

TERMS OF REFERENCE - FUNDING MODEL TRANSITION

1. Presentation of Terre des Hommes Project

Terre des hommes has targeted Operational Partnerships and Localisation as one of its key approaches in its 2021-2024 Strategy. Terre des hommes recognizes the importance of engaging in a profound shift in power dynamics between the different actors in both humanitarian and development contexts.

Through Somaha foundation funding, Tdh was able to create an overall framework (including a policy) and environment for **improved field partnership practices with Local and National Actors (LNAs)**. The Partnership and Localisation project constitutes a foundation towards **engaging Tdh in a transition towards a structured intentional intermediary role**.

As the project unfolds and thanks to the support of PeaceNexus around change management, considering the evolution of the funding context and its contradictions, it becomes clear that a paradigm shift is necessary for sustainable moves towards localisation (or locally led development).

The current funding streams and setup do not allow to explore in-depth change management for Tdh to develop our role as an intermediary actor, including in its relationships with donors as key stakeholders.

2. Context

Tdh is going through a period of strategic changes embodied by two major processes that will span over the next 4 years, deriving from its long-term vision and its 2025-2028 strategy:

1/ A **localization-contributing process** through which the involvement of local and national partners operating with Tdh in its countries of intervention will be increased towards a more locally led and sustainable humanitarian and development action. It means a shift in power dynamics is effectively underway for Tdh and its Local and National partners. It is part of an effort towards the decolonization of aid.

2/ A **decentralization process**: Tdh has embarked on the path of shifting, by the end of 2025, from a centralized organization to a more decentralized one giving greater autonomy and decision-making power to the regions (regional offices) and countries (country offices) and by making its headquarters, based in Switzerland, a global center of expertise.

How are the moves towards decentralization and localization connected?

Terre des hommes' decentralization and localisation processes are part of its long-term vision and associated 2025-2028 strategy to transform the way it works globally. Internally, Tdh intends to progressively decentralize decision-making and activities and give power to three regional offices. This process will enable Tdh regional and national staff to carry responsibilities that were previously operated at HQ level in several fields.

This process entails a renewed governance, with new bodies at regional level and a far-reaching change of HQ's role, as well as revised processes and new financial and funding models to maintain its balance and sustainability. Tdh's HQ will remain as a global leadership and strategy decision-making centres while ensuring global compliance and guidance through its Center of Expertise (Technical Specialists), fundraising and global advocacy positioning.

This initiative will be complemented by and should be fully congruent with the move towards further Localisation including through the increasing involvement of local partners in Tdh's field interventions. While defining its Intermediary role approach to humanitarian and development activities, Tdh will combine its newly launched decentralized model to its evolving role towards LNA partners.

Both initiatives are part of Tdh's global strategy 2025-2028 to become more sustainable and equitable in its approach to Humanitarian and Development activities.

Obstacles to overcome

External

These changes must take into consideration **structural contradictions in funding mechanisms**: INGOs are expected to increase Localisation efforts and empower LNAs. However, main donors' compliance expectations are increasing and complexifying, relying on INGOs that are in most cases recipients of grants and accountable for the projects to comply with these demands. This contradiction renders effective progress complex for INGOs and their LNA partners. Structural barriers prevent INGOs and Local NGOs to collaborate as equals (the INGOs have to "watch" LNA partners and endorse several risks on behalf of the donor(s)). Similarly, the absence of practices, such as covering indirect costs to LNA partners, has been increasingly recognized as unfair and in contradiction to commitments to support institutional and capacity development. Donors' practices and their impact on INGOs such as Tdh remain central for Tdh to fully implement its Localisation policy.

Similarly, Tdh intends to **reduce its dependency to project-based short-term funding**. Organizational Development is rarely a priority for donors: they do not consider it as a necessity or funding priority as it remains an indirect way of achieving results. However, it is important to consider the long-term vision that Organisational Development (OD) represents. OD means for INGOs to better accompany their LNA Partners and for LNAs to embody a structural change in the sector. It is about equity and sustainability in the development and humanitarian sector.

Internal

End the top-down mindset that remains within some Tdh HQ and Field teams who may still consider Local and National Partners primarily as "Sub-Grantees" or short-term implementing partners.

Progressively exit short-term project-based funding partnerships. Tdh must combine these newly defined partnership practices with efficient financial and compliance controls, in agreement with the pressure it may represent for Tdh's Finance dept and in the scope of the new decentralized model.

3. Objective of the consultancy

Peace Nexus and the Somaha foundation's support will allow Tdh to identify long-term solutions to the challenges induced by the above-mentioned changes (internal and external). These long-term solutions are structured around two "change objectives" that will mobilize Tdh HQ, Pilot delegations and Tdh LNA partners to 1/better understand how Tdh's long-term **funding model*** can be more equitable and adapted to its LNA partners and 2/identify and launch the change pathway for Tdh to be better equipped to increase and improve Organizational Development support to its LNA partners.

