

## Section 4 Appendix A

### CALLDOWN CONTRACT

**Framework Agreement with: Palladium International Limited**

**Framework Agreement for: Wealth Creation Framework Agreement**

**Framework Agreement Purchase Order Number: PO 5929**

**Call-down Contract For: Investment Mobilisation for Prosperity and Catalytic Transformation (IMPACT)**

**Contract Purchase Order Number: PO 8442**

I refer to the following:

1. The above-mentioned Framework Agreement dated; **23 January 2013**
2. Your proposal of; **February 2019 and subsequent clarification**

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 **30 April 2019** ("the Start Date") and the Services shall be completed by **29 April 2023** ("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 DFID staff in Headquarters ("the Recipient") and in Country Offices if appropriate. The secondary audience comprises DFID's government counterparts and other individuals/organisations interested in Impact Investments.

#### **3. Financial Limit**

- 3.1 Payments under this Call-down Contract shall not, exceed £4,654,180 ("the Financial Limit") and is exclusive of a) any government tax, if applicable as detailed in Annex B and b) the fund to be administered in accordance with the Terms of Reference.
- 3.2 When Payments shall be made on a 'Milestone Payment Basis' the following Clause shall apply.

### **Milestone Payment Basis**

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 this clause 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.

- 3.3 Indicative Milestones are set out in Annex B Pro forma 4 of this contract. Specific milestones will be set out and mutually agreed between DFID and the supplier during the inception phase of this contract.

#### **4. DFID Officials**

- 4.1 The Project Manager is:

[REDACTED]

- 4.2 The Contract Officer is:

[REDACTED]

Procurement and Commercial Department

[REDACTED]

- 4.2 Supplier Officials

The Project Director is:

[REDACTED]

- 4.3 The Project Manager is:

[REDACTED]

#### **5. Key Personnel**

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

All personnel identified within the Technical and Commercial Proposals cannot be substituted by the Supplier without DFID's prior consent. The substitute's qualifications and expertise should match that of the key personnel being replaced and DFID will require copies of CV's for each proposed substitute.

#### **6. Sub – contractors**

- 6.1 The following sub – contractors cannot be substituted by the Supplier without DFID's prior written consent;

Enclude  
Good Economy

## **7. DFID Supply Partner Code of Conduct**

The Supplier and their sub – contractors shall perform all its obligations under this Contract with all necessary skill, diligence, efficiency and economy to satisfy generally accepted professional standards expected from experts and in accordance with DFID's Supply Partner Code of Conduct (Appendix B).

## **8. PROTECTION OF PERSONAL DATA**

8.1.1 The Parties acknowledge that the factual activity carried out by each of them in relation to their obligations under this Framework Agreement and/or any Call Down contract will determine the status of each Party under the Data Protection Legislation. A Party may act as "Joint Controller" or a "Controller" or a "Processor" of certain Personal Data under this Contract. The Parties shall detail the envisaged status in Appendix A of the Terms of Reference (at Section 4 Appendix A, Annex A of the contract) and update it where appropriate.

8.1.2 Where a Party is Processing on behalf of the other Party who is the Controller

8.1.2.1 The Parties acknowledge that for the purposes of the Data Protection Legislation, DFID is the Controller and the Supplier is the Processor unless otherwise specified in Appendix A of the Terms of Reference (at Section a Appendix A, Annex A of the Call Down contract). The only processing that the Processor is authorised to do is listed in Appendix A of the Terms of Reference by the Controller and may not be determined by the Processor.

8.1.2.2 The Processor shall notify the Controller immediately if it considers that any of Controller's instructions infringe the Data Protection Legislation.

8.1.2.3 The Processor shall provide all reasonable assistance to the Controller in the preparation of any Data Protection Impact Assessment prior to commencing any processing. Such assistance may, at the discretion of the Controller, include:

- (a) a systematic description of the envisaged processing operations and the purpose of the processing;
- (b) an assessment of the necessity and proportionality of the processing operations in relation to the services.
- (c) an assessment of the risks to the rights and freedoms of Data Subjects; and
- (d) the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.

8.1.2.4 The Processor shall, in relation to any Personal Data processed in connection with its obligations under this Agreement:

- (a) process that Personal Data only in accordance with the Appendix A referred to in Clause 8.1.2.1, unless the Processor is required to do otherwise by Law. If it is so required, the Processor shall promptly notify the Controller before processing the Personal Data unless prohibited by Law;
- (b) ensure that it has in place Protective Measures, which are appropriate to protect against a Data Loss Event, which the Controller may reasonably reject (but failure to reject shall

not amount to approval by the Controller of the adequacy of the Protective Measures) having taken account of the:

- a. nature of the data to be protected;
- b. harm that might result from a Data Loss Event;
- c. state of technological development; and
- d. cost of implementing any measures;

(c) ensure that:

- I. the Processor Personnel do not process Personal Data except in accordance with this Agreement (and in particular Appendix A referred to in Clause 8.1.2.1;
- II. it takes all reasonable steps to ensure the reliability and integrity of any Processor Personnel who have access to the Personal Data and ensure that they:
  - a. are aware of and comply with the Processor's duties under this clause;
  - b. are subject to appropriate confidentiality undertakings with the Processor or any Sub-processor;
  - c. are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third Party unless directed in writing to do so by the Controller or as otherwise permitted by this Agreement; and
  - d. have undergone adequate training in the use, care, protection and handling of Personal Data; and

(d) not transfer Personal Data outside of the EU unless the prior written consent of the Controller has been obtained and the following conditions are fulfilled:

- a. the Controller or the Processor has provided appropriate safeguards in relation to the transfer (whether in accordance with GDPR Article 46 or LED Article 37) as determined by the Controller;
- b. the Data Subject has enforceable rights and effective legal remedies;
- c. the Processor complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the Controller in meeting its obligations); and
- d. the Processor complies with any reasonable instructions notified to it in advance by the Controller with respect to the processing of the Personal Data;

(e) At the written direction of the Controller, delete or return Personal Data (and any copies of it) to the Controller on termination of the Agreement unless the Processor is required by Law to retain the Personal Data.

8.1.2.5 Subject to clause 8.1.2.6, the Processor shall notify the Controller without due delay and in any event within 48 hours if it:

- a. receives a Data Subject Access Request (or purported Data Subject Access Request);
- b. receives a request to rectify, block or erase any Personal Data;
- c. receives any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;
- d. receives any communication from the Information Commissioner or any other regulatory

- authority in connection with Personal Data processed under this Agreement;
  - e. receives a request from any third Party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or
  - f. becomes aware of a Data Loss Event.
- 8.1.2.6 Taking into account the nature of the processing, the Processor shall provide the Controller with full assistance in relation to either Party's obligations under Data Protection Legislation and any complaint, communication or request made under clause 8.1.2.5 (and insofar as possible within the timescales reasonably required by the Controller) including by promptly providing:
  - a. the Controller with full details and copies of the complaint, communication or request;
  - b. such assistance as is reasonably requested by the Controller to enable the Controller to comply with a Data Subject Access Request within the relevant timescales set out in the Data Protection Legislation;
  - c. the Controller, at its request, with any Personal Data it holds in relation to a Data Subject;
  - d. assistance as requested by the Controller following any Data Loss Event;
  - e. assistance as requested by the Controller with respect to any request from the Information Commissioner's Office, or any consultation by the Controller with the Information Commissioner's Office.
- 8.1.2.7 The Processor shall maintain complete and accurate records and information to demonstrate its compliance with this clause. This requirement does not apply where the Processor employs fewer than 250 staff, unless:
  - a. the Controller determines that the processing is not occasional;
  - b. the Controller determines the processing includes special categories of data as referred to in Article 9(1) of the GDPR or Personal Data relating to criminal convictions and offences referred to in Article 10 of the GDPR; and
  - c. the Controller determines that the processing is likely to result in a risk to the rights and freedoms of Data Subjects.
- 8.1.2.8 Where the Supplier is the Processor it shall allow for audits of its Data Processing activity by the DFID or its DFID's designated auditor.
- 8.1.2.9 Each party shall designate its own Data Protection Officer if required by the Data Protection Legislation.
- 8.1.2.10 Before allowing any Sub-processor to process any Personal Data related to this Agreement, the Processor must:
  - a. notify the Controller in writing of the intended Sub-processor and processing;
  - b. obtain the written consent of the Controller;
  - c. enter into a written agreement with the Sub-processor which give effect to the terms set out in this clause such that they apply to the Sub-processor; and
  - d. provide the Controller with such information regarding the Sub-processor as the Controller may reasonably require.
- 8.1.2.11 The Processor shall remain fully liable for all acts or omissions of any Sub-processor
- 8.1.2.12 The Controller may, at any time on not less than 30 Working Days' notice, revise this clause by replacing it with any applicable Controller to Processor standard clauses or similar terms forming part of an applicable certification scheme (which shall apply when incorporated by

attachment to this Agreement

8.1.2.13 The Parties agree to take account of any guidance issued by the Information Commissioner's Office. DFID may on not less than 30 Working Days' notice to the Processor amend this agreement to ensure that it complies with any guidance issued by the Information Commissioner's Office.

8.1.3 Where the Parties both Control Personal Data Independently

8.1.3.1 With respect to Personal Data which a Party acts as Controller but which is not under the Joint Control (because the Parties determine the means and purposes of processing Personal Data independently of each other) each Party undertakes to comply with the applicable Data Protection Legislation in respect of their Processing of such Personal Data as Controller and with this Clause 7.1.3.

