



Section 4 Appendix A

CALLDOWN CONTRACT

Framework Agreement with: Adam Smith International

Framework Agreement for: DFID General Economic Development Framework (GEDF)

Framework Agreement Purchase Order Number: PO 8126

Call-down Contract For: Improved Provincial Economic and Urban Development Planning in KPK (Pakistan) (SEED)

Contract Purchase Order Number: PO 8515

I refer to the following:

1. The above-mentioned Framework Agreement dated 8th February 2019;
2. Your proposal of 2nd July 2019 and subsequent clarification e-mails:
 - *

and I confirm that DFID requires you to provide the Services (Annex A), under the Terms and Conditions of the Framework Agreement which shall apply to this Call-down Contract as if expressly incorporated herein.

1. Commencement and Duration of the Services

- 1.1 The Supplier shall start the Services no later than **2nd March 2020** ("the Start Date") and the Services shall be completed by **6th October 2025** ("the End Date") unless the Call-down Contract is terminated earlier in accordance with the Terms and Conditions of the Framework Agreement.

2. Recipient

- 2.1 DFID requires the Supplier to provide the Services to the Government of Khyber Pakhtunkhwa province of Pakistan. (the "Recipient").

3. Financial Limit

- 3.1 Payments under this Call-down Contract shall not, exceed **£14,997,995** ("the Financial Limit") and is inclusive of any government tax, if applicable as detailed in Annex B.

When Payments shall be made on a 'Milestone Payment Basis' the following Clause 22.3 shall be substituted for Clause 22.3 of the Framework Agreement.

22. PAYMENTS & INVOICING INSTRUCTIONS

22.3 Where the applicable payment mechanism is "Milestone Payment", invoice(s) shall be submitted for the amount(s) indicated in Annex B and payments will be made on satisfactory performance of the services, at the payment points defined as



per schedule of payments. At each payment point set criteria will be defined as part of the payments. Payment will be made if the criteria are met to the satisfaction of DFID. When the relevant milestone is achieved in its final form by the Supplier or following completion of the Services, as the case may be, indicating both the amount or amounts due at the time and cumulatively. Payments pursuant to clause 22.3 are subject to the satisfaction of the Project Officer in relation to the performance by the Supplier of its obligations under the Call-down Contract and to verification by the Project Officer that all prior payments made to the Supplier under this Call-down Contract were properly due.

4. DFID Officials

4.1 The Project Officer is: *, DFID Pakistan

4.2 The Contract Officer is: *, PCD.

5. Key Personnel

The following of the Supplier's Personnel/key roles where cannot be substituted by the Supplier without DFID's prior written consent:

Team Leader
 Technical Director
 Programme director
 Thematic Lead, Planning Adviser.

6. Reports

6.1 The Supplier shall submit project reports in accordance with the Terms of Reference/Scope of Work at Annex A.

7. Duty of Care

All Supplier Personnel (as defined in Section 2 of the Agreement) engaged under this Call-down Contract will come under the duty of care of the Supplier:

- I. The Supplier will be responsible for all security arrangements and Her Majesty's Government accepts no responsibility for the health, safety and security of individuals or property whilst travelling.
- II. The Supplier will be responsible for taking out insurance in respect of death or personal injury, damage to or loss of property, and will indemnify and keep indemnified DFID in respect of:
 - II.1. Any loss, damage or claim, howsoever arising out of, or relating to negligence by the Supplier, the Supplier's Personnel, or by any person employed or otherwise engaged by the Supplier, in connection with the performance of the Call-down Contract;
 - II.2. Any claim, howsoever arising, by the Supplier's Personnel or any person employed or otherwise engaged by the Supplier, in connection with their performance under this Call-down Contract.
- III. The Supplier will ensure that such insurance arrangements as are made in respect of the Supplier's Personnel, or any person employed or otherwise engaged by the Supplier are



reasonable and prudent in all circumstances, including in respect of death, injury or disablement, and emergency medical expenses.

- IV. The costs of any insurance specifically taken out by the Supplier to support the performance of this Call-down Contract in relation to Duty of Care may be included as part of the management costs of the project and must be separately identified in all financial reporting relating to the project.
- V. Where DFID is providing any specific security arrangements for Suppliers in relation to the Call-down Contract, these will be detailed in the Terms of Reference.

8. Call-down Contract Signature

- 8.1 If the original Form of Call-down Contract is not returned to the Contract Officer (as identified at clause 4 above) duly completed, signed and dated on behalf of the Supplier within **15 working days** of the date of signature on behalf of DFID, DFID will be entitled, at its sole discretion, to declare this Call-down Contract void.

No payment will be made to the Supplier under this Call-down Contract until a copy of the Call-down Contract, signed on behalf of the Supplier, returned to the DFID Contract Officer.

