

Annex A - TERMS of REFERENCE (ToR)**I. Overview**

Cash-Based interventions (CBI) and in-kind assistance are the principal modalities for delivering assistance and services. CBI is intended to provide refugees, asylum-seekers, returnees, internally displaced (IDPs) and stateless people greater dignity of choice in how to meet their needs. Designed and delivered appropriately, CBI can reduce protection risks, facilitate solutions, and improve efficiency and effectiveness in programmed delivery. They can also contribute to the local economy, enable financial inclusion, and foster positive relations with host communities.

The Office of the United Nations High Commissioner for Refugees (UNHCR), through its Representation in Nigeria, has been providing cash to refugees, returnees and IDPs as protection assistance for food, livelihoods, education, and shelter materials. Presently, forcibly displaced people are found around the country but unevenly distributed in the North-East, North-Central, South-South, South-West and North-West where UNHCR or its partners are present.

UNHCR is seeking to identify qualified financial service provider(s) (FSP), who can provide a comprehensive financial and technical solution to UNHCR for appropriate payment solutions to address beneficiaries' needs in the following geographical areas:

1. South – South (Akwa Ibom and Cross River States)
2. North – Central (Benue State)
3. North – East (Borno, Yobe, Taraba and Adamawa States)
4. South – West (Lagos, Ogun States)
5. North – West (Kano, Sokoto, Zamfara States)

These financial and technological solutions should not only be comprehensive but also cost efficient. UNHCR requires an end-to-end service that provides both a delivery platform and guarantees the availability of cash at the desired locations, as well as a service that will act as a transaction management platform. UNHCR promotes a transition to digital transfers as a preferred modality with cash delivery only used to accommodate vulnerable individuals with specific needs.

The solution(s) should reach all targeted beneficiaries in the above-mentioned areas and will be formalized in a Frame Agreement(s) with the selected FSP(s). It is therefore imperative that bidders explicitly state in their proposal if there are locations that they cannot reach considering their existing (and proven) capabilities. In the table below key beneficiary locations are listed per state, however the list of locations is not exhaustive.

Populations which UNHCR serves in Nigeria, which will benefit from cash-based interventions include asylum seekers, refugees, stateless persons, IDPs, and in limited areas, the local host community. Most of targeted beneficiaries (refugees, asylum seekers) have ID cards or proof of registration issued jointly by UNHCR and the National commission for refugee, migrants and internally displaced persons (NCFRMI). Refugees and asylum seekers can register and obtain Nigerian Identification Number (NIN) and obtain SIM cards. The remaining groups of targeted beneficiaries (IDPs, returnees, etc.) are Nigerian nationals and have one or more Government provided identification documents.

Locations	Specific information on the target population
1. South-South (Akwa Ibom and Cross River)	<ul style="list-style-type: none"> ▪ <u>Type (s) of population</u>: Refugees, asylum seekers, and IDPs ▪ <u>Target location and population</u>: some 55,000 persons. ▪ <u>List of key LGAs</u>:

<p>2. North – Central (Benue State)</p>	<ul style="list-style-type: none"> ○ Akwa Ibom: Oron, Eket, Esit - Eket, Uyo, Itu. ○ Cross River: Ogoja, Obanliku, Obudu, Boki, Ikom, Etung, Akamkpa, Bakassi, Calabar-Municipal, Calabar South. ○ Benue: Kwande, Guma, Logo, Gwer West, Makurdi <ul style="list-style-type: none"> ▪ <u>Type of documentation of the target population:</u> <ul style="list-style-type: none"> ○ Cameroonians and potentially refugees/asylum seekers of other nationalities hold a refugee ID card or proof of registration (PoR also known as a fact sheet) issued jointly by UNHCR and NCFRMI. It should be noted that most of the beneficiaries do not have NIN. ○ IDPs who have NIMC slip/ID, voters’ card, driver’s license and or international passport. ▪ <u>Possession of mobile phones:</u> Most of them do not have mobile phones. ▪ <u>Literacy (% of illiterate people):</u> Most of them cannot read and write. ▪ <u>Main language(s) spoken:</u> English, Boki, Tiv. ▪ <u>Population mobility:</u> Very mobile. ▪ <u>Telephone networks available:</u> MTN, GLOBALCOM, AIRTEL, 9MOBILE (strength and availability varies in various locations)
<p>3. North – East (Borno, Yobe, Taraba and Adamawa States)</p>	<ul style="list-style-type: none"> ▪ <u>Type (s) of population:</u> IDPs, Refugees and asylum seekers, Returnees. ▪ <u>Target location and population:</u> 32,000 refugees and asylum seekers and 50,000 IDPs and Returnees ▪ <u>List of key LGAs:</u> <ul style="list-style-type: none"> ○ Borno: Maiduguri Metropolitan Council, Jere, Konduga, Bama, Monguno, Banki, Ngala, Pulka, Gwoza, Dikwa, Rann, Damasak, Damboa. ○ Adamawa: Mubi North, Mubi South, Yola North, Yola South, Girei, Fufore, Michika, Madagali, Maiha. ○ Yobe: Bade, Geidam, Machina, Damaturu, Potiskum, Gujba ○ Taraba: Sardauna, Takum, Kurmi, Ussa, Bali, Jalingo. ▪ <u>Type of documentation of the target population:</u> <ul style="list-style-type: none"> ○ Cameroonians and potentially refugees/asylum seekers of other nationalities hold a refugee ID card or proof of registration (PoR also known as a fact sheet) issued jointly by UNHCR and NCFRMI. It should be noted that most of the beneficiaries do not have NIN. ○ IDPs/Returnees who have NIMC slip/ID, voters’ card, driver’s license and or international passport. ▪ <u>Possession of mobile phones:</u> Most of the IDPs have mobile phones while most of the refugees and asylum seekers do not have mobile phones. ▪ <u>Literacy (% of illiterate people):</u> Most of them cannot read and write. ▪ <u>Main language(s) spoken:</u> English, Kanuri, Fulani, Shuwa, French and Hausa ▪ <u>Population mobility:</u> Very mobile. ▪ <u>Telephone networks available:</u> MTN, GLOBALCOM, AIRTEL, 9MOBILE
<p>4. South – West (Lagos, Ogun States)</p> <p>5. FCT Abuja</p>	<ul style="list-style-type: none"> ▪ <u>Type (s) of population:</u> Refugees, asylum seekers, and IDPs ▪ <u>Target location and population:</u> <ul style="list-style-type: none"> ○ 3,500 refugees and asylum seekers in Lagos, Ogun, Abuja, and 1,100 in Kano States in Nigeria. They are staying in individual accommodation. ○ There are some 14,000 IDPs in Sokoto and Zamfara States. ▪ <u>List of key LGAs:</u> <ul style="list-style-type: none"> ○ Lagos: Eti-Osa, Ikeja, Ikorodu, Lagos Island, Lagos Mainland, Surulele,

6. North – West (Kano, Sokoto, Zamfara States)	<ul style="list-style-type: none"> ○ Ogun: Ijebu Ode, Ifo, Ado-Odo. ○ FCT Abuja: Abuja Municipal, Gwagwalada, Bwari ○ Kano: Kano Municipal, Kumbotso, Nasarawa, Ungogo, ○ Sokoto: Goronyo, Rabah, Sokoto North, Sokoto South, Wamako ○ Zamfara: Anka, Bungudu, Gusau, Kauran-Namoda, Maradun, Talafa-Mafara, Tsafe. <ul style="list-style-type: none"> ▪ <u>Type of documentation of the target population:</u> <ul style="list-style-type: none"> ○ Asylum seekers have NCFRMI asylum seekers certificate, the refugees are issued with refugee identity cards. ○ IDPs/Returnees who have NIMC slip/ID, voters’ card, driver’s license and or international passport. ▪ <u>Possession of mobile phones:</u> Most of them have mobile phones. ▪ <u>Literacy (% of illiterate people):</u> Most of them can read and write. ▪ <u>Main language(s) spoken:</u> English, Fulani, Hausa ▪ <u>Population mobility:</u> Very mobile. ▪ <u>Telephone networks available:</u> MTN, GLOBACOM, AIRTEL,9MOBILE
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Proposals are expected to consider this information and describe how the service and solution(s) will be adapted to the target populations, locations, and implementation contexts.