8.1.3.2 Taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, each Party shall, with respect to its processing of Personal Data as independent Controller, implement and maintain appropriate technical and organisational measures to ensure a level of security appropriate to that risk, including, as appropriate, the measures referred to in Article 33(1)(a), (b), (c) and (d) of the GDPR, and the measures shall, at a minimum, comply with the requirements of the Data Protection Legislation, including Article 32 of the GDPR.

8.1.3.3 Each Party shall promptly (and without undue delay) notify the other Party if in relation to any Personal Data processed by it as independent Controller in the performance of its obligations or the exercise of its rights under this Legal Services Contract if:

- (a) it receives a complaint, notice or communication which relates to either Party's actual or alleged non-compliance with the Data Protection Legislation; or
- (b) it becomes aware of a Personal Data Breach; and shall provide the other Party with such assistance and cooperation as is reasonably requested by the other Party in order to address and resolve the complaint, notice, communication or Personal Data Breach.

8.1.3.4 In respect of any losses, cost claims or expenses incurred by either Party as a result of a Personal Data Breach (the "Claim Losses"): the Party responsible for the relevant breach shall be responsible for the Claim Losses.

8.1.3.5 The Parties agree to erase Personal Data from any computers, storage devices and storage media that are to be retained as soon as practicable after it has ceased to be appropriate for them to retain such Personal Data under applicable Data Protection Law Legislation and their privacy policy (save to the extent and for the limited period) that such information needs to be retained by the a Party for statutory compliance the purposes of complying with Law or as otherwise required by this Contract), and taking all further actions as may be necessary or desirable to ensure its compliance with Data Protection Law Legislation and its privacy policy

8.1.4 Where the Parties both Controllers of Personal Data Jointly

8.1.4.1 Where the Parties jointly determine the purposes of means of processing Personal Data in accordance with GDPR Article 26, the Parties shall identify the applicable Personal Data under Joint Control in Appendix A and the Parties shall enter into a Joint Controller Agreement based on the terms outlined in Appendix B in replacement of Clause 7 which shall not apply for any

such the Personal Data under Joint Control.

## 9. Safeguarding

9.1 For the purposes of this Clause 9, “Reasonable Measures” shall mean:

all reasonable endeavours expected to be taken by a professional and prudent supplier in the Supplier’s industry to eliminate or minimise risk of actual, attempted or threatened exploitation, abuse and harassment (including Sexual Abuse, Sexual Exploitation and Sexual Harassment) and whether or not such conduct would amount to a criminal offence in the United Kingdom or an offence under the laws of the territory in which it takes place (together “Serious Misconduct”) as is reasonable and proportionate under the circumstances. Such endeavours may include (but shall not be limited to):

- (a) clear and detailed policies and guidance for Supplier Personnel, Supplier Providers and where appropriate, beneficiaries;
- (b) developing, implementing and maintaining a safeguarding plan throughout the term (including monitoring);
- (c) provision of regular training to Supplier Personnel, Supplier Providers and where appropriate, beneficiaries
- (d) clear reporting lines and whistleblowing policies in place for Supplier Personnel, Supplier Providers and beneficiaries,
- (e) maintaining detailed records of any allegations of Serious Misconduct and regular reporting to DFID and the Appropriate Authorities (where relevant) of any such incidents;
- (f) any other Good Industry Practice measures (including any innovative solutions),

9.2 The Supplier shall take all Reasonable Measures to prevent Serious Misconduct by the Supplier Personnel or any other persons engaged and controlled by it to perform any activities under this Agreement (“Supplier Providers”) and shall have in place at all times robust procedures which enable the reporting by Supplier Personnel, Supplier Providers and beneficiaries of any such Serious Misconduct, illegal acts and/or failures by the Supplier or Supplier Personnel to investigate such reports.

9.3 The Supplier shall take all Reasonable Measures to ensure that the Supplier Personnel and Supplier Providers do not engage in sexual activity with any person under the age of 18, regardless of the local age of majority or age of consent or any mistaken belief held by the Supplier Personnel or Supplier Provider as to the age of the person. Furthermore, the Supplier shall ensure that the Supplier Personnel and Supplier Providers do not engage in ‘transactional sex’ which shall include but not be limited to the exchange of money, employment, goods, or services for sex and such reference to sex shall include sexual favours or any form of humiliating, degrading or exploitative behaviour on the part of the Supplier Personnel and the Supplier Providers. For the avoidance of doubt, such ‘transactional sex’ shall be deemed to be Serious Misconduct in accordance with Clause 50.1.

9.4 The Supplier shall promptly report in writing any complaints, concerns and incidents regarding Serious Misconduct or any attempted or threatened Serious Misconduct by the Supplier Personnel and Supplier Providers to DFID, including DFID’s Counter Fraud Section at



reportingconcerns@dfid.gov.uk or +44 (0)1355 843747, and where necessary, the Appropriate Authorities.

- 9.5 The Supplier shall fully investigate and document all cases or potential cases of Serious Misconduct and shall take appropriate corrective action to reduce the risk and/or eliminate Serious Misconduct being committed by the Supplier Personnel and Supplier Providers (which may include disciplinary action, termination of contracts etc.), such investigations and actions to be reported to DFID as soon as is reasonably practicable
- 9.6 The Supplier shall not engage as Supplier Personnel or Supplier Provider for the purposes of the Services any person whose previous record or conduct known to the Supplier (or reasonably ought to be known by a diligent supplier which undertakes the appropriate checks) indicates that they are unsuitable to perform the Services and/or where they represent an increased and unacceptable risk of committing Serious Misconduct.
- 9.7 The Supplier shall comply with all applicable laws, legislation, codes of practice and government guidance in the UK and additionally, in the territories where the Services are being performed, relevant to safeguarding and protection of children and vulnerable adults, which the Supplier acknowledges may include vetting of the Supplier Personnel by the UK Disclosure and Barring Service in respect of any regulated activity performed by the Supplier Personnel (as defined by the Safeguarding Vulnerable Groups Act 2006 (as amended)) and/or vetting by a local equivalent service. Where DFID reasonably believes that there is an increased risk to safeguarding in the performance of the Services, the Supplier shall comply with any reasonable request by DFID for additional vetting to be undertaken.
- 9.8 Failure by the Supplier to:
- 9.8.1 put in place preventative measures to eliminate and/or reduce the risk of Serious Misconduct; or
- 9.8.2 fully investigate allegations of Serious Misconduct; or
- 9.8.3 report any complaints to DFID and where appropriate, the relevant authorities (including law enforcement) shall be a material Default of this Contract and shall entitle DFID to terminate this Contract with immediate effect.

## **10. Financial Distress**

- 10.1 The Supplier acknowledges and agrees that the financial stability and solvency of the Supplier and its key Sub-Contractors is critical to the successful delivery of the Services and that any deterioration or potential deterioration of their financial position may have an adverse effect on the performance of the Contract. The Supplier shall monitor its own financial standing and that of its key Sub-Contractors on a regular basis throughout the term using a Financial Monitoring Plan and shall report on this to DFID.
- 10.2 The Financial Monitoring Plan shall be designed by the Supplier to ensure that DFID has an early and clear warning indicator of any financial distress of the Supplier and key Sub-Contractors which may affect the Services; such design to be proportionate for the circumstances; taking into account the nature of the Services and the identity of the suppliers.
- 10.3 Except where DFID has agreed otherwise, the Supplier shall within four (4) weeks of the Commencement Date, prepare and submit via the Project Officer for Approval by DFID, a Financial Monitoring Plan which shall set out the Supplier's proposals for the monitoring and



reporting of its financial stability, and the financial stability of its key Sub-Contractors to DFID on a regular basis throughout the Term.

- 10.4 The Financial Monitoring Plan may include (but shall not be limited to):
- 10.4.1 A summary of the Supplier's and key Sub-Contractors' financial positions at the date of submission of the Financial Distress Plan and on a regular basis thereafter to DFID (including credit ratings, financial ratios, details of current liabilities, value of marketable securities, cash in hand and bank, account receivables etc.);
  - 10.4.2 An objective means of measuring the Supplier and key Sub-Contractor's financial standing on a regular basis throughout the Term against historical financial standing to show trend (including use of credit ratings, financial ratios and/or other financial indicators);
  - 10.4.3 The Supplier's proposals for reporting financial standing to DFID (including the template reporting forms which the Supplier intends to use);
  - 10.4.4 The frequency of monitoring and reporting activity;
  - 10.4.5 Provision of reporting lines for the supply chain to notify DFID of incidents of non-payment of valid and undisputed invoices;
  - 10.4.6 Any other provisions which in the reasonable opinion of the Supplier may be required by DFID to assess current financial standing of the Supplier and key Sub-Contractors and which enable quick and easy assessment of any movement in financial standing.
- 10.5 The Supplier shall make any reasonable amendments to the Financial Monitoring Plan as may be requested by DFID and shall resubmit it for Approval. If Approved by DFID, the Supplier shall promptly implement the Financial Monitoring Plan throughout the Term.
- 10.6 In addition to its obligations under the Financial Monitoring Plan, the Supplier shall promptly notify DFID in writing if any of the following "Financial Distress Events" occurs in respect of the Supplier or a key Sub-Contractor:
- 10.6.1 there is a material deterioration of its financial standing;
  - 10.6.2 the appointment of an administrator or receiver;
  - 10.6.3 late filing of statutory accounts with Companies House;
  - 10.6.4 it issues a profits warning or other similar public announcement about a deterioration in its finances or prospects;
  - 10.6.5 it is being publicly investigated for improper financial accounting and reporting, fraud or any other financial impropriety;
  - 10.6.6 it commits a material breach of covenant to its lenders;
  - 10.6.7 a key Sub-Contractor not being paid any sums properly due under a specified invoice that is not subject to a genuine dispute;
  - 10.6.8 it is subject to any claims, litigation, investigations, actions or decisions in respect of financial indebtedness.