Signed by an authorised signatory
for and on behalf of
The Secretary of State for
International Development

Name:

Position:

Signature:

Date:

Signed by an authorised signatory
for and on behalf of the Supplier

Name:

Adam Smith International

Position:

Signature:

Date:

Call Down Contract - Terms of Reference – Annex A

DFID Pakistan

SEED – Improved Provincial Economic and Urban Development Planning in KPK (Pakistan)

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

INTRODUCTION

1. **DFID Pakistan wishes to contract an organisation to implement Component 1 - Improved Economic and Urban Planning in Khyber Pakhtunkhwa, of its Sustainable Energy and Economic Development Programme (“SEED”).** The Sustainable Energy and Economic Development Programme (SEED) will provide £37.5 million over seven years (2018/19 – 2024/25) to support provincial economic development and sustainable energy in Pakistan. It will support the province of Khyber Pakhtunkhwa (KPK), to plan and finance the infrastructure and investment it needs for growth, jobs and prosperity. The programme will also address Pakistan’s energy crisis by providing innovative financial solutions to industry for the adoption of sustainable energy practices.
2. The Supplier will act as the lead technical assistance provider **to implement** Component 1 - Improved Economic and Urban Planning in KPK Pakistan of SEED programme. The total budget for services to be provided under this contract will be £15 million.

CONTEXT

3. Pakistan is growing but is performing worse in terms of economic development than its South Asian and lower middle-income country peers. Investment is just 16% of GDP compared to 25% in these other groups. Pakistan is urbanising fast – but urbanisation is not delivering higher levels of investment or increasing productivity. Provincial governments’ capacity to plan and manage investments effectively and an unreliable, expensive and unsustainable energy supply are two fundamental constraints to inclusive economic growth.
4. Following a constitutional amendment in 2010, there is an increasing role for sub-national governments in delivering economic and urban development. KPK is fragile economically and socially but also presents opportunities. The demands on its resources are also growing, with the recently announced merger with the Federally Administered Tribal Areas (FATA). KPK needs early support to integrate itself with Pakistan’s growth centres – Punjab and Sindh – and to benefit from China Pakistan Economic Corridor investments. KPK’s yearly development budget in core economic development sectors alone is larger than DFID’s programme in Pakistan. We can support the KPK Government to meet these challenges by strengthening the systems and institutions responsible for promoting the province’s economic development. Driven by stronger institutions, and a growing economy, KPK will be better able to converge, economically and socially, with Punjab.

BACKGROUND on SEED PROGRAMME

5. SEED is designed to address many of the above challenges through the following outputs:

Component 1 - Improved Provincial Economic and Urban Development Planning in KPK

Component 2 - Support for Renewable energy generation and energy efficiency in industry

Component 3 - DFID Managed Technical Assistance for Economic and Urban Development

Component 4 – Independent Monitoring & Evaluation

6. Components 1 & 2 are the main components of the programme and will be delivered through alternative delivery routes. These Terms of Reference are for delivering Component 1 of the programme. The Supplier will be solely responsible for delivering component 1 and associated deliverables.
7. Details of other components can be found in the Business Case attached at Annex C. A brief description of the components of the programme is given below.
 - **Component 1 Improved Economic and Urban Planning in KPK - £15 million:** Component 1 requires long-term, flexible, and politically informed interventions to improve integrated economic planning and delivery at a sub-national level. This demand-led technical assistance (TA) for provincial and sectoral planning will increase the efficiency of investments in infrastructure. TA will also be used to integrate climate, gender, and disability inclusion considerations in to provincial growth strategies and downstream public investment projects.
 - **Component 2 Industrial Adoption of Renewable Energy & Energy Efficiency - £18 million:** This component will develop innovative financial products that spur firms in industry into adopting sustainable energy practices. It will also provide TA to improve the policy and regulatory environment for renewable energy generation and energy efficiency. This component will be delivered through a **multilateral route and through a Special Purpose Vehicle**.
 - **Component 3 will provide flexible technical assistance for economic and urban** development in areas in support of programme objectives where other government departments and UK institutions have relevant expertise. The component will also explore **Opportunities to improve economic and urban development nationally and in provinces other than KPK**.
8. **Component 4 will provide independent monitoring and evaluation support** for the programme. The component will develop monitoring frameworks in collaboration with the implementing partners for components 1 and 2, provide process and performance evaluation for components 1 and some specific TA support on M&E for the component 2 that will be used to inform programme decisions at formal review points built into design and contracts. This component will be delivered by an independent evaluation service provider to be procured through a separate process.

Suppliers bidding for this contract will not be eligible to bid for Component 4 and vice versa.

OBJECTIVE

9. The main objective of the SEED programme is to tackle two binding constraints to economic and urban development in Pakistan: weak planning; and an unreliable and unaffordable energy supply. The main objective of Component 1 is to improve provincial economic planning and increase the efficiency of public investments in economic and urban development.

The **Impact** of the programme will be higher growth, jobs, and incomes in Pakistan.

The **outcome** of the programme will be public and private investments generate greater economic, social, and environmental returns.

