



Department
for International
Development



CALLDOWN CONTRACT

Framework Agreement with: Oxford Policy Management Limited

**Framework Agreement for: Global Evaluation Framework Agreement (GEFA) –
Lot 2 Performance Evaluation**

Framework Agreement Purchase Order Number: PO 7448

**Call-down Contract For: Evaluation of the Energy, Security and Resource Efficiency in
Somaliland (ESRES) Phase 2**

Contract Purchase Order Number: PO 10014

I refer to the following:

1. The above-mentioned Framework Agreement dated **12 September 2016**;
2. Your proposal of **October 2019**

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 **3 February 2020** ("the Start Date") and the Services shall be completed by **30 September 2021** ("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 **Department for International Development (DFID) Somalia Department** ("the Recipient").

3. Financial Limit

- 3.1 Payments under this Call-down Contract shall not, exceed **£499,911.61** ("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 16.1 shall be substituted for Clause 16.1 of the Framework Agreement.

16. Milestone Payment Basis

- 16.1 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 16.1 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:

REDACTED

4.2 The Contract Officer is:

REDACTED

5. Key Personnel

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

REDACTED

6. Reports

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

7. Sub-Contractors

7.1 The Supplier has DFID's consent to appoint the following sub-contractors:

REDACTED

8. 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:



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- 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.

9. Call-down Contract Signature

9.1 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 day of the request for signature, DFID will be entitled, at its sole discretion, to declare this Call-down Contract void.

For and on behalf of
The Secretary of State for
International Development

Name:
Position:
Signature:
Date:

For and on behalf of
Oxford Policy Management Limited

Name:
Position:
Signature:
Date:

TERMS OF REFERENCE

Evaluation of the Energy, Security and Resource Efficiency in Somaliland (ESRES) Phase 2

1 Background and Context

- 1.1 Somaliland declared independence from Somalia in 1991. Although not internationally recognised, Somaliland has maintained a stable existence with a functioning political system, government institutions, a police force, and currency. Despite this progress, major challenges remain within Somaliland's core institutions, including weak capacity and systems, and extremely low revenue collection. Doing business in Somaliland is challenging, and whilst investment is happening, fundamental issues remain around the financial sector, legal and regulatory frameworks and low human capital.
- 1.2 The UK has a long running and comprehensive portfolio of work in Somaliland, as part of its wider work in Somalia. Work includes interventions on domestic revenue and tax reform, health, education, humanitarian support, policing and democracy, private sector development and renewable energy.
- 1.3 Access to affordable electricity is a major barrier to development, as recognised by Sustainable Development Goal 7 (SDG 7): access to affordable and clean energy. The cost of electricity is kept high in Somaliland through a combination of factors – high diesel costs, inefficient diesel generation, distributional and commercial losses, and lack of adequate regulation and standards. The latter also results in unregulated monopolies where there is no competition or service territory disputes where there is.
- 1.4 Energy consumption per capita in Somaliland is among the lowest in Sub-Saharan Africa. Several sources indicate that in overall terms, charcoal, kerosene and electricity constitute an important fuel for households in urban and peri-urban areas, while fuel wood constitutes an important source of energy, primarily used for cooking, in rural areas. There is only a limited capacity for generating electricity through diesel-powered generators by Electric Service Providers (ESPs). Although Somaliland has substantial energy resources - especially wind, solar, and fossil fuels—this potential is largely under-utilised.
- 1.5 ESRES has been managed and delivered in line with the Paris Declaration Principles, particularly through harmonisation with other donor activities and national strategies. This includes Somaliland's Development Plan II (known as National Development Plan (NDP)II and drafted in 2019) and which prioritises specific outcomes for the Energy sector:
- Access to Electricity Supply;
 - Electricity Generation through Renewable Energy;
 - Service Delivery and Efficiency in Electricity Supply;
 - Energy Master Plan Development and Implementation Management;
 - Technical and Vocational Training (TVET) for the Energy Sector.
- 1.6 The Energy Sector is gaining increasing interest amongst development partners and coordination with actors in the energy sectors as well as others is key. Key projects that will be making a significant contribution to the Energy Sector in Somaliland are summarised in Table 1.

There are seven types of interventions which can be broadly categorised as follows:

1. Capacity building to the Energy Regulator (Ministry of Energy and Minerals (MoEM) in first instance and Energy Regulatory Commission (ERC) in the future);
2. Energy Sector Planning;
3. Capacity building to the Energy Sector (Performance Improvement);
4. Support to Energy Associations

5. Finance for Energy Sector to increase generation capacity;
6. Finance for private sector development which includes renewable energy solutions
7. Stand-alone and pico solutions;
8. Higher Education, TVET focused on the energy sector

DFID's own intervention, the Energy, Security and Resource Efficiency in Somaliland (ESRES) Programme (ESRES) focuses primarily on the first five categories – however, close coordination is recommended with other actors supporting categories 6 and 7.

