required to provide a detailed guide for the proper use of the service by the beneficiaries in Arabic.

The guide should explain clearly, but not limited to, the following:

- How and where to make withdrawals,
- How to use the means of payment,
- How to use individual identification codes / PIN code,
- The required information and identification documents to make a withdrawal,
- If applicable, how to check the balance on their individual sub-account,
- How to report lost or stolen cards, etc., or any other problem linked to use of the service,

3.8 Means of payment/withdrawal, infrastructure and network

FSPs will specify in their submission the means of individual payment/withdrawal, including the infrastructure and communication network used for the provision of the service.

The proposal must detail the precise geographical location of payment/withdrawal points, their type and number in each geographical area. The FSP is to ensure, if they do not exist, the implementation of points of payment/withdrawal in the immediate vicinity and directly accessible by targeted beneficiaries.

The mechanism for cancellations of payments in case of loss or theft. The means of payment must be immediately cancelled out by the FSP, who will report in writing the *cancellation of lost/stolen cards* and credit the corresponding unused amounts to the UNICEF account.

The FSP is responsible for ensuring that cancellation procedures are implemented on time and accepts financial responsibility to reimburse UNICEF for any financial loss resulting from the delay in processing by the FSP.

When the infrastructure and/or the network used for the transfer service does not belong to or are not supported by the FSP, the proposal should specify the mechanisms by which the FSP will ensure their quality and effectiveness to ensure the transfer service.

3.9 Timeline for implementing payment

Upon reception of the instruction for the payment, the service provider will have 48 hours to proceed with the payment to the beneficiaries from the list. The service provider will confirm the state of the payment (paid or not paid) for each beneficiary (a soft and hard copy/report will be provided within 24 hours of the payment).

3.10 Modality

The service providers will confirm to UNICEF whether an advance will be required (pre-financed) and in this case a bank guarantee will be required: The service provider will need to submit for UNICEF approval, the name/details of the bank providing the bank guarantee.

Bank guarantees are required when UNICEF makes an advance to an FSP before payment to beneficiaries. Bank guarantees are issued by another reputable financial institution of UNICEF acceptance to ensure the guarantee is strong. The potential FSP must absorb the costs of issuing the guarantee. UNICEF will provide FSP with the template for the guarantee when required.

3.11 Reporting and Reconciliation

The FSP shall provide monthly reports for monitoring, recording and reporting transactions. For each payment instruction, the FSP will provide to UNICEF:

- a) A confirmation report certifying the successful payments to the beneficiaries, with their individual identification numbers, the amounts received by each and the dates of receipt
- b) A reconciliation report for any amounts not successful and remaining balance to be returned to UNICEF

- c) A Redemption/ cash transfer summary report segregated by age and sex at the end of each cycle

The FSP will provide UNICEF digitally and on real time basis (where applicable weekly during payment period):

- d) A report on movements and balance on the account or wallet dedicated to UNICEF
- e) A report detailing for each beneficiary the amounts and dates of UNICEF funds being received and withdrawn by beneficiary
- f) A report listing the beneficiary's accounts activated and deactivated
- g) A report of inactive accounts of the beneficiary including account balance
- h) A report listing all the attempts or cases of fraud
- i) A report listing all incidents and delays in implementation of the service

The reporting system is strongly dependent on the type of delivery mechanism used. Suppose the transfers and disbursements are made through banks, cards, mobile phones or other electronic systems. In that case, the preference of UNICEF is to have an electronic reporting system accessible online in real time. This possibility will be considered an asset for submissions including this service.

3.12 Insurance and Guarantees

UNICEF cannot be held responsible for the fraud, misappropriation or loss of funds between the UNICEF dedicated account at the FSP and the targeted beneficiaries.

The FSP must specify the mechanism of insurance in place or planned to be implemented to provide the necessary financial guarantees in cases of fraud, misappropriation or loss of funds for this project under the responsibility of the FSP, namely the transfer of initial funds of UNICEF to the dedicated account of the FSP and the onward disbursement to the targeted beneficiaries.

