

CALLDOWN CONTRACT

Framework Agreement with: **Maxwell Stamp**

Framework Agreement for: **Wealth Creation**

Framework Agreement Purchase Order Number: **5929**

Call-down Contract for: **Service Provider for Expanding Social Protection Phase II Programme in Uganda**

Contract Purchase Order Number: **7371**

I refer to the following:

1. The above mentioned Framework Agreement dated **28th January 2013**;
2. Your proposal of **8th January 2016**

and I confirm that DFID requires you to provide the Services (Annex A), under the Terms and Conditions of the Framework Agreement which shall apply to this Call-down Contract as if expressly incorporated herein.

1. Commencement and Duration of the Services

- 1.1 The Supplier shall start the Services no later than **1st September 2016** ("the Start Date") and the Services shall be completed by **30th June 2020** ("the End Date") unless the Call-down Contract is terminated earlier in accordance with the Terms and Conditions of the Framework Agreement.

2. Recipient

- 2.1 DFID requires the Supplier to provide the Services to the **Government of Uganda, represented by the Ministry of Gender Labour & Social Development, and other Government of Uganda Ministries, Departments & Agencies and Civil Society Organisations engaged in Social Protection** ("the Recipient").

3. Financial Limit

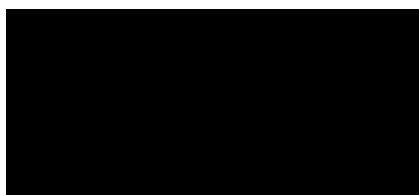
- 3.1 Payments under this Call-down Contract shall not, exceed £53,942,157 ("the Financial Limit") and is exclusive of any government tax, if applicable, as detailed in Annex B.

4. Invoicing Instructions

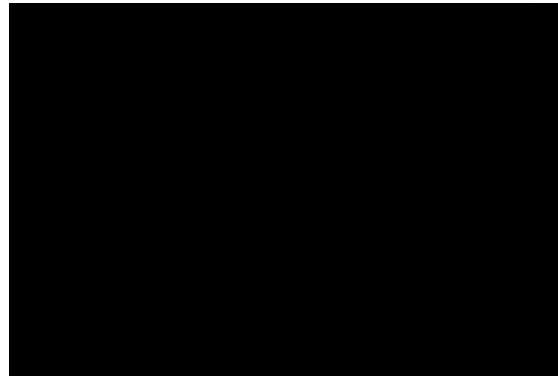
Payments under this Call-down Contract will be made up of Milestone Payments and Reimbursable Expenses. The invoices for these payments will be as per Clause 19 of Framework standard Terms & Conditions.

5. DFID Officials

- 5.1 Contract Officer:
E-mail:

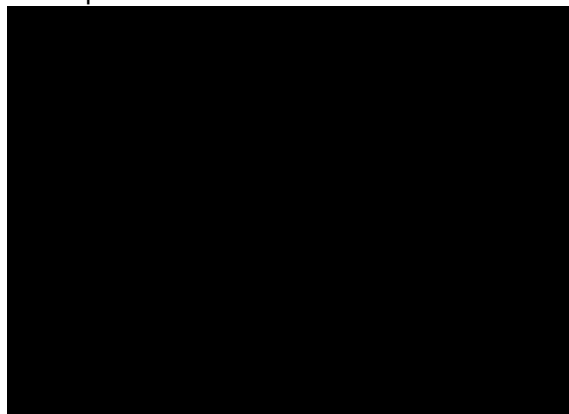


- Telephone:
- 5.2 Project Officer:
E-mail:
Telephone:
- 5.3 Senior Responsible Owner:
E-mail:
Telephone:



6. Key Personnel

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

	Designation
	Team Leader
	Project Director
	Strategic Advisor
	Policy Advisor
	Project Manager
	Project Co-ordinator
	Finance, Administration & HR Advisor
	Policy & Advocacy Advisor
	Operations Advisor
	M&E, Learning & Reporting Advisor

7. Reports

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

8. Break Clause

- 8.1 Due to its duration, the Call-Down Contract must have adequate provision for variation to adapt to changes that occur during the life of the programme. Following DFID reviews, DFID shall reserve the right to request changes to the contract, including the services, the Terms of Reference and the Contract Price to reflect lessons learned, changes in circumstances, policies or objectives relating to or affecting this programme.
- 8.2 The key review points for this programme will be:
1. End of Inception Phase i.e. January 2017
 2. Half way through programme delivery i.e. July 2018 at the end of Implementation Phase 1.
- 8.3 Progress from one phase to the next will be subject to satisfactory performance of the Supplier and upon agreed delivery of inception and implementation outputs and the continuing needs of the Programme.

- 8.4 At each point DFID reserves the right to terminate the contract in the event of unsatisfactory performance and delivery of outputs. DFID further reserve the right to terminate the Call-Down Contract in the event of substantial changes in the political or operating environment of the programme.

9. Scale Up/Down

- 9.1 The Service Provider shall commit to being fully prepared in the event any decision is made to scale up (increase) or scale down (decrease) the scope of the Programme (i.e. in relation to the programme's inputs, outputs, deliverables, outcomes and fund management – and associated reimbursement) during the course of the Call-Down Contract.

