Extreme Poverty Research Programme - Terms of Reference - November 2018

VOLUME 3 - TERMS OF REFERENCE (draft)

DFID Extreme poverty - building evidence for effective action ('ExPov-BEEA')

(part of the Data and Evidence to Tackle Extreme Poverty research programme)

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Introduction

1. In January 2018 the Minister of State approved £12 million for a new programme of research on Data and Evidence to Tackle Extreme Poverty (DETEP). Managed by DFID's Research and Evidence Division (RED), this research will help DFID and its partners to better understand the changing nature of global extreme poverty; and use this to deliver DFID's core business, supporting more effective strategies, policies and programmes for poverty reduction, in particular in fragile and conflict-affected states and situations (FCAS). DETEP is the parent programme to which this commission (Extreme Poverty - Building Evidence for Effective Action) contributes. The rationale and structure for this parent programme is described more fully in the DETEP Business Case. Interested parties should read that Business Case in conjunction with these Terms of Reference.

2. DETEP addresses three related research themes:

   - **Theme 1:** The need for better data and measures of extreme poverty

   - **Theme 2:** Analysis of the changing causes of poverty and structural drivers of poverty reduction, and the implications for the countries and social groups that are likely to be poor

   - **Theme 3:** Impact evaluation and operational research that identifies what programming approaches work best to drive poverty reduction in different contexts.

3. DETEP will be delivered through two separate but complementary arrangements. Agreements with the World Bank will support the bulk of the work on Theme 1. The remainder of the work programme (some of Theme 1 and all of Themes 2 and 3) will be delivered through a competitively-tendered contract for a Research Programme Consortium (RPC), provisionally titled Extreme poverty - building evidence for effective action ('ExPov-BEEA').

4. DFID encourages bids from a consortium or a supplier with or without partners or sub-contractors that can demonstrate the relevant expertise and capacity to deliver this contract.   A lead supplier must be identified who has overall management and financial responsibility. In this ToR, mention of 'supplier' or 'suppliers' or Research Programme Consortium (RPC) refers to the lead supplier and their consortium/partners/sub-contractors (if any), unless otherwise stipulated.

Background

Framing the research

5. DFID is committed to tackling extreme poverty and social and political fragility; and to targeting 50% of UK aid to FCAS. These two goals overlap to a significant degree as the extreme poor – the 700 million who live on less than $1.90 per person per day - are increasingly concentrated in contexts of fragility and conflict. These HMG positions reflect the commitment to leave no-one behind in achieving the UN Sustainable Development Goals (SDGs), and in particular target 1.1 of ending extreme poverty by 2030.

6. To design and implement effective interventions against extreme poverty and improve the impact of UK ODA spending, we need to be able to target accurately (which requires that we know who the extreme poor are and where they live) and design programmes appropriate to the barriers and opportunities faced by the extreme poor (which requires that we better understand what keeps people poor or allows them to escape poverty in particular contexts).

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7. While the availability of data on living standards and poverty has improved dramatically over recent decades, it remains far short of what is needed, in both quantity and quality. Governments and donors need measures of extreme poverty that are more accurate, precise, comparable, frequent and fine-grained than those currently available. The limitations of current measures and proposals for improvements have been laid out in a number of recent sources, including the Atkinson Commission report to the World Bank.

8. Better measures will enable better analysis of the evolving nature of deprivation and understanding of what drives poverty reduction; which will in turn support the design of more appropriate and effective policies and programmes. The geography and demography of extreme poverty have changed fundamentally over recent decades and will continue to change between now and 2030. Progress in tackling extreme poverty is likely to be slow and will require different policies and programmes from those which have driven poverty reduction in more stable contexts between 1990 and 2015. Understanding and anticipating these changes and identifying what works to support sustainable exits from extreme poverty will call for better - and different - analysis and evaluation.

Aim of research

9. The research produced by this RPC will inform DFID's global strategy and policy (cross-HMG and international partnerships and influencing, pro-poor policy positions and centrally-managed programmes, selection of countries for bilateral cooperation and tailoring of aid modalities to country needs) as well as country level policy engagement and programme operations (the Country Development Diagnostic, policy engagement and partnerships, Business Case development and programme M&E). In line with DFID's Research Strategy, it is also intended as a global public good, to guide policies and investments by other actors (LIC and MIC governments, other bilateral donors, multilaterals, and NGOs and civil society).

Parameters of contract

10. The contract will have an allocated budget of up to £10 million for an initial contract period of 7 years (84 months)..Additional research focussing on 'global poverty measures for a changing world' - the larger part of Theme 1 - will be sourced separately via arrangements with the World Bank, with an anticipated value of up to £2 million.

11. In line with the Terms and Conditions, DFID reserves the right to scale back the scope, duration and / or value of, or discontinue, this programme at any point.

12. Conversely, DFID may also scale up the value and scope of the programme should it prove to be having a strong impact and have the potential to yield additional results, dependent on available budget. The contract will include options to extend by up to half the duration of the programme (3.5 years).); and / or the original contract value (i.e. extend by up to an additional £5 million).

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Recipients

13. Though all outputs will be public goods, the programme will explicitly address the operational needs of DFID and its partners. Research outputs should be accessible (i.e. made available and in suitable style) to stakeholders including DFID country programme and headquarters staff and advisers, national politicians and policy makers in priority countries, bilateral and multi-lateral agencies, national governments, civil society organisations, the research community and media.

Further information

14. For more background to this programme please refer to the Business Case including references, and the materials hosted on the DFID procurement portal.

Priority research questions

15. The DETEP Business Case identifies the following list of priorities for new research on poverty and poverty reduction.

