**Component II: Background, Scope of Work, Deliverables, and Deliverables Schedule**

**2.1 Introduction**

CRS is seeking framework agreements with one or more financial service provider(s) (FSP) to manage its cash distributions (e.g., one-off cash delivery to beneficiaries, multiple cash payouts for recurring assistance) under the Darfur Emergency Response Activity (DERA) funded by the United States Agency For International Development, Bureau for Humanitarian Assistance (USAID/BHA) and other projects throughout Sudan.

CRS expects the selected FSPs will have the ability to implement cash distributions made through:

* Electronic payment mechanisms (e.g. electronic vouchers using smart cards or mobile phones, mobile money), **and/or**
* Non-electronic mechanisms (e.g. paper vouchers or direct cash delivery to beneficiaries).

CRS will consider local, national and international financial institutions.

**2.2 Background**

Catholic Relief Services (CRS) is a humanitarian and development organization, providing emergency response and recovery programming to over 255 million project participants worldwide in fiscal year 2022 (FY22). In FY22 CRS processed over 149 million USD in Cash and Voucher Assistance (CVA) programming alone. CRS is using cash and voucher assistance to allow project participants to meet their emergency needs, restore lost homes and assets, and build livelihoods. CVA supports local economic recovery by circulating funding within crisis-impacted and nearby markets while allowing project participants the dignity to purchase the items that best meet their individual needs.

In Sudan, CRS is currently implementing two projects with CVA – the **Darfur Emergency Response Activity (DERA)** funded by the United States Agency for International Development – Bureau for Humanitarian Assistance (USAID/BHA) as well as the Farmer 2 Farmer project – **Bina Aljusur**- also funded by USAID. These two projects provide one-off cash payments as well as regular cash transfers to meet the immediate and recovery needs of target populations in West Darfur, Central Darfur, East Darfur as well as in Gedaref.

**By the end of 2023**, CRS Sudan will have served a total of 8,855 households (1,900 households under DERA and 6,955 under Bina Aljusur) with cash assistance totaling around 1.15 million USD (DERA: 456,000 USD and Bina Aljusur: 596,000 USD). **In the next year**, CRS will likely continue to scale up cash payouts, as CRS shifts more of its programming from in-kind procurement to cash delivery.

**2.3 Scope and Objectives**

CRS seeks one or more financial service providers to manage cash distributions to households in the following locations shown in Table 1. We ask that FSPs use the information below as a basis for their bid but with the understanding that the selected FSPs may also be responsible for cash payments to affected households under other cash projects:

* **Unrestricted cash distribution** – Unrestricted cash transfers can be used entirely as the recipient chooses e.g. there are no direct limitations imposed by the implementing agency on how the transfer is spent.
* **Restricted cash distribution**[[1]](#footnote-2) – A restricted cash transfers require the beneficiary to use the assistance provided to purchase specific items or types of goods or services. Vouchers are by default restricted assistance, as there will at minimum be restrictions on where a voucher can be spent.

*Table 1. Assistance breakdown by Lot*

| Lot | Sector | Number of HHs | Modality\* | Location | Locality | Number of transfers | Value of one transfer  | Total value | Date of activity |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | MPCA | 633 | Unrestricted cash distribution | East Darfur |  Ed Daein | 1 | 240 USD |  152,000 USD | December-23 |
| 2 | MPCA | 633 | Unrestricted cash distribution | West Darfur | Geneina | 1 | 240 USD |  152,000 USD | December-23 |
| 3 | MPCA | 633 | Unrestricted cash distribution | Central Darfur | Golo, Rokero | 1 | 240 USD |  152,000 USD | December-23 |
| 4 | Shelter | 300 | Restricted cash distribution  | East Darfur |  Ed Daein | 1 | 525 USD |  157,500 USD | January-23 |
| 5 | Shelter | 300 | Restricted cash distribution  | West Darfur | Geneina | 1 | 525 USD |  157,500 USD | January-23 |
| 6 | Shelter | 300 | Restricted cash distribution | Central Darfur | Golo, Rokero | 1 | 525 USD |  157,500 USD | January-23 |
| 7 | Food | 825 | Unrestricted cash distribution | East Darfur | Ed Daein | 2 | 112 USD |  184,800 USD | January-24 and February-24  |
| 8 | Food | 825 | Unrestricted cash distribution | West Darfur | Geneina | 2 | 112 USD |  184,800 UDS | January-24 and February-24  |
| 9 | Food | 825 | Unrestricted cash distribution | Central Darfur | Golo, Rokero | 2 | 112 USD |  184,800 USD | January-24 and February-24  |
| Total direct (HH) | 5,275 | Total direct (individuals) | 31,650 | Total value | 1,482,900 USD |
| Total unique (HH) | 3,375 | Total unique (individuals) | 20,250 | Total value/HH | 281 USD |
| \*See Table 2 for a description of modalities.  |

