

Terms of Reference

Jordan Emergency Cash Transfer COVID-19 Response Project

Independent Verification Entity (IVE)

1. Background

The COVID-19 outbreak has been spreading rapidly since December 2019. On March 11, 2020, the World Health Organization (WHO) declared a global pandemic as the coronavirus rapidly spread across the world. The COVID-19 induced shock is adding to an already challenging macroeconomic situation in Jordan. Thus, affecting the living conditions of Jordanian households, with poor and near poor households are specifically vulnerable to this shock.

The Government of Jordan (GOJ) has been taking decisive actions to contain and mitigate the effects of COVID-19 outbreak, including activating The Jordan National Defense Law No. 13 of 1992, which came into force as of 17 March 2020 following a royal decree issued upon the recommendation of the Council of Ministers. Various necessary measures were undertaken by the Government of Jordan to combat the COVID-19 outbreak in the Kingdom and to provide protection to workers and to poor households. During the lockdown (March – June), informal workers, who account for 35 percent of the workforce, were the most impacted, in response the Government of Jordan, launched an Emergency Cash Transfer program to provide cash support to poor and vulnerable households affected by the COVID-19 pandemic in Jordan. 237,300 households received 3-months of Emergency Cash Transfers which includes 10,002 households from Gaza and 9,179 households of Jordanian women who are married to non-Jordanians. In response to the deteriorating situation, the GOJ announced two new programs in December 2020, to support households and workers affected by the pandemic and reaffirm its commitment to Takaful-1. The first program, Takaful-3, aims to support 100,000 households of informal workers affected by the pandemic over 12 months. Takaful-3 was designed in close collaboration with the World Bank and will be implemented by NAF. The second program, *Istidama*, aims to subsidize wages and social security contributions of 100,000 formal workers employed in establishments most affected by the COVID-19 pandemic over six months. In March 2021, the GOJ announced a new set of COVID-19 response measures, including (i) the expansion of Takaful-3 to 60,000 additional households; and (ii) the extension of *Istidama's* benefit receipt period from December 2020 to December 2021.

1.1. Project Objective and Components

In response, the World Bank (WB) financed the Jordan Emergency Cash Transfer COVID-19 Response Project (P173974), through an IBRD loan with co-financing from an FCDO grant, to support the Government of Jordan represented by the National Aid Fund (NAF) to provide emergency cash response to about 270,000 poor and vulnerable households affected by the pandemic, including informal workers and poor households in Jordan under the Takaful regular cash transfer Program in 2020. In June 2021, the World Bank approved a request from the government to restructure the Emergency Cash Transfer

Project and to provide Additional Financing (P176807) to support the government response programs. The restructured project and the Additional Financing are formed of the following components:

- Component 1: Cash support to poor and vulnerable households affected by COVID-19 pandemic which focuses on providing Cash Transfers (CTs) to about affected poor and vulnerable households affected by COVID-19 and will include two subcomponents which are: (a) Subcomponent 1.1: Temporary CTs to vulnerable households (Takaful '2' Program and Takaful '3' Program), and (b) Subcomponent 1.2: Takaful Cash Transfer Program (Takaful '1' Program);
- Component 2: Project management, monitoring and evaluation which aims to support NAF with the management, Monitoring and Evaluation (M&E) of project activities. It will finance a fully staffed and equipped Project Management Unit (PMU) which will be housed in NAF and MOPIC. the PMU will support the implementation of all activities under components (1) and (4); and
- Component 4: Support to workers in firms affected by COVID-19. This component will finance "*Istidama*" which aims to finance temporary wage subsidies and social security contributions (up to JOD 1000) (US\$1410 equivalent) in 2021, covering formal Jordanian workers in eligible private sector establishments. The objective is to protect workers while keeping establishments solvent and operational. The project will support approximately 100,000 workers.

