

SPECIFIC TERMS OF REFERENCE

Technical Assistance to support SADC Secretariat's finance and contract management

FWC SIEA 2018 – Lot 5 – Budget Support – 5.3 Public Finance Management (in particular capacity building; reforms; public expenditure and financial management – budgeting, execution and reporting)

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1. BACKGROUND

1.1. Partner

Southern Africa Development Community (SADC) Secretariat

1.2. Contracting Authority

Delegation of the European Union to the Republic of Botswana and SADC

1.3. Background

SADC Secretariat is a regional organisation comprising 16 Southern African countries, which seek to achieve development, peace and security, end economic growth, alleviate poverty, enhance the standard and quality of lives of the peoples of Southern Africa, and support the socially disadvantaged through regional integration, built on democratic principles and equitable and sustainable development. The SADC Programme of Action is outlined in the Organisation's long-term strategic plan; i.e., the Regional Indicative Strategic Development Plan (RISDP).

SADC is also implementing a Strategic Indicative Plan for the Organ on Politics, Defence and Security Cooperation (SIPO). The SIPO seeks to promote a peaceful and stable political and security environment in the region. Implementation of the SIPO is complemented by the SADC Protocol on Politics, Defence and Security Cooperation. This Protocol established the objectives of the SADC Organ on Politics, Defence and Security – namely, promoting peace and security across Southern Africa, protecting the region's peoples from instability due to the breakdown of law and order, developing a common foreign policy throughout the region, and cooperating on matters related to security and defence.

The Mandate of the SADC Secretariat, as outlined in Article 14 of the SADC Treaty, includes the following:

- strategic planning and management of SADC Secretariat ;
- coordination and harmonization of the policies and strategies;
- Mobilization of resources, co-ordination and harmonization of programmes and projects with cooperating partners; and
- Devising appropriate strategies for self-financing and income generating activities and investment.
- Representation and promotion of SADC; and
- Promotion and harmonisation of policies and strategies of Member States.

In June 2015, Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), the Intergovernmental Authority on Development (IGAD), the Indian Ocean Commission (IOC), the Southern African Development Community (SADC), representing the Eastern Africa-Southern Africa-Indian Ocean (EA-SA-IO Region) and the

European Union signed a Regional Indicative Programme (RIP) under the 11th EDF for the period 2014-2020. The overall financial allocation earmarked for the 11th EDF was €1,332 million, distributed as follows:

1. Sub-Regional Envelope:	€450 million, sub-divided as follows:
COMESA:	€85 million
EAC:	€85 million
IGAD:	€80 million
IOC:	€50 million
SADC:	€90 million
Performance reserve:	€60 million
2. Infrastructure Financing Envelope:	€600 million
3. Cross-Regional Envelope:	€205 million
4. Technical Cooperation Facility:	€15 million
5. Reserve:	€62 million

The SADC sub-regional envelope of €90 million identifies three priority areas for cooperation, as well as one cross-cutting area, namely:

- Priority Area 1: Peace, security and regional stability (€15 million);
- Priority Area 2: Regional economic integration (€47 million);
- Priority Area 3: Regional natural resource management with a particular focus on the SADC Regional Agriculture Policy (€9 million);
- Priority Area 4: Institutional Capacity Building (€19 million).

The SADC Secretariat in 2014/15 successfully transitioned from International Financial Reporting Standards (IFRS) to International Public Sector Accounting Standards (IPSAS) reporting framework; an initial external evaluation of the implementation of IPSAS was undertaken in 2016 and confirmed SADC's compliance with IPSAS standards. This was also confirmed in the most recent EU pillar assessment done in 2017, which confirmed SADC's compliance for 5 pillars¹. However, this compliance will need to be maintained. 2017/18 has seen a large staff overturn in the SADC Secretariat and there are therefore knowledge gaps in the implementation of IPSAS, which undermines the SADC Secretariat's ability to budget, execute, report and monitor appropriately financial allocations under programmes and projects.

As specific training efforts on IPSAS will be taken up under the incoming Integrated Institutional Capacity Building (IICB) programme for the SADC Secretariat and through intermediate bridging facilities, the Secretariat has identified the need to improve the organizational framework and culture for financial compliance as an enabling strategy to support service delivery and effectiveness. This specific technical assistance will thus support capacity building and strengthening the overall operations of the SADC Secretariat Directorate for Budget and Finance, with specific attention given to ex-ante financial monitoring.

