



CALLDOWN CONTRACT

Framework Agreement with: Adam Smith International Ltd

Framework Agreement for: IMDP Lot 6

Framework Agreement Purchase Order Number: PO8373

Call-down Contract For: PROJ9952, ITT5885, Expertise to Support Economic Reform in Sierra Leone

Contract Purchase Order Number: TBC

I refer to the following:

1. The above mentioned Framework Agreement dated **May 2019**
2. Your proposal of 29/09/2023

and I confirm that FCDO 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 20 November 2023 ("the Start Date") and the Services shall be completed by 31 March 2025 ("the End Date") unless the Call-down Contract is terminated earlier in accordance with the Terms and Conditions of the Framework Agreement. There is no extension period.

2 Additional Documents to be included in this Contract

The following documents are included in and form part of the Contract:

Technical Proposal dated 29/09/2023
Commercial Proposal dated 29/09/2023

3 Sub-Contractors

N/A

4. Recipient

FCDO requires the Supplier to provide the Services to the Government of Sierra Leone, its Ministries, Departments and Agencies (MDAs): this could include State House, Chief Minister's Office, Ministry of Finance, National Investment Board (including Public-Private Partnership Unit), National Revenue Authority and other sectoral MDAs such as Energy, Water and Education (the "Recipient").



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5. Reports

The Supplier is required to submit project reports to the Recipient through the Project Officer in accordance with Annex A (Terms of Reference). Transparency Reports are as follows:

| TITLE | CONTENT | FORMAT | FREQUENCY |
|---------------------------------|--|-----------|---|
| <i>(Performance)</i> | Progress Dashboard results | PDF/Excel | Monthly |
| | Performance against Key Performance Indicators/Milestones (KPIs) | PDF/Excel | Quarterly |
| | Project Completion Report | PDF | Once within one month of closure |
| <i>(Charges)</i> | Annual Financial Report and Audit Report | PDF | Once within one month of closure |
| | Expenses | PDF/Excel | Monthly |
| <i>(Technical)</i> | Workplan | PDF | Once at beginning of contract. And after any adjustments deemed necessary |
| <i>(Performance management)</i> | Plans for management of underperformance | PDF | Quarterly |

6. Commercially Sensitive Information

Will be handled in accordance with the Terms and Conditions of Contract and Annex A (Terms of Reference), and includes:

- Adam Smith International Technical Response, inclusive of all annexes
- Adam Smith International Commercial Response, inclusive of all annexes

7. Financial Limit

- 7.1 Payments under this Call-down Contract shall not, exceed £2,000,000 ("the Financial Limit") and is inclusive of any government tax, if applicable as detailed in Annex B. When Payments shall be made on a 'Milestone Payment Basis' the following Clause 22.3 shall be substituted for Clause 22.3 of the Framework Agreement.

22. PAYMENTS & INVOICING INSTRUCTIONS

22.3 Where the applicable payment mechanism are lined to Milestone deliverables, invoice(s) shall be submitted on a monthly basis, with 20% of fees retained and linked to the satisfactory performance of the services, as detailed in the Schedule of Prices and 9.2 of the Terms of Reference. 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 FCDO.

When the relevant milestone is achieved in its final form by the Supplier or following completion of the Services, as the case may be, indicating both the amount or amounts due at the time and cumulatively. Payments pursuant to clause 22.3 are subject to the satisfaction of the Project Officer in relation to the performance by the Supplier of its obligations under the Call-down Contract and to verification by the Project Officer that all prior payments made to the Supplier under this Call-down Contract were properly due. The mechanism for approving



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the milestone and apportioning the appropriate payment is outlined in Annex B, Schedule of Prices.

During Implementation phase, the supplier will invoice and be paid monthly on an input basis against actual fees and expenses incurred, with 20% of fees retained and linked to the achievement of the KPI's as detailed in the Schedule of Prices and 9.4 of the Terms of Reference. KPIs will be assessed and linked payment made on a quarterly basis.

8. Party Contacts

FCDO

8.1 The Project Officer is:

[REDACTED]
[REDACTED]

8.2

[REDACTED]
[REDACTED]
[REDACTED]

8.3

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

8.4

[REDACTED]
[REDACTED]
[REDACTED]

9. Key Personnel

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

| Name | Position |
|------------|--|
| [REDACTED] | Project Director |
| [REDACTED] | Project Manager |
| [REDACTED] | Assistant Manager |
| [REDACTED] | Finance Manager |
| [REDACTED] | Project Accountant |
| [REDACTED] | Project Leader |
| [REDACTED] | Infrastructure Investment Team Leader |
| [REDACTED] | PFM Team Leader |
| [REDACTED] | Infrastructure Investment Delivery Advisor |
| [REDACTED] | Senior MEL Advisor |
| [REDACTED] | Senior PEA Advisor |
| [REDACTED] | M&E Advisor |
| [REDACTED] | PEA and GESI Advisor |



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10. Duty of Care

All Supplier Personnel engaged under this Call-down Contract will come under the duty of care of the Supplier:

- I. The Supplier will be responsible for all security arrangements and Her Majesty's Government accepts no responsibility for the health, safety and security of individuals or property whilst travelling.
- II. The Supplier will be responsible for taking out insurance in respect of death or personal injury, damage to or loss of property, and will indemnify and keep indemnified FCDO in respect of:
 - II.1. Any loss, damage or claim, howsoever arising out of, or relating to negligence by the Supplier, the Supplier's Personnel, or by any person employed or otherwise engaged by the Supplier, in connection with the performance of the Call-down Contract;
 - II.2. Any claim, howsoever arising, by the Supplier's Personnel or any person employed or otherwise engaged by the Supplier, in connection with their performance under this Call-down Contract.
- III. The Supplier will ensure that such insurance arrangements as are made in respect of the Supplier's Personnel, or any person employed or otherwise engaged by the Supplier are reasonable and prudent in all circumstances, including in respect of death, injury or disablement, and emergency medical expenses.
- IV. The costs of any insurance specifically taken out by the Supplier to support the performance of this Call-down Contract in relation to Duty of Care may be included as part of the management costs of the project, and must be separately identified in all financial reporting relating to the project.
- V. Where FCDO is providing any specific security arrangements for Suppliers in relation to the Call-down Contract, these will be detailed in the Terms of Reference.

11. Call-down Contract Signature

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 FCDO, FCDO will be entitled, at its sole discretion, to declare this Call-down Contract void.

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

Signed by an authorised signatory
for and on behalf of
Secretary of State for Foreign, Commonwealth
and Development Affairs

Name: [REDACTED]
Position: Commercial Lead
Signature: Via Jaggaer portal
Date:

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

Name: [REDACTED]
Position: CEO
Signature: via Jaggaer portal
Date:

EXPERTISE TO SUPPORT ECONOMIC REFORM IN SIERRA LEONE

1. SUMMARY

- 1.1 The UK Foreign, Commonwealth and Development Office (FCDO) is procuring a service provider (“Supplier”) to design, manage and deliver a new technical assistance programme on public financial management (PFM), tax and infrastructure investment. This will form the main component of the FCDO “Expertise to Support Economic Reform in Sierra Leone” programme.
- 1.2 The programme objectives are two-fold: i). to support improvements in PFM and tax revenue in order to increase the integrity, efficiency and sustainability of the public finances and ii). to support the effective prioritisation, planning and funding of infrastructure investment opportunities. Together, this will contribute to higher and more inclusive growth through more responsible investment and greater macroeconomic stability. Delivery will take place through providing strategic advice, mentoring, technical assistance (TA) and capacity development to the Government of Sierra Leone. As a wider over-arching objective, the programme should generally seek to promote good governance in Sierra Leone.
- 1.3 In light of UK concerns about certain aspects of Sierra Leone’s 2023 election process and outcome, we are conducting an in-house assessment to ensure all UK development activity is attuned to democratic objectives. This activity remains ongoing. We expect the winning bidder to be fully conversant with FCDO’s latest policy position on Understanding political economy analysis and thinking and working politically - GOV.UK (www.gov.uk) and able to demonstrate best practice in relation to this as well as wider issues of good governance.

CONTEXT

- 1.4 Sierra Leone’s growth has averaged just 1% in per capita terms following the end of the Ebola pandemic in 2016.¹ It is one of the poorest countries in the world – 64% of the population live below the \$3.65/day poverty line,² income per capita is sixth lowest globally (\$509 a year)³ and the country ranks 181 out of 191 countries in the inequality-adjusted Human Development Index.⁴
- 1.5 Growth had rebounded in 2021 (+2% in per capita terms) following the Covid-19 shock but the economic situation appears to have drastically deteriorated following the rise in global food and fuel prices in 2022, owing in part to the Russian war in Ukraine. Due to its high dependence on imports (reflecting low domestic production capacity), Sierra Leone was very exposed to this shock, as reflected in domestic

¹ IMF, World Economic Outlook Database, October 2022.

² World Bank, World Development Indicators.

³ IMF, World Economic Outlook, October 2022. Data is for 2021. Comparison is across 193 countries. Note: Sierra Leone’s income per capita is 12th lowest globally when measured in terms of purchasing power parity (PPP).

⁴ [UNDP, Human Development Index Report, Sep 2022.](#)

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prices – for example, the price of key food staples such as rice and cassava leaves increased 45% and 70%, respectively.⁵

1.6 The current macroeconomic situation in Sierra Leone is extremely serious. The country is assessed to be at high risk of debt distress, with a debt-to-GDP ratio of 98.9% in 2022;⁶ inflation reached 45% year-on-year in June 2023 (58% for food);⁷ and Sierra Leone had one of the steepest rates of currency depreciation in Africa last year. To get Sierra Leone onto a higher growth trajectory, concerted effort is therefore needed both to develop the policy landscape for high-quality responsible investment – particularly in infrastructure – and stabilise the underpinning macroeconomic framework.

1.7 The proposed intervention under this programme contributes to the UK's International Development Strategy ambition to help countries, like Sierra Leone, “get the investment they need to grow secure, open, thriving economies. Countries need to avoid loading their balance sheets with unsustainable debt and mortgaging their future economies against bad loans”.

2. OBJECTIVE

2.1 The programme's outcome statement is: Effectively prioritised, planned and funded infrastructure investment; reduced constraints on responsible investment; and that the Government of Sierra Leone needs to borrow less to achieve a given level of development impact (decreasing the fiscal deficit and thereby reducing inflation and reliance on expensive, unsustainable domestic debt). This will contribute to increasing inclusive growth through more responsible investment and greater macroeconomic stability, which will be partly attributable to the programme's outputs.

2.2 The objective of the programme is to deliver:

2.2.1 High-quality **public financial management and tax expertise** to the Government of Sierra Leone to support the development and implementation of policy, regulatory and organisational reforms, leading to greater integrity, more efficiency and better control of public spending and increased tax revenue. This will help ensure GoSL needs to borrow less to achieve a given level of development impact, decreasing the fiscal deficit and in turn incentivising further investment and growth through macroeconomic stability.

