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ETHIOPIA

SECTION 3: TERMS OF REFERENCE (TOR)

For the Procurement of Consultancy Service to Develop Finance and Procurement Policies and Procedural Manuals of the Ethiopian Diaspora Trust Fund (EDTF)

GENERAL INFORMATION

Services/Work Description:	Consultancy service to develop financial and procurement policies, procedural manuals and templates
Project/Program Title:	Ethiopian Diaspora Trust Fund (EDTF)
Duty Station:	Addis Ababa
Type of the Contract:	National Consultancy Firm
Duration:	16 business days
Expected Start Date:	20 November 2020

I. BACKGROUND / RATIONALE

The Ethiopian Diaspora Trust Fund is an organization established by the Ethiopian Diaspora Community in response to Prime Minister Dr. Abiy Ahmed's call for a dollar a day to support the poor and disadvantaged in Ethiopia. In his speech at the Parliament, he asked the Diaspora community to join hands against poverty and build social and economic infrastructures, increase access to education and health services, create jobs for young men and women and enhance entrepreneurship and innovation. This was the basis for the formation of EDTF, which began mobilizing financial contributions from across the globe where a significant number of Ethiopian diasporas are living. Subsequently, a Secretariat has been established in Addis Abeba to translate EDTF's development objectives into practical engagement with local partners and stakeholders and implement various social and economic development projects that benefit the poor people in the country. The major activities of the Secretariat include developing partnerships with relevant government offices, civil society organizations, NGOs, private sector participants as well as institutions of learning. It will also undertake project appraisal, monitoring and evaluation activities as well as wider communication with donors and other stakeholders for collaboration and increased resource mobilization. In August 2020 EDTF awarded an implementation grant of ETB 47, 368,333 to five development projects selected through a competitive and transparent process.

Currently, the EDTF Secretariat's operation is financed and administratively supported by the United Nations Development Programme (UNDP). Going forward, EDTF is expected to acquire managerial, administrative and financial management capacity to sustain and expand its operation. Acquiring these basic organizational capacities will enable EDTF to pursue partnerships, mobilize and manage resources and expand the scale and scope of its operation. With the commitment of the EDTF leadership to ensure the growth and sustainability of the organization, several capacity-building measures of EDTF are planned and implemented. Establishing financial and procurement systems are among the priority capacity-building measures to be implemented. This TOR is prepared to procure a consultancy service to develop the following products:

1. **A Financial and accounting policy with procedural manuals and templates:** to clarify the roles, authority, and responsibilities for essential financial management activities and decisions within EDTF.
2. **A procurement policy with procedural manuals and templates:** to ensure efficient and transparent procurement of goods and services in compliance with governing rules and regulations of the country as well as the financial policy.

II. OBJECTIVES OF THE SERVICE / WORK

The objectives of the consultancy service are the following:

1. **Develop EDTF's financial and accounting policy with procedural manuals and templates:**

The policy shall clarify the roles, authority, and responsibilities for essential financial management activities and decisions within EDTF.

The Financial and accounting policy shall describe how the EDTF Board of Directors wants the financial management activities of EDTF to be carried out. The policy is expected to serve the following purposes:

- Ensure EDTF's financial accountability to its Board of Directors, funders, partners, and other stakeholders.
- Ensure maximum accountability and transparency in managing financial resources, safeguard its assets, secure the accuracy and reliability of its accounting data, and to carry out its activities in an efficient and orderly manner.
- Establish a strong internal control system that will promote a high level of compliance with governing laws and regulations as well as international financial management and accounting practices.
- Ensure compliance with International Public Sector Accounting Standards (IPSAS) that has been made a mandatory accounting system for civil society organizations in Ethiopia.
- Assignment of authority for necessary and regular financial actions and decisions, which may include delegation of some authority to staff leaders.
- Prevent conflicts of interest or insider transactions in all financial management matters of EDTF.
- Assign clear authority to spend funds and establish approval procedures for expenditures, to sign checks, payroll etc.
- Assign clear authority and establish a procedure to enter into contracts
- Assign clear responsibilities for maintaining accurate financial records
- Serve as a reference document to be used by the EDTF board of directors, secretariat management, employees, auditors and stakeholders.
- Streamline and standardize the financial management, expenditure verification and reporting of the EDTF's grant management process.

