

## Terms of Reference

### Financial Service Provider(s) for Delivering Cash and Voucher Assistance for Save the Children International in South Sudan.

#### BACKGROUND

Save the Children is the world's leading independent organization for children to inspire breakthroughs in the way the world treats children and achieve immediate and lasting change in their lives. Save the Children fights for the rights of deprived and marginalized children to help them fulfil their potential. Save the Children International (SCI) builds on a long history and reputation in South Sudan, programming for children since 1991. The country's program and portfolio has steadily grown in the last couple of years, and there are good prospects for further growth.

Recognizing the unique advantages of using cash and vouchers in humanitarian and development programming, SCI South Sudan has prioritized cash and voucher programming as an implementation modality for the effective delivery of its humanitarian and development mandate. To this end, SCI South Sudan is deliberately mainstreaming its Cash and Voucher Assistance (CVA) modality within the SCI thematic areas of health and food security and livelihood in both development and humanitarian responses.

Scaling up the use of CVA in our programming requires partnerships with different strategic actors, including financial service providers (FSPs) and aggregators. Engaging FSPs is a strategic step towards enhancing the efficiency and effectiveness of our cash transfer programming, contributing towards empowerment and financial inclusion of the people we serve, ensuring compliance, and contributing to positive outcomes across sectors.

#### OBJECTIVE

SCI South Sudan seeks to contract competent FSP/s to facilitate efficient and secure cash transfers and other financial products to eligible beneficiaries. SCI Sudan operates in Eastern Equatoria, Jonglei, Northern Bahr El Ghazal, Abyei Administrative Areas and Upper Nile states of South Sudan, and the FSP/s contracted should be able to support SCI South Sudan to deliver cash transfers to all eligible beneficiaries irrespective of their locations. The selected FSP/s will bring expertise in developing secure and efficient electronic payment platforms, ensuring the seamless transfer of funds while maintaining transparency, accountability, and data protection.

#### RATIONALE FOR USING A FINANCIAL SERVICE PROVIDER

1. **Efficient Disbursement:** FSP can expedite the distribution of cash and vouchers to beneficiaries, particularly in emergency response situations. Their established infrastructure and electronic payment systems facilitate swift, accurate and accountable disbursements.
2. **Enhanced Security:** Reputable FSP/s implement stringent security measures to protect funds and transactions. This reduces the risk of fraud and mismanagement, ensuring the safety of beneficiaries' financial resources.
3. **Compliance and Regulation:** FSPs are well-versed with existing financial regulatory frameworks in South Sudan, especially with regards to licenses granted by the government of South Sudan, taxation, Know Your Customer (KYC) procedures, Anti-Money-Laundering (AML), Anti-Terror-Financing (ATF), data and privacy laws and mandatory security standards and/or requirements. Working with them ensures adherence to legal and regulatory requirements.
4. **Customized Solutions:** Providers can develop tailored electronic payment platforms that meet the unique requirements of CVA programs. These solutions can include digital wallets, prepaid cards, and mobile money systems.
5. **Transparency and Accountability:** Electronic payment platforms offer real-time tracking and reporting capabilities. This transparency will allow SCI South Sudan to monitor disbursements and usage promoting accountability.

6. Scalability: FSP/s can handle large-scale transactions and beneficiary populations. This scalability is crucial for programs that aim to reach many beneficiaries.
7. Financial Literacy: FSP/s can offer training to improve the financial literacy of the targeted beneficiaries.
8. Digital Financial Inclusion: Engaging FSP/s introduces beneficiaries to digital financial services, contributing to financial inclusion. FSP/s also offer a range of services, including savings and loan products. Beneficiaries gain exposure to digital platforms that can be used beyond programs that have the CVA component, leading to sustainability.
9. Innovation and Learning: Collaborating with FSP/s will expose SCI South Sudan to innovative payment solutions and best practices in financial technology, fostering a culture of learning and improvement.

### SCOPE OF WORK FOR THE FINANCIAL SERVICE PROVIDER

Recognizing the fragility and dynamic nature of the communities SCI South Sudan operates, the following services are expected to be provided by the FSP/s:

- **Disbursement through Mobile Money**
  - Including disbursement of SIM cards, activation of SIM cards, disbursement tracking.
- **Disbursement through cash in hand**
  - Including cash drop to SCI offices, disbursement to end-recipients, disbursement tracking
- **Training SCI beneficiaries in financial and digital literacy.**

The service provider should have the flexibility to offer all or any of the above services depending on the assessment, nature, and context that suits the communities of intervention.

