

REQUEST FOR PROPOSAL: No. RFP/RBE/002/2023
Financial Services for Delivering Cash-Based Interventions for UNHCR in POLAND

Annex A, Part 4 / POLAND - 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 the war in Ukraine started, Poland has welcomed a large number of refugees. In the first ten months of the crisis, over 1.5 million refugees registered with the Polish authorities and were granted temporary protection. They were given a national identification number, known as PESEL, which allows them to access services such as healthcare and social support.

The conflict in Ukraine is ongoing and the situation is unpredictable, so it is expected that refugee flows into or through Poland will continue. Recent surveys show that most refugees from Ukraine hope to return home, but the majority are planning to stay in Poland for the time being because of the ongoing instability and concerns for their safety and security in Ukraine.

Poland's current refugee population includes a significant number of individuals and groups with heightened protection needs. Most households are made up of women, children, and older persons, and family separation is a common feature of their displacement. Over 60% of the registered refugee population is in five destination regions: Mazowieckie (includes Warsaw), Dolnoslaskie (includes Wroclaw), Slaskie (includes Katowice), Malopolskie (includes Krakow), and Wielkopolskie (includes Poznan).

Polish authorities at the national and local levels have responded to the arrival of refugees by ensuring access to essential, life-saving services. Reception centers and host community accommodations with food and transportation services have been established along border areas. Additionally, refugees have been granted access to the labor market and the national social service system to promote self-reliance and inclusion. Emergency cash payments have been provided to refugees to meet their basic needs.

In February and early March 2022, UNHCR set up an emergency cash assistance program for refugees from Ukraine in record time. The program complemented the efforts of the Polish government to support refugees from Ukraine. Initially serving as a transitional emergency safety net for many people, the UNHCR cash program transitioned to focus on the most vulnerable refugees starting in the second half of 2022, supporting smaller numbers of refugees in a highly targeted manner. Overall, in 2022, more than 290,000 refugees benefited from UNHCR's cash assistance program, receiving monthly installments over three months per household, with a total of over 126 million USD distributed to the FSPs.

Populations within the mandate of UNHCR in Poland, which will benefit from cash transfers, include asylum seekers, refugees and persons granted humanitarian status. For asylum seekers, each recipient has a Temporary Identity Certificate of a Foreigner and for refugees a decision on granting international protection (refugee status or subsidiary protection) and a residence card (karta pobytu). Those with humanitarian stay are issued with a residence card and a decision on humanitarian stay. These documents should be used as a piece of identification in lieu of a national identity card for transfers made on behalf of UNHCR. The FSP should take into account that these ID limitations/restrictions could affect a Financial Service Provider's (FSPs) ability to "Know Your Customer" and provide services.

II. Description of required services

These Terms of Reference are written to define terms and conditions with FSPs where the operation does and does not use UNHCR's Enterprise-Resource-Planning (ERP) system for payment submission. Details on the ERP system are located in Section VII of this document.

The currency of implementation for the cash transfers is: Polish Zloty (PLN).

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.

Lot	Specific information on the targeted population
<p>1) ATM codes or card-less ATM withdrawal (BLIK or similar service modality)</p> <p>2) Transfer to bank account</p>	<p><u>Geographical locations and estimated number of beneficiaries:</u> An estimated 5,000 recipients benefit from cash assistance from UNHCR Poland in 2024 in urban and/or rural areas across territory of Poland.</p> <p><u>Indicative transfer frequency and value (in MDL):</u> 800 PLN per person/per month, on average of three (3) transfers per recipients per year.</p> <p><u>Indicative total transfer amount per year:</u> 12,000,000 PLN</p> <p><u>Type(s) of population:</u> Asylum seekers, refugees, international, national and humanitarian protection status holders, temporary protection beneficiaries.</p> <p><u>Type of documentation of the targeted population:</u> Temporary Identity certificate of a foreigner, decision on granting international protection, residence card/permit (karta pobytu), decision on granting humanitarian stay, temporary polish travel document for a foreigner, a refugee travel document, international passport, national ID document.</p> <p><u>Individual ownership of mobile phones:</u> Beneficiaries own personal mobile phones.</p> <p><u>Literacy (including financial and technical literacy):</u> 99%</p> <p><u>Main language(s) spoken:</u> Ukrainian, Russian, Polish.</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 FSPs to be able to cover all the required geographical areas. Bidders are 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 of the locations specified in the lot to which they apply.

