

## **Section 3 Terms of Reference for PO 8016**

### **Cities and Infrastructure for Growth (CIG)**

#### **Lot 2 – Zambia Country Programme**

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## A. CONTEXT, DEPENDENCIES AND RATIONALE

1. The Department for International Development's (DFID) mission is to help eradicate poverty in the world's poorest countries through achieving the Sustainable Development Goals (SDGs). We support economic transformation that shifts economic activity into higher productivity sectors that will attract investment, growth, and create jobs for women and men. Our focus is on inclusive growth that improves opportunities for the poorest: ensuring that the benefits of growth and access to economic opportunities are spread broadly across society so that no one is left behind.
2. Infrastructure remains a binding constraint to growth. Lack of reliable and affordable power, water supply and infrastructure connectivity raises costs, reduces competitiveness and holds back investments and jobs. The World Bank estimates that lack of reliable power alone reduces Africa's GDP by 2-4% p.a. More broadly, the gap between current infrastructure financing and what is needed to deliver sustained growth and productivity is estimated at US\$1 trillion – much of which will have to come from private sources.
3. With strong policy action from governments, it is possible to ensure long-term investments are both resilient to future climate stresses and avoid lock-in of carbon emissions.
4. Cities have a key role to play in supporting the structural transformation of economies through the benefits of agglomeration economies generating large scale employment. However poor planning, inadequate governance and environmental damage can lock cities into dysfunctional forms. Urbanisation without reform and modernisation will prevent cities from fulfilling their social and economic potential.
5. To address these inter-related issues, DFID is launching a major new programme: Cities and Infrastructure for Growth (CIG). CIG has the following ambitious but achievable objectives:
  - Improve urban development and productivity,
  - Boost access to reliable and affordable power,
  - Increase investment into infrastructure services, particularly where it directly supports growth, including through innovative ways of attracting private, and increasing public, financing,
  - Drive better asset and financial management for sustainable investment into services, namely host governments' ability to plan, finance and manage its infrastructure assets and services
6. **CIG is in line with the goal of promoting global prosperity set out in the UK Aid Strategy.** It will enable cities to function effectively, attract new businesses and create employment. It will provide reliable energy for households and businesses, thereby reducing production costs and removing the barriers to investment in much needed infrastructure services, such as energy, water and sanitation, transport and communications. See links in Primary Reference Documents.
7. **CIG is also in line with DFID's new Economic Development Strategy**, which seeks to strengthen international partnerships and trading capacity. The EDS is an essential part of how Britain is helping make globalisation work for all and to further British national interests by playing a leading role on the international

stage. The Economic Development strategy outlines eleven key ambitions that will support economic development overseas whilst benefitting the UK at home. See Annex B and link in primary reference document.

8. **The overall impact of the CIG programme is enhanced economic growth leading to job creation and poverty reduction.** The CIG programme aims to reduce poverty principally by supporting inclusive economic development and structural transformation, by building the enabling environment for investment into urban, energy and infrastructure sectors.
9. **Cities have the potential to play a central role in supporting an economic transformation. Cities are critical engines of growth that can help countries to graduate from aid dependence.** DFID partner countries are urbanising: in Africa the urban population is expected to treble from 400m in 2010 to 1.2bn in 2050<sup>1</sup> Asia will see the fastest increase in urban dwellers in the world, doubling by 2030<sup>2</sup>. Despite this, to date, many bilateral donors have focused less on the opportunities of cities for economic growth.
10. Cities, infrastructure and energy are crucial to delivering Strategic Objective 3 of the UK Aid Strategy and as well as several of the Global Goals – e.g. Goal 1 (no poverty), Goal 7 (affordable and clean energy) and Goal 11 (sustainable cities) further outlined at Annex B. The challenges in delivering on these goals are often interlinked and need to be addressed together. For example, the number of people living in urban slums and informal settlements is expected to double by 2030 to 2 billion – ensuring these people have access to affordable and clean energy will increase living standards, boost competitiveness of cities, and spur investment and job creation.
11. DFID's Inclusive Growth Diagnostics (IGDs) identified power, urban and infrastructure as critical barriers to growth. All of the IGDs identified access to power as a critical constraint to inclusive growth. Where urbanisation was identified as a constraint it fell into two groups:
  - i. a lack of urban management capacity and fiscal restraints at the city level; and
  - ii. a shortfall of formal employment opportunities being created.
12. The CIG programme builds on the successes we have seen from flexible, adaptive and politically engaged technical assistance (TA) facilities in Nigeria and Nepal, amongst others, and now are looking to extend and enhance that approach across further DFID countries.
13. CIG is an exciting first for DFID that takes learning and successful approaches already trialled and expands these across 3 countries simultaneously with dedicated embedded DFID Country Leads in each country along with centralised programme leadership in the UK. It is ambitious with the potential to catalyse sustainable economic transformation in the focus countries. DFID wants to take this new cross sectoral, multi-country approach and maximise the results it can achieve from learning and adapting across the programme in real

<sup>1</sup> UN Habitat. Accessed on 27 July, 2016, [http://unhabitat.org/wp-content/uploads/2016/01/Towards%20an%20Africa%20Urban%20Agenda\\_with%20the%20forewords.pdf](http://unhabitat.org/wp-content/uploads/2016/01/Towards%20an%20Africa%20Urban%20Agenda_with%20the%20forewords.pdf)

<sup>2</sup> United Nations. Accessed on 27 July, 2016, <https://esa.un.org/unpd/wup/Publications/Files/WUP2014-Highlights.pdf>

time through a dedicated and independent 'Results, Management and Learning' contractor.

14. The CIG programme will be delivered through 3 separate contracts for the country programme components procured through a Lots procurement process. The procurement for the Results, Management and Learning (RML) contract will be handled separately but complete independence is required between any contractors involved in delivery of the RML. More information on this is provided in the SQ/ITT documentation. The country programme lots are as follows:
  - Lot 1: Uganda country programme
  - Lot 2: Zambia country programme
  - Lot 3: Burma country programme
15. Each of the Terms of References set out the roles, responsibilities and deliverables incumbent on a supplier delivering the programmes.
16. The programme is expected to commence by March 2018 and continue until March 2023.

## **B. OBJECTIVE OF THE PROGRAMME UNDER LOT 2, ZAMBIA**

17. These TORs are for a supplier to deliver objectives under lot 2, Zambia. The programme will principally deliver demand-driven TA to government Ministries, Departments and Agencies (MDAs) at the national and sub-national level. It is also possible that support could be directed towards private sector or non-governmental actors in Zambia.
18. The aim of this support will be to strengthen management of urban and energy sectors and boost investment into infrastructure. In the Zambian context, given its economic geography, this may include urban centres of varying sizes as well as sub-regions, especially where these are centres of prospective economic growth and where infrastructure may be a key enabling factor. The programme should deliver inclusive economic transformation and growth that is climate resilient and contributes to poverty reduction and economic inclusion of disadvantaged groups. This support will primarily take the form of TA to MDAs involved in (but not limited to):
  - a) Direct planning, financing and delivery of power and other infrastructure;
  - b) Urban planning and urban development and economic competitiveness; and
  - c) Mechanisms or transactions involving private sector financing of such projects. The choice of interventions should be informed by strong political and economic cost-benefit analysis.
19. Technical and sector skills likely to be deployed as part of the delivery of the facility are (but not limited to):
  - a) Economic growth analysis and planning;
  - b) Urban planning, spatial analysis, design
  - c) Power and sustainable energy planning;
  - d) Utility regulation (e.g. energy, water, telecoms);
  - e) Water, power and waste utilities design, operating systems, management and revenue control;
  - f) Surveying and quantity surveying;
  - g) Civil engineering;
  - h) Electrical engineering, power generation and transmission expertise;
  - i) Technical and commercial operations of utility systems;
  - j) Transport planning, mass transit systems, design and procurement;
  - k) Legislative and regulatory expertise, particularly around planning, energy and PPPs;
  - l) End to end processes e.g. Project preparation, whole life economic analysis, options appraisal, financial structuring options, project authorisation and procurement
20. Deliverables - Input / Output examples (but not limited to):

- a) High quality strategic, technical and analytical inputs that can be used for decision making;
  - b) Drafting of new legal provisions and regulations that unlock critical investments and supporting their passage through government systems;
  - c) High quality technical inputs, including plans, master plans, engineering designs that can be used at asset construction or project procurement phases;
  - d) Targeted training and capacity building to ensure uptake and sustainability of technical interventions;
  - e) Longer term embedded advice in key MDAs where both need and demand are clearly identified;
  - f) Support with procurement of critical systems to support management in CIG sectors
21. For the 6-month inception period, we anticipate a likely focus on the following areas in Zambia though we anticipate these may well change both prior to and after contract award. The supplier should expect to be developing work plans and budget profiles based on these areas as well detailing any 'quick wins' identified (but not limited to):