DFID reserves the right to discontinue this Call-Down Contract at any point (in line with our Terms & Conditions), if it is not achieving the results anticipated.

10. Extension Options

- 10.1 DFID reserves the right to extend the contract by one year at a time for a further two years beyond the end of the life of the Call-Down Contract, up to a maximum of six years in total from 2016. Any options to extend will be reviewed subject to satisfactory performance of the supplier, the continuing need of the services and agreement on work-plans and budgets for the proposed extension period.

11. DFID Branding of Assets

The supplier shall comply with the UK Aid Branding Guidance July 2014, throughout the lifecycle of this programme.

12. Limitation of Liability

- 12.1 The Supplier's limit of liability shall be as provided for in Clause 37 of Section 2 unless a different amount is provided for below in which event that different amount shall apply.
- 12.2 For the purposes of this programme the Supplier shall have full liability for all development partner funds.
- 12.3 The Supplier shall manage assets purchased by DFID, as per clause 10 of framework terms and conditions.

13. Additional Documents to be included in this Agreement

Commercial Proposal, received via DFID Portal dated 08th January 2016
Technical Proposal received via DFID Portal dated 08th January 2016
Revised pro-formas and clarification points received 12th July 2016, Michael Gillespie to Paul Gaffney
Inception Pro-forma 4 received 30th August 2016, Michael Gillespie to Paul Gaffney
Annex C – Post Tender Clarification Log

14. Finalisation of Post Tender Clarification

- 14.1 DFID and the supplier shall conclude outstanding issues in the Post Tender Clarification annex during the inception period, and the supplier shall implement the agreed position.

15. Call-down Contract Signature

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

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

Name:

Position:

Signature:

Date:

For and on behalf of

Maxwell Stamp PLC

Name:

Position:

Signature:

Date:

Annex A

Call-down Contract

TERMS OF REFERENCE

SERVICE PROVIDER FOR EXPANDING SOCIAL PROTECTION PHASE II PROGRAMME IN UGANDA

1.0 Introduction

The Department for International Development (DFID) leads the UK's work to end extreme poverty in the world's poorest countries. We are ending the need for aid by creating jobs, unlocking the potential of girls and women and helping to save lives when humanitarian emergencies hit. DFID's programmes cover education, health, governance, conflict resolution, economic growth, climate change, and social protection, amongst others.

The Government of Uganda ("the Government"), DFID, Irish Aid and UNICEF have since 2010 been implementing the Expanding Social Protection (ESP) Programme in Uganda, whose purpose is to embed a national social protection system as a core element of Uganda's national development, planning and budgeting processes, including cash transfers for the poorest and most vulnerable. The programme includes two components: 1) Policy development to strengthen thought leadership on social protection across government, develop a national framework for social protection, generate evidence on the impact of social protection in Uganda to add to the significant international evidence already available, and build government commitment and investment in social protection. 2) Implementation of a cash transfer pilot (Social Assistance Grants for Empowerment – SAGE).

The Government, DFID and Irish Aid have now designed a follow-on Programme – ESP II, to consolidate gains made in ESP I. DFID, on behalf of all stakeholders, will contract the services of a Service Provider to support the programme.

The programme will be led by the Ministry of Gender, Labour and Social Development (MGLSD). ESP currently has a Service Provider and an ESP Secretariat housed under MGLSD. ESP II foresees dissolution of the ESP Secretariat. It will be superseded by a Programme Management Unit (PMU) leading on policy and co-ordination of cash transfers, and fulfilling programme management and funds management functions. The PMU will report on its performance to MGLSD; once it is formally established, the PMU will manage cash transfer operations, with continued technical support from the Service Provider. Unless otherwise agreed by donors and in line with stronger fiduciary measures by the Government, the Service Provider will continue to manage all DFID and Irish Aid funds throughout the life of ESP II, with full handover of management responsibility to the PMU by the end of the five year programme. The Service Provider would also provide technical support to the PMU in MGLSD. The Service Provider will during the course of the programme ensure that programme delivery systems are robust and gradually transferred to the MGLSD.

2.0 Recipients

The primary recipients are the Government/Ministry of Gender Labour and Social Development (MGLSD), other Government of Uganda Ministries, Departments and Agencies and civil society organisations engaged in social protection. Other Government stakeholders include the Ministry of

Finance, Planning and Economic Development; the Office of the Prime Minister; the Ministry of Local Government; Parliament; and the National Planning Authority (NPA). The secondary recipients are the Ugandan public.

It is expected that there will be approximately 226,085 direct beneficiaries of SAGE by 2019/20. SAGE will also reach over 1 million more beneficiaries indirectly through the multiplier effects of cash transfers in the community and beneficiary households. The Service Provider will initially be responsible for direct cash transfers to about half of this target in the first year of the contract and this number will reduce annually over the duration of the contract.

3.0 Purpose and Objectives

The purpose of ESP II is to provide technical and financial assistance to the Government of Uganda (mainly, MGLSD) to consolidate a national social protection system in Uganda. ESP I has laid a strong foundation, however, these gains are at risk of being reversed if they are not consolidated within a strong legal and institutional framework, including a national institution capable of making direct grants to households, and backed up by bigger government budget allocations. The programme is therefore intended to achieve a sustainable national social protection system which is institutionalised, financed (with an increasing proportion coming from Uganda's own growing tax base), and reaching beneficiaries across the entire country.