The procedural manual and templates of the finance and accounting policy will assist the implementation of the financial policy of EDTF. This products will help to :

- detail-out the administrative and operational procedures for input, output, processing and distribution of information to ensure complete security and privacy of files and documents.
- provide accurate and credible reports so that management can exercise effective control over organizational operations.

2. **Develop EDTF's procurement policy with procedural manuals and templates:**

The procurement policy shall ensure efficient and transparent procurement of goods and services in compliance with governing rules and regulations of the country as well as the financial policy.

The procurement Policy shall set out the principles that govern the procurement of goods and services by or on behalf of the Ethiopian Diaspora Trust Fund. It establishes a framework for decision-making concerning such procurement. It shall ensure efficiency, effectiveness, value for money, fair competition, integrity, impartiality, transparency and accountability in the procurement of goods and services.

The procedural manual and templates of the procurement policy: will assist the implementation of the procurement policy by providing a set of standard tools and templates for the procurement of goods and services.

III. SCOPE OF THE SERVICE / WORK

A. **Developing the financial and accounting policy & procedures manual**

The financial policy and procedures manual should incorporate the following at the minimum:

1. Understand EDTF's history mission, objectives, mandates and processes to develop a financial and accounting policy that best serves the unique nature of the organization.

2. Identify key roles & responsibilities and establish:
 - Authority levels, including approval to spend funds, to enter into grant and other contracts, authorize payroll and other important financial and accounting documents
 - Responsibility for essential financial management activities and maintaining accurate financial records
 - Detailed job descriptions for the identified positions (functions, roles and responsibilities)
3. Review governing national laws and regulations, donor requirements and best practices of financial and accounting policies and ensure compliance with the same.
4. Develop accounting procedures and chart of accounts that EDTF must adopt for maintaining day to day financial activities and production of annual audited financial reports/statements.
5. Outline and prescribe Policy Statement, Procedures and Responsibilities for the following financial activities
 - a. Revenue/receipts
 - b. Grant disbursement/ expenditure, accounting, control and reporting
 - c. Purchases
 - d. Travel and subsistence (t&s)
 - e. Payroll
 - f. Bank/treasury
 - g. Cash and petty cash management
 - h. Account receivable
 - i. Accounts payable
 - j. Stock and inventory
 - k. Fixed assets
 - l. Budget management
 - m. Prepayment and accruals
6. Design and develop relevant financial formats and templates as appendices
7. Define essential finance and accounting positions and corresponding job descriptions (TORs) to carryout standard financial management and accounting functions in EDTF.
8. In consultation with the EDTF Board and secretariat staff develop appropriate working modality, approval procedures, and grant processing, recording, control and verification and financial reporting mechanisms
9. Propose a standardized procedure for financial management, accounting, expenditure verification and reporting of grants disbursed by EDTF for implementing partners.

B. Procurement Policy, Procedural Manual and templates

At the minimum the development of the procurement policy ad procedural manual and templates shall include the following tasks:

1. Understand EDTF's history mission, objectives, mandates and processes to develop a financial and accounting policy that best serves the unique nature of the organization.
2. Review national laws, regulations, donor requirements and best practices of procurements relevant to EDTF's nature and organizational form.
3. Outline policy statements to ensure efficient, transparent and accountable procurement process within EDTF.
4. Identify roles and responsibilities for procurement processing, handling and approval.
5. Develop corresponding job descriptions for identified procurement functions (positions)
6. Recommend delegation of authority, authorization and approval limits
7. Define business ethics and standards of conduct for procurement practices.
8. Describe processes, methods and thresholds for procurement of goods and services
9. Establish procedures for contracting and managing contracts
10. Prescribe methods and duration of keeping records and other supporting documentation
11. Guide bank payment procedures to suppliers of goods and services
12. Develop a procurement manual and corresponding templates that establish the process and modalities through which EDTF procures goods and services.