Theme 1: Better poverty measures for a changing world. (Suggested ExPov budget £1 m; complementing £2 m World Bank budget)

16. Theme 1 research will identify and test better measures of extreme poverty, in which 'better' measures are those which are more frequent, more granular, more accurate, more precise, more comparable over time and between locations, simpler (and so suitable for low-capacity environments), faster (reduced lag time between data collection and production of actionable findings), and / or cheaper. Given that it is not possible to maximise all of these desirable qualities simultaneously, assessment of alternative measures will need to be explicit on costs and trade-offs, and guide policy-makers and practitioners in choosing measures that meet their priority needs.

17. The majority of research projects supported under this theme will take the form of (i) reviews of and experimentation with existing datasets and (ii) data experiments, in which households from a sample are assigned randomly to different survey groups (either in programme-level pilots or in trials incorporated into national surveys) for the purpose of comparing different data collection instruments or data treatment (e.g. using the national CPI versus using household-reported unit prices to update a national poverty line between survey years). A draft list of specific research questions includes:

    a) **How can new technology support the collection and analysis of socio-economic data to generate better measures of extreme poverty, both cross-sectional and longitudinal?** Theme 1 will support piloting of innovations in computer-assisted personal interviewing (CAPI), geocoding and the use of mobile phones in collecting survey data; and the integration (including through machine learning) of survey data with administrative data, remote sensing data and 'data exhaust' on economic and social activity generated by mobile phone and internet use.

    b) **How can we better understand intra-household differences in living standards?** How might survey methods be modified and combined with other data to better understand within-household variations between boys and girls, men and women, working-age adults and the elderly, and individuals with and without disabilities?

    c) **How can we improve the comparability of living standards within a given country**, enabling meaningful comparison of poverty measures between different programme-level surveys, or within a national survey between (for

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example) smallholder, urban and pastoralist groups? Most national poverty surveys and measures in developing countries were originally designed with a focus on rural poverty and probably under-count urban poverty: how can we measure urban poverty in ways that are appropriate, reflect the range of urban contexts (secondary towns as well as large cities) but are still comparable to rural measures?

d) **How can we obtain more comprehensive and meaningful measures of inequality within developing countries?** How might we combine survey and administrative (e.g. tax) data to obtain measures to track the distributional impact of growth and policies (including aid), and better understand the inter-relationships between growth, distribution, poverty and fragility?

e) **How might national governments combine measures of different dimensions of household welfare into composite poverty indices** in ways which support policy design, targeting and poverty monitoring? How might consumption be incorporated into such measures (which to date have been composed largely of human development and housing indicators); and what would be the gains and limitations of this addition?

f) **When and how might imputation be used to improve the quantity (frequency and resolution) and accuracy of extreme poverty measures?** A number of innovative studies have experimented with the use of imputation to address missing values within and between surveys, provide more high-frequency or fine-grained estimates of extreme poverty, or check and calibrate poverty trends for changes in survey methodology. Theme 1 would be open to projects that apply and extend these techniques to improve the supply of actionable poverty measures in DFID priority countries. Such exercises should also address how the estimates derived from data that includes imputed values should be communicated to policy-makers in a way that accurately and meaningfully communicates both the gains and limitations of these estimates, relative to the estimates that might be derived without imputation.

18. Some projects and outputs however should also address the institutional, funding and political economy challenges and opportunities involved in taking technical improvements in poverty measures to scale; and the potential tensions between the programme, national and international levels in terms of priorities for improvements in poverty measurement:

a) **What institutional and political changes are needed in LICs and MICs to improve the supply and use of high-quality poverty measures?** What are the institutional prerequisites and cost profile over time for introducing technological innovations such as CAPI into the mainstream of official national statistics?

b) **What are the trade-offs in donor strategies to support better measurement of extreme poverty at the national level?** In supporting the development of national capacity for poverty statistics, how should donors balance needs over the short term (implementation of specific surveys to inform upcoming policy and programme decisions) and longer term (support to the development and retention of technical skills, management, statistical governance, facilities and core IT)? How can we obtain more regular and more reliable poverty estimates in FCAS contexts, where the basic requirements for conventional surveys (e.g. a recent population census to provide a sampling frame) are simply missing?

c) **What are the options for internationally-comparable multi-dimensional poverty indices (MPI)?** For monitoring extreme poverty at the global level, what would be the trade-offs between a more inclusive composite which

incorporates more indicators (but will be available for fewer countries) and a more limited MPI that is available for more countries and dates?

19. Suppliers should note that Theme 1, with an indicative budget of £3 million, will be delivered through a variety of arrangements. £2 million will be provided to the World Bank (a small initial sum through an Externally-Financed Output (EFO), the larger and longer-term sum through a Trust Fund). This will help to expand the scope of the Bank's response to the recommendations of the Atkinson Commission and support the Bank in developing innovations in the collection, analysis and dissemination of poverty data. Another £1 million is allocated to the ExPov RPC to conduct complementary research on poverty data and measures. The two parties involved in Theme 1 - the ExPov RPC and the World Bank Trust Fund - will need to coordinate closely throughout the life of the programme to ensure an effective and complementary division of labour. This relationship will be agreed and finalised between DFID, the successful RPC supplier and the World Bank during the inception phase, and sustained through cross-DETEP programme governance arrangements including the Annual Scientific Meeting (see Business Case).

Theme 2: Poverty trends and drivers, 2015 to 2030. (Suggested budget £2.2 m.)

