

TENDER FILE / TERMS OF REFERENCE (Competitive bidding procedure / Framework Contract)

Purchase of consultancy services to conduct a Regional Assessment of Terrorist Financing Risks in the Non-for-Profit Sectors of the Western Balkans and Turkey



The Council of Europe (CoE) through the Economic Crime and Cooperation Division (ECCD) is currently implementing the Regional Action against Economic Crime in Western Balkans and Turkey (HFII-AEC-REG) in the framework the CoE/EU Horizontal Facility for Western Balkans and Turkey - Phase II. In that context, it is looking for up to 4 Providers for the provision of consultancy services to conduct a Regional Assessment of Terrorist Financing Risks in the Non-for-Profit Sectors of the Western Balkans and Turkey.

A. TENDER RULES

This tender is a competitive bidding procedure. **In accordance with Rule 1395 of the Secretary General of the Council of Europe on the procurement procedures of the Council of Europe¹, the Organisation shall invite to tender at least three potential providers for any purchase between €2,000 (or €5,000 for intellectual services) and €55,000 tax exclusive.**

This specific tender procedure aims at concluding a **framework contract** for the provision of deliverables described in the Act of Engagement (See attached). A tender is considered valid for 120 calendar days as from the closing date for submission. The selection of tenderers will be made in the light of the criteria indicated below. All tenderers will be informed in writing of the outcome of the procedure.

The tenderer must be either a natural person, or a legal person except consortia.

Tenders shall be submitted **by email only** (with attachments) **to the email address indicated in the table below, with the following reference in subject: HFII-AEC-REG: Consultancy services NPO-TF Risk Assessment.** Tenders addressed to another email address **will be rejected.**

The general information and contact details for this procedure are indicated on this page. You are invited to use the CoE Contact details indicated below for any question you may have. **All questions shall be submitted at least 5 (five) working days before the deadline for submission of the tenders and shall be exclusively addressed to the email address indicated below with the following reference in subject: HFII-AEC-REG: Consultancy services NPO-TF Risk Assessment**

Type of contract ▶	Framework contract
Duration ▶	Until 31 May 2021
Deadline for submission of tenders/offers ▶	18 May 2020
Email for submission of tenders/offers ▶	contact.econcrime@coe.int
Email for questions ▶	contact.econcrime@coe.int
Expected starting date of execution ▶	25 May 2020

¹ The activities of the Council of Europe are governed by its [Statute](#) and its internal Regulations. Procurement is governed by the Financial Regulations of the Organisation and by [Rule 1395 of 20 June 2019 on the procurement procedures of the Council of Europe](#).

B. EXPECTED DELIVERABLES

Background of the Project

The Regional Action against Economic Crime in Western Balkans and Turkey is part of the European Union/Council of Europe Horizontal Facility for the Western Balkans and Turkey – Phase II (HF II), a co-operation initiative of the European Union and Council of Europe for South East Europe. Horizontal Facility phase II, will be implemented from May 2019 to May 2022 and will continue to build on the Statement of Intent signed on 1 April 2014 by the Secretary General of the Council of Europe and the European Union Commissioner for Enlargement and European Neighbourhood Policy, in which both Organisations agreed to further strengthen their co-operation in key areas of joint interest.

The Horizontal Facility includes Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, Serbia and Turkey. Beneficiaries and counterparts include governmental bodies at all levels, notably specialised structures within the Ministries of Justice, Interior and Finance; anti-corruption bodies; Judicial and Prosecutorial Services, supervisory bodies; Financial Intelligence Units (FIUs), and representatives of civil society.

The Action aims at fostering a uniform approach to the implementation of relevant GRECO and MONEYVAL standards, as well as supporting cooperation and coordination on cross-border aspects of the fight against economic crime in the beneficiary countries.

More information on the Action can be found on the following website: www.coe.int/HF-II-AEC

According to findings of CoE monitoring bodies and other relevant international reports, all countries in the region continue to suffer from weaknesses in their respective corruption/money laundering/terrorist financing prevention and suppression systems. Participating jurisdictions do not meet the required standards for the prevention and suppression of terrorist financing, especially through the NPO sector, and efforts have been scarce in addressing opaque legal structures which may be used by criminals and terrorists to hide the essence of their transactions.