IV. EXPECTED OUTPUTS / DELIVERABLES

The deliverables of the consultancy assignment are:

1. Inception report and work plan
2. Financial and accounting policy of EDTF
3. Procedural manual and templates to execute finance and accounting functions and processes
4. A Procurement Policy of EDTF
5. Procedural Manual and templates to execute procurement functions and processes
6. A PowerPoint presentation that provides an overview of the process of the assignment and the deliverables to be presented by the consultancy firm.
7. An orientation/training session for EDTF leadership and staff on the final financial and accounting policy, the procurement policy and corresponding procedural manuals and templates.

V. METHODOLOGY / APPROACH OF THE SERVICE (WORK)

- Review of key organizational documents, policies, procedures and processes of EDTF
- Discussions with leadership management and staff of EDTF
- Reviewing relevant national laws and regulations as well as international finance, accounting and procurement standards.
- Understand the details and requirements of the International Public Sector Accounting Standards (IPSAS)
- Explore best practices of financial management, accounting and procurement for non-governmental organizations.

VI. LOCATION, DURATION AND TIMEFRAME OF THE WORK / DELIVERABLES/OUTPUT

This consultancy assignment will be based in Addis Ababa. The estimated duration of the assignment is 16 business days. The consultancy firm should assign two team working in parallel on the financial and accounting policy topic and the procurement topic.

No.	Deliverables	Implementing Partners (IP) if any	Location and Action to be Undertaken	Duration (approx.)
1	Inception report and work plan		Addis Ababa	2
2	<ul style="list-style-type: none"> • Draft financial and accounting policy, procedural manual, templates and job descriptions (two hard copies and electronic version) • Draft Procurement policy, procedural manual and templates and job descriptions of EDTF (two hard copies and electronic version) 	EDTF Board of Directors, Secretariat team and expert group of volunteers	Addis Ababa	10
3	Presentation of deliverables 2 and 3 to the EDTF Board of Directors and secretariat team	EDTF Board of Directors and Secretariat team	Addis Ababa	1
4	<ul style="list-style-type: none"> • Final financial and accounting policy, procedural manual, templates and job descriptions after incorporating feedback and comments by the EDTF Board of Directors and secretariat. (two hard copies and electronic version) • Final Procurement policy, procedural manual, templates and job descriptions after incorporating feedback and comments by EDTF Board of Directors and secretariat. (two hard copies and electronic version) 	Approval by EDTF Board of Directors	Addis Ababa	2

No.	Deliverables	Implementing Partners (IP) if any	Location and Action to be Undertaken	Duration (approx.)
5	Training/Orientation on deliverables 4 to EDTF leadership and secretariat staff.		Addis Ababa	1
Total				16

VII. INSTITUTIONAL ARRANGEMENT / REPORTING RELATIONSHIPS

To ensure high-quality consultancy products within the short time available the consultancy firm shall establish two teams of consultants to execute the assignment. Team one shall work on the development of financial and accounting policy, procedural manual and templates. Team two shall develop the procurement policy, procedural manual and templates. The two teams shall work simultaneously and be coordinated by a senior consultant (team leader). The team leader should ensure synergy and coherence between the work of the teams and the deliverables that they will produce.

Contractually, the successful consultancy firm will report to the Democratic Governance and Capacity Development Unit Team Leader in UNDP. The Ethiopian Diaspora Trust Fund Secretariat will follow up the day to day work of the consultancy assignment and monitor the quality of deliverables. The EDTF secretariat will provide the necessary support and guidance to the consulting firm and its teams. The EDTF secretariat may constitute an expert team of volunteers to comment and provide feedback on the products of the consultancy service. Regular updates on the progress of the assignment are expected to be provided by the team leader.

VIII. PAYMENT MILESTONES AND AUTHORITY

Prospective Service Provider will indicate the cost of services for each deliverable in US dollars when applying for this consultancy. The Proposer will be paid based on the effective UN exchange rate in Ethiopian Birr, and only after the EDTF officer in charge confirms the successful completion of each deliverable as stipulated hereunder. In accordance with UNDP rules, the lump sum contract amount to be offered should consider the professional fee inclusive communication costs, taxes, out of pocket expenses, and other ancillary costs.