- 10.7 In the event of a Financial Distress Event occurring, then the Supplier shall and shall procure that any affected key Sub-Contractor shall, as soon as reasonably practicable review the effect of the Financial Distress Event on the continued performance of the Services under this Contract and provide a report to DFID. Where DFID reasonably believes that the Financial Distress Event is likely to adversely impact on the performance of the Services, the Supplier shall submit to DFID for Approval a Financial Distress Service Continuity Plan as soon as is reasonably practicable and shall provide any further financial information as DFID may reasonably require to assess financial standing and risks.
- 10.8 If DFID acting reasonably considers that the Financial Distress Service Continuity Plan is insufficient to remedy the effects of the Financial Distress Event on the Service, then it may require the Supplier (and/or key Sub-Contractor) to redraft and resubmit an improved and updated plan or may require the issue to be escalated via the Dispute Resolution Procedure.
- 10.9 If DFID Approves the Financial Distress Service Continuity Plan, then the Supplier shall execute and continue to review the plan (with submissions to DFID for Approval where it is updated).
- 10.10 Where the Parties agree that the Financial Distress Event no longer adversely affects the delivery of the Services, the Supplier shall be relieved of its obligations in respect of the current Financial Distress Service Continuity Plan.
- 10.11 DFID shall be entitled to terminate this Contract for material Default if:
- 10.11.1 The Supplier fails to notify DFID of a Financial Distress Event in accordance with Clause 9.6;
- 10.11.2 DFID and the Supplier fail to agree a Financial Distress Service Continuity Plan or any updates to a plan within a reasonable timescale (taking into account the effects of the Financial Distress Event on the Services);
- 10.11.3 The Supplier fails to comply with the terms of the Financial Distress Service Continuity Plan or any updates to the plan.

## **11. Review Point**

- 11.1 The Contract Period is subject to the following formal review points

- At the end of the inception period, 4 months after signing of the contract.
- At the end of March 2021.

Movement from Inception to Implementation and continuation of the contract beyond the Inception review points will be subject to the satisfactory performance and achievement of the standards required by the Inception phase deliverables. A formal contract amendment may be required after the inception phase to capture the agreed implementation targets and milestone payment plan.

## **12. Reports**

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

## **13. Duty of Care**

- 13.1 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:
- 13.2 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.
- 13.3 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:
- 13.3.1 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;
  - 13.3.2 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.
- 13.4 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.
- 13.5 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.
- 13.6 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.

## **14 INSURANCE**

- 14.1 DFID Framework Agreement Terms and Conditions (version 1.1 October 2017), Schedule 3: Insurance Requirements, the following amendments will apply:
- 14.1.1 The figure in clause 7.1 – Insurance Claims is One hundred thousand pounds (£100,000).
- 14.1.2 Annex 1: Required Insurances, Part A Third Party Public and Products Liability insurance, clause 3 Limit of Indemnity, clause 4 Territorial Limits and clause 8 Maximum Deductible Threshold shall be amended as follows:
- '3.1 Not less than the Financial Limit in respect of any one occurrence, the number of occurrences being unlimited, but the Financial Limit any one occurrence and in the aggregate per insurance year in respect of products and pollution liability.'
- '4.1 United Kingdom,'
- Clause 8 shall be deleted.
- 14.1.3 Annex 1: Required Insurances, Part B Professional Indemnity Insurance, clause 3 Limit of Indemnity, clause 4 Territorial Limits and clause 8 Maximum Deductible Threshold shall be amended as follows:

‘3.1 Not less than the Financial Limit in respect of any one claim and in the aggregate.’

‘4.1 United Kingdom.’

Clause 8 shall be deleted.

## 15. Call-down Contract Signature

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

### Additional definitions.

**“Appropriate Authorities”** means any and/or all of (as may be relevant under the circumstances) the UK government bodies and/or government bodies/agencies in the territory where Serious Misconduct may have or is suspected of having taken place, which have responsibility for safeguarding, recording, investigating, enforcing and/or determining allegations of Serious Misconduct and which may include (but shall not be limited to), the DFID, the National Crime Agency, UK Police force, local territory police forces, and social services

**“Controller, Processor, Data Subject, Personal Data, Personal Data Breach, Data Protection Officer”** take the meaning given in the GDPR.

**“Data Protection Legislation”** (i) the GDPR, the LED and any applicable national implementing Laws as amended from time to time (ii) the DPA 2018 [subject to Royal Assent] to the extent that it relates to processing of personal data and privacy; (iii) all applicable Law about the processing of personal data and privacy.

**“Data Protection Impact Assessment”**: an assessment by the Data Controller of the impact of the envisaged processing on the protection of Personal Data.

**“Data Loss Event”**: any event that results, or may result, in unauthorised access to Personal Data held by the Contractor under this Agreement, and/or actual or potential loss and/or destruction of Personal Data in breach of this Agreement, including any Personal Data Breach.

**“Data Subject Access Request”**: a request made by, or on behalf of, a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to access their Personal Data.

**“DPA 2018”** : Data Protection Act 2018

**“GDPR”** the General Data Protection Regulation (*Regulation (EU) 2016/679*).

**“Joint Control”** means Personal Data which under the Control of Joint Controllers in accordance with GDPR Article 26;

**“Processor Personnel”** means all directors, officers, employees, agents, consultants and contractors of the Processor and/or of any Sub-Processor engaged in the performance of its obligations under this Agreement and/or call down contract

**“Sexual Abuse”** means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions, and all sexual activity with someone under the age of 18, regardless of local age of majority or consent under the laws of the territory in which it takes place and regardless of any mistaken belief (by the relevant individual) as to the age of a child;

**“Sexual Exploitation”** means any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes. Includes profiting monetarily, socially, or politically from sexual exploitation of another;

**“Sexual Harassment”** means unwelcome sexual advances (also but not exclusively without touching). It includes requests for sexual favours, or other verbal or physical behaviour of a sexual nature, which may create a hostile or offensive environment.

**“Sub-processor”**: any third Party appointed to process Personal Data on behalf of that Processor related to this Agreement.

**“Supplier Provider”** means persons engaged and/or controlled by or on behalf of the Supplier pursuant to any activities undertaken by the Supplier under this Agreement.

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

Name:

Position:

Signature:

Date:

For and on behalf of

Name:

Position:

Signature:

Date:



APPENDIX B



## DFID Supply Partner Code of Conduct

### Principles

DFID aims to create an inclusive culture of best practice with the delivery partners with whom it engages and which receive UK taxpayers' funds. All Supply Partners should adhere to the overarching principles of the Supply Partner Code of Conduct (hereafter "the Code").

#### Overarching Principles for Supply Partners

- ✓ Act responsibly and with integrity
- ✓ Be transparent and accountable
- ✓ Seek to improve value for money
- ✓ Demonstrate commitment to poverty reduction and DFID priorities<sup>1</sup>
- ✓ Demonstrate commitment to wider HMG priorities<sup>2</sup>

### DFID Supply Partner responsibilities

Supply Partners and their subcontractors (delivery chain partners) should ensure they have read and understood the Code and their required compliance level and seek clarification from DFID where necessary. In particular, it is important that the Supply Partners and their subcontractors (delivery chain partners) understand any risks and have systems in place to manage them. The 3 compliance levels are:

**Compliance Level 1** - Supply Partners with an individual contract value of £1m or above, or two or more contracts/grants with DFID with a combined value of £5m or above;

**Compliance Level 2** - Supply Partners with an individual contract value below £1m, or two or more contracts /grants with DFID with a value of less than £5m;

<sup>1</sup> <https://www.gov.uk/government/organisations/department-for-international-development/about#priorities>

<sup>2</sup> <https://www.gov.uk/government/organisations/hm-treasury/about#priorities>



**Compliance Level 3** - Supply Partners with an individual Contract value, or component of a Contract/Grant, with a value below the EU contracting threshold. At this level Supply Partners are required to adhere to the overarching Code principles and recognise, mitigate and manage risks. These Supply Partners will not be monitored against the contractual KPIs.

### Scope

This Code forms part of DFID's standard contractual terms and conditions and full compliance and annual verification via a signed declaration, to be found at Annex 1b, is mandatory for contracted Supply Partners. Adherence to the Code at the appropriate level is also a requirement for DFID direct and delivery chain Supply Partners in receipt of funding. DFID will monitor Supply Partners in six priority areas as set out below using a set of Key Performance Indicators (KPIs) as referenced in Annex 1a and 1b.

## 1. Value for Money and Governance

Key Performance Indicators KPI 1 a - c

Value for Money and financial transparency is an essential requirement of all DFID commissioned work. All Supply Partners must seek to maximise development results, whilst driving cost efficiency, throughout the life of commissioned programmes. This includes budgeting and pricing realistically and appropriately to reflect delivery requirements and levels of risk over the life of the programme. It also includes managing uncertainty and change to protect value in the often challenging environments that we work in.