**What is a "Funding Model" for Tdh: Framework that outlines how Tdh will fund its operations. The Funding Model encompasses the identification, management and applied practices that will ensure its effectiveness on the long term. It includes sources of funding (institutional or "public funded model"), funding strategies (donor approach, donation approach etc. ...), budget allocations and financial sustainability.*

The consultancy must provide tools for Tdh to enter a transition phase, which will:

- Lead Tdh to combine the requirements of Localisation and utilize the governance induced by Tdh new organizational model and the added value of decentralising responsibilities and decision-making (as a first step).
- Accompany Tdh's culture/mindset change in the adaption of its partnership situation in accordance with its Localisation policy commitments.
- Provide adapted funding model that combines a realistic long-term partnership approach for Tdh and its LNA partners, while not inducing a top-down relationship in which Tdh remains a "donor".

Consultancy Objectives

Short term: Funding models adapted to Tdh's transition are clearly identified and documented for an intermediary shifting roadmap to be produced at global level.

Long term: Intermediary shifting roadmap tests and implements new Funding models in pilot delegations for Tdh to better support its LNA partners for a more equitable and sustainable approach.

Two to Three Standard Funding models for Tdh covering their structure and functioning with LNAs are developed. (please see the "8. Deliverables" section for more details). The Funding model will detail different approaches per country (or group of countries). These funding models may also open the perspective for revised business models, including new types of services and contracting.

Deadline: 30th of June 2025

4. Scope of the consultancy

The service will be needed as soon as the contract signature is effective up until deadlines mentioned above (31.12.2025). The process will be led at Lausanne HQ. Material must be designed and produced in English. All relations between Tdh and the supplier will be done in English.

Estimated level of effort: 40 days (negotiable)

Maximum period of performance: January to June 2025

5. Intended users of the consultancy

✓ *Who are the main audience of this service?*

- Terre des hommes HQ and Top Management team (specifically Fundraising and Finance Teams),
- Terre des hommes Board of Directors,
- Terre des hommes Field delegations,

- Local and National Partner focal points involved in pilot delegations: Open Gate / La Strada (Macedonia), Arsis - Initiative for Social Change (Albania), Brave Heart (Hungary), Municipality of Budapest (Hungary), Ministry of Health and Social Protection (Albania), Breaking the Silence (Bangladesh), Agrajatra (Bangladesh), Shakti Samuha (Nepal), Geruwa Rural Awareness (Nepal). More partner organisations might be added based on project evolution.

✓ *How will the service results be used and by whom? What will this service bring to the team?*

The results will be used by Tdh's top management teams (fundraising, finance, and operations team) to orient the implementation of the global policy on Partnership and the Intermediary Role they intend to incarnate. It is to be noted that all content produced by service provider will remain Tdh's legal property.

6. Learning questions

The below questions are indicative of the key challenges that Tdh is facing and seeks to answer. They must help the consultant structure methodology.

Structural Questions:

- *How does Organisational Development fit into Tdh's new Localisation strategic objective and decentralized model? What concrete key steps should Tdh go through to manage this transition ?*
- *How can Tdh maintain a competitive status in the sector and its own sustainability while transitioning towards more localized approaches?*
- *How can we approach Tdh's donors regarding this strategic change towards a new funding model and Organizational Development? Can we identify similar approaches in groups of countries ?*
- *What practices do similar-sized NGOs in Europe undertake to do this Funding model change ?*
- *What (other) stakeholders should be mobilised as allies to support the long-term change?*
- *Throughout its transition period, how can Tdh offer the most relevant support to its Local and National Partners? How can Tdh's LNA partner support Tdh in its transition and roadmap towards a new Business and Funding model ?*

7. Methodology

The consultancy methodology will be defined by the consultant in consultation with the Tdh supervising team.

Tdh will provide recommendations and orientations to the consultant on:

- Available data and data collection methods (who? When? What? Where?)
- What are the existing models or lessons learnt from other Child Protection NGOs (Ideally European) that intend to (or already went through) similar changes (benchmark)
- Methods to interview Tdh HQ and Field staff

- Timeline needed for the evaluation

8. Deliverables

Intermediary deliverables :

- An initial literature review providing ...
- An inception report presenting literature review findings, methodology, tools and timeline, contribution needs
- A benchmark – with list of contributors, summary of interviews, etc.
- - any other deliverable as per proposed methodology”

Final deliverable :

Two to Three Standard Funding models for Tdh delegations covering their structure and functioning with LNAs are developed. The Funding models must include recommendations on structure and services developed. The Funding models will detail different approaches per country (or group of countries).