Regarding guarantees:

- Should UNICEF advance payment to FSP, Transfer of the funds for payments to beneficiaries will be against an unconditional and irrevocable Bank Guarantee.
- The FSP shall obtain and maintain unconditional and irrevocable Bank Guarantees issued by acceptable banks in the form accepted by UNICEF.
- The Bank Guarantee shall be payable to and unconditionally released to UNICEF in the event the FSP fails to pay or if exposure or loss occurs.
- The cost of issuing/obtaining a bank guarantee is the responsibility of the FSP.

- If UNICEF does not advance funds but rather reimburses the FSP after confirming payment, then no bank guarantee is required – where possible, reimbursement is the preferred contractual setup.
- The bank guarantee value should be based on internationally acceptable banking and financial standards or best practices.

3.13 Assessment of performance

UNICEF will periodically review the performance of FSPs to ensure, among other things the following:

- Efficiency and effectiveness of the disbursement to beneficiaries
- Time of the transfer and disbursement
- Safety and security of payments and beneficiaries
- Technical assistance and problem solving
- Accuracy of the accounts and reports of disbursement
- Usability and ease of use of the mechanism, based on the comments of beneficiaries
- Effective access to financial services by the beneficiaries, taking into account their specific vulnerability
- The maximum time between the transfer by UNICEF to the FSP and the availability of funds to the beneficiaries
- The average response time for customer service inquiries should be in the same day
- The time limit for cancellation of a means of payment/withdrawal after the request by UNICEF or the beneficiary, in case of loss, theft or other
- Responsiveness and availability of FSP for ad hoc meetings

4 The Deliverables and Payment Conditions

The selected service provider will submit the following deliverables:

- a) Inception report with detailed work plan with all required information on resource allocation, payment process, to be submitted within 14 calendar days after signing the contract,
- b) Weekly updates on the number of people paid, disaggregated by governorate and district, including the information about the outreach home payments (unless if available online on real time basis based on the system being used)

- c) Reconciliation Report, including the individual (electronic) file and aggregated report detailing the use of the funds that have been allocated to make payments to the beneficiaries. The reconciliation report must be submitted no later than 7 working days after the disbursement phase has been completed. The Reconciliation Report should contain general and specific information on the management of the funds: (i) Service provider's general information, (ii) the number of beneficiaries to be paid, (iii) the number of beneficiaries paid, (iv) the number of beneficiaries unpaid, (v) the total amount deposited, (vi) the total amount paid, (vii) the outstanding balance, (viii) details of the payment per beneficiary, including the information on the beneficiaries whose money were deposited into their accounts, (ix) general comments, and (x) other information that the UNICEF deems necessary. This will solely depend on the system being used.
- d) End of payment cycle report describing activities, challenges, results, and recommendations.

The transaction fee will be transferred to the service provider upon receipt of the invoice and the approval by UNICEF of the reconciliation documents submitted by the service provider at the end of the payment cycle. The amount unpaid to the beneficiaries must be returned to the UNICEF bank account upon submission of the reconciliation documents.

5 General Conditions

The assignment will comply with the following general conditions:

- a) The service provider will work under direct supervision of UNICEF.
- b) The service provider will not be based at UNICEF premises.
- c) The service provider will not include other benefits.
- d) The service provider has no right to stay on UNICEF property.
- e) The service provider should be responsible for needed materials.
- f) The service provider is not authorized to have access to UNICEF transport.
- g) The service provider is not entitled to payment of overtime.
- h) No work may commence unless the contract has been signed by both the Contracting Entity and the Payment Agency.

6 Methodology, Assignment Duration and Timetable

The selected service provider is expected to propose the methodology to achieve the objectives and scope of the assignment in compliance with the parameters underlined in this ToR.

The selected service provider will be awarded a 24 months Long Term Agreement (LTA) and which will be used to establish a service contract(s) against respective further payment and upon needs. UNICEF will have the possibility to extend the LTA for another 24 months, provided performance satisfaction and needs. UNICEF may award one or several LTAs depending on the bidding evaluation exercise result.