1.2. Institutional and Implementation Arrangements

- a. **Component (1): The National Aid Fund (NAF) is the implementing agency for this component.** NAF is Jordan's lead agency for CTs to the poor. NAF is responsible for the implementation of the key functions of the cash support provided through the Project, including data verification, selection of beneficiaries, enrollment, payment, M&E and GRM. NAF cash processes are fully automated which enabled NAF to expand support to more temporary CT beneficiaries through an Information Management System (MIS) with fully automated cash processes (registration, data verification, eligibility scoring, enrollment, digitized payments, and Grievance Redress). NAF has leverage on the systems that were built for the Takaful program with support from the WB, UNICEF, WFP and other partners.
- b. **Component (4): The Ministry of Planning and International Cooperation in partnership with the Social Security Corporation (SSC) is the implementing agency for this component.** MOPIC is the responsible implementing agency for the new Component 4, with the SSC¹ as the implementing partner through a cooperation agreement that was signed between the two parties. The Digital Administration Unit at SSC is responsible for all aspects of project daily management and implementation under the supervision of MOPIC as stipulated in the subsidiary agreement.

¹ SSC is an autonomous government institution, governed by a board of directors, with a financially and administratively independent judicial body. It was established to protect and support the workforce socially and economically. It provides insurance benefits and privileges to insured citizens and their family members based on age, disability, death, or work-related injuries. The SSC is governed by a law which was issued in Jordan in 1978 (Temporary Law No. 30 for the year 1978); Law No. (19) for the year 2001; followed by an amended Provisional Law No. (26) for the year 2009; and Provisional Law No. (7) for the year 2010, and finally Law No. (1) for the year 2014 which came into effect in March 2014.

Registration for cash support and wage subsidies is done through online registration platforms that were established by NAF and SSC. Both agencies developed guidelines for registration, selection, enrollment, payment, as well as complaints and grievances.

2. Description of task

2.1. Verification of the use of Services

The Government of Jordan, through MOPIC has committed to appoint an Independent Verification Entity (IVE) to carry out, under the terms satisfactory to the Bank, a verification review of Project implementation. To verify (a) accuracy of Safety Net Transfer payments; (b) eligibility of Beneficiaries; (c) confirmation of receipt of funds the project's Beneficiaries; and (d) calculation, processing and payment of Istadama Benefits.

The objective of these Terms of Reference (TOR) is to identify and appoint the prementioned IVE to carry out the verification review of Project implementation, including, inter alia, accuracy of Safety Net Transfer payments and Wage Subsidies, eligibility of Beneficiaries, and confirmation of receipt of funds by the Project Beneficiaries in Takaful-2, Takaful-3 and Istadama Programs.

The verification exercise will include the tests and checks that the IVE deems necessary to undertake. The IVE will also carry out specific verifications relating to cash transfer operations.

The verification exercise should mainly focus on all aspects of the financial and accounting management of the program at the level of the relevant NAF and SSC sections, the automated and/non-automated internal payment process, and the payment agencies around payments' delivery; as well as assessing access to payments by beneficiaries.

The verification exercise will cover the funds disbursed for Takaful 2, 3 programs and Istadama program for the period extending from March 2020 to December 31, 2021 and due for submission by not later than 6 months from the contract signing date. Two interim reports and one final report will be submitted:

- Interim Report for the period extending from March 1, 2020 to June 30, 2021, due for submission by not later than 2 months from the contract signing.
- Interim Report for the quarter from July 1, 2021 to September 30, 2021, due for submission by not later than 4 months from the contract signing.
- Final report for the full period extending from March 1, 2020 to December 31, 2021, due for submission by not later than 6 months from the contract signing.