Table 1: Energy related projects in Somaliland as identified in the ESRES2 Stakeholder Mapping (Feb 2019)

Project	Donor	Timeline
Energy, Security and Resource Efficiency in Somaliland (ESRES) 2	DFID	June 2014 – September 2021
Somali Power Sector Development Master Plan	World Bank: Multi-Partner Fund	Mar 2017 - Dec 2018
Somali Electricity Access Project	World Bank: Multi-Partner Fund	Dec 2018 - Jun 2022
Growth Enterprise, Employment and Livelihoods Project (GEEL) Electricity Assistance	USAID	Sep 2015 - Sep 2020
Power Africa	USAID	Early stages
Renewable Energy and Adaptation to Climate Technologies (REACT) Sub-Saharan Africa (SSA)	Sweden	2018 - 2022
PPD Partnership for Renewable Energy Skills Training and Women's Economic Empowerment in Somalia	Sweden	2018 - 2022
Advisory Services	International Finance Cooperation (IFC)	Ongoing
Energy Sector Public Private Dialogue	IFC Trust Fund financed through DFID contributions to Support to the Economic Recovery of Somalia (SERS) Phase II	May 2017 - May 2020
Nordic Horn of Africa Innovation Fund	Norway, Denmark and Arsenault Foundation	Ongoing
Powering Progress Fund	Dahabshil Bank	Ongoing
Swedish Credit Guarantee	Sweden	Ongoing
SCALED-UP	Multi Partner Fund	Ongoing

ESRES 2 represents the largest donor investment in the energy sector in Somaliland. Under ESRES 1 there was a good division of labour between different actors and ESRES 2 will aim for similar collaboration. The Stakeholder Map listed in Annex 2 provides detail of each programme, and the main potential areas of overlap with ESRES2 are:

- Capacity building to the Energy Regulator - with World Bank, SEAP
- Capacity Building to the Energy Sector (Performance Improvement) – with SEAP, Power Africa, Africa Clean Energy Fund (ACEF) – REACT (SSA), Shurakko through the Nordic Horn of Africa
- Finance for the Energy Sector to increase Generation Capacity – with SEAP, Power Africa, ACEF – REACT (SSA), Shurakko through the Nordic Horn of Africa Innovation Fund

2 The ESRES Programme

2.1 The ESRES Business Case was approved in 2014 and commits the UK to providing a total of GBP 20m from the International Climate Fund (ICF) to accelerate the expansion of access to cheaper, cleaner and more sustainable sources of electricity in Somaliland, improve energy security and promote resource efficiency.

2.2 ESRES supports the Government of Somaliland to improve access to affordable electricity for vulnerable communities through the promotion of renewable energies objective is to promote green growth and poverty reduction in Somaliland through increased access to more affordable and reliable renewable energy services. This choice for renewable energies is based on the premise that green infrastructure investments in fragile states have potentially positive poverty reduction benefits while at the same time reducing the country's vulnerability to the negative effects of climate change. Currently the legal and regulatory framework is incomplete.

2.3 ESRES consists of two phases both implemented by Mott MacDonald.

- ESRES Phase 1 (ESRES1) ran from September 2015 to August 2018. It was a pilot with a budget of £5.3million; ESRES1 had a Real-Time Learning (RTL) component managed by and external supplier, WYG, which concluded in April 2018. ESRES
- Phase 2 started in August 2018 and will run until August 2021 with a budget of approximately £ 14.7million.

2.4 **Phase 1** provided matching grants to help finance renewable energy equipment at six urban centres, all among Somaliland's twenty largest population centres and in five of Somaliland's six regions. Successes from Phase 1 include:

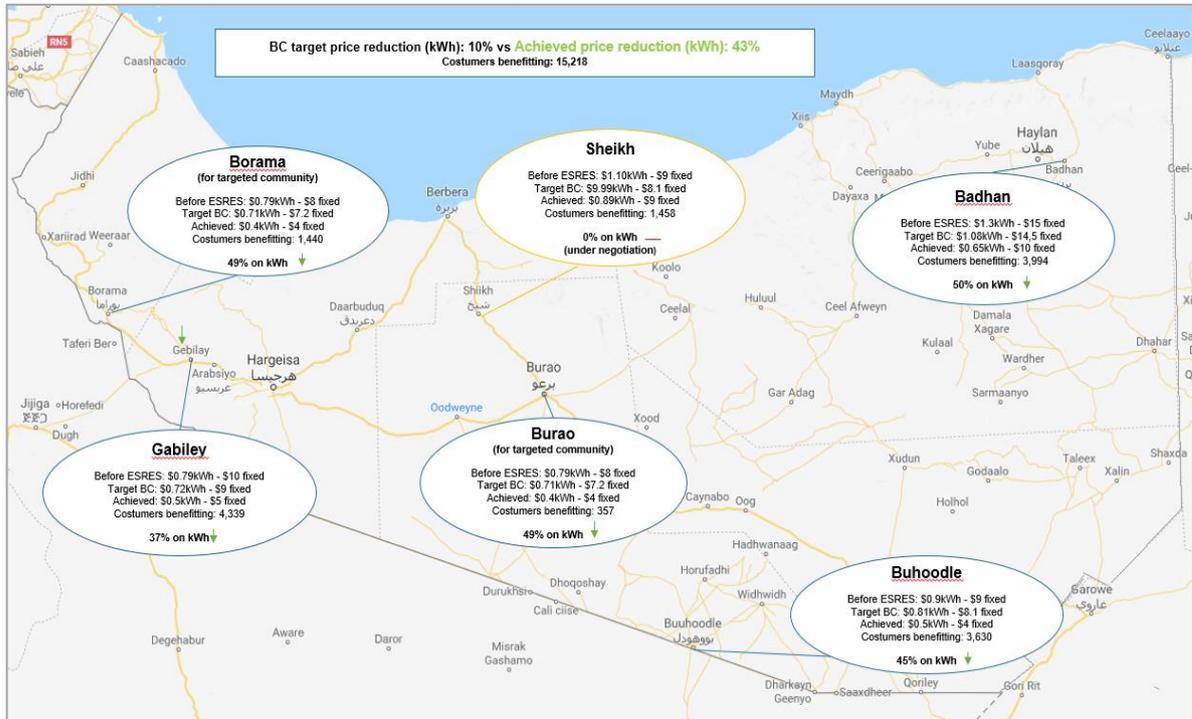
- Six proposals for hybrid mini-grid sites were selected (Location of the six sites can be seen below)) for installation which was completed at the end of 2017. The six mini-grids aimed to expand access to an additional 10,307 households and demonstrate the viability of solar energy generation.

Overall Achievements:

- Installed and commissioned six hybrid mini-grids throughout, including most remote areas
- Installed **1,900 kWp** of PV generation capacity, Decreasing Carbon Dioxide emissions by **2900 tonnes** a year;
- **USD 2,9 million** private sector funding leveraged;
- Average **43% tariffs reductions** for households in ESRES target areas
- **10,274 new connections** have been made to date;
- Demonstration effect: increased private sector investment into hybrid mini-grids.

- Somaliland Electrical Energy Act drafted
- Proposed tariff structure revision and regulation
- Proposed structure for Somaliland Energy Regulatory Commission
- Drafted renewable energy objective for updated national energy policy
- Embedded local technical consultants at MoEM

ESRES1 Impact can be seen in map below



- The Real Time Learning (RTL) component enabled the pilot to internalise some important lessons and test key assumptions in the initial theory of change. These lessons have strongly influenced the design of Phase 2. The ESRES Programme Manager (ESRES PM) in addition developed lessons learned and recommendations in the Complementary Studies report.
- Capacity of the Ministry of Energy and Minerals (MoEM) was built with Technical Assistance (TA) provided by ESRES. This has supported the MOEM to define and build towards a future regulatory role. The work also supported the development of the Somaliland Electricity and Energy Act (SEAA) which includes an electricity commission and regulatory framework. The SEAA was passed by Parliament in April 2018 and approved in the House of Elders early May 2018. Although the section on tariffs was initially removed and would have significantly reduced the power of the Act, it has now been put back in. The Act is now in parliament waiting for approval – see below for lessons on working on TA with the Ministry.

2.5 Some of the key lessons from ESRES1 include:

Reducing power prices by increasing generation through hybrid mini-grids has been more challenging than expected. Reasons are: challenges working with ESPs on grant agreements in the absence of robust data systems and understanding of profits and losses; the continued lack of a policy and regulatory environment; issues that go well beyond generation to distribution and transmission; recent market shift towards the consolidation of ESPs and monopolies across all major urban centres of

Somaliland resulting in significant price variance across Somaliland; and a resistance to passing on lower generating costs from using renewable energy to consumers in the form of lower tariffs.

The approach developed during the ESRES Phase 2 (ESRES2) Inception Phase is that grant agreements will include better mechanisms to hold ESPs to account (stronger bank guarantee terms; result based financing where appropriate). The ESRES PM also proposes to use communications for consumer awareness that could hold the ESPs to account.

Energy efficiency is crucial. An End Line Survey was anticipated to start in January 2018 to capture the key issues around inefficient infrastructure: poor wiring, old or damaged transformers and absence of metering. However, the delays in commissioning because of procurement and challenges implementing this new technology in six different sites meant this analysis could not take place, but its rationale remains central to improving results in ESRES2.