2.2.2 High-quality **investment expertise** to the Government of Sierra Leone to support policy and regulatory reform processes in order to reduce barriers to responsible investment and support effective prioritisation and planning of infrastructure investment deals. This will improve the investment climate and increase the number of bankable projects developed, thereby attracting higher

⁵ World Food Programme (Q4 2022) Sierra Leone Market Prices Bulletin.

⁶ IMF, Sierra Leone: Sixth and Seventh Reviews Under the Extended Credit Facility, Requests for Waivers of Nonobservance of Performance Criteria, Extension of the Arrangement, Rephasing of Disbursements, and Financing Assurances Review-Press Release; Staff Report; and Statement by the Executive Director for Sierra Leone, June 2023.

⁷ Stats SL.

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levels of responsible investment in key areas. Where possible the programme will also support the progress of individual transactions to help them move more quickly towards financial closure.

2.3 The Theory of Change (ToC) is presented in the business case (see Appendix 1). This ToC will be reviewed during the programme inception phase to make sure it reflects the latest political economy analysis and the government's and FCDO's priorities.

2.4 A logframe indicating FCDO's broad expectations for the programme will be developed in the next few months. This will also be reviewed during the inception phase.

3. RECIPIENT

3.1 The Supplier will be accountable to FCDO as the funding entity. They will report directly to the programme Senior Responsible Officer (SRO). The programme will provide support to the following recipients:

Government of Sierra Leone's Ministries, Departments and Agencies (MDAs): this could include State House, Chief Minister's Office, Ministry of Finance, National Investment Board (including Public-Private Partnership Unit), National Revenue Authority and other sectoral MDAs such as Energy, Water and Education. Which of these MDAs the programme will directly support will be determined during the programme inception phase.

3.2 The extent of recipient support will be subject to internal FCDO budgetary discussions and agreed criteria in consultation with the Supplier and GoSL, but ultimately approved by the FCDO.

4. SCOPE

4.1 Support will be delivered through a combination of technical assistance, a complementary input budget (Section 4.4) and capacity building. The Supplier is required to work politically and ensure approaches are underpinned by robust political economy analysis (see Section 7.3).

4.2 A number of overarching principles underpin the programme's objectives. The following principles should be adhered to during implementation:

- **All interventions must have a clear link to the high-level programme outcome statement.** Reforms should be prioritised based on their contribution to this and their technical and political feasibility.
- **All activities should uphold our commitment to transparency and inclusivity,** providing opportunities for women and youth in particular to participate in governance and decision-making processes. Interventions should identify feasible opportunities aligned with the programme objectives and scope to enhance the equitable distribution of benefits amongst these groups. Where

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relevant, impacts on persons with disabilities should also be considered. This will be particularly relevant in accountability aspects of the project.

- **Equitable geographical distribution of support.** Although most activities will focus on central government MDAs, working at the national level, some activities may have district or sub-national implications or focus. Where this is the case, the Supplier will take steps in consultation with FCDO to support an equitable distribution of results across regions.

4.3 With respect to the Technical Assistance, the following additional principles should be applied:

- **Governmental leadership and ownership.** All work under this contract must be designed and delivered in a way that stimulates, fosters and sustains the Government of Sierra Leone's leadership. Activities should align with GoSL plans, priorities and strategies such as the National Development Plan, Public Financial Management Reform Strategy, and Medium-Term Revenue Strategy.⁸ Activities should also support progress towards reform requirements under any IMF programme and under the World Bank's DPO.
- **The focus is capability building, not substitution.** Technical expertise will be required to provide practical, hands-on support to progress the Government's plans and overcome obstacles. This should be done in a collaborative manner that builds the skills and experience of GoSL officials to deliver so that we see sustained improvements in capability after the end of the contract. Where relevant, TA will deliver structured training to government counterparts in addition to on-the-job support. Given the need for sustained engagement and capacity building, it is anticipated that the majority of TA posts will be long-term (i.e. at least a year in duration).
- **Strong and proactive coordination across government and with development partners is essential and should be built into the operation of the project.** GoSL should be at the forefront of coordination mechanisms to ensure coherence across the range of economic reforms, bringing in the different actors within and beyond government delivering / funding these (in particular the IMF, the World Bank and EU). The project should proactively find ways to support this through sharing information and supporting appropriate management / coordination structures. Further coordination across FCDO-funded TA in other ministries (e.g. health) and across wider HMG-funded TA (e.g. at the National Revenue Authority, Financial Intelligence Unit, and Bank of Sierra Leone) may also be required.

4.4 The complementary input budget is designed to:

- Support complementary inputs, which facilitate the work of the technical advisers. Examples might include: workshops, IT equipment or software licenses (but large scale provision of IT equipment or software is not part of the scope of this contract). This budget should be made available to TA when: GoSL funds are not available or would not be available in a timely manner and

⁸ These strategies and plans are examples.

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the support is required to enable the TA to work effectively and progress reforms. Complementary inputs do not include the TA itself.

- Fund non-TA activities where agreed with FCDO and in line with the project objectives.

4.5 Processes for managing the complementary input budget line are laid out in Section 7.2.8. The size of the complementary input budget will be kept under review throughout project implementation to enable flex between TA and non-TA activities.

5. INTERVENTION

5.1 This section details proposed interventions in the two key thematic areas: PFM & tax, and Infrastructure Investment. Strengthening safeguarding will be a cross-cutting theme across both areas. The financial split across the thematic areas will depend on the agreed criteria with the Government of Sierra Leone, opportunities for reform and FCDO priorities, which will allow the programme to flex to the emerging priorities within the country context. The programme's scope will be subject to a change control process, as outlined in Section 6.2.4, so all activities have relevance and strategic alignment to the theory of change. The Supplier is free to determine the appropriate level of spend for accountability, oversight and management purposes, subject to approval from FCDO.

5.2 Once the agreed criteria have been set and opportunities identified, the Supplier will submit the approach paper and costed workplans for the proposed interventions for FCDO approval, at the inception phase.

5.3 **Public Financial Management:** The supplier should propose the number and composition of advisers (skill sets, duration of posts, target MDAs) embedded within the GoSL. During inception, the priority will be understanding capacity building needs, political economy constraints and appropriate sequencing of reforms, mapping out a comprehensive support package, and establishing effective partnerships with the MoF, other key institutions, and other donors. The support package should work across relevant institutions to ensure challenges are tackled in a holistic manner and reforms are strongly linked to improvements in basic service delivery. As a starting point, it is suggested that advisers should have the capacity to undertake the following functions:

- **Strategic Advice to the Minister of Finance and/or Financial Secretary/Senior Management Team at MoF:** Demand-driven support to implement their key macro-fiscal priorities, helping to inform key strategic decisions and supporting implementation. This function is likely to be undertaken by the PFM Team Leader, although this depends on the Supplier's proposed organisational structure and the individual will be agreed between the supplier, FCDO and GoSL during mobilisation and inception phase. At selection stage FCDO will assess the technical suitability of the proposed candidates only.
- **Support to strengthen fiscal management, budget credibility and transparency.** Some agendas, which have been priorities under our existing

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PFM TA to MoF, will likely remain a focus. These include: payroll (incl. audit) and workforce planning, with a focus on the implementation of the Wages Compensation Commission Act; mechanisms to strengthen implementation of audit recommendations; PFM reform governance; and adherence to open budgeting principles. Specific areas to be explored are laid out under the suggested interventions below.

5.3.1 Suggested Interventions include:

- **National Budget Preparation & Formulation:** Support GoSL to produce a comprehensive, credible and transparent national budget, underpinned by: realistic macro-fiscal projections; comprehensive, realistic and affordable fiscal planning by line ministries; open public consultation and substantive discussion; meaningful legislative oversight; publication of accessible budget documentation.
- **Budget Execution & Expenditure Control:** Support GoSL to minimise variances between budgeted and actual expenditure to ensure both fiscal discipline and minimise the build-up of arrears. Support areas could include: use of the IFMIS for processing all public expenditure; in-year monitoring of and reporting on budget execution; active cash management, including tying expenditure ceilings to resource availability; enforcement of expenditure ceilings and adherence to expenditure authorisations granted within the regulatory framework for PFM; upskilling MDA staff re financial procedures; a Scheme of Service for GoSL fiduciary staff; internal audits to ensure expenditure is compliant with budget appropriations and applicable financial regulations.
- **Public Access to Timely Fiscal Information:** Support GoSL to facilitate effective public scrutiny of and social accountability for how they manage the public finances. Support areas could include: timely publication of transparent, comprehensive, reliable and consistent budget documentation, including in-year and annual budget execution reports to enable the public (particularly CSOs and the media) to effectively track resource allocation.
- **Payroll Management:** Support GoSL to maintain and enhance the integrity and affordability of the payroll budget. Support areas could include: verification of the public sector payroll to remove 'ghost' workers; manpower planning to enable accurate payroll budgeting; implementation of the Wages & Compensation Commission Act to ensure standardisation of grading structures across MDAs.
- **Audit:** Support GoSL to ensure effective internal and external audit processes. Support areas could include: building the capacity of internal audit and follow-up mechanisms related to this, focusing on a sub-set of priority MDAs; mechanisms to strengthen implementation of external audit recommendations; improving financial record-keeping and records management within MDAs, with a particular focus on documentary evidence for payment transactions; timely submission of financial statements by MDAs as part of the external audit process.

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- **PEFA (2025):** Public Expenditure and Financial Accountability assessments were conducted in 2018 and 2021. A revised PEFA assessment will be due in 2025.
- **Climate Responsive PFM:** Promoting national climate action through fiscal policy and the use of public financial management (PFM) systems.

5.4 Private Infrastructure Investment: The supplier should propose the number and composition of advisers (skill sets, duration of posts, target MDAs) embedded within the GoSL. This to be done at Inception phase and approved by FCDO before adoption.

5.5 There is recognition that specifying detailed objectives before the criteria has been agreed is not possible, especially given uncertainty around government priorities following the 2023 election. The Supplier will work with the Government of Sierra Leone and FCDO to target private investment opportunities that will be most transformational. However, this workstream will likely focus on private investment transactions, including:

- 5.5.1 Building a sustainable pipeline for future investment
- 5.5.2 Support investments opportunities to financial close
- 5.5.3 Contributing to a number of significant policy reforms approved by Cabinet and/or regulations approved by regulators.

5.6 The anticipated areas that this workstream could work in are strengthening transformational transactions in the energy sector as well as the private sector reform of the utility, the Energy Distribution and Supply Authority. There are also opportunities in the water sector such as around possibilities for a PPP or concession. Whatever the focus areas, the investment TA should seek to improve the sustainable use of Sierra Leone's natural resources. More concrete opportunities will be decided after the Inception Phase.

