ANNEX I – TERMS OF REFERENCE

Joint UNICEF/WFP RFPS for emergency preparedness return on investment study

Background

The overall purpose of this programme is to reach more people, save lives, secure livelihoods and protect rights in humanitarian situations as a result of improved humanitarian preparedness of UNICEF, WFP and partners. The Programme is an organisational capacity development programme, the underpinning theory of change is that if UNICEF and WFP increase their preparedness for humanitarian situations then people affected by crisis will receive more timely, appropriate and cost-effective services. The Programme will achieve this through three Outputs:

1. In the Programme countries, UNICEF and WFP are ready for a rapid and appropriate emergency response.

2. UNICEF and WFP are effectively supporting interagency and national capacity development activities for preparedness, in coordination with OCHA/UNDP/Other key agencies.

3. UNICEF and WFP are able to demonstrate how this programme contributed to enhance preparedness and efficient response for both organisations.

As part of a larger proof of value for money for emergency preparedness, UNICEF and WFP are using DFID support to build up preparedness activities in seven high-risk countries:
- Afghanistan
- Chad
- Madagascar
- Myanmar
- Nigeria
- Pakistan
- Philippines

Those countries were selected based on their risk level in the 2013 UNOCHA Global Focus Model (now replaced by the UN interagency index for risk management – infoRM) or their inclusion in the IASC Early Warning Early Action report.

In addition, this initiative will cover four regional contexts where preparedness will be strengthened through a regional approach:
- Central Asia (Tajikistan, Kyrgyzstan, Uzbekistan, Iran)
- Central America (Honduras, El Salvador, Nicaragua, Guatemala)
- African Great Lakes (Eastern DRC, Rwanda, Burundi, Uganda)
- Syria+5 (Jordan, Lebanon, Iraq, Turkey, Egypt)
Rationale
Over the coming years, the caseload for humanitarian action will continue to grow and in so doing will challenge the capacities of governments and humanitarian organisations. In addition, a growing proportion of vulnerable people will live in the world’s most fragile and risk prone contexts. In these contexts, shock and pressures are impeding and reversing development gains, creating a cycle of deprivation and inequity. In addition humanitarian action is increasingly occurring in very complex and high threat conflict environments such as the current crisis in Syria and neighbouring countries.
WFP and UNICEF must invest significantly to address the implications of these trends effectively, notably through preparedness. They must also be responsive to the many changes that have occurred in the humanitarian system, including the increased call for investing in preparedness for a more effective response, growth in capacity of some governments to lead response to emergencies, and the internalization of lessons learned from recent large-scale emergencies through the UN Interagency Standing Committee’s Transformative Agenda for humanitarian action.

While the value of preparedness for emergency response is increasingly recognized, the humanitarian community still lacks a well-designed model to quantify the return on investment of preparedness activities. Certain countries which have high exposure to disaster risk or that are fragile/conflict affected lack the necessary level of preparedness for humanitarian action, causing delays in responses, inefficient use of resources, and sub-optimal decision-making. This situation can result in increased loss of life and livelihoods, violation of rights, increased physical damages, and excess financial costs to affected countries and the international community.

Summary Objective
UNICEF, WFP and DFID are seeking to advance the evidence base for time and cost returns on emergency preparedness investments to enhance operational preparedness and efficient response to emergencies. Although available research points to positive correlations between early investments in risk reduction systems and mitigation of the impact of humanitarian shocks on populations, no clear model exists to map the cost and time savings of preparedness within major humanitarian organizations across differing emergency settings.¹

Using current and historical data from UNICEF and WFP country office in humanitarian settings, this project will develop a model for ‘value for money’ toward UNICEF and WFP emergency

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¹ World Bank modelling has estimated that expenditures on risk reduction, which includes preparedness, saves US$7 for every US$1 that is invested. While other sources have come up with slightly different ratios (4:1; 9:1), there is a broad consensus that action taken before an emergency takes place makes for more effective response and reduced impact of crisis.
preparedness activities to demonstrate and measure the correlation between preparedness investments, at global and country level, and efficient and timely humanitarian response. This model will be used where appropriate to prioritise investment in preparedness and made available to partners and the wider humanitarian system. The research will also provide the basis for a concept note on a wider study to be potentially carried out in a future phase of the larger collaboration between UNICEF, WFP and DFID.

**Study approach and methodology**

Using current and historical data from WFP and UNICEF humanitarian programme countries\(^2\), regional offices and HQ, and by modelling preparedness the study will examine the “business case” for preparedness related to:

a) Cost savings in humanitarian response resulting from financial investments in emergency preparedness
b) Time savings in humanitarian response resulting from financial investments in emergency preparedness

The study will be organized around 3 pillars: **desk review, case studies and modelling** looking at different countries contexts and risks (e.g. natural hazards and political instability).