**Lot 2: Zambia focal areas:**

- a) Utility sector reform and development, particularly in the energy sector
  - b) Urban development and planning, linked to wider economic development, including at regional level where aligned to key growth sectors
  - c) Infrastructure delivery and financing
22. The initial focus may change in any one of the countries as we enter into discussion with host partners and will depend on the level of political buy-in, and/or the potential to support investments. The supplier should be cognisant of the wider CIG scope in terms of demonstrating their capabilities, rather than just the currently anticipated focus areas.
23. Initial discussions in Zambia, undertaken with a range of stakeholders across the public and private sectors, have so far included the following areas and interests:
- a) Alignment of CIG with a wide range of other donor activity in the energy sector, both in relation to policy/regulatory reform and project delivery, as well as internal coherence within DFID across energy programmes active in Zambia (e.g. Energy Africa);
  - b) Consideration of potential CIG role in relation to exploration of PPP structures to enhance water security for businesses and extend water services for communities;
  - c) A range of discussions related to transportation infrastructure, including rail and regional air connectivity;
  - d) Possible support to the structuring and delivery of PPPs across sectors

- e) Opportunities to leverage wider DFID contributions in the infrastructure financing space such as around local financing capacity and local currency funding;
  - f) Interest in pursuing improved means of urban management and services, for example in relation to public transportation and waste management;
  - g) Bringing in UK expertise and skills, for example in economic regulation and utility technology;
  - h) Possibility of a cross-sectoral CIG cadre from the Zambian public sector to increase awareness and buy-in for CIG objectives and provide capacity building
  - i) Exploration of opportunities to support utility regulators in areas that support creating more sustainable funding structures and new project delivery
  - j) Progressing potential collaboration for CIG with specific donors, financiers and private sector parties on areas of common interest.
24. In addition since the commencement of the SQ phase a range of further scoping and development activities have been undertaken in country, led by the Country Lead. Some key elements of relevance at this stage include:
- i. In relation to governance for the CIG programme in Zambia, further work on identifying and putting in the place the most appropriate sponsorship structure on the Government side. This is including consideration of the roles of the Ministry of Finance, State House, the Ministry of National Planning and the Cabinet Office;
  - ii. Further engagement in a PPP diagnostic and pipeline study undertaken by the World Bank on behalf of the PPP Unit, and discussion around how the CIG facility can play a role in subsequent steps, particularly in relation to infrastructure planning and project preparation. Areas of particular interest to the PPP Unit may include urban transportation and housing/slum redevelopment programmes;
  - iii. Provisional agreement to provide support through the CIG programme to deliver a Water Security Action and Investment Plan for Lusaka, sponsored by the Ministry of Water, with a particular focus on the identification and business case for key projects and funding opportunities to flow from that. The exact role of the facility will depend on the timing of CIG contract commencement, but engagement with this work would be an early priority;
  - iv. Exploratory discussions with the Ministry of Local Government about utilising the CIG facility to support the delivery of a National Urbanisation Policy for Zambia;
  - v. Engagement with the Industrial Development Corporation (IDC) on possible areas of support given their wide-ranging infrastructure-related ownership stakes;
  - vi. In relation to the energy sector, most likely areas of activity for the CIG facility would currently appear to be a) strategic planning and reform, b) off-grid regulatory and PPP models, c) general coordination support for wide-ranging donor activities, incl with the World Bank and d) maximising the benefits of sharing of UK expertise (e.g. Ofgem, BEIS, National Grid), through networks, secondments and other support arrangements; and



- vii. Exploration of the options for using the physical location of the CIG facility to act as an anchor for an energy and climate change innovation hub in Lusaka;
- 25. The inception phase will be a consultative and design phase, reviewing appetites and deliverability of technical assistance interventions, with a view to generating a robust pipeline of work packages and detailed work plan – see paragraph 95 for details of reporting requirements.
- 26. The specific results that will be achieved in each sector will depend on the type of assistance that is requested by government that aligns with, and is eligible to be supported by, CIG.
- 27. Activities must have a strong link to poverty reduction and maximising local economic benefits to deliver inclusive economic growth. The supplier will also ensure that both climate and environment and gender and inclusion considerations are taken into account under all CIG inputs. The supplier will propose more detailed activities and results at the end of inception phase; however this will also evolve as the programme matures.
- 28. The programme will work across multiple MDAs on issues in each priority sector, and will strengthen public sector coordination, and be flexible to shift focus to those actors within partner governments who are most supportive of reform conducive to CIG objectives.
- 29. The provision of high quality, relevant and adaptive technical assistance will be key to delivering the programme objectives.
- 30. During inception the supplier will develop the logframe in conjunction with a more detailed results framework that ensures alignment of all activities with programme objectives. The logframe and results framework will be developed and agreed with DFID and the RML supplier.
- 31. Potential results indicators over the 5-year period may include (but not limited to):
  - a) Urban productivity – number of jobs created (formal and informal) (#), with estimated sex disaggregation
  - b) Access to power - number of households and businesses with improved access to reliable and affordable power (#)
  - c) Reliability of power – average number of outages suffered by business and industrial customers (hrs/annum) and residential customers (hrs/annum)
  - d) Access to infrastructure services – number of people with improved access to transport, housing, water and digital services (# with estimated sex disaggregation/ estimated economic impact\$)
  - e) Access to improved sanitation - number of households and businesses benefiting from improvement (#)
  - f) Lowered flood risk- number of households and businesses benefiting from improvement (#)
  - g) Increased resilience to environmental events – number households and businesses benefiting from improvement (#/\$ estimated economic benefit)
  - h) Additional investment mobilised (\$m)
  - i) Additional public revenue generated (\$m)

- j) Number of municipalities with enhanced economic development strategy/housing strategy/urban development strategy
- k) Economic value and export volumes in key sectors targeted for support by infrastructure interventions
- l) Air quality measures in urban centres
- m) Indicators associated with appropriate uptake and application of new technologies;
- n) Length of safe walking routes delivered (km)
- o) Funding gap in energy (e.g. gap between revenues from tariffs and system costs)
- p) Funding gap in water and wastewater (e.g. gap between revenues from tariffs and system costs)
- q) Proportion of infrastructure financing provided from local funding sources (%)
- r) Government staff given access to infrastructure/energy/investment training
- s) CIG related pipeline projects – measure dependent on phase of project: # Developed; # Scoped; # Approved; # Procured.

## **C. RECIPIENT AND BENEFICIARIES**

32. Direct beneficiaries are:
- a) The country of Zambia which will benefit from enhanced, faster and more balanced economic and inclusive growth.
  - b) The partner government MDAs who will be better able to execute their mandate.
  - c) Businesses who will benefit from reduced cost, improved services, and improved competitiveness, along with workforce benefits relating to longer operating hours and increased job creation benefits.
  - d) Citizens, including poor women and men, who will benefit from employment on infrastructure projects and improved urban and infrastructure services.
  - e) Communities (including women and marginalised groups) benefiting from high quality engagement and consultation on the planning and implementation of CIG projects and their increased involvement in engaging with public bodies and holding them to account.
  - f) Local skilled experts and business who are able to tender for sub-contract and supply opportunities arising from CIG pipeline projects.
  - g) Local content – increased capacity and skills in CIG sectors arising from the opportunities from CIG planning work and downstream from CIG pipeline projects.
33. We expect a series of indirect (longer-term) beneficiaries including (but not limited to):
- a) Citizens who will benefit from jobs created when firms invest to take advantage of improvements in competitiveness
  - b) Finance providers who will benefit from improved risk-adjusted returns
  - c) UK and other international and national private sector firms who will benefit from a more conducive environment for trade and investment.
34. Due to the demand led nature of the facility it is not possible to say with certainty which ministries and agencies will be the prime beneficiaries, but the cross sectoral nature of many of the challenges suggests a broad set of counterparts.
35. Significant counterparts under Lot 2 (Zambia) are expected to include, but not be limited to:
- a) Ministry of Finance
  - b) Ministry of Energy
  - c) President's Office and PPP Unit
  - d) Industrial Development Corporation
  - e) Utility sector regulators
  - f) Municipal governments
  - g) For further details please review the scoping study for Zambia.

36. The supplier will be expected to monitor the impact that programme activities are having on the poor, especially as the programme matures, and to agree to relevant KPIs once activities and projects are agreed with DFID and the MDA's.
37. To maximise the benefits of CIG, the programme will capture lessons picked up through implementation and be creative and opportunistic in how these lessons are used to improve the effectiveness of project outputs. The supplier will be expected to deliver a flexible and adaptive approach that is informed by an understanding of the changing political economy context in Zambia. The supplier should be ready to innovate, learn and adapt in order to deliver maximum results and value for money. During the life of this contract there may be potential to expand the project and/or extend its duration, subject to DFID ministerial approval.
38. If something isn't working as anticipated the supplier must escalate this early to the DFID Country Lead to ensure learning is captured and the relevant element can 'fail fast' or adapt.
39. The suppliers for all country programme lots will be expected to work closely with the RML to disseminate results and lessons that will allow continuous improvement and that can inform DFID current and future programming (in other CIG countries and beyond).