Supply Partners must demonstrate that they are pursuing continuous improvement and applying stringent financial management and governance to reduce waste and improve efficiency in their internal operations and within the delivery chain. DFID expects Supply Partners to demonstrate openness and honesty and to be realistic about capacity and capability at all times, accepting accountability and responsibility for performance along the full delivery chain, in both every-day and exceptional circumstances.

### Specific requirements include:

- ✓ Provision of relevant VfM and governance policies and a description of how these are put into practice to meet DFID requirements (e.g. Codes on fraud and corruption, due diligence);
- ✓ A transparent, open book approach, which enables scrutiny of value for money;
- ✓ Strict adherence to all UK and in-country government tax requirements;
- ✓ Processes for timely identification and resolution of issues and for sharing lessons learned which might be requested by DFID at any time.

## 2. Ethical Behaviour

Key Performance Indicators KPI 2 a- f

DFID Supply Partners and their delivery chain partners act on behalf of the UK government and interact globally with country governments, other aid donors and their delivery partners, many stakeholders including citizens and directly and indirectly with aid beneficiaries. These interactions

must therefore meet the highest standards of ethical and professional behaviour in order to uphold the reputation of the UK government.

Arrangements and relationships entered into, whether with or on behalf of DFID, must be free from bias, conflict of interest or the undue influence of others. Particular care must be taken by Supply Partner and delivery chain staff who:

- a) are directly involved in the management of a programme or procurement of services; or
- b) who engage with i) frontline DFID staff ii) other deliverers of aid iii) beneficiaries (of aid)

Where those in a) and b) could be susceptible to undue negative or detrimental influence.

Supply Partners and their delivery chain partners must declare to DFID where there may be instances or allegations of previous unethical behaviour by an existing or potential staff member or where there is a known or suspected conflict of interest. Where a potential or existing staff member has been employed by DFID or the Crown in the preceding two years Supply Partners and their delivery chain partner must provide proof of compliance with the HMG approval requirements under the Business Appointment Rules.

Supply Partners and their delivery chain partners must have the following policies and procedures in place:

- ✓ Development and proof of application and embedding of a Staff Recruitment, Management and Retention policy (which must address circumstances where there may be potential or actual conflict of interest and embedding of a Whistleblowing Policy)
- ✓ Ongoing monitoring of potential or existing personal, business or professional conflict of interest and their mitigation and management
- ✓ Ethical training for every staff member and staff updates in ethical working practices suitable to the development sector (e.g. UN Global Compact principles) including awareness of modern day slavery and human rights abuses
- ✓ Procedures setting out how, staff involved in DFID funded business, can immediately report all suspicions or allegations of aid diversion, fraud, money laundering or counter terrorism finance to the DFID Counter Fraud and Whistleblowing Unit (CFWU) at [reportingconcerns@dfid.gov.uk](mailto:reportingconcerns@dfid.gov.uk) or on +44(0)1355 843747.

### **3. Transparency and Delivery Chain Management**

Key Performance Indicators KPI 3 a – f

DFID requires full delivery chain transparency from all Supply Partners. All direct Supply Partners and their delivery chain partners must adhere to wider HMG policy initiatives including the support and capacity building of micro, small and medium sized enterprises (MSMEs), prompt payment, adherence to human rights and modern slavery policies and support for economic growth in developing countries.

DFID recognises the critical value that downstream delivery partners contribute. Direct Supply Partners must engage their delivery chain partners in a manner that is consistent with DFID's treatment of its direct Supply Partners. This includes, but is not limited to: appropriate pricing of services; fiduciary and financial risk management processes; applying transparent and responsive measures where delivery chain partners underperform against the KPI areas; taking a zero tolerance approach to tax evasion, corruption, bribery and fraud in subsequent service delivery or in partnership agreements. Direct Supply Partners must cascade the principles of the Code throughout their delivery chain to ensure DFID ethical behaviour standards are embedded and maintained.

**Specific requirements for direct Supply Partners include:**

- ✓ Provide assurance to DFID that the policies and practices of their delivery chain Supply Partners and affiliates comply with the Code;
- ✓ Maintaining and sharing with DFID up-to-date and accurate records of all downstream partners in receipt of DFID funds and/or DFID funded inventory or assets. This should map how funds flow from them to end beneficiaries and identify risks and potential risks along the delivery chain;
- ✓ Ensuring delivery chain partner employees are expressly notified of the DFID 'reporting concerns' mail box<sup>3</sup> found on DFID's external website and of the circumstances in which this should be used;
- ✓ Publication of DFID funding data in accordance with the International Aid Transparency Initiative (IATI)<sup>4</sup>
- ✓ Supply Partners shall adhere to HMG prompt payment policy and not use restrictive exclusivity agreements with sub-partners.

#### **4. Environmental issues**

##### **Key Performance Indicators KPI 4 a – b**

DFID Supply Partners must be committed to high environmental standards, recognising that DFID's activities may change the way people use and rely on the environment, or may affect or be affected by environmental conditions. Supply Partners must demonstrate they have taken sufficient steps to protect the local environment and community they work in, and to identify environmental risks that are imminent, significant or could cause harm or reputational damage to DFID.

**Commitment to environmental sustainability may be demonstrated by:**

- ✓ Formal environmental safeguard policies in place;
- ✓ Publication of environmental performance reports on a regular basis

<sup>3</sup> <https://www.gov.uk/government/organisations/department-for-international-development/about#reporting-fraud>

<sup>4</sup> <http://www.aidtransparency.net/>

- ✓ Membership or signature of relevant environmental Codes, both directly and within the delivery chain such as conventions, standards or certification bodies (e.g. the Extractive Industries Transparency Initiative<sup>5</sup>).

## 5. Terrorism and Security

Key Performance Indicators KPI 5 a – d

DFID Supply Partners must implement due diligence processes to provide assurance that UK Government funding is not used in any way that contravenes the provisions of the Terrorism Act 2000, and any subsequent regulations pursuant to this Act.

DFID Supply Partners must maintain high levels of data security in accordance with the Data Protection Act 1998 and any subsequent regulations pursuant to this Act, or new Act and with the General Data Protection Regulation (Directive 95/46/EC).

### Specific requirements:

- ✓ Development and proof of application and embedding of a comprehensive Terrorism and Security Policy
- ✓ Development and proof of application and embedding of personal data processing processes within a Data Protection Policy
- ✓ DFID Supply Partners must safeguard the integrity and security of their IT and mobile communications systems in line with the HMG Cyber Essentials Scheme<sup>6</sup>. Award of the Cyber Essentials or Cyber Essential Plus badges would provide organisational evidence of meeting the UK Government-endorsed standard;
- ✓ All DFID Supply Partners who manage aid programmes with a digital element must adhere to the global Principles for Digital Development<sup>7</sup>, which sets out best practice in technology-enabled programmes
- ✓ Ensure that DFID funding is not linked to terrorist offences, terrorist activities or financing.

## 6. Safeguarding, Social Responsibility and Human Rights

Key Performance Indicators: KPI 6 a – d

Safeguarding, social responsibility and respect for human rights are central to DFID's expectations of its Supply Partners. Supply Partners must ensure that robust procedures are adopted and maintained to eliminate the risk of poor human rights practices within complex delivery chain environments funded by DFID. These practices include sexual exploitation, abuse and harassment; all forms of child abuse and inequality or discrimination on the basis of race, gender, age, religion, sexuality, culture or disability. Supply Partners must place an emphasis on the control of these and further unethical and illegal employment practices, such as modern day slavery, forced and child labour and other forms of exploitative and unethical treatment of workers and aid recipients. DFID will expect a particular

<sup>5</sup> <https://eiti.org/>

<sup>6</sup> <https://www.gov.uk/government/publications/cyber-essentials-scheme-overview>

<sup>7</sup> <http://digitalprinciples.org/>

emphasis on the management of these issues in high risk fragile and conflict affected states (FCAS), with a focus on ensuring remedy and redress if things go wrong.

**Specific requirements:**

- ✓ Development and proof of application and embedding of a Safeguarding Policy;
- ✓ Delivery of Social Responsibility, Human Rights and Safeguarding training throughout the delivery chain;
- ✓ Compliance level 1 Supply Partners must be fully signed up to the UN Global Compact<sup>8</sup>;
- ✓ Practices in line with the International Labour Organisation (ILO) 138<sup>9</sup> and the Ethical Trading Initiative (ETI) Base Code<sup>10</sup> are to be encouraged throughout the delivery chain;
- ✓ Policies to embed good practice in line with the UN Global Compact Guiding Principles 1 & 2 on business and human rights throughout the delivery chain are required, as detailed in Annex 2;
- ✓ Compliance level 1 Supply Partners to submit a Statement of Compliance outlining how the organisation's business activities help to develop local markets and institutions and further how they contribute to social and environmental sustainability, whilst complying with international principles on Safeguarding and Human Rights labour and ethical employment, social inclusion and environmental protection;
- ✓ Overarching consideration given to building local capacity and promoting the involvement of people whose lives are affected by business decisions.

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<sup>8</sup> <https://www.unglobalcompact.org/what-is-gc/mission/principles>

<sup>9</sup> [http://ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C138](http://ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138)

<sup>10</sup> <http://www.ethicaltrade.org/eti-base-code>

## Annex 1a

### Compliance KPIs and contractual checking mechanisms - DFID Contracts

Maintaining standards of assurance and driving sustainable improvements, in connection with the Code's principles through Supply Partner relationships is a key focus for DFID.