PROGRAMME BUDGET AND TIMEFRAME

5.7 The Supplier contract is designed to run for around 1 year and 5 months (dependent on contract start date) up until March 2025, with mobilisation by November 2023 at the latest. The contract will have a value of up to a maximum of £2,000,000 over this time period, plus possible additional budget of up to a maximum of £785,000 over this same time period, which is primarily dependent on FCDO budget availability in Financial Year 24/25. The Supplier should propose how they would spend the £2,000,000 in their bid rather than the full £2,785,000, but should demonstrate their ability, capacity and methodology for scaling up at short notice if required.

5.8 Of the £2,000,000 budget approximately £1,000,000 is available in each financial year, i.e. approximately £1,000,000 up to end of March 2024 and approximately £1,000,000 from April 2024 to March 2025. Although this split should be treated as indicative at this stage and is subject to change.

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5.9 Of the possible additional budget of £785,000, around £185,000 is available to March 2024 and the remaining £600,000 from April 2024 to March 2025. Again, this split should be treated as indicative at this stage and is subject to change. For the £185,000, this is likely to be confirmed during the programme Inception Phase. The availability of the additional £600,000 in FY 24/25 (Apr-Mar) is likely to be known in quarter 3 (Oct-Dec) of 2024/25.

5.10 The contract will also have an option to extend by an additional 12 months with further budget of £1,000,000 for this period, should there be business reason to do so. The decision to exercise the option to extend the contract will be taken by FCDO with a minimum of three months written notice. This decision to extend will be at FCDO's sole discretion.

5.11 The contract value is inclusive of any local government taxes but exclusive of VAT.

6. METHODOLOGY

6.1 Roles and Responsibilities: FCDO is the funding entity for the programme and as such will be accountable for ensuring the programme meets UK strategic objectives. The FCDO will also provide oversight of the progress, risk and finance to ensure the programme delivers value for money for the UK taxpayer. The Supplier will be the implementer, responsible for delivery of the technical expertise under both work themes and will engage with relevant MDAs to ensure the technical expertise provided meets the needs of the new Government. The Government of Sierra Leone (and as such, the selected MDAs) will be the client, with its staff the main recipient and beneficiary of the support.

6.2 Phases: This programme is broken down into three phases:

6.2.1 Phase 1 – Inception: This phase will last for a maximum of two months after the contract award to conduct the preliminary activities needed to move to Delivery, such as:

- Mobilise their team in Sierra Leone
- Formalise the agreed criteria between the FCDO and Government of Sierra Leone
- Develop Stakeholder Relationships with the relevant MDAs
- Undertake scoping through Political Economy Analysis to identify reform opportunities.
- Embed project governance and mechanisms for management and oversight, approved by FCDO.

The Supplier should complete Phase 1 by January 2024 to maximise impact.

6.2.2 Phase 2 – Implementation: Once the scope criteria has been approved by both the FCDO and Government of Sierra Leone, the programme will move into Delivery or the Implementation Phase. Here, the supplier will be expected to deliver a package of interventions as laid out in the inception report (see section 9 table 1). To enable flexibility between TA and non-TA activities, the contract will consist of a “Technical Assistance” budget covering the main

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programme team–(approx. 90%) and a “Complementary Input Budget” (see Section 4.4/7.2.8) for additional short term interventions (approx. 10%). Plans for use of the Complementary Input Budget will be approved on a six-monthly basis, although there is scope to adapt more frequently (see Section 7.2.8). The Supplier is expected to work in a politically informed manner and have robust M&E structures in place (see Section 7.4). The Supplier will be required to adhere to all reporting requirements as laid out in Section 7.6.

6.2.3 Phase 3 – Closure: The decision to exercise the option to extend the contract will be taken by FCDO with a minimum of three months written notice. If approved for extension, the programme will continue to develop and scale up its activities, reflecting on lessons learnt from the prior implementation period. The Supplier should detail in its bid how it will responsibly close the project. If FCDO has contracted a successor programme, the Supplier will fully cooperate with the new programme to handover relationships, knowledge and workstreams developed under this intervention.

6.2.4 Change Control: The Supplier will be responsible for developing and maintaining a portfolio of interventions, in consultation with the Government of Sierra Leone and FCDO. Changes to the Suppliers’ approach (as laid out in their approach paper), six-monthly workplans and budgets, and any decisions to close interventions early, redirect funds or begin new interventions, will require the approval from FCDO. FCDO will have ultimate sign-off on decisions.

7. CONTRACT MANAGEMENT INFORMATION:

7.1 Management Overview

7.1.1 This programme will be implemented by a Primary Supplier. As set out in section 5, the Supplier is required to identify, recruit, on-board, and manage a team of consultants within the various MDAs as required. The supplier is expected to have the right candidates in their pool but also to be able to select and approve candidates identified elsewhere e.g. by Government of Sierra Leone. Some requirements may be for purely technical expertise, but in many cases knowledge of the Sierra Leone context and ability to develop trust from key government counterparts will be important requirements as well.

7.1.2 The Supplier will be responsible for ensuring the effective management and implementation of technical expertise, delegating responsibilities to subs as necessary to achieve the project’s objectives. The Supplier will be solely accountable to FCDO for the delivery of the Terms of Reference.

7.1.3 The Supplier is expected to form a core team covering core management functions. The supplier is also expected to contract a combination of long-term and short-term consultants, with long-term consultants based locally and embedded in Ministries, and short-term consultants providing discrete technical

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assistance/capacity building with a narrower scope and over periods of e.g. 1-4 months. It is up to the Supplier to recommend the balance of long and short-term consultants.

7.1.4 An illustrative organisational structure is presented below. Suppliers should propose their own structure, using an optimal combination of international and national posts that maximises value for money. Although the supplier is free to suggest team roles in line with their proposed organisational structure, roles are expected to include:

- **Programme Steering Committee.** Comprising of the Supplier (project leader, thematic team leaders - PFM and Investment), FCDO (SRO, lead advisers and key project management staff) and representation from the relevant ministries. This will be facilitated by the Supplier to cover both workstreams and will act as a forum for performance tracking against milestones, risk escalation and decision-making. The frequency will be decided once the Supplier is in place and following a kick off meeting with FCDO.
- **Project Leader.** The Project Leader will be responsible for setting, communicating and delivering the strategic direction of the programme, ensuring consistency between the intervention portfolio and the programme's overarching objectives, providing leadership, managing staff and sub-contractors, and managing relationships with internal and external stakeholders.
- **Team Leaders.** Two full-time specialist team leaders in PFM (and tax) and investment to oversee the design, implementation and coordination of TA and complementary input interventions in these areas. They will hold relationships with senior government counterparts alongside FCDO advisers. They are responsible for ensuring interventions align with government priorities. They will manage individuals and subs providing TA in their respective areas, identify synergies with other Team Leaders, ensure consistency between the intervention portfolio and the programme's overarching objectives and oversee the technical rigour of support. The Team Leaders will be embedded in key institutions and will also provide senior level strategic advice and support on technical issues where appropriate.
- **Programme Manager (PM).** Primary contact point for FCDO on project management issues. Responsible for ensuring compliance with all internal and external procedures and policies and day-to-day project management issues.
- **Monitoring and Evaluation (M&E) Lead.** Responsible for the M&E strategy (detailed in Section 7.4), data collection and analysis. Provides information to the project management board.
- **Finance Manager.** Responsible for robust, accurate financial management of the project in accordance with FCDO rules and requirements (including administration of the complementary input budget (Section 5.4), forecasting, and oversight of financial management of downstream partners / sub-contractors), including compliance with local and international tax laws.
- **Pool of long-term and short-term technical advisers covering PFM, tax and infrastructure investment** contracted to deliver on the requirements of specific interventions as and when required.

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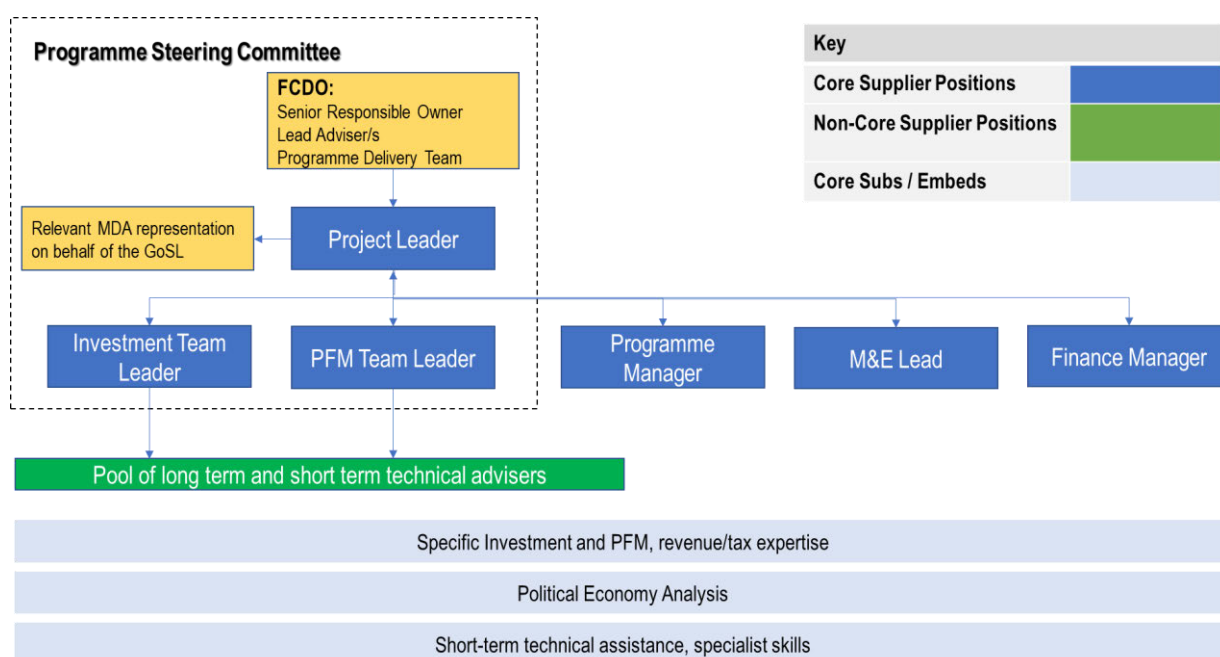


Figure 1: Sample Organisation Structure for Delivery

7.1.5. The supplier's Technical Assistance budget should include a breakdown in terms of assumed number of staff; their role, seniority, experience and skills; number of working days; whether they will be based locally or remotely; if remote, how often they will travel to Sierra Leone and how long for; as well as a breakdown of office/overhead costs and what proportion of these can be attributed to this project. This will provide a baseline for price evaluation. Please refer to the Cost Eligibility Guidance for further details.