In terms of the project beneficiaries, the following are the definitions being used:

- a. Case definition of "eligibility":

- i. an eligible beneficiary household for Takaful-2, and Takaful-3 Programs is a family² that has applied to one of NAF programs and has been assessed eligible, based on the eligibility criteria determined by NAF for the related program.
 - ii. an eligible beneficiary for Istadama is an employee who was enrolled in SSC before and is working in a private sector firm that was affected by COVID-19.
- b. Case definition of “enrollment”: an enrolled household or individual that has a Bank Account, Basic Bank account or an e-wallet account which has been recorded in NAF systems for Takaful programs and in SSC system for Istadama program, for payment receipt.
- c. Case definition of “beneficiary”: a household that has been enrolled in NAF or SSC system, to be paid or already paid under one of the project financed programs.
- d. Case definition of “payment transfer”: a transferred payment is a payment that has been disbursed to a beneficiary owned account, through the Commercial Bank, CBJ or e-wallet payment service providers, as per the set benefit amount by NAF or SSC automated calculation method.
- e. Case definition of “received payment”: a successful transfer that has been deposited to the beneficiary owned account
- f. Case definition of “accessed payment”: a deposit that was partially or fully cashed out and/or utilized by the “beneficiary; payment recipient”

2.2. Specific Verification Objective

When carrying out the verification exercise, it will be particularly important to ensure that the overall financial performance of the Program is satisfactory:

- a. all external resources have been used in accordance with the provisions of the loan and legal agreements.
- b. the supporting documents and relevant accounting documents relating to disbursements made, are available and reliable (archiving system of vouchers and other documents to be produced for internal and external verification requirements)
- c. the resources made available have been used in accordance with the provisions of the applicable funding agreement in the interests of economy and efficiency, and solely for the purposes of the Program.
- d. Payments are **successfully** made to **beneficiary** households, throughout their eligibility duration and in line with the benefit amount set by the Borrower (through the National Aid Fund)
- e. Deposited payments are **successfully accessed** by beneficiaries.

3. Methodological guidelines

3.1. Verification of payments: accuracy, consistency and completion

In a first stage of the verification process, the IVE will conduct a thorough review of NAF’s beneficiary database as documented on the MIS. The Verification Agent will present a written quarterly report to MOPIC on irregularities and inconsistencies identified between enrollment and payment lists, between various payment batches, or between the generated beneficiary payment list and transferred payments, with focus on comparability between MIS calculated output values and actual payment components (i.e.

² A household unit (family unit) is defined as listed members under one family booklet sharing one reference number, as per the administrative data of the Civil Status and Passports Department.

beneficiaries identity, accounts ownership and benefit value) . The Verification Agent will note the set and approved regulations of NAF and SSC on beneficiaries' regular process of reassessing eligibility, inclusion, and exclusion. As part of the first stage of the verification process, the IVE will select sample cases and will conduct a desk-based verification of the documentation of the payment processes, including a review/comparison of scanned copies of payment information, to identify account ownership.

The IVE will request to the counterpart to explain and justify the information shared accordingly and in time for the final report to be delivered to the Bank. NAF will provide new estimates to the IVE who may report back on irregularities and inconsistencies, if necessary, until a clean, final version of the report is achieved through the cooperation of the actors involved (NAF, SSC, MOPIC, IVE).

In the second stage of the verification process, the IVE will contact the payment service providers, to conduct a thorough review to assess the percentage of payments that were successfully made to beneficiaries, per month and identify recurrent bottlenecks that should be addressed by the Borrower.

In the last stage of the verification process, the IVE will conduct a phone survey with sampled beneficiaries to assess access to payments, per month and identify recurrent bottlenecks that should be addressed by the Borrower.

3.2. Sampling methodology

The Verification Agent will design and use a sampling methodology that will result in a statistically sound verification of the accuracy, consistency, and completion the payments data, processes, and output.