The specific objectives of the programme, and for which a Service Provider is required, are summarised in the following 4 outputs:

- **Output 1:** MGLSD capacity strengthened to lead on social protection.
- **Output 2:** Sustainable and accountable system for cash transfer delivery established at national scale.
- **Output 3:** Senior Citizens' Grant (and other vulnerable groups' grants) delivering regular and reliable payments to beneficiaries across the entire country.
- **Output 4:** Increased public understanding of, and demand for, an accountable social protection system.

4.0 Key Deliverables and Performance Requirements

The Service Provider will be expected to deliver a range of outputs to support the delivery of ESP II. The deliverables are set out below and divided into two sections: technical support to deliver the programme's outputs, and overall programme and financial management. Outputs and KPI's will be finalised during the inception phase and reviewed on a six-monthly basis. However bidders should propose, as part of their bids, a payment plan suited to the delivery of the programme which may include milestone payments linked to the logframe and a proposed suite of KPI's based on the effectiveness and efficiency of the Service Provider in delivering key outputs (factors may include speed, timeliness, fiduciary risk management, grievance management, verification etc.).

Output 1: MGLSD capacity strengthened to lead on social protection

To avoid the risk of creating parallel delivery systems to Government, a core function of the Service Provider will be to build and transfer Government capacity to maintain a robust cash transfer delivery system, through the proposed PMU. Specific outputs include:

- 1) *Technical and financial assistance to establish a Programme Management Unit within MGLSD.* The ESP Secretariat has drawn up an institutional development plan, to guide transition from the Secretariat, which is a temporary programme implementation unit, to long term institutionalisation of social protection policy and programming within Government structures. This foresees establishment of a Programme Management Unit within MGLSD, a proposal already approved by the ESP Steering Committee. This is likely to transition to an Autonomous Agency as the programme grows in size to cover the entire country.
- 2) *SUBJECT TO AGREEMENT IN YEAR 2, redesign the Government of Uganda disability grant.* The Service Provider will work with MGLSD and the social protection steering committee to redesign and pilot a disability grant to benefit at least 474 groups of people with disabilities (reaching about 10,796). The MGLSD is currently running a grant for groups of people with disabilities, and subject to prevailing policy priorities in the second year of the programme, the Service Provider will support the MGLSD to redesign this instrument to achieve maximum benefit for people with disabilities. The cash transfers for the disability grant will continue to be provided by the Government of Uganda.
- 3) *Support the implementation of the National Social Protection Policy:* The Service Provider will support the operationalization of aspects of the Programme Plan of Intervention (the operational instrument for the social protection policy) under the leadership of the MGLSD and support dialogue with other stakeholders to implement other areas of the Programme Plan of Implementation.
- 4) *Related to the above, the Service Provider will provide broader policy support to the MGLSD to implement a complimentary linkages plan* with other mainstream government social protection programmes. The Service Provider will also ensure that the programme integrates cross-cutting issues including but not limited to gender, resilience to climate change, nutrition and disability and demonstrate how this is being done through its implementation and reporting.

Output 2: Support provided to GoU to establish a sustainable and accountable system for cash transfer delivery at national scale

- 5) *A cash transfer delivery mechanism.* The MGLSD is currently in the process of procuring a payment service provider to deliver electronic cash payments to the direct beneficiaries. The Service Provider will work with MGLSD and the payment service provider to ensure that the system delivers regular and predictable cash transfers in a way that safeguards the rights of beneficiaries and protects funders from fraud, theft, corruption and loss of funds. The payment service provider will be contracted by GoU.

The Service Provider will sign a Service Level Agreement (SLA) with the GoU and the GoU-procured Payment Service provider, which will describe the level of service expected of the GoU payment service provider. The SLA will lay out the metrics by which services provided by the payment service provider will be measured. The SLA will lay out the remedies or penalties should the agreed levels of service to deliver the cash grants not be delivered to a satisfactory standard

- 6) *Integrated national Management Information System established for all cash transfer programmes.* The Service Provider will provide technical assistance to improve the current MIS into a centralised MIS for all cash transfers implemented by MGLSD and other actors. The MIS should increase the speed and accuracy of reconciliation and provide a transparent means to verify payments. Currently, the MGLSD is only managing one grant (SAGE), but its policy mandate will require it to coordinate and manage information from other instruments that may come on stream as part of the national Social Protection Policy. These may include Public Works Programmes currently funded by the World Bank, World Food Programme, and by DFID in Karamoja.
- 7) *Strengthened Government accountability for cash transfers.* The Service Provider will work with MGLSD to establish robust financial management systems and accountability mechanisms to minimise the risk of financial loss as a result of cash transfers, especially given the expansion of SAGE.
- 8) *Gender issues adequately addressed in ESP II:* The Service Provider will support integration of gender concerns in all aspects of ESP II implementation in order to eliminate practices that may undermine the achievement of programme goals and promote women's socio-economic empowerment.
- 9) *Resilience to climate change enhanced and tracked by the programme:* The Service Provider will ensure and track the effectiveness of cash transfers for building resilience to drought particularly in Karamoja (in accordance with the International Climate Fund (ICF) guidelines), and will work with the MGLSD to ensure that climate vulnerability and approaches that enhance climate resilience are built into all national social protection policy and programming.
- 10) *Adequately-staffed national Programme Management Unit and 7 Regional Technical Support Units (RTSU) for programme delivery.* The Service Provider will be responsible for the payment of operational costs and salaries of the staff contracted by GoU to the PMU and Regional Technical Support Units as per the organogram attached at Annex 7.