II. Description of required services

UNHCR may award Frame Agreement(s) with an initial duration of 3 (three) years, potentially extendable for further periods of 1 (one) + 1 (one) year each. The successful bidders will be requested to maintain their quoted price model for the entire duration of the Frame Agreement.

The currency of implementation for the cash transfers is Nigeria Naira (NGN).

The solution(s) sought include, but are not limited to:

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

The following table provides more detail on the specifics of the populations concerned according to their geographical location. This information is given as an indication. Proposals are expected to consider this information and describe how the service and solution(s) will be adapted to the target populations and implementation contexts.

Lot	Region/sub-location(s)	Program Objective	Estimated maximum number of beneficiary/families	Estimated transfers per year	Indicative transfer amount per year (Naira)
1	South-South, Northcentral and Northeast (Akwa Ibom, Cross River, Benue, and Taraba States)	Basic Needs Education Livelihoods Shelter	80,000	35	950,000,000
2	North – East (Borno, Yobe and Adamawa States)	Basic Needs Livelihoods Shelter	32,000 Refugees and asylum seekers	20	150,000,000

			50,000 IDPs		
3	South – West (Lagos, Ogun States) FCT Abuja	Basic needs Education Livelihoods	3,500 Refugees and Assylum seekers	10	30,000,000
4	North – West (Kano, Sokoto and Zamfara)	Education Basic needs	1,100 Refugees and Assylum seekers 14,000 IDPs	55	45,000,000
				TOTAL	1,175,000,000

The indicated maximum number of beneficiaries is cumulative. Sometimes the number of supported beneficiaries might be less than the number of accounts/cards since most of the payments are done at household level (Head of Household is the primary recipient of assistance). The transfer amount indicated above is for planning purposes and might be higher or lower based on the project’s dynamics.

UNHCR recognizes that an FSP may not be able to cover all the required geographical areas. FSP is invited to submit a proposal for 1 or more lots best suited to their abilities. However, the FSP should be able to provide cash transfer services in all locations specified in the lot to which they apply.

As UNHCR responds to displacement emergencies and spontaneous returns of forcibly displaced populations that could go beyond the scope of the locations and population numbers stated in these Terms of Reference, bidders are requested to list any other areas within Nigeria where they can provide cash transfer services.

III. Mechanism for the transfer and disbursement

UNHCR will securely transmit to the FSP the lists of target beneficiaries, the amount to transfer and related financial details. The FSP will then transfer the designated funds to the identified persons in an accountable, timely and secure way. In case the FSP offers an online platform that can be used by UNHCR to conduct necessary transfers, the bidder should explain the platform steps and necessary onboarding/training plan to access the platform.

The bidder should also describe how their funds transfer system will deal with one-time cash transfers and regular transfers (monthly or other frequency). The transfer mechanism(s) should be clearly presented and detailed in the proposal.

FSPs are encouraged to clearly demonstrate what measures are being taken to ensure that the targeted beneficiary can access and effectively use the transfer service. If necessary, proposals must include the activities, modes, and methods of communication and/or training that will be implemented to ensure an adequate knowledge of the transfer mechanism to ensure its proper use, both for the beneficiaries and for UNHCR staff and partners.

IV. Types of transfer mechanisms and disbursement

The types of transfer mechanism and disbursement considered include:

1. Beneficiary Bank Account with ATM/POS Card (used at ATM/Branch/Agent to withdraw cash)
2. Beneficiary Bank accounts (payment over the counter);
3. Prepaid ATM/POS Card (used at ATM/Branch/Agent to withdraw cash);
4. Mobile money.
5. Direct cash disbursement by FSP or an agent at fixed location (cash over the counter);
6. Vouchers (Paper or Electronic).

Depending on the locations and availability of services, more than one transfer mechanism might be used at the same time. The FSP should provide details on what modalities are available for the Lots they are applying for and to breakdown the available modalities per location.