There are four areas the study should focus on:

- **Logistics** (transport, storage, pre-positioning)
- **Procurement** (processes, agreements)
- **Staffing** (deployment, training)
- **External contracting** (partnerships, quality assurance)

**i) Logistics**

The study will focus on five different commodities (see below) and capture the level of availability of these commodities and the existing gaps in selected countries, compare best options around prepositioning and external procurement and develop a time and cost saving analysis for them. This analysis will look into transport costs/speed (sea vs. air vs. land), warehousing, expiry of commodities and inventory management techniques to mitigate against this, and/or other logistical aspects to be determined.

\(^2\) Data to be provided to selected contractor. UNICEF and WFP will retain all rights to data and intellectual property shared, collected and produced by this project (see General Terms and Conditions section 13 and 14).
ii) **Procurement**
This part of the study will look into cost and time saving aspects in regard to procurement for the same commodities decided upon under the logistics component. The focus should centre on reduced pricing through agreements with global suppliers, local procurement, pre-arrangements of in-kind assistance (e.g. the use of commercial airfreight for emergencies free-of-charge), emergency procurement clauses with suppliers and internal fast-tracking procedures for procurement. For each of these, the quantity and speed of commodities becoming available should also be analysed, and whether these can be increased for a higher price.

iii) **Staffing**
Preparedness in terms of staffing may have increased response benefits through enhancing the timely deployment of adequately skilled personnel to emergencies. This part of the study should look into the time – and potentially cost – benefits of the following aspects:
- Staffing country offices according to emergency profiles
- Rapid emergency deployment procedures and expert rosters
- Staff emergency training & simulations
- Emergency standby staffing arrangements with partners
- Analysing the potential cost-effectiveness of training and deploying national staff (to a third country) versus international staff and consultant deployment. This would need to take into account the cost of retaining staff on stand-by.

iv) **External Contracting**
The following aspects should be looked into for this component of the study:

- Emergency contingency arrangements with partners
- Financial transfers to partners: measuring the duration between contracting and resource transfers
- Implementation and monitoring mechanisms
- Joint partner risk assessment mechanisms

**For operational areas i) and ii) above, WFP and UNICEF will provide analytic reports and data on the following humanitarian supplies (to be confirmed):**
- General food commodities such as wheat, corn, rice, etc. (WFP)
- High energy biscuits (WFP)
- Ready-to-Use Therapeutic Food (RUFT) and/or Micro-Nutrient Powder (MNP) (UNICEF)
- WASH supplies (e.g. natrium-chlorine tabs) (UNICEF)
- Oral rehydration salts (UNICEF)
- Long lasting insecticide-treated nets (LLIN) (UNICEF)

Staffing and partnership data will be made available to researchers according to the demands of the methodology.
Modelling of preparedness investments
The contractor will produce a model in which estimates of the benefits in regard to cost-savings and timeliness of response resulting from selected prepared investments are projected into the future, discounted and compared. The preparedness investments will come from the four study areas and will be agreed with the WFP/UNICEF focal points. Based on the finding, recommendations should be given on which of the considered preparedness investments should be made and which of these are the highest priorities.

Models will be done for three countries/regions listed above with different risk profile and characteristics (tentatively proposed as Myanmar, Madagascar and Chad, to be confirmed by UNICEF and WFP study focal points). For each, factors to consider in the modelling include (but are not limited to):

- Costs and speed benefits of the different preparedness investments will vary depending on the country/region, and several other factors, many of which will be uncertain. Data from WFP, UNICEF, field visits and other sources should be used to help estimate these factors, but assumptions will also be needed in order to do the cost-benefit analysis.
- Experiences from past emergencies will be analysed and taken into account to support the assumptions (e.g. an emergency with limited preparedness investment vs. an emergency with augmented preparedness investments in the same area).
- Produce two types of benefit analysis:
  - (i) cost-saving benefits by including economic/financial savings and expenditures foregone to the humanitarian system, the government and individuals; and
  - (ii) speed benefits, by calculating the time gains achieved through preparedness investments. If possible, the number of lives saved corresponding to the speed benefits arising from the preparedness investments should also be estimated.
- The analysis of these two components should be done separately to avoid distorted results (e.g. certain speed benefits might actually increase net costs, but are pivotal in responding effectively to an emergency).
- Parameters for defining cost-saving and speed benefits will be defined by the contractor in close collaboration with the UNCEF/WFP oversight team.
- The types and magnitudes of shocks that occur, and the consequent humanitarian need profiles.
- Consider how the humanitarian need profile following a shock changes if there has been insufficient time to recover from the previous shock.
- Consider the probability distributions of the different types and magnitudes of shocks. Use deterministic probability distribution modelling techniques (e.g. Monte Carlo method) to estimate the cost and benefits from different preparedness investments subject to a set of shocks that are uncertain but have the aforementioned probability distribution.
• Are the cost and benefit of a particular preparedness investment independent of other preparedness investment which might be made? If not, the interaction should be modelled.