Supply Partner and delivery chain compliance checking processes will take place in accordance with the agreed compliance levels and the specific contractual clauses down the delivery chain, DFID shall undertake compliance checks.

Where appropriate, a plan setting out the Code of Conduct delivery methodology for the Supply Partner arrangements during the contract term may be jointly developed with DFID during Contract mobilisation.

Contract Checks and Compliance KPIs		KPI target	Specific Contractual link	Checking mechanism
i.	Declaration of acceptance of the DFID Supply Partner Code of Conduct	Annual declaration submitted by contracted Supply Partner on behalf of delivery chain	Contract Terms and Conditions Clause 5.1 and Clause 7.7	Declaration of acceptance at the applicable level of compliance with each of the 6 sections received
	ii. Declaration of sign up to the UN Global Compact	Annual declaration submitted by the direct Supply Partner	Standard Selection Questionnaire (SSQ)	Declaration of applicable sign up / application received
1.	<b><u>VfM and Governance standards</u></b>			
a)	Economic and governance policies in practice	Annual updated documentation provided (copy of Policies with detailed annual financial breakdown relating to contract)	Terms and Conditions Clauses 13, 14 & 15	Annual contract review/programme management  Audit checks Compliance checks
b)	VfM being maximised over the life of a contract			
	1. By confirmation of annual profit level fluctuations since	Updated	Contract T&Cs Clauses 15 & 20	Compliance checks  Annual contract

c)	tender submittal	documentation submitted once annually	Terms of Reference	review/programme management Compliance checks
	2. by timely identification and resolution of issues			
	3. ensuring lessons learned are shared		Terms of Reference	Annual contract review/programme management Compliance checks
	<u>Tax Declaration (HMRC format)</u>			
	<ul style="list-style-type: none"> <li>Tax the organisation paid on profits made in the last 3 years, and in which countries</li> <li>Compliance with relevant country level tax regulations fully understood and met</li> </ul>	Annually updated documentation submitted by contracted supplier and on behalf of delivery chain partners	Terms and Conditions Clauses 15, 23 & 24  Terms of reference	Annual return  Compliance checks
2.	<b><u>Ethical Behaviour</u></b>			
a)	Recruitment policy (which must address circumstances where there may be potential or actual conflict of interest)	Updated policy documentation submitted once annually by contracted supplier and on behalf of delivery chain partners	Terms and Conditions Clauses 6, 51 & 54	Annual return Compliance checks
b)	Ongoing conflict of interest, mitigation and management	As 2a. above	Terms and conditions Clause 54	Annual return Compliance checks
c)	Refresher ethical training and staff updates (including disclosure restrictions on DFID confidential information)	Copy of training logs provided Delivery in accordance with training programme in place	Terms and conditions Clause 6, 29, 51 & 54	Annual return Compliance checks
d)	A workforce whistleblowing policy	Continuous workforce awareness maintained Policy in place	Terms and Conditions Clause 48	Annual return Compliance checks



e)	<p>1. Procedures setting out how, staff involved in DFID funded business, can immediately report all suspicions or allegations of aid diversion, fraud, money laundering or counter terrorism finance to the Counter Fraud and Whistleblowing Unit (CFWU) at <a href="mailto:reportingconcerns@dfid.gov.uk">reportingconcerns@dfid.gov.uk</a> or on +44(0)1355 843747</p> <p>2. Employees working on DFID Contracts fully aware of the DFID external website reporting concerns mailbox</p>	<p>Continuous awareness maintained</p> <p>Procedure in place</p> <p>Continuous awareness maintained</p>	<p>Terms and Conditions Clauses 6, 48 &amp; 54</p> <p>Terms and Conditions Clause 48</p>	<p>Annual return Compliance checks</p> <p>Annual return Compliance checks</p>
f)	<p>Declarations of direct or subcontractor staff members proposed to work on DFID funded business if employed by DFID or the Crown in the preceding two years</p> <p>Supply Partners and their subcontractors must provide proof of compliance with the HMG approval requirements under the <a href="#">business appointment rules</a></p>	<p>Details submitted as applicable</p>	<p>Terms and Conditions Clause 48</p> <p><a href="#">HMG business appointment rules</a></p>	<p>Annual return Compliance checks</p> <p>Contract management</p>
3.	<b><u>Transparency and Delivery Chain Management</u></b>			
a)	IATI compliance for Supply Partner and their delivery chain Supply Partners	Updated documentation submitted once annually	Contract Terms and Conditions Clause 28	Tender evaluation
b)				Periodic spot checks Compliance checks
c)	Up to date and accurate records of all delivery chain Supply Partners	Updated documentation submitted in accordance with Clause 26.7	Contract Terms & conditions Clause 9 & 28 Tender submittal – delivery chain	Annual return Compliance checks Contract management
d)	Policies and practices for the management of delivery chain partners and affiliates aligned to the DFID Supply Partner Code of Conduct	Updated documentation submitted annually	Contract Terms & conditions Clause 7	Contract management processes Periodic spot checks Compliance checks
e)	Tax evasion, bribery, corruption and fraud -statements of assurance provided	Updated documentation submitted once annually	Contract Terms and Conditions 23 & 24	Periodic and annual return spot checks Compliance checks

f)	All delivery chain partner employees working on DFID Contracts fully aware of the DFID reporting concerns mailbox	Updated documentation submitted once annually	Contract Terms & Conditions Clause 48	Periodic and annual return spot checks
	HMG prompt payment policy adhered to by all delivery chain partners	Updated documentation submitted once annually	Contract Terms & conditions 7	HMG spot checks Compliance checks Annual return
4.	<b><u>Environmental Issues</u></b>			
a)	1.Steps in place to identify environmental risks (e.g. by maintaining a risk register) Ensuring legislative requirements are being met  2. Formal context specific environmental safeguarding policies in place to ensure legislative requirements are being met	Updated documentation submitted once annually	Contract Terms & Conditions Clause 53 and ToRs	Contract management  Periodic and annual return spot checks Compliance checks
b)	Published annual environmental performance reports	Updated documentation submitted once annually	Contracts ToRs	Periodic and annual return spot checks
5.	<b><u>Terrorism and Security</u></b>			
a)	Up to date status declaration regarding the reporting of terrorist offences or offences linked to terrorist activities or financing	Updated documentation submitted if and when changes identified since tender submittal	Standard Selection Questionnaire (SSQ)	Annual return Spot checks Compliance checks Annual contract review
b)	Certification at or above the level set out in the tender submittal	Updated documentation submitted if changes identified since tender submittal	Standard Selection Questionnaire (SSQ)	Annual return Compliance checks
c)				
d)	Data managed in accordance with DFID Security Policy and systems in accordance with the HMG Cyber Essentials Scheme	Updated documentation submitted if changes identified since tender submittal	Contract T&Cs Clause 32 & 33	Compliance checks

	Best practice global Principles for Digital Development in place	Updated documentation submitted if changes identified since tender submittal	Terms of reference (TORs)	Annual contract review Compliance checks
<b>6.</b>	<b><u>Safeguarding, Social Responsibility and Human Rights</u></b>			
<b>a)</b>	Provision of a current internal document demonstrating good practice and assuring compliance with key legislation on international principles on labour and ethical employment	Confirmation of UN Global Compact Membership	Standard Selection Questionnaire	Tender evaluation  Annual return Compliance checks
<b>b)</b>	Agreed level of measures in place and cascaded to assure the prevention of actual, attempted or threatened sexual exploitation or abuse or other forms of inequality or discrimination by employees or any other persons engaged and controlled by the Supply Partner to perform any activities relating to DFID funded work. Robust procedures for the reporting of suspected misconduct, illegal acts or failures to investigate in place	Updated documentation submitted once annually	Contract T&Cs Clause 50	Tender evaluation, Compliance checks
<b>c)</b>	Recognition of the ILO standards  Membership of Ethical Trading Initiative (ETI)	Membership number		Compliance checks
<b>d)</b>	1.Principles cascaded to employees and delivery chain partners via an internal policy or written outline of good practice service delivery approaches to Human Rights and Safeguarding reflecting UN Global Compact Principles 1 & 2  2. Number and details of any organisational safeguarding allegations reported	Updated documentation submitted annually  Updated documentation submitted if and when changes identified since tender submittal	Contract T&Cs Clause 50	Annual return  Compliance checks  Annual checks Compliance checks  Tender evaluation

	3.Level of commitment in relation to the Contract evident in delivery practices in line with the workplace and community guidance provided in the DFID Supply Partner Code of Conduct Annex 2	Updated documentation submitted annually		Compliance checks
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## Annex 1b

### Contractual Annual Compliance Declaration

Prior to Contract Award and thereafter on an annual basis at the end of each financial year, the Supply Partner is required to submit a Compliance Declaration in connection with the management of any DFID Contract in place and on behalf of their delivery chain partners. Supply Partners should be aware that spot check compliance monitoring will take place to verify responses.

### Supply Partner Compliance Declaration

**Key:**

#### Contractual Requirement:

**X denotes full compliance 1 required**

**O denotes reduced compliance level 2, unless otherwise stipulated in contractual Terms of Reference**

#### **Compliance Level 1**

Supply Partners with an individual contract value of £1m or above, or two or more contracts funded by DFID with a combined value of £5m or above.

