

SEforALL Terms of Reference

Audit for the SEforALL Universal Energy Facility

15 | 12 | 2021

Background

Sustainable Energy for All (SEforALL) is an International Organization that works in partnership with the United Nations and leaders in government, the private sector, financial institutions, civil society and philanthropies to drive faster action towards the achievement of Sustainable Development Goal 7 (SDG7) – access to affordable, reliable, sustainable and modern energy for all by 2030 – in line with the Paris Agreement on climate change. Launched as a UN initiative in 2011 by then Secretary-General of the United Nations, Ban Ki-Moon, SEforALL is widely acknowledged for its achievement in raising global awareness of the world's sustainable energy challenges, ensuring they were included in the UN's Sustainable Development Goals. Now an independent international organization, SEforALL is directed by its CEO as it works toward the achievement of SDG7. The organization also supports the work of the CEO in her additional roles of Special Representative of the United Nations Secretary-General (SRSG) for Sustainable Energy for All and as co-chair of UN-Energy. These roles include advising the UN Secretary-General, Deputy Secretary-General and their staff on issues relating to sustainable energy and the implementation of SDG7 and supporting the coordination of sustainable energy issues in the United Nations system.

The ambitions of SDG7 on ensuring universal access to affordable, clean energy services by 2030 are extraordinary. Aiming to achieve them in the context of the Paris Agreement involves transformation at a scale never undertaken by humanity before. Swift action needs to be taken by leaders in governments, companies, institutions, financiers, development banks, unions and communities, entrepreneurs, and civil society. As a global team, SEforALL crafts interventions that support these leaders in accelerating the delivery of actions. All interventions comprise one or more of SEforALL's competencies: (i) to marshal the evidence, (ii) to benchmark progress towards SEforALL objectives, (iii) to amplify the voices of the energy poor; (iv) to tell stories of success, and (v) to connect stakeholders to each other and to solutions. All interventions systematically draw on strategic insight, build on compelling communications, and are delivered through and include action-oriented partnerships. More information on SEforALL can be found on its website www.seforall.org

Results Based Financing (RBF) and Universal Energy Facility (UEF):

2020 marked the start of the final decade to achieve SDG7 – access to affordable, reliable, sustainable and modern energy for all – by 2030. The world is not on track and a renewed sense of urgency and new approaches are required.

Access to sustainable and appropriate finance is a key barrier to the achievement of SDG7 that this programme has been designed to address. Providing finance at the speed and scale needed to achieve SDG7 requires a paradigm shift towards results-based financing (RBF). RBF allows governments and donors to shift an appropriate level of risk of delivery to the private sector, provides greater certainty to industry about access to the level of financial support required, and aggregates financing and scales support across multiple countries.

The Universal Energy Facility (UEF) is a multi-donor RBF facility established to support the electrification of households, businesses, public institutions, and other potential electricity consumers in sub-Saharan Africa that do not have reliable access to modern electricity services. The UEF provides incentive payments (i.e., grants) on a 'results-based' approach to selected eligible organizations that develop and operate systems and provide verified electricity connections.

The main objective of the programme is to provide a funding mechanism that allows for scale, speed, and efficiency to achieve universal energy access by 2030 – in alignment with SEforALL's business plan. In October 2020, the UEF was opened to mini-grid developers in Sierra Leone and Madagascar and in January 2021, the UEF opened in Benin. In the first quarter of 2022, the UEF expects to expand to Stand-Alone Solar for Productive Use, starting in Malawi. More information on the UEF can be found on the SEforALL website: <https://www.seforall.org/results-based-financing>

Objective

SEforALL, in collaboration with several donors and partners, including The Rockefeller Foundation, Shell Foundation, Power Africa, Good Energies, UK aid, Carbon Trust and Africa Minigrid Developers Association (AMDA), established the UEF facility and the framework around it, in response to growing demands from the energy access sector for results-based financing.

As part of its framework, the UEF is subject to an audit on an annual basis with the scope defined in the Operating Manual to be:

The UEF's structure and operations shall be independently audited on an annual basis upon approval of the UEF Advisory Board to ensure compliance with the Operating Manual and key success metrics are being met.