Sensitivity analysis should be conducted for relevant model assumptions. This analysis should show which assumed parameters, when their value is varied, have the greatest effect on model outputs. If these assumed parameters are ones about which there is substantial uncertainty as to the true parameter value, then further research may be warranted to increase confidence in the parameter value being assumed. In particular, this will guide areas for investigation during field visits.

In the event of an emergency unfolding in any of the seven countries during the study period, the model will be adjusted to meet the specifications of the afflicted country and tested in real-time as the humanitarian response evolves.

**Other considerations**

Considerations about programme criticality (a measure of the humanitarian imperative to deliver lifesaving assistance as balanced against residual security risks to UN staff) should be factored into the study.

In addition, UNICEF and WFP will establish an inter-agency wiki on emergency preparedness to share knowledge generated from this research and assess the appropriateness of emergency preparedness interventions across different humanitarian contexts.

**Timeframe & Travel**

It is envisioned that this study will take about 3 to 6 months. The final report must be completed by 30 November 2014. Research will mainly be conducted remotely. Travel will include:

1. One inception meeting to discuss the work plan and timeline of the project in New York
2. If needed, study missions to the three study countries. Maximum one mission per country.
3. Travel to New York and Rome (one visit each) for presentation of findings

All travel expenses billable to UNICEF must meet with UNICEF’s internal policies on least-cost direct economy class air and United Nations daily subsistence allowance rates.

**Note (Travel Liability)**

For all travels not currently stated/specified on this RFP, UNICEF will pay for a least-costly most direct economy class return economy air fare irrespective of the duration of the journey and DSA at the prevailing UN rates for the location for all authorized travel related to the implementation of this assignment.
Deliverables for the assignment:

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desk review of existing research on cost &amp; time-savings related to emergency preparedness (max 20 pages including executive summary)</td>
<td>25 July</td>
</tr>
<tr>
<td>Proposed methodology and inception report</td>
<td>8 August</td>
</tr>
<tr>
<td>First draft evidence-based model of preparedness cost &amp; time-savings (max 50 pages including executive summary, but excluding annexes)</td>
<td>31 October 2014</td>
</tr>
<tr>
<td>Final draft evidence-based model of preparedness cost &amp; time-savings and presentation of findings (max 50 pages including executive summary, but excluding annexes)</td>
<td>30 November 2014</td>
</tr>
<tr>
<td>Two presentation of findings, at WFP and UNICEF HQs</td>
<td>15 December 2014</td>
</tr>
</tbody>
</table>

Note: UNICEF and WFP will retain all rights to data and intellectual property shared, collected and produced by this project (see General Terms and Conditions section 13 and 14).

Response from Bidders:
The Technical Proposal should include but not limited to the following:

- Detailed Methodology/Approach to project demonstrating how you meet or exceed UNICEF/WFP requirements for this assignment
- Expertise of Company detailing and general and specific experience similar assignments in the past five years, your experience should detail the following. Bidders are requested to back up their submissions by providing the following:
- Evidence of similar assignment implemented in the past – Evidence could be in form of job completion certificate, contracts and or references. The submission should also include list of five similar assignment in terms of requirements and scope implemented in the past 5 years. Please provide the following:
  - Name of Client
  - Title of the Project
  - Scope of the Project/Requirements
  - Proposed Solution/Outcome
  - Team members on the specific project and their specific roles
  - Project timelines (start and end date year, etc., and any other information necessary)
- Reference /Contact person with the reference
- Detailed resume of the proposed team for the assignment giving information about the following:
  - Title/Designation of each team member on the project
  - Educational qualifications and professional experiences
  - Past experience in working on similar project and assignment
  - Project implementation and work plan showing the detailed sequence and timeline for each activity and man days of the of each proposed team as necessary
  - Quality assurance mechanism and risk mitigation measures put in place

**Management Arrangements**
The contracted party/parties will report to UNICEF’s Deputy Director of Emergency Programmes, and WFP’s Chief of Emergency Preparedness and Response Branch. The research will be managed in close collaboration with two emergency preparedness focal points in each organization. Though all research will be independent, focal points will advise the contracting party/parties on locating pertinent datasets and selection of country contexts to serve as examples.