7.1.6. The FCDO anticipates that the individuals within core supplier positions remain the same for the duration of the contract. Should personnel changes be required, FCDO will assess the Supplier's proposed replacement/s to ensure similar experience, qualifications and skills are maintained within the role/s. FCDO will not be liable for any pay increases should core team individuals obtain promotion within the duration of the contract.

7.1.7 It is expected that the programme's intervention portfolio will be split between:

- Technical / strategic assistance and specialist technical support (initially approx. 90% of budget). This includes all costs of the main programme team and management costs.
- Complementary input budget (initially approx. 10% of budget) – see details in Section 7.2.8

The percentage split presented here is a guideline and may be reviewed during inception and at six-monthly project management board meetings. Within proposals, small deviations from these suggested percentages are acceptable. For technical and strategic assistance, deviations in proposals of +/- 5

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percentage points will be accepted. The complementary input budget is not expected to fall below 10% of budget but may be increased by up to 5 percentage points. Having said this, it will be possible to amend the amount of the complementary input budget by mutual agreement between the Supplier and FCDO. The complementary input budget amount will be proposed by the Supplier in its six-monthly budget and approved by FCDO. Approval of interventions and the associated budget for each will be provided by the SRO/programme team without the requirement for a contract amendment at that time. The scheduled annual report will involve resubmission of the budget proforma to show spend to date and budget remaining and will not create delays to implementation. For the avoidance of doubt the overall contract value includes the costs of all the Interventions (and the activities under them).

7.2 Portfolio Design, Management and Governance

- 7.2.1 The Expertise to Support Economic Reform in Sierra Leone programme will have a flexible design. The governance structure will enable the project to adapt its interventions as it learns what works and new opportunities arise. Additional details on the operation of the Complementary Input Budget can be found in Section 7.2.8. Following contract signature, FCDO and the Supplier will agree together an appropriate mechanism for involving the Government of Sierra Leone in project governance structures.
- 7.2.2 The Supplier will be responsible for developing and maintaining a portfolio of interventions to deliver the programme's objectives. Changes to the Suppliers' approach (as laid out in the inception report), workplans or budgets, and any decisions to close interventions early, redirect funds or begin new interventions, will require the approval of FCDO.
- 7.2.3 There will be a process for reviewing workplans and budgets every six months. The majority of decisions should be made as part of this process and therefore submitted to FCDO at the appropriate Steering Committee. However, decisions about future delivery can be brought forwards, shared with FCDO for approval via email or discussed in monthly project management meetings provided justification is given, and accepted by FCDO, on why the decision cannot wait. Given the payment KPIs around delivery of workplans, no major changes to workplans will be accepted in the final quarter of the contract.
- 7.2.4 Submission and approval process for Interventions:
- Step 1: A draft set of intervention proposals, one for each of the thematic areas, along with indicative budgets and a results framework (incl. logframe) for the upcoming year must be submitted to FCDO for discussion straight after the inception phase (or in-year if there is a case for doing so). For each intervention information should be presented on: (1) fit with the programme's strategy and

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objectives, the theory of change, and the approach papers; (2) the expected contribution to logframe results; (3) the evidence base for the intervention; (4) interactions with political economy dynamics; (5) financial implications and trade-offs; and (6) associated risks and mitigations (including reputational, safeguarding, fiduciary).

- Step 2: FCDO will provide feedback and recommend changes. The Supplier should make amendments and resubmit to FCDO for approval.
- Step 3: Upon approval of the Intervention proposals by the FCDO SRO, the Supplier will define the budget and resourcing requirements in greater detail and complete the “Intervention schedule”.
- Step 4: The Intervention schedules, along with the final workplans, revised results framework, and a revised risk register will be reviewed by FCDO and authorised by the FCDO SRO prior to the commencement of the Intervention.

7.2.5 The Intervention Schedule will sit alongside the finalised intervention proposal and will set out:

- Details of the activities to be carried out under the Intervention.
- Proportion of time of the core team to be deployed to this Intervention.
- Details of any technical experts to be deployed by the Supplier, including level of skills / expertise required, number of working days, and fee rate.
- Expenses related to the delivery of the activity, broken down into operational expenses and expenses directly supporting technical work, called Programme Support Expenses.

7.2.6 The Supplier’s teams will implement the activity as set out in the terms of the Intervention schedule.

7.2.7 FCDO reserves the right to instruct the Supplier to design and implement specific interventions at its request. These interventions will be in line with the programme’s objectives and will not materially impact the Supplier’s ability to achieve the logframe and KPI targets.

7.2.8 The complementary input budget will follow the following approvals process:

- For requests under £10,000: approval will be at the Supplier’s discretion within the scope of the complementary input budget.
- For requests over £10,000: Technical Advisers, in consultation with Government counterparts, will submit a costed concept note (max. 1 page) to the Project Core Management Team who will approve it and then send to FCDO; FCDO will approve or reject the concept note; if the concept note is approved by FCDO final approval of the proposal will be at the Supplier’s discretion.
- The Supplier will report monthly on the use of the complementary input budget line, including a breakdown of spend by activity alongside the monthly submission of invoices and forecast.

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7.2.9 The Supplier will develop and maintain a learning strategy detailing how continual learning will underpin the flexible and adaptive management of the project. This will include details of how the Supplier will embed capacity building and sustainability, avoid isomorphic mimicry, and build responsive feedback loops between government institutions. The Supplier should ensure that interventions are designed based on the latest available evidence and should be able to justify the intervention portfolio in the face of external scrutiny.

7.2.10 The Supplier will maintain a conflict of interest register for all staff employed on the project and ensure comprehensive systems are in place to avoid conflicts of interest between staff and organisations supported by the programme.

7.3 **Political Economy Analysis**

7.3.1 Deep political and contextual knowledge will underpin all of the programme's activities. The Supplier must demonstrate how political economy analysis will be mainstreamed throughout project delivery. Political economy analysis should be kept live and under regular review.

7.3.2 It is expected that the programme will implement a “top down/bottom up” approach to undertaking and implementing political economy analysis to ensure that research translates into tangible refinements to intervention implementation:

- Top down: Current, detailed and triangulated political economy analysis should inform the programme's overarching strategy. This analysis should have actionable conclusions that will inform decisions on balance of focus across the programme areas.
- Bottom up: Political economy analysis will also be integrated into individual intervention design and implementation to ensure they are as effective as possible. This will ensure that the interventions “do no harm” and have a conflict sensitive approach, for example by avoiding exacerbating conflict dynamics or working with recipients that pose significant reputational risk.

7.3.3 A deep knowledge of Sierra Leone's political context and technical expertise in the thematic areas will be required to produce this analysis. Evidence of drawing from a wide range of credible sources is expected. Including, but not limited to: GoSL official reporting; media articles; diplomatic mission, international financial institution and multilateral reporting; international and domestic NGO reporting; academic literature; donor funded research programmes; and online databases. This should be complemented with primary source material derived from programme activity in country.

7.3.4 Political economy analysis should go beyond formal institutional relationships to capture informal interlinkages between elites. It should map out and assess the interests and relative influence of different stakeholders and use this to identify likely reform champions and blockages, assess the potential to shift

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incentives and make recommendations for programme design and implementation, as well as stakeholder engagement and management, in light of this. Analysis should also include conflict sensitivity assessments and identify potential risks to stability caused by programme activities in a predictive manner which allows the programme to proactively mitigate these risks. This should further include an assessment of how gender and gender norms and dynamics affect interests and relationships and power (who has it and how they use it) and opportunities.

- 7.3.5 Lastly, the analysis should consider how to bring voices of women, girls and other marginalised groups into the analysis process and knowledge production, looking beyond the most visible holders of power (often men) to how women might be and could be supported to use and build theirs.

7.4 Monitoring and Evaluation (M&E)

- 7.4.1 The Supplier will be responsible for setting up a robust and comprehensive Monitoring and Evaluation process during the inception phase of the programme, which will run until the programme's closure.
- 7.4.2 The M&E officer will work at both a portfolio and intervention level. The M&E officer's responsibilities will include:
- Reporting and forecasting logframe results, as well as identifying broader non-logframe indicators that can support the effective strategic management of the programme.
 - Working with the Team Leaders and subs to design appropriate intervention indicators, gather baseline data, verify assumptions, and monitor outputs, outcomes and impacts. Monitoring of TA should look at the results of TA activities and how these relate to pre-agreed objectives, rather than focusing narrowly on tracking activity implementation.
 - Develop a catalogue of evidence-based case studies and lesson learning for distribution to domestic and international audiences within and outside of FCDO.
- 7.4.3 Each intervention will have its own standardised results monitoring tool unless otherwise agreed by FCDO, proposed by the Supplier, which will feed into a portfolio-level results aggregation tool. This tool will then feed into FCDO's overarching logframe. The M&E lead will develop systems to ensure the seamless translation of data and results at the intervention level to the portfolio level.
- 7.4.4 To help monitor the equitable distribution of the programme's benefits, the Supplier will, where relevant and possible, provide results disaggregated by gender, age (identifying youths) and people with disabilities.

7.5 Human Resource: Recruitment, Retention and Consistency

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- 7.5.1 The Supplier will be required to quickly mobilise a highly qualified, experienced and stable core team within 2 weeks of contract signing. The Supplier should demonstrate that measures are in place to eliminate the risk of disruption to implementation during the inception phase, for example through turnover of key staff or recruitment of ineffective staff.
- 7.5.2 For any new or replacement TA positions during implementation FCDO should be given at least one CV by the supplier for them to select and approve, and should be a like for like replacement. Where possible more than one candidate should be presented unless there are valid reasons for not doing so (e.g. time critical activities, highly specialised skill sets, search costs for additional candidates likely to exceed benefits). FCDO will consult with the Government of Sierra Leone in selecting a preferred candidate. Best practice has found that this builds Government buy-in.
- 7.5.3 The Supplier should provide details in its bid on the measures that will be implemented to ensure that the quality and experience of staff does not deteriorate during implementation.
- 7.5.4 All core long-term positions are expected to be based in Sierra Leone unless there is a strong VfM case for doing otherwise.

7.6 Reporting Requirements

- 7.6.1 It is expected that the Supplier (Project Leader) will hold formal meetings with FCDO on a weekly basis in the inception phase and monthly once the inception phase is complete. FCDO advisers will meet with TA teams and relevant Subs on a regular basis, as agreed with Team Leaders.
- 7.6.2 It is expected that the Supplier will provide the following reports. All reports should be concise and written in plain English understandable by people not familiar with the programme.
- **Monthly Dashboards**, providing concise updates on interventions, emerging and realised risks, notable achievements, and upcoming events/actions.
 - **Quarterly Reports**, detailing the high-level results (outputs and outcomes), progress against the KPIs, progress against Value for Money indicators (see Section 7.7) and including a concise narrative of the strategic direction and emerging risks.
 - **Annual Report**, including a backwards-looking section providing a detailed quantitative and qualitative assessment of the results to date, an assessment of value for money, and lessons learnt. This will be the primary reporting for the FCDO Annual Review, and we will seek to align the timing of this to the project's annual reporting cycle.
 - **Annual workplans**, detailing the programme of work for the next year, including projected results.