## **D. SCOPE OF WORK**

40. The supplier will be responsible for identification, management and delivery of the technical assistance, to strengthen management of urban, energy and investment, and to help build an investable pipeline of projects.
41. In conjunction with the wider UK HMG/DFID presence in Zambia, the supplier will be responsible for developing and maintaining political economy analysis for key ministries, sector policies (e.g. energy policy), policy and programme core narratives and meeting records and contact databases. All information should be available to DFID at any time throughout the period of the contract.
42. The contractor will also generate and provide monthly updates on activities, identifying news items and insights of relevance to DFID UK or more broadly as well as drafting materials for press and social media coverage.
43. The supplier will also work with the RML supplier to provide updates for a quarterly or similar newsletter about the overall CIG programme.
44. The supplier will build lasting relationships with relevant stakeholders in government and elsewhere – in order to gain a deep understanding of both technical and political economy issues in CIG target sectors.
45. The supplier will be expected to work closely with other aligned DFID and other donor programs, in Zambia these are likely to include (but not limited to):
  - Energy Africa,
  - GetFIT,
  - Private Infrastructure Sector Development Group (PIDG),
  - CDC,
  - International Growth Centre (IGC),
  - Coalition for Urban Transitions,
  - PIGA,
  - LuWSi (Lusaka Water Security Initiative)
  - ESMAP (Energy Sector Management Assistance Programme)
  - DFID supported activities by World Bank, IFC and AfDB,
  - CoST programme - Construction Sector Transparency Initiative
46. DFID will share details of other relevant programmes with the successful supplier.
47. As well as DFID alignment, the supplier will be required to map and understand what other actors, donors, NGOs and civil society organisations are doing in the CIG sectors in-country to ensure complementarity and maximise synergies whilst avoiding duplication of effort or spend on similar work streams. This will be required during inception phase with the working document being updated and shared with DFID at least quarterly.

## ***E. INCEPTION PHASE***

48. The inception phase will be used to validate these and other proposed interventions. The supplier will work closely with the DFID Country Lead, the relevant national authorities in the three countries and other donors to develop a contextual understanding of the relevant sectors.
49. **Purpose (but not limited to):**
  - a) To build on steps already taken through the DFID Country Lead to build momentum, relationships and credibility
  - b) To engage and continue establishing strong relationships with government counterparts;
  - c) To assess demand for interventions from stakeholders, including quick wins, medium and longer-term activities;
  - d) To produce a clear overarching strategy for the direction of the CIG facility
  - e) To produce a fully costed work plan for year 1, including key posts for the programme;
  - f) To develop a results framework, in consultation with the DFID Country Lead, DFID Programme Lead and RML;
  - g) To establish strong relationships with other contractors within the CIG umbrella programme, in particular the RML;
  - h) To begin establishing strong relationships with other relevant donor programmes in the three countries, including but not limited to DFID programmes;
  - i) To begin discussion/agreement of results based incentives and milestones for payments;
  - j) Development of a Programme communications plan.
50. **Activities:**
  - a) Meet with key stakeholders in multiple cities to set out common vision for the programme in conjunction with the DFID Country Lead (CL);
  - b) Conduct reviews of key counterpart MDAs regarding their functionality and how they operate, agreed with the DFID CL;
  - c) Identify quick wins to build traction and relationships, and longer term work plan (1 year);
  - d) In-country presence established;
  - e) Establishment of agreed governance mechanisms in country and working protocols with DFID, the RML and country MDAs.
51. **Deliverables – these should be set in the context of an overall strategy for CIG in Zambia:**
  - a) Interim Inception Report – short version of the below on work and plans so far – for discussion and agreement with DFID

- b) Inception Report – with Executive Summary covering or including:
- i. Strategy for CIG approach in Country – demonstrating their understanding of the challenge, best approach, strategy to deliver) – this should be in a format shareable with host Governments and able to be used for marketing and communications purposes
  - ii. Business Plan (Operationalising the above and outlining key posts and where they will sit in Government, including outline of priority interventions for which economic impact assessments and/or benefits quantified are provided to enable strong communications with UK Ministers and in country host governments)
  - iii. Detailed Work plan (Outputs and deliverables, how and when they will work on these and deliver them, and to what standard/degree of granularity) – to cover first 12 months
  - iv. Budget and profile (of the delivery of the detailed work plan) – to cover first 12 months with indicative outline of second 12 months
- c) Additional (some of which should be updated/refreshed from the tender products) further developed during Inception and delivered final versions by end of Inception period:
- i. Value for Money strategy
  - ii. Stakeholder Management and Community Engagement and Community Consultation Plan (including stakeholder database)
  - iii. Results framework and Logframe (developed in conjunction with DFID and the RML contractor)
  - iv. Risk Register
  - v. Comprehensive mainstreaming strategies on Gender and Inclusion, Climate and Environment, embedding resilient infrastructure/mitigation planning into projects
  - vi. Capacity building and upskilling strategy and implementation plan
  - vii. Analysis of the Political Economy and approach to refreshing and updating this (highlighting any risks in the risk register)
  - viii. Donor and sector mapping to inform decision making around who is best placed to work on particular sectors or Ministries and to avoid duplication or effort or poor value for money
  - ix. Proposal of quick wins with costs and outline of beneficiaries and anticipated outcomes
  - x. Programme communication plan
  - xi. MEL (Monitoring, Evaluation and Learning) strategy aligned and agreed with the overarching RML programme learning strategy
  - xii. Establishment (with DFID agreement) of the country governance arrangements, the ways of working, reporting mechanisms and frequency and the set-up of the Strategic Review Panel which must include key host Government stakeholders
  - xiii. Establishment (with DFID agreement) of programme management tools including: project proposal documents, including economic and other outcomes sought (including quantification) and project pipeline tracker or tool to which DFID will have regular access

## **F. IMPLEMENTATION**

52. During implementation, the demand-led and responsive nature of the project means that the balance between the activities under different sectors is difficult to predict. Over time, opportunities may arise in one area and blockages emerge in another, and the supplier will need to put in place systems to quickly respond to this.
53. The supplier will establish and manage a flexible, demand-led technical assistance Country Programme that delivers the full requirements set out in this TOR.
54. The supplier will deliver on the below:
  - a) **The supplier is required to establish a physical presence** in the countries and have established a structure and governance arrangements for the Country Programme. The supplier has established a structure for the facility. The supplier will administer the facility and has established how the delivery of TA will be managed. It should be noted that the high-level CIG governance structure will be determined by DFID. The current outline for this is set out in paragraph 83, Figure 1.
  - b) **The supplier has demonstrated deep knowledge of the country and its government.** They must conduct themselves appropriately with the upmost regard for protocol and at all times respectfully. All team members should have the knowledge and skills required for their roles and should be able to demonstrate cultural awareness in Zambia as this will be critical to delivering a successful embedded team. Sectoral knowledge is important; however the supplier has outlined their approach to operationalising their team in country. They have demonstrated knowledge of local systems and decision-making processes in order to get traction and to progress with the programme objectives with the right personnel.
  - c) **The supplier will be responsible for delivering against requests from partner governments or DFID on the areas set out within the CIG scope.** The supplier will need to deliver ongoing and systematic engagement (across multiple MDAs), which will require a core group of advisers is permanently employed and based in the country.
  - d) **The supplier has demonstrated cost effective approaches for sourcing and sub-contracting external expertise** to meet these requests, and approaches to expertise retention over the life of the programme.
  - e) **The supplier has demonstrated full commitment to financial transparency and value for money.**
  - f) **The supplier will be required to develop a strong MEL framework,** to ensure results and lessons are captured through the life of the programme. The MEL should have a strong focus on the value for money of results achieved by the country programme. The MEL will ensure that results and lessons are captured and shared with DFID and RML Unit, for programme review and to share lessons on the effectiveness of project outputs.
  - g) **The supplier will be required to manage a stakeholder, strategic relationship database.**
  - h) **The supplier should take a proactive approach to coordination and engagement with other stakeholders.** This includes the RML Unit, which



will support DFID in playing a constructive challenge role when reviewing the programme.

- i) **The supplier has incorporated poverty reduction, gender (including violence against women and girls) and inclusion and climate resilience considerations** throughout their activities. This includes at minimum compliance with the Gender Equality Act, but also proactive consideration of how interventions can be designed to have a positive impact on economic outcomes for women, the poorest, and vulnerable groups.
- j) **The supplier should demonstrate excellent risk and programme management systems.** In particular the supplier will need to share full details of their supply chain map and the due diligence assessments conducted on downstream partners.
- k) **The supplier should document how they would ensure that any insight, access, data, contacts and relationships generated through DFID related work, will be made available and transferred to DFID** on a regular and ongoing basis, without the need to proprietary systems. The supplier should consult with DFID regarding the opportunities to allow open source data and access to data arising from the programme.