In this context, the ECCD will carry out a regional NPO sector terrorist financing risk assessment with the primary objective to ensure that national authorities have an increased understanding of the common and specific risks relating to terrorism financing through the NPO sector. Through this process, the CoE aims to improve the implementation of relevant standards and applicable recommendations, including those from MONEYVAL evaluations, related to addressing risks of terrorist financing in the NPO sector. As such, this regional risk assessment is intended to:

- Promote regional cooperation to identify, mitigate and prevent terrorist financing in the NPO sector;
- Provide national supervisory authorities with sufficient data to implement a comprehensive risk-based approach to supervision of the NPO sector; and
- Provide non-for-profit organisations with increased awareness of potential terrorist financing risks and encourage the design and implementation of internal controls to prevent terrorist financing.

The regional risk assessment will be carried out through desk work/analysis and on-site missions as outlined below subject to the situation with COVID-19. In case restrictions on travel and public gatherings continue, alternative methods will be used (online/video conference meetings and discussions, written communication, etc.) in agreement with participating jurisdictions.

This Contract is currently estimated to cover the services listed below and in the Act of Engagement with the maximum number of days limited to **50 days** for the entire activity, to be finalised by 31 May 2021 provided that the situation with COVID-19 allows to follow the schedule of activities. This estimate is for information only and shall not constitute any sort of contractual commitment on the part of the Council of Europe. The Contract may potentially represent a higher or lower number of activities, depending on the evolving needs of the Organisation.

For information purposes only, the total budget of the project amounts to 675,000 EUR Euros and the total amount of the object of present tender **shall not exceed 55,000 Euros tax exclusive** for the whole

* This designation is without prejudice to positions on status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

duration of the Framework Contract. This information does not constitute any sort of contractual commitment or obligation on the part of the Council of Europe.

Scope of the Framework Contract

The regional risk assessment is expected to cover the regional-level, covering common risks, themes and cross-border threats, by looking at national and cross-border threats and vulnerabilities of 7 participating jurisdictions. A **Methodology** for conducting regional risk assessment will be developed along with the **tools for gathering quantitative and qualitative data** from the jurisdictions. As a result, an **assessment report** will be drawn up analysing the following aspects:

- Known and potential threats relating to terrorist abuse of the NPO sector, including, but not limited to:
 - The collection and raising of funds by NPOs domestically and in foreign jurisdictions;
 - Movement and exchange of funds between NPOs and other actors; and
 - NPO expenditures and programming, domestically and in foreign jurisdictions.
- Thematic threats related to terrorist financing faced by NPOs, including the abuse of programming, diversion of funds, unwitting association with terrorist entities and intermediaries, provision of financial support for recruitment or travel for the purposes of terrorism, and sham NPOs, among other threats.
- Supervisory and regulatory vulnerabilities and blind spots in current national or regional approaches to oversight of the non-profit sector.
- Trends in terrorism and the corresponding national and regional terrorist threat context.

The following information sources will be used for the analysis:

- information provided by the national authorities and NPO sector representatives in response to questionnaires developed as part of the methodology for assessment;
- supranational and national risk assessments, where available; and
- available information from previous assessments and procedures including but not limited to MONEYVAL and FATF evaluations, European Supervisory Authorities reviews, IMF/World Bank AML/CFT reviews.

The risk assessment process will maintain a transparent and dialogue-based approach with participating jurisdictions.

The entire regional risk assessment process is expected to be carried out **within a twelve-month period**.

The Council of Europe is looking for up to 4 Providers (provided enough tenderers meet the criteria indicated below) in order to assist with conducting the above-mentioned regional risk assessment under the management and guidance of the CoE Secretariat. The Providers are required to fully commit that they will comply with Council of Europe confidentiality rules and requirements.

Throughout the duration of the Framework Contract, pre-selected Providers may be asked to provide the deliverables listed in the Act of Engagement (See Section A – Terms of reference):

Deliverable 1: Analytical desk work and report writing

The Provider will be expected to render the following services under this deliverable:

- Develop the assessment methodology aimed at identifying terrorist financing risks within the NPO sectors, in cooperation with CoE Secretariat. The methodology is expected to define the process of gathering and analysing data, identify information sources, produce tools to be used to gather data, and assign a data weighing system. The first draft of the methodology is expected to be submitted to the CoE Secretariat by end of June 2020;
- Draft the respective parts of the Risk Assessment Report together with any relevant data, cases and information to be appended to the final report during December 2020 - February 2021. The Risk Assessment Report shall not exceed 150 pages in total and contain sections on both country and regional specific aspects;

- Review and finalise the draft Risk Assessment Report in view of jurisdictions' eventual comments by 31 May 2020.

