



Unlocking Public and Private  
Finance for the Poor

A large, abstract graphic on the left side of the page consists of multiple concentric, curved lines of varying lengths and thicknesses, some ending in small circles, creating a sense of motion and connectivity. The lines are white and set against the dark blue background.

# REQUEST FOR APPLICATIONS

Feasibility study for setting up a  
single identification system for  
financial service users in the  
WAEMU (UEMOA)

# ABOUT

The UN Capital Development Fund makes public and private finance work for the poor in the world's 47 least developed countries (LDCs).

UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF pursues innovative financing solutions through: (1) financial inclusion, which expands the opportunities for individuals, households, and small and medium-sized enterprises to participate in the local economy, while also providing differentiated products for women and men so they can climb out of poverty and manage their financial lives; (2) local development finance, which shows how fiscal decentralization, innovative municipal finance, and structured project finance can drive public and private funding that underpins local economic expansion, women's economic empowerment, climate adaptation, and sustainable development; and (3) a least developed countries investment platform that deploys a tailored set of financial instruments to a growing pipeline of impactful projects in the "missing middle".

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# SUMMARY

The main purpose of this study is to propose an approach of setting up a single system for identifying financial service users in the West African Economic and Monetary Union (UEMOA) that will offer an opportunity to increase the use of electronic means of payment and help to improve financial inclusion. The approach will include scenarios of implementation and recommendations based on an analysis of advantages and disadvantages. The resources necessary to implement the system will be estimated. Each scenario will be backed by a risk assessment, relating especially to breach of data privacy and cyber crime. Specifically the study will:

- include a survey and in-depth diagnostics of the existing identification systems in the UEMOA countries, deriving both from government initiatives and from the private sector, UN agencies and/or technical and financial partners;
- establish a benchmark for the single identification systems set up by the central banks at ECOWAS level, in other African countries and worldwide;
- propose several scenarios for the implementation of the system and suggesting which option might best suit the UEMOA context, in the light of the international standards, in terms especially of reliability and security;
- describe in detail the technical equipment to be put in place to make the single identification system operational and the preconditions for its set-up;
- conduct a needs assessment based on in-depth analysis of the requirements of the system proposed for the UEMOA and on the type of support needed to carry the project forward;
- identify interdependencies and possible synergies with similar ongoing projects within the UEMOA;
- offer a plan for the set-up of the single identification system and a high level workplan of its deployment;
- identify the inherent risks of proceeding with the project;
- define the framework of accessibility and protection of the gathered data;
- propose a regulatory, institutional and governance framework for the system to be set up, conforming to each UEMOA country's biometric data laws;

- prepare a business plan fit to establish the long-term future of the single identification platform and encourage the financial institutions and money transfer operators to adopt it. This business plan should specify the capital investment, running costs, and expected ROI duration.

**Location:** An institution (hereinafter the 'Consultancy' or 'Applicant') will conduct the feasibility study in the UEMOA member-countries, which are Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo, in close cooperation with the Central Bank of West African States (BCEAO) and the United Nations Capital Development Fund (UNCDF).

**Budget:** UNCDF will offer a grant to the successful applicant or consortium who meets the technical evaluation criteria listed in Section 3. The UNCDF contributions may be up to USD 200,000 (two hundred thousand United States dollars).

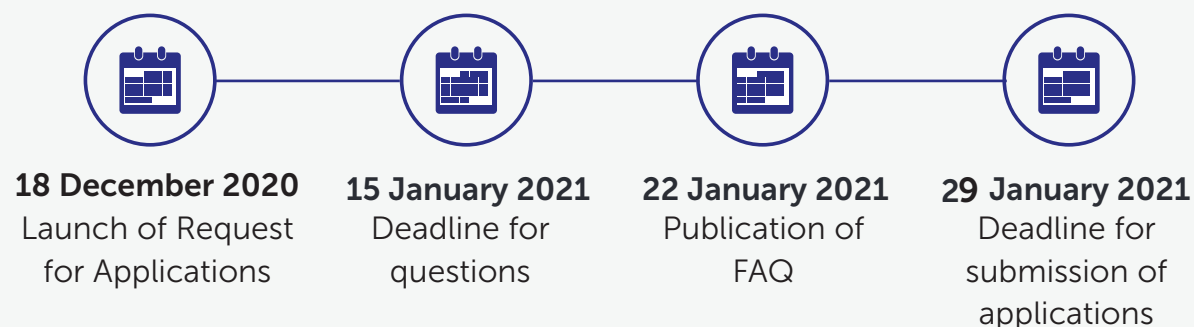
**Eligible Applicants:** Any institution can apply. Applicants can submit their applications independently or as members of a consortium, provided that its partnership predates the publication of this Request for Applications.