The overall criteria for the evaluation of all bids submitted are stated on the evaluation criteria table, however the proposed team members must possess the following minimum qualifications:

**Qualifications and competencies of the proposed team members:**

Required qualifications and experience, Senior Consultant – International:
- Masters, PhD or Advanced degree in related subject area (Economics, International Relations or other);
- At least 12-15 years progressively responsible experience including economic and/or financial analysis related to organizational performance;
- Knowledge of the UN humanitarian system and policy environment;
- Knowledge of and exposure to United Nations humanitarian field operations;
- Excellent English and French speaking and writing skills;
- Excellent and proven research skills including development of complex analytical frameworks and economic/financial models;
- Excellent interviewing capacity.

Required qualifications and experience, Mid-Level Consultant – International:
- Masters, PhD or Advanced degree in related subject area (Economics, International Relations or other);
• At least 7 years progressively responsible experience including economic and/or financial analysis related to organizational performance;
• Knowledge of the UN humanitarian system and policy environment;
• Some exposure to UN humanitarian field operations desirable;
• Excellent English and French speaking and writing skills;
• Strong knowledge of results-based management and monitoring concepts;
• Very good interviewing and facilitation skills.

**Evaluation of the Proposal**

In making the final decision, UNICEF considers both technical and financial aspects. The Evaluation Team first reviews the technical aspect of the offer followed by the review of the financial offer of the technically compliant vendors.

The proposals will be evaluated against the following two elements:

**a. Technical Proposal:**

The technical proposal should address all aspects and criteria outlined in this Request for Proposal. The total amount of points allocated for the price component is 70.

<table>
<thead>
<tr>
<th>REF</th>
<th>CATEGORY</th>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Experience of institution and staff proposed to conduct work (CV, previous experience with Return on Investment (ROI) modelling and humanitarian field operations)</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>Proposed methodology and approach for study</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>Examples of previous similar studies</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>Previous experience with multi-lateral organisations (UN, World Bank, etc.)</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>Timeline (project implementation plan)</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>Total Technical</strong></td>
<td><strong>70</strong></td>
</tr>
</tbody>
</table>

Only proposals which receive a minimum of 50 points will be considered further.

**b. Price Proposal**

The price should be broken down for each component of the proposed work, based on an estimate of time taken which needs to be stated (see Annex III). The total amount of points allocated for the price component is 30. The maximum number of points will be allotted to the lowest price proposal that is opened and compared among those invited firms/institutions which obtain the threshold points in the evaluation of the technical component. All other price proposals will receive points in inverse proportion to the lowest price; e.g.:
Max. Score for price proposal * Price of lowest priced proposal
Score for price proposal X = ---------------------------------------------------------------------------

Price of proposal X

- The Price Proposal shall include a cost breakdown for the work phases as per the ToR, detailing the types of roles proposed and man days required, travel assumptions and related expenses and any other cost elements deemed relevant.
- For travel to countries - it will be decided based on mutual agreements with UN Country Teams. The contractor will be responsible for all travel costs - flights, daily subsistence allowance etc. Any travel involved should be budgeted according to UN Travel Standards as a ceiling.
- All prices/rates quoted must be exclusive of all taxes as UNICEF is a tax-exempt organization.

Payment Schedule:

Payment for the assignment will be made based on achievement of the deliverables based on the schedule below:

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Due Date</th>
<th>% Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upon submission and UNICEF/WFP acceptance and certification of the inception report and Desk review of existing research on cost &amp; time-savings related to emergency preparedness</td>
<td>8th August 2014</td>
<td>30%</td>
</tr>
<tr>
<td>Upon submission and acceptance of the first draft evidence-based model of preparedness cost &amp; time-savings</td>
<td>31 October 2014</td>
<td>20%</td>
</tr>
<tr>
<td>Upon submission and acceptance/certification of the final draft evidence-based model of preparedness cost &amp; time-savings and presentation of findings</td>
<td>30 November 2014</td>
<td>20%</td>
</tr>
<tr>
<td>Upon completion of the Two presentation of findings, at WFP and UNICEF HQs and submission of final report and acceptance/certification by UNICEF/WFP</td>
<td>15 December 2014</td>
<td>30%</td>
</tr>
</tbody>
</table>