Deliverable 2: On-site missions

The Provider is expected to render the following services under this deliverable

- Take part in on-site missions to participating jurisdictions tentatively planned during October-November 2020 subject to situation with COVID-19. In case restrictions on travel and public gatherings continue, alternative methods will be used (online/video conference meetings and discussions, written communication, etc) in agreement with respective jurisdiction;
- Contribution/feedback on the development of the scoping notes and a agendas for on-site missions;

Deliverable 3: Workshops and conferences

The Provider is expected to perform the following services under this deliverable:

- Participate and contribute to a online workshop to present the nature, scope and modalities of the regional risk assessment and its methodology to relevant authorities and stakeholders aimed to secure their support and buy-in. The workshop is tentatively planned to take place in June/July 2020 (exact dates will be confirmed by the CoE Secretariat three weeks prior to the event);
- Participate and contribute to a regional workshop on sharing of good practices to prevent the NPO sector from being misused for terrorist financing purposes and to discuss the main findings of the draft Risk Assessment Report (dates of the workshop will be communicated four weeks prior to the event);
- Participate and contribute to a regional conference to present and discuss the Risk Assessment Report and recommendations to relevant authorities. The conference is tentatively planned to take place in May 2021 (exact date will be confirmed by the CoE Secretariat three weeks prior to the event).

The above list is not considered exhaustive. The Council reserves the right to request deliverables not explicitly mentioned in the above list of expected services, but related to the field of expertise object of the present Framework Contract.

In terms of **quality requirements**, the pre-selected Service Providers must ensure, *inter alia*, that:

- The services are provided to the highest professional/academic standard;
- Any specific instructions given by the Council – whenever this is the case – are followed.

In addition to the orders requested on an as needed basis, the Provider shall keep regular communication with the Council to ensure continuing exchange of information relevant to the project implementation. This involves, among others, to inform the Council as soon as it becomes aware, during the execution of the Contract, of any initiatives and/or adopted laws and regulations, policies, strategies or action plans or any other development related to the object of the Contract (see more on general obligations of the Provider in Article 3.1.2 of the Legal Conditions in the Act of Engagement).

Unless otherwise agreed with the Council, written documents produced by the Provider shall be in English (see more on requirements for written documents in Articles 3.2.2 and 3.2.3 of the Legal Conditions in the Act of Engagement).

C. FEES

Tenderers are invited to indicate their fees, by completing and sending the table of fees, as attached in Section A to the Act of Engagement. These fees are final and not subject to review. Tenders proposing fees above the exclusion level indicated in the Table of fees will be **entirely and automatically** excluded from the tender procedure.

The Council will indicate on each Order Form (see Section D below) the global fee corresponding to each deliverable, calculated on the basis of the unit fees, as agreed by this Contract.

D. HOW WILL THIS FRAMEWORK CONTRACT WORK? (ORDERING PROCEDURE)

Once the selection procedure is completed, you will be informed accordingly. Deliverables will then be delivered on the basis of Order Forms submitted by the Council to the selected Providers electronically, on **an as needed basis** (there is therefore no obligation to order on the part of the Council).

Pooling

For each Order, the Council will choose from the pool of pre-selected tenderers the Provider who demonstrably offers best value for money for its requirement when assessed – for the Order concerned – against the criteria of:

- quality (including as appropriate: capability, expertise, past performance, availability of resources and proposed methods of undertaking the work);
- availability (including, without limitation, capacity to meet required deadlines and, where relevant, geographical location); and
- price.

Each time an Order Form is sent, the selected Provider undertakes to take all the necessary measures to send it **signed** to the Council within 2 (two) working days after its reception. If a Provider is unable to take an Order or if no reply is given on his behalf within that deadline, the Council may call on another Provider using the same criteria, and so on until a suitable Provider is contracted.]

Providers subject to VAT

The Provider, **if subject to VAT**, shall also send, together with each signed Form, a quote² (Pro Forma invoice) in line with the indications specified on each Order Form, and including:

- the Service Provider's name and address;
- its VAT number;
- the full list of services;
- the fee per type of deliverables (in the currency indicated on the Act of Engagement, tax exclusive);
- the total amount per type of deliverables (in the currency indicated on the Act of Engagement, tax exclusive);
- the total amount (in the currency indicated on the Act of Engagement), tax exclusive, the applicable VAT rate, the amount of VAT and the amount VAT inclusive.

Signature of orders

An Order Form is considered to be legally binding when the Order, signed by the Provider, is approved by the Council, by displaying a Council's Purchase Order number on the Order, as well as by signing and stamping the Order concerned. Copy of each approved Order Form shall be sent to the Provider, to the extent possible on the day of its signature.