Successful Applicants will sign a grant agreement with UNCDF.

All applications must be submitted by e-mail to [uncdf.rfa@uncdf.org](mailto:uncdf.rfa@uncdf.org) no later than 22:59 hours EST (New York time) on 29 January 2021. The e-mail subject line must read '*RfA - Feasibility Study for Setting Up a Single Identification System for Financial Service Users in the UEMOA*'.

Information requests concerning this RfA can be e-mailed to [uncdf.rfa@uncdf.org](mailto:uncdf.rfa@uncdf.org). A set of frequently asked questions (FAQ) will be available at the following address: <https://uncdf.live/RfAFeasibilitystudy>.

**Timetable:**



# INTRODUCTION

In recent years, the UEMOA authorities have undertaken several initiatives to pave the way for the wider financial inclusion of their people and small and medium-sized enterprises (SMEs). In this context, the Central Bank of West African States (BCEAO) has drawn up a UEMOA regional financial inclusion strategy, adopted by the UEMOA Council of Ministers in June 2016. It envisages action to widen financial inclusion, defined in the UEMOA as “permanent access for people to a diversified range of suitable financial products and services, at affordable prices, used efficiently and to good effect.” The overall goal of the regional financial inclusion strategy is to open access to a diversified range of suitable financial services, at affordable prices, for use by 75% of the UEMOA population, within a five-year horizon. The strategy lays special emphasis on women, rural and young people, SMEs and people with little financial education.

Following up the progress made on this front, the BCEAO has set up a statistical facility for the periodic collection of the necessary information to compile indicators of financial inclusion. The statistics are collected from financial service providers (banks, postal services, national savings banks, public treasuries, microfinance institutions and electronic money institutions).

Analysis of the collected data reveals problems where the same individual holds multiple accounts at several banks within the UEMOA. This distorts the calculation of indicators and affects their reliability. Indeed the Central Bank’s present system for collecting financial inclusion data offers no way of eliminating possible duplications of the same user at two or more banks in the same country or UEMOA-wide. Therefore whenever a multiple account holder uses financial services, each item of usage information from a given financial institution could be counted as a different user. Because of these distortions, some countries record financial inclusion rates of 100% or higher. Correction coefficients then have to be applied to bring these rates down to acceptable proportions.

This situation recurs across eight countries, compounding the problem at UEMOA level and making financial inclusion policymaking difficult. Moreover, account holders with the same names exacerbate the issue and lead to identity theft and fraud.

With payments going digital and a need for regional interoperability of digital financial services, transaction security has to be strengthened, because more account numbers, bank cards and mobile telephone numbers are being used to identify customers, and more transactions are being cleared through the payment systems. In the UEMOA, there is no standardisation of accounts at sector level (microfinance institutions and e-money issuers). There is absolutely no harmonisation of accounts

within the financial system.

Besides, in the digital era, the traceability of financial transactions and financial sector supervision become vital weapons in the fight against money laundering and the financing of terrorism and yield better knowledge of who uses financial services. Since the 2008 financial crisis, there has been renewed interest in KYC (know your customers). Nowadays this is a factor to take into account in decisions to offer financial services and in business relations with legal entities or private individuals. This requirement has an even higher profile among disadvantaged populations, on the margins of society and with least access to the conventional financial system.

In the light of the above, it may be advisable to set up a single system of identification of financial service users in the UEMOA.

That system therefore aims to serve as a reliable central database of all financial service users. Its purpose is to ensure the traceability and security of transactions. It would thereby offer an opportunity to increase the use of electronic means of payment and help to improve financial inclusion.

The availability of such a system also uses innovative technology to streamline and modernise the process of verification and authentication of customers of financial institutions.