Within the current framework, SCI South Sudan is looking to contract financial service provider/s to provide a robust CVA platform and deliver to remote, hard-to-reach operational areas. Two lots are being considered as below:

| Lot No.      | Description                                   |
|--------------|---|
| <b>Lot 1</b> | <b>Cash Drop &amp; Disbursement Services.</b> |
| <b>Lot 2</b> | <b>Mobile Money Platform.</b>                 |

### SELECTION CRITERIA FOR IDENTIFYING A FINANCIAL SERVICE PROVIDER

Based on SCI South Sudan needs, the following shall be considered in selection of FSP/s to support cash transfers:

1. **Proof of legal and mandatory requirements:** As stipulated in the ITT key of which is a valid regulator license in South Sudan.
2. **Risk Mitigation:** Preferred FSP/s are those with a proven track record of securely and reliably facilitating cash transfers. Assessment of the FSP's risk management protocols and mechanisms for safeguarding funds during the transfer process shall be done. Additionally, we shall consider FSP/s that limit access to their systems to minimize the risk of fraud and unauthorized transactions.
3. **Digital Mechanisms:** Preferred is a FSP with a robust digital infrastructure and capabilities to ensure seamless and efficient cash transfers.
4. **Geographical Presence:** The FSP/s to be selected should have a presence or experience in Eastern Equatorial, Jonglei, Northern Bahr El Ghazal, Abyei Administrative Areas and Upper Nile states.
5. **Agent Network:** A widespread presence in terms of agent network, including the number of branches or agents in remote or underserved areas that can reach the most vulnerable populations, ensuring equitable access to financial services. Is desired
6. **Reporting Capabilities:** FSP/s with robust reporting systems that enable real-time monitoring and post-disbursement reporting are preferred. Assurance is needed that the FSP/s can provide accurate and transparent financial data for auditing and accountability purposes.

7. **User-Friendly System:** FSP/s with user-friendly platforms to simplify the cash transfer process for SCI staff and beneficiaries shall be prioritized.
8. **Flexibility:** Given the volatile nature of our operating environment, SCI shall prefer FSP/s capable of adapting to changing circumstances and providing flexible solutions to meet evolving programmatic and contextual needs.
9. **Experience with Vulnerable Groups:** FSP/s with prior experience in serving vulnerable populations, including refugees, women, men, children, and persons with disabilities are desired.
10. **Cost Considerations:** Evaluation of the cost-effectiveness of potential FSP/s, considering factors such as transaction fees, set-up costs, account opening or closing fees including any other relevant expenses both for SCI and potential beneficiaries shall be considered key in the selection process.
11. **Data Management and Protection:** FSP/s with robust data protection measures and stringent protocols to safeguard beneficiary information and prevent unauthorized access or misuse of personal data will attract a higher score.
12. **Set up requirements:** FSP/s that have easier set up processes as well as shorter time to be ready to disburse funds shall be highly considered.
13. **Reporting capabilities:** Systems that can generate reports in real time but also have reconciliation processes made easier shall also be highly considered.
14. **Additional Services:** FSP/s that offer any supplementary services beyond cash transfers, such as financial literacy training and a diverse range of financial products are desired.

#### **Product Description**

##### **1. MOBILE MONEY:**

**MOBILISING:** FSP/s will register beneficiaries on the provider platform and issue SIM cards.

##### **DISTRIBUTING:**

- SCI will provide list of beneficiaries every month or when need arises.
- FSP/s will disburse the money to beneficiaries' mobile wallets within 24 hours of receiving the order letter.

##### **RETURN AND RECONCILIATION:**

- FSP/s will submit distribution and reconciliation report to SCI within agreed specific timeframe.
- FSP/s will refund any unspent funds to SCI through provided bank account.

##### **2. CASH DROP/IN-HAND:**

**MOBILISING:** SCI will mobilize and register beneficiaries.

##### **DISTRIBUTING:**

- SCI will provide list of beneficiaries every month or when need arises.
- SCI will issue payment instructions to the FSP/s for disbursement.
- FSP/s will disburse the money to beneficiaries within 7 working days of receiving payment instructions.

##### **RETURN AND RECONCILIATION:**

- FSP/s will submit distribution and reconciliation reports to SCI within agreed specific timelines

**NOTE:** The service provider shall also be required to provide a detailed financial proposal as indicated in the ITT document.

**Refer to the detailed ITT for further information and clarifications regarding the application.**