

Annex A, Part 2 / MOLDOVA - TERMS of REFERENCE (ToR)

I. Overview

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

Since in February 2022, Moldova has experienced a substantial wave of more than 923,000 people entered to the country by escaping from the war in the Ukraine. Currently, about 117,000 refugees have sought safety on Moldovan territory. This situation is characterized by constant movement, as new arrivals come in and departures to other European countries occur regularly.

Preceding the onset of the conflict, Moldova had already been facing a dual economic crisis stemming from post-COVID-19 recovery challenges and surging energy prices. The war in Ukraine, its economic repercussions, has exacerbated the existing economic crisis, resulted the Moldovans into deeper hardships while coping with limited resources. Considering these challenges and the constraints of the existing social protection system to accommodate refugees, UNHCR and its partners initiated an emergency cash-based assistance program in Moldova for Ukrainian refugees on 25 March 2022 in close coordination and collaboration with Ministry of Labor and Social Protection (MoLSP).

The primary aim of the UNHCR CBI program is to enable refugees to meet their basic needs with dignity through cash assistance and other income sources, while simultaneously mitigating protection risks. As of October 2023, the multi-purpose cash assistance program for refugees in Moldova has targeted more than 120,500 individuals dispersed across the country. In addition to monthly multi-purpose cash assistance, UNHCR Moldova has provided winter cash support to nearly 75,000 individuals during the cold season.

Approximately 85% of the Ukrainian refugees benefiting from the cash assistance include women, elderly individuals, persons with disabilities, and children. Among the total beneficiaries, 42% reside in the Chisinau province, mirroring the density of the overall refugee population distribution. Chisinau is followed by Ocnita (12%), Balti (4%), Rezina (4%), UTA Gagauzia (4%), and 34% of beneficiaries reside in 32 different locations across Moldova.

For reference, please find the table below illustrating the funds transferred to beneficiaries between March 2022 and October 2023.

#	Agency Name	Estimated Amount (MDL)	Estimated Amount (USD)
1	UNHCR	MDL 2,223,000,000	\$ 123,500,000

UNHCR's CBI beneficiaries encompass a diverse group, including individuals with temporary protection status, asylum seekers, refugees, stateless persons, applicants for stateless status, and beneficiaries of humanitarian protection in Moldova. The CBI program may also extend to Moldovan citizens.

All the above-mentioned persons with various status have official certificates/ID cards provided by the Bureau for Migration and Asylum (BMA) under the Ministry of Internal Affairs (MoIA). These individuals, regardless of their status, possess Identification Personal Numbers (IDNPs) issued by relevant public authorities in the country. Refugees under temporary protection are also provided legal documentation as per the Governmental Decision on Temporary Protection. Most Ukrainians currently residing in Moldova hold either national ID cards or international passports issued by Ukrainian authorities, and they have rights to stay in Moldova legally for 90 days up until they decide to apply for any of the legal status in the country.

Moldovan citizens possess national identity documents that include a unique IDNP number for each person. These documents should be utilized as a means of identification in lieu of a national identity card for transfers conducted on behalf of UNHCR.

It is essential for Financial Service Providers (FSPs) to be aware that the mentioned ID limitations and restrictions may impact their ability to conduct "Know Your Customer" procedures and provide services effectively.

II. Description of required services

The currency of implementation for the cash transfers is: Moldovan Lei (MDL)

The financial transfer services 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. It is expected that proposals will take this information into account and will describe how the proposed service will be adapted to the targeted populations and implementation contexts.

Specific information on the targeted population -UNHCR
<p><u>Geographical locations and estimated number of beneficiaries:</u> An estimated 50,000 recipients benefit from cash assistance from UNHCR Moldova per year in urban and/or rural areas across territory of Moldova.</p> <p><u>Indicative transfer frequency and value (in MDL):</u> 2,200 MDL/per month</p> <p><u>Indicative total transfer amount per year:</u> 750,000,000 MDL</p> <p><u>Type(s) of population:</u> Individuals with temporary protection status, applicants to temporary protection, asylum seekers, refugees, stateless persons, applicants for stateless status, beneficiaries of humanitarian protection and Ukrainian nationals with residence permit.</p> <p><u>Type of documentation of the targeted population:</u> Temporary Protection ID Card, Refugee ID Card, Asylum Seeker ID Card, Humanitarian Residence Permit, Work Permit, International Passport, National ID Document and birth certificates issued by the concerned country of origin, National ID documents for Moldovan citizens.</p> <p><u>Individual ownership of mobile phones:</u> Beneficiaries own personal mobile phones (age/gender and location disaggregation of the beneficiary population are included in aforementioned paragraphs)</p> <p><u>Literacy (including financial and technical literacy):</u> 98%</p> <p><u>Main language(s) spoken:</u> Ukrainian, Romanian, Russian, English, Arabic, French, Turkish</p> <p><u>Population mobility:</u> Under current conditions, the vast majority of the refugees are able to travel inside the country freely.</p>

UNHCR expects that the FSP would be able to cover all the required geographical areas in Moldova, and/or that the FSP has high-level presence and network of associated partner banks across Moldova. In addition, the FSP is expected to indicate the network of its member conglomerates, in the event this is the case.