At an **output** level, the programme will:

- deliver provincial economic development plans and sector strategies
- Build institutional capacity for economic and urban planning in KP by establishing systems and protocols for coordination, project design, selection, appraisal, and implementation.
- Leverage funds from non-government sources for core infrastructure projects in KP. Please refer to the Theory of Change in Business Case Annex C.

RECIPIENTS

10. The primary recipient of the technical assistance will be the Government of Khyber Pakhtunkhwa province of Pakistan.

SCOPE OF WORK

11. The Supplier will be responsible for the delivery of specialised technical assistance on areas such as urban and economic planning, expertise in key economic and urban development sectors (e.g. transport, energy, industrial zones, housing, private sector development) conducting analytical studies, engagement with government counterparts, ongoing monitoring, evaluation, learning (MEL). They will also be responsible for integrating climate, gender, and disability inclusion considerations in to provincial growth strategies and down streaming public investment projects.

OVERVIEW OF REQUIREMENTS

Specific activities will include:

12. Day-to-day engagement with governments (provincial and local) on the topics of concern to the programme, including understanding needs and using this understanding to inform work-plans. The primary provincial counterpart is expected to be the provincial Planning and Development Department, but engagement will be required with a wide range of government departments including the Finance Department, KP Board of Investment and Trade, KP Economic Zones Development Company, Urban Development and Housing, Transport, Energy, and Information Technology. The contractor may also be required to work closely with counterparts in local governments in two to three municipalities. There may also be a need to engage

broader stakeholders, such as political figures (e.g. members of Public Accounts Committees or district nazims).

13. Providing specialised technical assistance (largely to the above bodies) both as 'sit-in' longer term engagement and ad-hoc support including both national and international expertise. This will include supporting government to carry out assessments and analytical studies, formal and on-the-job training, developing new policies and business processes and ensuring institutionalisation of reforms.
14. Development of provincial economic development plans, urban plans, land-use, and infrastructure planning including sector plans and medium-term budgetary requirements.
15. Identification and implementation of critical reforms in key economic and urban sectors.
16. Integration of climate smart development in provincial economic and urban plans, sector strategies, and infrastructure planning.
17. Integration of gender, disability, and other distributional considerations in provincial economic and urban plans, sector strategies, and infrastructure planning.
18. Technical assistance for design and implementation of key downstream initiatives in selected economic development and urban sectors including investment mobilisation and facilitation support for the selected downstream projects.
19. Undertaking detailed ongoing monitoring and reporting (see below).
20. Knowledge management, including organising learning and lessons dissemination events on relevant topics during the programme, and devising and implementing an effective Communications Strategy to maximise the programme's impact beyond its districts and provinces where possible.
21. Engagement with DFID on a regular basis (and organisation of quarterly provincial steering committees) and coordination with other third parties (e.g. World Bank, Asian Development Bank, CDC, PIDG, and other development partners).

KEY DELIVERABLES

INCEPTION PHASE

22. The contract for Component 1 will have a six-month long Inception Phase. The Inception Phase will be used to finalise the technical design and approaches including identifying and prioritising of thematic areas of integrated economic development and spatial/urban planning, and related policy and regulatory frameworks, and agree evaluation plan/strategy with the independent monitoring and evaluation supplier (Component 4) and set up monitoring systems. The Supplier will produce a final inception phase report by the end of the inception period, to be approved by DFID, and monthly short narrative reports detailing progress against the inception activities during the inception phase.
23. The deliverables for the inception phase will include but will not be limited to the below listed. DFID's approval will be required on all the deliverables:

Inception Phase Deliverables	
1.	Programme Governance operational (Within three months of the inception phase) Establishment and conduct first meeting of Cross Government Steering Committee chaired by the Government of KPK. (comprising of the Supplier, DFID, P&DD KPK, Finance department KPK and any other relevant Government stakeholders as mentioned in the business case).

<p>Working arrangement with the Evaluation Service Provider (ESP) agreed.</p> <p>2. Engagement strategy Explore and recommend suggested entry points and partnership for other HMG departments and expertise to be pursued under Component 3. Refine the approaches to collaborate with other relevant DFID programmes including SNG II, AWAAZ II, and FATA Bilateral programme Completed political economy analysis of economic development and public investment efficiency in KPK.</p>	<p>3. Programme compliance deliverables: (One month before the completion of the inception phase) Revised Theory of Change Finalised logframe with baselines and targets Finalised and agreed VFM framework/reporting template A Refined Delivery chain mapping Develop, test, and recommend approaches for tracking impact through public investment efficiency indicator.</p>
<p>4. Programme Technical Areas The Supplier will conduct baseline reviews and develop approaches to improving public investment efficiency (to be approved by DFID and Government of KPK at the end of inception phase). These will be in the following broad areas covering the spectrum of functions in planning, allocation, implementation:</p> <p>5. Provincial Economic and Sector Plans Recommend and agree priority sectors with DFID and GoKP Identify existing provincial economic development, urban, and sector plans, highlighting gaps and recommended approaches to address them. Propose workplan for strengthening provincial economic plans and sector plans for implementation phase. Develop approaches for embedding climate, inclusion, and distributional considerations into provincial level economic and sector plans.</p> <p>6. Provincial planning frameworks, governance, and coordination functions for economic development Review project selection, and appraisal protocols, systems and frameworks for economic development sectors in KP. Develop approaches for improvements and indicative workplans for implementation. Develop strategies for embedding climate, inclusion, and distributional considerations into provincial systems, protocols, and frameworks for project selection, appraisal, and design. Review existing government coordination mechanisms for economic development, identifying gaps and approaches to address them. Develop and agree indicative workplans for implementation phase.</p> <p>7. Project pipeline development, implementation, and financing In early engagement with the Government, identify early harvest downstream projects for initial support Review programme design, implementation, monitoring and evaluation systems in selected sectors and recommend approach and workplans for efficiency improvements. Explore and establish coordination mechanisms with multilaterals for pipeline investments Develop an approach to project financing support and associated work-plan that the programme will provide in selected sectors including leveraging from multilateral sources, development capital, public-private partnerships, and private finance.</p>	

