

**Financial capacity building TORs**  
**UNICEF State of Palestine**  
**TERMS OF REFERENCE**  
**INSTITUTIONAL CONTRACT**

<b>Title</b>	Financial and reporting capacity building for Implementing Partners
<b>Location</b>	State of Palestine
<b>Reporting to</b>	Operations Manager
<b>Duration</b>	6 months
<b>Start and end Date</b>	01 November 2023- 30 April 2024

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**I. PART ONE- External**

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**1. BACKGROUND**

The HACT framework provides an outline of the principles and implementing processes that have been agreed upon by the member agencies of the HACT Advisory Committee. The agencies implementing the framework should adhere to it, and the principles and processes are to be incorporated into agency-specific guidance. UNICEF, UNFPA and UNDP have adopted the 2014 revised UNDG Harmonized Approach to Cash Transfer (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 transfer and disbursements; (3) assurance activities; and (4) financial management capacity development.

The HACT framework can support wider capacity development efforts by:

- Having United Nations staff with skills in financial management, assurance and oversight activities communicate expectations and requirements to partners, which helps establish a common understanding of financial management expectations in the United Nations system; and
- Providing incentives for IPs to pursue capacity development efforts with other development partners or private providers.

The HACT framework supports IPs with strong financial management capabilities by reducing the amount of assurance activities required, and through decreased risk ratings. Therefore, even if the United Nations agencies are not the direct providers of capacity development activities, the HACT framework supports and complements this longer-term aspiration.

**2. SCOPE**

This TOR has been developed to guide third party service providers in supporting 5 UNICEF implementing partners (IPs) in the West Bank and Gaza to improve their operational, financial, reporting systems and PSEA<sup>1</sup> capacities according to IASC principles and UN common assessment tools<sup>2</sup>. This ToR outlines the objectives, scope, logistics and deliverables of performing such capacity building activities.

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<sup>1</sup> <https://psea.interagencystandingcommittee.org/iasc-strategy>

<sup>2</sup> <https://interagencystandingcommittee.org/system/files/2020-09/UN%20IP%20PSEA%20Common%20Assessment%20-%20Final.pdf>

While the specific capacity building to be undertaken with each IP should be tailored to their needs based upon their previous Micro-Assessment, PSEA Assessment, Spot Check and/ or Audit reports, in general some of the areas for financial/PSEA capacity building are:

- Financial principles and systems of accountability.
- Developing manuals (HR, Admin, finance, procurement, as needed)
- Internal controls, financial management structure, reporting lines and accounting procedures including segregation of duties.
- Financial monitoring (of internal departments and external sub-recipients) and reporting requirements.
- Procurement and asset management systems.
- Internal and external audit.
- FACE Form completeness/ accuracy.
- Budgeting and cost categories.
- Invoice management.
- Disbursement request protocols.
- Payroll, cost categories, and salary alignment between programme documents and financial reporting on salary utilization.
- Cash and check management.
- Financial management including ICT systems and financial reporting.
- Policies and procedures on, i) Treasury; ii) Anti-Corruption/ Anti-Fraud/ Whistle Blowers; iii) Procurement; iv) Risk Management; v) Travel; vi) Internal committees
- Building partners Capacities on PSEA by Supporting them in writing/drawing PSEA Policies, Manuals and Procedures in line with PSEA assessment findings.
- Building partners capacities on PSEA HR practices within the organization
- Elaborating protocols for SEA claim handling and investigations

This capacity building work will build upon the UNDP/ UNFPA/ UNICEF 'Guide to Financial Management for Implementing Partners' which was developed to orient UN implementing partners on key financial management standards and best practices. The guide provides resources and recommended reading materials. 'Some of the subject areas and key concepts covered in this guide include programme management, accounting policies and procedures, and financial monitoring and reporting.'

