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**TERMS OF REFERENCE**

**CONSULTANCY SERVICES TO THE PROCUREMENT POLICIES FOR  
THE HORN ECONOMIC AND SOCIAL POLICY INSTITUTE (HESPI)**

September 2023

Addis Ababa, Ethiopia

## 1.0 Background

The Horn Economic and Social Policy Institute (HESPI) is a regional Institute and think tank established to promote high-quality socio-economic policy research and analysis, policy advisory services and capacity building to assist the governments, private sector and other stakeholders in the Intergovernmental Authority on Development (IGAD) region. HESPI recognizes that to realize its ambitious goals in the region, developing and instituting an efficient and effective procurement system is one of the most critical organizational functions and procedures. Establishing policies and procedures is instrumental for proper acquisition of goods and services to uphold organizational integrity enhance efficiency and effectiveness; and achieve value for money. Effective procurement procedure in that regard is a helpful organizational function to guide adherence to various regulations and guidelines. It is also vital in ensuring value for money through enabling wise spending. HESPI also recognizes that instituting and practicing effective procurement function entails proper sourcing, informed negotiations, contract administration and supplier relationship management; and strong understanding of the market trends and organizational needs.

So far, HESPI has been using an existing procurement guideline which covers International and National Competitive Bidding processes for procurement of goods and services, procuring consultancy services including selection process of individual consultants, etc. The existing manual has been helpful in guiding HESPI's procurements international and national procurements of goods and services which has been verified by the clean external audit trends HESPI maintained in several consecutive years. Currently, HESPI operates with and uses an existing Procurement policy manual, and the procurement functions are overseen by a committee managed under the Finance Department.

However, recent capacity needs assessment of HESPI under the African Capacity Building Foundation (ACBF) called "Strengthening African Leadership for Climate Adaptation (SALCA) program disclosed that the existing procurement manual is outdated (last updated in 2010) and should be reviewed (indicating periodic review dates) in view of regional expansion and growth of the Institute which necessitates inclusion of regional and international best practices in procurement. Therefore, the institute needed to review the existing procurement manual to provide better description of the set rules governing procurement matters in view of the HESPI's anticipated transforming into proximate entity under the SALCA program, in expectation of its regional expansion/growth and the need for adoption of international best practices in procurement. The reviewed and updated manual is expected to address issues which the existing manual misses under the components and requirements of standard procurement process, procurement planning, approval process, implementation and reporting procedures.

However, the existing procurement manual has become outdated, last updated in 2010. Therefore, the SALCA capacity needs assessment recommended its review and update including setting periodic review dates. Therefore, the consultant will comprehensively update the procurement policy to serve as a guiding framework for all types of procurement activities. The areas to be addressed in the update will include procurement procedures, processes adhering to due diligence, acquisition of consultancy services, bidding procedures, and more. By revamping the procurement manual, HESPI aims to enhance its procurement practices, ensuring transparency, accountability, and adherence to best practices in the acquisition of goods and services to contribute to streamlining procurement processes and achieving optimal outcomes for the organization.

## **2.0 Objectives**

The objectives of this consultancy engagement are to:

- 2.1 To update the HESPI Procurement Policy Manual in view of HESPI's regional expansion, growth and transformation plan into a proximate entity for climate adaption research in Africa
- 2.2 To train the HESPI procurement committee on standard and advanced procurement practices (including digitized purchases & international/overseas procurements)

## **3.0 Scope of the work**

3.1 For updating the Procurement Policy Manual

- a) Developing an inception report based on this TOR.
- b) Assessing the procurement policy changes in the countries of the region and with the long-term strategic donors of the HESPI (procurement compliance requirements) by reviewing documents and organizing consultative meetings.
- c) Gathering lessons or best practices and assessing challenges encountered with the outdated procurement policy provisions.
- d) Updating the procurement policy by incorporating all the missing components identified during the capacity needs assessment and in a manner to respond to the changing procurement procedures and landscapes.
- e) Presenting the updated procurement policy document in an internal HESPI forum for review and validation.
- f) Incorporating all comments and producing a final acceptable updated procurement policy document for the Institute.

3.1 For Training the HESPI Procurement Committee Members:

- a) Developing a training inception report based on the TOR and the procurement policy context analysis and international best practices.
- b) Conducting a skills audit of the HESPI team in procurement management.
- c) Developing training module/tailored curriculum based on identified critical capacity gaps.
- d) Training relevant HESPI staff members (primarily the procurement committee members) from the Addis & Nairobi offices on standard and advanced procurement processes and best practices.
- e) Sharing training/reference materials on Procurement with the trainees and for the Institute's repository

## **4.0 Methodology**

The assignment will be conducted using various methods such as but not limited to:

- 4.1 Conduct desk review of relevant documents including HESPI's exiting but outdated procurement policy, government directives/policies on procurement, donor compliance requirements in procurement, audit review reports, etc.
- 4.2 Conduct interviews with HESPI staff at the HQ and regional offices, and with identified partners and other relevant stakeholders on matters related to procurement of goods and services (including

engaging consultants and short-term affiliates, overseas purchases and ways of understanding market trends for realistic procurement planning).

- 4.3 Assess the changing landscape of procurement of goods and services (digitizing procurement, taxation management, planning, reporting, etc.)
- 4.4 Make qualitative analysis of data/information from various sources
- 4.5 Prepare and present an updated Procurement policy in a face-to-face or virtual platform or a hybrid session and gather comments, observations and additions to enrich the draft policy
- 4.6 Assess the Procurement management skills and knowledge gaps
- 4.7 Prepare user-friendly training materials and train relevant staff of HESPI on Standard and best practices of Procurement
- 4.8 Provide reference materials that can build staff skills and knowledge on Procurement
- 4.9 Use other methodology deemed appropriate.

