TERMS OF REFERENCE (TOR)

WAMZ UNIQUE BANK IDENTIFICATION (UBI) AND DIGITAL INTEROPERABILITY (DI) PROJECT

CONSULTANCY SERVICE FOR THE RECRUITMENT OF A DIGITAL FIRM WITH EXPERTISE IN DIGITAL IDENTITY TO ASSIST THE WEST AFRICAN MONETARY INSTITUTE FOR THE DESIGN AND IMPLEMENTATION OF THE UNIQUE BANK IDENTIFIER (UBI) FOR THE FINANCIAL SECTOR IN THE WAMZ

1. Institutional Background

The West African Monetary Institute (WAMI) was established in 2001 by the Authority of Heads of State and Governments of the West African Monetary Zone (WAMZ), to undertake policy and technical preparations for the launch of a monetary union as well as the establishment of the West African Central Bank (WACB). WAMI comprises six Member States namely: The Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone. The core mandates of WAMI are to facilitate trade integration, financial sector integration, payment system development, and statistical harmonization.

2. Project Background

WAMI has received a grant of UA 6.06 million from the African Development Bank Group (the 'Bank') to assist in financing the Unique Bank Identification and Digital Interoperability Project (UBI/DI) in the WAMZ countries of The Gambia, Guinea, Liberia, and Sierra Leone. The project will foster access to quality financial services by improving the resilience of the financial sector and facilitate access to financial services for the consumers. The long-term goal is to have the unique identifier interoperable across the WAMZ which is expected to be a key driver of financial inclusion, regional integration, and economic development.

Components of the Project

Component 1: Development of a Harmonized Customer Identification Framework for the Financial Sector in the WAMZ. Considering that each Member State is at different level when it comes to digital identity, this component will seek to harmonize the customer identification framework for each beneficiary country by conducting gap analysis, need assessment and alignment for the UBI implementation across the zone.

Activities under this component include the followings: (i) Hire a consultancy firm with digital ID, policy and regulation expertise; (ii) Evaluation of the current digital identity management

framework in Member States and identification of gaps, needs for alignment, and harmonization; (iii) Development of a robust and harmonized regulatory framework taking into account considerations on low-carbon and green finance transition.

Component 2: Implementation of the Interoperable Unique Bank Identity in Member States of the WAMZ. This component seeks to design and implement the core infrastructure required for the WAMZ UBI in participating member states. The design of the infrastructure may vary from one country to another depending on various factors such as the following: (i) The size of the financial service industry; (ii) The demand and market opportunity for identification services in the country; (iii)The national civil registration, biometric data collection and storage, and national digital ID management frameworks; (iv) The level of maturity and digitization of the foundation ID and civil registration systems; and (v) Potential carbon emissions pathways.

Activities under this component include the following: (i) Contracting of a consultancy firm with expertise in digital identity to support the design and implementation of the UBI. These include activities such as the following: a. technical design of the WAMZ UBI; b. Drafting of Request for Proposal and vendor selection; and c. Country-specific business models and route-to-market plan (ii) Benchmarking to inform high-level scoping and design; (iii)Acquisition and deployment of the system in participating countries across the financial sector; and (iv) Exploitation and optimization of the system.

Component 3: Project Management and Capacity Building
This component will ensure smooth delivery of the project outcomes through proactive mobilization and management of relevant stakeholders, professional monitoring and control of the activities as well as provide needed training of stakeholders operationally involved with the system, in addition to awareness creation.

Activities under this component include the followings: (i) Setting up of the project governance structure comprising the WAMZ UBI project implementation unit (PIU), national steering committees and in-country implementation teams; (ii) The hiring of translation and interpretation services (for Guinea); (iii) Holding workshops for advocacy, policy dialogue, and raising awareness to ensure the buy-in from stakeholders and strengthen partnerships to achieve project goals and objectives; (iv) Development of a project implementation plan; (v) Project execution, including monitoring and knowledge management; (vi) Institutional and individual human capacity building (training of trainers, transfer of competencies for system exploitation

WAMZ countries are at varying stages of their national digital ID infrastructure development, journey, with varying results achieved so far. Existing challenges include systems inclusiveness. (cost, gender discrimination, expiration date), sustainability, privacy, and data security protections. Learning from these challenges, the UBI intends to leverage central banks' regulatory power to mandate the development and deployment of an irrefutable, robust, and inclusive identification number across financial service providers (FSPs) in the region. The UBI will ultimately be the sole and mandatory identification factor within the financial sector linking each individual to all their financial accounts. The WAMZ UBI is positioned as a cross-border functional ID system that allows access to financial services within the WAMZ.

WAMI intends to apply part of the amount of this grant to cover eligible payments under the contract for Consultancy Services to recruit a firm with expertise in digital Identity to support the design and implementation of the UBI

3. Objectives of the assignment

The objective of the assignment is to provide technical support to the WAMZ UBI project implementation unit for the design, implementation, and piloting of a secure, scalable, and interoperable UBI infrastructure in participating countries.