As a general rule, the Technical Assistance is required to support the Directorate with the identification, elaboration and roll-out of a system of checks and balances in financial management (rigorous application of routing slips/checklists on financial transactions and

¹ Outcomes of pillar assessment confirmed full compliance with the initial 4 pillars, while mitigating measures were agreed for the implementation of the 5th pillar (grants). No assessment has yet been done on financial instruments and sub-delegation.

circuits; systemic approaches to the treatment of payment files for different project modalities). All templates and routing slips to be prepared by the expert must specify which elements have to be controlled.

2. DESCRIPTION OF THE ASSIGNMENT

➤ Global objective

The objective of this assignment is to improve the relevance, effectiveness and efficiency of the SADC Secretariat's financial management systems.

➤ Specific objective(s)

The specific objectives of the assignment include the following:-

- Assess the SADC Secretariat's existing capacity for financial management of EU-financed cooperation programmes through PAGODA/contribution agreement modality and programme estimates.
- Support the development of adequate financial and contract management capacity within the SADC Secretariat to ensure sound financial management of EU programme related resources.

➤ Requested services

Key tasks of the Consultant include:

- Identify the required capacities for financial management of a PAGODA/contribution agreement as well as a Programme Estimate by the SADC Secretariat;
- Undertake a gap analysis of existing and required capacities within the SADC Secretariat Directorate for Budget and Finance;
- Identify the risks associated with the gap analysis and required capacities for financial management;
- Propose adequate mitigating measures based on the above, with a view towards sustainable approaches and institutional capacity development of the SADC Secretariat;
- Advice, mentor, coach and support SADC Secretariat staff to improve quality assurance of financial transactions and processes;
- Identify areas of improvement to the compliance framework, including financial regulations and planning processes, compliance monitoring instruments and performance/compliance monitoring;
- Propose a draft inter-service level agreement for the SADC Secretariat Directorate for Budget and Finance to be shared/signed with thematic units to clarify roles and procedures in the management of specific implementation modalities;
- Ensure quality (incl. comprehensiveness and accuracy) of financial data entered into the relevant SADC financial management and project management systems;
- Provide advice to the SADC Secretariat on sound financial management as well as (draft) contractual documents, from a financial perspective;
- Ensure adequate financial circuits are in place and followed;
- Support financial verification of transactions and contracts;
- Ensure quality control on the preparation of contractual documents and financial transactions;
- Assist in the preparation of financial reports, statistics and regular forecasts;

- Review existing and/or propose new process flows and manuals for financial management of contracts, with a particular emphasis on PAGODAs/contribution agreements and Programme Estimates.

➤ Required outputs

Throughout the assignment, the Consultant is expected to liaise closely and report regularly to both the EU Delegation and the SADC Secretariat on progress, challenges and findings. With regard to the SADC Secretariat, the Consultant will liaise with the Director Budget and Finance in day-to-day operations and report to the Deputy Executive Secretary Corporate Affairs (DES-CA). The expert will have a dotted line with the Deputy Executive Secretary Regional Integration (DES-RI) to support the Secretariat's work program aimed at strengthening the internal control environment and to address pillar assessment issues. Specific arrangements for these regular informal reports and coordination will be agreed between the parties during the Inception Phase.

In addition to the formal reports outlined in section 5, the Consultant is expected to produce the following outputs:

- Capacity Assessment of financial management requirements in the SADC Secretariat, with specific emphasis on requirements related to management of PAGODAs/contribution agreements and Programme Estimates under EDF 11;
- Gap analysis and risk assessment of capacity needs and existing available capacities in the Directorate for Budget and Finance with recommendations for mitigating measures, additional capacity development etc. that can be absorbed under the 11th EDF Integrated Institutional Capacity Building (IICB) programme;
- Draft inter-service level agreement for the SADC Secretariat Directorate for Budget and Finance to be shared/signed with thematic units to clarify roles and procedures in the management of specific implementation modalities;
- Revised/new process flows and manuals for financial management of contracts, with a particular emphasis on PAGODAs/contribution agreements and Programme Estimates for day-to-day use in the SADC Secretariat.

➤ Language of the Specific Contract

The language of the specific contract and all related outputs shall be English.

➤ Subcontracting (to be foreseen or not)

No subcontracting will be allowed on this assignment.