## PROFILE OF THE CONSORTIUM

55. DFID is contracting one supplier who will be responsible for delivering the full terms of reference. The supplier will report to the DFID CIG Country Lead and the DFID Programme Lead in the UK and will have regular engagement with other relevant advisers and programme management staff from DFID. The supplier has identified a senior representative with whom any contract management issues may be escalated.
56. The lead supplier will be required to provide full details of the supply chain map of all junior members and any subcontractors engaged in delivery of the project. Including the proportion and volume of spend going to each different party engaged in project delivery. The lead supplier takes on full responsibility for conducting adequate due diligence of junior members or sub-contractors and for sharing the results of this with DFID. They are also responsible for ensuring that the quality of work produced is to the required standards and the risk sits with the lead supplier/consortium member or supplier in respect of issues with any other entities to whom work is subcontracted.
57. It is likely that additional subcontractors, particularly for super specialisms or emerging priority areas will need to be added throughout the life of the 5-year programme. The supplier has demonstrated a robust process for identifying and procuring the best expertise in conjunction with the DFID Country Lead and/or the DFID Programme Lead. Subcontractors can only be amended or added with DFID permission and a process should be devised for doing this efficiently during inception phase in order to respond promptly to opportunities or changing priorities.
58. Where particular super specialist advice is required the lead supplier must consult with DFID on the ToRs, form of contract and requirements and agree these in advance.

## Core Team Composition

**CVs have been requested for all members of the core team.**

59. The qualities and core skills and experience required will include (but not limited to):
  - a) Strong, highly experienced team leadership by personnel who know the country context and government well;
  - b) Strategic leadership and planning with governments to enable sound decision making including an ability to think and communicate strategically whilst also speaking to the technical detail;
  - c) An ability to simplify complex issues and communicate in a range of different formats appropriate to the audience;
  - d) Demonstration of stakeholder/relationship management excellence across all personnel, specifically on building lasting relationships and trust with senior stakeholders;
  - e) Collaborative and iterative planning processes with senior stakeholders to ensure buy in and technical upskilling of government or MDA personnel;

- f) Ability to secure political buy in and strong indicators of commitment from government, including supporting governments and DFID to agree MoUs or compacts;
  - g) Excellent programme management track record – both in long term programme management and in adaptive programming, scaling up/down and responding to strategic opportunities arising in country;
  - h) Access to in-country economic, infrastructure and urban development expertise, ideally including regional economic growth analysis and planning;
  - i) Access to in-country regulatory expertise, regulatory drafting and legislative advice, particularly in relation to land laws, planning, building and construction regulation and energy regulation and laws.
  - j) Public procurement expertise, maximising local economic benefits;
  - k) Public financial management expertise at city and local government levels – to upskill and embed good practice principles as well as provide sound technical advice;
  - l) Project finance and Public Private Partnerships (PPP);
  - m) Programme communications capability in order to promote the contribution and reputation of UK Aid, the benefits and impacts of CIG projects.
60. The supplier's team composition must include as a minimum, but not limited to;
- a) A dedicated Team Leader who can demonstrate significant (at least 10 years) experience of Senior Leadership of teams working in complex programme delivery, in relation to the activities and context of the proposed CIG facility. He or she must have significant experience of working with developing country governments, managing stakeholder relationships and of leading high-performing teams in at least one of the CIG focus sectors. He or she must be a credible individual who can represent DFID priorities and achieve the programme objectives with a multitude of different stakeholders, all with their own interests. Most importantly he or she must be able to demonstrate the skills and capabilities required to provide strong leadership for the CIG facility in both internal and external facing environments.
  - b) At least five other team members should also be nominated demonstrating similar competences to those listed above with at least 10 years' experience capable of covering a range of the core sectors covered by CIG, albeit in a structure to be determined by the Tenderer. As a minimum these individuals must be able to cover the following sectors; urban planning, energy, infrastructure/civil engineering (either roads/water/waste or similar), project preparation, project structuring (Finance/PPP).
  - c) DFID would welcome proposals that involve and include a number of regional partners or sub-contractors based in Zambia, particularly if these organisations are locally or regionally based entities. A core aim of CIG is to build up capacity and expertise in the delivery of cities and infrastructure programmes in country for the future. DFID places significant importance on the involvement of local/regional suppliers and expertise particularly in country, who stand to benefit from the learning and delivery exposure of working on or through the CIG facility. These may be individuals or

organisations. The Lead supplier is required to undertake due diligence assessments on all subcontractors.

d) DFID would like to see a gender balance across the teams.

61. Additionally as part of the wider team the supplier will be expected to be able to provide an extended team for additional project development and technical assistance to meet the demand from CIG programme. This extended team is envisaged to be required on an ad hoc and occasional basis and would not be required to be resident in country throughout the programme. As the CIG programme is covering multiple sectors and an array of upstream activities in Government ministries the exact nature and anticipated draw down of this extended team cannot currently be estimated. The supplier has provided a rate card as part of their commercial bid for a variety of levels of expertise at national, regional and international level and has demonstrated how they will flexibly but reliably meet the demand for extended team inputs in a responsive way.
62. The Lead Supplier has formed a team that brings the following areas of expertise to the CIG programme through a blend of core team members and/or subcontractors/advisors.
  - a) **Ability to deliver policy and financing in CIG sectors**, including technical and policy work on the link between cities, power and infrastructure to cross-cutting issues such as: poverty reduction, gender and broader inclusion, climate and environment, and fragility.
  - b) **Understanding of development politics**. Deep appreciation of current political economy issues in Zambia, demonstrable understanding of the policymaking process, proven diplomacy and influencing skills and clear outline of approaches to identify and build relationships with reform champions.
  - c) **Delivery in CIG sectors**. Excellence in design approach and adaptability to deliver projects in CIG target sectors to support host countries and in generating economically meaningful and real world impacts resulting from work undertaken
  - d) **Excellence in sourcing and managing world-class technical expertise in CIG target sectors** (incl. organisational and institutional development, regulation, policy and planning, and financing) to support host countries.
  - e) **Excellence in approach to delivery of end to end project design and delivery for CIG**. The team proposed has demonstrated commercial acumen in project scoping, project design, feasibility and project delivery, including authorisation, financial and procurement advisory capabilities.
  - f) **Working approach to working flexibly and adapting to changing circumstances on complex donor programmes**. CIG is a large, complex programme. The suppliers has demonstrated how they will approach delivery of CIG e.g. delivering across a range of sectors flexibly and adapting, using different strategies.
  - g) **Local knowledge and relationships**. The supplier has demonstrated how any existing relationships (including through local partners) will enable them to rapidly mobilise and engage with beneficiaries to start delivering quick wins for CIG in Zambia. The supplier should offer opportunities to partner and work with locally based experts and business and be able to

demonstrate how they will support them and capacity build them for the future in Zambia.

- h) **Understanding of donors.** The supplier will map their understanding of the current donor landscape and its political economy. Part of the facility's comparative advantage amongst other donor programmes will be speed and responsiveness; therefore the supplier should specify how this would be achieved during inception.
  - i) **Approach to building public sector capabilities and coalitions for change including with civil society.**
  - j) **Poverty reduction, gender (including violence against women and girls) and inclusion and climate resilience will be incorporated throughout the programme activities.** This includes at minimum compliance with the Gender Equality Act.
  - k) **Building sustainability,** beyond the life of the contract CIG must have built up the knowledge and expertise in country to ensure the Government can go forward with CIG work streams into the future with reduced reliance on donor funding of technical experts. The supplier needs to successfully embed best practice processes within public sector departments.
  - l) **Local economic benefits,** as part of the project pipeline work when scoping and designing investable projects the supplier will need comprehensive community engagement between affected communities and the relevant MDAs. The supplier should maximise ways for communities to benefit from CIG projects through contracting openly and fairly, requiring maximum opportunities for local economic benefits through contract mechanisms such as: community benefit clauses, requirements for minimum # of training and apprenticeship placements, accessible portal/advertising route for all subcontract and supply opportunities and engaging with further and higher education establishments on upcoming projects, skills, and potential placements.
  - m) **Flexibility to adapt and scale up and seize opportunities.** Balanced with long term objectives to build sustainable economic growth, the supplier will be able to scale up quickly and respond to opportunities to deliver quick wins, results and build credibility.
  - n) **Digital opportunities are evolving and arising all the time.** The supplier will maximise the appropriate use of digital opportunities and ensure that digital improvements are featured in the suite of options offered to country governments.
63. DFID wants to enhance the opportunities available to local, regional and in-country suppliers.
64. Additionally, when agreeing and confirming results based payments DFID will give consideration to whether in-country suppliers that are sub-contracting should be able to claim for inputs or a proportion of inputs when working towards an output to ensure that the contract structure does not constrict or limit the potential supply base.