*Payment Provisions
UNICEF will only make payment based on the achievement of specific deliverables and please note that that UNICEF does not make advance payment.
The rationale for selection of programme countries is outlined below:

<table>
<thead>
<tr>
<th>Country or Region</th>
<th>Hazard or Threat</th>
<th>Potentially affected population</th>
<th>Potential Caseload (WFP/UNICEF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFGHANISTAN</td>
<td>Political instability augmented by troop withdrawal (2014). Natural hazards such as flood, drought and earthquake.</td>
<td>Conflict: 6 million Disaster: 1,8 million</td>
<td>750,000</td>
</tr>
<tr>
<td>CHAD</td>
<td>Cyclical drought, food insecurity and meningitis.</td>
<td>Disaster: 1.8 million food insecure Conflict: 500,000 displaced persons</td>
<td>2 million</td>
</tr>
<tr>
<td>MADAGASCAR</td>
<td>Seasonal tropical cyclones, floods, localised drought, locust infestations and food insecurity; Fractious political unrest.</td>
<td>Disaster: 550,000 flood</td>
<td>300,000</td>
</tr>
<tr>
<td>MYANMAR</td>
<td>Frequent flooding from monsoons and cyclones; Communal violence based on religion and ethnicity.</td>
<td>Disaster: 2.4 million affected by cyclones Violence: 200,000 displaced</td>
<td>1 million</td>
</tr>
<tr>
<td>NIGERIA</td>
<td>Violence/displacement in three northern states; Periodic flooding in northern states.</td>
<td>Violence: 16 million in three states Disaster: 1.5 million in three states</td>
<td>1 million</td>
</tr>
<tr>
<td>PAKISTAN</td>
<td>Troop withdrawal from Afghanistan (2014), Conflict/displacement due to rebel insurgency. Frequent flooding.</td>
<td>Violence: 1M (including 100,000 Afghan refugees) Disasters: 5 million (based on 2012 figures, 2010 being</td>
<td>2.5 million</td>
</tr>
<tr>
<td>Region</td>
<td>Description</td>
<td>Disaster: 5 million (based on figures from typhoon Bopha)</td>
<td>500,000</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>PHILIPPINES</td>
<td>Regular flooding related to annual tropical cyclones and on-going violence and displacement due to rebellions in south.</td>
<td>Disaster: 1 million affected annually</td>
<td>500,000</td>
</tr>
<tr>
<td>CENTRAL AMERICA</td>
<td>Geographic area exposed to earthquakes, volcanic eruption, flood, drought, mudslides and hurricanes.</td>
<td>conflict: up to 2 million persons affected by internal conflicts and around 50,000 refugees expected after the Afghanistan draw-down.</td>
<td>700,000</td>
</tr>
<tr>
<td>CENTRAL ASIA</td>
<td>Conflict: internal tensions and consequences of troop withdrawal from Afghanistan (2014). Natural and industrial disasters.</td>
<td>disaster: 700,000 persons affected</td>
<td></td>
</tr>
<tr>
<td>AFRICAN GREAT LAKES</td>
<td>Floods, cholera, armed conflict and population displacement due to instability in DRC.</td>
<td>disaster: up to 10.6 million (including 6.4 million in DRC) conflict: 2.8 million (including 2.6 million in DRC)</td>
<td>4.2 million (including 3.6 million in food distribution in DRC)</td>
</tr>
<tr>
<td>SYRIA + 5</td>
<td>Massive violence and displacement due to intense, high-tech civil war, resulting in IDPs and refugee outflows.</td>
<td>conflict: 8.8 million displaced populations</td>
<td>4 million</td>
</tr>
<tr>
<td>TOTALS:</td>
<td></td>
<td>67.95 million persons</td>
<td>17.35 million persons</td>
</tr>
</tbody>
</table>

**RAW TEXT:**

Higher but too extreme)

**PHILIPPINES**
Regular flooding related to annual tropical cyclones and on-going violence and displacement due to rebellions in south.

**CENTRAL AMERICA** (Guatemala, El Salvador, Honduras, Nicaragua)
Geographic area exposed to earthquakes, volcanic eruption, flood, drought, mudslides and hurricanes.

**CENTRAL ASIA** (Tajikistan, Kyrgyzstan, Uzbekistan)

**AFRICAN GREAT LAKES** (Burundi, Rwanda, Uganda, Eastern DRC)
Floods, cholera, armed conflict and population displacement due to instability in DRC.

**SYRIA + 5** (Jordan, Lebanon, Iraq, Turkey, Egypt)
Massive violence and displacement due to intense, high-tech civil war, resulting in IDPs and refugee outflows.