The minimum standards related to any delivery mechanism include the following:

- 1) The FSP opens dedicated CBI account for UNHCR.
- 2) Where needed, the FSP creates bank account/mobile wallet/card for the beneficiaries.
- 3) The FSP provides a detailed list and the precise location of funds withdrawal points in each area of intervention.
- 4) The FSP should be able to process bulk disbursements to beneficiaries as per the payment instructions.
- 5) The FSP guarantees the availability of the volumes of liquidity (availability of physical cash) required by UNHCR in points of withdrawal within a maximum period of 5 days after the credit of the account.
- 6) Based on demand for services, the FSP should have the capacity for adequate infrastructure to be in place including GSM network, distribution network, to open new withdrawal points with sufficient cash liquidity.
- 7) The FSP should reduce the balance of each account each time that the beneficiaries carry out withdrawals, purchases or other transaction using the available funds in their account. The account balance represents the total amounts not received/used by beneficiaries.
- 8) The FSP must ensure that accessible and confidential communications channels are established to ensure that beneficiaries can request and/or raise service issues or complaints.
- 9) Each transaction (i.e., card distribution, payment/withdrawal) with an individual beneficiary must be individually recorded and documented by the FSP, with all the relevant details of the transfer. This is to include a recording of the verification of the identity of the person (i.e., signature, biometrics capture or PIN) effecting the transaction.
- 10) The FSP must ensure adequate reporting platform in place: bulk disbursement/distribution report, transaction report for easier reconciliation by UNHCR.
- 11) In cases of registration of beneficiaries in the proposed payment system, UNHCR should be able to monitor the registration of beneficiaries.

Standards related to specific delivery mechanisms, which are listed as mandatory or recommended, are detailed in the below table:

Transfer mechanism	Standards	Mandatory or recommended
1. Bank account with ATM/POS card	1) Standard rules and procedures apply for the transfer of bank account information. This includes secured files transmitted to the FSP with beneficiary account numbers and required financial details. File transfer types include but are not limited to API and XML types.	Mandatory
	2) Each card must have a unique identification code/PIN code;	Mandatory
	3) Cards must be able to be quickly cancelled on request of UNHCR or the beneficiary (in case of loss, theft or other).	Recommended
	4) Content of the transaction alert sent to each beneficiary upon receipt of funds is defined by UNHCR in the payment instruction.	Recommended
	5) The FSP is able to enroll beneficiaries and open bank accounts at locations outside of their branches. (locations with main concentration of beneficiaries)	Recommended

2. Bank account only	1) Standard rules and procedures apply for the transfer of bank account information. This includes secured files transmitted to the FSP with beneficiary account numbers and required financial details. File transfer types include but are not limited to API and XML types.	Mandatory
	2) Content of the transaction alert sent to each beneficiary upon receipt of funds is defined by UNHCR in the payment instruction.	Recommended
	3) The FSP is able to enroll beneficiaries and open bank accounts at locations outside of their branches. (locations with main concentration of beneficiaries)	Recommended
3. Prepaid ATM/POS cards	1) Prepaid cards to make withdrawals at ATMs (Automatic Teller Machine) and payments at Points of Sale (PoS) terminals, or through mutual agreement with an agent approved by the FSP pending beneficiary authentication;	Mandatory
	2) The design of the cards is defined in close collaboration with UNHCR to define the elements that must be visible on each card;	Recommended
	3) Each card must have a unique identification code/PIN code;	Mandatory
	4) The cards should be bar-coded with one of the standard bar-coding schemes, such as UPC, GS1 or Code 39, to record the cards quickly and precisely in UNHCR card-distribution systems. Ideally, the barcodes will be visible on the outside of the package/envelope containing the cards to minimize fraud.	Recommended
	5) The possibility to have multiple portfolios (multiple wallets), each of them individually identifiable with a unique ID such as account number or Wallet ID, each of which supporting financial top-ups will be an asset;	Recommended
	6) Cards must be able to be quickly cancelled on request of UNHCR or the beneficiary (in case of loss, theft or other) and the amount refunded without delay to UNHCR. If the cancellation is done by the FSP or beneficiary, the status of the card should be reflected to UNHCR without delay in the form of an API or encrypted file.	Recommended
	7) The FSP should be able to provide UNHCR with list of withdrawal points, amounts and timestamps of all withdrawals made with an entitlement card in an agreed upon electronic format;	Mandatory
	8) The FSP should reduce the balance of card account whenever the beneficiaries carry out withdrawals or purchases. Statements of the card account (showing the movements and balances) must be regularly communicated to UNHCR. The balance of the card account represents the total of the amounts that have not been used by beneficiaries;	Mandatory
	9) Content of the transaction alert sent to each beneficiary upon receipt of funds is defined by UNHCR in the payment instruction.	Recommended