The ESP Steering Committee approved an organisational structure for the PMU and seven Regional Technical Support Units. An independent human resource consultancy firm has undertaken an assessment of the positions required and proposed the job descriptions, person specifications and a salary structure. The service provider will adapt the approved structure recommended in the draft staffing report and ensure that it is continuously updated and is fit for purpose.

The service provider will have specific positions in the ESP institutional structure, and bids will be expected to include the salaries paid to GoU contracted staff for the PMU as elaborated in the institutional structure in the draft remuneration report at Annex 8. The bids should include a management fee for handling the salaries of PMU GoU contracted staff.

Table 1: Salary Estimates for PMU staff in Uganda Shillings

	2015/16	2016/17	2017/18	2018/19	2019/20
HQ PMU Staff Costs	1,813,636,339	1,958,727,246	2,115,425,426	2,284,659,460	2,467,432,217
RTSU Staff costs	1,973,772,864	2,131,674,693	2,302,208,669	2,486,385,362	2,685,296,191
Total annual costs	3,787,409,203	4,090,401,939	4,417,634,095	4,771,044,822	5,152,728,408

These costs in the table above include:

- Gross salary
- Employer's NSSF at 10%
- GPA and medical insurance at 150,000 UGX per person per month.
- Provision for 8% annual salary increase

Output 3: Senior Citizens' Grant and other vulnerable groups' grants delivering regular and reliable payments to beneficiaries on a national scale

11) *Pre finance regular and predictable cash transfers* to existing cash grant beneficiaries. The Service Provider through the GoU-contracted Payment Service Provider will deliver cash grants to about 113,000 beneficiaries in the first year and this number will reduce gradually (as indicated in table 2) as GoU takes on more responsibility for financing the grant.

Table 2: Number of direct beneficiaries to be supported with donor funds per year

Year	2016/17	2017/18	2018/19	2019/20
Number of Beneficiaries supported with donor funds	119,719	103,324	86,229	68,408

The districts to be handed over are presented in the table below:

Table 3: Plan for GoU takeover of SAGE pilot districts (2017/18-2019/20)

F/Y	District	No. of Beneficiaries
2016/17	Kyegegwa	7,963
2017/18	Kiboga	7,697
	Kole	11,641
2018/19	Kaberamaido	8,253
	Kyankwanzi	6,510
2019/20	Napak	8,852
	Kyenjojo	17,521
	Total	68,436

12) *Efficient targeting and enrolment systems adopted and maintained throughout the life cycle of the programme.* The Service Provider will support the PMU develop an efficient and robust system of enrolling beneficiaries to the Senior Citizens Grant (and Disability Grant, if applicable) and maintaining an up to date register of enrolled beneficiaries.

Output 4: Increased public understanding of and demand for an accountable social protection system as articulated in the social protection policy

13) *The Service Provider will support the PMU in MGLSD and civil society to strengthen and implement a communications plan* to improve the visibility, and crucially, the level of

understanding of the impact of the programme, supporting national roll out of the SCG by the Government..

- 14) *Grievance Management.* The Service Provider will support the PMU and Civil Society to establish an independent, transparent and accountable grievance management system to handle public complaints about cash transfers as well as a whistleblowing facility.
- 15) *Support updating and implementation of an Advocacy and Communications strategy:* The Service Provider will support the improvement and implementation of the existing communications and advocacy strategy to enhance the understanding of, demand for and access to diverse social protection and complementary services. The Service Provider will work with the Uganda Social Protection Platform (CSOs) and the Parliamentary Forum for Social Protection to continue advocating for social protection in Uganda.

Other deliverables

- 16) *Risk Management:* The Service Provider will abide by DFID's zero tolerance for corruption and will be responsible for ongoing implementation and where necessary, improvement of the risk management policy. The primary risks identified by SAGE, and which must be managed by the Service Provider include but are not limited to:
 - Ineligible individual's enrolled or undue influence is exerted to favour particular areas of the country.
 - Non-reporting of beneficiary deaths so that payments continue.
 - SIM or other payment card mismanagement.
 - Beneficiaries of the programme are defrauded by agents or project staff at pay-points.
 - Operational funds are misused by SAGE or District Local Government staff.