ESRES2 will work with the existing six implementing partners to improve their distribution networks and increase their operational performance. The Somaliland Renewable Energy Fund (SREF) that is now established will also consider funding the improvement of distribution networks next to generation.

The poorest energy consumers still tend to pay the highest prices. This is because of regressive tariff structures that limit choice (i.e. there is one provider or two providers that offer the same service/prices). The grant agreements are yet unproven in creating tariff change and further investigation is required to test the robustness of the grant agreements in helping to bring costs down.

ESRES2 has adopted this lesson learned by making sure that future implementing partners will have to make commitments to reducing the fixed tariffs that punish the poorest consumers.

Low usage consumers (who are also the poorest) strictly limit consumption to basic essentials of lighting and small appliances. Tariff structures, at present, mean they pay a daily or fixed fee, meaning that per unit (Kwh) they are paying the most for energy, perhaps up to \$3 or more / Kwh. Whereas higher demand consumers have lower rates (commonly \$0.79/Kwh or below).

ESPs lack experience and capacity to complete bidding processes and negotiate financial details.

Weak private sector technical capacity to install and maintain increased generation capacity. Technical training programmes are almost non-existent.

ESRES1 however found a sensible implementation model for making hybrid mini-grids work. Linking the ESPs up with international ECP contractors that do not only supply goods but do installation and after services on the ground. This ensured that the projects developed are sustainable. The ESRES PM also provided TA to the ESPs at the bidding stage and during implementation, this will remain to be required during ESRES2.

TA on regulatory capacity is helpful, but without the Act passed, it will have limited affect in supporting the Ministry to carry out its regulatory role.

As such, TA ESRES 2 will be predominantly dependent on the Act being passed – including the tariff sections – by Parliament. More generic TA and capacity building on areas such as HR, M&E and other areas can and will continue in ESRES2 (coordinated with the WB's new Somali Electricity Access Project (SEAP) programme).

2.6 The overall objective of **ESRES2** is to progress the programme's aim of increasing access to and reducing the cost of renewable energy. To do this, we expect the programme to achieve the following:

- Component 1: To improve the performance of the existing mini-grid sites, reducing technical and commercial losses and ensuring progress towards improved IPP professionalization. This will facilitate improved efficiency and more progressive tariffs.

To deliver a package of targeted TA to Regulator that is specifically tailored to support a regulatory framework that enhances the enabling environment for ESRES2 ToC outcomes

- Component 2: Manage Somalia Renewable Energy Fund (SREF) to expand sustainable renewable energy infrastructure, resulting in further improvements in access, including in productive services which will stimulate business growth. This will be delivered through 3 funding windows:
 - **Window 1: ESPs.** Grants to ESPs to support capex for renewable energy generation and system improvements
 - **Window 2: Captive Power Producers.** Grants to productive and social users to support capex for renewable energy generation and system improvements
 - **Window 3: Operational Enhancement.** TA to energy producers to support generation and system improvement projects that do not require DFID's capital investment

2.7 Phase 2 began with a revision of the ESRES Theory of Change (ToC) which was agreed in February 2019. A summarised version is shown below, and the complete version attached as Annex 1.

2.8 Phase 2 Progress to date

2.8.1 Component 1 – Improving the performance of Phase 1 six mini-hybrid projects

- *currently preparing to undertake a Losses Study through Power Planning System to be completed by Feb 2020.*
- *developed strategy for delivering capacity building for the Regulator when and if the Electric Regulatory Commission is established and resources available to implement regulations*

2.8.2 Component 2 – Design and Management of SREF

- Window 1: ESPs: Grants to ESPs to support capex for renewable energy generation and system improvements
 - *The call for proposals Concept Note Stage has taken place and 7 applications were invited to submit a full Business Plan Proposal; evaluation of the proposals is planned to take place in in October 2019 and implementation commencing in Dec 2019*
- Window 2: Captive Power Producers. Grants to productive and social users to support capex for renewable energy generation and system improvements
 - *Concepts notes are being developed for funding organisations and projects such as Hargeisa Water Authority and health clinics with implementation due to start towards the end of 2019.*
- Window 3: Operational Enhancement. TA to energy producers to support generation and system improvement projects that do not require DFID's capital investment
 - *currently gauging interest and if there is a need of technical assistance for operational enhancement (no other ESRES investment) guidelines will be developed at a later stage*

3 Purpose and rationale

3.1 The purpose of this evaluation is to fill key evidence gaps in the global evidence base on what works in mini-grid programming, particularly in the unique and challenging context of Somaliland. Globally there is limited evidence on what makes programming effective in developing mini-grids for economic development Africa. Evidence is now emerging from the DFID funded Green Mini-Grids (GMG) Africa programme (as well as from several other national DFID funded projects).¹ GMG was designed to speed up progress in Tanzania and Kenya initially, by supporting project preparation and leveraging private investment. The objective is to create a critical mass of experience and evidence which will transform the mini-grid sector in Africa. A learning review of the programme has been commissioned with a report due later in 2019.