E. ASSESSMENT

Exclusion criteria and absence of conflict of interests

(by signing the Act of Engagement, you declare on your honour not being in any of the below situations)³
Tenderers shall be excluded from participating in the tender procedure if they:

- have been sentenced by final judgment on one or more of the following charges: participation in a criminal organisation, corruption, fraud, money laundering;
- are in a situation of bankruptcy, liquidation, termination of activity, insolvency or arrangement with creditors or any like situation arising from a procedure of the same kind, or are subject to a procedure of the same kind;
- have received a judgment with res judicata force, finding an offence that affects their professional integrity or serious professional misconduct;

² It must strictly respect the fees indicated in the Act of Engagement. In case of non-compliance with these fees, the Council of Europe reserves the right to terminate the Contract with the Provider, in all or in part.

³ The Council of Europe reserves the right to ask tenderers, at a later stage, to supply the following supporting documents:

- An extract from the record of convictions or failing that an equivalent document issued by the competent judicial or administrative authority of the country of incorporation, indicating that the first three above listed exclusion criteria are met;
- A certificate issued by the competent authority of the country of incorporation indicating that the fourth criterion is met;
- For legal persons, an extract from the companies register or other official document proving ownership and control of the Tenderer;
- For natural persons (including owners and executive officers of legal persons), a scanned copy of a valid photographic proof of identity (e.g. passport).

- do not comply with their obligations as regards payment of social security contributions, taxes and dues, according to the statutory provisions of their country of incorporation, establishment or residence;
- are or are likely to be in a situation of conflict of interests;
- are or if their owner(s) or executive officer(s), in the case of legal persons, are included in the lists of persons or entities subject to restrictive measures applied by the European Union (available at www.sanctionsmap.eu).

Eligibility criteria

For legal persons:

- University degree in law, political sciences, security studies or related field of the persons allocated to the execution of the contract;
- At least seven years of relevant professional experience of the legal person and/or persons allocated to the execution of the contract at international and/or national levels in areas of work related to NPO supervision and/or terrorism financing;
- Experience of the legal person and/or persons allocated to the execution of the contract related to the development and application of risk assessment methodologies, particularly in relation to terrorist financing;
- Previous experience of the legal person and/or persons allocated to the execution of the contract in the geographical area would be considered a strong advantage;
- Excellent written and spoken English of the persons allocated to the execution of the contract.

For natural persons:

- University degree in law, political sciences, security studies or related field;
- At least seven years of relevant professional experience at international and/or national levels in areas of work related to NPO supervision and/or terrorism financing;
- Experience related to the development and application of risk assessment methodologies, particularly in relation to terrorist financing;
- Previous experience in the geographical area would be considered a strong advantage;
- Excellent written and spoken English.

Award criteria

For legal persons:

- Quality of the offer (70%), including:
 - Length of experience of the legal person and/or persons allocated to the execution of the contract;
 - Demonstrated professional experience of the legal person and/or persons allocated to the execution of the contract in supervision of the NPO sector, terrorism financing supervision;
- Financial offer (30%).

For natural persons:

- Quality of the offer (70%), including:
 - Length of experience;
 - Demonstrated professional experience in supervision of the NPO sector, terrorism financing supervision;
- Financial offer (30%).

The Council reserves the right to hold interviews with eligible tenderers.

Multiple tendering is not authorised.

F. NEGOTIATIONS

The Council reserves the right to hold negotiations with the bidders in accordance with Article 20 of Rule 1395.

G. DOCUMENTS TO BE PROVIDED

- A completed and signed copy of the **Act of Engagement**⁴ (See attached);
- A detailed CV, preferably in Europass Format, of the tenderer (for natural persons only);
- Detailed CVs, preferably in Europass Format, of persons allocated to the execution of the contract (for legal persons only);
- A list of all owners and executive officers, for legal persons only;
- A list of persons allocated to the execution of the contract (for legal persons only);
- A motivation letter in English, demonstrating the tenderer's understanding of the Council of Europe needs and the way in which his/her/its previous experience corresponds to this need;
- Examples of previous work on the same/similar topic/s
- 2 (two) recent references with full contact details;
- An indication of the tenderer's availability for the provision of services, as indicated in the terms of reference.

All documents shall be submitted in English, failure to do so will result in the exclusion of the tender.

If any of the documents listed above are missing, the Council of Europe reserves the right to reject the tender.

The Council reserves the right to reject a tender if the scanned documents are of such a quality that the documents cannot be read once printed.

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⁴ The Act of Engagement must be completed, signed and scanned in its entirety (i.e. including all the pages). The scanned Act of Engagement may be sent page by page (attached to a single email) or as a compiled document, although a compiled document would be preferred. For all scanned documents, .pdf files are preferred.