4. Mobile money	1) Mobile coverage required to access the service should reach over 80% of the population (residential locations) in the required area, with 95% of users able to access services within a 3km radius of their residential location which may be tested during the tender evaluation process.	Mandatory
	2) If needed, SIM cards and associated PINs can be provided and distributed to each beneficiary by the FSP;	Recommended
	3) FSP should ensure the validity of SIM cards for the period beneficiaries maintain their Mobile Wallet without additional charges/cost to the beneficiaries and ensure compliance with all regulatory requirements relating to line activation.	Recommended
	4) The FSP should ensure agent networks are equipped to support users with basic device usage and how to utilize the service on their device. Furthermore, FSPs should have material appropriate for users (in correct languages and formats) on how to use the service available through their preferred channels.	Recommended
5. Direct cash disbursement	1) The FSP shall state and justify the mechanisms that will be implemented to ensure the security of beneficiaries and staff of UNHCR or its partners at the point of withdrawal/disbursement of the money.	Mandatory
	In case the cash is disbursed by the FSP in their branch, there will be dedicated counter(s) for the beneficiaries to withdraw cash faster.	Recommended
6. Vouchers	1) The FSP shall state the mechanisms that will be implemented to ensure security of beneficiaries and staff of UNHCR or its partners at the cash distribution points.	Mandatory
	2) The FSP will establish a contractor distribution network equipped with necessary equipment to enable cash withdrawals at the desired locations.	Mandatory
	3) If needed the FSP will issue vouchers in paper or electronic form and distribute to beneficiaries directly or through UNHCR	Recommended

V. Identification of the Beneficiaries

The FSP must specify in its proposal if the above-listed pieces of identification (See Section I – Overview) are valid for receiving the transfers and if this complies with national Know Your Customer (KYC) regulations. Otherwise, the FSP must specify solutions and adaptations to ensure the transfer services can be provided to the target beneficiaries.

If relevant, other identification documents such as passport, driver's license, ID card, voter registration card, marriage/birth certificate should also be considered, subject to the existing regulations.

For the payments when UNHCR is using ERP (Enterprise Resource Planning) system, UNHCR will provide payment instructions to the FSP in the form of an encrypted file via Application Programming Interface (API), Secure File Transfer Protocol (SFTP) or Host to Host protocol. The payment instruction will include but is not limited to beneficiary ID, account number, entitlement amount, etc. to be agreed upon with FSP and UNHCR.

The FSP must outline the process for beneficiary enrolment in detail together with locations where each specific activity will take place.

For payments when UNHCR is not using ERP system, UNHCR will provide lists of the targeted beneficiaries to the FSP in the form of an encrypted file. The file will include the beneficiary's name, account/identification number, and amount of transfer. Upon receipt of this file, the FSP will proceed with the payment of money to the targeted beneficiaries.

All transfers of data must be encrypted, contain integrity checks, and must be sent over secure lines, using protocols including API, Host to Host and SFTP. The provider must provide detailed information about the security measures they use.

VI. Dedicated customer service

The FSP should provide a dedicated service to UNHCR, including a focal point dedicated to managing this project, answering questions, and solving technical issues within 72 hours. The FSP should be available to provide this support during normal business hours. Channels of communication and reporting mechanisms should be established to ensure efficient resolution of issues.

A free telephone hotline, or suitable alternative based on the communication preferences of the population, for individual beneficiaries should be included, especially in the case of loss or theft of means of withdrawal or other technical problems. A free telephone hotline, or suitable alternative, and if available online access must be included for the staff of UNHCR and other organizations authorized by UNHCR, who will use this service for the resolution of urgent problems related to the operation of the service. To the extent possible, this hotline should be accessible 24/7, in English. Standard Operating Procedures (SOPs) should be established for appropriately managing complaints not related to CBI or sensitive information which may be shared via communications channels established by the FSP.