## **G. UNDERSTANDING THE WIDER DFID AND UK GOVERNMENT PERSPECTIVE**

65. **The supplier will be expected to understand, complement and reinforce the wider DFID and UK Government presence in Zambia.** In this sense, the supplier(s) should ensure that the CIG programme links to other DFID programmes as well as to other UK Government activities in Zambia.
66. **Links to other DFID-funded programmes.** The CIG programme will operate alongside a series of other DFID programmes, be these centrally-managed or under the bilateral portfolios. The supplier will be expected to work with all these programmes to ensure complementarity and reinforcing of objectives.
67. **Links to other HMG activities.** The supplier should ensure that the CIG programme complements and reinforces the broader UK Government objectives in Zambia.
68. **Links to other parts of the CIG programme.** The supplier will be expected to engage regularly with DFID and the RML in the following areas:
- a) At review points, supporting the RML's mandate in providing external challenge, scrutiny and advice;
  - b) Results framework, including finalisation of nested logframe;
  - c) Ongoing results aggregation into nested logframe;
  - d) Lesson learning;
  - e) At events to raise awareness or profile of the programme, or targeted at investors, there will be an expectation of CIG suppliers attending and supporting.



## **I. BUDGET AND TIME FRAME**

72. The CIG programme has initial approval for a budget of up to £20m for lot 2, inclusive of applicable taxes. It is anticipated that the initial contract value will be at the lower end of this range with the flexibility to increase it via access to the Flexibility and/or Innovation and Investment Fund (I2F). Annex A summarises the total contract budget. Note that DFID programmes are not automatically tax exempt and therefore the supplier will be liable to pay any relevant taxes in the country of operation. The supplier will deliver a facility that can deliver maximum value from this budgetary envelope.
73. The demand-led and responsive nature of the project means that the balance between the work across sectors and over time is difficult to predict. To maximise flexibility of the programme, DFID is retaining a fixed proportion of each CIG country programme budget, this will be held within a Flexibility Fund. The fund value will be up to £20-25m. The supplier that (1) meet a fixed set of their logframe objectives, and (2) is able to identify strong demand, will be able to access additional funding after submission of costed proposals. Access to this fund is competitive and cannot be guaranteed.
74. There will also be a fund focussed on innovation and investment (I2F). CIG focus countries, via the DFID Country Lead, will be able to access into it as well as other DFID country offices working on urban programmes. The RML may play a constructive challenge role on these requests, and submit non-binding recommendations to DFID, particularly in respect of opportunities to learn from approaches being trialled. The supplier that (1) meet a fixed set of their logframe objectives, and (2) is able to identify strong demand, will be able to access additional funding after submission of costed proposals. Access to this fund is competitive and cannot be guaranteed.
75. There will be a number of products required during or by the end of the inception phase. Examples include an overall Strategy for CIG, Inception report, budget and business plan products which will all be developed in collaboration with DFID and then signed off. For logframe and results frameworks, these will be designed in conjunction with the DFID Country Lead, Programme Lead and RML. Products and plans will be formally reviewed regularly, with additional collaborative working in country with DFID Country Lead, DFID Programme Lead and RML contractor. Further details are provided in paragraph 81.
76. The supplier is expected to provide a rationale for prioritisation between the projects which will give the greatest economic impact and the longer term needs of the programme to build capacity and ensure sustainability for the future. The supplier will need to demonstrate flexibility and ability to adapt to changing contexts in country in order to deliver a balanced portfolio of quick wins, longer term project pipeline development with country governments, capacity building initiatives and being responsive to opportunities.
77. DFID reserves the right to scale back or discontinue this programme at any point (in line with our Terms and Conditions) dependent upon performance of the Supplier or if the programme is not achieving the results anticipated. Conversely, we may also scale up the programme should it prove to be having a strong impact and has the potential to yield greater results. The contract will include options to extend for up to a further 36 months, with an additional budget of £10,000,000.



## **J. CONTRACT AND PERFORMANCE MANAGEMENT, PAYMENT MECHANISM AND REPORTING**

### Contract Management

78. The contract will be for 5 years, split into three periods with a break points after each:

- a) **Inception Phase**, expected to be no more than six months
- b) **First phase of implementation**, lasting a further 2 years,
- c) **Second phase of implementation** will follow the Mid-Term Review (MTR) and will happen in the final 2,5 years of the contract

79. The Supplier will require formal approval at each break point from DFID before starting work on the next stage: -

Break Point 1 – 6 months after the contract start date to review the Inception Phase deliverables. During this period, the supplier will establish themselves in Zambia, initiate relationships, and deliver a set of analytical products including sector mappings and an inception report (see below). The supplier should also begin delivery of some advisory and capacity building activities. Only in the event of external factors affecting the overall programme in-country would DFID exceptionally agree to extend the inception phase break point to 12 months.

Break Point 2 – 24 months after break point 1 to review the performance of the first phase of implementation. It would focus on providing high quality inputs that support delivery of CIG objectives. The mid-term review (MTR) will take place at the end of this phase. At that stage, the contracting arrangement may also be adapted to reflect anticipated programme outcomes and subsequent payment mechanism, such as, for example, an NEC 3 option G contract set-up.

Programme Review Point – 24 months after break point If the programme is performing well at that stage, and if demand is strong enough in one or more of the focal sectors, DFID would at that point consider scaling up the programme further.

80. Movement from one stage to the next will be dependent on DFID's acceptance of the phased implementation approach within the inception period and satisfactory performance and progress of the Supplier. As per DFID's standard Terms and Conditions, DFID reserves the right to terminate the contract with 30 days' notice to the Supplier. The Supplier must allow for a 90-day termination period after giving notice to DFID of conclusion of contract.
81. The Break points will also be an opportunity to consider extending the length and value of the contract to deliver additional high-level outputs or deliver the same outputs over the longer period of time. Any such extension would be mutually agreed by DFID and the Supplier.
82. It is expected the supplier will be ready to start the operations from day 1 of the contract signature. At the end of the Inception period, the Supplier shall provide the following mandatory documents:

- a) Interim Inception Report – short version of the below on work and plans so far – for discussion and agreement with DFID
- b) Inception Report – with Executive Summary covering or including:
  - i. Strategy for CIG approach in Country – demonstrating their understanding of the challenge, best approach, strategy to deliver) – this should be in a format shareable with host Governments and able to be used for marketing and communications purposes
  - ii. Business Plan (Operationalising the above and outlining key posts and where they will sit in Government, including outline of priority interventions for which economic impact assessments and/or benefits quantified are provided to enable strong communications with UK Ministers and in country host governments)
  - iii. Detailed Work plan (Outputs and deliverables, how and when they will work on these and deliver them, and to what standard/degree of granularity) – to cover first 12 months
  - iv. Budget and profile (of the delivery of the detailed work plan) – to cover first 12 months with indicative outline of second 12 months
- c) Additional developed during Inception and delivered final versions by end of Inception period:
  - i. Value for Money strategy
  - ii. Stakeholder Management and Community Engagement and Community Consultation Plan (including stakeholder database)
  - iii. Results framework and Logframe (developed in conjunction with DFID and the RML contractor)
  - iv. Risk Register
  - v. Comprehensive mainstreaming strategies on Gender and Inclusion, Climate and Environment, embedding resilient infrastructure/mitigation planning into projects
  - vi. Capacity building and upskilling strategy and implementation plan
  - vii. Analysis of the Political Economy and approach to refreshing and updating this (highlighting any risks in the risk register)
  - viii. Donor and sector mapping to inform decision making around who is best placed to work on particular sectors or Ministries and to avoid duplication or effort or poor value for money
  - ix. Quick wins with costs and outline of beneficiaries and anticipated outcomes
  - x. Programme communication plan
  - xi. MEL (Monitoring, Evaluation and Learning) strategy aligned and agreed with the overarching RML programme learning strategy
  - xii. Establishment (with DFID agreement) of the country governance arrangements, the ways of working, reporting mechanisms and frequency and the set-up of the Strategic Review Panel which must include key host Government stakeholders
  - xiii. Establishment (with DFID agreement) of programme management tools including: project proposal documents, including economic and other outcomes sought (including quantification) and project pipeline tracker or tool to which DFID will have regular access

83. These documents will constitute the assessment basis of break point 1.

84. DFID also retains the right to end the contract at the end of the first phase of implementation (anticipated to be two years following end of inception). This decision will be based on an assessment of:
- a) The supplier's performance against key performance indicators;
  - b) The on-going need for technical assistance for government
  - c) The additionality of continued DFID support; and
  - d) The value for money delivered by the contract. This will be informed by findings from the mid-term review

#### Performance requirements

85. The supplier has proposed a contract management plan to effectively measure performance against objectives and activities set out in this ToR. Annex D is a basis for Key Performance Indicators. The final KPIs and contract management plan will be agreed with the supplier during the inception period.
86. The contract management plan confirms how the supplier will keep DFID informed of performance and operational issues.
87. The supplier will monitor and report on value for money throughout the life of the programme, including proposed indicators. Based on this, in addition to the suggested KPI set in Annex D, value for money indicators will be agreed during the inception phase, in consultation with DFID and the RML.
88. DFID and the supplier will agree Key Performance Indicators in order to manage contract performance. The supplier will align to and report against a number of KPIs set in Annex D, which sets out examples of suggested key performance indicators on supplier performance. These and indicators to track programme-level performance will be developed and agreed during inception.
89. Annex D KPIs are set against supplier performance. It is expected that further KPIs will be developed by the successful supplier and DFID through the Inception phase which are aligned to activities measurement and performance.