### **3. PURPOSE OF THE ASSIGNMENT**

The objectives of the process are to support UNICEF CSO implementing partners' capacities in financial and accounting aspects and to build their capacity where there are weaknesses identified through micro-assessments, spot checks, audits & PSEA Assessments. Through this ToR a contract will be issued for an organization specialized in the provision of services to build high, significant, and medium risk partners' financial and reporting capacity and systems through on-the-job training and remote support.

The work will build on the follow up of the findings<sup>1</sup> identified through micro-assessments, spot checks audits and PSEA Assessments, and particularly those highlighted by UNICEF for dedicated capacity building efforts. Capacity building will be based on the tools and resources which are available on the Guide to Financial Management for implementing partners and will be completed through the following tasks:

- 1- Plan, organize, and conduct training to Implementing Partners and their finance officers about planning and budgeting along with the cost estimates, and the provisions of Resource Mobilization and Management Guidelines. This will include through field visits to partner offices and conducting remote and on the job training for the partners' financial and accounting employees.
- 2- Design a checklist comprising minimum documentation and procedure for any accounting transaction, e.g., the list of minimum documents and processes for making a final payment.
- 3- Improving partners' internal policies and procedure as per best practice taking into consideration the size, organigram, and operations of the partner. Where required work with partners to develop their necessary manuals, policies, and procedures, while ensuring the ownership of the organization in the development process.<sup>2</sup>
- 4- Support in preparation of procurement checklist and assist in developing a uniform format for procurement notices, bid document, evaluation criteria and procedure, notification of contract award, reminder for complying contract agreement etc. according to the prevailing laws and guidelines.
- 5- Remote support through providing support to partners on any financial and accounting issues arising during their day-to-day work.

#### **4. INTENDED USE AND AUDIENCE OF ASSIGNMENT:**

Refer to the annex for the specific list of partners to be reached.<sup>3</sup>

A final report on implementation of capacity building activities is required, with the findings, recommendations and lessons learned from this assignment to be used to support and enhance the capacities of other UNICEF's IPs. The findings and lessons learned documented in this report will be shared with the UNICEF Country Office for internal review as part of the HACT management system.

#### **5. METHODOLOGY AND MAJOR TASKS TO BE ACCOMPLISHED:**

The service provider is expected to mobilize a team of at least two experts on financial management and procurement. The service provider will use the findings of the spot checks, audits, micro-assessments and PSEA assessments to develop a capacity building work plan per partner. The capacity building plan and training materials should be approved by UNICEF. Then the service provider will agree with IPs/ CSOs with the time schedule for the capacity building efforts.

The UNICEF HACT focal point will introduce the service provider to the IPs. UNICEF will provide the following documentation to the service provider for review before starting fieldwork:

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<sup>2</sup> All systems recommended, and capacity building interventions should consider the size and capacity

of each organization, to avoid a one-size fits all approach.

<sup>3</sup> The final list of IPs to be covered based upon agreement with each partner before starting work.

- Copies of reports of any micro-assessments, spot checks and audit reports or other relevant assessment previously performed on the IP.
- Copies of reports of any financial or internal control audits and spot checks previously performed on the IP.
- IP and Programme information; and
- Any other documentation that may help the service provider better understand the context from a United Nations perspective.

The service provider should also provide the IP with an advance information and request of the documents and interviews they would like to have while on site, to ensure efficient use of time while on-site. The service provider either visits or provides remote support to the implementing partner to assess their needs for specific financial capacity building interventions. The service provider discusses their plans for financial capacity building with the IP key personnel and the UNICEF HACT focal point before finalizing it, with planned capacity building interventions to be aligned to the findings of micro-assessments, audits, and spot checks. Upon finalization of the planning, the service provider delivers the capacity building interventions which may among other options include:

- Developing capacity building plan per partner.
- Developing training materials per partner.
- Developing policies, procedures, and checklists.
- Establishing effective control systems.
- On-the-job training.

Finally, the service provider will submit a report for UNICEF explaining achievements, remaining gaps, recommendations per partner and expected/potential challenges to implement the recommendations.

Upon completion of the capacity building a summary of the work conducted should be provided which should include the details of the capacity building provided; outline of remaining financial and reporting weaknesses and expected improvement from the performed training; and any additional needs to improve IP financial and reporting systems.