Bidders are expected to set out their risk management approach and suggest mitigation strategies for these and other potential risks they envisage for the programme. The Service Provider will be required to maintain an up to date risk register of the programme as part of an appropriate risk management approach

- 17) *Management of third-party (donor) funds:* The Service Provider will manage contributions for cash transfers made by DFID and Irish Aid to the programme.
- 18) *Asset Management:* The Service Provider will support MGLSD to procure low value (below £1,000) equipment and other items, and manage and maintain all ESP assets procured by the development partners.
- 19) *Value for money (VFM):* The Service Provider will ensure compliance with DFID Value for Money guidance for cash transfers¹ on efficiency, effectiveness and economy. The Service Provider will follow DFID procurement standards to drive competition through any procurement that it

¹ Available from
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/204382/Guidance-value-for-money-social-transfers-25Mar2013.pdf

undertakes, and establishing a culture of monitoring costs and outputs that enables decisions to ensure good VFM. Specifically, the Service Provider will ensure and monitor VFM through:

- a) Costs disaggregated by year, input type, output, major activity and stakeholder.
 - b) Economy through procurement, financial and administrative policies and procedures.
 - c) Cost-efficiency through tracking the total cost transfer ratio, unit cost per direct recipient and per wider beneficiary per year, SAGE cost structure, direct cash delivery costs as a percentage of transfers
 - d) Cost-effectiveness by tracking the net present value and benefit-cost ratio of the programme, cost per unit increase in coverage and reduction in poverty incidence and poverty gap
 - e) Other innovative VFM measures
- 20) *M&E*: The Service Provider will also develop and implement a robust M&E framework for the programme, meeting the relevant DFID and Government standards and reporting requirements. The Service Provider will develop a monitoring plan establishing quantified milestones against which progress can be tracked and measured. The plan should also establish arrangements for monitoring value for money.
- 21) *Audits*: The Service Provider will be responsible for maintaining internal audit systems and facilitating independent audits of the programme. Whenever necessary, DFID may request to carry out independent audits of the programme.
- 22) *Continuity*: The Service Provider must demonstrate a robust risk management and retention strategy regarding availability of key personnel for the duration of the project including, but not limited to, staff retention plans and assurances from key long-term personnel to serve in this programme.

DFID will determine whether the expected results have been achieved through regular programme monitoring and independent evaluation of the programme and its impact; through national surveys and data collection (for instance the Uganda National Household Survey) and through independent research, including follow up surveys from the impact evaluation for ESP I.

5.0 Implementation Requirements

The Service Provider will be paid in arrears and is expected to pre-finance the programme activities and submit accurate invoices to DFID for reimbursement.

Inception Phase 5 months - (September 2016 – January 2017)

During this period, the Service Provider will be expected to produce the deliverables below, while inheriting as much as possible existing systems from the ESP Secretariat or PMU as appropriate:

- i. A core management team in-country to enable handover of ongoing responsibilities from Maxwell Stamp (MSP) the incumbent Management Agent.

- ii. A draft inception report within three months of the inception phase; providing assurance to DFID on the approach that will be taken to deliver the outputs from the inception phase and beyond. The report should include risks and barriers to effective implementation with proposed mitigation action.
- iii. Update programme manuals where appropriate and ensure fully functional systems and tools (e.g. functional MIS with all modules updated and staff trained; updated procurement plan) to manage the programme.
- iv. Reviewing and updating the programme management manual, SAGE implementation manual, and human resource manual including government staff roles and responsibilities.
- v. Procedures for engaging with other implementing partners.
- vi. A detailed M&E framework and strategy, establishing quantified milestones against which progress against the programme's objectives can be tracked. The plan should also establish arrangements for monitoring value for money.
- vii. Baseline studies as needed to establish the baseline performance against the milestones referred to in the M&E framework.
- viii. Detailed work plan, budget and monthly forecasts for the next 12 months setting out the main tasks and the cost of activities, developed in conjunction with MGLSD.
- ix. Consultation record and coordination plan with relevant programmes, policies and stakeholders.
- x. Risk register
- xi. Value for Money strategy.
- xii. Communication strategy.
- xiii. Continuity of cash transfers to the existing SCG beneficiaries.
- xiv. Key milestones for Year 1 aligned to the DFID ESP II Log Frame.
- xv. A final inception report within six months

The programme will proceed into implementation phase 1 subject to a satisfactory inception phase.

Implementation Phase 1 = 18 Months (February 2017 – July 2018)

The Service Provider will be expected as a minimum to:

- i. Implement strategies and systems designed in the inception period and defined in the programme management manual.
- ii. Deliver key milestones for Year 1 and progressively for other years as elaborated in the DFID ESP II Log Frame.

- iii. Consolidate programme funds and report expenditure to DFID on a quarterly basis, updating financial forecasts monthly.
- iv. Produce quarterly performance management reports, in a format to be agreed, outlining programme progress and issues including updated risk analysis.
- v. Submit annual financial reports, supported by annual external audits.
- vi. Monitor programme implementation, making sure that implementing partners report on operational and financial progress at regular intervals to be determined in the funding agreements.
- vii. Ensure that funds are properly spent on agreed activities, quality requirements are met, and expenditure statements from those in receipt of funds are accurate.
- viii. Prepare an annual report outlining progress against agreed targets.
- ix. Ensure quality of the work and value-for-money are achieved.
- x. Document and disseminate useful results and lessons learned, acting as a conduit of information and best practice between partners and to key stakeholders.
- xi. Liaise closely with the DFID Uganda staff to ensure a coherent approach.

Subject to a successful performance evaluation and the policy environment for funding of cash transfers in Uganda, the Service Provider will proceed into implementation phase 2 for a further 2years.

Implementation Phase 2: 23 Months August 2018 – June 2020

The Service Provider will continue to implement the above activities and deliver on the outputs agreed in the log frame for subsequent years. During this phase, DFID and Irish Aid will gradually reduce the number of districts they support and fully handover the programme to Government of Uganda by 2020.

