



INDIVIDUAL CONSULTANT PROCUREMENT NOTICE
**National Consultant for Organization and Management (O&M) Study and Organizational
Capacity Assessment (OCA) of Town Development Fund**

Reference No.: UNDP/PN/15/2021

Date: 10 June 2021

Country: NEPAL

Description of the assignment: As per the attached Terms of Reference (ToR)

Project name: Municipal Investment Finance

Period of assignment/services (if applicable): 60 days (spread over four months)

Proposal should be submitted by email to procurement.np@undp.org not later than **1700 hours (Nepal Standard Time) on 20 June 2021** mentioning reference No. **UNDP/PN/15/2021– UNCDF National Consultant**.

Any request for clarification must be sent in writing, or by standard electronic communication to the e-mail: query.procurement.np@undp.org mentioning Procurement Notice Ref: **UNDP/PN/15/2021: UNCDF National Consultant**, on or before **17 June 2021**. The procurement unit will respond in writing, including an explanation of the query without identifying the source of inquiry and post in UNDP website: <http://www.np.undp.org/content/nepal/en/home/procurement.html>. Inquiries received after the above date and time shall not be entertained.

1. BACKGROUND

The UN Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 47 least developed countries (LDCs). With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF's financing models work through two channels: financial inclusion that expands the opportunities for individuals, households, and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and localized investments that show how fiscal decentralization, innovative municipal finance and structured project finance can drive public and private funding that underpins local economic expansion and sustainable development. UNCDF has been present in Nepal since 1984, strengthening local service delivery and expanding access to financial services for the poor through various financial inclusion and local development programmes.

2. SCOPE OF WORK, RESPONSIBILITIES AND DESCRIPTION OF THE PROPOSED ANALYTICAL WORK

For detailed information, please refer to the Terms of Reference – ToR

3. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

For detailed information, please refer to the Terms of Reference – ToR

4. DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS.

Interested individual consultants must submit the following documents/information to demonstrate their qualifications:

1. Offeror's Letter to UNDP Confirming Interest and Availability for the Individual Contractor (IC) Assignment
2. Proposal:
 - (i) Explaining why they are the most suitable for the work
 - (ii) Provide a brief methodology on how they will approach and conduct the work (if applicable)
3. Financial proposal
4. Personal CV including past experience in similar projects and at least 3 references

Note:

- a) Applicants of 65 years or more require full medical examination and statement of fitness to work.
- b) The candidate has to be an independent consultant (If the candidate is engaged with any organization, the organization employing the candidate will be issued with a Reimbursable Loan Agreement (RLA) to release the employee for the consultancy with UNDP.)
- c) Due to sheer number of applicants, the procurement unit will contact only competitively selected consultant.

5. FINANCIAL PROPOSAL

- **Lump sum contracts**

The financial proposal shall specify a total lump sum amount, and payment terms around specific and measurable (qualitative and quantitative) deliverables (i.e. whether payments fall in installments or

upon completion of the entire contract). Payments are based upon output, i.e. upon delivery of the services specified in the TOR. In order to assist the requesting unit in the comparison of financial proposals, the financial proposal will include a breakdown of this lump sum amount.

6. EVALUATION

Individual consultants will be evaluated based on the following methodologies:

Cumulative analysis

When using this weighted scoring method, the award of the contract should be made to the individual consultant whose offer has been evaluated and determined as:

- a) responsive/compliant/acceptable, and*
- b) Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.*

** Technical Criteria weight; 70%*

** Financial Criteria weight; 30%*

Only candidates obtaining a minimum of 49 point would be considered for the Financial Evaluation

Criteria	Weight	Max. Point
<u>Technical</u>		
<ul style="list-style-type: none"> Criteria A Academic Qualification <p>At least Master's degree in business administration/ Management with specialization in finance/ economics/ banking. (5)</p> <p>Professional certifications in finance/ investment or portfolio management/ economics. (5)</p>	10%	10
<ul style="list-style-type: none"> Criteria B Knowledge and Experience in the specified fields <p>At least 10 years of consulting experience (5)</p> <p>Wide and diverse experience of consulting in the areas of value chain/process analysis, strategic analysis/ plan, business planning, organizational policies and procedure (10)</p> <p>Experience of engagement in a financial institution at Senior Management Level/ Board of Directors/ Consultant (10)</p> <p>Should have provided management consulting service to non-profit sector (5)</p>	30%	30