As UNHCR responds to displacement emergencies and spontaneous returns of refugees, asylum-seekers, IDPs, returnees, and stateless persons 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:

- BLIK or similar payment (ATM codes or card-less ATM withdrawal);¹
- Transfer to bank accounts.

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

- 1) The FSP provides a detailed list and the precise location of funds withdrawal points in each area of intervention.
- 2) 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.
- 3) Based on demand for services, the FSP should have the capacity to open new withdrawal points with sufficient liquidity.
- 4) 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.
- 5) 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.
- 6) 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.

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
ATM codes or card-less ATM withdrawal (BLIK or similar service modality)	1) PIN codes to make card-less 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) Each phone number must have a unique identification code/PIN code;	Mandatory
	3) 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;	Mandatory
	4) PIN codes 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 code should be reflected to UNHCR without delay in the form of an API or encrypted file.	Mandatory

¹ The referred delivery mechanism BLIK, is a widely used method of conducting payment and withdrawing cash from ATMs in Poland. Specifically, UNHCR provides cash-eligible beneficiaries with a four-digit code (PIN) at the time of enrolment, which is also printed on the Proof of Enrolment (PoE) issued and handed to the Head of Household of each registration group at the end of the successful enrolment into the cash programme.

Cash beneficiaries will receive via SMS on the primary phone number declared at the time of enrolment, a message by the FSP, which contains the actual 9-digit BLIK code or similar they are supposed to use at the ATM, as well as reference to the exact entitlement amount, they shall receive for the month as part of this programme. Refugees, asylum-seekers, IDPs, returnees, and stateless persons shall use the BLIK code in one of the ATM networks of different banks, combined with typing the four-digit PIN on their PoE and then typing in the exact amount of entitlement to receive it in cash from the ATM. The BLIK code is active for 7 days from the time the SMS is received and then expires, while if used wrongly (mistyped) or not combined with the corresponding PIN, then after three (3) attempts it is “burned”, thus turning inactive.

Refugees, asylum-seekers, IDPs, returnees, and stateless persons shall access their entitlement in a single successful transaction each month, after which the BLIK code also expires and cannot be reused. As such, if by accident (e.g. by choosing the shortcut amounts indicated on the screen rather than the exact entitlement amount), or due to ATM liquidity issues), an eligible beneficiary only withdraws from the machine part of their entitlement, for them to be able to access the remaining amount they need to be reprocessed for payment and receive and use a new BLIK code corresponding to the remaining amount.

Bidders shall note that similar service modality may also be accepted.

	5) The FSP must be able to provide UNHCR with list of withdrawal points, amounts and timestamps of all withdrawals made with a code in an agreed upon electronic format;	Mandatory
	6) The FSP must reduce the balance of account whenever the beneficiaries carry out withdrawals or purchases. Statements of the account (showing the movements and balances) must be regularly communicated to UNHCR. The balance of the account represents the total of the amounts that have not been used by beneficiaries;	Mandatory
	7) Mobile coverage required to access the service should reach over 80% of the population (residential locations) in the required area mentioned in Section I, with 95% of users able to access services within a 1km radius of their residential location which may be tested during the tender evaluation process.	Recommended
	8) Associated PINs need to be provided and distributed to each beneficiary by the FSP.	Mandatory
	9) FSP must ensure the validity of PIN codes for the period beneficiaries maintain their money without additional charges/cost to the beneficiaries, and ensure compliance with all regulatory requirements relating to line activation.	Mandatory
	10) The FSP must 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.	Mandatory
Transfer to bank account	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 includes but are not limited to API and XML types. May or not include ATM cards for withdrawal of funds.	Mandatory
	2) Indicate the option of services for transfers to existing bank accounts, via IBAN or using the card account.	Mandatory
Other Services	State what other financial services can be provide to beneficiaries.	Recommended

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 they use.

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 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 minimum in Polish (preferably in Ukrainian and English as well). 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 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 refugees, asylum-seekers, IDPs, returnees, and stateless persons, 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 FSP'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 or 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 UNHCR Supplementary Agreement on Data Protection (Annex F).

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 (bankcards, and BLIK or similar service modality, 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 whether 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