20. Drawing in part on better data generated with support from Theme 1, research under this theme will describe and attempt to explain and forecast changing patterns of consumption, wealth and human development, identifying trends and drivers that serve to generate, perpetuate or reduce extreme poverty. Key questions will include:

   a) **The changing geography and demography of extreme poverty.** Who are the extreme poor and where do they live; and how is this changing? Who are chronically poor (poor for much if not all of their life, often passing on poverty from one generation to the next); and who are vulnerable to shocks that push them into shorter-term spells of poverty? How might emerging or deteriorating conflicts affect poverty numbers? How does conflict interact with (changing) gender relations and age- and sex-based inequalities in economic opportunities and access to services; and how quickly might countries escaping from conflict make up lost ground? How can communities and governments prevent the emergence of the 'development gap' as those with disabilities become left behind in economic growth and improving service delivery?

   b) **Growth, distribution and poverty reduction.** Which groups amongst the poor benefit from economic growth under particular circumstances; who is left behind and why? What policies and programmes are most effective for increasing equality of opportunity without negative effects on growth? How can countries contain the growth of the most serious, growth-retarding inequalities during periods of rapid change? What policies can help a country to achieve high, stable and inclusive growth from a starting position of high inequality?

   c) **Pro-poor development paths for the poorest countries.** What are the new drivers of structural poverty, inequality and social mobility in DFID priority countries? What are the opportunities for and barriers to the poorest countries escaping mass poverty over the coming decades?

   d) **Urbanisation and poverty.** To what extent, and under what conditions, does urbanisation in Africa and Asia improve living standards and reduce extreme poverty? How do rural-urban migration and changing connections between towns and the surrounding countryside affect urban and rural poverty and inequality (within cities and rural areas, and between urban and rural areas)?

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Theme 3: What works to tackle extreme poverty? (Suggested budget £6m.)

21. Research under this theme will seek to identify policies and programmes that contribute to inclusive growth and support sustained exits from extreme poverty. The theme will support operational research and impact assessment (RCTs and quasi-experimental studies) on individual anti-poverty programmes that employ innovations in targeting, forms of assistance and / or delivery arrangements. These may be existing or newly-planned interventions, with research funds from this programme used to expand the breadth or depth of monitoring and evaluation but not (except under unusual circumstances and to a limited degree) used to fund delivery of the intervention itself.

22. We consider that this is an important contribution of DFID's wide ranging 'What works?' approaches to driving up the standards of evidence on interventions across a range of issues (e.g. in fields such as preventing Violence Against Women and Girls). It is expected that most but not necessarily all of the interventions that will be researched under this theme will be interventions that are supported by DFID operational units (country offices or central policy units).

23. This theme will also support literature and systematic reviews that synthesise learning about impact for given types of intervention, operational approaches or particular countries. Indicative research questions can be clustered in terms of context or groups of interest (FCAS, urban, excluded minority groups); or thematically, in terms of sector or delivery approach (cash or asset transfers, insurance instruments, or the application of ICT or behavioural science). A draft list of research questions includes:

    a) **What works to reduce extreme poverty in contexts of fragility and conflict? -** either by lifting the poorest over the poverty line, or by preventing shocks from pushing the vulnerable non-poor down into extreme poverty. Which skills, assets or services are most important to the extreme poor in rapidly-changing situations characterised by heightened uncertainty and risk of violence and expropriation? What interventions are effective in helping the poor in FCAS contexts to earn a (legitimate) income, save, access credit and protect themselves against losses? How can area-based improvements in infrastructure and basic services in FCAS be designed to ensure that the extreme poor can benefit and are not excluded? How can effective pro-poorest interventions be delivered at least cost in circumstances characterised by population mobility and access constraints? How can such programmes be effectively targeted when there are little or no existing data on population and living standards and significant challenges (including security challenges) in collecting such data at the programme level?

    b) **Which interventions, at the municipal and national levels, are effective in reducing extreme poverty in urban areas?** What actions help to expand opportunities and reduce barriers for the extreme poor within the urban economy? Which targeted programmes or modifications to basic service provision help the poorest to smooth consumption, avoid costly crisis coping mechanisms and, over time, invest in livelihood strategies and human capital (nutrition, health, education and skills) that allow them or their children to escape poverty? How might these be tailored to reflect the different opportunities and constraints facing men and women amongst the urban poor? What is the potential for affordable insurance against social (e.g. ill health) or livelihood (e.g. unemployment or price) shocks in an urban context? What policies (for example, on prices, transport, supply chains or remittance services) help to ensure that urban growth benefits the extreme poor in rural areas (e.g. marginal smallholders, landless labourers or family members, particularly the elderly or those with disabilities, who remain behind in the process of unaccompanied rural-urban migration)?

c) **Which interventions work best to tackle extreme poverty for marginalised groups in different contexts** (e.g. fast and slow growing economies)? What variations and combinations of social protection, livelihood and labour market programmes, and anti-discrimination or behavioural science interventions best enable socially and politically excluded groups to exit poverty sustainably?

d) **How might behavioural science be used to help address extreme poverty?** The application of behavioural science (either short-term 'nudge' approaches or interventions targeting longer-term changes in attitudes and aspirations) has become more common in public policy in developed countries, but remains limited in development programmes, particularly in low income countries. How might active consideration of 'choice architecture' and mindsets help to identify low-cost modifications that can generate significant gains in programme effectiveness?

e) **How can technology be harnessed in anti-poverty programmes?** What is the potential for existing or emerging technologies (mobile phones, the internet, 3D printing) to reduce access or delivery costs for conventional anti-poverty programmes, or create entirely new livelihood opportunities for the extreme poor? How do these opportunities vary between rural and urban or stable and FCAS contexts?

f) **To what extent does the portfolio of programmes within a DFID country office benefit the extreme poor** as opposed to rich or middle-income groups? Some programmes are needed to create the upstream conditions (functioning markets and effective governance) which enable poverty reduction, even if immediate benefits do not accrue to the extreme poor: but to comply with DFID's mandate (and the new UK Public Sector Equality Duty), the country office Business Plan should reflect a minimum level of pro-poor weighting. What tools could be used to estimate the pro-poorness of DFID country programmes? How could these be used to improve distributional analysis of partner government spending and policies?