<ul style="list-style-type: none"> Criteria C Competencies and languages <p>Excellent in technical writing and communication skills in both English and Nepali (5)</p> <p>Overall understanding of the assignment (Approach, methodology and workplan) (25)</p>	30%	30
<u>Financial</u>	30%	30

Contract will be awarded to the technically qualified consultant who obtains the highest combined score (financial and technical). The points for the Financial Proposal will be allocated as per the following formula:

$$\frac{\text{Lowest Bid Offered} *}{\text{Bid of the Consultant}} \times 30$$

* “Lowest Bid Offered” refers to the lowest price offered by Offerors scoring at least 70% points in technical evaluation.

ANNEX

ANNEX I- TERMS OF REFERENCES (TOR)

ANNEX II- INDIVIDUAL CONSULTANT GENERAL TERMS AND CONDITIONS (different attachment)

Terms of References (TOR)

Organization and Management (O&M) Study and Organizational Capacity Assessment (OCA) of Town Development Fund

Title:	Organization and Management Expert
Duration of Assignment:	60 days spread over 4 months
Type of contract:	National Consultant
Language requirements:	Nepali and English
Duty station:	Kathmandu with possible travel to few municipalities
Start Date:	1 July 2021

Background

The UN Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 47 least developed countries (LDCs). With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF's financing models work through two channels: financial inclusion that expands the opportunities for individuals, households, and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and localized investments that show how fiscal decentralization, innovative municipal finance and structured project finance can drive public and private funding that underpins local economic expansion and sustainable development. UNCDF has been present in Nepal since 1984, strengthening local service delivery and expanding access to financial services for the poor through various financial inclusion and local development programmes.

The Municipal Investment Financing (MIF) Programme of UNCDF aims to increase the capacity of local governments to address key urbanization challenges through access to sustainable sources of capital financing. MIF aims to leverage the resources of governments to mobilize public and private investment, while transitioning local government finances from traditional pure grant funding to a broadened mix of financial sources, to address local challenges. UNCDF in partnership with the Town Development Fund (TDF) is preparing innovative solutions to meet the financial gap and demand of municipalities to expand the platform for financing urban local governments. UNCDF is also building partnerships with strategic

stakeholders at the country, regional and global level to exchange experience and lessons learned and multiply our respective impacts at various geographical scales.

TDF is an autonomous financing institution established by the Government of Nepal (GoN) in 1989 and it is the only institution providing much-needed financial resources to municipalities. TDF has long-term institutional objective of becoming a self-sustaining financing institution and complementary to intergovernmental fiscal transfer system in the country with following objectives:

- to improve basic urban infrastructure and services through long term financing for priority sector projects (social, basic utility and revenue generating),
- to strengthen technical, managerial and financial capability of municipalities to identify, implement and evaluate urban development projects; including promotion of institutions working for urban development, and
- to improve financial and managerial capacities of other institutions emerging in urban sectors aiming for social development through the provision of long-term financing.

TDF envisions to be a leading financial intermediary institution for promoting the sustainable urban infrastructure financing in Nepal. Since its establishment, TDF has received loans and grants from the Government of Nepal (GoN), often originating from international donor projects. TDF has worked with several donor agencies such as GiZ, KfW, ADB, and the World Bank. To date, TDF has worked exclusively with urban local governments and is yet to borrow and lend directly from financiers. In order to sustain in the long run, TDF will need to raise private debt from domestic capital market, for high priority urban infrastructure investments, contributing directly to improved living standards of urban population.

For the past 31 years, the Town Development Fund (TDF) has served as the financial intermediary and provider of technical and financial resources (the supply side) to support urban infrastructure development projects for subnational governments in Nepal. However, TDF has yet to build its own internal capacity to access capital markets for addressing its growing portfolio. That requires TDF to build a pipeline of bankable municipal financing projects, expand blended financing structures to municipalities by piloting financial innovations, and take lead for scaling of the financing system for subnational governments. To address these needs, the Government of Nepal has announced to transform TDF into Urban Infrastructure Development Corporation (UIDC) with widened mandate and increased capital structure in the context of the emerging national development paradigm.

