

ANNEX B - TOR Regional LTA - Establishment of LTA for financial assurance services -S for Audit and HACT Services in the MENA Region

Terms of Reference for Long-Term Agreement for Services (LTAS) for Audit and Harmonized Approach to Cash Transfer (HACT) Services:

- Service Area 1: Macro assessment
- Service Area 2: Micro assessment
- Service Area 3: Financial Spot Check
- Service Area 4: Scheduled Audit
- Service Area 5: Special Audit
- Service Area 6: Capacity Development Activities Related to Financial Management Systems of Implementing Partners
- Service Area 7: Other Related Advisory Services

1. BACKGROUND

UNICEF, UNFPA, UNDP and FAO (UN Agencies) have adopted the 2014 revised UNDG Harmonized Approach to Cash Transfers (HACT) as a tool to ensure that funds transferred to partners are utilized as intended. Within the HACT framework there are the following four processes: (1) capacity assessments (macro assessment and micro assessment); (2) cash transfers and disbursements; (3) assurance activities; and (4) financial management capacity development.

UNICEF, UNFPA, UNDP and FAO have adopted the UNDG HACT framework in 2005 pursuant to United Nations General Assembly Resolution 56/201 on the triennial policy review of operational activities for development of the United Nations system. The framework was updated in 2014. The HACT framework represents a common operational (harmonized) framework for transferring cash to government and non-governmental IPs, irrespective of whether these partners work with one or multiple United Nation agencies. The objective of the HACT framework is to support a closer alignment of development aid with national priorities and to strengthen national capacities for management and accountability, with the ultimate objective of gradually shifting to national systems. It is understood that 'harmonized' in the context of the HACT framework refers to agencies implementing a common operational framework using the same, consistent, standardized approach and tools.

HACT micro assessments are not the only assessment, nor the only selection criteria for selecting implementing partners, and that additional reviews, such as Core Value Screening by UNICEF is being performed to inform the final choice of IP in each case. Such other reviews are currently outside the scope of this HACT tender.

While selection of government partners is based on the mandate and responsibilities of government entities, the process for identifying CSO is provided in the following link:

<https://www.unicef.org/partnerships/civil-society>

Key guiding principles for UNICEF partnerships with civil society and other actors are outlined in the following link: <https://www.unicef.org/partnerships/civil-society>

The HACT framework represents a shift from assurance for cash transfers derived from project level controls and audits towards a method of assurance derived from risk/system-based assessments and audits.

Implementing partner (IP) is the entity responsible and accountable for ensuring proper use of UN Agency provided resources and implementation and management of the intended programme as defined in the work plan or the programme document. Implementing partners is a:

- Government partner, including ministries, semi-autonomous entities, local government;
- Intergovernmental organization; or
- Civil Society Organization (CSO) partner, including national and international NGOs, academic institutions, community-based organizations and foundation

Objectives, Purpose & Expected Results

The purpose of this Request for Proposal for Services (RFPS) is to identify a qualified service provider(s) in the Middle East and North-Africa (MENA) region of UNICEF to provide professional assessment, assurance, and advisory services. Contracts for specific services would then be enacted by the UNICEF MENA Regional Office and UNICEF Country Offices in the MENA region at the LTA-specified unit costs and other conditions.

The scope of work required, and specific deliverables are described in the attached, **Appendix L:** and its appendices.

2. DESCRIPTION OF THE ASSIGNMENT

1. Service Area 1: Macro Assessment

To ensure adequate awareness of the public financial management (PFM) environment within which UNICEF provide cash transfers to IPs, a desk review of assessments of the PFM system is conducted. In the HACT framework PFM is broadly defined to include a range of considerations for operating in the country. It is not limited solely to the financial environment but also includes national procurement capacity, exchange rate volatility, presence of informal/black markets, etc. This assessment is called a macro assessment.

The two primary outputs of the macro assessment are:

- (a) An outline of risks related to the use of the PFM for cash transfers to government IPs within the country (individual IP risk is determined through the micro assessment), as well as other country-specific knowledge for non-governmental IPs, such as environmental conditions, exchange rate volatility, presence of black markets, etc.; and
- (b) A determination on whether the government's supreme audit institution (SAI) has the capacity to undertake the scheduled and special audits of government IPs.