24. To deliver Theme 3, we anticipate that the selected Supplier will expand the evidence base of research on and evaluation of innovative anti-poverty programmes by:

a) designing and implementing the overall evaluation strategy (setting priorities, sectors, key questions);

b) delivering the majority of the evaluations (c. 60% of the Theme 3 budget, or c. £3.6 m) using skills and resources from within the existing ExPov consortium[1]; and

c) design and manage further research competition (likely to be in more than one round of calls) to identify the best researchers and proposed approaches for the remaining evaluation questions, in order to drive ambition and innovation in the wider research supplier market. These competitively-sourced impact evaluations and operational research studies will have contract values which total c. 40% of the Theme 3 budget (c. £2.4 m).

25. Based on experience with other research programmes and practice in other leading organisations, Theme 3 would support a set of operational research and evaluation tasks that range in ambition and cost. For the competitively-sourced studies, this would be reflected in a range of different types of complementary grant windows. In total (combining consortium-delivered and competitively-granted studies), we anticipate that Theme 3 would generate:

a) **c. 20 exploratory studies** scoping research opportunities and developing proof of concept proposals. In the competitively-sourced studies, the Supplier would provide more high-risk proposals with grants of up to £8,000 each to

cover the costs of (for example) country and programme visits, proposal development meetings, etc.

b) **c. 12 pilot studies** for promising but unproven ideas. This window of the research grant competition would accept proposals for up to £35,000 each for more detailed design work.

c) **c. 8 low-cost studies** covering simpler impact evaluations or operational research. The research competition would offer a small grants window in which evaluators could bid for up to £250,000 for each such study.

d) **c. 5 higher-cost studies** (more complex, multi-armed impact evaluations). A large grant window would allow researchers to bid for grants of up to £600,000 each.

26. Please note these unit costs and numbers are indicative (and so as summarised above do not total exactly to the proposed Theme 3 budget of £6 m). The supplier may propose alternative numbers / ratios of small, medium and large grants, based upon different estimates of study scope, realistic unit costs and requirements for Theme 3 management: but should provide narrative explanation for the proposed approach and budget.

Cross cutting issues

27. Across all three themes, the RPC will be expected to pay attention to the following cross-cutting issues:

a) **Gendered dimensions** of extreme poverty, opportunity, and vulnerability; and how these vary by context and age and are changing over time

b) The two-way relationships between **disability** and poverty, vulnerability and opportunity

c) Opportunities for **innovation and use of technology** both in (i) measurement and analysis of welfare (poverty, inequality, dynamics) and (ii) in creating opportunities and risks for the extreme poor.

Scope of work

Outputs

28. The following draft outputs will be further refined by the supplier, and during the inception phase:

a) **Research outputs**: reliable, policy-relevant data and analysis which provides *methodological innovations* in collecting and using data to generate high-frequency, high-resolution poverty measures; resulting *in improved and / or new datasets* of poverty measures; which will enable production of *analysis of changing patterns and trends in extreme poverty* (globally and at country level) and better understanding of how economic, political, technological and environmental changes are shaping risks and opportunities for poverty reduction; and support generation of *impact evaluation and operational research* to assess the effectiveness of programmes designed to address extreme poverty.

Analytical outputs will include peer-reviewed journal articles, book chapters and books; as well as preliminary and practitioner-oriented outputs such as Working Papers and standalone study reports, research summaries, policy briefings and country or thematic syntheses. For outputs which are not submitted for journal publication, the supplier will be expected to design and resource a process for timely quality assurance. DFID reserves the right to make a final judgement on the quality of these papers, including the right to commission additional

independent peer review if necessary. Definitions of output categories and targets will be finalised during contract negotiation and the inception period.

b) Pro-active, targeted **communications and research uptake** activities (stakeholder engagement in research design and implementation; short summaries of evaluation findings and briefing notes aimed at operational audiences of policy-makers and programme managers; practitioner-oriented dissemination workshops and conferences; creative use of social media and public events, in both the UK and the study countries) to facilitate uptake of programme-generated findings and recommendations. Better data and academically rigorous analysis are a necessary but not sufficient requirement for better decision-making: the supplier will be expected to demonstrate a good understanding of the political economy of evidence generation and use, and specify plans for how improvements in knowledge generated by ExPov will be channelled into training and debates so as to influence politics, policy and practice at national and international levels.

c) **Strengthened capacity** to generate measures of extreme poverty and use them for analysis (strengthened global networks around improved data on and understanding of extreme poverty; stronger national capacity in low and middle-income countries to collect, process and use poverty data).

Outcome

29. These outputs are expected to contribute to achievement of the outcome described in the DETEP Business Case:

"Development actors (DFID and other international actors, LIC and MIC governments and NGOs) design and implement strategy, policy and programmes which (i) are better targeted to the extreme poor and (ii) more effectively address the critical opportunities for and barriers to poverty reduction."

Impact

30. The DETEP programme's intended impact is: "Measurably reduced number of extreme poor within DFID priority countries." (p. 14 in the Business Case).

31. Based on the Business Case, and these Terms of Reference, we will expect the supplier to propose and justify a research strategy and approach to structuring the research programme. This should specify key research questions; an indicative list of global, country-level and sub-national research studies which address the needs identified in the DETEP Business Case in a coherent and feasible manner; a clear description of the methods and approach to delivering this research; together with ambitious but credible plans for research communication and uptake. This will be indicative, to be refined and costed during second stage of competition and finalised during the inception phase.