The price schedule attached to this RFP includes unit rates for the different required activities/services and will serve as the bases for establishing service contracts

7 Reporting

The selected service provider will be contracted by UNICEF, as the Contracting Authority. UNICEF will be in constant communication, supervise and follow-up on the carried-out work.

8 Required Qualifications and Experience

For the submission of the proposal, the bidders must comply with the following requirements and present the following documents:

- Be an institutional entity fully and duly registered with local authorities and licensed with the Central Bank to perform financial and payment transactions as detailed in this TOR.
- Have prior experience in similar assignments.
- Extensive experience with international and local organizations for cash programmes will be considered.
- Have the appropriate infrastructure and human resources and the level of technology adequate for the execution of the activities in the Payment process and attend the beneficiaries in a professional and cordial manner.
- Demonstrate the ability to access all the proposed geographical areas to be covered.
- Demonstrate the feasibility of the proposed methodology to perform the assignment with an acceptable level of effectiveness (through a detailed proposal).
- Demonstrate that the level of security presented is appropriate according to the context.
- Demonstrate the ability to provide UNICEF with an unconditional and irrevocable bank performance guarantee issued by an acceptable bank.
- Ensure that they have qualified agents to carry out the payments.
- Pass the Financial Strength Assessment, including providing the required documents such as the legal registration and the audited financial statements (in English).

9 Proposal Presentation Guidelines

9.1 Technical proposal

The proposals must include complete and accurate information. The technical proposal must include, but is not limited to the following items/information:

- 1) The corporate profile highlights the bidder's qualifications and relevant experience in implementing similar assignments in the same context and complexity.
- 2) Last two years' financial statements and audit reports (**in English**).
- 3) Description of how the Bidder will address each component of the requirements described in this RFPS highlighting key steps and approaches, including outlining the methodology and modality for the payment, quality assurance framework, and applicable tools. Also, include branches and locations across the country.
- 4) Methodology for disaster recovery process and cycle time, contingency during disaster e.g. system failure. Please describe your disaster recovery plan for short-term and long-term disaster recovery; How and when will your customers be notified if any service is affected by a disaster? What are your plans to ensure continuity of service in the event of disaster or system failure that involves a partner or third-party provider included in your proposal?
- 5) Provide detailed information on structure, core team member's people, and other resources the bidder has in place/will put in place for this assignment. This must also include list of offices, partners in case of subcontracting/consortium bidding and any other information the bidder deem necessary to support their claim of capacity to implement the assignment.
- 6) Expertise of the service provider detailing general and specific experience with similar assignments in size, scope and complexities and emergency context in the past five years. Please provide 3 - 5 list of project experience and include the following information in your proposal:
 - Name of Client
 - Title of the Project
 - Year and duration of the Project.
 - Brief description and scope of the Project
 - Project caseload or number of households targeted
 - Proposed solution, timeliness, and results
 - Reference / Contact person details

- Security management mechanism in the payment centers/risk mitigation measures and framework within the company and those proposed for this project (Please identify key risks and mitigation measures put in place for this assignment including any risk policies by the service provider).
 - Project assumptions and dependencies
- 7) List all current contracts with other UN Agencies including other UNICEF Projects.
 - 8) Any **performance references** from other UN or NGO contracts
 - 9) Document(s) for registration of the company with the relevant national authorities
 - 10) Document(s) for registration of the company with the national tax services
 - 11) Certified copy of the **license to provide money transfer services/to operate**, issued by the relevant government authority
 - 12) Any recent corporate reports, (from FSP, Parent group/company), including, where available internal and external credit ratings.

The bidder will submit the above information as part of the technical proposal in an email, including in the email subject title: XXXXXXXX-technical proposal-name of bidder

9.2 Commercial Proposal:

Commercial proposal providing detailed and breakdown of cost to implement each of the activities detailed on this ToR must be submitted in line with the instruction on the RFP document. It is requested that costs submitted are as per the below 3 cost types. It is appropriate to propose using one or a combination of both cost types.