The sampling methodology will be reviewed by MOPIC, NAF, and SSC and the Banks to ensure that it follows the proposed timeline and sound statistical standards as well as the Project Appraisal Document and the Project Paper for the additional financing. The sampling methodology proposed by the Verification Agent in their technical proposal will specify the sampling, the tools and method for data collection, as well as the team composition for data collection, and the techniques for data processing and analysis. The key elements that the sampling methodology should incorporate are the following:

- Sampling methodology should be nationally representative³
- Sampling methodology should be representative of Male Vs Female headed households
- Sampling methodology should be representative of types of digitized payments as well as the payment service providers.
- Sampling methodology should include regular cash transfer beneficiaries under “Takaful Program” as well as the Emergency Cash Transfer program for informal workers.
- Sample selection and sample size calculations should result in a confidence level of 90 per cent

³ Only for the purposes of the first stage of the verification process. For the second stage of the verification process, the sample should be statistically valid but not necessarily nationally representative.

3.3. Sampling process

- The IVE will submit a proposal for the sampling process, to ensure compatibility with the set sampling methodology and required representation.

3.4. Independent verification procedures and tasks

The Verification Agent will review the beneficiary records in the MISs and archives of of NAF and SSC as applicable, request payment status' reports from payment service providers, and conduct a phone survey with beneficiaries to assess access to payments. As needed, the verification agent may conduct interviews with key actors. In specific, the agent will;

- Conduct a thorough desk review of databases and records, in online and offline used systems, by NAF and SSC.
- Request a sample of beneficiaries' payment delivery status at the payment service provides, to be provided through NAF or directly by service providers
- Develop, roll-out and analyze a survey to assess access to payments
- Conduct interviews with key actors and beneficiaries, as needed, for further information on processes and discrepancies. This should include the payment modules that were developed in SSC and NAF Management Information Systems (MIS).
- Cross-checking and comparison (triangulation) of the various data and information gathered by the Verification Agent.

4. Deliverables

The agent will provide MOPIC with two interim reports and one final report, in both English and Arabic languages, in line with the following timetable;

- Interim Report for the period extending from March 1, 2020 to June 30, 2021.
- Interim Report for the quarter from July 1, 2021 to September 30, 2021
- Final report for the full period extending from March 1, 2020 to December 31, 2021

All submitted reports will containing the following information regarding the verification process and outcome:

- a. Sampling methodology: Detailed description on how the sample was selected; what was the sample size; and what were the weights used for expanding sampling results to the national level.
- b. Data collection and processing: Specification on each step of the data collection process including the specific dates when the data collection mission took place; team employed for data collection; tools and methods used for data collection and data extraction from the online and offline files; proportion of digital and physical files collected; techniques used for data processing and analysis; and any shortcomings identified during the data collection process.
- c. Results of the verification process including data for the specified period, disaggregated by month, program, gender of the head of household, payment type, and payment service provider. Results should demonstrate:

- Summary report on the use of external project resources (IBRD loans and FCDO grant), against the legal agreements and project documents. The report should include annexed financial statements and previous audits' reports as applicable, as well as an evaluation of the archiving mechanisms used by NAF.
- Summary report of payments to beneficiaries, disaggregated by month, program, gender of the head of household, payment type, benefit amounts, and payment service provider.
- An audit report of the payment processes, to evaluate their success in reaching all beneficiary households throughout their complete eligibility duration, with the correctly calculated benefit amount. The report should specify the percentage of transactions/month that failed to achieve this purpose and the reason.
- Additionally, the payment audit report will include a summary on access to benefits (i.e. numbers and percentages of beneficiaries that had successfully accessed the payments/ percentage of beneficiaries that didn't access one or more transactions), results should be analyzed against geographical location, program, gender of the head of household, type of account and payment service provider. Recurring challenges against access to benefits should be listed.

5. Team composition and qualification requirements for key experts

The firm should put together a qualified evaluation team with local presence and experience in Jordan. Overall, all team members should have:

1. Education: Relevant degrees in statistics, information management, economics, finance, and auditing.
2. Relevant work experience: Extensive experience in conducting similar types of assessments; previous working experience with the Government of Jordan is a plus.
3. Key competencies: High proficiency in English and Arabic.
4. Country experience: Familiarity with Jordan is essential.