Research strategy and methods

32. DFID's Research and Evidence Division funds investments in data, research and evaluation that support more effective action (by DFID and others) for the elimination of extreme poverty and the realisation of the SDGs. DFID's approach to defining and measuring research quality has become more explicit over the last five years. The supplier should familiarise themselves with DFID's approach to managing research quality (described in DFID's *How To Note*).

33. The ExPov research programme should adopt an inter-disciplinary approach, drawing on economics, statistics and data science, sociology, political science, anthropology and behavioural science, amongst others. Theoretical frameworks

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and research methods should be chosen based on specific research questions and practical considerations of available or potentially available data.

34. Reflecting RED policies, framing principles for the ExPov RPC include:

   a) The RPC must employ well-developed and clearly documented standards and procedures for ethical approval of research studies and evaluations[2].

   b) Rigorous impact evaluation of specific interventions under Theme 3 should aim to employ randomised control trials (RCTs) where feasible. Evaluations using other techniques should explain why an RCT is not possible or appropriate.

   c) It is expected that all studies will employ a mixed-methods approach at some level, employing rigorous qualitative research to inform and complement quantitative analysis (for example, during formative research and piloting to refine research questions or data collection instruments, and / or to explore findings and causality identified from quantitative analysis). DFID would also welcome the inclusion of some proposals for primarily qualitative research (drawing on PRA or PPA techniques), particularly under Theme 2. We recommend that the supplier review DFID / HMG policies on quality in qualitative approaches.

   d) DFID-funded researchers are expected to maximise access to RPC-generated data and analysis (see DFID's *Research Open and Enhanced Access Policy)*. In line with the Department's *Data Disaggregation Action Plan,* data (including impact findings) should be reported by sex, age, disability status and geography.

   e) The RPC should seek to strengthen LIC and MIC capacities to generate and use rigorous, policy-relevant research on poverty and poverty reduction. A credible in-country partner should be identified for most if not all of the country case studies. In discussion within the supplier, any capacity needs (e.g. in research methodology, project management, writing and presenting to different audiences) should be identified and addressed with tailored support.

   f) The RPC is expected to develop an explicit research uptake strategy supporting communication of findings and recommendations to research users (politicians, policy-makers, programme managers, civil society and the private sector) through for proactive, early and targeted engagement. The programme should seek to influence concepts, knowledge and practice at all levels, from specific programmes to national and international policy.

   g) Strong systems for financial management, duty of care, risk management (including safeguarding), and the quality assurance of research outputs.

35. The programme should maximise complementarity and build synergies wherever possible - with the DETEP-funded World Bank work on poverty measures, and, within the ExPov RPC, between Themes 1-3, and between individual projects within each Theme. These synergies may include *country-level connections* (under Theme 3, testing combinations of interventions and / or locating impact evaluations within systems research; or embedding Theme 3 evaluations within Theme 2 analysis of the national drivers of poverty trends); *synthesis products* (e.g. literature or systematic reviews summarising the findings of impact evaluations - those produced by the programme and others - relating to the same sector); or the use of new measures or data collection techniques developed under Theme 1 to measure impact evaluation outcomes under Theme 3. Achieving these complementarities and synergies will require strong systems for programme coordination and management.

36. The research strategy detailed here has been informed by discussion with the DFID Research Advisory Group (RAG). We will continue to draw on advice from RAG members in refining and managing the new research.

Countries

37. To maximise cost-effectiveness and achieve analytical and policy synergies between projects and themes, we propose that ExPov country-level analysis under all three Themes focuses on the same sub-set of countries. Theme 2 will identify between six and eight country case studies for comparative analysis of national trends in extreme poverty and how these are shaped by national and global risks and opportunities. Studies on poverty measurement (under Theme 1) and operational and impact evaluations of anti-poverty programmes (under Theme 3) would be expected to be clustered in some or all of these same countries.

38. The selection of countries should cover a range of situations as classified by degree of fragility, size, world region and the level and trend of poverty headcounts. At least half should be in sub-Saharan Africa; at least half should be classified as fragile or conflict-affected.

39. To ensure the shortest possible path from research findings to influence on policies and programmes and then impact on poverty outcomes, country-level research should focus heavily on the countries in DFID's bilateral programme. This bilateral footprint also contains a high proportion of the world's extreme poor, reflecting the poverty reduction focus of DFID's institutional mandate.

40. However, to ensure the relevance of research findings and recommendations to DFID's engagement in global strategies and spending via multilateral channels, it is proposed that the programme also address a small number of countries (one or two) which do *not* have a DFID country office. For example, Madagascar and Sahelian west Africa account for a significant proportion of the global extreme poverty headcount - both currently and in projections for 2030 - that is *not* served by a DFID country programme.

41. The countries in which the World Bank Trust Fund develops and tests innovations in poverty measurement would overlap significantly but not necessarily perfectly with the countries covered by the ExPov research contract.[3] Coordination between the ExPov and Trust Fund workplans would be essential to the successful delivery of both.

42. Table 1 provides a suggestive classification of countries of interest, and an indication of how many from each country grouping should be included in the research. The supplier may choose to propose more than eight focus countries, an alternative balance between groupings, and / or countries not on this list: but in all cases will be expected to propose and explain their proposed list of focal countries with reference to the objectives of the programme, the research questions, and DFID's policy and programming needs.