No	Cost Type	Description
1	Cash Payment Services	Set unit cost per transaction
2	Commission for transactions	Percentage (%) of transaction value
3	Communication costs where applicable	Costs per SMS unit or any other units of communication

- **The bidder will, based on their proposal, include the unit rate for each activities/service. The bidder will fill the excel table and will submit as part of the commercial proposal, the PDF (signed and stamped) and the excel format.**

- All prices/rates quoted must be exclusive of all taxes as UNICEF is a tax-exempt organization.
- Two years financial statements for financial standing must be submitted along with the bids.
- They will be included as submission in a separate email with subject: **XXXXXX**-financial proposal-name of bidder
- If the bidder sends a unique email that includes the technical and financial proposal, UNICEF will disqualify the submission.

10 Evaluation Criteria

Each proposal received will be assessed first on its technical merits (including by reference to legal requirements) and subsequently on its price. The companies are required to provide evidence of their legal registration to provide Financial Services in the State of Palestine.

The proposals will be evaluated against the following elements:

10.1 Technical Proposal Evaluation

The total obtainable points allocated for the technical component is 70 with 50 points as the pass mark for evaluation. Only bidders that obtain **50** points and above from the technical evaluation will be considered for the stage of commercial evaluation.

CATEGORY	POINTS
1. EXPERIENCE <ul style="list-style-type: none"> ✓ Number of years in related assignments. ✓ Experience in providing similar services to international and local organizations. ✓ Proofs of previous experiences. ✓ Corporate governance structure (organogram, and names/ positions of key executives or managers) ✓ Financial soundness (documentary evidence including audited financial statements) 	(15)
2. INFRASTRUCTURE / PAYMENT MECHANISM / SECURITY <ul style="list-style-type: none"> ✓ Infrastructure, staff resources and partners if any that will be used to execute the Payment process. ✓ Payment mechanism (Manual and E-payment). ✓ Digital platforms, interoperability features and external management ✓ Transactions traceability (withdrawals notification/reports and locations) 	(15)

<ul style="list-style-type: none"> ✓ Beneficiaries' identification process/ Know Your Client (KYC) ✓ Security offered for the execution of the process with the defined payment mechanism ✓ ICT solutions and data protection disposal ✓ Reconciliation and reporting ✓ Other services (training, grievance and redressal mechanism/timeline etc.) ✓ Data Security Policy and Procedure 	
<p>3. COVERAGE AND ACCESSIBILITY</p> <ul style="list-style-type: none"> ✓ Network coverage ✓ Liquidity levels <ul style="list-style-type: none"> ○ The number of FSP existing and functioning withdrawal points. ○ The number of payment agents and their financial capacities (Minimum volume of daily liquidity required by the FSP as per its agreement with the payment agents; their size etc.) ○ The replenishment timeline ○ The time the FSP takes to pay back the payment agents (based on the agreement with its house bank) ○ The proximity between the payment agents and withdrawal points to the beneficiaries. ○ The replenishment mechanism of the FSP to support the Payment agents if it is expected to disburse a significant volume of cash during a specific period. ✓ Geographic areas for Payment agencies ✓ Number of cash out/withdrawals points 	(30)
<p>4. OVERALL RESPONSE</p> <ul style="list-style-type: none"> ✓ Understanding of and responsiveness to project requirements. ✓ Understanding of scope, objectives, completeness, and timely response. 	(10)
<p>5. PRICE/fee</p>	(30)
<p>TOTAL MARKS</p>	(100)

10.2 Commercial Proposal Evaluation:

The total amount of points allocated for the price component is [30]. The maximum number of points will be allotted to the lowest price proposal among those that obtained the pass mark at the technical evaluation stage

All other price proposals will receive points in inverse proportion to the lowest price; e.g.:

$$\text{Max. Score for price proposal} * \text{Price of lowest priced proposal}$$

$$\text{Score for price proposal X} = \text{-----}$$

$$\text{Price of proposal X}$$

10.3 Selection and Adjudication:

The proposal obtaining the overall highest score after adding the scores for the technical and financial proposals is/are the proposal(s) that offers best value for money and will be recommended for the Long Term Arrangement (LTA).

The award of the Long Term Arrangement (LTAs) will be done based on the results of the tender. UNICEF reserves the right to enter into multiple LTAs as a result of this tender if considered necessary in the best interest of UNICEF.