

TERMS OF REFERENCE (TOR)

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

CONSULTANCY SERVICE FOR THE RECRUITMENT OF DIGITAL IDENTIFICATION (ID) FIRM WITH POLICY, AND REGULATION EXPERTISE TO DEVELOP AND DISSEMINATE A HARMONIZED CUSTOMER ID FRAMEWORK FOR THE FINANCIAL SECTOR IN THE WAMZ REGION

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 countries by conducting gap analysis, conduct 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 followings: (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 awareness raising to ensure buyin 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 intend 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 which allow access to financial services within the WAMZ.

Each Member State has its own rules and regulations that govern identity management. To maximize its effectiveness, it's crucial that the WAMZ UBI not only aligns flawlessly with the legal and institutional frameworks of each member state but also fully embraces and integrates the recommendations for interoperability and standardization set forth by ECOWAS and the African

Union. This strategic alignment will ensure the UBI operates seamlessly across borders, enhancing regional financial cohesion and efficiency.

Against that backdrop, WAMI intends to apply part of the amount of the AfDB Bank Group grant to cover eligible payments under the Consultancy Services to: conduct an initial gap analysis and develop the draft harmonized Customer Identification Framework (working with the four participating central banks and representation from financial service providers but reviewing across the six WAMZ countries); dissemination of the approved customer identification framework and capacity building for key sector stakeholders.

3. Objectives of the assignment

The objective of the assignment is to develop and disseminate a harmonized customer identification framework to support the UBI implementation in participating countries that aligns with existing national and regional regulations and ensures cross-border utilization of the UBI. To evaluate the current digital identity management framework in member states, conduct an initial gap analysis, and produce a draft harmonized customer identification framework. The outcomes of the assignment are expected to eliminate major differences or gaps and create minimum requirements or standards aiming toward the unification of the standards within the WAMZ.

4. Scope of the Assignment

4.1. Geographical Scope

The assignment spans all six (06) WAMZ countries and will be conducted considering the two official languages spoken in the region. Ghana and Nigeria are not primary recipients of the project's activities. However, the design of the WAMZ Unique Bank Identifier (UBI) is set to achieve full interoperability throughout the financial sector of entire region making it, therefore necessary that the framework takes into cognizance existing digital ID platforms in these countries with a view of ensuring interoperability. The Consultant will hold consultations with central banks, national identity management authorities, public and private sector identification services providers, regional policy and regulatory bodies, existing digital ID projects executing agencies, in order to have a holistic view of the digital ID landscape in the region to craft the most effective institutional and legal framework for the WAMZ UBI.

4.2 Technical Scope

The overall scope of the assignment covers:

Research and Analysis:

- a) A detailed analysis of the existing financial and banking regulations, digital ID systems regulation and legislation, and infrastructure in the participating countries.

- b) An in-depth assessment the existing regional financial, and digital ID regulations, directives and framework in Africa, West Africa and the WAMZ with a view of determining key standards and guidelines applicable to the WAMZ UBI.
- c) A comprehensive mapping of the institutional framework governing Identity Management in The Gambia, Guinea, Liberia, and Sierra Leone with a view of making recommendations for the optimal institutional anchoring of the WAMZ UBI in each country.
- d) The identification of challenges and opportunities related to the implementation and operation of the UBI across diverse regulatory and legal environments and suggest solutions.
- e) The identification of existing gaps and needs for alignment and harmonization.
- f) A thorough stakeholders mapping to ensure consensus and mutualization of effort around the UBI implementation

Framework Development:

- a) Development of a robust and harmonized regulatory framework ensuring compatibility existing national and regional ID management frameworks, international standards, and best practices.
- b) Development of details guidelines on biometric data management, data privacy, security, technology standards, and regulatory compliance to ensure seamless interoperability with existing national systems and across the region.
- c) Drafting of required regulation, for consideration and adoption by each country and the WAMZ as it may apply.
- d) Crafting of optimal national and regional institutional frameworks that ensure frictionless implementation and operation of the WAMZ UBI and its sustainability.

Stakeholders Mapping and Engagement Strategy:

- a) Elaboration of an effective stakeholder's engagement and management strategy for securing consensus on the regional agenda of interoperable UBI The strategy should consider each stakeholder's interests, influence, expectations, and strategic importance to the agenda.
- b) Determination of the appropriate forms of involvement for the different stakeholder groups and recommend the stage at which each stakeholder should be involved in the national and regional dialogues and project implementation where necessary.
- c) Compilation of a comprehensive list of the appropriate officials from each Member State that should be involved in the consensus-building effort. Indicate their contact details (name, designation, institution, address, email address and mobile number).

Implementation and Evaluation Plans:

- a) The development of a detailed implementation roadmap, including timelines, resource allocation, and phase-wise integration strategies.

- b) Establishment of benchmarks and indicators for monitoring the implementation of the UBI framework.
- c) Development of an evaluation plan to assess the effectiveness of the interoperability features and overall framework adoption.
- d) Definition of a risk management strategies and contingency plans.

Capacity Building and Training:

- a) Development and implementation of training programs for national regulatory bodies and financial institutions to ensure smooth adoption and implementation of the UBI framework.
- b) Preparation of educational materials and delivery of training sessions as required.
- c) Dissemination of the Harmonized Frameworks in countries and across the region

5. Deliverables

The assignment requires that the consultant firm accomplishes the following deliverables:

- a) Inception, draft, and final Reports (in English and French)
- b) A comprehensive report on the current digital ID landscapes of the participating countries.
- c) A harmonized framework document for the UBI.
- d) Detailed Guidelines on biometric data management, data privacy and cybersecurity for ID Management system
- e) A comprehensive stakeholder mapping and engagement strategy
- f) Validated draft of required regulation and policy
- g) Concept note on institutional anchoring of the UBI in each country and at regional level.
- h) An implementation roadmap including detailed plans for technology deployment, stakeholder training, and risk management.
- i) A dissemination plans.
- j) Training and educational materials for stakeholders.

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 process will employ the Quality and Cost-Based Selection (QCBS) method, which entails evaluating the competence and experience of firms, the proposed methodology, as well as the profiles, qualifications, and relevant experience of key personnel and staff designated for the Assignment.

6.2 Required Qualifications and Experience

- a) The firm must be officially established in an 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) It must provide evidence past successful experience in Digital Identification systems, digital identification framework development, financial policy, stakeholder mapping and engagement or digital law and policy.
- c) The firm must be able to deploy a team of qualified professional throughout the duration of the mission. The experts undertaking the field missions should possess at least a master's degree in relevant field of study with at least 5 years of professional experience. The Team must comprise:
 - i. A team leader, head of Mission with at 7 years of proven experience and expertise in programme Management, Digital ID management, financial sector regulation or stakeholder engagement and capacity building,
 - ii. A Digital ID expert with 7 years of experience and proven expertise (certification or deployment of at least 3 projects) in Digital Identity Management
 - iii. A Legal and Institutional Framework expert with proven expertise in Digital Law, institutional framework design, and capacity building
 - iv. A Monitoring and Evaluation expert with 5 years of proven experience
- d) The firm must be able to conduct the assignment and report in both English and French
- e) Past experience, with ECOWAS /WAMZ and its Member States will be an added advantage.

7 Assignment Governance and Reporting

The Consultants will work under the direct supervision of the Project Director and the Project Implementation Unit based at WAMI. Additionally, the Consultant will coordinate with the in-country coordinating teams from each of the beneficiary countries.

It is expected that the Consulting Firm shall produce the following reports.

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 Firm will be required to complete the assignment within twenty-four (24) months. The tentative commencement date is around December 2024.