24. The key outputs during the inception phase will be;
- An inception report submitted to DFID by the 21st week of the inception and approved by the SRO containing a detailed 1-year work-plans for bullets 5,6, and 7 in the table above, budget forecast and KPI's for the first year of implementation.
 - A comprehensive results framework and monitoring strategy approved by DFID and agreed with an independent Monitoring and Evaluation Service Provider (when on board) that sets out the key milestone targets for the programme implementation phase and is aligned with the evaluation framework and strategy developed by the independent Monitoring and Evaluation Service Provider.
 - Agree the assessment and scoring criteria for KPIs in respect of the retained Fees for the Implementation Phase.

IMPLEMENTATION PHASE

25. The Implementation Phase will be sub-divided into two phases: Phase 1 (24 months from the end of inception phase) and Phase 2 (from the end of Phase 1 till 7 October 2025).
26. The Supplier will deliver the programme against workplans agreed and approved at the end of the inception phase in the technical areas of the programme. Implementation Phase deliverables for Phase 1 and 2 will include but not limited to:
- Development and approval of provincial economic, urban, and sector plans agreed at inception phase.
 - Implementation of climate, gender, disability, and inclusion strategies.
 - Development and implementation of project selection, and appraisal protocols, systems and frameworks for economic development sectors.
 - Strategies for embedding climate, inclusion, and distributional considerations into provincial systems, protocols, and frameworks for project selection, appraisal, and design.
 - Technical assistance for design and implementation of downstream projects in agreed economic sectors.
 - Collaborate with the Independent Monitoring and Evaluation Service Provider on regular process and performance evaluations for the programme and integrate recommendations in to activities and workplans.
 - Continue coordination with multilaterals to align activities and leverage investment towards key projects in economic development.
 - Progress against workplans will be reviewed and these may be revised in agreement with GoKP and DFID.
27. 100% of payments will be linked to KPIs for the implementation phase. A list of indicative KPIs for the implementation phase are listed below. The proposed KPIs will be defined by DFID and agreed with the Supplier during the inception phase. Not all KPIs may be applicable in each reporting period and will be set on a six-monthly basis and agreed with DFID. KPIs assessment, scoring criteria, and mechanism for payment retention will be defined and agreed between DFID and the Service Provider during the inception phase and will be subject to revision during the course of the contract.

KPI 1 Timeliness and quality of delivery

- Milestones/ Deliverables on time to the satisfaction of the DFID (indicative deliverables are number of provincial economic plans, number of costed sector strategies, percentage of public projects co-financed, number of projects completed on time without overruns, etc).
- All programme reports are submitted in time, of acceptable quality to DFID, and are easily understandable with very little need for comments and revisions.

KPI 2 Team Performance, Client Relationship, and Engagement

- Good access is maintained across GoKP and concerned departments (meeting and steering committee feedback, evidence of work progressing with key departments).
- Counterparts are well informed of programme activities and opportunities
- Active engagement of DFID throughout (monthly coherence and check-in meetings with stakeholders)
- GoKP satisfied with performance and engagement (feedback from steering committee meetings)
- Active engagement with other partners (regular meetings and evidence of collaboration with other organisations and potential co-financiers in downstream projects).

KPI 3 Innovation, adaption, and continuous improvements

- Supplier has delivered new ideas which have benefited the programme
- Supplier's management team ability to respond quickly and adapt to the changing contexts or requests within the agreed timeline
- the Supplier's management team responsiveness to DFID's recommendations based on the findings of Due-Diligence assessments, annual reviews, mid-term reviews, annual audit reports and performance improvement plans or evaluation reports

KPI 4 Value for Money and Effective Programme Management

- Maximising value for money across inputs, outputs, and outcomes and the DFID 4E Framework through demonstration of effective programme management. VFM analysis to support/accompany regular reporting.