TDF has come up with a 4-year Business Plan (2020-2024) [<https://www.tdf.org.np/strategy/>] with the vision to emerge as a leading sustainable financial intermediary of the country for the urban infrastructure development. The business plan has targeted to invest NRs. 20 billion, Loan Recovery to be reached 95 % from 62.24 % and Equity Capital amounting to NRs. 20 billion to be raised from Provincial and Local Governments by FY 2023/24. As a part of the implementation of its Business Plan, TDF aims to reform its institutional process and prepare for the transformation into UIDC. To do that, TDF seeks to build a thorough understanding of various dimensions of its organization & management through a thorough assessment of its organizational capacity. To support TDF in achieving its goals of institutional transformation, UNCDF is seeking consulting service from an eligible management

consultant to conduct study of O&M (Organization and Management) and Organizational Capacity Assessment (OCA).

Purpose and Objectives of the Assignment

The Government of Nepal is in the process of enacting the Urban Infrastructure Development Cooperation Act. The UIDC Bill provisions the establishment of the Urban Infrastructure Development Cooperation (UIDC) with capital structure to provide capital, investment and technical assistance for the development and expansion of urban infrastructure and to support urban infrastructure financing. TDF's Business Plan (2020-2024) highlights its internal strategies for strengthening TDF which includes improved procedures for its business processes, implement resilient and green infrastructures and establishing TDF as Center of Excellence.

The overall purpose of the assignment is to help TDF to initiate the transition process as per strategies identified in the Business Plan. The assignment will contribute to the transition process by identifying strengths and weaknesses of current organizational processes as well as analyze challenges and opportunities offered by the transformation. It will help TDF to draft an actionable roadmap for the transition to take place. The broad objective is to conduct a detailed and forward-looking O&M (Organization and Management) study and perform OCA (Organizational Capacity Assessment) of TDF and provide recommendations to help TDF:

- Understand the present state of its organizational and management related systems, mechanisms, processes, procedures and capacities.
- Successfully implement the Business Plan (2020-2024) through improved organizational systems, mechanisms, processes, procedures and capacities.
- Identify and close current gaps in its organizational and management systems, structure, processes and capacities in order to be ready for its transformation into effective and efficient UIDC.

Particularly, the O&M (Organization and Management) study is expected to:

- Identify areas of improvement and simplification needs in organization and management systems, mechanisms, processes and procedures of TDF.
- Recommend interventions for improved and simplified organizational and management procedures.

OCA (Organizational Capacity Assessment) is aimed towards:

- Facilitating self-assessment of TDF's capacity in order to develop interventions for capacity improvements.
- Helping TDF reflect on its processes and functions, and understand where it stands against the benchmark capacity needed.

Scope of Work and Methodology

The consultant is required to conduct the following activities in order to achieve the overall objective of the assignment:

- i. Review of TDF's current legal and institutional framework as well as proposed UIDC bill.
- ii. Review of available literatures on best practices on business processes for municipal financing vis-à-vis adequacy, suitability and efficacy of various organizational and management systems, structure and processes of TDF
- iii. Assess the current state of organizational capacity of TDF in relation to:
 - a. Governance
 - b. Administration
 - c. Human Resources
 - d. Financial Management
 - e. Organizational Management
 - f. Program Management
 - g. Project Performance Management
- iv. Conduct O&M study to analyze following aspects of TDF:
 - a. Pipeline development and procedures for infrastructure proposals sourcing from municipalities
 - b. Required departmental structures and competencies of staff for planning, organizing, coordinating and controlling investment project cycle
 - c. Investment Risk Analysis
 - d. Functional management of TDF's business processes such as
 - Financial Management
 - Credit Management
 - Profit Evaluation
 - Liquidity Management
 - Investment Management
 - Marketing Management
 - Portfolio and Asset Management
- v. Hold discussions with the Town Development Fund and its key stakeholders including but not limited to Ministry of Finance, National Natural Resource and Fiscal Commission, the National Planning Commission and Nepal Rastra Bank,
- vi. Hold a series of structured interviews with concerned stakeholders
- vii. Provide recommendations and action plan to enhance and improve TDF's organizational and management systems, structure, processes and capacities in order to achieve its core purpose and objectives.