**Comments:**

* The services tendered through this Scope of Work are organized in **9 lots**. Each bidder may decide to bid for one lot only, for multiple lots or for all lots. All bids should be in USD.
* **Sectors:** The financial services are related to the three sectors – Multi-Purpose Cash Assistance (MPCA)[[2]](#footnote-3), Food and Shelter.
* **Modality and Payment Mechanism**:
	+ Table 1 specifies the type of modality required for each Lot. FSPs are expected to detail the payment mechanisms they suggest using for each modality based on their unique expertise, existing infrastructure, and experience.
	+ Table 2 describes the different modalities and respective payment mechanisms that can be used for each Lot. Electronic payment mechanisms that allow tracking of distributions (e.g., using smart cards, mobile phones, or other electronic systems) are preferred for cash distributions, but non-electronic mechanisms (e.g., physical cash delivery) will be considered as well.

*Table 2. Cash distribution – payment mechanisms.*

|  |  |  |
| --- | --- | --- |
|  | **Unrestricted cash distribution –** **Payment mechanisms** | **Restricted cash distribution –** **Payment mechanisms** |
| Electronic cash distribution  | **Option 1** FSPs process cash distribution through:* mobile phones (**mobile money**),
* **Smart cards,**
* **transfer to beneficiaries’ bank accounts,** or
* other electronic mechanisms – without any limitations in terms of eligible items.
 | **Option 1** FSPs process cash distribution through **electronic vouchers**:* mobile phones,
* smart cards, or
* other electronic mechanisms – that may be redeemed against a list of selected items- and FSPs process related vendor payments by bank transfers.
 |
| **Option 2** CRS sets up Cash distribution through paper vouchers – that may be redeemed against a selected list of items-, FSPs verify vouchers and process Vendor payments by **bank transfers**. |
| Non electronic cash distribution | **Option 2**FSPs process cash distributions through **physical cash delivery** **and distribution** to project participants. | **Option 3**FSP set up Cash distribution through **paper vouchers** – that may be redeemed against a selected list of items-, and FSPs process vendor payments by bank transfers |
| **Lots** | **Lot 1 to 3 and lots 6 to 9** | **Lot 4 to 6** |

* + Following the table 1 above please find below additional clarification, **unrestricted cash distribution for multipurpose cash assistance (lots 1 to 3) and food (lots 7 to 9)**:
		1. Payment mechanisms may include:
			1. **electronic payment mechanisms** (e.g., using smart cards, mobile money accounts/wallet, cash transfers to beneficiary accounts, or other electronic systems).
			2. **non-electronic mechanisms** (e.g., cash delivery to project participants via distribution points).
		2. Please, do indicate in the bid which mechanism(s) you will use.
	+ **Restricted cash distribution for shelter materials (lots 4 to 6):**
		1. Payment mechanisms may include:
			1. An electronic voucher mechanism (e.g. using smart cards or mobile phones and paying vendors through bank transfer)
			2. A paper based voucher mechanism (e.g. using printed vouchers and paying vendors through bank transfer) – FSP will work with CRS to set up the voucher mechanism, FSPs will verify vouchers and process the vendor payment by bank transfer.
		2. Please do indicate in the bid, which mechanism(s) you will use.
* Multiple payment options may be proposed by one FSP to account for the specifics of different locations and/or beneficiary profiles. Whatever payment mechanism(s) is proposed, the proposal should highlight common risks and mitigation measures to demonstrate the feasibility of the mechanism.
* **Number of households:** Quantities are not guaranteed as CRS may split the number of households and associated transfer value between multiple FSPs.
* **Locations and localities:**
	+ If selected, FSPs may provide assistance in response to the on-going DERA project’s needs, as well as to any future emergencies. Therefore, CRS is interested in understanding the bidder’s coverage throughout Sudan, in addition to their ability to operate in the locations listed in Table 1. Nationwide coverage – especially capacity to operate in Khartoum, Gedaref, and/or in Red Sea- is preferred.
	+ Additionally, access to Darfur is highly variable. To mitigate these constraints, CRS may decide to adjust the breakdown listed in Table 1 – for example, CRS may decide to focus the assistance provided under one specific sector on one State instead of spreading it equally across the three States.
* **Transfer values:** The transfer values included in Table 1 are estimates for this SoW. They will be updated based on the interim Minimum Expenditure Basket (MEB) (MPCA and Food) or the actual prices in each target location (Shelter).
* **Total value:** CRS reserves the right to contract the full or partial total value of each lot to one or multiple FSPs (or none).
* **Dates of the activity:** The dates included in Table 1 are estimated. Assistance under lots 1 to 6 will be provided through one-off transfers, while, lots 7 to 9 are monthly transfers (over two months).
* **Direct beneficiaries:**
	+ Total direct beneficiaries (5,275 HH) include –
		1. 1,900 households assisted with MPCA (**Lot 1-3**),
		2. 900 households assisted with shelter materials (**Lot 4-6**), and
		3. 2,475 households assisted with food (**Lot 7-9**).