Table 1: Proposed geographical coverage of the research programme

Proposed number of countries to be included	group	country	population 2015	DFID fragility classification	$1.90 poverty headcount, 2015		forecast change in poverty 2015-30
			millions		%	millions	
3	**Group 1**	DRC	77	high	70%	54.3	rising
	DFID focus countries	Nigeria	182	high	51%	92.6	rising
	high poverty %,	Ethiopia	99	moderate	18%	17.5	falling
	high fragility	Kenya	46	low	30%	13.8	rising
		Afghanistan	33	high	n/a	n/a	n/a
		Burma	54	moderate	7%	3.4	n/a
		Somalia	11	high	n/a	n/a	n/a
		South Sudan‡	12	high	43%	4.1	n/a
		Yemen‡	27	high	19%	4.9	n/a
		Zimbabwe‡	16	moderate	21%	3.1	n/a
1	**Group 2**	Pakistan	189	high	4%	7.6	falling
	DFID focus countries	Bangladesh	161	low	11%	18.1	falling
	low poverty %, high fragility	Sudan	40	high	12%	4.8	falling
2	**Group 3**	Zambia	16	neighbouring	63%	10.2	rising
	DFID focus countries	Malawi	17		70%	12.1	rising
	high poverty %, low fragility	Mozambique	28	low	62%	17.3	static
		Rwanda	12	neighbouring	58%	6.8	static
		Liberia	5		64%	2.9	rising
		Sierra Leone	6		51%	3.3	falling
		Tanzania	53		39%	20.8	falling
		Uganda	39	neighbouring	33%	12.8	falling
1	**Group 4**	India*	1,311		17%	221.2	falling
	DFID focus countries	South Africa	54		16%	8.8	falling
	low poverty %, low fragility	Ghana	27		6%	1.6	falling
		Nepal	29	low	8%	2.4	falling
1	**Group 5**	Madagascar	24	low	78%	18.8	rising
	non-DFID	Burundi	11	high	76%	8.5	rising
	high poverty %	Niger	20	low	45%	8.5	falling
		Mali	18	moderate	47%	8.3	rising
		Haiti	11	moderate	53%	5.7	rising
		Chad	14	high	33%	4.6	falling

Sources: fragility classification from DFID *Fragility Update 2017* (Chief Economist's Office and CHASE, March 2019)*;* population from *UN World Population Prospects 2015;* poverty headcounts 2015 from DFID Chief Economists' Office (CEOFF), derived from PovCalNet (except for Burma, South Sudan, Yemen and Zimbabwe, taken directly from PovCalNet December 2017); forecast change in poverty from CEOFF, December 2016.

‡ For South Sudan, Yemen and Zimbabwe, COEFF does not provide 2015 extrapolated estimates because a lack of reliable data. For these countries the latest available survey year data is presented, downloaded from World Bank DataBank December 2017. Data for South Sudan are from 2009; for Yemen, from 2014; and for Zimbabwe, from 2011. Data for Burma are from 2015 and taken directly from PovCalNet as these estimates were released subsequent to the COEFF model. Updated Niger data for 2014 downloaded 27.3.19.

* Research in India would focus on some of the seven states (Uttar Pradesh, Bihar, Madhya Pradesh, Orissa, Jharkhand, Chhattisgarh and Rajasthan) which collectively account for 45% of the national population but 62% of India's poor.

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Design and implementation

Inception phase

43. The RPC will have an inception phase of approximately nine months from the date the contract is signed. During this phase the research strategy will be refined; choices of focal countries and programmes to be evaluated will be confirmed; and budgets and workplans finalised. This will entail considerable investment in consultation with DFID country offices and policy units and in-country stakeholders (government, civil society and other donors); and coordination of research questions, country and programme selection and measures with the World Bank Trust Fund.

44. During the inception phase, DFID will expect at least monthly meetings with the Research Manager and RPC Leader (Consortium Executive Director – CED - see below) to ensure that progress against work plan is on track. Two key outputs will be delivered during the inception phase.

45. A concise *Mid-point Inception Phase Progress Report* will be submitted and reviewed at a formal meeting between key DFID staff and the supplier to discuss progress against plan and the overall direction of the programme.

46. An *Inception Phase Completion Report* will be submitted at the end of the Inception Phase and serve as a break-point report: DFID's approval of this report will be required for the RPC to continue. Specification for the completion report will be agreed and finalised with the Supplier, but is expected to include, but not be limited to:

- a detailed research framework (refined theory of change demonstrating how the research will lead to intended outcome and impact; hypotheses and research questions; data requirements and choice of research methods);
- selection of focal countries and interventions for ExPov research and evaluation, with confirmation of engagement by relevant stakeholders, including DFID country offices;
- formative research products (e.g. literature reviews / syntheses of existing evidence and analysis of sectors/sub-sectors/country settings as appropriate);
- draft Research Uptake Strategy; approach to / protocols for open access publishing and data sets;
- Monitoring and Evaluation Framework, including final RPC log-frame.
- Updated work plan and budget, including breakdown by component, research strand, and country.
- Risk management strategy and plan; policies and processes for ethical approval of research proposals, safeguarding, and duty of care.
- Final approach to leadership, management, and governance of the RPC, including ToRs and any necessary update on delivery partners.

Management and governance arrangements

47. The RPC will be led by a Consortium Executive Director (CED). The CED will provide managerial and intellectual leadership to the RPC, be the first point of contact for DFID, and remain accountable for all RPC delivery. The CED will lead development of the research strategy and ensure coordination and coherence between all three themes. DFID's preference is that this is a full time post (and at a minimum no less than 50%) and that the CED is an employee of the RPC's lead organisation. The CED should be named in ITT bids.

48. Final ToR for high level posts will be part of the Inception Reports submitted for DFID approval at the end of the inception phase.

