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ANNEX I

TERMS OF REFERENCE

Harmonized Approach to Cash Transfers (HACT) Micro Assessment of Rocky Mountain Institute

Contract type	Individual Contract OR Institutional Contract
Description of Assignment:	International Consultant – HACT common operational guideline for UN
Contracting Authority	United Nations Development Programme
Duty Station	Washington, United States of America
Duration	12 working days – during the period 6 th to 25 th April 2015

The present Terms of Reference is related to the contracting of a team or company to complete a HACT Micro-Assessment of the Rocky Mountain Institute (RMI) based in Washington, United States of America.

1. Background:

The UN system in Barbados and the OECS supports development operations in the country through the activities of UN system agencies both resident and non-resident. The current UN Development Assistance Framework (UNDAF) in Barbados and the OECS regards the period 2012 – 2016.

As a result of 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 (UNDG ExCom Agencies) adopted a common operational framework for transferring cash to government and non-government Implementing Partners, the Harmonized Approach to Cash Transfers (HACT). Its implementation will significantly reduce transaction costs and lessen the burden that the multiplicity of UN procedures and rules creates for its partners. Implementing Partners will use common forms and procedures for requesting cash and reporting on its utilization. Agencies will adopt a risk management approach and select specific procedures for transferring funds on the basis of the joint assessment of the financial management capacity of Implementing Partners. They will also agree on and coordinate activities to maintain assurance over the utilization of the provided funds. Such jointly conducted assessments and assurance activities will further contribute to the reduction of costs. The harmonized approach allows efforts to focus more on strengthening national capacities for management and accountability, with a view to gradually shift to utilizing national systems. It will also help Agencies shape their capacity development interventions and provide support to IPs in building knowledge on the cash transfer modality. Among the agencies present in Barbados some level of implementation of HACT has already taking place, mostly on the basis of agency-specific instruction and or insight.

In accordance with the Barbados and the OECS UNDAF 2012 – 2016, the UN is required to conduct new micro assessments of the implementing partners. At this stage, some of these assessments have been completed. Based on the micro assessments, the full and UN-wide uniform implementation of the HACT needs to take place.

2. Description of the Assignment

The micro assessment is performed by a third party service provider and includes a site visit to the Implementing Partner (IP). The assessment primarily consists of interviews with IP personnel and a review of relevant documentation sufficient to complete the micro assessment questionnaire (Annex V). The questionnaire provides an overall risk rating based on responses provided:

- Low risk – Indicates a well-developed financial management system and functioning control framework with a low likelihood of negative impact on the IP's ability to execute the programme in accordance with the work plan.
- Medium Risk – Indicates a developed financial management system and control framework with moderate likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.
- Significant Risk – Indicates an underdeveloped financial management system or control framework with a significant likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.
- High Risk – Indicates an underdeveloped financial management system and control framework with a significant likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.

The agencies use the overall risk rating provided by the questionnaire to determine the appropriate cash transfer modality for the IP. Three modalities are available under the HACT framework and are detailed below in order of association with overall risk rating of IPs from low to high:

- Direct cash transfers – Funds are transferred by the agency to the IP before the IP incurs obligations and expenditures to support activities agreed in the work plan;
- Direct Payments – Funds are paid by the agency directly to vendors and other third parties for obligations and expenditures incurred by the IP to support activities agreed in the work plan; and
- Reimbursements – Funds are provided by the agency to the IP for obligations made and expenditures incurred in support of activities agreed in the work plan.

The Third Party Service Provider receives general information regarding the IP and the programme from the HACT Focal Point and/or the Inter-Agency Coordinator in preparation for the assessment (see Annex VI for sample). The Service Provider reviews this documentation in advance of performing a site visit to the IP. The Service Provider should also provide the IP with an advance request of the documents and interviews they would like to have while on site, to ensure efficient use of time while on-site. The Third Party Service Provider also completes the Micro Assessment Questionnaire (Annex V, with instructions) based on the procedures performed during the assessment period. The Service Provider discusses the results of the questionnaire with relevant agency personnel and the HACT Focal Point before finalizing it. Upon finalization, the service provider delivers an executive summary, detailing the overall risk rating and specific identified risks, and the completed questionnaire.

3. Items to be Provided to the Third Party Service Provider before Fieldwork Begins:

- Agency work plan, Common Country Assessment and CPAP, or equivalent;
- Macro assessments previously performed in the country; and
- Any other documentation that may help the service 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. Deliverables

Final Assessment report

5. Qualifications of the Third Party Service Provider

The Third Party Service Provider should be experienced in performing assessments similar to a micro assessment and assessing risks related to organizational financial management capacity (i.e. accounting, reporting, procurement and internal controls).

- An advanced University degree (Master's) in Accounting, Business Administration, Financial Management, Economics, International Development or a directly-related technical field(s) is required. A valid professional certification (CA; CPA; etc.) from an accredited chartered accountancy institution, in conjunction with a relevant first-level (Bachelor's) university degree in a directly-related technical field (as identified above), may be taken in lieu of an advanced university degree.
- A minimum of five (5) years of relevant experience, at the national and international levels, in Operations Management, Financial Management, Audit Management, Risk Management and/or Programme Management; with hands on experience in planning, undertaking and reporting on financial management assurance activities related to HACT and/or similar grant management oversight systems used by donor and funding agencies is required.
- Prior knowledge and experience in implementing and monitoring HACT is required.
- Previous experience in training professionals in the context of HACT is considered highly desirable.
- Previous experience/knowledge of the United Nations system and the development sector would be an asset.
- Previous hands on experience in a supervisory/managerial capacity is desirable.

6. Duration of the Consultancy

This short term consultancy is expected to take a maximum of 12 working days, with at least 3 working days in Washington.

7. Management

The UNDP Operations Manager will guide the process at the design, implementation and reporting stages and regularly report back to the UNCT and the HACT Working Group on progress.