2. Service Area 2: Micro Assessment

The micro assessment assesses the IP's financial management capacity (i.e. accounting, procurement, reporting, internal controls, etc.) to determine the overall financial risk rating and assurance activities. The risk rating, along with other available information, is also taken into consideration when selecting the appropriate cash transfer modality for a selected IP, based on each agency's business model. This assessment applies to both governmental and non-governmental IPs.

The two primary outputs of the micro assessment are:

- (a) An overall financial risk rating related to cash transfers to IPs (low, moderate, significant or high); and
- (b) The appropriate type and frequency of assurance activities and cash transfer modality based on each agency's business models.

The micro assessment is viewed as a component of the standard overall assessment of an IP, in addition to other available sources of information (e.g. core value assessment, history of engagement with the agency, previous audit reports, etc.) and results from the macro assessment (or the absence of information regarding the PFM environment and capacity of the SAI if no macro assessment exist).

The micro assessments scope may be revisited over time, and in such case additional information/offers would be requested via appropriate process as relevant.

3. Assurance Activities

The purpose of assurance activities is to determine whether the funds transferred to IPs were used for their intended purpose and in accordance with the work plan or programme document. The components of financial assurance activities are briefly described as:

- a. **Service Area 3 - Spot checks:** a review of financial records related to the management of the partnership with UNICEF. Spot checks are performed in the office of implementing partners. Spot checks are not audits therefore the extent of expense testing is generally lower than what would be undertaken during an audit.

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- b. **Service Area 4 - HACT audit.** a systematic and independent examination of data, statements, records, operations, and performance of an implementing partner carried out by an external service provider. The overall objective of the audit is to provide UNICEF with a reasonable assurance on the appropriate use of funds provided to the Partner in accordance with the reporting requirements of UNICEF, the IP agreement(s), programme document, work plan(s) and budgets.
- c. **Service Area 5 - Special audit.** an audit performed when significant issues and concerns are identified during the programme cycle, often the result of findings of programmatic visits and spot checks.

4. Service Area 6: Capacity Development

Financial management capacity development is action undertaken to address weaknesses of implementing partners' financial management capabilities thereby supporting medium and long-term sustainability of programme results. It may include follow-up on finding and recommendations from assurance activities and capacity assessment or specific control weaknesses as identified by UNICEF.

5. Service Area 7: Other Related Advisory Services

The specific terms of reference and expected results will be developed by the requesting regional or country office. Qualified LTA holders will be required to submit a secondary bid detailing the approach to achieving the expected outcome and the financial costs.

3. DELIVERABLES

Specific service / outputs to be delivered for each service area are detailed in the relevant TORs in the Appendices and will be further precised in the contracts to be issued against the LTAS. **(Appendix L)**

For *Capacity Development* and *Other Related Advisory Services*, the Regional or Country Office issuing a contract will define the procedures required and reporting requirement at the time of requesting the service.

4. REPORTING REQUIREMENTS

The relevant ToRs in the Appendices include sample report templates. These templates are to be used by the service provider in all countries where work is being undertaken through this LTA.

Reporting formats for the *Capacity Development* and *Other Related Advisory Services* will be agreed upon between the service provider and UNICEF requesting Regional or Country office prior to issuing the contract.

Draft reports are shared with UNICEF office and the implementing partner. Final reports are to be issued by the service provider directly UNICEF. UNICEF will share the final report(s) with the implementing partner and other UN agencies (when necessary). The service provider will not share any deliverable to any other party, including donors providing funding for the specific project or programme.

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Reports are to be provided in Word or Excel format, as appropriate (or as may be further specified in the specific terms of reference). Where the service provider's internal policies require the final signed version to be provided only in PDF, UNICEF will accept the PDF version accompanied by a Word/Excel version with same content but without signature and/or branding (as per service provider's internal policies).

The service provider may be required to enter the reports into the agency's data system upon request by UNICEF.