A winning Proposer shall then be paid the lump sum contract amount upon certification of the completed tasks satisfactorily, as per the following payment schedule:

Installment of Payment/ Period	Deliverables or Documents to be Delivered	Approval should be obtained from:	Percentage of Payment
1 st Installment	<ul style="list-style-type: none"> ▪ Inception report and work plan 	UNDP, Democratic Governance and Capacity Development Unit Team Leader	30%
2 nd and final Installment	<ol style="list-style-type: none"> 1. Final financial and accounting policy, procedural manual, templates and job descriptions. (two hard copies and electronic version) 2. Final Procurement policy, procedural manual, templates and job descriptions. (two hard copies and electronic version) 3. Training/Orientation on deliverables 1 and 2 to the EDTF Board of Directors 	UNDP, Democratic Governance and Capacity Development Unit Team Leader	70%

Installment of Payment/ Period	Deliverables or Documents to be Delivered	Approval should be obtained from:	Percentage of Payment
	and secretariat team.		

IX. MINIMUM ORGANIZATION AND CONSULTANCY TASK FORCE REQUIREMENTS

9.1 Minimum Organization Requirements

The prospective Service Provider is expected to meet the following minimum requirements:

- Experience in the delivery of similar types of services (at least one financial management system, financial and accounting policy and procurement policy preparation experience for a civil society organization)
- It must have at least 5 years of practical experience in finance management and systems development preferably for the not-for-profit sector and UN agencies
- Knowledge of the civil society sector and other relevant sectors and access to stakeholders and relevant information sources
- Capability to deploy qualified team with experience in the financial management, accounting and procurement systems development fields.
- Capability to deploy strong analytical aptitude, communication and presentation expertise.
- Capability to deploy good communication expertise in English and Amharic languages.
- Certificate of legal registration as an Ethiopian business entity.
- It shall demonstrate its capabilities, understanding of the TOR, and methodology for delivering the required services and products
- Experience working with UN or other international organizations is beneficial.

9.2 Task Manager / Team Leader

Academic Qualification:

- A post-graduate degree in accounting and/or finance or related fields

Experience:

- A minimum of ten years of experience in the finance and accounting field
- Proven experience in developing financial and accounting policies, manuals and procurement systems
- A professional experience in IPSAS.
- Experience in working with civil society organizations

Competencies:

- Ability to provide general leadership and direction to the study/research analysis and report writing
- Ability to undertake technical policy-focused research related to Accounting and/or Finance.
- Ability to work under pressure and to deliver on time without compromising quality standards;
- Excellent research and advocacy skills relating to accounting and finance
- Strong organizational skills;
- Strong communication skills;
- Ability to write clear and concise reports
- Proficiency in English and Amharic languages

9.2 Consultants / Team Members

Academic Qualification:

- A post-graduate degree in finance, accounting and procurement

Experience:

- A minimum of seven years of professional experience and proven expertise in developing financial and accounting policies, manuals and procurement systems

- A professional experience in IPSAS.
- Experience in working with civil society organizations

Competencies:

- Ability to undertake technical policy-focused research related to Accounting and/or Finance.
- Ability to work under pressure and to deliver on time without compromising quality standards;
- Training and hands-on experience in organizational development, project management, monitoring and evaluation, budgeting and budget review.
- Strong analytical skills
- Strong communication skills;
- Ability to write clear and concise reports in English
- Ability to work under pressure and to deliver on time without compromising quality standards;
- Strong communication skills;
- Strong presentation and facilitation skills;
- Proficiency in English and Amharic languages

X. CRITERIA FOR SELECTING THE BEST OFFER

Upon the advertisement of the Procurement Notice, qualified Consultancy Firms are expected to submit both the Technical and Financial Proposals. Accordingly; the firm will be evaluated based on Cumulative Analysis as per the following conditions:

- Responsive/compliant/acceptable as per the Instruction to Bidders (ITB) of the Standard Bid Document (SBD), and
- Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation. In this regard, the respective weight of the proposals are:
 - a. Technical Criteria weight is 70%
 - b. Financial Criteria weight is 30%

XI. LOGISTICAL SUPPORT

The EDTF secretariat will provide contacts for consultation meetings and access to information required for the assignment. The secretariat will organize sessions for the presentation of draft deliverables by the consultants as well as the orientation/training on the final products.