UNICEF will follow up with the IPs following the capacity building support to establish the level of satisfaction of the IPs with the support provided. The organization bidding required to prepare a brief questionnaire which can be applied for this assessment.

## **6. ETHICAL PRINCIPLES AND PREMISES OF THE ASSIGNMENT**

The assignment is to be carried out according to the ethical principles, standards and norms established by the United Nations. All information shared with the service provider must be kept in strict confidence any not disseminated to any third party

## 7. DELIVERABLES AND DEADLINE(S) FOR SUBMISSION:

UNICEF may identify up to 5 UNICEF Implementing Partners to be reached with this capacity building activities, **number of partners to be confirmed at later stages and budgeted cost should be based on partners numbers**

	Expected Deliverable	Estimated Date
1.	Upon review & discussion with UNICEF the Financial Finding from Micro-assessment and Spot check and PSEA Findings of respective partners and Submission of training plan and materials for each of the 5 implementing partners <b>(name of partners not confirmed yet)</b>	6 weeks
2.	Upon completion of the training per each IP: 5 IPs with detailed reports including, weaknesses, areas improved, additional work required to fulfill any remaining gaps in financial and reporting systems <b>(name of partners not confirmed yet)</b>	18 weeks

Monthly status report will be submitted to UNICEF by the service provider.

**Resources:** UNICEF reserves the right to withhold all or a portion of payment if performance is unsatisfactory, if work/outputs is incomplete, not delivered or for failure to meet deadlines.

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## 8. ESTIMATED DURATION OF CONTRACT AND TENTATIVE DATES

Duration: 24 weeks

Dates: 1<sup>st</sup> November 2023 to 30<sup>th</sup> April 2024

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## 9. PROPOSED PAYMENT SCHEDULE:

By deliverables (as above):

- 30% upon completion of deliverable 1
- 70% upon completion of deliverable 2

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## 10. DUTY STATION:

Capacity building will be conducted at head offices of each partner across the State of Palestine which may be in any location in Palestine either the West Bank or Gaza, including East Jerusalem. The service provider must provide their capacity to be able to deliver services in the West Bank, Gaza and East Jerusalem

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## 11. OFFICIAL TRAVEL INVOLVED:

Official in-country travel will be involved, as required. All logistics and costs of in country travel should be factored into the bid/ budget and be covered by the service provider. The service provider must demonstrate capacity to travel to Gaza and East Jerusalem.

## **12. MANAGEMENT (ROLES AND RESPONSIBILITIES)**

- The Operations Manager (Operation) section in UNICEF SOP will provide overall guidance, coordinate, and contribute directly to quality assurance activities.
- HACT Focal Point is the manager and will provide the primary supervision in close cooperation with the relevant sections in the UNICEF State of Palestine office in Jerusalem and Gaza field Office.
- UNICEF, and its implementing partners, will provide technical inputs and facilitate access to the CSO/ IPs offices.
- The service provider's team will make formal contacts with CSO/IPs as necessary as well as provide logistics and operational support.
- The operations will support in ensuring quality and ethics in field data collection.

## **13. QUALITY ASSURANCE:**

- The UNICEF country office has major roles in ensuring that all the deliverables meet the quality assurance criteria. Quality assurance will take place at different stages of the assignment. Given that it is a country led assignment, the Operations Manager will also ensure that the assignment meets UNICEF quality standards and follow UNICEF global quality assurance processes.
- The service provider will be responsible for the timely production of training plan, training materials, training sessions and reports.

## **14. GENERAL CONDITIONS**

No contract may commence unless the contract is signed by both UNICEF and the service provider.

- The selection process for the service provider will strictly follow UNICEF's internal procurement rules
- UNICEF will aid where possible for necessary access and permits required for the assignment.
- The service provider will provide fortnightly verbal or short email progress updates and have review meetings with UNICEF on monthly basis (face to face or phone meetings)
- The service provider will provide draft report for review and amend as requested before submitting the final report

UNICEF will not provide office space to the team. All requirements including venues for workshops, transportation, visa, health insurance, secretariat services, interpreter, translator, etc., will not be covered by UNICEF.