5. LOCATION AND DURATION

UNICEF MENA Regional Office intends to enter a Long-Term Arrangement for Services (LTA-S) with the successful Bidder(s) for the provision of an indefinite quantity of the specified services. In the event of UNICEF signing LTA-S, the following shall apply:

- a) The LTA-S shall be valid for 3 years from the date were both parties have signed the agreement with an option for further extension of a two, one year each period subject to satisfactory performance of the service providers and at UNICEF sole discretion.
- b) The LTA-S shall be awarded per category (service item).
- c) UNICEF will not be committed to purchase any minimum quantity of the services, and purchases will be made only if and when there is an actual requirement. UNICEF will not be liable for any cost in the event that no purchases are made under any resulting LTA-S.

Contract(s) for services will be issued under the LTA-S by UNICEF Regional or Country Offices in MENA region.

It is anticipated that the work will take place in the country which issued the contract, and may be located either in the capital city, or at provincial, district or other sub-national level, unless agreed otherwise with the office issuing the contract.

6. QUALIFICATION REQUIREMENTS

The qualification requirements for the assignment including required experience, skills and qualifications; if applicable, are detailed in the individual TORs attached as Appendices for each specific service.

The service provider must possess the personnel, experience, qualifications, facilities, financial resources and all other skills and resources to perform their obligations under any resulting agreement.

7. EVALUATION PROCESS AND METHODS

UNICEF will set up an evaluation/selection team composed of technical and contracting representatives. Following the submission of the proposals, an evaluation will be conducted to

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assess the merits of each proposal. The evaluation will be restricted exclusively to the contents of the proposal and references.

Technical Proposal:

Applicants shall prepare a proposal as an overall response to ToR ensuring that the purpose, objectives, and deliverables of the assignments are addressed. All proposals to include (but not limited to):

- A technical proposal that includes a brief cover letter and understanding of the assignment is required.
- Based on the proposed timetable laid down in the TOR, a proposal of the detailed methodology, tentative work plan and time schedule is required.
- Updated profiles/ CVs of the team members listing similar experiences/assignments and highlighting those focused-on adolescents/youth budgeting, youth engagement and participation.
- Quality assurance mechanism and risk mitigation measures put in place
- Example of similar projects done and at least three references from a previous client

Preliminary review of the proposals

All Proposals will be first evaluated for compliance with the requirements of this RFPS. Failure to comply with mandatory requirements or any of the terms and conditions contained in this RFPS, may result in a response being disqualified from further evaluation.

All proposals assessed to have complied with all the mandatory requirements of this RFPS shall have their technical proposals evaluated through Technical Evaluation.

Technical Evaluation

Technical evaluation of proposals will be performed based on the information provided as part of the completed and submitted Technical Proposal and any other supporting documentation submitted as part of the technical proposal.

The technical evaluation team will evaluate the proposals in accordance with the technical evaluation criteria as outlined below and according to the relative weighting that UNICEF ascribes to each criterion

Total points for technical review: 600 points

Minimum passing rate: 70% of the 600 points = 420 points

Points allocated for the commercial/ financial evaluation = 400 points

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Technical Awarding Criteria (to be applied against each service area/ LOT)

	Area of evaluation	Criteria	Mandatory or desirable	Point
1	Overall Response	General adherence to Terms of Reference and tender requirements	Mandatory	40
		Elaborated and articulated understanding of scope, objectives, and overall assignment requirements.	Mandatory	40
2	Company profile and qualifications	Institution is properly registered a/o has required certifications, memberships, etc.	Mandatory	30
		Institution is a well-established firm with a demonstrated experience as one of the world largest audit firms / auditing chain firms.	Mandatory	30
		Institution has a commercial registration (geographical presence) with evidence in at least in 3 countries among the list of countries in scope of this RFP	Desirable	30
		Institution has minimum (5) years of experience	Mandatory	30
		Institution has previously conducted at least three projects of a similar scope and objectives	Mandatory	30
		Institution has a strong familiarity (with evidence) in auditing public funds streamlined to UN entities from major donors like European Union and donor governments	Desirable	20
3	Methodology and Technical Approach	Deliverables are fully addressed as per TOR	Mandatory	20
		A clear work plan which is relevant to the work assignment and timelines that carefully considers proposition of a reasonable number of project personnel, a detailed listing of proper sequence of activities and reasonable duration.	Mandatory	30
		The Institution was able to present a sound strategy and an applicable technical approach that both guarantee a successful implementation for the activity.	Desirable	50
		The institution was able to demonstrate a coherent and clear project management methodology, including monitoring and evaluation (M&E) and control, fully-fledged documentation, and reporting procedures.	Desirable	50
		The proposed strategy and approach provide a clear and value-added approach to the work assignment	Desirable	30