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- **Monthly, Quarterly and Annual Financial Reports.**

7.7 Value for Money

The Supplier must include a Value for Money (VfM) Framework in its bid, including metrics covering economy, efficiency, effectiveness, equity and cost effectiveness, as defined in FCDO's Approach to Value for Money. The Supplier will report on Value for Money, including progress on key indicators, in the Annual Report.

- 7.7.1 The VfM Framework should include indicators that the Supplier will monitor throughout the project. These indicators will be revised, during the inception phase and on a 6-monthly basis. The supplier should clearly detail how indicators will be benchmarked and their significance to VfM. VfM indicators may include:

| | |
|--|--|
| Economy (cost of inputs) | <ul style="list-style-type: none"> • Average staff day rate, disaggregated by expert band • Actual total flight costs vs. budget • Cumulative procurement cost savings as it pertains to office space, travel, IT equipment and similar. |
| Efficiency (inputs to outputs) | <ul style="list-style-type: none"> • Rate of implementation of reform plans reported via M&E framework • Cumulative cost savings due to management efficiencies (e.g. office and accommodation sharing with third parties) |
| Effectiveness (outputs to outcomes) | <ul style="list-style-type: none"> • Value of savings through interventions: e.g. GoSL payroll cleaning, reduction of resource diversion • Qualitative assessment of the project's responsiveness to changes in external context (i.e. assessment of flexibility and adaptability) |
| Cost Effectiveness (inputs to impacts) | <ul style="list-style-type: none"> • Qualitative assessment of the continued validity of assumptions underlying the theory of change (incl. political economy analysis) |
| Equity | <ul style="list-style-type: none"> • Inclusion of women and youth |

- 7.7.2 The Supplier will be responsible for developing a "VfM culture" within the Delivery Team. To support this, the Supplier will detail in its bid processes how it will implement this to maximise Value for Money in the day-to-day implementation of the project. Such processes may include:

- A policy on booking flights and hotels no later than two months ahead of the travel date, unless there is a strong reason not to;
- Office and accommodation sharing arrangements;
- Determining an optimal balance between rental and hotel accommodation.

8. SCALE UP/ DOWN OPTIONS AND BREAK POINTS

- 8.1. Following FCDO reviews, FCDO shall reserve the right to scale the requirement up or down over its lifetime. Any scale up will remain within the original programme scope. FCDO will fully communicate any such changes to the supplier, and they will be implemented in accordance with the terms and conditions and procurement regulations.
- 8.1.1 Scaling down is at FCDO's discretion. Scaling down may be triggered by a variety of events/reasons including (but not limited to):
- 8.1.1.1 A change in target countries' or regions' economic or political environment
 - 8.1.1.2 A change in the political landscape
 - 8.1.1.3 A change in FCDO or HMG's priorities
 - 8.1.1.4 Budgetary constraints
 - 8.1.1.5 Dissatisfaction with Supplier performance
- 8.1.2 Scaling down may take various forms, such as (but not limited to)
- 8.1.2.1 Decrease of programme value
 - 8.1.2.2 Decrease or change of programme scope (such as thematic scope or geographic scope)
 - 8.1.2.3 Decrease of programme duration
 - 8.1.2.4 Withdrawal or decrease of support from certain countries/regions
 - 8.1.2.5 Reduction of FCDO's ability to deliver programme funds
- 8.1.3 FCDO may also scale up the programme. Any scaling up should be mutually agreed between FCDO and the Supplier.
- 8.1.4 Scaling up may be requested by FCDO as a result of various events/reasons, including (but not limited to):
- 8.1.4.1 The programme proves to be having a strong impact and has the potential to yield better results, dependent on budget and ongoing effectiveness of the programme.
 - 8.1.4.2 FCDO/ HMG institute other similar programmes with closely aligned objectives that would be best delivered in close conjunction with the BSIP.
 - 8.1.4.3 There is a change in FCDO or HMG's priorities, including a change in geographical, or thematic focus.
- 8.1.5 Scaling up may take various forms, including (but not limited to):
- 8.1.5.1 Increasing the funding amount of one or more components/categories, or adding funding for new components to support programme delivery.
 - 8.1.5.2 Increasing or changing the programme scope (such as thematic scope or geographic scope).
 - 8.1.5.3 Increasing the programme duration.

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- 8.1.6 The Supplier will need to demonstrate capacity and continued capability to scale up.
- 8.2 The Supplier contract is designed to run up until March 2025. The contract will also have an option to extend by an additional 12 months, should there be business reason to do so.
- 8.3 Additionally, FCDO will reserve the right to end the contract at any point due to poor performance by the Supplier and/or a lack of resources to continue the programme, in line with the contract exit clauses and notice periods outlined in the IMDP Terms & Conditions.

9. PAYMENT SCHEDULE

- 9.1 The payment structure for the programme will be broken down into delivery phases (inception and implementation) and will consist of milestone payments and key performance indicators (KPI), linked to the overarching programme logframe. The payment structure will be as follows:
- 9.2 **Inception Phase Payment Structure:** During the Inception Phase the supplier will be paid monthly on an input basis against actual fees and expenses incurred, with 20% of fees retained and linked to the achievement of the deliverables in table 1. Fees associated with these deliverables will not be paid unless FCDO has signed off on their achievement. There is scope for revision of deliverables following comment by FCDO, however this must take place within two weeks of receiving FCDO's comments. Only one resubmission is permissible. If deliverables will not be completed within the Inception Phase, there is still scope for the supplier to be paid on delivery providing: (1) the supplier submits a request for an extension to FCDO at least one month prior to the due date detailing the reason for delay and the new delivery date and (2) this request is approved by FCDO. Acceptable justifications for delayed delivery may include delays on the part of the GoSL or unforeseen external shocks. Expenses for the same period would be reimbursed on actual expenditure occurred and not linked to the completion of deliverables. Similarly, direct costs relating to the delivery of opening interventions will be paid on the basis of actuals. Payments will be made monthly.

| Table 1: Inception Phase deliverables (due within one month of the end of the inception period) | | |
|---|---|---|
| ID | Deliverables | Target |
| D1 | Agreed criteria with the Government of Sierra Leone and the FCDO, on PFM and Investment. | Pass / Fail |
| D2 | A concise inception report ("approach paper"), detailing the overall strategy for technical assistance in relation to the agreed criteria. This includes political economy analysis of the opportunities in both PFM and investment workstreams, a risk framework and revised logframe. | Inception report approved by FCDO. [Pass/Fail] |
| D3 | Setting up a robust and comprehensive Monitoring and Evaluation process, including a VFM monitoring framework. | Evidence of functioning system in line with |

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| | | Section 7.4 of the Terms of Reference approved by FCDO. [Pass/Fail] |
| D4 | Comprehensive and costed 12-month workplan, which outlines the technical expertise activities across the two workstreams as well as the cross-cutting and accountability interventions (gender, management, fees) that the Supplier will commence in the year as set out in the Inception Report. | Workplan approved by FCDO. [Pass/Fail] |

9.3 Recognising the need to maintain flexibility in workplans to respond to changes in external context and political will, workplans can be adapted throughout the year upon request to FCDO. However, no major changes to workplans should be made within the final quarter of the contract in order to enable an accurate assessment of performance. There is some scope for slippage built in to the KPIs to allow for changes due to external factors within the final quarter.

9.4 **Implementation Phase Payment Structure:** For the implementation phase, the supplier will be paid monthly on an input basis against actual fees and expenses incurred, with 20% of fees retained and linked to the achievement of the KPI's in table 2. KPIs will be assessed and payment made on a quarterly basis. Note that this is a mandatory requirement and the supplier should not propose alternative payment mechanisms.

Table 2: Implementation Phase KPIs

| ID | KPI | Annual Target | KPI weighting |
|-------|--|--|---------------|
| KPI 1 | Supplier performance score in contributing to the Theory of Change, as assessed by FCDO. | Score of 1 [Fully Met] – 100% of fees at risk paid Score of 2 [Mostly Met] – 75% of fees at risk paid Score of 3 [Partially Met] – 50% of fees at risk paid Score of 4 [Not Met] – 25% of fees at risk paid. | 30% |
| KPI 2 | Evidenced examples of recommendations from TA being included in final legislation / regulations / policy / guidelines or directly influencing technical/ managerial processes, where there has been prior agreement with FCDO that the recommendation concerned would count for this KPI. Evidence may include: written documentation, communications (email / text), media, statements | 12 Examples (equivalent to 2 per quarter, on average) – 100% of fees at risk paid 9 Examples (equivalent to 1-2 per quarter) – 75% of fees at risk paid 6 Examples (equivalent to 1 per quarter, on average) – 50% of fees at risk paid 3 or fewer (equivalent to less than 1 per quarter) – 25% of fees at risk paid | 25% |

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| | from Government counterparts. | | |
| KPI 3 | <p>Effective collaboration with other development partners and interventions.</p> <p>Supplier can demonstrate regular team leader participation in relevant donor working groups (PFM and Investment) and sector governance structures and examples of collaboration with other FCDO and donor programmes.</p> | <p>Score of 1 [Fully Met] – 100% of fees at risk paid</p> <p>Score of 2 [Mostly Met] – 75% of fees at risk paid</p> <p>Score of 3 [Partially Met] – 50% of fees at risk paid</p> <p>Score of 4 [Not Met] – 25% of fees at risk paid.</p> | 15% |
| KPI 4 | Increased knowledge, capability and institutional commitment on social and environmental safeguarding capability built among government counterparts | Supplier can demonstrate regular capability building leading to the sufficient awareness of social and environmental safeguarding standards for government counterparts. [Pass / Fail] | 15% |
| KPI 5 | <p>Programme management best practice demonstrated, as evidenced by:</p> <ul style="list-style-type: none"> - Timely submission of accurate invoicing and forecast variance within 10% of budget received at least 2 working days prior to Programme management monthly meetings. In addition, financial forecasts are not expected to deviate by more than 5% from actuals without good reason. - Delivery chain mapping used to identify risks and appropriate mitigating actions and reflected in the risk register - Asset register- FCDO expects all assets bought under the programme to be handled in accordance with the FCDO guide on assets and a register developed to be included in the monthly/quarterly reports. - Risk register- As detailed in 10.6, this will be agreed at the inception phase and reported on a quarterly basis. | <p>Score of 1 [Fully Met] – 100% of fees at risk paid</p> <p>Score of 2 [Mostly Met] – 75% of fees at risk paid</p> <p>Score of 3 [Partially Met] – 50% of fees at risk paid</p> <p>Score of 4 [Not Met] – 25% of fees at risk paid.</p> | 15% |

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9.5 Updating KPIs and the Programme Logframe: Once the subject criteria under each workstream have been agreed, the Supplier and FCDO will revise the Key Performance Indicators in Table 2 and make them more specific and relevant to the scope of work. Progress against these KPIs will be monitored through the FCDO results framework. The use of KPIs to determine a proportion of payment should not impede the supplier from pursuing high risk but high impact reforms. The KPIs agreed with the Supplier will be weighted according to the levels of risk and impact associated with them to ensure they do not disincentivise this. Should the Supplier and FCDO fail to agree on revised KPIs, the default KPIs in Table 2 will be used.

