

**Terms of Reference**

**Role: Consultancy: Software developer for digital savings wallet**

**Supervisor:** Social Protection, Food Security, and Livelihoods Technical Advisor (TA)

**Timeframe of the assignment:**

**Location:** Remote toBeirut, Lebanon

**Date of TOR:** 1 March 2021

**Background**

Savings, whether formal or informal, is positively associated with greater resilience when people face negative income shocks. Savings are a financial cushion that can be used to invest in education or income generation, as well as to handle emergencies without resorting to negative coping strategies. In addition, the potential benefits of savings for individuals include improvements in cognitive functioning, educational attainment, and health-related attitudes and behaviors.

Further, the majority of low-income households in developing countries are already saving small amounts of their income, however these savings are overwhelmingly informal, often hidden around the house or given to others for safekeeping. As such, vulnerable people, particularly refugees and those affected by displacement, are very aware that their savings are vulnerable to theft or loss, and have recounted numerous instances of these risks manifesting. Saving at a bank or other regulated financial institution can mitigate risks to the physical safety of vulnerable populations’ savings. However, in countries such as Lebanon where there is no mobile money network or other product targeting the needs of the underbanked, most low income families will not have interacted with such an institution on their own in the past. Refugees in particular have no access to secure savings options, and due to the 2019-2021 economic crisis in Lebanon, trust in the banking sector is at an all-time low.

The Lebanon CO is implementing a program to support the wellbeing and economic resilience of youth and their families. This program aims to increase the capacity of male and female youth from refugee and host communities to absorb financial and emotional shocks; adapt to new and developing psychological and livelihood risks with positive coping strategies; and transform the environment to enable youth to engage in youth-led processes for civil engagement and agency.

Under the scope of this program, a mobile-based savings platform application will support both unbanked Lebanese and refugees to save and to access this savings in the event of onward movement. This secure platform will provide support on basic financial literacy and micro-savings and promote economic security to better absorb future shocks, smooth savings and consumption over the course of the year, ensure household debts can be managed with dignity, and promote household level economic resilience.

**Description of the product and user journey**

For the client, the proposed software would start with a cash-in point accessible for women and men of any nationality living in Lebanon. SC Lebanon currently provides cash assistance directly to refugees and Lebanese through pre-paid ATM cards and by over the counter money transfer agents. As such, the point of deposit could be with SC or with either of SC current Financial Service Providers (FSP).[[1]](#footnote-1) The individual would acquire a unique identity linked to a mobile wallet application, which would serve as the platform for managing their account, and provide Social Behavioral Change (SBC)-informed support to encourage them to maintain and increase their savings (financial education). For either a Lebanese or a refugee, they could choose to cash out at any time within Lebanon within the same network where they made the initial deposit. For a refugee who decides to leave the country, however, they will also have the opportunity to cash out inside Syria, or potentially other countries of asylum.[[2]](#footnote-2) The transaction locations inside Syria would need to be secure, not identifiable as a service point for returnees, and not a formal banking institution or other government-linked agency where an individual would need to reveal their returnee status. Notably, SC will include equal outreach to women and men to support either individual or household level savings, and gender sensitive approaches to the tech development will be included using the existing SC Gender Analysis Toolkit to gather participatory gender data. It is expected that the consultant will have adequate background and understanding of applying technology to Humanitarian Cash and Voucher programming in international settings, and be prepared to integrate both SBC and gender transformative approaches to the design.

**Scope of the consultancy**

The consultant will develop an application-based software or mobile wallet, which will promote capacity of both Lebanese and refugee to accrue savings. The immediate objective of the intervention is access to basic financial services and improvement in their financial resilience, to attain longer term Material Safety. The app would include a non-financial component on financial education to increase the support to save, and in a second stage facilitate remittances by reducing the costs associated with moving small amounts of money across borders.