## **15. QUALIFICATION OR SPECIALIZED KNOWLEDGE/EXPERIENCE REQUIRED:**

**Requirements:** The company selected must be accredited to provide financial/ management services with the capacity to provide auditing services. The company must have proven experience in delivering services for financial capacity building and familiar with HACT framework.

**Competencies:**

- Demonstrates integrity by modeling the UN's values and ethical standards.
- Promotes the vision, mission, and strategic goals of UNICEF.
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability.

There must be at least two team members with demonstrated experience in financial management and procurement. CVs of all members of the capacity building team should be provided to UNICEF and should include details on engagements carried out by relevant staff, including ongoing assignments indicating responsibilities assumed by them and their qualifications and experience in undertaking similar assessments. The team must demonstrate the following:

**Functional Areas:**

- Strong analytical, negotiation and communication skills, including ability to produce high quality practical advisory reports and knowledge products,
- Professional and/or academic experience in one or more of the areas finance, budgeting, procurement, and human resources
- Ability to produce high quality outputs in a timely manner while understanding and anticipating the evolving client needs.
- Strong organizational skills.
- Ability to work independently, produce high quality outputs.

**Education:** The members of the team must possess:

- The CVs provided for the members of the team must demonstrate advanced degrees in or equivalent to Accounting, Business Administration, Financial Management, Procurement, or a related field.
- At least one member of the team should be a Certified Public Accountant/CPA.

**Experience:** The team must possess:

- Minimum 15 years of working experience in performing financial assurance activities (micro-assessment, audit, spot checks) related to organizational financial management capacity (i.e. accounting, reporting, procurement and internal controls).
- Knowledge of the United Nations system and the development sector is required.
- Institutional capacity building experience in finance and reporting with detailed previous experience.
- Written and verbal fluency in *Arabic and English* is essential

**16. APPLICATION AND EVALUATION PROCESS:**

Each proposal will be assessed first on its technical merits and subsequently on its price. In making the final decision, UNICEF considers both technical and financial aspects. The Evaluation Team first reviews the technical aspects of the offer, followed by review of the financial offers of the technically compliant vendors. The proposal obtaining the highest overall score after adding the scores for the technical and financial proposals together, that offers the best value for money will be recommended for award of the contract.

**The Technical Proposal should include but not be limited to the following:**

- Methods and Approach: Details should be provided on the methods and approach that will be undertaken.
- Detailed work plan: Provide a detailed work plan which takes into consideration the timeline for the work laid out in the ToR and incorporating time for UNICEF and CSO/IPs review and feedbacks.
- Team composition should be detailed which is in line with the profile of the capacity building.
- Reference: Details of similar assignments (minimum 2) undertaken in last five years including the following information:
  - Title of Project
  - Year and duration of project
  - Scope of Project
  - Outcome of Project
  - Reference/ Contact persons
- **CV's:**
  - CV of each team member (including qualifications and experience)
  - Ensure to include information related to the qualifications and experience of each proposed team member.
  - Company/Institutional Profile
  - Provide a company profile and/or reports (or links) that demonstrate the requirements.
- **The Financial Proposal should include but not be limited to the following: The service provider should submit a financial proposal with an estimated cost per Implementing Partner, based upon an expected number of days work per partner. This will allow UNICEF to issue a contract per IP to accumulate work if more IPs require support, or depending on funding availability.**

This should include the following:

- Resource costs per each IP capacity building support (based upon an estimated average of days per IP), this should include:
  - Daily rate multiplied by number of days of team members including Travel Costs - in country (from/to Jerusalem, Gaza, and West Bank}, visas and international travels (if applicable)<sup>4</sup> For all travel costs, UNICEF will pay as per the lump sum fixed costs provided in the proposal. A breakdown of the lump sum travel costs should be provided in the financial proposal.
- Key administrative cost
- Any other cost the institution finds important to include
- The budget should take into consideration the assignment payment plan.