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49. By the end of the inception period, programme management and governance arrangements should have been defined in consultation between the ExPov Executive Director, DFID and the Task Team Leader of the World Bank Trust Fund. These should specify responsibilities and reporting relationships within the ExPov contract and arrangements for coordination and collaboration between ExPov and the World Bank Trust Fund.

50. In consultation with DFID country offices, National Research Advisory Groups (NRAGs) in each of the focus countries will meet twice a year to review progress and provide advice to the researchers on framing research questions, design of data collection plans, and review of outputs. We anticipate that these will be chaired by an advisor from the DFID Country Office[4], with other members drawn from the national Government, NGOs or civil society, the private sector or other donors with an in-country presence.

51. In addition, DFID expects the RPC to establish mechanisms for wider stakeholder engagement at the international level to debate technical and implementation issues and collaborate effectively with partners.

Reporting, monitoring and evaluation

52. Interested parties should specify arrangements for monitoring and evaluation of RPC implementation and delivery, including proposals for how to coordinate internally between Themes and externally with the World Bank-implemented elements of Themes 1. We do not anticipate the need for a separately-budgeted independent evaluation of the programme; but do expect RPC M&E plans to be comprehensive and adequately resourced to provide DFID with the management information required for effective oversight and control.

53. Within DFID, this contract - and the World Bank Trust Fund - will be managed by the Governance, Conflict, Inclusion and Humanitarian (GCIH) Team in Research and Evaluation Division (RED). The ExPov RPC management team (CED and supporting staff) will report to the Senior Responsible Officer (SRO) and Programme Manager (PM) in GCIH.

54. Progress review meetings between ExPov and DFID will be held monthly during the inception phase and quarterly thereafter. Every year, the CED will ensure the submission of an annual report, in an agreed format, which will provide DFID with an assessment of progress against logframe output and outcome targets, a summary of key achievements and challenges, and an update on spending and budgets. This report will provide the basis for a meeting to discuss progress over the preceding 12 months and the production by DFID of an Annual Review, which will be published on DFID's DevTracker website.

Risk management, due diligence, safeguarding and duty of care

55. Suppliers' are expected to set out understanding of the most significant anticipated risks, with an explanation of mitigation strategies for each. A detailed Risk Matrix will be developed during programme inception. This should reflect in particular the risks associated with research and evaluation in fragile and conflict-affected contexts.

56. Suppliers must be able to demonstrate a full and comprehensive approach and methodology for undertaking due diligence and taking on the risk management of all downstream delivery partners. DFID may request specific audits of the project and all project partners to be undertaken.

57. In advance of any release of funds, suppliers will be required to produce a map of the delivery chain which should, where possible, identify all partners (funding and non-funding e.g. legal/contributions in kind) involved in the delivery of the

programme. As a minimum, this should include (i) the name of all downstream delivery partners and their functions in the programme and (ii) funding flows (amount and type) to each partner.

58. Under DFID's safeguarding policy, the Supplier shall take all reasonable measures to prevent serious misconduct by the Supplier personnel or any other persons engaged by it; and shall have in place at all times robust procedures to enable the reporting of any such serious misconduct, illegal acts, and/or failures to investigate such reports. Definitions of 'serious misconduct' and details of these responsibilities are laid out in clause 50 of DFID's Standard Terms and Conditions.

59. 'Duty of care' is the legal obligation requiring an adherence to a standard of reasonable care to prevent foreseeable harm. As outlined in DFID's Supplier Duty of Care Policy Information Note, all Supplier personnel (including their employees, sub-contractors or agents) engaged under this contract will come under the Duty of Care of the lead Supplier. The Supplier is responsible for the safety and well-being of their personnel and any third parties affected by their activities, including where necessary the provision of appropriate security arrangements. Suppliers must comply with the general responsibilities and duties under relevant health and safety law including appropriate risk assessments, the provision of adequate information, instruction, training (e.g. SAFE) and supervision, and appropriate emergency procedures. These responsibilities must be applied in the context of the specific requirements the Supplier has been contracted to deliver.

60. Clear and comprehensive duty of care policies will be important for this contract, given that many of the focal countries will be characterised by political fragility and a risk of conflict. Duty of care must be managed actively: 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 positions. Suppliers will need to provide evidence that they have the capability to take on and effectively manage their Duty of Care responsibilities throughout the life of the contract. As part of the procurement process suppliers will be asked to respond to a set of standard DoC questions and to provide supporting evidence. The DoC assessment will be on a Pass / Fail basis.

61. Wherever applicable, suppliers must ensure compliance with the requirements of the General Data Protection Regulations (GDPR) regarding the handling of personal data. Further details on these requirements are provided under clause 33 of the DFID Standard Terms and Conditions.

Budget and financial management

Budget and payments

62. The budget for the ExPov-DEEA RPC will be up to £10 million (out of a total DETEP budget of £12 million), sourced from RED's research budget. The supplier may propose and justify alternative allocations, but indicative allocation of the ExPov budget between themes is anticipated as follows:

- Theme 1 (poverty measures)   £1.0 million
- Theme 2 (poverty trends and drivers)   £2.2 million
- Theme 3 (what works to tackle extreme poverty)   £6.0 million
- Cross-Theme coordination, research uptake etc.   £0.8 million

63. Dependent on project progress and direction, DFID reserves the right to redistribute funds between themes and between directly delivered components and research competitions. Administration and management costs are assumed

to be incorporated across the four components above (Themes 1-3 and cross-theme coordination).

64. The contract payment mechanism for this seven (7) year contract is detailed below:

- Expenses/other costs will be based on actuals. Downstream disbursements will also be paid on actuals. All payments will be paid in arrears. These will be paid quarterly against a detailed financial report submitted with the invoice.

