

TERMS OF REFERENCE

Consultancy to Conduct Desk Review of the Public Financial Management (PFM) Environment in Jamaica

This Terms of Reference describes the services to be provided by a consultancy firm or consortium of consultants in conducting a desk review / macro assessment for UNDP, Jamaica.

1. Project Background

Pursuant to the UN General Assembly Resolution 56/201 on the Triennial Policy Review of operational activities for development of the United Nations System, UNDP, UNICEF, UNFPA and WFP (the United Nations Development Group (UNDG) Executive Committee Agencies (Ex-Com Agencies)) adopted a common operational framework for transferring cash to government and non-government Implementing Partners. The framework requires calls for an assessment of the programme country's public financial management system (macro assessment) and similar assessments of Implementing Partners' (IPs) financial management capacity (micro assessment). A macro assessment is usually conducted at least once (1) per programme cycle (every 5 years).

Within this framework, the United Nations Development Programme (UNDP) is seeking to engage a Third-Party Service Provider to conduct a desk review of the public financial management environment in Jamaica.

2. Objective and Scope of the Macro Assessment

To ensure adequate awareness of the public financial management (PFM) environment in which agencies provide cash transfers to Implementing Partners, a desk review of assessments of the PFM system will be conducted. The term 'PFM' in the harmonized approach to cash transfers (HACT) framework is broadly defined to include a range of considerations for operating within 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..

The two primary outputs of the macro assessment are:

1. An outline of the risks related to use of the PFM for cash transfers within the country by governmental IPs, as well as other country-specific knowledge for non-governmental IPs; and
2. A determination on whether the government's supreme audit institution (SAI) has the capacity to undertake scheduled and special audits of government IPs.

3. Macro Assessment Procedures

The third party service provider performing the desk review/macro assessment is expected to collect available PFM assessments to aid in detailing the risks related to the use of PFM systems for cash transfers within the country. This includes considerations regarding the use of the SAI and broader

country conditions, such as environmental conditions, legal regulations, judicial environments, exchange rate volatility and the presence of informal/black markets, etc.

Typical sources of PFM assessments are:

World Bank

- Country financial accountability assessments. These vary in format and presentation.
- Public expenditure reviews. These analyse a country's fiscal position, expenditure policies and public expenditure management systems.
- Country procurement assessment reviews. These review public procurement institutions and practices.
- Institutional and governance reviews. These review the quality of accountability, policymaking and service delivery institutions.
- Capacity assessments of heavily indebted poor country PFM. Performed jointly with IMF, this assessment covers some of the same issues as a country financial accountability assessment.

Assessments by other institutions

- Fiscal transparency reviews (IMF). These use the code of good practices on fiscal transparency adopted by IMF in 1998.
- Diagnostic study of accounting and auditing (Asian Development Bank).
- Ex-ante audits of PFM systems (European Commission). Assessments by CIDA, DFID, EU, ADB and other agencies.

The following items will be provided to the Service Provider before Fieldwork Begins

- Summary of primary programme initiatives and IPs in the country;
- Details of macro assessments previously performed in the country; and any other documentation that may help the provider better understand the country context from a United Nations perspective.

The third -party service provider should review the information received before performing the assessment.

4. Organizational Capacity

The third party service provider should be experienced in performing assessments similar to a macro assessment and assessing risks related to PFM systems.

The provider should also have a minimum of five (5) years financial management experience and knowledge of the United Nations system and the development sector.

Curriculum vitae (CVs) of all members of the assessment team should be provided. They should include details on engagements carried out by the staff members, including ongoing assignments indicating responsibilities assumed by them, and their qualifications and experience in undertaking similar assessments.

5. Schedule of Deliverables and Payments

| Del # | Deliverable | Estimated Deadline | Payment % |
|-------|--------------------------|------------------------------------|-----------|
| 1. | Draft Report of Findings | Within 2 weeks of signing contract | 25% |
| 2. | Final Report | Within 4 weeks of signing contract | 75% |

6. Evaluation Criteria

The Consultants will be evaluated based on the following methodology:

The criteria which shall serve as the basis for evaluating offers will be the Combined Scoring method, whereby the qualifications and methodology score will be weighted a maximum of 70%, and combined with the price offer score, which will be weighted a max of 30%.

