



Terms of Reference

Digital Payments Expert

COVID19 Payments: South Africa Rapid Response Incubator Project

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Prepared by FinMark Trust

FinMark Trust

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1. **About FinMark Trust**

FinMark Trust (FMT) is an independent trust whose purpose is to make financial markets work for the poor by promoting financial inclusion and regional financial integration. FMT does this by conducting research to identify the systemic constraints that prevents consumers from accessing financial markets, and by advocating for change based on research findings. Thus, FMT has a catalytic role, driven by its purpose to start processes of change that ultimately lead to the development of inclusive financial systems that can benefit all sectors.

2. **Background and contextual information**

FinMark Trust (FMT) in partnership with the South African Social Security Agency (SASSA) and the Bill and Melinda Gates Foundation (BMGF) have developed a project aimed at improving access to and usage of grants, particularly for vulnerable groups and women in South Africa. Drawing learnings from the implementation of the temporary Covid-19 SRD grant distribution process the project will seek to design a modified and improved grant distribution system which will enable SASSA to better serve its customers. To achieve this objective the project aims to increase knowledge of grant distribution processes and systems within SASSA by addressing the skills gaps which the organisation currently has and ensuring that skills capacity is retained and developed within the Agency beyond the project.

3. **Problem statement**

On the 21st April 2020 as part of “Phase 2” of the economic and social relief package the president of South Africa - President Ramaphosa – announced relief measures which South Africans could benefit from to reduce the negative impact caused by the Covid-19 pandemic on their livelihoods. These measures included amongst others (i) the Social Relief of Distress (SRD) Grant for individuals who are unemployed and do not receive any other form of grant or Unemployment Insurance Fund (UIF) payment; (ii) tax relief for businesses; (iii) loans and debt-restructuring for SMMEs, and (iv) an increase in the value of the existing social grants.

The introduction of the SRD grant meant that the South African social grant system was temporarily expanded. SASSA as the agency responsible for the management and administration of South Africa’s social grants was tasked with the implementation of the new SRD grant. To ensure the effective and efficient implementation of the SRD grant it was required that SASSA redefine its business processes and adopt new processes which would enable the organisation to deliver on its expanded mandate. The adoption of these new processes surfaced opportunities for SASSA to redesign their grant distribution process but also brought to the fore skills gaps/shortages within the organisation. These include general client-onboarding, digital payments and banking systems functions, where skills are required to improve the distribution system in a manner that benefits both the Agency and the recipients on an on-going basis.

4. **Objectives**

The objective is to use lessons from the implementation of the SRD to grant improve the efficiency and cost at which the overall grant distribution service is operated. The design of the

improved process should put customer value at the forefront and ensure an inclusive, improved experience for recipients which is dignified and provides choice, whilst making optimal use of available capacity and distribution possibilities by leveraging existing infrastructure. In delivering the above the project should further ensure that the Agency has the necessary skills and knowledge required to implement these new processes.

5. **Scope of Work**

FinMark Trust seeks the services of a consultant with in-depth knowledge of grant distribution models for the Covid19 Payments: South Africa Rapid Response Incubator project. This will entail:

- 5.1. An assessment of SASSA's grant distribution process including the SRD grant implementation for efficiency, cost effectiveness and user experience (e.g. inclusivity, usability, convenience, choice, dignity). The total process, from applicant on-boarding, internal SASSA verification and approval processes, payment initiation process to recipients receiving the payment must be included.
- 5.2. An assessment of the global grant/state assistance/safety net payments industry and extracting lessons where applicable to improve the South African grant distribution process.
- 5.3. A review of previous research conducted on the SASSA grant distribution process and extracting any findings/ recommendations which will be useful for this project.
- 5.4. Based on the assessment and review detailed above design a new customer oriented, efficient and cost-effective grant administration and distribution solution which takes into account the SA landscape and leverages current and unfolding payment landscape. Such a system must meet grant recipients' needs and promote usage by allowing for ease of transactional and general payment needs.
- 5.5. Conduct a gap analysis which will direct the Agency to move from its current state to the desired "new process" state and develop a plan to address gaps identified including skills and knowledge gaps. This analysis should also highlight interdependencies with other project workstreams and assign ownership within SASSA.

6. **Deliverables**

- 6.1. A comprehensive report detailing the assessments/review and recommendation for a new/modified process.
- 6.2. A gap analysis report and a detailed plan to address the gaps with indicative timelines.
- 6.3. A presentation on the above which will be presented to the project team.