4. Scope of the Assignment

The UBI will be deployed in all four participating member countries. The overall scope of the assignment is as follows:

Benchmarking and peer learning visits facilitation

a) Conduct extensive research to identify global benchmarks and best practices in digital identity systems including in the banking sectors

b) Facilitate the participation of key project actors to peer learning visits in at least three different countries (confirmation of identified countries and host entities or suggestion of alternative options, TOR drafting including clear visit objectives and anticipated outcomes, visit organization with host entities, participation learning visits and knowledge capitalization, etc.)

c) Compile insight from benchmarking and peer learning visit that could inform strategic decision about the UBI architecture design, deployment, institutional anchoring, and exploitation

In country research and digital identification management infrastructure mapping

a) Trough an a comprehensive research and in country benchmarking, map the existing digital ID infrastructure, noting the technologies and platforms in use.

b) Identify the integration points, interfaces and standards required for the UBI system to communicate with existing systems

c) Analyze regional and national digital identity management guidelines and requirements and engage with local financial institutions and technology providers to understand the specific technical requirements for UBI integration.

d) Determine the technological capabilities and limitations of the existing digital ID systems.

e) Analyze the data structures used in national digital ID systems to identify common standards and protocols.

f) Assess data compatibility issues and establish a standardized approach for UBI data integration.

g) Evaluate the security measures in place for current digital ID systems.

h) Ensure that the UBI system design meets or exceeds these security standards while complying with national and regional regulations.

UBI technical design

a) Design for each country, a UBI system architecture that incorporates findings from the in-country research and infrastructure mapping and is aligned with regional interoperability guidelines.
b) Ensure the system design aligns with regional integration objectives and the varied technological landscape of member states
c) Design a regional UBI architecture which will ensure interoperability and effective cross border usage of the UBI within the financial sector
d) Develop architectural diagrams and documentation that detail the components, data flows, and interactions within the national and regional digital identity management ecosystem.
e) Conduct workshops with technical stakeholders to validate requirements and gather feedback on proposed designs.
f) Facilitate collaborative sessions to identify any technical constraints and discuss potential solutions.

Business Models

a) Develop individualized business models for each country reflecting their specific financial, regulatory, and market conditions.
b) Propose effective route-to-market strategies that consider local nuances and stakeholder input.
c) Develop practical use cases to ensure the UBI optimal exploitation and sustainability.

System Implementation

a) Outline a clear acquisition and implementation plan, with detailed timelines, resource allocation, and key milestones.
b) Ensure deployment strategies are inclusive, efficient, and minimize disruption to existing systems.

System Acquisition and deployment

a) Assist the project implementation unit in crafting detailed RFP documentation, outlining project requirements and expectations as well as technical UBI specification.
b) Guide the vendor selection process through established protocols and objective technical and financial evaluation criteria.
c) Assist the PIU for contract negotiation and management to ensure optimal resource allocation and frictionless contract delivery.

d) Define test cases and scenarios to ensure that the UBI system procured and deployed meet the technical and functional requirement.

e) Define interoperability test cases and scenarios to ensure the system can operate seamlessly with existing digital ID infrastructures.

f) Establish criteria for successful integration and create a testing plan to evaluate regional interoperability.

g) Define interoperability standards and propose a methodology for the validation or third-party connection to the UBI platforms

h) Pilot test agreed uses cases to ensure the system robustness.

System Optimization

a) Deliver a plan for ongoing system exploitation and optimization post-deployment.

b) Incorporate feedback mechanisms and agile methodologies to support continuous improvement.

Risk Management

a) Develop and maintain throughout the project a risk register.

b) Document lessons learned from mitigation actions implemented and provide further recommendations.

Stakeholder Engagement

a) Participate to the formulation of stakeholder engagement strategies to include central banks, financial service providers, government entities, and end-consumers

b) Provide inputs to inclusive communication and collaboration efforts to foster broad-based adoption.

Capacity Building and Training

a) Design and facilitate training programs on the UBI system, emphasizing system exploitation, data privacy, consumer protection, and cybersecurity.

b) Ensure all stakeholders are informed and equipped to engage with the system effectively.

5. Deliverables

The assignment requires that the consulting firm deliver the following:

a) Benchmarking and peer learning facilitation plan and report. A Concept Note that outlines key activities to be carried out as part of the peer learning effort and a compilation of key lessons learned and strategic options emanating from the organised visits and peer learning activities.

b) Digital ID Infrastructure Mapping Report. A detailed report that maps the existing national digital ID infrastructures across member states, highlighting the current technology stacks, data structures, and interoperability points.

c) UBI System Architecture Blueprint. Architectural diagrams and documentation that provide a detailed representation of the UBI system, including its components, data flows, and interactions with existing digital ID systems and others financial technologies at national and regional level.

d) Technical Requirements Document (TRD). A comprehensive document detailing the technical requirements of the UBI system in each country, informed by in-country research and stakeholder consultations.

e) Data Standards and Interoperability Framework. A framework that establishes the data standards, formats, and protocols necessary for ensuring interoperability between the UBI system and existing digital ID and systems and financial technologies at national and regional levels.

f) Security, data privacy and Compliance Strategy: A strategic document outlining the security measures and compliance guidelines that the UBI system will adhere to, including privacy policies and data protection standards.

g) Technology Stack Alignment Proposal. A proposal that recommends a technology stack for the UBI system, ensuring it aligns with the existing infrastructures and can support future scalability and integration needs.