CONSTRAINTS AND DEPENDENCIES

28. The programme will maintain alignment with GoKP's objectives and plans. It will maintain close coordination with the activities of multilateral and other development partners in the province. It will be the responsibility of the Supplier to ensure that all the required no objection certificates and the government approvals for working in the province and in all relevant districts are timely obtained. The Supplier will not be responsible for implementation of Component 3 but will be required to alert DFID of any opportunities to leverage HMG expertise in support of programme objectives under component 3.

SKILLS AND COMPETENCY REQUIREMENTS

29. The Supplier or consortium is expected to meet the following requirements:

- The proposed team must have an in depth understanding and knowledge of KP/provincial Government planning function; Understanding of the Pakistani context; political economy of KP, particularly on planning and resourcing of projects;
- The Supplier must have access to the specialised technical expertise covering the scope of the contract; including M&E expertise in capturing qualitative and quantitative results
- Ability to build and maintain strong partnerships with other players in the sector;
- The proposed core team must be experienced in delivering TA of similar context at provincial and district levels.
- The proposed Team /Team Lead(s) must be experienced in establishing and maintaining strategic and operational partnerships with government departments.
- Ability to successfully manage programmes in complex security environment.
- Ability to adapt activities based on Supplier's monitoring, evaluation and lessons learnt as well as research findings throughout the programme's duration including findings from evaluations conducted by the independent M&E service provider;
- Ability to draw on local expertise and make alliances with national institutions;
- Strong financial management, commercial and financial reporting skills, and a track record of delivering excellent value for money;
- Understanding of DFID's strategies, priorities and working practices as they apply both in Pakistan/KP and more broadly.

CONTRACT DURATION

30. The contract will be awarded from March 2020 until 6th October 2025 and will be split into: Inception (6 months) and Implementation Phase. The Implementation Phase will be sub-divided into two phases: Phase 1 (24 months from the end of inception phase) and Phase 2 (from the end of Phase 1 till 6th October 2025). The contract will be subject to the formal review points: after the six-month inception phase, and during the Implementation phase 1 (after Year 2 of the contract).
31. Due to the long duration of the Programme, the Contract will have provision for variation to adapt to changes that occur during the life of the programme. Following DFID reviews, DFID shall, reserve the right to scale the requirement up or down over its lifetime to include any potential changes to programme scope and contract value (where appropriate). Any such changes will be fully communicated to the Supplier and implemented in accordance with the terms and conditions and procurement regulations.

PAYMENT MECHANISM

32. The contract will be subject to a hybrid performance related payment model.
33. During the inception phase expenses will be reimbursed quarterly on actual expenditure.
34. 70% of Inception Gross fees will be paid quarterly on input basis with the remaining 30% withheld and paid on successful accomplishment and delivery of the outlined Inception Phase outputs.

35. During the implementation phase, payments will be made quarterly, with expenses reimbursed on actual expenditure and 100% of fees linked to KPI's which will be paid quarterly.
36. Building upon that offered in proposal, KPIs assessment and scoring criteria will be defined and agreed between DFID and the Service Provider during the inception phase. KPIs may be refined during the course of the contract on a six-monthly basis.
37. The nominated Supplier will submit quarterly payment invoices to DFID in line with agreed templates for fees and reimbursables, deliverables, outputs and a KPI assessment structure agreed with DFID.

PROGRAMME OVERSIGHT

38. A cross government steering committee (SC) similar to those successfully employed by other DFID Pakistan programmes such as the Sub National Governance programme, will be formed to provide programme oversight and ensure government ownership and cross-department coordination. Building upon that offered with bid, the membership and structure of the committee will be finalised during the Inception Phase in consultation with the GoKP. The Supplier will be responsible for providing support to GoKP and to DFID in organising meetings of the steering committee especially on contributing to agenda, following up on actions arising from minutes of SC meetings.

MANAGEMENT AND MONITORING REQUIREMENTS

39. Evaluation data: results data from phase 1 process/performance evaluation will feed into the design of phase 2. The process evaluation and results data will provide evidence on overall programme outputs and outcomes and will facilitate decisions around key programme break points.
40. The Supplier will be responsible for:
 - Developing and implementing a detailed **Monitoring, Evaluation and Learning (MEL) framework in partnership with the Independent Monitoring & Evaluation service provider** *(a contract for an Independent M&E services will be subject to a separate procurement exercise. Note that tenderers intending to bid for this contract cannot bid for the Independent M&E services contract and vice versa. Moreover, the Lead Supplier's partner(s) will be automatically precluded from bidding for the Independent M&E Service Contract).* **The MEL framework must be** linked to logframe milestones and targets, describing data requirements, data sources, data collection and analysis. Wherever possible, data will be disaggregated by age, gender, disability and geography to allow for a fuller assessment. Completion of logical and monitoring framework, including establishing baselines, methodologies for collecting data and annual milestones by the nominated Supplier will be a key focus of the inception phase.
 - The framework will also detail how data captured will iteratively inform ongoing and future programming through suggesting changes to work-plans, approaches, and indicators.
 - Working in collaboration with the Evaluation Service Provider (ESP) to ensure ESP's information and data needs are met in a timely fashion.