#### Payment mechanism

90. The Supplier is contracted under a hybrid model where a proportion of the contract will be linked to the achievement of outputs, with the remainder paid against fees and expenses.
91. The level of payments linked to delivery of outputs and their timing, including financial management performance milestones, will include incentives to encourage joint working with other DFID projects. DFID expect a balance between risk and reward with progressively more challenging results as the programme matures. DFID expect that the proportion of interventions linked to performance-based incentives to increase over time as the programme builds a pipeline of work. Robust arrangements for ensuring performance monitoring, accountability for delivering VFM, incentives for delivering results, innovation and collaboration with other DFID programmes are expected.
92. Payments will be made monthly and will be based on agreed fee rates linked to delivery of the agreed workplan for that period, as described in a quarterly progress and finance report. Expenses will be reimbursed based on actual costs incurred. For payment of fee rates, DFID expect that, for outputs delivery, an innovative and effective Payment by Results (PbR) mechanism is implemented in a way that financially incentivises performance and retains

financial risk. Note that any precise arrangements on such proposed payment schedules will be finalised and agreed with DFID during the inception phase.

93. All fees proposed should cover the cost of salary, overseas inducements, leave allowances, bonuses, profit, taxes, insurances, superannuation, non-working days and all other costs including, but not limited to, passports, visas and vaccinations, overheads and expenses of whatsoever nature that may be incurred.
94. The Supplier must operate within the work technical and financial plans agreed with DFID. The Supplier must ensure that the overall programme is delivered according to the plan. This means that all tasks must be completed on time and to required quality levels in each quarter. Performance will also be assessed as part of DFID annual reviews of the overall programme. DFID and the Supplier will meet as required to review performance and results.

#### Reporting requirements

95. The format and frequency of reporting will be agreed during inception, but is expected to include:
  - a) Formal reporting. This will include monthly during inception, then quarterly and annually (to inform the Annual Review).
  - b) Informal and ad-hoc reporting. Experience from similar programmes indicates that a regular engagement with the responsible DFID Country Lead is key to successful programme mobilisation, especially during inception.
  - c) Preparation of financial forecasts to meet DFID reporting requirements. The supplier should provide DFID with comprehensive, accurate, detailed and up-to-date financial and activity reporting and management information as required with supporting analysis of trends and reconciliation of financial forecast to enable timely decision making. This information will enable DFID to understand the value for money over the life of the project.

### **COMMERCIAL REQUIREMENTS**

96. To ensure transparency and accountability to the UK taxpayers, an open book methodology will be utilised throughout the entire supply chain.

## **K. DUTY OF CARE (Refer to Annex F)**

97. 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.
98. DFID will share available information with the supplier on security status and developments in-country where appropriate. DFID will provide a copy of the DFID visitor notes (and a further copy each time these are updated), which the supplier may use to brief their personnel on arrival. A named person from the contracted organisation should be responsible for being in contact with DFID to ensure information updates are obtained. There should be a process of regular updates so that information can be passed on (if necessary). This named individual should be responsible for monitoring the situation in conjunction with DFID.
99. Travel advice is also available on the FCO website and the supplier must ensure it (and its personnel) are aware of this. The supplier is responsible for ensuring appropriate safety and security briefings for all of its personnel working under this contract.
100. The supplier is responsible for ensuring that appropriate arrangements, processes and procedures are in place for its personnel, taking into account the environment they will be working in and the level of risk involved in delivery of the contract (such as working in dangerous, fragile and hostile environments etc.). The supplier must ensure its personnel receive the required level of appropriate training prior to deployment.
101. The supplier will be fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix prepared by DFID (see Annex F to this Terms of Reference). They must confirm in the tender that:
  - a) They fully accept responsibility for security and Duty of Care.
  - b) They understand the potential risks and have the knowledge and experience to develop an effective risk plan.
  - c) They have the capability to manage their Duty of Care responsibilities throughout the life of the contract.
  - d) They will give responsibility to a named person in their organisation to liaise with DFID and work with DFID to monitor the security context for the evaluation.
102. DFID will not award a contract to a Supplier which cannot demonstrate that it is willing to accept and have the capability to manage its duty of care responsibilities in relation to the specific procurement. Please refer to the Supplier Information Note on the DFID website for further information on our Duty of Care to Suppliers Policy and Annex F the Zambia Country assessment.
103. If you are unwilling or unable to accept responsibility for security and Duty of Care as detailed above, your tender will be viewed as non-compliant and excluded from further evaluation.

104.

## **ANNEXES**

**Annex A – Contract budget**

	Core team	Extended team	Flexibility fund	I2F	36-month Extension
Evaluation methodology	Evaluated in C1 through PF1, PF2 and PF3	Evaluated in C2 through PF5	Not evaluated	Not evaluated	Not evaluated
Forecasted spend	Up to £15m		Up to £5m		£10m
Advertised value through OJEU	£30m				
Total contract value	Up to £20m				

**Annex B: SDG/Global Goals and Economic Development Strategy Ambitions relevant to the CIG programme**

**SDGs and UK Aid Strategic Priorities**

SDGs and UK Aid Strategic Priorities	Comments, Notes, What do we value?
SDG 1 – No poverty	The role of Cities and Infrastructure in achieving inclusive growth is important. The programme should increase the opportunities for the poorest to benefit from the interventions.
SDGs 5 and 10 – Gender Equality and reduced inequalities	<ul style="list-style-type: none"> <li>• All advice, capacity building work with country governments and project initiation/design and preparation of pipeline projects, whilst not driven by inclusion, must be cognisant of the opportunities and responsibilities to ensure equality of access and benefits for the most marginalised and hardest to reach.</li> <li>• Examples of groups include but are not limited to: <ul style="list-style-type: none"> <li>○ Women and girls</li> <li>○ People with disabilities</li> <li>○ Widow/widowers</li> <li>○ Older people</li> <li>○ Single headed households</li> <li>○ Youth (in particular NEETS – “not in employment, education or training”)</li> <li>○ Children</li> <li>○ People living in informal settlements</li> </ul> </li> </ul>
SDGs 6 and 7- Clean water and sanitation, and Affordable and clean energy	The programme has a particular focus on the link between reliable and affordable power and how this impacts on inclusive growth.
SDG 8 – Decent work and economic growth	This closely links to SDG 1 - No poverty. The programme has an opportunity to narrow the gap between the poorest and those who are currently benefitting from in-country growth.
SDG 9 – Industry, innovation and infrastructure	The programme has an opportunity to upskill and capacity build the skills in country to best manage industry, infrastructure and assets and to embed best practice in planning, preparing and procuring infrastructure projects.



SDG 11 – Sustainable cities and communities	
Capitalising on coherence and other economic growth work in CIG focus countries – understand where others can or are already delivering e.g. regulatory reform in some sectors may already be in train	<ul style="list-style-type: none"> <li>• CIG value is on building a coherent and considered plan, carefully utilising others already operating in similar areas to maximise and build upon the right work. Duplication of effort will not be tolerated, relationship building and managing the CIG resource judiciously will ensure greater achievements and value for money.</li> <li>• CIG needs to build upon and complement work already in train, taking considerable steer from the political economy in the focus country. It will need to be agile and adapt to opportunities that arise in order to make early progress on areas of importance for country governments and for DFID.</li> <li>• It is therefore a blend of long term, capacity building and planning work leading to a pipeline of projects to deliver results balanced with short term quick wins which are strategically important or deliver progress towards results on economic growth and job creation early; both are important.</li> </ul>