For migrants and their families, the single identification of financial service users within the UEMOA will also advance and facilitate the end-to-end digitisation of cross-border money transfers and related financial services. This will cut the costs of money transfers, and stem the flow of transactions via unofficial channels. It will also enable the authorities to capture and report more precise data about money transfer flows.

The single identification system for financial service users in the UEMOA aims specifically:

- to give customers of financial institutions a unique user identity, accepted by all financial service providers;
- to improve the quality of data gathered as part of the monitoring of financial inclusion within the UEMOA;
- to act against fraud in the financial system and identity theft;
- to solve the problems of account holders having the same name and customers of more than one bank, both of which introduce bias into the calculation of financial inclusion indicators;

- to simplify the authentication of transactions by means of biometric functions and an identification number valid in all UEMOA countries;
- to reduce customer identification costs and facilitate flows of funds via official channels, especially funds sent between regions, in a context of tougher action against money laundering and terrorism financing;
- to make the operations of UEMOA financial institutions more traceable;
- to target populations more accurately and so make action for people's financial inclusion more effective;
- to facilitate financial innovations and the development of financial services via mobile platforms.

## **SCOPE OF WORK AND DELIVERABLES**

The main purpose of this study is to propose an approach of setting up a single system for identifying financial service users in the West African Economic and Monetary Union (UEMOA) that will offer an opportunity to increase the use of electronic means of payment and help to improve financial inclusion. The approach will include scenarios of implementation and recommendations based on an analysis of advantages and disadvantages. The resources necessary to implement the system will be estimated. Each scenario will be backed by a risk assessment, relating especially to breach of data privacy and cyber crime.

The Applicant must propose an approach comprising the following stages:

- documentary review;
- benchmark;
- field study in the eight (8) UEMOA countries;
- regional workshop to validate the study;
- drafting of the final study report.

At the end of the assignment, the following key results are expected:

- a completed inventory backed by in-depth analysis of the identification systems in place in the UEMOA countries, especially government and private-sector initiatives and those of UN agencies and/or technical and financial partners;

- a completed review of at least four (4) international experiments of single identification systems set up, especially, by central banks;
- descriptions of different scenarios for the set-up of the single identification system in the UEMOA and a proposal for a solution suited to the UEMOA context;
- description and preconditions of the technical equipment to deploy to make the system operational;
- evaluation of the essential needs for system set-up and what kind of support is necessary;
- identification of interdependencies and possible synergies with other ongoing projects within UEMOA;
- a plan for implementing the system and high level workplan for its deployment;
- evaluation of the resources necessary to carry out the project with a defined plan for the implementation;
- identification of the system regulations, institutional arrangements and governance to put in place;
- the business plan devised for the identification platform.

The deliverables will be categorised as follows.

1. A scoping note will be written on how the assignment is to develop. It must focus on the conditions of implementation of the assignment (stakeholders to meet, workplan of activities, countries chosen for benchmark, project team, etc). The note will be submitted to the BCEAO and UNCDF for sign-off with no objection, before the assignment begins.
2. A report will cover the survey of the single identification systems in place in the UEMOA and the benchmarks in Africa and at international level.
3. There will be a report on the different scenarios of implementation of the single identification system for financial service users in the UEMOA, with recommendations to the BCEAO. It will describe the preconditions to meet, and the technical environment to set up, in each scenario, to make the system operational. These recommendations will enable the BCEAO to pick the option best suited to the UEMOA context.
4. The final report of the feasibility study will include an implementation plan backed

by high level workplan, recommendations for the regulatory, institutional and governance framework of the system to be set up, and the business plan.

The deliverables must be supplied in English and French, in OpenOffice, Microsoft Office and pdf formats, and e-mailed to the address that will be mentioned in the contract.

The study results and deliverables are deemed public property. Therefore, the BCEAO and UNCDF will review all results and products and go on to release them into the public domain, so that other stakeholders can make free and widespread use of them.

The selected candidate will conduct the study in the eight (8) UEMOA countries, namely Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo, in close cooperation with the BCEAO and UNCDF.

## **ELIGIBILITY UNDER THE APPLICATION AND EVALUATION CRITERIA**

Only applications which meet the conditions of eligibility and the minimum application criteria will be scored.