DFID may extend the contract by a maximum of 24 months at the end of implementation phase 2.

6.0 Reporting

The Service Provider will report to the DFID Senior Responsible Owner (SRO) and the ESP Steering Committee chaired by MGLSD. DFID will hold formal monthly meetings with the joint Government/Service Provider programme team, and quarterly with the Service Provider only. These will include regular review and update against a programme risk management matrix as well as a technical and financial progress assessment based on latest reporting. DFID will continue to sit on the programme Steering Committee chaired by MGLSD, which meets quarterly.

The Service Provider will initially (as the PMU is being set up) submit quarterly financial reports and progress reports against the agreed work-plan via the Permanent Secretary MGLSD to DFID and the Social Protection Steering Committee. However, as soon as the PMU is functional, the Service Provider will submit reports through the PMU to DFID and the Steering Committee.

The Service Provider will prepare an inception report (elaborated in Section 5.0) outlining how the project will be conducted and include a detailed work plan with key deliverables and milestones. The draft inception report should be submitted within three months and the final within five months of start to DFID and MGLSD for approval.

7.0 Timeframe and Breakpoints

At the end of the Inception phase there will be a break point to review the Inception Outputs. Progress to the Implementation Phase will be subject to satisfactory performance of the Service Provider and upon agreed delivery of inception outputs and the continuing needs of the Programme. The contract review may signal a restructuring of the ToRs, timeframe or the scale or scope of work in particular areas.

During this period, implementation of the senior citizens' grant on behalf of DFID and Irish Aid will be necessary in 14 districts of Uganda. There will be a further breakpoint halfway through the programme i.e. July 2018. Progress beyond this breakpoint will be subject to satisfactory performance of the Service Provider and upon delivery of inception and implementation phase 1 outputs and the continuing needs of the programme.

DFID will directly contract performance reviews of the programme, including a programme baseline, annual reviews, mid-term review in early 2018 and an end of project evaluation. Findings from these exercises will inform contract performance reviews. Following the midterm review, DFID will make a decision on whether to extend the Service Provider's contract from an initial two years to the full four years.

DFID reserves the right to extend the contract by one year at a time for a further two years beyond the end of the life of the contract, up to a maximum of six years in total from September 2016.

The Service Provider shall commit to being fully prepared in the event any decision is made to scale up (increase) or scale down (decrease) the scope of the Programme (i.e. in relation to the programme's inputs, outputs, deliverables, outcomes and fund management – and associated reimbursement) during the course of the contract. DFID reserves the right to discontinue this contract at any point (in line with our Terms & Conditions), if it is not achieving the results anticipated.

8.0 Skills and experience requirements

Given the requirements set out above, the proposed team should meet the following requirements:

A senior team leader: This is an exciting opportunity for the right person to consolidate Uganda's fledgling social protection system. The team leader will be based full time in Kampala and should be able to demonstrate how they will utilise their considerable knowledge and expertise to benefit a programme of this size and complexity. The programme needs a team leader with a proven track record that demonstrates:

- Very strong leadership skills, with recent experience of leading programmes with similar scale and scope and a minimum of ten years of working on similar programmes in similar contexts to Uganda;
- Excellent technical skills in social protection – particularly cash transfers – including a good understanding of the poverty, resilience and human capital impacts of effective social protection;

- Capacity, influence and personal integrity to shape national policy on social protection and make influential and credible contributions to government decision-making processes; and
- Ability to oversee the measurement and communication of robust results and impact, and hold their team and implementing partners accountable for good and timely performance, management of fiduciary risk, attention to VFM and continual improvement.

The Service Provider must demonstrate the following areas of expertise:

- Supporting social protection policy development and programme design – with an emphasis on supporting governments – in countries similar to Uganda, and good familiarity with the international evidence base, especially from African countries and countries at similar levels of per-capita GDP to Uganda, about the benefits and risks of social protection, targeting and how to implement effective low-risk cash transfer systems.
- Institutional capacity building: the focus of ESP II is building and consolidating the Government capacity to manage a national social protection system, so the role of TA is not to set up new mechanisms but to build national capacity to develop and manage the new systems established under ESP, including guidance and oversight of the transition from the SAGE Unit within the Social Protection Secretariat to a PMU and eventually a national Social Transfers Department.
- Cash transfer systems: Sound knowledge and understanding of cash transfer payment systems, M&E and MIS, grievance mechanisms, accountability and audit systems, and innovations that reduce cost and reduce fraud risk.
- Communications: As a key aspect of implementation, ensuring programmes are correctly understood by a broad range of stakeholders, including but not limited to, members of the public, government staff at different levels, politicians, the media and beneficiaries. Linked to this, facilitation of advocacy and influencing.
- Financial management: Capacity building and risk management. Significant experience of implementing effective fiduciary risk mitigation entrenched in their delivery strategy. DFID will ensure that the Service Provider maintains zero tolerance to corruption and will conduct regular reviews and audits to test their financial and procurement systems to detect any fraud. Evidence that shows the robustness and transparency of financial management and procurement systems is also essential.
- Managing complex projects: This is a complex programme with significant financial, political and delivery risk. The successful bidder will show a strong track record of managing complex projects and programmes to completion, working alongside governments and managing uncertainty.
- A thorough understanding of the political economy of social protection in Uganda, and the ability to influence policy making for an effective exit by DFID and handover to the Government.