The objective of this audit is to confirm the compliance with the Operating Manual in the period to the 31 October 2021, including an assessment of the adequacy and effectiveness of the financial management and internal control framework for the transactions, following a sample of 2-3 grants to developers through the process.

The review of the key success metrics is the subject of a separate evaluation and outside the scope of this procurement.

Scope of work

The scope of the audit is to confirm compliance with the Operating Manual. The auditor organization is expected to independently review in detail the Operating Manual and ensure that the program team is conducting activities as per the outlined structure and objective of the UEF.

The audit should be carried out in accordance with International Standards on Auditing (ISA). Sufficient audit evidence should be gathered to substantiate in all material respects the accuracy of operations and activities. The audit must clearly identify the risks associated with the program and the efficacy and adequacy of policies and controls put in place to mitigate these risks.

The auditor is expected to submit a draft audit report within four weeks from the date of commencement of the audit assignment. Further to the audit report itself, the auditors will also be asked to formulate recommendations for improvements to the UEF program.

The period to be covered by the audit is from the date of launch in October 2020 to 31 October 2021.

Contract period

The contract is expected to run for three months from the date of signature.

Deliverables

| | Services | Timeline |
|----|--|-------------------------------------|
| 1. | Plan of Action/ Inception report to lay out detailed workplan, approach and methodology | 1 week after signing. |
| 2. | Weekly update meetings with the Programme Manager of the UEF | For the duration of the assignment. |
| 3. | Draft report for SEforALL review and comment | 4 weeks after signing. |
| 4. | Final report submitted to SEforALL incorporating SEforALL feedback and responses to findings and clearly indicating the auditor's opinion. | 8 weeks after signing. |
| 5. | Presentation of findings, action plan and associated timeline to the UEF Advisory Board | 8 to 12 weeks after signing. |

Reporting

The assignment will be managed by the UEF team and deliverables will be approved by the Programme Manager of the UEF.

Organization Requirements:

- The audit firm must have a minimum of seven (7) years operational existence as an organization. Experience with conducting process audits for results-based financing funds or similar funding mechanisms is preferred.
- The organization must have experience supporting clean energy market development in Africa and Asia; knowledge and understanding of these markets including factors such as barriers to implementation, policy and regulatory environments, access to finance, political will, and support, etc.
- The organization must have carried out at least three similar assignments in the last 3 years.

- Recent experience in evaluating or conducting process audits for programmes led by the UN system, World Bank, or international organizations similar to SEforALL is preferred.

Team Qualifications and Requirements

- Lead Auditor –Masters level post-graduate qualification in audit, evaluation, social sciences, international relations, political science, development studies, economics, energy, engineering, or climate science. Other relevant qualifications may also be considered along with significant relevant experience.
- Lead Auditor - Minimum of 5 years demonstrated relevant experience in auditing, or monitoring and evaluation, including experience in undertaking process audits. Experience with fund management organisations and public sector organisations an advantage.
- The team members must have at least 2 years of experience in conducting process audits. Masters level post-graduate qualification in audit, evaluation, or a similar field.
- Must have a gender balanced team.
- Language skills: high level of competency in both written and spoken English
- The service provider personnel must have excellent interpersonal skills, able to work flexibly, responsively, and with accuracy.

Travel

The work is expected to be conducted as a remote desk audit. Meetings will be attended remotely. No travel is anticipated.

Bidding Process

Proposals must include the following (in either PDF or PPT format):

- Relevant audit skills, knowledge, and experience of the individuals in the audit team that match those set out above.
- Prior experience in successfully undertaking audits of similar nature and scope.
- Audit design including the rationale for choice of approach and methods.
- A work approach that's likely to be effective in the current COVID-19 environment.
- Project management and stakeholder engagement experience.
- Limitations /risk identification and mitigation for the audit.
- Organisation's gender policy.
- Gender balance of the proposed team.
- CVs of all proposed team members must be added as Annex to the proposal.
- Budget separated by stage and team member – must be shared as a separate document.

Please submit your bid to procurement@seforall.org by **24 January 2022, 17:00 PM** Central European Time. In case of questions or queries, please reach us at procurement@seforall.org