- The Applicant/lead Applicant must be a registered body with at least five (5) years' trading history. It must have audited accounts in accordance with its articles of association, and financial statements, for at least three (3) years of trading.
- Applicants, whether independent or in a consortium, can only submit one application in response to this RfA.
- Applicants can apply independently or in a consortium, provided that the consortium partnership predates the present Request for Applications.

### **Country involved**

The Applicant may be based anywhere in the world, must be duly registered and have at least five (5) years' experience of assignments involving financial services, the digital economy, cross-border transfers and payments, digital identification or related subjects.

## Exclusion criteria

- Applicants must not have been bankrupt or wound up, gone into court-ordered administration or bankruptcy protection, ceased trading or been in any similar situation resulting from similar proceedings.
- Applicants and any members of their staff or board of directors must not appear on UN financial sanctions lists, especially in the context of action against the financing of terrorism and attacks on international peace and security; and
- Applicants must not be involved in any of the following activities:
  - Manufacture, sale or distribution of controversial weapons or their components, including fragmentation bombs, anti-personnel mines or biological, chemical or nuclear weapons
  - Manufacture, sale or distribution of armaments and/or weapons or their components, including military supplies and materiel
  - Replica weapons marketed to children
  - Manufacture, sale or distribution of tobacco or tobacco products
  - Involvement in the manufacture, sale and distribution of pornographic material
  - Manufacture, sale or distribution of substances subject to international embargo or progressive elimination, and wild species or products regulated by CITES
  - Games of chance including casinos, betting, etc. (except charity lotteries)
  - Human rights violations or complicity in human rights violations
  - Use or toleration of forced or compulsory labour
  - Use or toleration of child labour.

Applicants must have met all obligations relating to payment of social security contributions or tax in accordance with the laws in force in their country of establishment.

UNCDF will carry out prior vetting of selected Applicants. Applicants must show documents which confirm that they meet the eligible criteria, including a certificate of good standing with the tax authorities and any other documentary evidence which may be required by UNCDF in addition to the application form.

## Evaluation Criteria

The evaluation committee will score applications on the following evaluation criteria. The evaluation will follow the combined scoring method:

### Evaluation of technical proposal (TP):

TP score = (total score earned by TP / maximum score achievable for a TP) × 100

### Evaluation of financial proposal (FP):

FP score = (lowest proposal / price of proposal under evaluation) × 100.

### Total combined score:

Final score = (TP score) × (TP weighting, e.g. 70%) + (FP score) × (FP weighting, e.g. 30%).

Technical proposal:		Points achievable
1	<b>Expertise of Consultancy</b> Relevant experience working in the UEMOA or other developing countries on financial services, fiscal/legal/regulatory aspects, ICT systems and the implementation and/or evaluation of cross-border money transfers and e-KYC/digital identification solutions	20
2	<b>Methodology</b> Suitability of proposed approach to the conditions and timetable of the Request for Applications (RfA)	30
3	<b>Experience and qualifications of proposed team</b> Relevant expertise in financial services, e-KYC/digital identification solutions, fiscal/legal/regulatory aspects, ICT systems and the implementation and/or evaluation of cross-border money transfers.	30
4	<b>Language</b> It is compulsory that the main team members speak French, because relations and correspondence with the BCEAO will be conducted in French.	20
Total		100

**Financial proposal:** 100 points.

To be calculated as the ratio of bid price to cheapest price among all proposals received. Financial proposals must be quoted in United States dollars (USD).

**Proposal total:** 100 points.

# PARAMETERS OF AGREEMENT

Potential Applicants must furnish evidence that their proposals conform to the following parameters.

## Applicants:

Eligible Applicants can submit their applications alone or as lead Applicants within a business consortium, provided they meet the eligibility criteria set out in Section 3. If a consortium of bodies submits an application in response to the RfA, the lead Applicant must meet the conditions of eligibility. The lead Applicant will have the following responsibilities:

- i. submit the application form on the consortium's behalf
- ii. satisfy itself that each partner is fully aware of its membership of the partnership and of the contents of the application form;
- iii. sign the Performance-Based Agreement with UNCDF;
- iv. meet all the obligations stated in the Performance-Based Agreement;
- v. satisfy itself that the funds are allocated among, and used by, the consortium partners in accordance with the Performance-Based Agreement;
- vi. satisfy itself that the tasks are distributed among, and performed by, the consortium partners in accordance with the Performance-Based Agreement.