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		Sustainable procurement: (Please answer in Appendix - SDG target 12.7)	Mandatory	20
4	Proposed Personnel	The institution was able to propose suitable key personnel for the work assignment (clear indication for: Roles, names, location in organigram, and a detailed CV)	Mandatory	50
		Generally, the proposed team is confirmed experienced in working with multiple stakeholders, as well as processing and synthesizing substantial amounts of information.	Mandatory	50
		The consulting firm should designate a team leader who demonstrates the following qualifications: <ul style="list-style-type: none"> • Advanced degree in finance and accounting. • Professional experience (at least 7 years) • Experience relevant to the work assignment. • Good understanding of UNICEF and UN projects and partnerships. • Strong analytical background. • Excellent technical capacity in using digital tools. • Fluency and full ability to work in English is mandatory, other languages like Arabic and French are an asset 	Mandatory	50

Commercial Evaluation

For the proposal to be considered technically compliant, the proposer must achieve a minimum score of 49 points. All the financial proposals will remain unopened until the technical evaluation is completed. Once the technical evaluation is completed, only the technically compliant proposals will have their financial proposals opened. The other financial proposals remain unopened.

The financial proposals should be prepared in the financial template provided with RFP document. The proposals will be evaluated only for those offers that meet the minimum passing grade in the technical evaluation. The financial proposals will be graded on a scale of 0-400 (technical score being 600). The highest number of points will be awarded to the contract with the lowest financial value. Other financial proposals will be scored on a relative scale, with points determined based on the percentage of difference with the lowest score. The total score for the financial offer (TS_{FO}) will be calculated in the following manner (rounded to one decimal):

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$$TS_{FO} = \frac{\text{Lowest offer}}{\text{Actual Offer}} \times 400$$

The total combined score (TS) for the proposal will then be calculated by adding the scores for the technical and financial proposal within the service area.

The evaluation will be conducted at per country/per service area level taking average cost per country/per service into consideration. The average cost per country will be calculated by giving equal weight to all countries.

8. AWARD OF LTA-S

UNICEF will make multiple Long-Term Arrangement (LTA) awards to the bidder(s) who submitted proposals.

The awards will be made starting from the highest-scoring proposal to lowest scoring proposals as a result of the combined technical and financial evaluation.

The overall number of awards, including the specific and number of awards per service category or per country, may vary from one country to another depending on several criteria, including the needs of each country, country presence/focus of the bidders, ensuring adequate coverage for the various countries, prices offered per service area and what provided the best value for money, and is in the best interests of UNICEF.

9. PREPARATION OF THE SUBMISSION:

The Technical Proposal should **be completed using the guiding document:**

Appendix K – Format of technical proposal

Appendix L - Description of service areas

Appendix M – Geographical coverage

The technical proposal should be sent with the following:

Appendix M – Geographical coverage

Appendix O - Sustainable Development Goal 12 and its target 12.7

The **Financial Proposal** should **be completed using the guiding document:**

Appendix N - Information on Financial Proposal

The Financial Proposal is to be comprised of the following:

Annex C: Financial Proposal – additional information

Only submissions following this specified format will be accepted.

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Prices or rates shall not appear in any part of the technical proposal. If pricing or financial information is provided in the technical proposal, the Bidder's submission will be rejected.

10. ADMINISTRATIVE ISSUES

Services are required throughout the year and as scheduled by UNICEF. The service provider will plan accordingly and ensure resources are available to meet office needs as required.

In specific situations, such as a large number of specific services required for a designated region, country or global or other conditions, UNICEF may request a secondary bid/quotation for the identified list of services from the qualified service providers.

All prices/rates quoted must in US Dollars, exclusive of all taxes, as UN agencies are tax-exempt organizations. UNICEF will not provide resources and facilities to the contractor, such as office space, computers, and printers, visas and travel arrangements, and security to the staff members of the service providers, etc.