- Fund management, including managing and accounting for pooled funds from more than one source that may include development partners and the Government.
- An appropriate mix of national staff and international expertise demonstrating the skills and experience to undertake the requirements of the programme is essential. In-country experience in the profiles of team members will be advantageous. We seek evidence in bids about how the team's considerable collective knowledge and expertise will benefit a programme of this size and complexity.

9.0 Constraints and Dependencies

The current ESP Service Provider's contract ends on 31st August 2016. The Service Provider is therefore expected to start inception on 01 September 2016. The Service Provider's staff will be co-located with the PMU in Kampala.

The Service provider is required within their proposal, to provide a budget for the procurement of goods and equipment required during the duration of the entire programme. If the budget for the procurement of all goods and equipment exceeds £100,000 all procurement shall be carried out by a DFID appointed Procurement Agent.

At the end of ESP I a final asset list will be provided to the service provider detailing still serviceable assets to be carried over from ESP I to ESP II. During the inception phase the service provider will in conjunction with the PMU, use the asset list to offset the final budget for procurement of goods and equipment for the programme which will remain subject to the £100,000 threshold.

The Service Provider will deliver the direct cash transfers through a Payment Service Provider contracted by GoU and other functions through PMU staff contracted by GoU. The Service Provider will however have full financial liability for all Development Partner funds. The Service Provider will sign a Service Level Agreement with the GoU and the GoU procured Payment Service Provider. The (SLA) will detail the expectations, standards and all other modalities that will enable the Service Provider disburse funds for the SAGE beneficiaries that will be paid using DFID and Irish Aid funds.

Payments to the service provider will be made through Crown Agents Bank (CAB) who DFID has appointed to manage third party monies on their behalf. CAB will receive annual contributions to the project from Irish Aid and draw down money from DFID's accounts department whenever they receive authorisation to pay an invoice submitted by a supplier from DFID Uganda.

DFID will on behalf of development partners use the services of a DFID pre-qualified Procurement Agent to manage the procurement of goods with a value of over £1,000. The Service Provider is therefore required to work with the PMU and the Procurement Agent for timely and value for money purchase of goods for the Programme. It should be noted that all equipment with a value of over £1,000 and a lifetime of over 1 year, will remain DFID property and will be disposed of in consultation with and following DFID disposal of assets rules and procedures at the end of the project.

DFID will on behalf of the development partners set up a separate grant to Civil Society Organisations to support the advocacy and some aspects of the grievance management components of the programme. The service provider will be expected to provide quality assurance of this support.

The Service Provider will be responsible for the payment of salaries of the staff contracted by GoU to the PMU and Regional Technical Support Units as per the institutional structure in the Human Resource Manual. The Service Provider will have specific positions in the PMU institutional structure.

It is the Service Provider's responsibility to ensure they comply with all statutory requirements stipulated in various Ugandan and other legislation relevant to their work and business in Uganda. DFID does not provide tax advice so the Service Provider will need to seek advice from a reputable tax firm or consultant to inform this budget line in their commercial bid.

10.0 Duty of Care

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 the contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.

DFID will share available information with the Service Provider on security status and developments in-country and where appropriate, DFID will provide the following:

- A security briefing for all Service Provider's Personnel to be offered by the British High Commission/DFID on arrival, including reference to the latest travel advice available on the Foreign and Commonwealth Office website: <https://www.gov.uk/foreign-travel-advice/uganda>. All such Personnel must register with their respective Embassies to ensure that they are included in emergency procedures;
- A copy of the DFID visitor notes (and a further copy each time these are updated), which the Service Provider may use to brief their Personnel.

The Service Provider is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract and ensuring that their Personnel register and receive briefing as outlined above. Travel advice is available on the FCO website and the Service Provider must ensure they (and their Personnel) are up to date with the latest position.

Tenderers must develop their response to the tender on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix prepared by DFID. They must confirm in their Tender that:

- They fully accept responsibility for Security and Duty of Care;
- They understand the potential risks and have the knowledge and experience to develop an effective risk plan;
- They have the capability to manage their Duty of Care responsibilities throughout the life of the contract.

If you are unwilling or unable to accept responsibility for Security and Duty of Care as detailed above, your PQQ will be viewed as non-compliant and excluded from further evaluation.

Acceptance of responsibility must be supported with evidence of Duty of Care capability and DFID reserves the right to clarify any aspect of this evidence.