As UNHCR responds to displacement emergencies and spontaneous returns of people forced to flee and stateless people that could go beyond the scope of the locations and population numbers stated in these Terms of Reference where UNHCR may require services in the future under the same Frame Agreement, bidders are requested to list any other areas within the country where cash transfer services can be provided.

III. Mechanism for the transfer and disbursement

UNHCR will securely transmit to the FSP the lists of targeted beneficiaries, the amount to transfer and related financial details. Whereupon the FSP will transfer the designated funds to the identified persons in an accountable, timely and secure way.

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 is able to 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:

- **Prepaid cards (personalized cards);**

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

- 1) The FSP shall have minimum three (3) years of experience in the field of financial service provision.
- 2) The FSP provides a detailed list and the precise location of funds withdrawal points in each area of intervention.
- 3) The FSP guarantees the availability of the volumes of liquidity required by UNHCR in points of withdrawal within a maximum period of 5 days after the credit of the account;
- 4) Based on demand for services, the FSP should have the capacity to open new withdrawal points with sufficient liquidity.
- 5) 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 on their account. The account balance represents the total of the amounts that have not been received/used by beneficiaries.
- 6) 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.
- 7) Each transaction (i.e. 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.
- 8) No charges shall be applied against UNHCR's account and beneficiary sub-accounts in terms of maintenance fees, service fees, operational costs, etc. Subject service fees (if any) shall be invoiced to UNHCR separately.

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
Prepaid cards	1) Prepaid cards to make withdrawals at ATMs 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 barcoding schemes, such as UPC, GS1 or Code 39 in order to quickly and precisely record the cards in UNHCR card-distribution systems. Ideally, the	Recommended

	barcodes will be visible on the outside of the package/envelope containing the cards in order to minimize the possibility of fraud.	
	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.	Mandatory
	7) The FSP must 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 must 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) If requested by the UNHCR, FSP shall be able to distribute card and/or cash to UNHCR beneficiaries over-the-counter following necessary ID validation steps.	Recommended
	10) Prepaid cards shall be re-loadable since UNHCR monthly cash assistance to regular financial assistance beneficiaries.	Mandatory

V. Identification of the Beneficiaries

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

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

In operations where UNHCR is using ERP 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;

In operations where 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 beneficiaries name, 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 FSP must provide detailed information about the security measures the FSP uses.

VI. Dedicated customer service

The FSP should be able to provide a dedicated service to UNHCR, including the provision of a focal point dedicated to managing this project, answering questions and solving any technical issues within a reasonable timeframe. The FSP should be available to provide this support during normal business hours. The 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 must 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, at minimum in Ukrainian and Romanian (and preferably also in English and Russian). 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 brochure and/or guidance documents to beneficiaries on how to access their funds and resolve customer service issues in the languages requested by UNHCR. A listing of the topics that the trainings are expected to cover are listed in Annex B.

The FSP should make its staff/agents available for a sensitization training by UNHCR or its partners on serving displaced population and ensure appropriate training for its staff/agents on Fraud Prevention and Prevention of Sexual Exploitation and Abuse, and Code of Conduct (CoC).

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 secured 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 in collaboration 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 FSP 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

VIII. Different agencies using same delivery mechanism

Upon clearance by UNHCR and agreement with the FSP, 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 FSP 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 FSP 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 system, the preference of UNHCR is to have an electronic reporting system accessible online in real time.

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 supplied by UNHCR and will be used to conduct transfers to the accounts/wallets of the targeted beneficiaries. The FSP 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 which will be 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 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, 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 Policy on the Protection of Personal Data of Persons of Concern (UNHCR DPP) - please see Annex J for reference.

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

The FSP must maintain an up-to-date information security policy that is 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 in order 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 from the FSP.

XIII. Assessment of performance

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

- 1) Acceptance of beneficiaries' 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 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 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, in particular with regard to 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 is in full compliance 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 jurisdiction.

XVI. Privileges and Immunities

The FSP 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.

END