- Proactively managing risks including quarterly reporting against an agreed programmatic risk matrix.
 - Summarising key financial information before each Annual Review mission including providing an **assessment of value for money**.
41. The performance of the Supplier and programme will be formally monitored quarterly through its financial and narrative progress reports, as part of the DFID Annual Review and a centrally managed strategic relationship management process.
42. The Supplier will ensure robust and rigorous programme monitoring and incorporating the lessons learnt. The Supplier will ensure that reviews and evaluations are independent and objective. The Supplier will ensure that any downstream or consortium partners collect the information needed to assess the economy, efficiency, cost-effectiveness and value-for-money of the programme and provide training to them as necessary.
43. Programme update meetings will be held every month during the inception phase. DFID will be responsible for conducting the annual reviews. There will be a mid-cycle and end of programme evaluation undertaken by an independent evaluation provider, which DFID will commission.

REPORTING REQUIREMENTS

44. The nominated Supplier will provide DFID with brief **monthly updates during the inception phase and accurate quarterly narrative reports during the implementation phase (using a mutually agreed template)** linking inputs to outputs and results and producing **quarterly financial reports** to be shared directly with DFID. The content of the reports will include but not limited to: progress against implementation plans and log frame milestones, targets and KPIs, risk management, VFM, lessons learnt, progress with addressing recommendations from previous reports, financial expenditure and projections. The financial reports will provide details of expenditure as well as detailed forecast of expenditure for the following two quarters. On financial reporting the Supplier will be responsible for minimising forecast vs. actual spend variance between 3%-5% for a given month or quarter.

VALUE FOR MONEY

45. VfM in DFID means maximizing the impact of each pound spent to improve poor people's lives. At a programme level, VfM means designing, procuring, managing, and evaluating our interventions to maximize impact, given available resources. Broadly DFID's approach to VfM is defined by the 4 "Es" and influences how we procure our inputs (economy), how we use inputs to deliver activities (efficiency), what overall value we are generating for the intended beneficiaries and at what cost (cost effectiveness), and Equity - How fairly are the benefits distributed to what extent programmes reach marginalized groups (equity)?
46. Suppliers' commercial and technical bids should explicitly set out their Value for Money offer using the 4 "E's" in a framework format. In addition, the VfM framework should outline how VfM will be measured and analyzed at each stage of the

programme cycle (design, mobilization, delivery, monitoring and evaluation, and closure stages) during life of the programme.

47. The VfM framework/template will be finalised and agreed during the programme's inception phase and is likely to include some of the following indicators. The Supplier's quarterly reports must contain reporting against the following indicative VfM indicators, accompanied by an overall VfM analysis.

Economy	Unit cost of inputs and outputs (such as average unit cost of the TA by type)
	Unit costs of majority of outcomes (directly attributable only)
	Trends in price of significant cost drivers
Efficiency	Overhead cost vs. overall programme cost
	Savings through management process efficiency
	Per unit full-time equivalents (FTE's)- Measures how many employees are required to fulfil a unit of output/outcome
Effectiveness	Institutional capacity of government departments in public finance tracked through a public investment efficiency indicator
	Improvements in project prioritisation and execution
	Increased provincial resources (both public and private) to finance newly identified and re-prioritised projects
	Strengthened Provincial Planning Process (% of development budget linked to sectoral costed sector strategies or medium-term development frameworks or economic growth strategies)
	Number of RE projects taken up/MW of RE produced, Cost per MW installed/saved
Equity	% of women/minority specific projects included in budget which are needs based and linked to the sector strategies
	% of disabled benefited through various interventions (gender segregated)

EXIT STRATEGY

48. The Supplier will be expected to develop an exit strategy as a part of the SEED programme design during the inception phase in line with DFID SMART Rules for smooth closure of the programme. The exit strategy will be reviewed during the course of programme implementation to ensure that it remains relevant.
49. The Supplier will co-operate with DFID to ensure the smooth transfer of responsibilities to any persons or organisation taking over such responsibilities after the contract ends. Three months before the contract end,
50. The exit strategy should cover:
- Plan for how the programme gains could be sustained after the contract has ended including mapping of key stakeholders who would be important for continuity post-implementation phase
 - Asset management and recommendations disposal of all assets procured throughout the lifetime of the programme (in accordance with the relevant DFID Smart Rules)
 - Delivery of finished work, and materials related to work-in-progress, and
 - Return (or destruction of) all confidential information to DFID before the contract end date.

- The exit plan should allow up to 60 days after the contract end for the exit process to be completed.

