

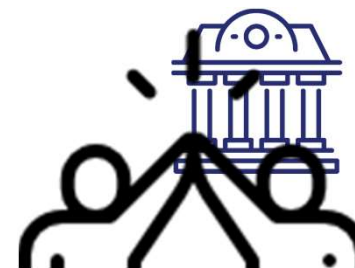
MODULE 4. SET UP AND IMPLEMENTATION



- In this module:
 - SOPs
 - **Procurement**

PARTNERS IN CTP

- FSPs include: banks, post offices, remittance companies, microfinance institutions, money dealers companies.
- IT and Telecommunication Service Providers: mobile operators.
- Vendors (local traders), shops...



WHAT PARTNERS CAN PROVIDE IN CTP?

- Direct cash distribution
- Cash transfer services
- Payment of the cash over the counter
- Payment of redeemed vouchers
- Software and hardware



REQUIREMENTS TO FSP

- Be clear and use commercial language and/or explain
- Not just programme requirements
- Simplicity Vs complex and/or flexible
- Prioritise (mandatory / nice to have)



beneficiary registration

SELECTION CRITERIA - FSP

coverage

Cash transfer mechanisms (variety of different services)

Capacity for service providing (cash liquidity, available staff, branches/distribution points)

Previous experience

Reporting capabilities (transaction report)

SELECTION CRITERIA - VENDORS

beneficiaries

Financial capacity (access to finance or self financing)

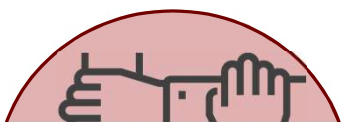
Price competitiveness

Quality

Storage

TASK 4 – MODULE 4

Service Provider Requirements



Instructions

With your group, define the minimum criteria for a service provider

CAPACITY ASSESSMENT QUESTIONS TO CONSIDER

Red Cross Cash-in-Emergencies Toolkit

Checklist to confirm retailers capacity & interest:

- Are the traders willing to take part in a voucher program (considering beneficiary profile, timeframe, and other relevant issues)?
- Do traders meet the minimum financial, supply, and stock capacities required



and or different delivery mechanisms charge fees in different ways.

A supplier that is very cheap for small scale operations might be the most expensive

for large scale operations. If the operation might scale up you need to factor this

into the evaluation.

FSP & PSP SERVICE FEES

- Transaction fees
- Flat fees
- Incidental fees
- Wholesale fees
- Markups
- Reporting fees
- Online reporting fees
- IRS reporting fees
- Network fees
- Access to information service fees
- Value-added services



Educate yourself on what

Transfer of cash or voucher or other value or information (such as pin) to beneficiary

- May be 1-time
- Often iterative (e.g. 1 per month)

**to Service
Provider**

The actual amount of money transferred to the service provider during includes both the fees being paid to the service provider as well as the actual value being transferred to the beneficiary.

Is the value of the contract:

I) The fees

– or –

the fees + value being transferred

GOAL:

Manage risk exposure without compromising speed or flexibility



The third variation that is not given her, is that you should tender on the highest

possible cash value to be held at the institution at any one time. For example if you

monthly loading is \$1,000,000 and the service fees each month are \$1,500 and as

part of your planning and for the smooth movement of money you transfer 3 months

of payments at a time, with the next transfer arriving before the final loading of the

last transfer.

This would mean that the highest possible amount is 4 months of transfers and 4

months of fees or \$4,006,000 – which is the highest possible financial exposure you

have created.

The above option is to generate discussion and not to contradict a NS / IFRC or ICRC

policy.

KEY TAKEAWAYS

- **FSP / PSP Service Fees:**
 - Educate yourself, read the fine print, allow FSPs to inform you of other fees
- **Contract valuation:**
 - Follow the SoPs (cash and procurement)