The FSP should also be able to provide training sessions and/or guidance documents to beneficiaries on how to access their funds and resolve customer service issues. A listing of topics the training is expected to cover is listed in Annex B.

The FSP should make its staff/agents available for sensitization training by UNHCR or its partners on serving Persons of Concern and ensure appropriate training for its staff/agents on Fraud Prevention and Prevention of Sexual Exploitation and Abuse.

VII. Integration with UNHCR's Enterprise-Resource-Planning (ERP) system for payment submission

When it is determined to use UNHCR's ERP system or any other proprietary payment calculation application, this section details the minimum requirements for integration between the FSP and UNHCR system via two basic interfacing methods:

1. API integration

- a. UNHCR requires a clear specification of the type of interface to be used, full details, on data required and data returned. The exact fields will be determined in collaboration with the FSP at the time of integration (see Annex H – Data Dictionary for more information).

2. SFTP and Host to Host

- a. UNHCR shall establish a host-to-host connection and send payment files electronically from its ERP system by way of transfer of files.
- b. Connectivity between hosts shall be established in a secure manner and files will be encrypted and sent in XML format.
- c. UNHCR shall also expect a response from the FSP on the status of execution.
- d. The exact fields will be determined with the FSP at the time of integration.

Additionally:

- a. The FSP should provide a secure Staging/Test integration environment during the testing phase and subsequently a secure Production server at the time of going live.
- b. FSP will provide all necessary data for end-to-end testing including beneficiary test accounts, test account numbers associated with test entitlement cards and test wallets.
- c. Whenever possible, UNHCR will expect to use ISO 20022 standard for communicating and exchanging data with the FSP.

- d. Alternatives to ISO 20022 will be considered but must align with UNHCR's minimum integration requirements (see Annex H – Data Dictionary).
- e. Additional development work needed for integration on the FSP side should be borne by the Financial Service Provider and can be accounted for in the financial proposal.
- f. UNHCR expects to work directly with the FSP for integration between UNHCR and FSP systems.
- g. The FSP will define a clear Implementation Plan with defined milestones per deliverable.

VIII. Different agencies using same delivery mechanism.

Upon clearance by UNHCR and agreement with the financial service provider, other humanitarian actors should have the option to deposit restricted or unrestricted cash on the account (through the card or wallet) when targeting common beneficiaries. The financial service provider shall have the capacity to clear separate funds from multiple humanitarian actors for tracing purposes either through the ability of FIFO (first in/first out) and/or through multiple wallets. Humanitarian actors who make use of this functionality shall be charged the same transaction fees and benefit from the same procedures, terms, and conditions as agreed to between the service provider and UNHCR. The FSP will provide UNHCR with transactional data (transaction list, withdrawal type, amount, location, timestamp, balances, etc.) regarding clearance of funds.

IX. 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 detailed list of required reports can be found in the Technical Proposal document (Annex B).

The reporting system is strongly dependent on the type of delivery mechanism used. If the transfers and disbursements are made through banks, cards, mobile phones or other electronic systems, the preference of UNHCR is to have an electronic reporting system accessible online in real time.

Based on the transaction reports, UNHCR should be able to monitor beneficiaries' transaction patterns to identify dormant accounts and to close inactive accounts and return remaining balances in line with the amounts transferred.

Reporting related to potential integration with ERP:

The FSP should be able to provide either fully formatted reports pertaining to the transactions made from accounts of UNHCR to beneficiaries, or at the very least the raw data for creating these reports.

X. 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 *Compliance Risk Assessment program and 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.

For effective discharge of contractual obligations, selected FSPs may be required to provide a performance bond/bank guarantee. The bond/guarantee will be determined by UNHCR based on the results of operational and financial assessments. The bond/guarantee value will be a proportion of the monthly transfer value (subject to the level of risks identified) and cover the entire Frame Agreement period, only refundable upon satisfactory performance and expiry or termination of the Frame Agreement.

Account management

The FSP will open a dedicated account for UNHCR, which will be replenished by UNHCR and will be used to conduct transfers to the accounts/wallets of the target beneficiaries. The service provider must ensure a

complete separation of the funds and the traceability of these up to their withdrawal/disbursement by the beneficiaries.