#### **Compliance Level 2**

Supply Partners with an individual contract value below £1m, or two or more contracts funded by DFID with a value of less than £5m.

#### **Compliance Level 3**

Supply Partners with an individual contract value or component of a contract funded by DFID with a value below the EU Threshold. At this level Supply Partners are required to adhere to the overarching Code principles and recognise, mitigate and manage risks but will not be monitored against the contractual KPIs.

KPI Compliance Area		Supply Partner Compliance Level		Commentary	CEO Signatory	Signature & date of signing
		1	2			
<b>1.</b>	<b><u>VfM and Governance standards</u></b>					
<b>a)</b>	Evidence of how economic and governance policies work in practice	X	O			
<b>b)</b>	VfM maximisation over contract life					
	1. Annual confirmation of % profit on contract	X	X			
	2. timely identification and resolution of issues	X	X			
	3. ensuring lessons learned are shared	X	O			
<b>c)</b>	<b><u>Tax Declaration (HMRC format)</u></b>					
	Comply with all tax requirements	X	X			

<b>2.</b>	<b><u>Ethical Behaviour</u></b>					
<b>a)</b>	Adherence to agreed conflict of interest management procedures	X	X			
<b>b)</b>	Evidence of workforce ethical training updates taking place	X	X			
<b>c)</b>	Confirmation of direct and delivery chain partner compliance with the HMG approval requirements under the Business Appointment Rules.	X	X			
<b>d)</b>	Confirmation and full evidence of awareness of an up to date workforce whistleblowing policy	X	X			
<b>e)</b>	Procedures in place and full evidence of awareness of how, staff involved in DFID funded business, can immediately report all suspicions or allegations of aid diversion, fraud, money laundering or counter terrorism finance to the Counter Fraud and Whistleblowing Unit (CFWU) at <a href="mailto:reportingconcerns@dfid.gov.uk">reportingconcerns@dfid.gov.uk</a> or on +44(0)1355 843747	X	X			
<b>f)</b>	HMG Business appointment rules followed - Conflict of Interest(COI) declarations made for direct or delivery chain staff members proposed to work on DFID funded business if employed by DFID or the Crown in the preceding two years.	X	X			
<b>3.</b>	<b><u>Transparency and Delivery Chain Management</u></b>					
<b>a)</b>	Supply Partner and delivery chain partners IATI compliant	X	O			
<b>b)</b>	Provision of up to date and accurate records of all delivery chain Supply Partners provided within the required frequencies, including annual contractual spend on SME's, women owned businesses and modern apprenticeships in place	X	O			
<b>c)</b>	Verification that policies and practices for the management of delivery chain Supply Partners are aligned to the DFID Supply Partner Code of Conduct i.e. by demonstrating delivery chain governance arrangements in place	X	O			
<b>d)</b>	Assurance there has been no change to					

	previous statements provided in relation to tax evasion, bribery, corruption and fraud	X	X			
e)	Confirmation that all delivery chain Supply Partners' employees working on DFID Contracts are fully aware of the DFID external website reporting concerns mailbox	X	X			
f)	Confirmation of adherence to HMG prompt payment policy with all their delivery chain Supply Partners	X	O			
4.	<b><u>Environmental Issues</u></b>					
a)	Environmental risks identified (e.g. by maintaining a risk register) with formal context specific environmental safeguarding policies in place	X	O			
b)	Annual published environmental performance reports	X	O			
5.	<b><u>Terrorism and Security</u></b>					
a)	Up to date status declaration regarding the reporting of terrorist offences or offences linked to terrorist activities or financing	X	X			
b)	No engaged employees or delivery chain partner personnel appears on the Home Office Prescribed Terrorist Organisations List	X	X			
c)	Data is managed in accordance with DFID security policy and systems are in accordance with the HMG cyber essentials scheme	X	X			
d)	Adherence to the best practice global principles for digital development	X	O			
6.	<b><u>Safeguarding, Social Responsibility and Human Rights</u></b>					
a)	Provision of a document demonstrating current organisational good practice and assuring compliance with key legislation on international principles on labour and ethical employment (to include Modern Day Slavery Act 2015 compliance detail)	X	O			
b)	Organisational procedures in place directly, and within the delivery chain: <ul style="list-style-type: none"> <li>1.To prevent actual, attempted or threatened sexual exploitation and abuse or other forms of inequality or discrimination by employees or any other persons engaged and controlled by the Supply Partner to perform</li> </ul>	X	X			



c)	any activities relating to DFID funded work • 2.For reporting suspected misconduct, illegal acts or failures to investigate actual attempted or threatened sexual exploitation or abuse	X	X			
	Current membership of UN Global Compact	X	O			
	Current membership of ETI	O	O			
d)	1.Evidence of cascade to employees of an internal policy or written outline of good practice service delivery approaches to Human Rights and Safeguarding reflecting UN Global Compact Principles 1&2 demonstrating an appropriate level of commitment in relation to the Contract	X	O			
	2.Numbers and details of organisational safeguarding allegations reported	X	X			
	3. Examples of delivery practice that demonstrate commitments in line with workplace and community in line with UN Global Compact Principles 1 & 2 (Annex 2)	X	O			

## Annex 2

### UN Global Compact – Human Rights

**Principle 1:** businesses should support and respect the protection of internationally proclaimed Human Rights

**Principle 2:** businesses should ensure they are not complicit in Human Rights abuse

Organisations should do this by giving attention to vulnerable groups including women, children, people with disabilities, indigenous groups, migrant workers and older people.

Organisations should comply with all laws, honouring international standards and giving particular consideration to high risk areas with weak governance.

Examples of how suppliers and partners should do this are set out below:

#### **In the workplace**

- by providing safe and healthy working conditions
- by guaranteeing freedom of association
- by ensuring non-discrimination in personnel practices
- by ensuring that they do not use directly or indirectly forced labour or child labour
- by providing access to basic health, education and housing for the workers and their families, if these are not provided elsewhere
- by having an affirmative action programme to hire victims of domestic violence
- by making reasonable accommodations for all employees' religious observance and practices

**In the community**

- by preventing the forcible displacement of individuals, groups or communities
- by working to protect the economic livelihood of local communities
- by contributing to the public debate. Companies interact with all levels of government in the countries where they operate. They therefore have the right and responsibility to express their views on matters that affect their operations, employees, customers and the communities of which they are a part
- through differential pricing or small product packages create new markets that also enable the poor to gain access to goods and services that they otherwise could not afford
- by fostering opportunities for girls to be educated to empower them and also helps a company to have a broader and more skilled pool of workers in the future, and
- perhaps most importantly, a successful business which provides decent work, produces quality goods or services that improve lives, especially for the poor or other vulnerable groups, is an important contribution to sustainable development, including human rights
- If companies use security services to protect their operations, they must ensure that existing international guidelines and standards for the use of force are respected

## TERMS OF REFERENCE

### IMPACT PROGRAMME (IP) – PRIVATE SECTOR DEPARTMENT

#### 1. Introduction

Impact investments are defined as investments into businesses with the intention of generating social and environmental impact alongside financial return<sup>1</sup>. The Department for International Development (DFID) believes in Impact Investing's potential to create significant, widespread progress in Sub-Saharan Africa and South Asia, and seeks to support impact investments into businesses reaching the underserved as consumers, suppliers, distributors or employees, in hard to reach/difficult geographies, or innovative business models.

While the industry has achieved substantial growth and captured widespread interest over the past 10 years<sup>2</sup>, it still generates only a fraction of the impact required to address the Global Goals and ultimately lift millions of people out of poverty.

Therefore, DFID is seeking to contract a specialist supplier with expertise in Impact Investing to support DFID's thinking around the ways in which to accelerate the market. This includes curating contracts to a range of market building organisations, i.e. those that support ecosystem interventions, operating in Sub-Saharan Africa and South Asia.

#### 2. Background

To date, DFID has spent £12.7 million over six years on grants to organisations aiming to unblock the constraints preventing Impact Investing from scaling in Sub-Saharan Africa and South Asia. From 2019-2023, DFID expects to spend up to £24.1 million on market building grants administered by the supplier to accelerate the market for Impact Investing.

To date, DFID's market building grants have been administered by a supplier whose contract ends in September 2019 and who has been supported by a Market Building Review Panel comprising relevant sector experts. This is referred to below as the Project Management Unit (PMU). The grants have focused on the following five constraints:

1. Opening up new sources of capital;
2. Improve impact measurement and management;
3. Building fund manager capacity;
4. Information and market linkages;
5. Growing the investable pipeline.

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<sup>1</sup> <https://thegiin.org/impact-investing/need-to-know/#what-is-impact-investing>

<sup>2</sup> Add in reference – GIIN annual survey or roadmap.

At the end of 2017, there were 11 live projects being funded by the Impact Programme, 6 new projects being assessed and 5 projects which concluded in 2017. More information about our current market building approach and partners is available in Annex A.

### **DFID Programme Structure**

The programme will be focused on building the market for Impact Investment. The aim is to contract partners through grants and technical assistance. These partners will help to grow the market for Impact Investing through interventions that support the enabling environment and ecosystem for Impact Investing. The programme does not make any impact investments in companies and or projects itself. The focus of the programme is to increase the funds deployed in the Impact Investing space as well as the number of investable opportunities available to investors. The programme should also focus on creating an enabling environment for Impact Investing deals to be completed.