OTHER REQUIREMENTS

SAFEGUARDING

51. DFID's aim across all its programming is to avoid doing harm by ensuring that their interventions do not sustain unequal power relations, reinforce social exclusion and predatory institutions, exacerbate conflict, contribute to human rights risks, and/or create or exacerbate resource scarcity, climate change and/or environmental damage, and/or increasing communities' vulnerabilities to shocks and trends. DFID seek to ensure their interventions do not displace/undermine local capacity or impose long-term financial burdens on partner governments, therefore, require partners to lead and robustly consider environmental and social safeguards through its own processes and to live up to the high standards in safeguarding and protection which DFID requires.
52. The Supplier will be required to produce a robust risk analysis ahead of implementation, including setting out mitigating safeguarding measures. A clear reporting and whistle blowing procedure to ensure reporting of any cases of misconducted to DFID should be put in place.

UK AID BRANDING

53. Suppliers that receive funding from DFID must use the UK aid logo on their development and humanitarian programmes to be transparent and acknowledge that they are funded by UK taxpayers. Suppliers should also acknowledge funding from the UK government in broader communications, but no publicity is to be given to this Contract without the prior written consent of DFID. The Supplier must adhere to UK aid branding guidance. For more information see: www.gov.uk/government/publications/uk-aid-standards-for-using-the-logo
54. SEED will use the UK aid logo and offer significant branding and communications opportunities throughout its implementation while also promoting partner government ownership. The implementing partner will develop and agree a communications strategy with DFID and GoKP. Proposals should also outline strategies and approaches to communications and UK Aid Branding. Implementation partners will develop communications strategies during the inception phase and will be required to work with the British High Commission communications team and GoKP to maximise exposure. A UK aid visibility statement will be signed by the partner to specify UK aid branding opportunities in line with the communications strategy.

DELIVERY CHAIN MAPPING

55. DFID is required to report on its delivery chains throughout the life of the programme to ensure all DFID monies can be tracked through the chain and is also required to report to central government on the level of work being allocated to SME and other sub-contracted organisations. As part of this tender process

tenderers are required to map out the delivery chain and include this in their proposals to provide DFID full visibility of all tiers of the delivery chain. Delivery chain maps will be updated regularly, as and when required during the implementation phase.

GENDER

56. The Supplier shall provide, as part of their proposal, a gender strategy that will detail its strategy to design, develop and implement the project in a way that takes into account the different needs, priorities, knowledge and capabilities of women, girls, men and boys, ensuring that they participate in, and benefit equally from, the proposed project.

DISABILITY AND INCLUSION

57. The Supplier shall outline in their proposal how they intend to design, develop and implement the project in ways that take into account the needs and capabilities of people with disability and other vulnerable groups. The Supplier shall include details of how they will encourage inclusive stakeholder engagement process in relevant policy-making.

DIGITAL

58. Suppliers that receive funding from DFID must follow UK Government's and DFID's standards for the use of digital in international development programmes. Details are available here: www.gov.uk/government/publications/guidance-on-digital-spend-advice-and-controls-for-dfid-partners-and-suppliers

GENERAL DATA PROTECTION REGULATIONS (GDPR)

59. Please refer to the details of the GDPR relationship status and personal data (where applicable) for this project as detailed in Appendix A and the standard clause 33 in section 2 of the contract.

TRANSPARENCY

60. Transparency, value for money, and results are top priorities for the UK Government. DFID has a duty to show UK taxpayers where their money is being spent, its impact, and the results achieved. DFID has guidance on the use of its logos, which will be shared with the Supplier(s) as necessary.
61. DFID has transformed its approach to transparency, reshaping our own working practices and pressuring others across the world to do the same. DFID requires Suppliers receiving and managing funds, to release open data on how this money is spent, in a common, standard, re-usable format and to require this level of information from immediate sub-contractors, sub-agencies and partners.
62. It is a contractual requirement for all Suppliers to comply with this, and to ensure they have the appropriate tools to enable routine financial reporting, publishing of accurate data and providing evidence of this to DFID – further IATI information is available from;

<http://www.aidtransparency.net/>

DUE DILIGENCE

63. Prior to signing the contract, DFID will carry out a full due diligence on the Service Provider to ensure that sufficient controls and systems are in place to deliver agreed results and to mitigate the risk of fraud.

FRAUD AND CORRUPTION

64. Safeguarding taxpayers' monies from fraud and corruption are of utmost importance. The Supplier is responsible for providing assurances to DFID that **it will carry out due diligence on its sub-contractors and vendors before entering into any agreements involving financial transactions.** Supplier is responsible for cascading DFID's zero tolerance policy towards fraud and corruption and is responsible for providing periodic briefings to its staff on whistle blowing processes.

DO NO HARM

65. DFID requires assurances regarding protection from violence, exploitation and abuse through involvement, directly or indirectly, with DFID Suppliers and projects. This includes sexual exploitation and abuse but should also be understood as all forms of physical or emotional violence or abuse and financial exploitation.
66. The Supplier will be required to include a statement that they have duty of care to project stakeholders and their own staff, and that they will comply with the ethics principles in all activities. Their adherence to this duty of care, including reporting and addressing incidences, should be included in both regular and annual reporting to DFID;
67. DFID does not envisage the necessity to conduct any environmental impact assessment for the implementation of this project. It is, nonetheless, important to adhere to principles of "Do No Harm" to the environment.