The FSP must reimburse UNHCR any balance not withdrawn by the beneficiaries on any UNHCR-owned account in accordance with the criteria specified by UNHCR in the Frame Agreement.

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.

XI. Data Protection agreement

It is a preeminent requirement of UNHCR to protect the confidentiality and security of the people under its protection. Therefore, services and proposed transfer mechanisms must be aligned with the UNHCR Policy on the Protection of Personal Data of Persons of Concern (DPP) and should reflect the rules and processes that allow the encryption of beneficiaries' data. Where national Know-Your-Customer (KYC) legislation 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.

The FSP must have in place appropriate data protection policies or be able to put in place policies, including:

- The encryption of any database providing details on the beneficiaries.
- The policy for handling and management of personal data.
- Sharing and access to data in accordance with the UNHCR DPP.

In addition to the Frame Agreement signed by UNHCR with the FSP, a standard UNHCR Supplementary Agreement on the Protection of Personal Data (Annex F) will be signed between the two parties. Where the FSP proposes to subcontract a third party to provide (part of) its services, this third party will also be held accountable to the same Supplementary Agreement.

The FSP must maintain an up-to-date information security policy in line with the UNHCR DPP.

XII. Insurance

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

The FSP should 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 UNHCR to the dedicated account of the FSP and the onward disbursement to the targeted beneficiaries.

In certain cases, a performance bond/security will be required.

XIII. Assessment of performance

UNHCR will periodically review the performance of FSPs to ensure, inter alia, the following:

- 1) Acceptance of above-mentioned documentation for account opening and transfer services
- 2) FSP's funds transfer system met the requirements as per Frame Agreement/FSP proposal.
- 3) Geographical coverage of services provided as per Frame Agreement/FSP proposal.
- 4) Distribution of means of payment (SIM cards, bankcards, mobile phones, PINs, locations of withdrawal, liquidity points etc.) done as per Frame Agreement/FSP proposal.
- 5) Timeliness and accuracy of distribution, confirmation reports, reconciliation reports, refunds, invoices, and other items detailed in the Frame Agreement/FSP proposal.
- 6) Availability of cash out points with sufficient level of liquidity (including right denominations) for the beneficiaries.
- 7) Training of beneficiaries and staff/field agents as per FSP proposal
- 8) Effectiveness of communication, complaints management and response mechanisms provided to the beneficiaries (i.e., customer service hotlines)
- 9) Effectiveness of FSP's response mechanisms to cases of loss/theft of means of payment or withdrawal.
- 10) Staff/Agents professionalism in service delivery and responsiveness of FSP to UNHCR inquiries or request

Additionally, UNHCR will also assess if the Key Performance Indicators (see listing of proposed indicators in Annex B) are met as per the Frame Agreement/FSP proposal.

XIV. Respect for national legislation

All financial transfers and other services offered, as well as the underlying infrastructure, must conform to national regulatory frameworks, about the licenses granted by the Government, taxation, KYC, anti-money laundering, anti-terrorist and international sanctions, the laws/standards concerning protection of personal data and/or mandatory information security requirements.

Proposals must provide the required certifications to ensure that the transfer and disbursement mechanism complies with national legislation.

XV. Settlement of Disputes and Governing Law

Any disputes, controversies or claims arising out of or in connection with the Frame Agreement will be subject to and governed exclusively by Article 19 of the UNHCR General Conditions of Contract for the Provision of Goods and Services, which will be annexed to the Frame Agreement. The interpretation, construction and performance of the Frame Agreement will be exclusively governed by general principles of international commercial law, to the exclusion of any choice of law rules which would subject the Frame Agreement to the laws of any authority.

XVI. Privileges and Immunities

The financial service provider will acknowledge and agree that UNHCR, its property, funds and assets and its officials and consultants, enjoy the privileges and immunities provided for by the 1946 Convention on the Privileges and Immunities of the United Nations. The UNHCR bank account will enjoy the privileges and immunities of UNHCR, including full immunity from any attachment, lien or other encumbrance against such UNHCR-owned accounts or any funds contained therein.