*Overall objective:* Design and delivery of a field-tested savings software applicable for the legal and policy framework of Lebanon for the target audiences

**Expected results and deliverables**

*Task 1: Review of the policy and legal environment of Lebanon*

There are currently no mobile money operators in Lebanon, however there are many types of applications where currency tokens/credits are stored, such as MTC/touch, or various delivery applications where cash back can be offered to a customer by way of in-app credit. It is hard to buy cryptocurrencies in Lebanon, except in small quantities on the P2P platform. This is due at least in part to Know Your Customer (KYC) laws in Lebanon linked to counter-terrorism financing. Notably, SC is not a financial institution, and financial institutions in Lebanon cannot allow refugees to open a bank account, so there is need to understand whether use of a mobile wallet application and/or the use of block chain-supported software is permitted and does not violate these policies. Recognizing that these technologies are not necessarily linked, this should be one area of consideration for the developer.

The consultant will work with SC to explore the legal options and policy framework for 1) establishing a mobile wallet/savings program for refugees in Lebanon and unbanked Lebanese 2) building a program that can allow clients to cash out both in Lebanon and inside Syria, and 3) the process of cashing out inside Syria. With regard to transfer component, advice on the impact of sanctions on the transfer of tokens, whether blockchain can or should be applied, and cyber security risks either operational or legal are all variables to be considered.

This review stage should also consider the rights, legal status, and social context for both refugees and vulnerable Lebanese, for youth, and for women. An age- and gender-sensitive review of the possible bottlenecks and social restrictions may inform both the software architecture and the user interface.

*Task 2: Design of the software*

The platform should allow at a minimum the following:

* Deposit and withdrawal in a safe, transparent, and efficient manner by all target populations through context-considerate digital ID
* Delivery of appropriate SBC- and culturally-informed financial inclusion messaging related to both savings goals and financial incentives
* Capacity to interface with third party training software for financial inclusion education (using links or API)
* Savings accrual in a way that allows deposits to retain their value, regardless of when and where the client decides to cash out. This may be separate from fees charged by agents during withdrawals.
* Accessible and smooth language functionality in simple Lebanese Arabic (with right-to-left text)
* Possible to use on both smartphones and feature phones
* User interface, data protection/sharing/management practices, and graphic design that aligns with industry best practices and all SC policies, notably Child Safeguarding and Communications
* Full transaction monitoring disaggregated by categories to be determined by SC

It is preferred that the software is also capable of scale during a second stage of program delivery:

* Architecture which allows accrual of micro-interest or incentivizes savings through in-app credit
* Design which takes into consideration horizontal scale in Lebanon, identifying and onboarding new networks of agents and ensuring safe, easy and trustworthy use of the platform
* Selection of appropriate financial service technology and providers which can accommodate withdrawals (or transfers) in multiple countries, including nationalities which are most common among refugees and migrants living in Lebanon

*Task 3: Field testing of the software*

Field testing will be carried out together with the SC Lebanon project field team. This team will be available for discussions on contextualization, particularly with regard to the user experience. The developer should work together with SC to define the methodology (objectives, survey tools, etc) for the field-testing stage. The developer will be responsible for modifications based on client feedback.

The project timeline should allow for three periods of stakeholder feedback-gathering, happening at a time when reasonable solutions to the feedback can be implemented:

1. At beginning of project, gathering and/or refining initial list of requirements
2. After the requirements and basic mock-ups and/or prototype have been created
3. Upon completion of the working product, in order to identify and rectify any critical issues to performance (user acceptance testing)

*Task 4: Delivery of the software and administrator training*

The developer will deliver the software together with an administrator manual and a training to staff responsible for orienting and administrating users on the platform. The objective of this training is staff will understand comprehensively how to work effectively with the platform, including troubleshooting and FAQs based on the feedback gathering tasks above. This will be delivered in a half-day interactive and remote workshop in English, and deliverables include all presentation materials, recording of the training, and administrator manuals.

Hosting and maintenance recommendations should be discussed with SC on the closing stage of the consultancy, based on the final design of the app solution. A final project report will include these recommendations, as well as guidance on any functionality required to scale the software in the second phase such as international payments or withdrawals.