DUTY OF CARE

68. The nominated Supplier must maintain the highest standards of ethical and professional conduct, respecting transparency obligations, environmental sustainability and social responsibility.
69. The Supplier is responsible for the safety and well-being of their personnel and third parties affected by their activities under this contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.
70. DFID will share available information with the Supplier on security status and related developments in-country where appropriate.
71. The Supplier is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract and ensuring that their Personnel

register and receive briefing as outlined above. Travel advice is also available on the FCO website and the Supplier must ensure they (and their Personnel) are up-to-date with latest information.

72. Tenderers must develop their proposal on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial Duty of Care Risk Matrix developed by DFID (Annex B of this ToR). They must confirm in their bid that they:

- i. Fully accept responsibility for Security and Duty of Care of all project Personnel;
- ii. Understand the potential security risks and have the knowledge and experience to develop an effective risk mitigation plan;
- iii. Have the capability to manage their Duty of Care responsibilities throughout the life of the programme.

73. Acceptance of Security and Duty of Care responsibility must be supported with evidence of capability and DFID reserves the right to clarify any aspect of this evidence. In providing evidence the bidders considered the following questions:

- i. Have you completed an initial assessment of potential risks that demonstrates your knowledge and understanding of the security environment in Pakistan, and are you satisfied that you understand the risk management implications (not solely relying on information provided by DFID)?
- ii. Have you prepared an outline plan that you consider appropriate to manage these risks at this stage (or will you do so if you are awarded the contract) and are you confident/comfortable that you can implement this effectively?
- iii. Have you ensured, or will you ensure that your staff are appropriately trained (including specialist training where required) before they are deployed, and will you ensure that on-going training is provided where necessary?
- iv. Have you an appropriate mechanism in place to monitor risk on a live/on-going basis (or will you put one in place if you are awarded the contract)?
- v. Have you ensured, or will you ensure that your staff are provided with and have access to suitable equipment and will you ensure that this is reviewed and provided on an on-going basis?
- vi. Have you appropriate systems in place to manage an emergency/incident if one arises?

74. Additional Information Documents:

Annex A: Schedule of Processing, Personal Data and Data Subjects

Annex B: Country/Project Duty of Care Risk Matrix

Annex C: SEED Business Case

ANNEX B - DFID Duty of Care Risk Matrix – Overall Rating – High risk**Date of Assessment – April 2019**

Duty of Care Matrix - Sustainable Energy and Economic Development Programme (SEED) - Component 1														
Theme														
Khyber Pakhtunkhwa														
Province	Peshawar	Mardan	Lower Dir	Upper Dir	Charsadda	Nowshera	Kohat	Abbottabad	Haripur	Chitral	DI Khan	Lakki Marwat	Tank	Bannu
Overall Rating*	4	3	3	3	3	4	4	3	3	3	4	4	4	4
FCO Travel Advice	4	3	3	3	3	4	4	3	3	3	4	4	4	4
Host Nation Travel Advice	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Security	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Civil Unrest	4	3	3	3	3	4	4	3	3	3	4	4	4	4
Violence/crime	4	3	3	3	3	4	4	3	3	3	4	4	4	4
Terrorism	5	3	3	3	3	5	5	3	3	3	5	5	5	5
Conflict (war)	3	2	2	2	2	3	3	2	2	2	3	3	3	3
Hurricane	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Earthquake	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Flood / Tsunami	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Medical Services	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Nature of Project Intervention	2	2	2	2	2	2	2	2	2	2	2	2	2	2

Duty of Care Matrix - Sustainable Energy and Economic Development Programme (SEED) - Component 1										
Theme										
Khyber Pakhtunkhwa										
Province	Karak	Hangu	Malakand	Swat	Swabi	Shangla	Battigram	Kohistan	Mansehra	Buner
Overall Rating*	4	4	3	3	3	3	3	3	3	3
FCO Travel Advice	4	4	3	3	3	3	3	3	3	3
Host Nation Travel Advice	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation	4	4	4	4	4	4	4	4	4	4
Security	4	4	4	4	4	4	4	4	4	4
Civil Unrest	4	4	3	3	3	3	3	3	3	3
Violence/crime	4	4	3	3	3	3	3	3	3	3
Terrorism	5	5	3	3	3	3	3	3	3	3
Conflict (war)	3	3	2	2	2	2	2	2	2	2
Hurricane	2	2	2	2	2	2	2	2	2	2
Earthquake	4	4	4	4	4	4	4	4	4	4
Flood / Tsunami	2	2	2	2	2	2	2	2	2	2
Medical Services	3	3	3	3	3	3	3	3	3	3
Nature of Project Intervention	2	2	2	2	2	2	2	2	2	2