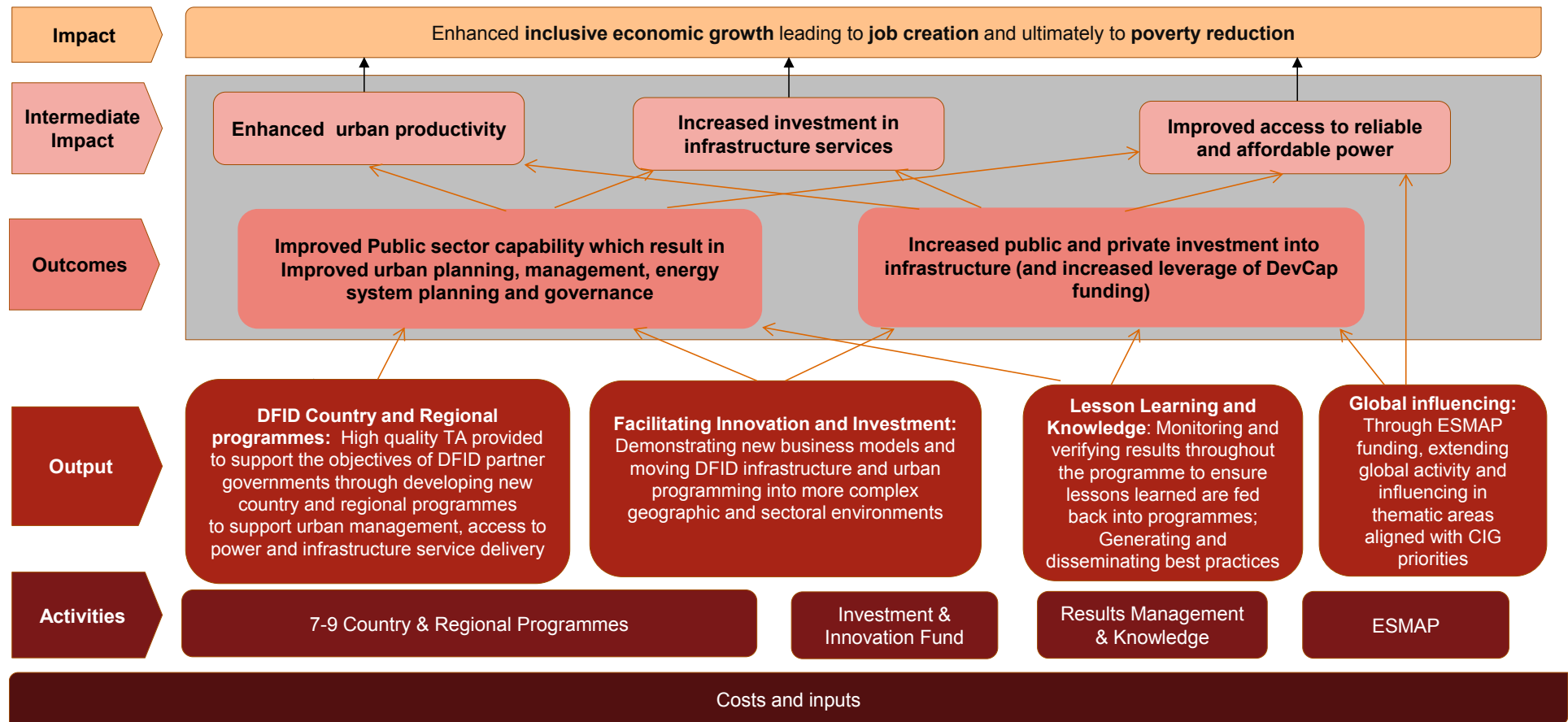
### ***Economic Development Strategy Ambitions***

Ambitions with key relevance to CIG are in highlighted in grey:

1. <b>Focusing on trade as an engine for poverty reduction.</b> We will build the potential for developing countries to trade more with the UK and the rest of the world and integrate into global value chains. Using our voice in the World Trade Organization, we will argue for better and fairer trading rules for developing countries and strengthen our approach to ‘aid for trade’.
2. <b>Stimulating investment to spur economic growth in developing countries.</b> Investment is vital to create jobs and develop infrastructure but private investors such as pension funds typically hold back from the long-term investment needed. Patient capital investments can demonstrate what is possible in developing countries and pave the way for private investment, ensuring billions of aid translates into trillions of investment. CDC, the UK’s development finance institution, will be at the heart of our approach.
3. <b>Supporting countries to mobilise their own domestic resources, improve their enabling environment for business and reduce reliance on aid.</b> We will strengthen our approach to tackling corruption; help countries to increase their own domestic revenues; and build open, transparent institutions as the foundation of more prosperous economies. We will focus on tax systems and the wider enabling environment to make it easier and more transparent for companies to do business and invest to reduce poverty.

4. <b>Focusing our efforts on sectors that can unlock growth.</b> Our programme portfolio will move strongly to develop sectors that can propel growth - including energy, infrastructure, urban planning, manufacturing, commercial agriculture and financial services.
5. <b>Making it easier for companies - including from the UK - to enter and invest in markets of the future.</b> We will work collaboratively with businesses to understand the barriers to accessing these markets and work to make it easier for them to do business that reduces poverty.
6. <b>Supporting our partner countries to harness new technologies for growth and look to emerging and innovative economic sectors,</b> such as e-commerce and peer-to-peer business and finance.
7. <b>Working with, and challenging, the City of London to become the ‘development finance hub of choice’.</b> We will help create stronger capital markets and financial services in our partner countries and we will be a global leader in helping developing countries insure themselves against natural disasters.
8. <b>Using our country presence, knowledge and expertise to bring economic opportunity to some of the world’s most fragile states,</b> supporting livelihoods even in the hardest and most complex environments.
9. <b>Building a sharper focus on nutrition, human development and skills for work into our economic development programmes</b> and helping to build a healthy, educated and productive workforce for the future.
10. <b>Focusing on the poorest and most marginalised people, the majority of whom work in the informal sector.</b> We will place the economic empowerment of girls and women at the heart of our approach and help marginalised groups, including people with disabilities, to access productive employment.
11. <b>Establishing new links both in the UK and internationally with civil society organisations and other innovative partners</b> to help deliver the ambition in this Strategy.

## Annex C: Theory of Change



**Annex D: Proposed KPIs on supplier performance**

Indicators	Key Performance Indicators	Baseline	Assessment methodology
Indicator 1 – Quality and Delivery	1a) Quality of deliverables and alignment of project outputs to project needs	Quality required will be agreed at commission	To be agreed during inception
	1b) Timeliness of milestone delivery	Received on or before the deadline	
	1c) Quality and timeliness of reporting (including financial reporting)	Received on or before the deadline and containing the pertinent information in the agreed reporting format	To be agreed during inception
	1d) Appropriate and effective identification and management of risks	Risk register and mitigation strategy agreed at inception	Updated and refreshed quarterly showing trending
Indicator 2 – Financial Management & Forecasting	2a) Robust cost control in line with contract	Cost are in line with business, work plans and annual budgets	To be agreed at contract signature
	2b) Accurate and timely submission of forecasting and invoices	Received on or before the deadline with a forecasting variance of not more than +/- 1%	To be agreed during inception
Indicator 3 – Personnel	3a) Performance of team leader (including managing staff levels, staff performance and sub-contractors)	Objectives agreed and achieved, performance review at end of inception phase	To be agreed during inception
	3b) Performance of team and appropriate level of expertise / skill level of personnel allocated to project	Deployment of core team identified and agreed as in the bid submitted	Testing of processes where alternative team are proposed, agreement of assessment during inception phase

	3c) Key resources proposed at contract award still appropriately allocated to project or have been replaced by an acceptable equivalent	Deployment of core team identified and agreed as in the bid submitted or other suitable equivalent agreed by DFID – to be not more than	Testing of processes where alternative team are proposed, agreement of assessment during inception phase
	3d) Ability to problem solve and address issues with appropriate escalation channels	Expectations set during inception period	To be agreed during inception
Indicator 4 – Client Relationship Management	4a) Extent to which supplier is responsive and flexible to client and stakeholder needs and seeks to align with DFID priorities	Expectations set during inception period	To be agreed during inception
	4b) Regularity of communication with DFID and delivery of agreed action points	Expectations/reporting agreed during inception period	Action plan matrix, to be agreed during inception
	4c) Project team provides a courteous, client-centred and professional service and demonstrates willingness to improve partnership with DFID and project stakeholders	Expectations set and baseline drawn during inception	To be agreed during inception
Indicator 5 – Continuous Improvement & Innovation	5a) Provider has sought to improve on the last reporting period's performance	Set by first reporting period performance	To be agreed during inception
	5b) Supplier proactively promotes innovation in programme	Expectations set and baseline drawn during inception	To be agreed during inception
	5c) Ability to maximise value for money for DFID including flexibility to scale up or down as quickly as appropriate	Expectations set and baseline drawn during inception	To be agreed during inception

	5d) Actively capturing and sharing lessons learnt	Expectations set and baseline drawn during inception	To be agreed during inception
Indicator 6 – Corporate Social Responsibility	6a) Supplier proactively implementing its environmental / corporate social responsibility policy at programme level in order to minimise its impact on the environment	Proposal from supplier to be agreed during inception and measured at least 6 monthly thereafter	To be agreed during inception
	6b) Supplier actively seeking opportunities to employ local contractors and/or utilise local or regionally based expertise within the supply chain to deliver the programme. DFID will seek a 15% minimum use of local staff and/or local/regional supply chain.	Proposal from supplier to be agreed during inception and measured at least 6 monthly thereafter	To be agreed during inception