3.2 The evaluation of ESRES will add to the evidence produced by the GMG programme and provide more specific learning about what works in Somaliland. This learning will be relevant for stakeholders considering work in similar contexts, including in the rest of Somalia. At a national level the evaluation will also provide evidence to private sector investors and Somaliland authorities and may inform future investment decisions.

¹ <http://energyaccess.org/news/recent-news/dfid2018/>

3.3 DFID is not continuing with this programme after ESRES2, but there is interest in testing the Theory of Change (ToC) and understanding which outcomes have been achieved, by which outputs and pathways. Learning on specific elements of the ToC could inform DFID programming in this and other sectors for example; learning on how to manage funds and grants or provide technical assistance. It is also directly useful to wider private sector work in Somalia and Somaliland.

4 Recipients

4.1 DFID Somalia, Mott MacDonald, the Ministry of Energy and Minerals, and the International Climate Finance will be the main recipients of Evaluation outputs. Other audiences include ESPs established in the energy market, local businesses, and other donors and development actors active in Somaliland. The people of Somaliland are the final beneficiaries.

5 Scope

5.1 The first phase of the programme was a pilot and considerable learning has been generated through the RTL component as outlined above. ESRES2 builds on that learning with new components and changes to the programme to address the lessons learnt. Therefore, this evaluation should seek to understand how these changes have affected success at the outcome level and fill in prioritised evidence gaps which were not filled through the RTL in ESRES1.

5.2 The evaluation will not be required to measure impact as programme implementation timelines mean that it will be difficult to assess changes at that level. In addition, the link between increased access to reliable energy on development outcomes are well documented, as is recognised through SDG 7. Instead the evaluation should focus on investigating the pathways to outcomes where evidence is weakest and seek to understand how changes have happened.

5.3 ESRES2 will be delivered by Mott MacDonald who are also responsible for monitoring the programme. This includes the collection of data to track progress against the logframe indicators (refer to logframe attached)

Additionally, DFID Somalia has established a programme and process for independent, third party verification of activities called the **Learning and Monitoring Programme Somalia (LAMPS)**. This is being implemented by independent monitors (Integrity Research) and aims to verify partner results through collating beneficiary feedback during field verification visits; give additional assurance on the quality of data through spot checks carried out during programme implementation; analyse TPM findings and sharing learning.

Therefore, the supplier will be required to work closely with Mott MacDonald And Integrity Research to understand and coordinate on the design of tools required to collect data for this evaluation. However, the supplier will not be required to carry out the day to day monitoring of the programme.

Objectives

- To test the pathways outlined in the theory of change where evidence is weakest and understand which of these have led to outcomes.
- To understand how the changes incorporated in the design of ESRES2 from ESRES1 have affected the success of outcomes

- To fill the identified evidence gaps, including those related to the assumptions outlined in the theory of change document
- To disseminate the findings to stakeholders through activities which are to be defined by the supplier in their technical bid.

6 Evaluation focus and methodology

6.1 The supplier will need to work with DFID and Mott MacDonald during the inception phase to finalise the evaluation questions. These should be defined against the OECD DAC criteria including relevance, effectiveness, efficiency and sustainability (but excluding impact for the reasons cited above). In view of the lessons from ESRES1 and assumptions in the ToC, there are several suggested areas of focus. For each area of focus chosen within the evaluation, as well as assessing what change has happened, it should also seek to understand how, why/why not:

- Has community mobilisation led to increased awareness among the community and has this resulted in reduced tariffs? i.e. is it possible to determine a link between increased knowledge of energy tariffs in the community and action by the ESPs and the community in demanding lower tariffs? Has community mobilisation been experienced any differently by women? Are there any differences by gender of in the levels of increased awareness, knowledge or action in demanding lower energy tariffs?
- Were ESRES activities and outputs relevant to tackling the challenges of increasing private investment in the sector? Were the outputs effective in delivering the outcomes so that they demonstrated success? Did this lead to market transformation and are there signs of future sustainability? How have changes in the private sector been experienced differently by women?
- Has the new focus of providing grants to captive energy providers led to reduced operational and end-user costs? Are there any spin-off benefits that were not anticipated and have these been experienced differently by women? Were the issues within energy infrastructure correctly identified and were relevant and effective solutions put in place?