9.6 General Data Protection Regulation - General Data Protection Regulations (GDPR) - Please refer to the details of the GDPR relationship status and personal data (where applicable) for this project.

9.7 Duty of Care

- 9.7.1 The Service Provider is responsible for the safety and well-being of their Personnel (as defined in Section 2 of the contract) and Third Parties affected by their activities under this contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property. FCDO will share available information with the Service Provider on security status and developments in-country where appropriate.
- 9.7.2 The Service Provider is responsible for ensuring appropriate safety and security briefings for all their Personnel working under this contract and ensuring that their Personnel register and receive briefing as outlined above. Travel advice is also available on the FCO website and the Service Provider must ensure they (and their Personnel) are up to date with the latest position.
- 9.7.3 This Procurement will require the Service Provider to operate across the country and in areas where the security situation is fragile and subject to change at short notice. The Service Provider should be comfortable working in such an environment and should be capable of deploying to any areas required in order to deliver the Contract.
- 9.7.4 The Service Provider is responsible for ensuring that appropriate arrangements, processes and procedures are in place for their Personnel, considering the environment they will be working in and the level of risk involved in delivery of the Contract. The Service Provider must ensure their Personnel receive safety in the field training prior to deployment if judged necessary.
- 9.7.5 Bidders must develop their bids based on being fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix developed by FCDO. They must confirm in their bid that:
 - They fully accept responsibility for Security and Duty of Care.
 - They understand the potential risks and have the knowledge and experience to develop an effective risk plan.

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- They have the capability to manage their Duty of Care responsibilities throughout the life of the contract.

9.7.6 Acceptance of responsibility must be supported with evidence of capability and FCDO reserves the right to clarify any aspect of this evidence. In providing evidence Suppliers should consider the following questions:

- Have you completed an initial assessment of potential risks that demonstrates your knowledge and understanding, and are you satisfied that you understand the risk management implications (not solely relying on information provided by FCDO)?
- Have you prepared an outline plan that you consider appropriate to manage these risks at this stage (or will you do so if you are awarded the contract) and are you confident/comfortable that you can implement this effectively?
- 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?
- 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)?
- 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?
- Have you appropriate systems in place to manage an emergency / incident if one arises?

10. FCDO COMPLIANCE

10.1 Delivery Chain Mapping. The Supplier will be responsible for developing and maintaining a delivery chain that maps the flow of FCDO funds or support to downstream recipients. The Primary Supplier will be the “Tier 1 Partner”, with individual technical consultants regarded as “Tier 2 Partners” and those MDAs who receive support (be it technical assistance or capacity building) will be included in the delivery chain map also as “Tier 3 Partners”. A risk-based approach will be developed by the Supplier and agreed with FCDO to determine where the risk accountability lies. The delivery chain map should be used to identify risks and appropriate mitigating actions. These should be captured in the risk register.

10.2 UK Aid Branding. UK Aid Branding approach should be agreed with FCDO during the mobilisation stage. The programme should adhere to the UK Aid Branding Guidelines. We recognise that the perception of donor involvement among stakeholders could undermine the principles of government ownership and citizen led accountability. Therefore, as per the guidance, exceptions may be considered to ensure local ownership and buy-in to the interventions.

10.3 Due Diligence. The Supplier will be responsible for undertaking due diligence and enhanced due diligence (focusing on safeguarding) of all downstream suppliers. This will include verification of the strength of their internal financial and fiduciary risk

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mitigation systems and procedures, track record of operational effectiveness, safeguarding measures, ownership structures.

10.4 Digital. The UK government defines “digital” spend as any external-facing service provided through the internet to citizens. FCDO is required to report all digital spend and show that it meets with the “Digital Service Standard”. Plans to spend project funds on any form of digital service must be approved by FCDO. The approval process will apply to any spend on web-based or mobile information services, websites, knowledge or open data portals, transactional services such as cash transfers, web applications and mobile phone apps.

10.5 Asset Management. The Supplier will develop and maintain an asset register, and ensure regular, documented physical checks against this, in line with FCDO guidance. They will be responsible for ensuring subs and downstream partners do likewise, and undertake spot-checks as necessary.

10.6 Risk Register. A draft risk register should be submitted as part of the technical proposal to clearly demonstrate the Supplier’s understanding of the key risks facing the project. In the Inception Phase, FCDO and the Supplier will finalise a joint risk register, which the Supplier will update on a quarterly basis and submit to FCDO for discussion. The risk register should cover fiduciary, reputation, safeguarding, operational, delivery and external context risks. The Supplier will be required to continually monitor risks and escalate to FCDO immediately any significant changes to risks outside this process of regular updates and discussion, or any increase to levels that mean the risk becomes outside of FCDO’s stated risk appetite for the project.

10.7 Social Value and Do No Harm (Safeguarding)

10.7.1 FCDO requires assurances regarding protection from violence, exploitation and abuse through involvement, directly or indirectly, with FCDO 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.

10.7.2 The project is targeting a highly political and sensitive area of work. The Supplier must demonstrate a sound understanding of the risks involved in working in this area, including risks to project staff, government counterparts and civil society participants. A commitment to the duty of care to beneficiaries, other project stakeholders and their own staff must be demonstrated. The Supplier will be required to include a statement that they have duty of care to respondents in any research activities, other project stakeholders and their own staff, and that they will carefully monitor safeguarding risks. Their adherence to this duty of care, including reporting and addressing incidences, should be included in both regular and annual reporting to FCDO.

10.7.3 FCDO does not envisage the necessity to conduct any environmental impact assessment for the implementation of the project. However, it is important to

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adhere to principles of “Do No Harm” to the environment, especially where policy advice might impact upon this.

- 10.8 **Fraud.** The Supplier will be contractually obliged to immediately report all suspicion of fraud issues to FCDO without delay. The requirement will also be written into partnership agreements with Tier 2 Partners. Reporting should be at the point of suspicion of fraud or safeguarding concerns, not the conclusion of the case. Initial reports will be submitted by email to reportingconcerns@fcdo.gov.uk and should also be copied to the FCDO Programme Team. All suppliers, staff and downstream recipients should be made aware of FCDO’s counter fraud and whistleblowing hotline, details of which can be found here: [Development Tracker \(fcdo.gov.uk\)](https://development-tracker.fcdo.gov.uk) The Supplier should also set up a local whistleblowing mechanism and ensure this is widely communicated.
- 10.9 **Transparency.** FCDO has transformed its approach to transparency, reshaping our own working practices and pressuring others across the world to do the same. FCDO requires Suppliers receiving and managing funds, to release open data on how this money is spent, in a common, standard, re-usable format and to require this level of information from immediate sub-contractors, sub-agencies and partners. It is a contractual requirement for all Suppliers to comply with this, and to ensure they have the appropriate tools to enable routine financial reporting, publishing of accurate data and providing evidence of this to FCDO further IATI information is available from: <http://www.aidtransparency.net/>

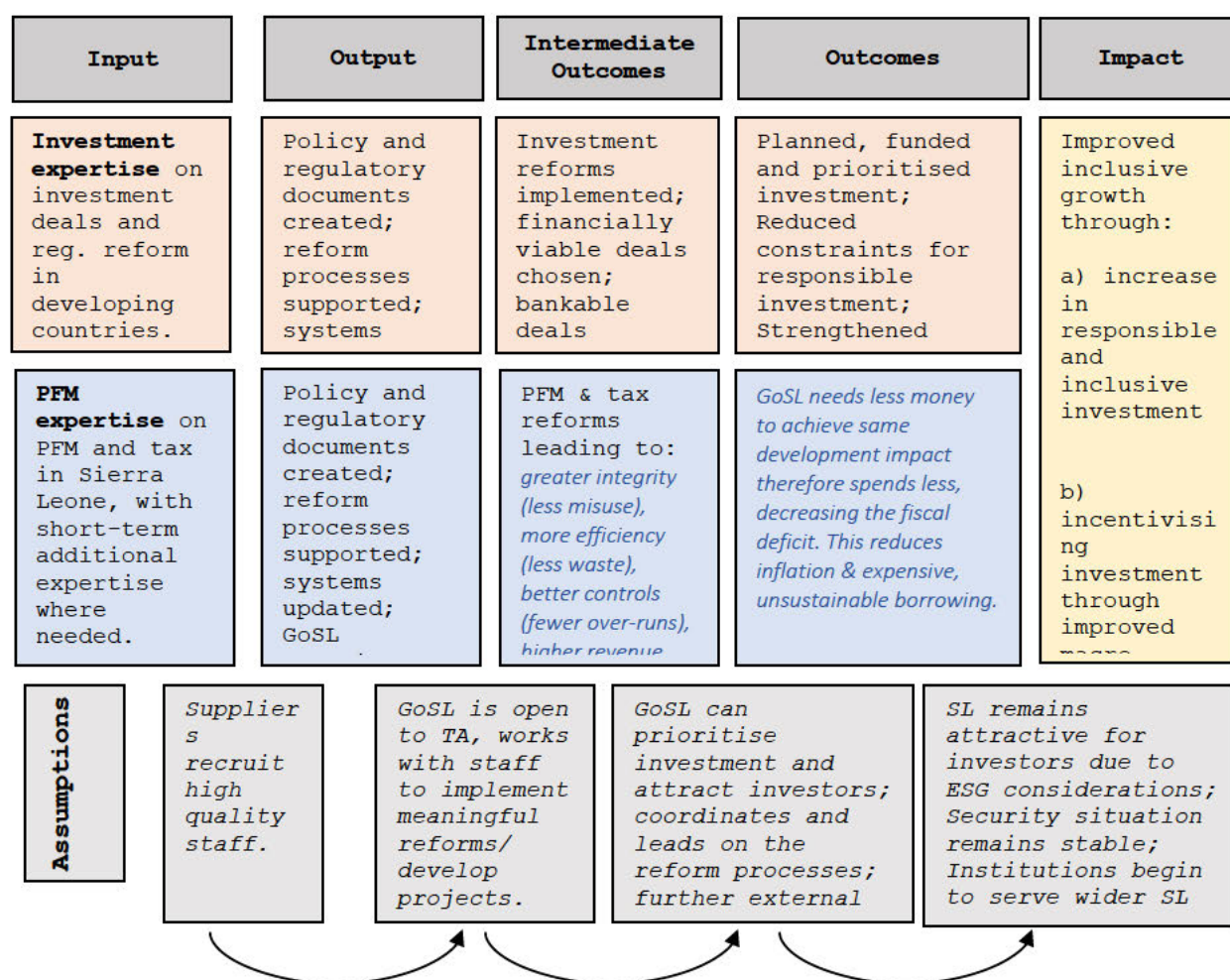
TERMS OF REFERENCE

Theory of Change

At an impact level, the Theory of Change brings both pillars together, over time aiming to contribute to inclusive growth through improved responsible investment and incentivising investment through improved macroeconomic stabilisation (macroeconomic stability would also have other direct economic benefits, such as reduced inflation). There are two ways in which this materialises:

- **Pathway 1:** Placing high-quality **investment expertise** into selected MDAs will support policy and regulatory reform processes, which will lead to a better investment climate and better 'bankable' projects developed. This will lead to effectively planning, funded and prioritised investment and reduced barriers.
- **Pathway 2:** Placing high-quality **public financial management and tax expertise** into selected MDAs will support policy and regulatory reform processes, leading to greater integrity, more efficiency and better control of public spending. This will ensure GoSL needs less money to achieve a given level of development impact, decreasing the fiscal deficit and in turn incentivising further investment and growth through macroeconomic stability.