Deliverables

There are two main deliverables of the assignment:

- Organizational Capacity Assessment
- Organization and Management study

The reports should include, but not limited to:

- Methodology of study/ assessment and instruments used.
- List of stakeholders involved in the process.
- Findings of the study/ assessment.
- Analysis of the findings.
- Recommendations related to the aspects of scope of the study.

The consultant shall do a presentation to the top management of TDF regarding the study/ assessment, its findings and recommendations.

The specific deliverables and estimated workdays are outlined below:

Deliverables	Workdays
Inception Brief: Briefing with the TDF team and submission of an inception report outlining detailed methodology and work plan for the O&M and OCA.	5
Organizational Capacity Assessment Report: The assessment report will provide TDF's current capacity gaps and areas for improvements.	15
Organization and Management Study as per purpose and objective of the assignment	30
Presentation of draft study findings to seek comments and feedback.	2
Submission of Final Reports	8
Total	60

Timelines

The total duration of the assignment is estimated at 60 working days spread over 4 months from signing of the contract. Draft report and presentation should be done at the end of the assignment.

Logistics and field visits

The individual consultant is expected to arrange all the support required to undertake the assignment by himself/herself. In case of field travels involving overnight stay, a prior travel approval is required. Travel costs are reimbursed as per actual basis and organizational rules.

Terms of Payment

The payment for services rendered by the individual consultant will be made as per the contract. The payments will be done on a milestone basis (as given below).

Milestone	% of Contract Value to be Paid
1. Submission of Inception Report	25%
2. Draft Report Submission and Presentation	25%

3. Final Report Submission	50%
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Qualification and competencies of the Individual Consultant

The Organization and Management Expert should have following qualifications and competencies:

Education

- At least Masters degree in Business Administration/ Management with specialization in finance/ economics/ banking
- Professional certifications in finance/ investment or portfolio management/ economics

Experience

- At least 10 years of consulting experience
- Wide and diverse experience of consulting in the areas of value chain/process analysis, strategic analysis/ plan, business planning, organizational policies and procedures
- Experience of engagement in a financial institution at Senior Management Level/ Board of Directors/ Consultant.
- Should have provided management consulting service to non-profit sector.

Language

- Fluency in both written and spoken Nepali and English

**OFFEROR'S LETTER TO UNDP
CONFIRMING INTEREST AND AVAILABILITY
FOR THE INDIVIDUAL CONTRACTOR (IC) ASSIGNMENT**

**UNDP/PN/15/2021: National Consultant for Organization and Management (O&M) Study and
Organizational Capacity Assessment (OCA) of Town Development Fund**

Date _____

United Nations Development Programme
UN House
Pulchowk,
Lalitpur, Nepal

Dear Sir/Madam:

I hereby declare that:

I have read, understood and hereby accept the Terms of Reference describing the duties and responsibilities of **National Consultant for Organization and Management (O&M) Study and Organizational Capacity Assessment (OCA) of Town Development Fund**.

- A) I have also read, understood and hereby accept UNDP's General Conditions of Contract for the Services of the Individual Contractors;
- B) I hereby propose my services and I confirm my interest in performing the assignment through the submission of my CV which I have duly signed and attached hereto as Annex 1;
- C) In compliance with the requirements of the Terms of Reference, I hereby confirm that I am available for the entire duration of the assignment, and I shall perform the services in the manner described in my proposed approach/methodology which I have attached hereto as Annex 3.
- D) I hereby propose to complete the services based on the following payment rate:

☐ A total lump sum of *[state amount in words and in numbers, indicating exact currency]*, payable in the manner described in the Terms of Reference.

- E) For your evaluation, the breakdown of the abovementioned all-inclusive amount is attached hereto as Annex 2;

F) I recognize that the payment of the abovementioned amounts due to me shall be based on my delivery of outputs within the timeframe specified in the TOR, which shall be subject to UNDP's review, acceptance and payment certification procedures;

G) This offer shall remain valid for a total period of _____ days [*minimum of 90 days*] after the submission deadline;

H) I confirm that I have no first degree relative (mother, father, son, daughter, spouse/partner, brother or sister) currently employed with any UN agency or office [*disclose the name of the relative, the UN office employing the relative, and the relationship if, any such relationship exists*];

I) If I am selected for this assignment, I shall [*please check the appropriate box*]:

- ☐ Sign an Individual Contract with UNDP;
- ☐ Request my employer [*state name of company/organization/institution*] to sign with UNDP a Reimbursable Loan Agreement (RLA), for and on my behalf. The contact person and details of my employer for this purpose are as follows:

J) I hereby confirm that [*check all that applies*]:

- ☐ At the time of this submission, I have no active Individual Contract or any form of engagement with any Business Unit of UNDP;
- ☐ I am currently engaged with UNDP and/or other entities for the following work:

Assignment	Contract Type	UNDP Business Unit / Name of Institution/Company	Contract Duration	Contract Amount

- ☐ I am also anticipating conclusion of the following work from UNDP and/or other entities for which I have submitted a proposal:

Assignment	Contract Type	Name of Institution/ Company	Contract Duration	Contract Amount

K) I fully understand and recognize that UNDP is not bound to accept this proposal, and I also understand and accept that I shall bear all costs associated with its preparation and submission and that UNDP will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the selection process.

L) **If you are a former staff member of the United Nations recently separated, please add this section to your letter:** I hereby confirm that I have complied with the minimum break in service required before I can be eligible for an Individual Contract.

M) I also fully understand that, if I am engaged as an Individual Contractor, I have no expectations nor entitlements whatsoever to be re-instated or re-employed as a staff member.

O) Are any of your relatives employed by UNDP, any other UN organization or any other public international organization?

YES ☐ NO ☐ If the answer is "yes", give the following information:

Name	Relationship	Name of International Organization

P) Do you have any objections to our making enquiries of your present employer?

YES ☐ NO ☐

Q) Are you now, or have you ever been a permanent civil servant in your government's employ?

YES ☐ NO ☐ If answer is "yes", WHEN?

R) REFERENCES: List three persons, not related to you, who are familiar with your character and qualifications.

Full Name	Full Address	Business or Occupation

S) Have you been arrested, indicted, or summoned into court as a defendant in a criminal proceeding, or convicted, fined or imprisoned for the violation of any law (excluding minor traffic violations)?

YES ☐ NO ☐ If "yes", give full particulars of each case in an attached statement.

I certify that the statements made by me in answer to the foregoing questions are true, complete and correct to the best of my knowledge and belief. I understand that any misrepresentation or material

omission made on a Personal History form or other document requested by the Organization may result in the termination of the service contract or special services agreement without notice.

DATE: _____

SIGNATURE: _____

NB. You will be requested to supply documentary evidence which support the statements you have made above. Do not, however, send any documentary evidence until you have been asked to do so and, in any event, do not submit the original texts of references or testimonials unless they have been obtained for the sole use of UNDP.

Annexes *[please check all that applies]:*

- ☐ CV shall include Education/Qualification, Professional Certification, Employment Records /Experience
- ☐ Breakdown of Costs Supporting the Final All-Inclusive Price as per Template
- ☐ Brief Description of Approach to Work (if required by the TOR)

BREAKDOWN OF COSTS¹
SUPPORTING THE ALL-INCLUSIVE FINANCIAL PROPOSAL

A) Breakdown of Cost by Components:

Cost Components	Quantity	Unit Cost (NPR)	Total in NPR
I. Personnel Costs			
Professional Fees	60 days		
Life Insurance			
Medical Insurance			
Communications			
Others, if any			
II. Travel² Expenses to Join duty station	NA		
Round Trip Airfares to and from duty station	NA		
Living Allowance	NA		
Travel Insurance	NA		
Terminal Expenses	NA		
Others (pls. specify)	NA		
III. Duty Travel	NA		
Round Trip Airfares	NA		
Living Allowance	NA		
Travel Insurance	NA		
Terminal Expenses	NA		
Others (pls. specify)	NA		
Total			
IV. Field visits outside duty station	<i>Applicable travel cost for field visit will be borne by UNDP, if any.</i>		

B) Breakdown of Cost by Deliverables*

Deliverables	Percentage of Total Price (Weight for payment)	Amount in NPR
Submission of Inception Report	25% payment	
Draft Report Submission and Presentation	25% payment	
Final Report Submission	50% payment	
Total	100%	NPR

**Basis for payment tranches*

¹ The costs should only cover the requirements identified in the Terms of Reference (TOR)

² Travel expenses are not required if the consultant will be working from home.