6.2 Suppliers will provide their own proposed methodology, along with appropriate documentation i.e. indicative evaluation framework(s), any amendments to the theory of change, an approach paper, etc. Different approaches might be needed for each of the focus areas. For example, to assess the effects of community mobilisation and tariffs, a mixed methods approach using both qualitative and quantitative data would be appropriate. The second focus area on demonstration effects and market transformation would need a more qualitative approach potentially using contribution analysis or other theory-based methods. The final focus area could use quasi-experimental approaches to understand the changes which have taken place for captive energy providers who have received grants. It is unlikely that an experimental method can be used given the difficult environment within which the programme is operating. However, potential options for accessing control groups should be assessed during the inception phase. A pre and post-design might be more appropriate, but this will also depend on feasibility i.e. timelines and baseline data available.

6.3 DFID is open to a variety of methodological approaches that are appropriate to the context in Somaliland. DFID Somalia are particularly keen to receive proposals that utilise innovative and wide-ranging beneficiary feedback in a participatory approach to the evaluation, that ensure that stakeholders can participate in the collection of data, analysis of findings, and implementation of recommendations to ensure that the evaluation and findings are used and relevant. Any stakeholder or beneficiary engagement should be as

inclusive as possible. All data should be disaggregated by gender and disability. This should also be accounted for in the analysis presented in the final report.

- 6.4 The methodology and proposed approach should include, wherever possible, the use of local research teams both to drive down costs and improve relevance of data collection and analysis of findings. Consortium approaches that allow this to happen and utilise in-country expertise are appreciated.
- 6.5 The supplier should present a methodology for conducting and analysing the overall evaluation, as part of an evaluation plan that best delivers the objectives and required outputs. The supplier should justify selection options and cover potential risks and challenges and how these will be managed. The limitations of any proposed approach should also be made explicit.
- 6.6 The evaluation supplier will have a three-month inception phase and a short review period to finalise the evaluation plan and design and selected methodology, together with DFID and the implementing partner.
- 6.7 A list reports with available data sources is in Annex 2. The existing data collected for monitoring and evaluation purposes include:
- Quantitative data that flows out of the M&E process for which the ESRES PM collected datasheets that are reported by our IPs. The data was verified by data gathered through the billing records as well as and data available through the online portal. On a regular basis the ESRES PM conducted field visits to verify data. This quantitative data was mainly reported in the Logframe, IFC Indicator Reports and the Completion Report. For ICF reporting purposes some of the data was disaggregated.
 - RTL reports include the qualitative data gathering which was based on interviewees and stakeholder engagements which included Government staff (MoEM), DFID, ESRES PM, Implementing Partners, beneficiaries, etc. The data was used to evaluated certain aspects of the implementation of the programme and develop lessons learning.
 - Learning and findings from the TPM verifications were used to inform new programmes, to investigate specific areas of concerns and to improve the delivery of programmes. ESRES verifications by LAMPS are listed in the Annex 2

7 Risks and Challenges

7.1 Some of the main risks and challenges to the delivery of this assignment include:

- Context
 - Security situation deteriorates put personnel safety at risk and restricting activities to be delivered as part of the contract
 - Changes in leadership of the Ministry Slowing down decision-making, discontinuity of ownership and leadership with MoEM
- Delivery
 - Duplication of efforts with other internationally supported programmes
 - Relationship between provider, ESRES PM and LAMPS implementer becomes dysfunctional due to disagreements over approach/performance
- Financial
 - Incidents of fraud/ corruption undermine aims and delivery of the
- Operational
 - Team members unable to visit project sites
 - Underperformance of Team Members – resulting in delays or failure to deliver activities
 - Changes in Team Members at short notice – resulting in delays or failure to deliver activities
- Safeguarding

- Staff or downstream partner involved in child labour, trafficking sexual harassment or safeguarding abuse

7.2 It is expected that the bid will include an evaluation risk matrix based on DFID guidelines, that also defines mitigation plans and actions for risks identifies

8 Stakeholders and Communication

8.1 DFID Somalia, Mott MacDonald, the Ministry of Energy and Minerals, and the International Climate Finance will be the main recipients of Evaluation outputs. Other audiences include companies applying for grants (mainly ESPs established in the energy market), local businesses, and other donors and development actors active in Somaliland. The people of Somaliland are the final beneficiaries. The evaluation and evaluation outputs should consider these audiences as evaluation stakeholders with a vested interest in evaluation findings.

8.2 The inception report and end of programme performance evaluation will be required to be published in the public domain through Devtracker, while other evaluation outputs will be disseminated as needed.

8.3 Communication and dissemination should focus on sharing information amongst all stakeholders including Government, Private Sector and other Donors in the sector. The evaluation supplier will be responsible for creating a dissemination and communication plan. A clear communications plan is a mandatory requirement of the inception phase. This should include; presenting findings to the DFID Somalia audiences at the mid and end points; a dissemination event for the Energy Sector Coordination Group in Somalia and Somaliland; and a dissemination event for the infrastructure working group under the Somalia Aid Coordination structure. It may also be possible to present at the Global Green Mini-Grids conference.