To start, discussion and analysis to identify shared UK – GoSL priorities will be undertaken together with GoSL. Political Economy Analyses and baseline assessments of environmental and social safeguarding capabilities can be used to detect entry points, existing capacity and best ways of working to be successful.



ITT Vol. 2

Terms of Reference

Appendix 1 of Call-down Contract (Terms of Reference)
Schedule of Processing, Personal Data and Data Subjects

This schedule must be completed by the Parties in collaboration with each-other before the processing of Personal Data under the Contract.

The completed schedule must be agreed formally as part of the contract with FCDO and any changes to the content of this schedule must be agreed formally with FCDO under a Contract Variation.

| Description | Details |
|---|---|
| Identity of the Controller and Processor for each Category of Data Subject | <p>The Parties acknowledge that for the purposes of the Data Protection Legislation, the following status will apply to personal data under this Call-down Contract:</p> <p>1) The Parties acknowledge that Clause 33.2 and 33.4 (Section 2 of the contract) shall not apply for the purposes of the Data Protection Legislation as the Parties are independent Controllers in accordance with Clause 33.3 in respect of categories of Personal Data</p> |
| Subject matter of the processing | |
| Duration of the processing | |
| Nature and purposes of the processing | |
| Type of Personal Data [and Special Categories of Personal Data] | |

| | |
|---|--|
| Plan for return and destruction of the data once processing complete | (UNLESS requirement under UK law to preserve that type of data) |
|---|--|

Appendix 2 of Call-down Contract (Terms of Reference)

Joint Control: Data Sharing Agreement

[To be used only where there is Joint Control of Personal Data in accordance with Clause 33.4 and refined by the Parties to reflect the relationship of Joint Control. FCDO may remove this section where it is certain that no Joint Control of Personal Data is likely to apply to this Agreement. This joint control agreement is subject to change by agreement of the Joint Controllers where this is to better reflect the transaction, as a greater understanding of any identified Joint Control relationship evolves.]

- 1.1 With respect to Personal Data which has been identified in Appendix 1 as under Joint Control of the Parties because envisage that they shall jointly determine the purpose and means of processing and each be a Data Controller in respect of that Personal Data. Accordingly, the Parties each undertake to comply with the applicable Data Protection Law in respect of their Processing of such Personal Data as Joint Data Controllers.
- 1.2 The Supplier shall be the exclusive point of contact for Data Subjects in Appendix 1 In who shall:
 - (a) direct Data Subjects to the exclusive point of contact's Data Protection Officer or suitable alternative in connection with the exercise of their rights as Data Subjects and for any enquiries concerning their Personal Data or privacy;
 - (b) be responsible for the Parties' compliance with all duties to provide information under Articles 13 and 14 of the GDPR; and
 - (c) shall make available to Data Subjects the essence of this Clause Data Sharing Agreement (and notify them of any changes to it) concerning allocation of responsibilities as Joint Controller and its role as exclusive point of contact. This must be outlined in the exclusive point of contact's privacy policy (which must be readily available by hyperlink or otherwise on all of its public facing services and marketing).
- 1.3 The Joint Controllers each undertake that they shall:
 - (a) report to the other Party every three months on:
 - (i) the volume of Data Subject Access Requests (or purported Data Subject Access Requests) from Data Subjects (or third parties on their behalf);
 - (ii) the volume of requests from Data Subjects (or third parties on their behalf) to rectify, block or erase any Personal Data;
 - (iii) any other requests, complaints or communications from Data Subjects (or third parties on their behalf) relating to the other Party's obligations under applicable Data Protection Law;
 - (iv) any communications from the Information Commissioner or any other regulatory authority in connection with Personal Data; and
 - (v) any requests from any third party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law;

that it has received in relation to the Personal Data under Joint Control during that period;

- (b) notify each other immediately if it receives any request, complaint or communication made as referred to in Clauses 1.3(a) (i) to (v); and
- (c) provide the other Party with full cooperation and assistance in relation to any request, complaint or communication made as referred to in Clauses 1.3(a) (iii) to (v) to enable the other Party to comply with the relevant timescales set out in the Data Protection Law.
- (d) obtain the consent of Data Subjects or carrying out and documenting legitimate interest assessments, in accordance with the GDPR, for all Processing;
- (e) not disclose or transfer the Personal Data to any third party unless necessary for the provision of the Services and, for any disclosure or transfer of Personal Data to any third party, save where such disclosure or transfer is specifically authorised under this Agreement or is required by Law). For the avoidance of doubt to which Personal Data is transferred must be subject to equivalent obligations which are no less onerous than those set out in this Annex.
- (f) request from the Data Subject only the minimum information necessary to provide the Services and treat such extracted information as Confidential Information.
- (g) ensure that at all times it has in place appropriate Protective Measures to guard against unauthorised or unlawful processing of the Personal Data and/or accidental loss, destruction or damage to the Personal Data and unauthorised or unlawful disclosure of or access to the Personal Data
- (h) take all reasonable steps to ensure the reliability and integrity of any of its Personnel who have access to the Personal Data and ensure that its Personnel:
 - (i) are aware of and comply with their duties under this Appendix 2 (*Data Sharing Agreement*) and those in respect of Confidential Information
 - (ii) are informed of the confidential nature of the Personal Data, are subject to appropriate obligations of confidentiality and do not publish, disclose or divulge any of the Personal Data to any third party where that Party would not be permitted to do so;
 - (iii) have undergone adequate training in the use, care, protection and handling of personal data as required by the applicable Data Protection Law;
- (i) ensure that it has in place Protective Measures as appropriate to protect against a Data Loss Event having taken account of the:
 - (i) nature of the data to be protected;
 - (ii) harm that might result from a Data Loss Event;
 - (iii) state of technological development; and
 - (iv) cost of implementing any measures.
- (j) ensure that it has the capability (whether technological or otherwise), to the extent required by Data Protection Law, to provide or correct or delete at the request of a Data Subject all the Personal Data relating to that Data Subject that the Supplier holds; and

- (i) ensure that it notifies the other Party promptly and in any event within 48 hours if it becomes aware of a Data Loss Event.

- 1.4 Each Controller shall use its reasonable endeavours to assist the other Controller to comply with any obligations under applicable Data Protection Law and shall not perform its obligations under this Appendix in such a way as to cause the other Controller to breach any of the / its obligations under applicable Data Protection Law to the extent it is aware, or ought reasonably to have been aware, that the same would be a breach of such obligations.
- 1.5 Each Party shall notify the other Party promptly and without undue delay, and in any event within 48 hours, upon becoming aware of any Personal Data Breach or circumstances that are likely to give rise to a Personal Data Breach, providing the other Party and its advisors with:
 - (i) sufficient information and in a timescale which allows the other Party to meet any obligations to report a Personal Data Breach under the Data Protection Laws;
 - (ii) all reasonable assistance, including:
 - (a) co-operation with the other Party and the Information Commissioner investigating the Personal Data Breach and its cause, containing and recovering the compromised Personal Data and compliance with the applicable guidance;
 - (b) co-operation with the other Party including taking such reasonable steps as are requested by the other Party to assist in the investigation, mitigation and remediation of a Personal Data Breach;
 - (c) reasonable co-ordination with the other Party regarding the management of public relations and public statements relating to the Personal Data Breach;
 - (d) providing the other Party and to the extent requested by the other Party to do so, and/or the Information Commissioner investigating the Personal Data Breach, with complete information relating to the Personal Data Breach, including, without limitation, the information set out in Clause 1.6.
- 1.6 Each Party shall take all steps to restore, re-constitute and/or reconstruct any Personal Data where it has lost, damaged, destroyed, altered or corrupted as a result of a Personal Data Breach as if it was that Party's own data at its own cost with all possible speed and shall provide the other Party with all reasonable assistance in respect of any such Personal Data Breach, including providing the other Party, as soon as possible and within 48 hours upon becoming aware of the Personal Data Breach relating to the Personal Data Breach, in particular:
 - (i) the nature of the Personal Data Breach;
 - (ii) the nature of Personal Data affected;
 - (iii) the categories and number of Data Subjects concerned;
 - (iv) the name and contact details of the Provider's Data Protection Officer or other relevant contact from whom more information may be obtained;
 - (v) measures taken or proposed to be taken to address the Personal Data Breach; and
 - (vi) describe the likely consequences of the Personal Data Breach.
- 1.7 The Parties shall:

- (a) provide all reasonable assistance to the each other in preparing any data protection impact assessment as may be required (including provision of detailed information and assessments in relation to processing operations, risks and measures);
- (b) maintain full and complete records of all processing carried out in respect of the Personal Data in connection with this [Framework Agreement/Call-down Contract], such records shall include the following information:
 - (i) the categories and purposes of processing carried out in respect of the Personal Data;
 - (ii) where applicable, complete information about transfers of Personal Data outside the EU, and the safeguards implemented in respect of such transfers necessary to comply with Law;
 - (iii) a general description of the Protective Measures which the Provider has implemented to safeguard the Personal Data in accordance with this clause and in compliance with Law.