***Annex E: Minimum Core team composition***

<b>Job Family</b>	<b>Job Title</b>	<b>Min. years of experience</b>
Programme Leadership	Team Leader / programme Director	10+
Technical Advisory/Expert	Power / Energy sector lead	10+
Technical Advisory/Expert	Infrastructure lead	10+
Technical Advisory/Expert	Urban planning / development lead	10+
Programme management	Programme manager	10+
Technical Advisory/Expert	Project Preparation/structuring Lead (Finance/PPP)	10+

**Annex F- Duty Of Care country assessment**

	<b>DFID RISK SCORE – Zambia</b>
FCO Travel Advice	1
Host Nation Travel Advice	1
Transportation	2
Security (SS)	1
Civil Unrest	2
Violence / Crime (SS)	2
Terrorism (SS)	1
War	1
Hurricane	1
Earthquake	1
Flood	1
Medical Services	1
<b>Overall Rating</b>	<b>1.25</b>

<b>1</b> Very Low Risk	<b>2</b> Low Risk	<b>3</b> Medium Risk	<b>4</b> High Risk	<b>5</b> Very High Risk
Low		Medium	High Risk	



***Annex G – List of projects being procured through EACDS***

CIG Country	Tracking ID	Project Description	Status
Zambia	CIGZ03	Secretariat and technical support to LuWSI (Lusaka Water Security Initiative) role profile for stakeholder manager	Role profile in development, will be posted at a later stage

**ANNEX H – Schedule of Processing, Personal Data and Data Subjects**

This schedule is for use with the standard GDPR clause where [DFID is the select as appropriate - Controller or Joint Controller and] the Supplier is the [select as appropriate - Controller, Joint Controller and / or Processor].

It shall be completed by the Controller, who may take account of the views of the Processors. The completed schedule must be agreed formally as part of the contract with DFID and any changes to the content of this schedule must be agreed formally with DFID under a Contract Amendment.

The Supplier shall comply with any further written instructions from DFID with respect to compliance with the Clause 32 and the agreed schedule below. Any such further instructions shall be incorporated into this Schedule by way of a formal DFID Contract Amendment.

Description	Details
Identity of the Controller and Processor	The Parties acknowledge that for the purposes of the Data Protection Legislation, in accordance with Clause 32 (Section 2 of the contract), the Controller and Processor roles will be determined during the 6-month Inception Stage of this contract. The Controller will then be required to complete this Schedule (Appendix H) to clearly state the personal data to be processed as part of the contracted services, along with the purpose and means of processing. This will be agreed under a formal contract amendment before any personal data can be processed by the Supplier under this contract, and Schedule H must be concluded formally at break point 1, within the 6-month Inception Stage.
Subject matter of the processing	<i>[This should be a high level, short description of what the processing is about i.e. its subject matter of the contract. Example: The processing is needed in order to ensure that the Processor can effectively deliver the contract to provide a service to members of the public.]</i>
Duration of the processing	<i>[Clearly set out the duration of the processing including dates]</i>
Nature and purposes of the processing	<i>[Please be as specific as possible, but make sure that you cover all intended purposes. The nature of the processing means any operation such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction of data (whether or not by automated means) etc. The purpose might include: employment processing, statutory obligation, recruitment assessment etc]</i>
Type of Personal Data [and Special Categories of Personal Data]	<i>[Examples here include: name, address, date of birth, NI number, telephone number, pay, images, biometric data etc]</i>
Categories of Data Subject	<i>[Examples include: Staff (including volunteers, agents, and temporary workers), customers/ clients, suppliers, patients, students / pupils, members of the public, users of a particular website etc]</i>

Plan for return and destruction of the data once the processing is complete. UNLESS requirement under European Union or European member state law to preserve that type of data	<i>[Describe how long the data will be retained for, how it be returned or destroyed]</i>
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## ACRONYMS

<b>AAZ</b>	Action Aid Zambia
<b>AfDB</b>	African Development Bank
<b>AICD</b>	Africa Infrastructure Country Diagnostic
<b>BRRA</b>	Business Regulatory Review Agency
<b>CEC</b>	Copperbelt Energy Corporation
<b>CIG</b>	Cities & Infrastructure for Growth
<b>CSO</b>	Civil Society Organisation
<b>DevCo</b>	Infrastructure Development Collaboration Partnership Fund
<b>DFI</b>	Development Finance Institution
<b>DFID</b>	UK Department for International Development
<b>DRC</b>	Democratic Republic of the Congo
<b>EDF</b>	European Development Fund
<b>EDS</b>	Economic Development Strategy
<b>ERB</b>	Energy Regulation Board of Zambia
<b>ESMAP</b>	Energy Sector Management Assistance Programme
<b>EU</b>	European Union
<b>FCO</b>	Foreign and Commonwealth Office (UK Govt.)
<b>FDI</b>	Foreign Direct Investment
<b>GCI</b>	Global Competitiveness Index
<b>GDP</b>	Gross Domestic Product
<b>GEF</b>	Global Environment Facility
<b>GIS</b>	Geographical Information Systems
<b>GRZ</b>	Government of the Republic of Zambia
<b>HUZA</b>	Human Settlements of Zambia
<b>ICED</b>	Infrastructure & Cities for Economic Development
<b>IDP</b>	Integrated Development Planning
<b>ICT</b>	Information & Communications Technology
<b>IDC</b>	Industrial Development Corporation
<b>IFC</b>	International Finance Corporation
<b>ILO</b>	International Labour Organisation
<b>IMF</b>	International Monetary Fund
<b>IPP</b>	Independent Power Producer
<b>ITT</b>	Invitation to Tender
<b>KfW</b>	German government-owned development bank (formerly Kreditanstalt für Wiederaufbau)
<b>KPI</b>	Key Performance Indicator
<b>JICA</b>	Japan International Cooperation Agency
<b>kWh</b>	Kilowatt hour
<b>LED</b>	Local Economic Development
<b>LG</b>	Local Government
<b>LTDRP</b>	Lusaka Transmission Distribution Rehabilitation Project
<b>LWSC</b>	Lusaka Water and Sewerage Company
<b>MCC</b>	Millennium Challenge Corporation
<b>MDAs</b>	Ministries, Departments and Agencies
<b>MEL</b>	Monitoring, Evaluation and Learning
<b>MFEZ</b>	Multi-Facility Economic Zone

<b>MLGH</b>	Ministry of local Government and Housing
<b>MMD</b>	Movement for Multi-Party Democracy
<b>MMEWD</b>	Ministry of Mines, Energy and Water Development
<b>MoFEP</b>	Ministry of Finance and National Planning
<b>MSMEs</b>	Micro, Small and Medium Sized Enterprises
<b>MW</b>	Megawatt
<b>NEP</b>	National Energy Policy
<b>NGO</b>	Non-Government Organisation
<b>OJEU</b>	EU procurement portal (Official Journal of the European Union)
<b>OPPI</b>	Office for Promoting Private Power Investment
<b>PbR</b>	Payment by Results
<b>PF</b>	Patriotic Front
<b>ODA</b>	Overseas Development Assistance
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>OPM</b>	Office of the President
<b>PIDG</b>	Private Infrastructure Development Group
<b>PPIAF</b>	Public Private Infrastructure Advisory Facility
<b>PPP</b>	Public-Private Partnership
<b>RE</b>	Renewable Energy
<b>RECP</b>	Renewable Energy Cooperation Programme
<b>RML</b>	Results, Management and Learning
<b>SAP</b>	Strategic Advisory Panel
<b>SAPP</b>	Southern African Power Pool
<b>SDGs</b>	Sustainable Development Goals
<b>SEZ</b>	Special Economic Zone
<b>SMEs</b>	Small & Medium Enterprises
<b>SPEED</b>	Sustainable Power and Energy for Economic Development in sub-Saharan Africa (a proposed DFID programme)
<b>SQ</b>	Standard Selection Questionnaire
<b>SRC</b>	Strategic Review Committee
<b>TA</b>	Technical Assistance
<b>TAZARA</b>	Tanzania Zambia Railway
<b>UNCTAD</b>	United Nations Conference on Trade & Development
<b>UN-HABITAT</b>	United Nations Human Settlements Programme
<b>USAID</b>	U.S. Agency for International Development
<b>WASH</b>	Water Sanitation and Hygiene
<b>WB IDA</b>	World Bank International Development Association
<b>WB</b>	World Bank
<b>WEE</b>	Women's' Economic Empowerment
<b>ZAMTEL</b>	Zambia Telecommunications Company Ltd.
<b>ZAWIC</b>	Zambia Association of Women in Construction
<b>ZDA</b>	Zambia Development Agency
<b>ZEMA</b>	Zambia Environmental Management Agency
<b>ZESCO</b>	Zambia Electricity Supply Corporation
<b>ZIA</b>	Zambia Investment Authority
<b>ZLA</b>	Zambia Land Alliance