**All deliverables will be submitted to the Social Protection, Food Security, and Livelihood Technical Advisor (TA) for review and approval before considered complete.**

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|  | **Deliverable** |
| 1 | Detailed workplan for the consultancy period, including any meetings needed or materials or tasks required from the SC team |
| 2 | Report which outlines the review of the policy and social environment, and provides preliminary recommendations for the software design, for comment and feedback |
| 3 | Regular communication on progress (email or meetings) on various design elements, ongoing frequency TBD with the TA, weekly or more frequently based on the project stage |
| 4 | Stakeholder feedback: Agreeing with SC on preliminary design and gathering and/or refining initial list of requirements |
| 5 | Development of prototype based on feedback |
| 6 | Stakeholder feedback: After basic mock-ups and/or prototype have been created, design and implement participatory feedback from field levels |
| 7 | Refinement of product based on feedback |
| 8 | Stakeholder feedback: Upon completion of the working product, in order to identify and rectify any critical issues to performance (user acceptance testing) |
| 9 | Finalization of product based on feedback |
| 10 | Presentation of final software design to senior management |
| 11 | Deliver administrator training, including all materials, recordings, and instruction manuals. Delivery of final project report including description of hosting requirements and server configuration; Application files required for releasing application through Google Play Store. |

### **Required Competencies**

### **ESSENTIAL CRITERIA**

These are criteria, which bidders **must** meet in order to be successful and progress to the next round of evaluation. If a bidder does not meet any of the Essential Criteria, they will be excluded from the tender process. This criteria is scored as Pass or Fail and will not be evaluated against capability and commercial criteria.

1. Bidder’s registration International/Lebanon: (software development agency) (private or non-governmental) Bidder to submit copies of company registration, tax ID certificate. Bidders have to provide with Owner or CEO or GM passport/I.D. copy.
2. Bidders to provides three examples from past 24 months related to similar projects, (preferably recommendation letter), preferably governmental institute, INGO, UN Agencies, NGOs.
3. Bidder must submit a work plan, which includes the timeline for completion of the service. (includes in the score)
4. Bidders must submit the implementation team CVs and the team based organizational structure (includes in the score)
5. Bidder’s confirmation of compliance with the attached Conditions of Tendering, Terms and Conditions of Purchase, Anti-Bribery and Corruption Policy, Child Safeguarding Policy, IAPG Code of Conduct, etc. Bidders to read and sign on each of the mentioned documents.
6. Bidders to confirm that they are not any prohibited parties or on Government blacklists. (Bidders to submit a signed confirmation letter).
7. Bidder’s willingness to accept payment method to be paid until the maximum of 30-45 days from submission of an invoice (Based on the agreed milestone) with all valid supporting documents, the payment method will be by international Transfer in (USD) (Bidders to submit a confirmation letter)

### **CAPABILITY CRITERIA 60%**

These are criteria will use to evaluate the bidder’s ability, skill and experience in relation to the requirements of SCI. All bids, which pass the Essential Criteria, will be evaluated against the same pre-agreed Capability Criteria, which will have been created by a committee of representatives from SCI.

* Bidders to submit a full proposal includes (work plan, time table, methodology, objectives, team expertise…). **Criteria weightage (15%)**
* Bidder to submit the methodology approach (mixed, qualitative and quantitative) and the extent to which the proposed action covers all concerned stakeholders. **Criteria weightage (10%)**
* Bidders to submit the implementation team CVs and the team based organizational structure **Criteria weightage (15%)**
* Delivery of report within the assigned period or working days. **Criteria weightage (20%)**

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### **COMMERIAL CRITERIA:**

These criteria will be used to evaluate the commercial competitiveness of a bid. All bids which pass the Essential criteria will be evaluated against the same pre-agreed Commercial Criteria, which have been created by a committee of representatives from SCI.

All Capability and Commercial Criteria will be weighted accordingly to reflect their importance. The Commercial Criteria will account for at least 40%. The Capability Criteria will account for up to 60% of the score.

1. The selection of this FSP will depend largely on the selection of technology platform together with the software developer, in line with the legal framework of Lebanon, and bearing in mind scalability to other COs in the region [↑](#footnote-ref-1)
2. A moderate feasibility study has already been conducted by SCI to explore legal frameworks and the tech software. What countries are feasible will be based on the selection of the background technology and SCI’s investment in scale. Blockchain would allow this relatively easily, however other platforms may require more formal transaction points. [↑](#footnote-ref-2)