11.0 Key Documents

The Service Provider will be provided with the following background material:

- Annex 1: ESP II Programme Document (Note that the budgets in the programme document are still a draft and yet to be agreed)

- Annex 2: Expanding Social Protection in Uganda Programme, Phase II Redacted Business Case
- Annex 3: Draft ESP II Log Frame
- Annex 4: Social Protection Policy and Programme Plan of Implementation
- Annex 5: SAGE Implementation Manual (Old draft currently under review. Once we have the updated manual, we shall share that with all the bidders)
- Annex 6: ESP Institutional Development Plan with the title “IDS Sub Committee Review Report....”
- Annex 7: PMU organogram
- Annex 8: Draft Expanding Social Protection Programme in Uganda Remuneration report for the PMU and RTSUs
- Annex 9: Draft Terms of Reference for the Payment Service Provider to be procured by the Government of Uganda.
- Annex 10 Draft MoU between MGLSD and RTSUs
- Annex 11: Draft MoU template between MGLSD and Districts
- Annex 12 - ESP II Technical Bid Headings

12.0 Background

Despite impressive economic growth rates, high levels of poverty and vulnerability persist in Uganda. Some 24.5% of the population lives below the national poverty line, which is based on a minimum food basket. Over 67% of the population (20.7 million people) is considered poor or vulnerable to poverty (MoFPED 2012). Vulnerability is closely linked to lack of labour capacity and high dependency ratios. Until 2010 and the launch of ESP, however, there was no national social protection policy or programme to address vulnerability in a systematic way. Since its launch, ESP has made remarkable progress in establishing the foundations for social protection policy and programming in Uganda.

From a baseline in 2010 when Uganda had no social protection policy, no national cash transfer initiatives and no dedicated budget for social protection, ESP achievements by the fourth year of the programme include:

- Greatly increased understanding of social protection within the Government of Uganda and amongst the public;
- Development of a national Social Protection Policy Framework (awaiting Cabinet approval)
- Piloting of two cash transfer instruments, accurate targeting and evidence gathering on comparative effectiveness of the two targeting methodologies
- Establishment of a robust cash transfer delivery system using electronic payments through a private sector, payments service provider
- Design of an institutional development strategy for management of the social protection sector, approved by MGLSD Senior Management
- the Government in kind contributions and direct financial contributions to SAGE from the state budget
- Regular cash transfer to over 95,000 direct beneficiaries
- Significant positive benefits for cash transfer recipients and their households, including improved diet, improved access to health care and education, and increased investment in small-scale

economic activities.

The Government has made strong progress over the last four years towards embedding social protection in national policies, plans and budgets. Yet, the policy process is still in early stages and institutional capacity is nascent. The gains of ESP are still reversible, until they are fully institutionalised within Government systems. Government efforts to develop a sustainable national social protection system could be defeated by limited capacity and limited institutional structures to deliver social protection.

Government counterpart funding of ESP I started from a very level five years ago with only UGX 125,000,000 and was expected to grow up to UGX 4,860,450,000 by the fourth year. For the last two financial years GoU funding has been maintained at Ug X 2,000,000,000 and this has been used to pay grants to 6,000 older persons in the 15th pilot district of Yumbe. In the current financial year and as part of the roll out GoU funding has grown to UGX 9,000,000,000. These funds will be used to fully pay grants all the 10,000 older persons in Yumbe district and pay beneficiaries grants in 20 new districts. 40 new districts will be covered over the phase II of the programme. Funding in subsequent years will grow to UGX 17.59bn, 29.15bn, 40.34bn and then 52.92bn.

Building on the significant achievements of ESP I, ESP II will therefore help consolidate the national response to entrenched poverty and vulnerability through embedding social protection in the Government policies, institutional arrangements, programmes and budgets. To achieve this, DFID will provide financial support to guarantee continuity of the ESP cash transfer pilot in 14 districts (with gradual 'hand over' to the Government of Uganda during the life of the programme); enabling the Government to focus its own resources on national roll-out of the cash transfer. DFID will also provide technical and financial assistance for systems-strengthening to ensure a smooth transition from the cash transfer pilot in 14 districts to a national cash transfer programme. Furthermore, we will provide technical assistance to strengthen the Government capacity for social protection policy development and institutional capacity building. This will include technical and financial support to redesign the GoU disability grant.

The ESP Secretariat has drawn up an institutional development plan, to guide transition from the Secretariat, as a temporary programme implementation body, to long term institutionalisation of social protection policy and programming within Government structures. This foresees establishment of a Social Transfers Policy Department within MGLSD, a proposal already captured in a wider restructuring plan for MGLSD commissioned by the Ministry of Public Service. It also foresees creation of a Programme Management Unit (PMU)', as semi-autonomous cash transfer delivery unit under MGLSD. The MGLSD, has set up a cross-ministerial Technical Reference Group to further institutional development plans and their implementation.

ACRONYMS & ABBREVIATIONS

CAB	Crown Agents Bank
DFID	Department for International Development
DPs	Development Partners
ESP	Expanding Social Protection
FCO	Foreign and Common Wealth Office
GoU	Government of Uganda
IA	Irish Aid
KPIs	Key Performance Indicators
M&E	Monitoring and Evaluation
MGLSD	Ministry of Gender Labour and Social Development
MoFPED	Ministry of Finance Planning and Economic Development
MoU	Memorandum of Understanding
NPA	National Planning Authority
PMU	Programme Management Unit
PQQ	Pre-Qualification Questionnaire
PSP	Payment Service Provider
RTSU	Regional Technical Support Unit
SAGE	Social Assistance Grants for Empowerment
SCG	Senior Citizens Grant
SLA	Service Level Agreement
SRO	Senior Responsible Owner
TA	Technical Assistance
ToR	Terms of Reference
UNICEF	United Nations Children' Fund
VFM	Value for Money
VFSG	Vulnerable Families Support Grant