3. EXPERTS PROFILE or EXPERTISE REQUIRED

➤ Number of requested experts per category and number of person-days per expert

Expertise required	Category	No. of person-days
Capacity Assessment Advisor	II	110

➤ Profile per expert or expertise required:

Minimum requirements:

- a) Preferably a Master's Degree in the field of project management, financial management, capacity development or other related areas *OR in the absence of a formal Master's Degree in the required field*: relevant work experience of at least 6 years which must be above the professional experience duration fixed in points b) below;

- b) At least 6 years of professional experience in the area of EU development assistance and/or design, appraisal and strengthening of financial management systems in the public sector and/or other related fields.

Specific requirements:

- c) Have proven working experience dealing with EU development financial assistance;
- d) Have proven work experience in the area of management of the EU development financial resources;
- e) Have proven previous experience in dealing with EDF rules and procedures, as well as EU financial instruments, preferably PAGODA and/or contribution agreements;
- f) Proven experience in dealing with Regional Economic Communities within the African Context will be considered a strong advantage.

Other requirements:

- g) Fluency in written and spoken English;
- h) excellent communication and analytical skills;
- i) Sound knowledge of regional integration policies and strategies on the African continent;
- j) proven working experience in the SADC region will be considered an advantage;
- k) Ability to communicate in French or Portuguese is an asset.

NB: Please note that the Contracting Authority reserves the right to include interviews with the proposed key experts during the evaluation of offers for this Request for Services.

4. LOCATION AND DURATION

➤ Starting period

The assignment is expected to start approximately by mid-September 2018.

➤ Foreseen duration

The overall duration of this assignment is 110 working days, with the end date foreseen for March 2019.

TOTAL No. of working days	110
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➤ Location(s) of assignment

The assignment will be carried out in Gaborone, Botswana.

5. REPORTING

➤ Content

The Consultant will submit the following reports in English:

- **Inception Report** of maximum 10 pages to be produced after two weeks, from the start of implementation. In the report the consultant shall outline the approach to be adopted, any requirements for meetings/interviews as well as highlighting any key issues/concerns with respect to these TORs and the foreseen difficulties, in addition to a programme of work.
- **Monthly reports** of maximum 4 pages, including the following sections: Achievements, Challenges, Activities planned, Activities carried out during the reporting period, Activities planned during the next reporting period, Conclusions and Recommendations. Monthly reports shall be submitted to the EU Delegation and the SADC Secretariat in electronic format for approval.

- **Draft Final report** of maximum 30 pages at the end of the assignment. The Final report must be submitted to the EUD in electronic and printed versions, the latter in 4 copies (4 printed copies in total including electronic version on CD/memory stick) within 2 weeks upon receipt of acceptance of the draft final report.

➤ Language

All reports will be submitted in English.

➤ Submission of reports

- All reports will be submitted in electronic version to the EU Delegation and the SADC Secretariat (Deputy Executive Secretary for Regional Integration) for approval;
- Draft Inception Report shall be submitted within 2 weeks of start of implementation in electronic format; the EU Delegation and the SADC Secretariat shall provide written comments on the Inception Report within 2 working days of receipt of the draft report and/or acknowledge formally the acceptance of the Inception Report;
- Monthly reports shall be submitted in electronic format on the last formal working day of a calendar month; both EU Delegation and SADC Secretariat will provide written comments on the monthly reports within 2 working days of receipt of the reports and/or formally acknowledge acceptance of the reports;
- The Draft Final Report shall be submitted in electronic format within 2 weeks of the end of assignment; EU Delegation and the SADC Secretariat shall provide written comments to the draft final report within 5 working days from receipt of the draft report and/or formally acknowledge acceptance of the draft final report. Once the draft final report is formally accepted, the consultant shall submit 4 hard copies + 1 electronic copy on CD/USB key to the EU Delegation together with the final invoice, within 2 weeks of formal acceptance of the draft final report.

6. INCIDENTAL EXPENDITURE

➤ Travel costs

- 2 return Economy Class tickets for the Consultant (international flight).

➤ Other reimbursable expenditure

No further reimbursable expenditure is foreseen under this contract; kindly note that supporting documents will be required for payments.

7. MONITORING AND EVALUATION

➤ Definition of indicators:

- The general performance of the Consultant will be assessed on the basis of the required reports;
 - Acceptance of progress reports with minimum delays;
 - Full set of templates and routing slips for a financial compliance monitoring system developed and used across the SADC Secretariat by the end of the assignment.
- All documents and papers produced by the Contractor, including drafts, will clearly mention on its first page a disclaimer stating *“This report has been prepared with financial assistance from the European Union. The views expressed herein are those of the Contractor and therefore do not necessarily reflect the official opinion of the European Union”*.