- A maximum of 10% of fees (total programme team costs) (based on actual number of input days), profit, overheads and any other costs will be withheld on submission of invoices where performance is not of an acceptable standard. The remaining percentage of fees, profits, overheads and other costs will be paid on satisfactory performance of the outputs agreed.

65. The process for agreeing performance and the standards DFID expects will be agreed in inception. Indicatively performance will be measured against areas including, but not limited to, the following:

- Completion of activities against the work plan
- Ability to react/deliver to stakeholders reporting requests
- Ability to deal with delays/re-plan and still deliver

66. The supplier should submit their proposal detailing the payment linked to the outputs identified in this ToR, which will be further developed and agreed in inception for implementation.

Financial management and value for money

67. The supplier should lay out provisions for robust financial management and a clear strategy to ensure value for money (VfM) throughout the life of the programme. Achieving economy, efficiency, effectiveness and equity (the four principles of DFID's VfM strategy) will require minimising costs consistent with maximising the number, relevance, quality and impact of research outputs. It is expected that VfM measures will be integrated into programme reporting and M&E and assessed during DFID annual reviews.

68. Wherever possible, ExPov impact evaluations will be of existing or newly-introduced programmes of DFID and its partners. We expect the implementation costs of the interventions evaluated - i.e. the intervention itself - to be paid for from other budgets. It is expected that the budget of the proposed research programme should pay for evaluation / research costs only. Inclusion of intervention delivery costs would be on an exceptional basis, and need to be approved by DFID in advance.

Procurement of goods and equipment

69. Where procurement is undertaken as part of programme activities, this must be done using robust systems which ensure best value for money for the programme and as has been indicated through the supplier's response to Selection Questionnaire 8.6. The Supplier must ensure that programme assets are accurately tracked, reach their intended beneficiary, and are used for their intended purpose.

Transparency

70. DFID has committed to comply with International Aid Transparency Initiative (IATI) global standards for transparency in aid spending. Suppliers receiving and

managing DFID funds are required to comply with these standards, and to ensure they (and immediate sub-contractors, sub-agencies and partners) have the appropriate tools to enable routine financial reporting in a common, standard, reusable format.

Communication

Branding

71. Partners that receive funding from DFID must acknowledge receipt of funds from the UK Government and taxpayers, including through the use the UK aid logo on programme outputs.

Digital spending

72. All digital[5] content produced by the Supplier is subject to UK government digital principles as set out by the Government Digital Service (GDS). The supplier should consider the use of digital elements to maximise value for money while ensuring the programme remains inclusive and fully accessible. Any proposed digital elements will require approval in line with DFID's Smart Rules.

73. The Supplier should not propose unnecessary bespoke systems or tools to implement and instead make use of existing and freely available systems and tools in all aspects of the programme where possible.

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Acronyms

CAPI	computer-assisted personal interviewing
CED	Consortium Executive Director
CO	Country Office
CPI	consumer price index
DETEP	Data and Evidence for Tackling Extreme Poverty
DOC	Duty of Care
DRC	Democratic Republic of Congo
EFO	(World Bank) Externally-Financed Output
EME	early market engagement
FCAS	Fragile and Conflict-Affected States
GCSD	Governance, Conflict and Social Development Team (in RED)
GDPR	General Data Protection Regulations
HMG	Her Majesty's Government
ITT	invitation to tender
LIC	low income country
M&E	monitoring and evaluation
MIC	middle income country
MPI	multi-dimensional poverty index
NGO	non-governmental organisation
NRAG	National Research Advisory Group
ODA	Official Development Assistance
PPA	Participatory Poverty Assessment
PPP	purchasing power parity
PRA	participatory rural appraisal
RAG	(DFID) Research Advisory Group
RCT	randomised control trial
RED	Research and Evidence Directorate
REF	Research Excellence Framework
RPC	Research Programme Consortium
SAFE	security awareness in fragile environments
SDG	Sustainable Development Goals
SRO	Senior Responsible Officer
SSQ	Selection Stage Questionnaire
ToR	terms of reference
VFM	value for money

References

World Bank (2017) *Monitoring global poverty: Report of the Commission on Global Poverty.* Washington, DC: World Bank. (The 'Atkinson Commission' report.)

Endnotes

[1] See para 4 above: by 'consortium' we refer here to the lead supplier and their consortium / partners / sub-contractors (if any), who are contracted under these ToR.

[2] As a starting point, see DFID's *Ethical guidance for research, evaluation and monitoring*.

[3] Overlap is desirable to support cross-fertilisation and synergies between the findings and methodological developments that are supported by the two separate funding arrangements. However, it is also desirable that the Trust Fund includes some data trials or secondary analysis in countries which are not covered by the ExPov RPC contract. This reflects the role of the World Bank in supporting the generation of poverty measures as a global public good, which entails supporting (i) the generation of high-quality national poverty measures in any Part II (low- or middle-income) client country which may require such support; and (ii) methods to enable comparisons between and aggregation of national estimates for regional and global analysis. The ability to test innovations in poverty measurement in countries in which DFID lacks a bilateral presence, but which are critical to global trends and decisions regarding non-bilateral channels of UK international development strategy (e.g. non-DFID ODA, development-diplomacy-defence cooperation, funding to multilateral agencies or engagement in the negotiation of international agreements on issues such as climate change).

[4] For any focus country which does *not* have a DFID Country Office (see para 37), an advisor from the relevant Africa or Asia Regional Directorate in DFID headquarters would be asked to join the National Research Advisory Group.

[5] Digital is defined as any service provided through the internet to citizens, businesses, civil society or non-government organisations. This includes, but is not limited to, information services, websites and transactional services. This includes services provided by others but funded by DFID.