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<sup>4</sup> Note that international travel costs may not be applicable if the work to be undertaken locally.

- **In addition, the institution should include the following:**

A) A complete copy of latest audited financial statements with comparative figures for the two most recent years; preferably signed by Company's accounting firm/certified external auditor. The financial statements are to include, but not limited to, the following:

- The Balance Sheet (mandatory)
- The Income Statement/Profit and Loss Statement (mandatory)
- Statement of cashflows
- Statement of changes in shareholders' equity
- The report from the external auditor, if available
- Notes to the financial statements, if available

*(Where possible, please provide an English translation of financial statements if the documentation is not in English. Note that any financial documentation received is treated with confidentiality and discretion.)*

B) A copy of Company's certificate of legal registration.

C) Company's UN Global Marketplace (UNGM) registration number: The institution should be registered with the UNGM website and should share the UNGM number. The institution should complete UNICEF's supplier's profile form and its Annexes

#### **17. EVALUATION WEIGHTING CRITERIA:**

Cumulative Analysis will be used to evaluate and award proposals. The evaluation criteria associated with this TOR is split between technical and financial and it will be assessed on this basis: 70% technical and 30% financial as follows:

70 % Technical

30 % Financial

100 % Total

Below table provides a detailed breakdown of the **technical** evaluation criteria.

<b>Main Criteria</b>	<b>Subcomponents</b>	<b>MAX score</b>
<b>Team profile relevance, and experience of key staff assigned [Score 25]</b>	Team leader's expertise and qualifications as per the TOR/ requested qualifications	6
	Diversity of team's background/expertise	4
	Team command of English	4
	Team command of Arabic	4
	Team's experience in State of Palestine (Data collection)	3
	Team's previous experience with UNICEF and/or with financial capacity building	4
	- The proposed structure and composition of the team for this assignment. The main disciplines of the assignment, the key expert responsible and proposed technical and	

	support staff along with their curriculum vitae (CVs) provided. Team composition and tasks assigned. - Highlights about the company, how it is organized and a brief about its key personnel including (Vs/resumes of lead resource persons and, if any, partnership arrangements. - Range and depth of experience with similar projects/ contract s/ client.	
<b>Proposed methodology and approach [Score 20]</b>	Adequate, relevant, and practical methodology proposed	14
	Quality Assurance (plan for the systematic monitoring and evaluation of the various aspects of the assignment to ensure that standards of quality are being met)	3
	Risk Assessment/ Mitigation measures proposed	3
	- Understanding of, and responsiveness to UNICEF State of Palestine requirements based on Terms of Reference; Understanding of scope, objectives, and completeness of response; Overall concord between UNICEF requirements and the proposal; Understanding of Subject area. - Thoroughness in defining research methodology and protocol, selection of a scientifically valid sample and development of good, concise research tools/questionnaires.	
<b>Assessment Work Plan [Score 17]</b>	Clarity of proposed workplan	7
	Adequate timeline for assessment workplan	3
	Adequate allocation of resources, including demonstrated capacity for high quality report writing	7
	- A comprehensive work plan to deliver the overall requirement (ToR) including the main activities of the assignment, their content and duration, phasing and interrelations, milestones, key performance indicators (including interim approvals by the Client), and a list of deliverables (reports, products) within the estimated delivery timeframe and dates. - Consistency of the proposed work plan with the technical approach and methodology, showing understanding of the ToR. - The level of effort for each team member articulated and staff input throughout various stages/components explicitly laid out. - The plan must identify and present specific steps and component activities in a chronological manner and must have attached, a flow chart/ critical path analysis, activity plans, personas etc.	
<b>Capacity of the Service provider [Score 8]</b>	Administrative capacity	3
	Demonstrated logistical capacity (including capacity for travel and demonstrated capacity to undertake work in Gaza)	4
	Registration documents	1
<b>Total Score</b>		<b>70</b>