Deliverable - Funding Model Report

Deadline: 30th of June 2025

The report shall be provided in Word format and the report pages numbered. The report shall be written and submitted in English. The report must include elements of research that will be submitted to Tdh’s focal point:

- An executive summary
- A list of annexes, abbreviations, tables, figures...
- An introduction and presentation of the methodology used for the situation analysis
- Situation Analysis
- Practices used by other similar-sized Child Protection NGOs operating in Europe (Benchmark)
- Stakeholder Environment Analysis (donors, INGOs, LNA partners, private sector etc...)
- Resources analysis
- Risks Analysis (for each funding model)
- Operational conclusions and Recommendations (including detailed Funding models with identification of potential donors / funding instruments.

Additionally, the consultant must provide the following complementary documentation:

- A literature review and/or benchmarking used to design the report,
- Short Inception report from internal and external primary data collection (including methodology and action plan)

9. Chronogram

The service will be needed from the date of contract signature (ideally January 2025) until December 2025. The selected service provider must undertake the assignment after discussion with Tdh.

The following requirements will ensure that Tdh’s request are clear:

- Further details regarding the expectations of this expertise will be provided upon selection of the Service Provider. This document will include the following details: clear expectations of works needed, expected timeline, language details... This document will be validated under the form of a kick-off meeting at Lausanne HQ (expected January 2025). Tdh commits to providing the service provider with all needed details that the service provider may require, including meetings for clarifications with representatives from Tdh staff (either HQ or Field).
- The service provider must ensure that **time is dedicated for Tdh work (if needed)**, in addition to basic and coordinated debriefing. Tdh will accommodate the need for additional meetings to clarify its request, if needed by the service provider.
- If required by Tdh, the service provider must ensure that adjustments can be brought to a **second version of a final product** she/he has done for/with Tdh, upon request.

10. Roles and responsibilities

Specify the role and the responsibilities of the team in charge of managing the consultancy at Tdh.

- ✓ Management of communications, organization, and provision of the service requests along with the documentation required.
- ✓ Regular Steering committee composed of Tdh's top Finance, Fundraising and Operations Dept will contribute to the management of this consultancy.

Specify the role and the responsibilities of the selected consultant.

- ✓ Perform services and provide deliverables as described in the contract.
- ✓ Define Consultations and meeting needs
- ✓ Conduct data collections including interviews
- ✓ Ensure timely reporting and regular communication with project team

11. Profile of the Service Provider qualifications and experience

The consultancy assignment is open to individual National/ International or a team of National and International expert consultants, with specialist knowledge and research expertise in International NGO Fundraising, Governance, and experience working on policy making, policies analysis and capacity building and well understanding of project and organizational risk assessment as well as development practice and theory. The consultant will have the following experience and qualifications:

- At least a master's degree in in social science, gender / women studies, conflict management and peacebuilding, Public Policy, International Development, Development Economics/Planning, Economics, International Relations/ Diplomacy, or any other relevant university degree.
- Sound theoretical knowledge of Humanitarian and Development Fundraising practices and/or experience of project management for an international NGO in delivering development projects.

- Previous experiences of practicing participatory methods for conducting research and planning.
- Considerable professional experience of working in Humanitarian and Development Country Offices with a clear understanding of the Humanitarian and Development funding power streams.
- High level of competence in the English language.
- Strong communication skills, with the ability to communicate detailed concepts clearly and concisely both in writing and verbally.
- Experience with both qualitative and quantitative data analysis and reporting.

The service provider must be selected based on the following preferences:

- Past experiences working on Governance, change management and Fundraising in the humanitarian/development sector.
- Updated CV of applicant
- Experience performing Governance/Fundraising consultancies for International NGOs (especially in relation to funding models)
- Experience on the thematic of Localisation (or Locally-led development), Local and National NGOs or INGOs working with local partners.
- Proposed intervention
- Flexibility to dedicate working time upon request.
- Price range.

All taxes, duties, and government charges imposed or levied in connection with this contract will be the sole responsibility of the consultant.

12. Budget

Tdh intends to dedicate a maximum of **25,000 CHF** to this service until 31.12.2025. This amount is a maximum budget for needed service and is slightly negotiable based on needs.

Budget expenditures will be coordinated by the Lausanne HQ. The expenditures will cover all service providers' needs to carry out the Tdh request: Working hours related to Tdh-ordered work, potential ad-hoc technical support needed.

13. Application procedures

Interested candidates should present a technical offer comprising:

- Company registration and credentials.
- Up to date CV.
- Methodology and tools proposed.
- Detailed Past experiences including at least two recommendation letters or proof of work.
- Price Offer **in CHF**.

Tdh should consider individuals or teams of candidates equally and regardless of the country of origin (Keeping in mind that payments would be done in CHF).

Applicants should send the whole of this documentation in electronic form to martin.gallard@tdh.org, by December 20th, 2024.