

SCOPE OF WORK/TERMS OF REFERENCE

Cash Transfer in Emergencies & Agriculture Voucher Programming



A. BACKGROUND AND JUSTIFICATION

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In a disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.

We help people overcome poverty and conflict. Working with communities, we leverage local logic to help people transform their lives. To grow more food, earn higher incomes, and ultimately advocate for their needs. We see global challenges as an invitation to pioneer innovative, sustainable solutions. During our 34-year history, our work has improved more than 170 million lives in more than 115 countries around the world.

Mercy Corps Nepal is managing the BHAKARI program, supported by USAID's Bureau for Humanitarian Assistance (BHA). BHAKARI is a unique model as a Multi-Year Emergency program, focusing on both increasing long-term food security while also responding to short-term emergency shocks, via an integrated, multi-sectoral approach with a strong emphasis on gender and social inclusion. Key sectors include disaster risk reduction, integrated agriculture, watershed management, and emergency assistance, and will be implemented in partnership with six district-level implementing partners, three national-level technical partners, and one international social enterprise partner, taking careful advantage to leverage work with other USAID implementers, donor programs, and key initiatives from the Government of Nepal.

One of the components of the project is to provide emergency response to reduce harmful coping strategies and maintain food access in the immediate aftermath of a localized shock risk management measures take on an important role across all interventions. Therefore, to increase the ability of the beneficiaries to meet the immediate dietary requirement and increase the food production in the shock affected regions, BHAKARI project will be conducting the following program activities:

1. Cash for Work
2. Multipurpose Cash Grants
3. Agri-input voucher support

Moreover, Mercy Corps Nepal will invariably implement additional emergency response projects with Cash Transfer and/or agriculture voucher programming through September 2023, and hence this SOW will also cover additional programs that come online throughout the life of the agreement.

B. OBJECTIVE

- 1) To provide efficient service to carry out the operations related to cash transfers (Cash for Work payments and Multipurpose Cash Grants) worth at least ~NPR 66 million in the target districts to 5,000 program participants over the period of 3 years; and
- 2) To provide efficient service to carry out the operations related to agri-input electronic value vouchers worth at least ~NPR 65 million in the target districts to 2,800 program participants over the period of 3 years. Both to be done as per the list provided by the BHAKARI Project (and/or other Mercy Corps Nepal projects) within the systems agreed between the cash transfer service provider (VENDOR) and Mercy Corps Nepal.

C. SCOPE OF WORK

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The VENDOR will conduct the following scope of work:

- The vendor in coordination and consultation with the BHAKARI Project (and in the future, other projects), will develop standardize mechanism of cash transfer to at least 7,800 beneficiaries (account) across 21 municipalities with the details as follows:

Municipalities / District	Unconditional Cash Transfer – Household Livelihood, NPR 13,273 per HHs, in single tranche (no of HHs)	Cash Transfer – Cash for Work – NPR 700 x 19 days = NPR 13,300 per person, two tranches (no of person)	Agriculture Input Voucher - NPR 23,286 per person, one tranche (no of person)
Binyak - Achham	74	163	133
Kamal Bazar - Achham	74	163	133
Turmakhad - Achham	74	163	133
Athabis - Dailekh	74	164	133
Bhirabi - Dailekh	74	163	134
Chamunda Bindrasiani - Dailekh	74	164	133
Dullu - Dailekh	74	163	133
Thatikadh - Dailekh	74	164	133
Tatopani - Jumla	74	164	134
Tila - Jumla	75	164	134
Suva Kalika - Kalikot	75	164	133
Khandachakra - Kalikot	75	164	134

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Mahawai - Kalikot	75	164	134
Naraharinath Rural - Kalikot	75	164	133
Tilagufa - Kalikot	75	164	134
Chhayanath Rara - Mugu	75	164	134
Khatyad - Mugu	75	164	133
Soru - Mugu	75	164	133
Barahatal - Surkhet	74	164	133
Chaukune - Surkhet	74	163	133
Panchapuri - Surkhet	74	163	133
Total Beneficiaries Count	1,563	3,437	2,800

Please note that the above municipalities/districts and target beneficiaries are subject to change and/or have locations added, in coordination with the VENDOR.

● In coordination with the BHAKARI Project team, develop a cash transfer mechanism with its standardized system, including processes, documentation needed, reporting, and monitoring system. The vendor should describe the ability of their system both in terms of regularity and predictability of transfers of money. The VENDOR should present evidence and or examples of the effectiveness of their services, especially in the geographical areas concerned by the present terms of reference, or at least in areas with similar conditions. The vendor also describes how the proposed system will deal with one-time cash transfers and two-time cash transfers. In addition, VENDOR must ensure the availability of facilities to implement disbursements in cash among the target populations and to ensure their accessibility, for example the availability of the telecommunication network or the availability of agents / registration centers with sufficient capacities to make disbursements, based on the required volumes. The mechanism or a combination of transfer and disbursement mechanisms should be clearly presented, detailed and developed in the proposal. The mechanism may include:

1. Deliver cash directly to beneficiaries in their location
2. Mobile transfers
3. Transfer to bank account
4. Electronic and paper voucher
5. Recipient collect cash from nearby Vendor's affiliated/own office/branch in each

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municipality

- In coordination with the BHAKARI Project team, develop all risk and mitigation plans to control the risk such as to avoid transfer to the wrong account, confirmation and verification, etc. It is a preeminent requirement of Mercy Corps Nepal to protect the confidentiality and security of the people under its protection. Therefore, services and proposed transfer mechanisms must be aligned with the Mercy Corps' policy on the protection of personal data of individuals under its mandate 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, VENDORS are asked to specify whether an exception to these rules can be obtained from the authorities.