All prices are inclusive of travel costs if the service requested is in a capital or major city. Major cities are defined as cities where UNICEF and the service provider have established a permanent office. If travel is required, UNICEF and the service provider will agree upon the travel costs prior to signing the contract for the services requested. The travel cost shall be calculated based on economy class travel, regardless of the length of travel. and costs for accommodation, meals, and incidentals shall be in accordance with the service provider policies and cannot exceed applicable daily subsistence allowance (DSA) rates, as promulgated by the International Civil Service Commission (ICSC). Unexpected travels shall also be treated as above.

11. CONTRACTUAL PROCESS

The planned (tentative) schedule of the RFPS process is as follows:

- 19 NOV 2023: RFPS Launched on UNGM
- 23 NOV 2023 Pre-bid orientation and Q&A Session.
- 25 NOV 2023: Deadline for submission of questions/-clarification
- 30 NOV 2023: Consolidated Q & A sent to bidders on UNGM
- 10 DEC 2023: Closing date/deadline for submission of full and final proposal
- 11 – 30 DEC 2023: Technical Evaluation Period/Review of Proposals.
- 05 JAN 2024: Financial Evaluation Period/Clarification round with Vendors.
- 20 JAN 2024: Approvals and LTAS preparation
- 20 - 30 JAN 2024: Issuance of LTAS

Proposers are requested to confirm the receipt of this Request for Proposal for Services as per instructions in RFPS.

Proposal for Services or requests for clarifications must be submitted in writing as per instructions in RFPS.

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All changes to a Proposal must be received prior to the closing time and date. It must be clearly indicated that it is a modification and supersedes the earlier Proposal or state the changes from the original Proposal.

12. PROJECT MANAGEMENT

The successful service provider for this LTA should assign a Regional Coordinator appointed by the regional firm. The Regional Coordinator will be a senior partner appointed by the firm who will be responsible to ensure that there are regional mechanisms in place for standardization and quality assurance of all service delivery to the UNICEF, including training of all personnel, affiliates and review of all reports. All issues with quality or timely service delivery are to be addressed by the Regional Coordinator. UNICEF will interact with the Regional Coordinator.

Under the supervision of the Regional Coordinator, the delivery of professional services in each country will be assigned to a resident or non-resident Country Coordinator. The Country Coordinator will coordinate with UNICEF's office requesting a service and be responsible for carrying out planning, execution and reporting. The contact details (name, job title, mobile telephone number and email) of Regional Coordinator should be provided as part of the technical proposal. All correspondences to the Regional Coordinator shall be responded to within 24 – 48 hours.

13. PAYMENT SCHEDULE

The milestones deliverables must be determined by each UNICEF CO and the service provider and will be part of each contract issued to the LTA-S holder. The service provider will prepare final invoice when the deliverables / service is completed and the final report for the service requested is issued. In the case of UNICEF office requesting multiple services at the same time, the LTA-S holder is permitted to prepare periodic billing.

14. OTHER INFORMATION

The awarded service providers are expected to ensure there is no conflict of interest in the provision of those services. Any potential conflict of interest in the audit of an Implementing Partner or any services rendered under the resulting LTAS should be declared to UNICEF prior to signature of any contracts.

In the delivery of any services under this LTA, cases which indicate fraud or presumptive fraud will be brought to the immediate attention of the designated person in each UN Agency's office without waiting for the issuance of the audit report.

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The service provider is to maintain records supporting audit work at its premises for seven years. UNICEF shall on request have access to the records documentation. At the request of UNICEF, the service provider is to brief subsequent service providers on the details of the results of any work carried out under this LTA.

Any staff of the service provider providing services to UNICEF is required to review UNDG HACT Framework as well as UNICEF HACT related policies and procedures (provided upon contact award) and other pertinent background material to provide quality services to the UN Agencies.

Successful Bidders will maintain separate reporting and communication lines with UNICEF (and another other UN agency whom may avail of any LTA established as a result of this RFP).

15.APPROVALS

Prepared and finalised by: _____ Date:
Mohamed Robleh
Regional Implementing Partnership Management
specialist, MENARO

Endorsed by: _____ Date:
Emma Arrowsmith
Regional Chief Risk Management, MENARO

Reviewed by: _____ Date:
Jawad Shalan
Supply & Logistics Officer

Approved by: _____ Date:
[name]
DRD, Programmes