Previously the programme was associated with two Impact Investing vehicles – the Impact Fund and Impact Accelerator. These have now been transferred CDC, the UK's Development Finance Institution<sup>3</sup>, so are not part of the Impact Programme anymore. Although the supplier will focus on the market building aspect of the Impact Programme, strong linkages will exist between the supplier and CDC to inform their respective work.

### **3. Programme Structures and potential changes**

There are two main tools that are currently being used to assess market building proposals. These have been developed by previous partners, but may be changed by the winning supplier in agreement with DFID:

1. Market Building Assessment Form – this helps the PMU frame any proposal in line with the objectives set out with DFID. The form requires the PMU to take an opinion on the merits and demerits of a proposal.
2. Market Building Panel – this is made up of industry experts that help the PMU determine whether a proposal is likely to have a significant effect on the market and is able to provide suggestions about how any proposals can be improved.

Both of these tools are designed to help assess bids received by the programme. In addition to assessing bids, DFID expects that the PMU will use proactive ways to

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<sup>3</sup> The investment vehicles formerly moved out of the Impact Programme and into the CDC programme in September 2017. See most recent Annual Reviews of the programme for rationale: <https://devtracker.dfid.gov.uk/projects/GB-1-202939>

attract new opportunities. To attract successful proposals DFID expects a strong engagement in DFID target countries (Sub-Saharan Africa and South Asia). DFID also expects that mechanisms, such as Challenge Funds, will be used to attract innovative proposals.

The Impact Programme currently has a Steering Group which is made up of a group of industry experts. This body meets every six months to provide advice on the strategic direction of the programme. This body has proven very useful and is therefore expected to continue with a new PMU. It will be the responsibility of the winning supplier and DFID to staff the group in due course.

#### 4. Responsibilities of the PMU

The current contract with the PMU expires in January 2019 and DFID is looking to contract an entity from March 2019 for the next four year contracting period.

The supplier should include a lead partner that has a proven track record and deep knowledge and experience of Impact Investing. The work of the PMU will focus on three aspects of the Impact Investing space:

- 1) Strategic Direction and Industry engagement – In order to help grow the Impact Investing market it is expected that the supplier will support DFID's thinking around the way in which to engage with the industry. There is a need for the PMU to understand the core challenges limiting the growth of the Impact Investment space and be responsive to market changes.

The objective of the programme is to address systemic issues and therefore, it will be necessary for any projects to show how they are dealing with structural issues at a market level. DFID's objectives (**not** in order of importance) for the Impact Investing market currently include:

- **Mobilise more appropriate capital and make the sector more inclusive** – to ensure that the potential of Impact Investing can be achieved more funds need to be attracted from investors and allocated more inclusively.
- **Build market infrastructure and overcome market failures** – to manage the process of growing Impact Investing, there is a need to help players (consultants, governments, investors and investees) co-ordinate and to support market infrastructure to facilitate the supply of capital to better meet demand for it.
- **Support impact measurement efforts** – to maintain a focus on impact measurement there is a need to be smarter and more strategic about it. Measurement should support operational performance management, and be a means to an end rather than an end in and of itself. More

standardisation, digitisation, and better alignment with the core business objectives can better integrate these metrics into businesses' operations.

- **Support impactful businesses to attract funding** – to help develop long term investment opportunities, it is necessary to widen the pool of investable businesses and to be inclusive. The programme should seek to improve the support (both technical and financial) these enterprises receive to reach scale.
- **Knowledge Leadership** – to become the market leader in outlining how best to deliver impactful investment. The Impact Investing industry needs a clear logic for its impact and practical guides to how Impact investing can best deliver inclusive growth. The work should also on focusing on bringing Impact Investing into the mainstream of academic and professional education.

It is expected that the supplier will help to find, and contract partners that are helping to address these challenges in DFID's core geographies of Sub-Saharan Africa and South Asia.

2) Identifying and Financing Specific Interventions – The funding the Impact Programme will provide is likely to be done through grant or technical assistance funding. This means programme funds are likely to be spent on:

- **Supporting key market institutions** – the programme will fund institutions that are helping to grow and define the impact investing space. This is especially true for entities focused on i) delivering and measuring impact ii) increasing women's and local community's inclusion in the system and iii) improving the ecosystem to the sector to grow. Funding partners could therefore include global networks, market coordination and standard setting bodies.
- **Addressing Market Failures and Information Gaps** – to set up new structures or research that seeks to address key market constraints for impact investors including liquidity, risk and measurement costs.
- **Industry events** – to address regional regulatory constraints and developing local capacity to help the Impact Investing industry gain traction in local markets.

Both of the lists above are not exhaustive but should be a guide to suppliers around the types of challenges and types of funding mechanisms that DFID currently sees in the Impact Investing space.

The supplier will help to source these opportunities and assess their feasibility and ensure that potential partners have the capacity to deliver. It is therefore important that the supplier can demonstrate a network of potential partners and a clear strategy



for business development. This will help the supplier ensure that programmes it funds complements existing market interventions.

In order to achieve its goal of developing the Impact Investing market, the programme is likely to require some communications support. The winning supplier will therefore also be required to take a key role in managing the communication of the project. This could include support on the following:

- **Strategy** – this involves designing a clear communications plan for speaking engagements and plans for dissemination of research.
- **Market engagement** – the supplier must help regularly engage stakeholder to ensure the programme is aware of and adjusts to changing market dynamics.
- **Building the evidence base** – DFID will require evidence of how Impact Investing is supporting the world's poorest, what the gaps are, and how these gaps could be closed.
- **Disseminating Information** – there are a number of toolkits and information services available to market players. These need to be shared effectively, the supplier will support this work.

The supplier must be flexible to provide support to DFID on a regular and ad hoc basis as new demands emerge.

3) Operational Support Services – In order to effectively fulfil the responsibilities of the PMU, the supplier must be able to do complete the following activities:

- I. **Contracting** – the PMU is responsible for contracting partners and negotiating on behalf of DFID. Any contract agreed in the programme (outside of the one with the PMU) will be between the PMU and the market building partner.
- II. **Reporting** – the PMU will be required to report to DFID on the progress of the project implementation partners regularly. This should include project updates, changes in risk or other important developments.
- III. **Fiduciary responsibilities** – The PMU will ensure that any money being spent on behalf of the programme is spent in-line with DFID guidelines. This will be reported to DFID regularly (see above).
- IV. **Risk Assessments** – The PMU will be required to provide risk assessments on any operating projects and provide quarterly updates on efforts of the programme to mitigate risks for individual projects.
- V. **Initial proposal evaluation** – any proposal submitted to the programme will first be assessed by the PMU to ensure that it meets DFID's objects (see Section 3 for current structures).
- VI. **Monitoring and Evaluation** – the PMU will be responsible for monitoring and evaluating any projects that have been funded and will ensure that projects are on-track and delivering what they have set out to do.
- VII. **Procurement** – it is essential for the PMU to be able to procure any partners in line with DFID guidelines.

It is expected that the PMU will take over these responsibilities and continue to fulfil all the duties outlined above.

## 5. Value for Money

DFID expects the supplier to show that they will be able to deliver value for money for the lifecycle of this programme, including, but not limited to, the assessment of proposals, negotiation of day rates and the ability to monitor projects that receive funding. This will include demonstrating that administrative costs can be minimised; that management processes (including procurement procedures) are designed to maximise cost-effectiveness; and that funds can be allocated based on evidence of results to ensure the greatest possible impact is achieved. For the purposes of this proposal we will be considering the suppliers ability to deliver value for money by:

1. Considering the suppliers ability to provide highly capable staff for a fair price.
2. Considering the suppliers mechanisms to limiting the level of overall spending on operations.
3. Considering the ability of the supplier to ensure that DFID money is spent well and in-line with the National Audit Offices' "four E's"

Showing how the bidder will ensure that taxpayer's money is spent well should underlie all aspects of the suppliers bid. A clear process for measuring value for money should be included.

## 6. Digital Content

The Impact Investing Programme currently has both a [Twitter account](#) and [website](#) which is owned by DFID. The supplier is expected to continue running both sites and keep content up-to-date and relevant. However, we encourage the supplier to rethink our digital offer if doing so makes a significant contribution to moving DFID's role in impact investing forward. We require the [Principles for Digital Development](#) to be incorporated into the design of digital tools, and the supplier to consult DFID's Digital Team prior to undertaking new digital activities.

## 7. Independent Evaluation

The programme will be independently reviewed at appropriate points as determined by DFID. Other ad hoc assessments may be undertaken. An independent evaluation manager will be funded, procured and managed by DFID as appropriate. The implementer should cooperate fully with the independent evaluator providing full access to programme data, information and personnel.

## 8. Timeframe and Budget

This new contract will commence at the beginning of March 2019 and is expected to run until 2023. The contract will include a formal break point in March 2021. Progression from one period to the next will be subject to the satisfactory performance of the supplier as judged by DFID and the continuing requirement for the services.

The budget ceiling for this contract is up to £5million over the next four years, equating to up to £1,250,000 available per annum. This includes fees, reimbursables, international and domestic travel, expenses, Government Tax and VAT. This contract may be scaled up/down in line with continuing reassessments of DFID priorities and an extension may be granted if deemed appropriate. Take up of any extension period is subject to DFID approval, the continuing needs of the contract and additional funds being released.