7. **Proposal Content**

Organisations/Individuals should submit a detailed technical and financial proposal. The proposal is expected to be clear and concise and should be a **no more than 10 pages**. It should include:

- A summary of the approach to be implemented in conducting the assessment;
- A detailed overview of key stakeholders who will be approached for in-person engagements;

- A detailed timeline for executing all project activities;
- A comprehensive list of anticipated project risks and contingency plans;
- Evidence of technical capacity to undertake this study;
- Name and qualifications of staff members responsible (i) for overseeing the work; (ii) for undertaking the work;
- Detailed costing for each activity, broken down by professional fees and expenses.

8. Safeguarding

The selected service provider has the responsibility to consider and be aware of potential safeguarding issues and the project's potential to integrate gender dimensions and contribute to the advancement of gender equality in addressing the Terms of Reference and be able to demonstrate due diligence in relation to the protection and safeguarding of children and vulnerable groups as per strategies designed to support and manage ongoing risk and abuse, exploitation or neglect of participants in this research project.

9. COVID-19

The selected service provider and FinMark trust recognize the need to minimize the spread of the Corona Virus and the parties will agree on appropriate non face to face methods of communications and completion of required tasks to ensure that work on the project is able to continue effectively. The situation however will be closely monitored by both parties on an ongoing basis.

10. Required skills and qualifications

Applications must provide evidence of the technical capacity to undertake this exercise. This includes capacity to deliver the results in the timeframe provided. Individuals /core team members' CVs must be included, as well as a description of any further resources that may be required. Required skills / qualifications include the following:

- A University business related degree (Masters will be advantageous);
- At least 10 years' retail payment experience and practical involvement in digital payments.
- Thorough knowledge at the level of industry expert and awareness of regulatory influences in the retail payment space.
- Knowledge of international best practice on the distribution of grants, preferably with cross-country experience.
- Thorough understanding of the domestic payment landscape.
- Knowledge of grant distribution systems and an understanding of the environment in which the grants are being received.
- Excellent proven problem solving, communication, interpersonal and facilitation skills.

11. Selection criteria

Contract selection criteria and award will be made based on the following scoring mechanism:

	Criteria	Weighting
1	Competence and previous experience	30%
2	Knowledge of the payment landscape (domestic and international)	30%
3	Local capacity	10%
4	Budget	30%
	Maximum score	100%

12. Submission and timing

Proposals: Proposals for the project should be submitted by close of business on 16 April 2021 at 17:00 (SAST) by email to **Lesego Mashigo**, lesego@finmark.org.za. The successful bidder will be notified by 23 April 2021.

Timing: It is envisaged that the project duration will be **6 months** from the date of contract signature.

The selected consultant must be prepared to meet with FMT on a date to be announced, for a briefing. Once the selection process has been completed, FMT will issue a contract confirming the appointment of the consultant. Any queries relating to the preparation of the application should be referred to **Lesego Mashigo**, lesego@finmark.org.za.

In line with FMT's policy of transparency, answers to queries from one candidate will be circulated to all who indicated their intention to submit a proposal.

Guidance notes to bidders

FinMark Trust reserves the absolute right to use its discretion in the interpretation of these award criteria. The following notes are intended to provide broad guidance only on how proposals will be evaluated. Bidders may be required to clarify their proposals by way of a telephone call or presentation.

"Relevant, demonstrated competence of firm(s) in this area" - you should aim to demonstrate how the firm's collective past experience can be applied (or adapted) to address the specific brief set out in the terms of reference. You are welcome to describe the firm's general experience of financial sector development issues (e.g. in other geographies or topical areas) but the evaluation will focus particularly on the application of that experience for the specific task at hand.

"Demonstrated expertise of key individuals to be involved in this project" – the evaluation places considerable emphasis on the role and demonstrated expertise (i.e. track record) of the key individuals to be involved on the project rather than on the expertise of the firm itself.

"Use of local professional capacity (consulting, analysis, coordination etc.)" – FinMark Trust wishes to ensure that local capacity is used and developed. International firms are therefore encouraged to partner with local organisations.

"Content, quality and originality of proposal" – proposals should address the brief set out in the terms of reference in a comprehensive manner. Bidders should aim for innovation as well as professional presentation. Whilst similar, relevant experience in other markets will be an advantage for a bidder,

each market is different and so proposals need to reflect the particular characteristics of that market, as well as the challenge set by the terms of reference.

“Fee basis” – value for money, as well as absolute cost, will be taken into account.

13. Important to note

If no communication has been received from FMT after 1 month of your submission, please consider yourself as unsuccessful.