## Geographical scope

The study will be carried out in the UEMOA countries: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo.

## Project duration

The duration of the project will be six (6) months. The activities must finish no later than 31 July 2021. The final report and evaluation report must be submitted no later than 31 July 2021.

Nevertheless, UNCDF reserves the rights to revise the study completion dates, according to the developing health situation relating to Covid-19 in the UEMOA countries.

## Language

- Correspondence with UNCDF will be in English.
- Deliverables must be in English and French.

## Budget

UNCDF will award a grant to the successful Applicant who technically conforms to the evaluation criteria set out in Section 3. The UNCDF contributions may be up to two hundred thousand United States dollars (USD 200,000).

The grant will be allocated according to the arrangements below, with a quality assessment before any payment is authorised:

Date	Deliverables	Payment
Month 1	<ul style="list-style-type: none"><li>• Signature of Performance-Based Grant Agreement</li><li>• Validation of inception meeting by UNCDF and BCEAO</li><li>• Opinion of no objection received from UNCDF and BCEAO on the scoping note concerning the progress of the assignment and showing how it will be implemented (which stakeholders to meet, workplan of activities, countries selected for benchmark, project team, etc.).</li></ul>	20%
Month 2-3	Report of survey of single identification systems in place in UEMOA and the benchmarks in Africa and at international level.	20%
Month 4-5	Report on the various implementation scenario for the single identification system for financial service users in UEMOA, with recommendations to BCEAO. Describe the preconditions to meet, and the technical environment to set up, in each scenario, to make the system operational. These recommendations will enable the BCEAO to pick the option best suited to the UEMOA context.	30%
Month 6	Final report of the feasibility study, including an implementation plan backed by time chart, recommendations for the regulatory, institutional and governance framework of the system to be set up, and the business plan.	30%

# APPLICATION REQUIREMENTS AND PROCEDURE

## Application structure

- The Applicant must submit an application form completed in accordance with Annexe 1 (tender letter), Annexe 2 (application form) and Annexe 3 (budget for the initiative).
- In addition to the “application format”, the Applicant must submit the following:
  1. audited financial statements for the past three years, if available
  2. certificate of incorporation of the Applicant’s business (commercial register, etc.)
  3. links to reports and publications on similar projects by the lead Applicant and/or other consortium member
  4. CVs of proposed team.

Applications must be submitted in both English and French.

Only applications conforming to the application format and comprising all necessary documents will be considered.

## Deadline for submission of applications

All applications must be submitted by 23:59 hours (EST, New York standard time) on 29 January 2021.

## Submission of application

The applications and any questions concerning this RfA must be e-mailed to the following address: [uncdf.rfa@uncdf.org](mailto:uncdf.rfa@uncdf.org).

The subject line of the e-mail must read: *‘RfA - feasibility study for setting up a single identification system for financial service users in the UEMOA’*.

## Selection process

- Stage 1: Eligibility check. The members of the UNCDF evaluation committee will evaluate eligibility according to the eligibility criteria listed in point 3.
- Stage 2: Evaluation of eligible applications by the evaluation committee. The evaluation committee will evaluate the applications based on the evaluation criteria defined in point 3.
- Stage 3: Prior vetting. The members of the UNCDF evaluation committee will carry out prior vetting of applications and of the relevant Applicants whose

applications earn the minimum qualifying score (70/100).

- Stage 4: Notification regarding applications. All Applicants will be informed of the status of their applications.
- Stage 5: Negotiation prior to grant and Performance-Based Agreement. Successful Applicants will finalise the scope of grant and draw up the budgets, indicators and goals, plan of work and disbursements of the grant, which will be released as each stage is completed.
- Stage 6: Approval of selected applications by the investment committee. The investment committee will examine, discuss and approve the applications selected by the committee of evaluation of the funds transfer programme. Any other requirement of due diligence, risk assessment or key recommendation of the investment committee will be followed up in the subsequent stages.
- Stage 7: Notification regarding applications. All Applicants will be informed of the status of their applications after final approval by the UNCDF investment committee.

## Timetable





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