## 9. Contract Payment Structure

DFID's preferred method is to link payments to milestones (payment by results). Suppliers will propose a payment plan using payments by results linked to programme outputs that incentivises the achievement of results and value for money. Suppliers are expected to:

- i. Demonstrate how they will maximise VFM while minimising administrative and supplier costs.
- ii. Propose a payment plan based on outputs achieved, subject to negotiation and final approval by DFID once a contract has been awarded.
- iii. Use public sector rates for travel and subsistence as relevant to each country.
- iv. The Supplier will be responsible for their logistical arrangements including in-country transport, office space, translation and other logistical support. The Supplier will also be required to cover the duty of care (see below for more details) for all members of the evaluation team. All relevant expenses should be covered by the evaluation contract budget
- v. The suppliers will provide reports on their progress with audited accounts each year.
- vi. The supplier will send invoices requesting payment against deliverables in line with an agreed payment schedule.

## 10. Bidding Process

Taking into account the current and future responsibilities of the Programme Coordination Unit, DFID is looking for experts, consortia or companies to complete these tasks over the coming years. The differing roles in the PMU (Strategy and Business

Support) suggest that a consortium would be ideally placed to deliver an effective programme.

The successful suppliers to this programme will include a lead partner that has a proven track record and deep knowledge and experience of Impact Investing.

The winning supplier will submit a proposal that:

- Shows their experience of administering Department for International Development programmes in-line with the responsibilities set out in Section 4.
- Have experienced staff with in-depth expertise and knowledge of Impact Investing.
- Have a presence or partners in large parts of DFID's core geographies (Sub-Saharan Africa and South Asia).
- Have experience of addressing complex market systems problems and the ability to coordinate such work.
- Have experience of providing communications support to global projects.

## 11. Recipient

The primary recipient of reports produced under this new contract will be DFID staff in Headquarters and in Country Offices if appropriate. The secondary audience comprises DFID's government counterparts and other individuals/organisations interested in Impact Investments. The DFID Impact Investment website and social media account is open to view publicly.

## 12. Do No Harm and Duty of Care

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.

Suppliers should also demonstrate a commitment to the ethical design and delivery of evaluations. DFID does not envisage the necessity to conduct any environmental impact assessment for the implementation of the programme. However, it is important to adhere to principles of "Do No Harm" to the environment.

The supplier will be expected to focus on DFID target countries within South East Asia and Sub Saharan Africa. The security situation is considered high risk with a low risk of earthquakes. The supplier should be comfortable working in such an environment and should be capable of deploying to any areas required within the region in order to deliver the contract.

The supplier is responsible for ensuring that appropriate arrangements, processes and procedures are in place for their personnel, taking into account the environment they will be working in and the level of risk involved in delivery of the contract. The supplier must ensure their personnel receive the required level of training.

A risk assessment for country specific visits will be shared by DFID detailing current security status and developments in-country where appropriate. DFID will provide a duty of care advice document (and a further copy each time these are updated), which the supplier may use to brief their personnel on arrival. 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.

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. In providing evidence suppliers should consider the following questions and respond in no more than 2 A4 pages:

- a) Have you completed a risk assessment for this project that does not rely solely on information provided by DFID and are you satisfied that you understand the risk management implications?
- b) Have you prepared a plan that you consider appropriate to manage these risks (or will you do so if you are awarded the contract) and are you confident/comfortable that you can implement this effectively?
- c) Have you ensured or will you ensure that your staff are appropriately trained (including specialist training where required) before they are deployed and will you ensure that on-going training is provided where necessary?
- d) Have you an appropriate mechanism in place to monitor risk on a live / on-going basis (or will you put one in place if you are awarded the contract)?
- e) Have you ensured or will you ensure that your staff are provided with and have access to suitable equipment and will you ensure that this is reviewed and provided on an on-going basis?
- f) Have you appropriate systems in place to manage an emergency / incident if one arises?

### 13. Aid Transparency

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.

Accordingly, but not limited to, the contractor is required to submit copies of its supply chain (sub-contractor) invoices and evidence of payment when invoicing DFID for its actual Procurement of Local Services Costs and applicable Management Fee.

It is a contractual requirement for all suppliers to comply with this, and to ensure they have the appropriate tools to enable routine financial reporting, publishing of accurate data and providing evidence of this to DFID. Further IATI information is available from: <http://www.aidtransparency.net>

#### **14. End of Contract Activities**

On a yearly basis, and at the end of the contract period, the successful bidder will undergo an annual review which seeks to monitor project progress against key milestones, VfM indicators and assess monitoring and evaluation products produced by the project. The successful bidder will be expected to cooperate with DFID and release relevant data which will assist DFID in writing up these annual reports.

#### **15. GDPR Protection of Personal Data**

DFID and the Supplier acknowledge that for the purposes of the Data Protection Legislation, the status detailed in Appendix A: Schedule of Processing Personal Data Subjects will apply to personal data under this contract

## Appendix A: Schedule of Processing, Personal Data and Data Subjects

This schedule has been completed by the Parties in collaboration with each other before the processing of Personal Data under the Contract.

The completed schedule is 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 Variation.

Description	Details
<b>Identity of the Controller and Processor for each Category of Data Subject</b>	<p>The Parties acknowledge that for the purposes of the Data Protection Legislation, the following status will apply to personal data under this contract:</p> <ol style="list-style-type: none"> <li>1) The Parties acknowledge that Clause 8.2 and 8.4 (Section 4 Appendix A of the contract) shall not apply for the purposes of the Data Protection Legislation as the <b>Parties are independent Controllers</b> in accordance with Clause 8.3 in respect of Personal Data necessary for the administration and / or fulfilment of this contract.</li> <li>2) For the avoidance of doubt the Supplier shall provide <b>anonymised data</b> sets for the purposes of reporting on this project and so DFID shall not be a Processor in respect of Personal Data necessary for the administration and / or fulfilment of this contract.</li> </ol>

## ANNEX A – An overview of Market Building

When the Impact Programme was launched by the UK's Department for International Development (DFID) in December 2012, it marked the first time that UK aid had been used to support social impact investments. The Impact Programme aimed to boost the provision of vital goods and services to low-income communities and to create jobs and income-earning opportunities that would enable people to escape poverty in some of the world's poorest countries. As part of this work, the Impact Programme has tried to build the wider Impact Investing ecosystem.

The programme has been able to identify and address areas where the market was still encountering significant challenges. As a result, a variety of partnerships and interventions aimed at building the market for impact investment have been developed and supported over the last five years. These include projects which aim to open up new sources of finance, improve impact measurement and management, increase the number of skilled fund managers, share more and better information on the market, and support deal flow. An overview of this work is outlined below.

### Theme 1: Open up sources of finance

Designed and tested market appetite for an Impact Investment Trust on the London Stock Exchange.



### Theme 2: Improve impact measurement and management

Developing low-cost technology to gather high-quality data on customer feedback, behaviour and impact to provide insights on businesses' social performance.



Supported the development of the Poverty Probability Index (PPI) to help stakeholders in DFID target regions to access this pioneering low-cost poverty measurement tool.



Building the capacity of local enterprises, fund managers and other stakeholders in Sub-Saharan Africa to measure their social and environmental impact.



Working with stakeholders to improve the practice of impact measurement and management, and the industry's effectiveness and accountability for delivering intended impact results.



A collaborative effort to agree on shared fundamentals for how we talk about, measure and manage impact - and therefore goals and performance.



### Theme 3: Build fund manager capacity



Running a capacity building programme for early-stage fund managers in Sub-Saharan Africa and South Asia.



#### **Theme 4: Bridge information gaps and creating market linkages**

Bridging information gaps and creating market linkages through GIIN's Annual Investor Survey, ImpactBase, Base of the Pyramid Service Track and regional liaisons based in Sub-Saharan Africa and South Asia.



Establishing a core community of UK-based organisations to drive more collaborative action and Impact Investing that achieves tangible development impact.



#### **Theme 5: Support deal flow from impactful enterprises**

Creating a searchable, online database of financial support and technical assistance available for inclusive business entrepreneurs and developing ecosystem maps detailing the strength and weaknesses of certain markets in Africa.



Researched methods of scaling successful Impact Investing models across different market and sectors.



## Section 4 Appendix Annex B

### Cost Breakdown

It is a requirement that all invoices are presented in the format of the payment basis, and in the case of Fees and Expenses only those categories defined are separately identified. Only one invoice per period, as defined in Section 2, Clause 21, should be submitted.

#### Fees and Expenses

The amount to be paid for the competition of services is up to £4,654,180

The amount of fees and expenses are shown separately and reflects the financial ceilings within each category. Only expenditure actually incurred will be reimbursed, and receipts for expenditure incurred will be required before any payment is made under this contract.

#### Fund Payments

The Fund is capped at £24,100,000 which includes funding for grant labour, grant reimbursables and grant agreements. The Supplier will invoice for payment of the Fund in arrears and when the Fund cost is confirmed and paid to the recipient. This payment process will be subject to the receipt of a valid invoice and supporting information. Invoices will be submitted the same month payment is made to the recipient.

#### Milestone Payments

The amount to be paid for the completion of the service is up to £954,401.

Payment will be made on satisfactory performance of the services, at the payment points defined below (Pro Forma 4 Milestone Payments):

at relevant points throughout the contract period.

At each payment point set criteria will be defined as part of the schedule of payments. Payment will be made if the criteria are met to the satisfaction of DFID.



Department  
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Development