Interested firms should propose the team composition that they consider adequate. However, at the minimum, the following requirements should be observed:

- Senior investigator: Full or part-time presence in the country. Proposals should include proposed time allocation in country.
- Financial Auditor: Full time presence in the country
- Statistician/ Information Management Officer: Presence in country not required, knowledge of Arabic is a must
- Field coordinator/ research assistant: Full time presence in the country
- Surveyors: Members who have substantial experience conducting surveys and interviews in Jordan; fluency in Arabic is a must. Sample size will be around 3 to 5% of the beneficiaries from each program.

Senior investigator: Required skills and experience

- Master's degree in a relevant field, preferably economics.
- Minimum 15 years of directly relevant experience in high-scale auditing projects

- Relevant experience in producing quantitative data analysis' reports
- Relevant experience in coordinating implementation of field work
- Excellent written English communication skills, with focus on research protocols, research papers and descriptive reports for diverse audience
- Ability to facilitate communication between various levels of management and work independently to meet deadlines
- Previous work experience with the Government of Jordan is a plus

Senior Financial Auditor:

- Master's degree or an equivalent certificate in finance, accounting, or a relevant field
- Minimum of 10 years directly relevant experience in high-scale projects' auditing
- Proven work experience in a quantitatively heavy role
- Fluency in both Arabic and English is a must

Financial Auditor/s

- Bachelor degree or an equivalent certificate in finance, accounting, or a relevant field
- Minimum of 5 years directly relevant experience in projects' auditing

Statistician/ Information Management Officer

- Master's degree in statistics, economics, or another relevant major
- A minimum of 7 years of relevant experience in analyzing quantitative data using statistical analysis softwares
- Knowledge of English and Arabic is a must
- Proven work experience in a quantitatively heavy role
- Excellent data visualization and presentation skills

Field coordinator: Required skills and experience

- A bachelor's degree as a minimum
- A minimum of three years' experience in managing data collection projects, including procurement and field work
- Ability to communicate in English and Arabic
- Familiarity with Social Protection projects is a plus
- Proven ability to facilitate communication between different levels of government and between government and development partners
- Excellent interpersonal and problem-solving skills

Survey team: Required skills and experience

- Two years' experience in data collection in Jordan.
- Familiarity of social protection projects is a plus
- Team familiar with interview techniques and fluent in Arabic
- Proficiency in Microsoft Office and in using data collection tools

6. Contract Type

The contract will be executed as a firm contractor, in accordance with the World Bank's Policies & Guidelines. The contractor should sign a non-disclosure agreement if requested by the client.

7. Contract Duration

The contract will be for a duration of 7 months, starting from the date of signature.

8. Client Responsibilities

The Government of Jordan represented by the Ministry of Planning and International Cooperation and by the National Aid Fund (i.e. the client) is responsible of providing the contractor with access to beneficiary and applicants databases. The client will provide contact information of sampled beneficiaries as required.

9. Action plan and Method of Payment

The payment will be deliverable based, in line with the following milestones.

Deliverable	Timeframe	Responsibilities	Payment (% of the total contract Value)
Inception Report	No later than 10 days from contract signing	Contractor. Client to provide access to data	15%
Deliverable 1: Interim Report for the period extending from March 1, 2020 to June 30, 2021	due for submission by not later than 2 months from the contract signing.	Contractor. Client to provide access to data	25%
Deliverable2: Interim Report for the quarter from July 1, 2021 to September 30, 2021	due for submission by not later than 4 months from the contract signing.	Contractor. Client to provide access to data	25%
Deliverable3: Final report for the full period extending from March 1, 2020 to December 31, 2021	due for submission by not later than 6 months from the contract signing.	Contractor. Client to provide access to data	30%
Deliverable 4: presentation to the client on key findings	due for submission by not later than 6.5 months from the contract signing.	Contractor	5%