1.8 If financial penalties are imposed by the Information Commissioner on either Joint Controller for a Personal Data Breach ("**Financial Penalties**") then the following shall occur:

- (a) If the FCDO is responsible for the Personal Data Breach, in that it is caused as a result of the actions or inaction of the FCDO, its employees, agents, contractors (other than the Supplier) or systems and procedures controlled by the FCDO, then the FCDO shall be responsible for the payment of such Financial Penalties. In this case, the FCDO will conduct an internal audit and engage at its reasonable cost when necessary, an independent third party to conduct an audit of any such data incident. The Supplier shall provide to the FCDO and its third party investigators and auditors, on request and at the FCDO's reasonable cost, full cooperation and access to conduct a thorough audit of such data incident;
- (b) If the Supplier is responsible for the Personal Data Breach, in that it is not a breach that the FCDO is responsible for, then the Supplier shall be responsible for the payment of these Financial Penalties. The FCDO will provide to the Supplier and its auditors, on request and at the Supplier's reasonable cost, full cooperation and access to conduct a thorough audit of such data incident.
- (c) If responsibility is unclear, then the Joint Controllers shall work together to investigate the relevant data incident and allocate responsibility for any Financial Penalties as outlined above, or by agreement to split any financial penalties equally if no responsibility for the Personal Data Breach can be apportioned. In the event that the Parties do not agree such apportionment then such Dispute shall be referred to Dispute Resolution.

1.9 If any of the Joint Controllers is the defendant in a legal claim brought by a third party in respect of a Personal Data Breach, then unless the Parties otherwise agree, the Party that is determined by the final decision of a court of competent jurisdiction or the Information Commissioner to be responsible for the Personal Data Breach shall be liable for the losses arising from such breach. Where both Parties are liable, the liability will be apportioned between the Parties in accordance with the decision of the Court or the Information Commissioner, as the case may be.

1.10 In respect of any losses, cost claims or expenses incurred by either Party as a result of a Personal Data Breach (the "Claim Losses"):

- (a) the Party responsible for the relevant breach shall be responsible for the Claim Losses; and
- (b) if responsibility is unclear, then the Parties shall be responsible for the Claim Losses equally.

1.11 In respect of any Processing of Personal Data under Joint Control by a sub-contractor or agents of a Party, each Party shall:

- (i) carry out adequate due diligence on such third party or the sub-contractor to ensure that it is capable of providing the level of protection for the Personal Data as is required by Clause 1.3(e), and provide evidence of such due diligence to the other Party where reasonably requested by the other Party or the Information Commissioner; and
- (ii) ensure that a suitable agreement is in place with the third party or the Sub- contractor or Key Sub-contractor including as may be required under applicable Data Protection Law.

1.12 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 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 purposes or as otherwise required by this Agreement), and taking all further actions as may be necessary or desirable to ensure its compliance with Data Protection Law and its privacy policy.

Annex B

It is a requirement that all invoices are presented in the format of the payment basis. Only one invoice per period, as defined in Section 2, Clause 22, should be submitted. Note that, 22.3 shall be replaced with the following provisions: invoices should be submitted electronically **monthly** in arrears to the Accounts Payable Section, FCDO Financial Management Group e-invoicing@fcdo.gov.uk, and in accordance with the remainder of Clause 22.

The amount to be paid for the completion of the Services is a maximum of £2,000,000. The subtotals below are agreed as the maximum for each area of spend, but that within those there is flexibility to adjust between detailed budget lines, with prior agreement of the SRO, reflecting the adaptive nature of the programme.

| Summary | |
|-----------------------------------|-------------------|
| Frontline Programme Delivery* | £ |
| Capital Expenditure* | £ |
| Programme Team Fees* | £ |
| Fund** | £ |
| Travel/Accommodation/Subsistence* | £ |
| Other Direct Programme Costs* | £ |
| NPAC* | £ |
| Profit* | £ |
| Local Taxes | £ |
| TOTAL | £2,000,000 |
| Maximum Profit *** | £ |
| Maximum NPAC *** | £ |

* Figures are for Core Team only, not including TA Pool

** Fund value is ringfenced amount for TA Pool deployment (Gross fees and expenses) and Complementary Input Budget

*** % for Core Team only, as a proportion of total excluding Fund. NPAC and Profit within the Gross Fees of the TA Pool will apply separately, in line with those shown on tab 2.4 of the Proforma.

See Pro Forma for a full breakdown of the budget and financial ceilings within each category.

1. Payment and Milestones

The payment structure for the programme will be broken down into delivery phases (inception and implementation) and will consist of milestone payments and key performance indicators (KPI), linked to the overarching programme logframe. The payment structure will be as follows:

Inception Phase Payment Structure: During the Inception Phase the supplier will be paid monthly on an input basis against actual fees and expenses incurred, with 20% of fees retained and linked to the achievement of the deliverables in table 1. Fees associated with these deliverables will not be paid unless FCDO has signed off on their achievement. There is scope for revision of deliverables following comment by FCDO, however this must take place within two weeks of receiving FCDO's comments. Only one resubmission is permissible. If deliverables will not be completed within the Inception Phase, there is still scope for the supplier to be paid on delivery providing: (1) the supplier submits a request for an extension to FCDO at least one month prior to the due date detailing the reason for delay and the new delivery date and (2) this request is approved by FCDO. Acceptable justifications for delayed delivery may include delays on the part of the GoSL or unforeseen external shocks. Expenses for the same period would be reimbursed on actual expenditure occurred and not linked to the completion of deliverables. Similarly, direct costs relating to the delivery of opening interventions will be paid on the basis of actuals. Payments will be made monthly.

Table 1: Inception Phase deliverables (due within one month of the end of the inception period)

| Table 1: Inception Phase deliverables (due within one month of the end of the inception period) | | |
|---|---|---|
| ID | Deliverables | Target |
| D1 | Agreed criteria with the Government of Sierra Leone and the FCDO, on PFM and Investment. | Pass / Fail |
| D2 | A concise inception report ("approach paper"), detailing the overall strategy for technical assistance in relation to the agreed criteria. This includes political economy analysis of the opportunities in both PFM and investment workstreams, a risk framework and revised logframe. | Inception report approved by FCDO. [Pass/Fail] |
| D3 | Setting up a robust and comprehensive Monitoring and Evaluation process, including a VFM monitoring framework. | Evidence of functioning system in line with Section 7.4 of the Terms of Reference approved by FCDO. [Pass/Fail] |
| D4 | Comprehensive and costed 12-month workplan, which outlines the technical expertise activities across the two workstreams as well as the cross-cutting and accountability interventions (gender, management, fees) that the Supplier will commence in the year as set out in the Inception Report. | Workplan approved by FCDO. [Pass/Fail] |

Recognising the need to maintain flexibility in workplans to respond to changes in external context and political will, workplans can be adapted throughout the year upon request to FCDO. However, no major changes to workplans should be made within the final quarter of the contract in order to enable an accurate assessment of performance. There is some scope for slippage built in to the KPIs to allow for changes due to external factors within the final quarter.

Implementation Phase Payment Structure: For the implementation phase, the supplier will be paid monthly on an input basis against actual fees and expenses incurred, with 20% of fees retained and linked to the achievement of the KPI's in table 2. KPIs will be assessed and payment made on a quarterly basis. Note that this is a mandatory requirement and the supplier should not propose alternative payment mechanisms.

| Table 2: Implementation Phase KPIs | | | |
|------------------------------------|--|--|---------------|
| ID | KPI | Annual Target | KPI weighting |
| KPI 1 | Supplier performance score in contributing to the Theory of Change, as assessed by FCDO. | Score of 1 [Fully Met] – 100% of fees at risk paid Score of 2 [Mostly Met] – 75% of fees at risk paid Score of 3 [Partially Met] – 50% of fees at risk paid Score of 4 [Not Met] – 25% of fees at risk paid. | 30% |
| KPI 2 | Evidenced examples of recommendations from TA being included in final legislation / regulations / policy / guidelines or directly influencing technical/ managerial processes, where there has been prior agreement with FCDO that the recommendation concerned would count for this KPI. Evidence may include: written documentation, communications (email / text), media, statements from Government counterparts. | 12 Examples (equivalent to 2 per quarter, on average) – 100% of fees at risk paid 9 Examples (equivalent to 1-2 per quarter) – 75% of fees at risk paid 6 Examples (equivalent to 1 per quarter, on average) – 50% of fees at risk paid 3 or fewer (equivalent to less than 1 per quarter) – 25% of fees at risk paid | 25% |
| KPI 3 | Effective collaboration with other development partners and interventions. Supplier can demonstrate regular team leader participation in relevant donor working groups (PFM and Investment) and sector governance structures and examples of collaboration with other FCDO and donor programmes. | Score of 1 [Fully Met] – 100% of fees at risk paid Score of 2 [Mostly Met] – 75% of fees at risk paid Score of 3 [Partially Met] – 50% of fees at risk paid Score of 4 [Not Met] – 25% of fees at risk paid. | 15% |

| | | | |
|-------|---|--|-----|
| KPI 4 | Increased knowledge, capability and institutional commitment on social and environmental safeguarding capability built among government counterparts | Supplier can demonstrate regular capability building leading to the sufficient awareness of social and environmental safeguarding standards for government counterparts. [Pass / Fail] | 15% |
| KPI 5 | <p>Programme management best practice demonstrated, as evidenced by:</p> <ul style="list-style-type: none"> • Timely submission of accurate invoicing and forecast variance within 10% of budget received at least 2 working days prior to Programme management monthly meetings. In addition, financial forecasts are not expected to deviate by more than 5% from actuals without good reason. • Delivery chain mapping used to identify risks and appropriate mitigating actions and reflected in the risk register • Asset register- FCDO expects all assets bought under the programme to be handled in accordance with the FCDO guide on assets and a register developed to be included in the monthly/quarterly reports. • Risk register- As detailed in 10.6, this will be agreed at the inception phase and reported on a quarterly basis. | <p>Score of 1 [Fully Met] – 100% of fees at risk paid</p> <p>Score of 2 [Mostly Met] – 75% of fees at risk paid</p> <p>Score of 3 [Partially Met] – 50% of fees at risk paid</p> <p>Score of 4 [Not Met] – 25% of fees at risk paid.</p> | 15% |

Updating KPIs and the Programme Logframe: Once the subject criteria under each workstream have been agreed, the Supplier and FCDO will revise the Key Performance Indicators in Table 2 and make them more specific and relevant to the scope of work. Progress against these KPIs will be monitored through the FCDO results framework. The use of KPIs to determine a proportion of payment should not impede the supplier from pursuing high risk but high impact reforms. The KPIs agreed with the Supplier will be weighted according to the levels of risk and impact associated with them to ensure they do not disincentivise this. Should the Supplier and FCDO fail to agree on revised KPIs, the default KPIs in Table 2 will be used.

2. Supplier Profit

The Supplier will submit an “Actual Profit Margin Report” annually (or on a six-monthly basis if requested by FCDO giving reasonable written notice) in accordance with Clause 20, Section 2. As per the Pro Forma Cost Template where profit exceeds ■■■ of the contract value and NPAC exceeds ■■■% of the contract value (Core Team) or the amounts stated in tab 2.4 of the proforma for the TA Pool, parties shall agree within a reasonable period of time following receipt by FCDO of the Actual Profit Margin Report, how the exceeded amount should be apportioned.