**2.4 Programming Requirements for Service Providers**

CRS requests one or more financial service provider(s) to manage cash programming in line with the following requirements:

1. **Transfers and Payments:**
* **Payment Delivery Schedule:** Project participants must receive cash assistance in a timely fashion in line with agreed distribution schedules (e.g., within three days of payment request received by the FSP).
* **Transfer Frequency and Value**: The FSP must be able to make regular, repeat cash payments to beneficiaries of varying values as per payment request from CRS. The FSP must indicate any limitations in terms of liquidity in its bid.
* **Bulk Transfers:** Capacity to accommodate bulk transfers (transfers to 100 households or more simultaneously through, e.g., sending an Excel sheet with detailed beneficiary information, or through payment instructions with beneficiary detailed information submitted via the FSP’s electronic platform) will an added value to the bid.
1. **Essential Service Features:**
* **Security:** The distribution process proposed by the FSP in its bid should include adequate security measures to prevent fraud, misuse of assistance, or theft, and have adequate insurance coverage to mitigate risks associated with the physical cash delivery to beneficiaries.
* **Recipient Identification and Verification**: The proposed distribution process should have suitable mechanisms in place to verify the correct identity of the individual receiving the cash assistance or his/her proxy based on a signed authorization letter with identification of the listed beneficiary. This is applicable at the point of distribution/disbursement/redemption.
	+ Where beneficiaries do not have the required identification documents, CRS-generated identification will be accepted as alternative identification – this needs to be agreed between CRS and the selected FSP(s) before the activity starts.
* **Technical Assistance:** FSPs must have adequate processes in place to provide technical support and assistance to beneficiaries throughout the distribution process, and provide timely troubleshooting of issues (e.g. in the event of failed transactions, loss or theft of the voucher or PIN.)
* **Training:** FSP should provide training/orientation for CRS and national NGO partner staff should be incorporated as part of the process to ensure a clear understanding of the cash distribution process, ID requirements, and use of any specific technology used by the FSPs.
* **Reporting:** FSPs must be able to provide timely and accurate reporting (preferably automatically/system generated) that summarizes successful transactions, failed transactions and returned transactions.
	+ Preferred option is to provide CRS with an online platform with access to real-time data on card or account balances, usage/transactions and service fees incurred, or other electronic data sharing method, in the CRS Excel template.
	+ Alternatively, certified reports on card and usage/transactions should be provided to CRS within 24 hours of a request. Any hard copy reporting should be accompanied by a signed cover letter on company letterhead from the authorized/appropriate staff of the financial institution.
* **Recipient Notifications and Messaging:** Services that include an element of informing beneficiaries when/where cash transfers can be accessed (e.g. via SMS) are preferred.
* **Mobile Phone Functionality (for Mobile Money):** For any payment mechanism that requires the use of a mobile phone, the FSP must account for an adequate process of verifying phone numbers and confirm whether the services provided have functionality on both low-cost and smartphones.
1. **Service Coverage and Availability**
* **Distribution Network and Reach:** Safe, secure, and dignified cash distribution process for beneficiaries that limits to the extent possible the need for beneficiaries to travel to a central distribution point.
* **Service Availability:** FSPs should be able to assure functionality and usage of their services in all locations listed in Table 2, for example by assisting local agents to meet demands when necessary.
1. **Contracting Specifications**
* Flexible **Start/End Dates:** Cash assistance may start at any point in time following the contract signature during the duration of the contract.
* **Currency**:
	+ CRS will pay the FSP in USD.
	+ Cash transfers to beneficiary households will be made in Sudanese Pounds using the Bank of Khartoum Exchange Rate <https://bankofkhartoum.com/sudan/daily-exchange-rate/>.
1. Cash Transfer – key [definitions](https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/092017_cash_transfer_programming_terminology_glosssary.pdf), CALP, 2021. [↑](#footnote-ref-2)
2. MCPA is a cash distribution approach designed to flexibly meet basic needs in a humanitarian response, MPCA uses various unrestricted cash payment mechanisms, e.g. physical cash distributions, electronic cash transfers. [↑](#footnote-ref-3)