The vendor 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 Mercy Corps Policy on the Protection of Personal Data

The VENDOR will ensure that appropriate internal control and fraud prevention mechanisms are in place. Although such mechanisms may vary depending on the type of VENDOR, 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 VENDOR must maintain up-to-date information on security policy that is in line with Mercy Corps policy on the protection of personal data.

The VENDOR 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 VENDOR must have the mechanism for tracking and handling beneficiary complaints and feedback.

The VENDOR must have contingency plans that may arise as well as any discrepancies in payment procedure, e.g. beneficiary is registered but fails to receive payment, delayed payments to beneficiaries, technology proves difficult to access some beneficiaries, etc.

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

- Must establish its office or affiliated finance institution in each of 21 municipalities to ensure the recipient can access easily to collect the cash
- Mercy Corps and/or the BHAKARI Project will open and deposit the amount needed to be transferred to beneficiaries, the payment to VENDOR will be the fee of transfer to each beneficiary. The VENDOR must provide separate fee of each of mechanism of transfer
- For the mechanism where the recipient will collect the cash, the VENDOR must establish the system to be able to verify and collect necessary evidence / supporting documentation.

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Vendor should clearly demonstrate what measures will be taken to ensure that the targeted beneficiaries are able to access and effectively use the transfer service. In particular, the VENDOR should provide details on how their services can be accessed and used by people with specific needs or vulnerabilities including people with disabilities, the elderly and the illiterate.

- If required, the VENDOR may provide mobile financial service where it can reach some location within municipalities where the recipient can easily access to collect cash.
- Vendors must have an electronic value voucher system that does not require internet or phone connectivity in the program locations. The system should be able to record and generate disaggregated reports on the type and amount of goods and services availed for the exchange of voucher values (with easy to use filters – location, merchants, beneficiaries, type of goods and services).
- Vendors must ensure all hardware and software support as required along with training and orientation on the operations.
- Vendors must provide a weekly report to Mercy Corps on disbursement status using a unique participant ID.
- Vendors should be able to quickly edit and make changes in the participant entitlements if instructed by Mercy Corps.
- Vendors must provide troubleshooting support and in-call support with queries from Mercy Corps, program partners and participants.
- Vendors must take measures to ensure the authenticity of fund recipients.
- Vendor must submit settlement reports and work together with the Mercy Corps team to prepare final reconciliation reports.
- Vendors must ensure the quality of activities meet the standards laid out by Mercy Corps' SOP and are consistent with Mercy Corps' values and principles.

D. TASKS/DETAILED REQUIREMENTS

Task 1. Develop Standard Mechanism for Cash Transfer and input vouchers to Selected Beneficiaries

Task 2. Develop and Provide Data Protection System

Task 3. Develop Mechanisms of Internal Control and Risk Management

Task 4. Conduct the cash transfer within the established /standardized system

Task 5. Provide Report of Each Tranches of Transfer with Supporting Document

E. OUTPUTS AND DELIVERABLES

The financial service provider must submit the following deliverables:

- 1) Inception report with information of local payment agents with detailed address, contact, GPS coordinates etc, to be submitted at least 5 days before the payment period process begins.
- 2) Submit final documentation for cash transfer systems and input vouchers (recipient account profile template / form, risk mitigation plan, etc.)
- 3) Provide guideline/instruction pre cash transfer for each mechanism (example, for recipient who prefer a mobile transfer, the orientation and setting up context specific appropriate transfer system)
- 4) Conduct cash transfer per tranches after all document and information completely received from Mercy Corps and/or the BHAKARI Project and its partners
- 5) Report of each tranches of transfer with backup document

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F. PAYMENT SCHEDULE

Because payments will be issued after distributions triggered by emergencies, a concrete payment is not possible to provide at the time of writing the SOW. The service charge payment will be made on the basis of the final reconciled report.

G. TSP ELIGIBILITY:

Banks, financial institutions, digital finance service providers, remittance companies and technology companies based in Nepal are eligible to apply. One or more TSP can be selected based on geographic region coverage and capacity. The applicants should clearly demonstrate the understanding of humanitarian CVA responses along with past experience. The applicants should also demonstrate capacity to effectively achieve the tasks laid down in the Scope of Work while clearly explaining the transfer mechanisms.

H. DOCUMENTS REQUIRED FOR APPLICATION: Please review the section “3.3 Tender Submittals” of the tender package - Request for Proposal.