8.4 DFID and Other Government Departments (OGD) will have unlimited access to the material produced by the supplier (as expressed in DFID's general conditions of contract).

9 Budget and Responsibilities

9.1 Up to £0.5M (inclusive of VAT and other applicable taxes) of UK funding has been allocated to this assignment

9.2 The supplier should give details of a proposed budget within their bid, to include all personnel and related logistical costs, as well as any other delivery costs. The supplier should demonstrate how they can maintain excellent value for money whilst delivering high quality and innovative work. Payment shall be made upon successful completion and verification of deliverables. Evaluation suppliers should structure their commercial proposals around the deliverable's timeframe.

9.3 The evaluation team will report to the DFID ESRES Senior Responsible Officer and ESRES Lead Advisor and will liaise with the DFID Evaluation Adviser. The SRO will be responsible for oversight of all programmatic aspects of the consultancy on behalf of DFID. Contract administration and payments will be managed by the Programme Manager on behalf of DFID.

9.4 The supplier will be required to arrange all logistics. If appropriate, DFID will be available to help the supplier identify relevant stakeholders and facilitate access to through introductions where necessary.

10 Deliverables and timelines

10.1 Implementation of ESRES2 started in March 2019 and is due to finish in August 2021. DFID are therefore seeking a supplier for the evaluation to start as soon as possible, with preference to commence 2 December 2019. The end date of contract will be 30 September 2021, with an option to extend the contract up to 12 months based on availability of funds and the performance of the supplier. There will be one break point at the end of the inception period, which will require the supplier having demonstrated strong performance to DFID's satisfaction. Given the time constraints the supplier should put forward a workable proposal that responds to these Terms of Reference and it is anticipated that the supplier will provide the following key deliverables:

	Deliverable/Output	Suggested date/period	Target audience
	Inception Report, dissemination and communications plan and finalised risk matrix	Within 3 months of contract start date	DFID, Mott MacDonald and will be made publicly available via DevTracker
	Baseline Report of project sites	Within 6 months of contract start date	DFID and Mott MacDonald
	Emerging findings report and workshop	Within 12 months of the contract start date	DFID and Mott MacDonald
	Draft Final Evaluation Report	Two months prior to the end date of ESRES 2 programme, exact timing will be agreed with DFID to allow the opportunity to feedback	DFID and Mott MacDonald
	Final Evaluation Report	One month before the end of ESRES 2	DFID, Mott MacDonald and will be made publicly available via DevTracker
	Various dissemination activities as proposed by supplier		See detail on communication activities and target audiences outlined in section 6.

11 Payment mechanism

11.1 DFID will use a performance management framework to monitor performance of the supplier and tracking whether the intended results are achieved. This framework is intended to align incentives, increase likelihood of achieving the outcomes and ensure mutual accountability throughout the life of the programme. The framework will include programmatic Key Performance Indicators (KPIs) and technical Key Performance Indicators (KPIs) (see Annex 4). The programmatic KPIs will include quality of delivery, management, financial, personnel and innovation indicators. The technical KPIs will be

linked to progress against achieving log frame results, assumptions and overall risks that are critical to achieving log frame results and the overall outcome. DFID have provided draft KPI's as guidance however the supplier may propose a suite of KPIs for consideration for the inception period and indicative implementation KPIs as part of your bid. The KPIs and payment plan for the implementation period must be agreed by the end of inception, and the supplier should submit the draft performance management framework to DFID for review before end of the inception in order to move to implementation. Payment of the delivery for this contract will be based on payment by results model using the performance assessment mechanism for both inception and implementation phase.

11.2 In line with principles of flexible and adaptable programming the suite of KPIs can be reviewed between DFID and the supplier as and when necessary throughout the life of the contract. These changes should be tracked by the supplier. DFID will propose a scoring mechanism including weighting of the KPIs for the framework that will determine the amount to be paid based on the achievement of the agreed KPIs. The unpaid amount for the deliverables that have not been achieved during the quarter will be paid once the deliverable has been completed. DFID prefers that a minimum of 30% of the fees (staff costs) are linked to this framework with payments made quarterly in arrears based on the achievement of the KPIs. The supplier should propose what percentage of their fees (staff costs) will be linked to this framework.

11.3 It is intended that the Inception Report will be measured against the following KPI's as a measure of successful delivery, however DfID will consider and discuss any options bidders may propose in their tender submission:

- Timely delivery of Inception Report, communications plan and risk matrix
- Quality of output measured by DfID programme team
- Performance of key personnel as measured by DfID programme team

11.4 It is intended that the contract will use a hybrid payment by results approach and shall include an element of payments on actuals, milestones based deliverables and performance related payments (KPIs) using performance management framework. The payment mechanism for this contract is detailed below.