The award of the contract will be made to the firm whose offer has been evaluated and determined as:

- Responsive and acceptable.
- Has received the highest score out of a predetermined set of weighted technical and financial criteria specific to the solicitation.

Only the highest ranked firm who is found to be qualified for the job will be considered for the Financial Evaluation.

1. *Technical Criteria* - 70% of total evaluation
2. *Financial Criteria* - 30% of total evaluation

Evaluation of Technical Proposal - Below is the breakdown of the evaluation criteria that will be used for assessing the Technical Proposal.

| Summary of Technical Proposal Evaluation Forms | | Score Weight | Points Obtainable |
|--|----------------------------------|--------------|-------------------|
| 1. | Expertise of Firm / Organization | 30% | 210 |

| | | | |
|--------------|--|-----|------------|
| 2. | Proposed Methodology, Approach and Implementation Plan | 40% | 280 |
| 3. | Management Structure and Key Personnel | 30% | 210 |
| Total | | | 700 |

| Technical Proposal Evaluation Form 1 | | Points obtainable |
|---|--|----------------------|
| Expertise of the Firm/Organization | | |
| 1.1 | Reputation of Organization and Staff / Credibility / Reliability / Industry Standing | 50 |
| 1.2 | General Organizational Capability which is likely to affect implementation <ul style="list-style-type: none"> - Financial stability - loose consortium, holding company or one firm - age/size of the firm - strength of project management support - project financing capacity - project management controls | 50 |
| 1.3 | Extent to which any work would be subcontracted (subcontracting carries additional risks which may affect project implementation, but properly done it offers a chance to access specialized skills.) | 30 |
| 1.4 | Quality assurance procedures, warranty | 40 |
| 1.5 | Relevance of: <ul style="list-style-type: none"> - Specialized Knowledge - Experience on Similar Programme / Projects - Experience on Projects in the Region - Work for UNDP/ major multilateral/ or bilateral programmes | 40 |
| | | 210 |

| Technical Proposal Evaluation - Form 2 | | Points Obtainable |
|--|--|----------------------|
| Proposed Methodology, Approach and Implementation Plan | | |
| 2.1 | To what degree does the Proposer understand the task? | 40 |
| 2.2 | Have the important aspects of the task been addressed in sufficient detail? | 40 |
| 2.3 | Is the proposal based on a survey of the project environment and was this data input properly used in the preparation of the proposal? | 60 |
| 2.5 | Is the conceptual framework adopted appropriate for the task? | 40 |
| 2.6 | Is the scope of task well defined and does it correspond to the TOR? | 40 |
| 2.7 | Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project? | 60 |
| | | 280 |

| Technical Proposal Evaluation Form 3 | | | Points Obtainable |
|---|---|-----------|----------------------|
| Management Structure and Key Personnel | | | |
| 3.1 | Senior Expert | | 120 |
| | | Sub-Score | |
| | General Qualification | | |
| | Suitability for the Project | | |
| | - International/Local Experience | 35 | |
| | - Training Experience | 35 | |
| | - Professional Experience in the area of specialization | 20 | |
| | - Knowledge of the region | 20 | |
| | - Language Qualifications | 10 | |
| | | 120 | |
| 3.2 | Junior Expert | | 90 |
| | | Sub-Score | |
| | General Qualification | | |
| | Suitability for the Project | | |
| | - International/Local Experience | 20 | |
| | - Training Experience | 25 | |
| | - Professional Experience in the area of specialization | 15 | |
| | - Knowledge of the region | 20 | |
| | - Language Qualification | 10 | |
| | | 90 | |
| | - Total Part 3 | | 210 |

The firm that obtains the highest cumulative score by adding both the weighted technical score and the financial score will be awarded the consultancy.