## **5.0 Key Deliverables**

At the end of the assignment, the following deliverables are expected:

- 5.1 An inception report detailing the approach/methodology that the consultant will follow in updating the procurement policy and training HESPI procurement committee HR policy
- 5.2 Organize a workshop to discuss elements of the procurement policy; and for staff training needs assessment on procurement
- 5.3 Draft an updated procurement policy manual and staff training modules
- 5.4 Organize a workshop to review and validate the draft outputs
- 5.5 Incorporate all comments and additions from the review process; and produce final updated procurement policy
- 5.6 Conduct training need and provide training on procurement for selected HESPI staff
- 5.7 Develop and share standard training and reference materials on procurement

## **6.0 Desired Qualification, Experience and Competencies of the consultant**

The consultant to should possess:

- Master's degree in Purchasing, Business Administration or Logistics and value chain management and other related fields of study with a minimum of 5 years of working experience preferably within the IGAD region
- Professional certifications in Procurement/Purchasing would be advantageous.
- Demonstrable previous experience of development of high quality procurement policy manuals for regional or international institutions with recorded concrete evidence (samples could be requested during recruitment). HESPI will review, discuss on and provide acceptance confirmation of the inception report to the consultant.
- Familiarity with international best practices and relevant legal frameworks for procurement.
- Sound knowledge of procurement principles and best practices to ensure common compliances.
- Proficiency in procurement procedures, sourcing strategies, and contract management.

- Excellent organizational and communication skills, ability to prioritize, to lead and work independently with minimum supervision from the client.
- Strong analytical skills to assess the existing policies and identify areas for improvement.
- Good understanding of participatory approaches to management and operations
- Strong interpersonal skills and the ability to communicate and work well with diverse people from diverse cultural backgrounds.
- Excellent writing and oral communication skills in English
- Experience in assessing gaps and identifying gaps in skills and competencies of employees and experience in designing new training programs and delivering tailored training programs
- Experience of preparing training manuals and developing training plans and providing training for middle and senior level staff members in procurement
- Strong training administration, communication, facilitation and time management skills
- Ethical and impartial approach to ensure fairness and transparency in policy development.

## 7.0 Duration of the Assignment and Remuneration

The provisional start date of this assignment is on 1<sup>st</sup> October 2023, with the expected end date being the 30<sup>th</sup> November 2023. The consultant will submit a financial proposal along with other documents listed under #11 below. The consultancy fee excludes travel expenses and per diems which will be paid by HESPI in accordance with HESPI's and the ACBF's Travel Policy. The consultative meeting and training expenses will also be covered by the HESPI. The consultant shall receive 20% of the remuneration upon submission and approval of the inception report, 40% after the delivery and approval of a satisfactory draft report based on the TOR, and the remaining 40% after meeting all deliverables and expected outputs (including provision of the training on procurement).

## 8.0 Content, Timing and Submission

The outputs must match quality standards. The text of the strategies and the training materials should be illustrated as appropriate, with graphics. The final deliverable of the updated policy documents for procurement and the training materials along with all other relevant attachments is expected to be submitted on the 20<sup>th</sup> of November 2023.

The deliverables and tentative timeline are presented in the table below.

**Table 1. Deliverables**

No.	Milestones	Timeline
1	Submission of Inception Report Including Draft Report Outline	1 <sup>st</sup> October 2023
2	Conclusion of Consultation Missions	15 <sup>th</sup> of October 2023
3	Submission of draft policy document and training materials	30 <sup>th</sup> October 2023
4	Provide training materials and train selected staff	15 <sup>th</sup> November 2023
5	Submission of final revised and updated policy document	20 <sup>th</sup> November 2023

## **9.0 Location and Working Arrangements**

This assignment may involve travel mission primarily to selected organizations in the IGAD member countries. The consultant will be given access to relevant information necessary for execution of the tasks under this assignment. She/He will be responsible for providing her/his own working station (i.e., laptop, internet, phone, scanner/printer, etc.) and have access to reliable internet connection while in the field and at home base. However, HESPI can provide the internet access while in mission in Addis Ababa or other selected IGAD member countries.

The focal point for all communications will be the HESPI SALCA Program Implementation Committee (PIC). The consultations will mostly be done virtually and therefore availability during the working hours of HESPI Regional Headquarters in Addis Ababa Ethiopia (0830 – 1700 GMT) will be important. The consultant will seek inputs from and regularly liaise with the PIC and the SALCA team of the ACBF for all important matters related to the assignment. HESPI and the ACBF will critically review draft reports for quality assurance and provide feedback on the deliverables within a maximum of ten working days. Approval of the documents and reports by the HESPI and the ACBF as deliverables will be a prerequisite before any payment are made to the consultant.

## **10.0 Language**

All reports should be written in English, single spacing font size 11, Times New Roman and submitted as both word and pdf versions.

## **11.0 How to Apply**

Qualified candidates are requested to submit a cover letter, CV and their technical proposals to [daniel.fantaye@hespi.org](mailto:daniel.fantaye@hespi.org) and [fredu.nega@hespi.org](mailto:fredu.nega@hespi.org) by 15<sup>th</sup> September 2023, 5:30 PM East Africa Time. Please quote Tender for HESPI-SALCA KMC Strategy Development in the subject line.