Implementation Roadmap. A phased implementation plan that outlines the steps, timelines, and resources required for the full-scale deployment of the UBI system across the WAMZ.

h) Vendor Selection and RFP Documentation. Documentation for the RFP process including technical and functional specification criteria, evaluation matrices, and vendor selection recommendations for the UBI system implementation.

i) Unit and user acceptance tests plan and results: A set of test book and relevant results report that guarantees the robustness of the UBI infrastructures.

j) A specific Interoperability Test Plan and Results. A test plan for assessing the interoperability of the UBI system with existing national ID systems and financial technologies at national and regional level, along with a report on the test results and any identified issues or recommendations for resolution.

k) UBI Prototype or Pilot Implementation. A report on the pilot implementation in at least one of the member states.

l) An updated risk registers. A risk register developed and maintained throughout the project that outline key risks, mitigation measure, outcomes from actions taken and lessons learned.

m) Training Materials and Documentation. Comprehensive training materials and technical documentation designed for the relevant stakeholders, ensuring they can operate, manage, and troubleshoot the UBI system effectively.

n) A Lesson learned register. A report that recapitulates the key lessons throughout the project implementation and the UBI piloting phase.

6. Selection Criteria and Process

6.1 Selection Process

A shortlist of three (03) to six (06) firms will be established following a Request for Expression of Interest. These firms will subsequently be requested based on a Request for Proposal to submit a technical and financial offer. The final selection will be based on the quality and Cost-Based selection (QCBS) method by an evaluation of the competence and experience of the firms, their proposed methodology and the profile, qualifications and relevant experience of key personnel and staff proposed for the assignment.

6.2 Qualifications and Experience of the Firm

a) The firm must be officially established in a AfDB member country with at least 10 years of legal existence. In case of a joint venture or consortium, the number of years of existence of the oldest firm will be considered.

b) The firm should possess:
   i.   a minimum of ten (10) years of progressive experience in Digital Identity and system design and implementation either as an advisory firm, service or technology provider, alongside a strong portfolio showcasing previous successful projects in digital ID implementation. The firm must demonstrate expertise in national civil registration, proficiency in biometric data collection and storage, and a comprehensive understanding of national digital ID management frameworks.
   ii. an extensive knowledge of digital ID technologies is essential, coupled with a robust data security policy framework to safeguard sensitive data and ensure compliance with regulatory requirements.
   iii. Familiarity with the financial and regulatory environments of the WAMZ countries. Previous experience developing identification systems and uses cases for the financial sector will be an asset.
   iv. Demonstrable experience in large-scale project management and implementation in diverse environments.
   v.   Track record of successful engagements with similar institutions or projects.
   vi. a deep understanding of user experience (UX) and user interface (UI) design principles, applying these concepts effectively to enhance the usability and accessibility of digital ID systems.
   vii. a demonstrable experience in database design and development is required, including expertise in data management and storage solutions, with verifiable references attesting to successful implementations.

c) The firm shall deploy a combination of permanent and short-term experts throughout the duration of the assignment.
   i.   All staff should have at least a master's degree with 5-10 years of relevant experience in their field of expertise.

ii.   The short-term staff will be deployed to cover the need for expertise in area such as cybersecurity, data privacy, IT quality management and system testing, gender, UX design data warehousing, system integration and optimization.

iii.   The permanent staff will be deployed to assist the PIU for the whole duration of the assignment. It shall comprise of:

    a. A team leader with at least 10 years of experience and Strong technical background in systems design and IT project management.
    b. A Digital ID expert with 7 years of relevant experience and a track record of successful involvement in digital ID project in a capacity of technical lead, Digital ID architect or project engineer
    c. An IT business analyst with 7 years of experience and proven expertise in functional and system design, knowledge management, test case development and testing supervision.

d) The firm must be able to conduct the assignment and report in both English and French

7.   Contract Governance and Reporting requirement

The Consultant will work under the direct supervision of the Project Director and the Project Implementation Unit at WAMI. Additionally, the Consultant will coordinate with the in-country coordinating teams from each of the Beneficiary countries. All documents shall be produced in English and French language and submitted in electronic and paper format. It is expected that the Consulting Firm shall prepare and submit:

Reports	Time for Submission	Terms of payment	Number of Copies
Inception Report	1 months after Contract Award	20%	5 copies
Review and benchmark report /presentation	3 Months after the submission of Inception Report	40%	5 copies
Final recommendation and framework report /presentation	3 Months from the submission of the draft final report	40%	5 copies

8.   Expected Duration of Assignment

The estimated duration of the contract is three (03) years. The Consultancy Firm and the PIU will agree at contract awarding a detailed timeframe that will be reflected in the signed contract.