The Consultants will be responsible for providing their own working station (i.e. laptop, internet, phone, scanner/printer, etc.) and must have access to a reliable internet connection. The consultants will organize their own transportation arrangements.

XII. RECOMMENDED PRESENTATION OF TECHNICAL PROPOSAL

For purposes of generating proposals whose contents are uniformly presented and to facilitate their comparative review, a Service Provider is advised to use a proposed Table of Contents. Hence, your Technical Proposal document must have at least the preferred content as outlined in the respective RFP Proposal Submission Form.

XIII. CONFIDENTIALITY AND PROPRIETARY INTERESTS

The consultants shall not either during the term or after the termination of the assignment, disclose any proprietary or confidential information related to the consultancy or the Government without prior written consent. Proprietary interests on all materials and documents prepared by the consultants under the assignment shall become and remain properties of UNDP. This assignment will be administrated by the United Nations Development Programme (UNDP), and all relevant UNDP rules, policies and procedures will apply. The service

provider should declare any relationships with the leadership and secretariat of EDTF that may lead to a potential conflict of interest in conducting the assignment.

STANDARD TECHNICAL PROPOSAL EVALUATION CRITERIA

Herewith please find the **Standard Technical Proposal Evaluation Criteria** along with the respective allocated weight template for Requester's subsequent review. As per the relevance of the proposed criteria, it can either:

- a. Redistributed the allocated weight;
- b. Delete specific criteria if you find it irrelevant or less relevant; or
- c. Replace with new criteria along with corresponding allocated weight

Summary of Technical Proposal Evaluation Forms		Score Weight	Points Obtainable
1	Expertise of Firm / Organization	30%	300
2	Proposed Methodology, Approach and Implementation Plan	30%	300
3	Management Structure and Key Personnel	40%	400
TOTAL		100%	1000

Technical Proposal Evaluation (FORM I)		
Expertise of the Firm / Organization		Points Obtainable
1.1	Reputation of Organization and Staff / Credibility / Reliability / Industry Standing	50
1.2	General Organizational Capability which is likely to affect implementation - Financial Stability - Loose consortium, Holding company or One firm - Age/size of the firm - Strength of the Project Management Support - Project Financing Capacity - Project Management Control	90
1.3	The 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.)	15
1.4	Quality assurance procedure, warranty	25
1.5	Relevance of: - Specialized Knowledge - Experience on Similar Programme / Projects - Experience on Projects in the Region - Work for UNDP/ major multilateral/ or bilateral programmes	120
SUB TOTAL		300

Technical Proposal Evaluation (FORM II)		
Proposed Methodology, Approach and Implementation Plan		
2.1	To what degree does the Proposer understand the task?	30
2.2	Have the important aspects of the task been addressed in sufficient detail?	25
2.3	Are the different components of the project adequately weighted relative to one another?	20
2.4	Is the proposal based on a survey of the project environment and was this data input properly used in the preparation of the proposal?	10

2.5	Is the conceptual framework adopted appropriate for the task?	70
2.6	Is the scope of task well defined and does it correspond to the TOR?	60
2.7	Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project?	85
SUB TOTAL		300
Technical Proposal Evaluation (FORM III)		
Management Structure and Key Personnel		
3.1	Task/Project Manager / Team Leader / General Qualification Suitability for the Project	
	- International experience	20
	- Training experience	30
	- Professional experience in the area of specialization	100
	- Knowledge of region	30
	- Language qualification	20
SUB TOTAL		200
3.3	Consultants General Qualification Suitability for the project	
	- International experience	20
	- Training experience	40
	- Professional experience in the area of specialization	100
	- Knowledge of the region	30
	- Language qualification	10
SUB TOTAL		200
Aggregate		1000

This TOR is approved by: [\[Shimels Assefa\]](#)

Name: Shimels Assefa

Designation: Team Leader – Governance and Capacity Development Unit

Signature: Shimels Assefa

Date Signed: 05-Nov-2020