- Expenses including travel, accommodation and subsistence will be paid based on actuals. All payments will be made in arrears. These will be paid quarterly against a detailed financial report submitted with an invoice.
- The percentage of fees (staff costs) not linked to the performance management framework, will be paid quarterly on submission of invoices. The remaining percentage of staff costs/fees linked to the performance management framework will be paid based on the scoring/ achievement of the agreed KPIs.

12 Skills and expertise required of the team

12.1 DFID does not require the supplier to set up in Somaliland. The selected supplier will be required to have local staff in Somaliland and will also need to factor in regular trips to Somaliland (could be on a sub-contractual basis – the service provider should be aware of DFID Duty of Care as per section 14).

12.2 There should be a designated evaluation team leader. The team leader will be responsible for overseeing the evaluation and must be able to demonstrate relevant expertise.

- 12.3 Conflicts of Interest: To remove the potential for bias, all evaluation team members should be independent from the ESRES programme including activities carried out in ESRES Phase 1, and independent of the selected fund manager

13 General Data Protection Regulation

General Data Protection Regulations (GDPR) - Please refer to the details of the GDPR relationship status and personal data (where applicable) for this project as detailed in Appendix 1 and the standard clause 33 in section 2 of the contract.

14 Duty of Care

- 14.1 DFID has a 'Duty of Care to Suppliers' policy. This policy aims to clarify DFID's position in relation to Duty of Care (DoC) and how it will be addressed as part of our risk management and procurement processes. The policy has a focus on Suppliers who will be operating in dangerous environments. Further information please see DFID's policy note.
- 14.2 The Supplier is responsible for the safety and well-being of their Personnel (as defined in Section 2 of the Contract) 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.
- 14.3 DFID will share available information with the Supplier on security status and developments in-country where appropriate.
- 14.4 The Supplier is responsible for ensuring appropriate safety and security briefings for all 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 the latest position.
- 14.5 Tenderers must develop their bid Response and Tender (if invited to Tender) on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix prepared by DFID. They must confirm in their PQQ Response that:
- They fully accept responsibility for Security and Duty of Care.
 - They understand the potential risks and have the knowledge and experience to develop an effective risk plan.
 - They have the capability to manage their Duty of Care responsibilities throughout the life of the contract.
- 14.6 If you are unwilling or unable to accept responsibility for Security and Duty of Care as detailed above, your bid will be viewed as non-compliant and excluded from further evaluation. Acceptance of responsibility must be supported with evidence of Duty of Care capability and DFID reserves the right to clarify any aspect of this evidence.
- 14.7 If at a subsequent stage it becomes apparent that the programme will operate in a region that had not previously been considered, then the programme team will conduct

a risk assessment at that stage, share it with suppliers and satisfy themselves that the Supplier can manage the DoC

- 14.8 If at any stage, there are concerns that the Supplier cannot manage DoC for a region not previously considered then they may be precluded from operating in that region. The ability of the Supplier to manage DoC will be a pre-condition of the contract.
- 14.9 See Annex 3 for the current DFID Somaliland Risk Assessment.

15 Transparency

- 15.1 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. 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 DFID – further IATI information is available from; <http://www.aidtransparency.net/>

16 Ethics, Do No Harm and Safeguarding

- 16.1 The contract will be managed in accordance with international best practice and recent lessons learnt on development initiatives in fragile and post-conflict environments.
- 16.2 It is a requirement that all partners DFID commission and fund comply with the Ethics Principles. Partners will be required to include consideration of ethical issues and a statement that they will comply with the ethics principles.
- 16.3 DFID requires assurances regarding protection from violence, exploitation and abuse through involvement, directly or indirectly, with DFID suppliers and programmes. This includes sexual exploitation and abuse but should also be understood as all forms of physical or emotional violence or abuse and financial exploitation.
- 16.4 The programme is targeting a highly sensitive area of work. The Supplier must demonstrate a sound understanding of the ethics in working in this area and applying these principles throughout the lifetime of the programme to avoid doing harm to beneficiaries. In particular, the design of interventions including research and programme evaluations should recognise and mitigate the risk of negative consequence for women, children and other vulnerable groups. The supplier will be required to include a statement that they have duty of care to informants, other programme stakeholders and their own staff, and that they will comply with the ethics principles in all programme activities. Their adherence to this duty of care, including reporting and addressing incidences, should be included in both regular and annual reporting to DFID;
- 16.5 A commitment to the ethical design and delivery of evaluations including the duty of care to informants, other programme stakeholders and their own staff must be demonstrated.

16.6 DFID does not envisage the necessity to conduct any environmental impact assessment for the implementation of the Issue based programme. However, it is important to adhere to principles of “Do No Harm” to the environment.