

Section 4 Appendix A

CALLDOWN CONTRACT

Framework Agreement with: **DAI Europe**



Framework Agreement for: **Expert Advisory Call Down Service (EACDS) Lot B
Strengthening Resilience and Response to Crises**

Framework Agreement Purchase Order Number: **PO 7468**

Call-down Contract For: **Transition Support for Year 1 of NCCSP Phase II**

Contract Purchase Order Number: **PO 8069**

I refer to the following:

1. The above mentioned Framework Agreement dated **19 October 2016**
2. Your proposal of **22 August 2017**

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 **11 September 2017** ("the Start Date") and the Services shall be completed by **31 August 2018** ("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 **DFID Nepal** ("the Recipient").

3. Financial Limit

- 3.1 Payments under this Call-down Contract shall not, exceed £449, 263 ("the Financial Limit") and is exclusive of any government tax, if applicable as detailed in Annex B.
- 3.2 Expenses, as detailed in Annex B are indicative and will not exceed the maximum costs detailed against each line of expense. For the clarification of doubt expenses will be paid on actuals at each Milestone Payment.

28. Milestone Payment Basis

- 28.1 Where the applicable payment mechanism is "Milestone Payment", invoice(s) shall be submitted for the amount(s) indicated in Annex B and payments will be made on satisfactory performance of the services, at the payment points defined as per schedule of payments. At

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

When the relevant milestone is achieved in its final form by the Supplier or following completion of the Services, as the case may be, indicating both the amount or amounts due at the time and cumulatively. Payments pursuant to clause 28.1 are subject to the satisfaction of the Project Officer in relation to the performance by the Supplier of its obligations under the Call-down Contract and to verification by the Project Officer that all prior payments made to the Supplier under this Call-down Contract were properly due.

4. DFID Officials

4.1 The Project Officer is:

██████████, Senior Responsible Officer, DFID Nepal

██████████, Programme Manager, DFID Nepal

4.2 The Contract Officer is:

████████████████████, Procurement and Commercial, DFID East Kilbride

5. Sub – Contractor

The following Sub-Contractor cannot be substituted by the Supplier without DFID's prior written consent:

Landell Mills

6. Key Personnel

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

████████████████████ – Team Leader, Climate
██████████ – DFID Advisor, Climate
██████████ – M&E National Senior Expert
██████████ – M&E International Principle Expert
██████████ – Finance International Principle Expert
██████████ – PFM National Senior Expert

7. Reports

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

8. Duty of Care

All Supplier Personnel (as defined in Section 2 of the Agreement) engaged under this Call-down Contract will come under the duty of care of the Supplier:

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

9. Call-down Contract Signature

- 9.1 If the original Form of Call-down Contract is not returned to the Contract Officer (as identified at clause 4 above) duly completed, signed and dated on behalf of the Supplier within 15 working days of the 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

DAI Europe

Name:

Position:

Signature:

Date:

Section 4, Annex A

Call-down Contract

Terms of Reference

Transition Support for Year 1 of NCCSP Phase II

Introduction

The Nepal Climate Change Support Programme (NCCSP) is the Government of Nepal's flagship programme to support adaptation planning and implementation at the local level. The programme works with communities to design and implement Local Adaptation Plans of Action (LAPAs). Phase 1 of NCCSP (2011 - July 2017) was delivered by the Government of Nepal with Technical Assistance support provided by the United Nations Development Programme (UNDP).

In July 2017 the Government of Nepal and DFID will be moving from Phase 1 of NCCSP to Phase 2 (July 2017 - June 2022).

With this Terms of Reference DFID is seeking the services of a supplier to provide 'transitional support' to DFID and the Government of Nepal during year 1 of NCCSP Phase 2. The maximum value of this contract is £[REDACTED]. The contract will be delivered between September 2017 and July 2018.

In parallel, DFID is running an OJEU procurement process to identify a supplier to provide longer term Technical Assistance (TA) to NCCSP Phase 2. It is envisioned that a TA supplier will be in place in spring 2018 and will be contracted until December 2022 (4.5 years; years 2 - 5 of the programme). The value of this contract will be between £[REDACTED] and £[REDACTED].

The 'transition support' supplier will lay the groundwork for a smooth transition to the new TA supplier. The transition support supplier will be required to work in close collaboration with UNDP, who (following on from their TA role in phase 1) will be providing bridging TA to Government of Nepal during year 1 of NCCSP phase 2.

Suppliers bidding for this assignment will also be eligible to apply for the larger TA contract. However the transition support supplier will be required to keep records of all key meetings / workshops and should note that all outputs produced will be made publically available. This will ensure that all suppliers bidding for the TA contract have access to the relevant information about NCCSP 2.

There will be periods of overlap between the transition supplier contract and the NCCSP 2 design team, the new TA contract, and the UNDP TA team. The transition support supplier will need to develop good working relationships with the other partners to ensure a smooth transition to full implementation of NCCSP phase 2. DFID will be able to assist in coordination between the partners to some extent but we expect that the transition support supplier will have a leading role in facilitation of coordination between partners.

Background - transition from NCCSP Phase 1 to Phase 2

Phase 1 of NCCSP was delivered by the Government of Nepal with financial assistance from the UK and EU. Government implementation was supported at both central and local levels by TA supplied by UNDP. Funding for LAPA activities was channelled directly from central government to local bodies in 14 Districts in western Nepal.

Phase 1 started work in 2011 and will close in July 2017. Total expenditure for phase 1 was ~£[REDACTED]. DFID has a total budget of £[REDACTED] available for Phase 2, which will run for 5 Nepali fiscal years (2017/18 - 2021/22). The Nepali fiscal year runs from July to July.

Phase 2 will not be 'business as usual' for NCCSP. DFID has been working with a design team and Government of Nepal to design the scope, focus and operating model for the new phase of the programme. The design work will be completed in September 2017 and will include a lesson sharing workshop facilitated by the design team. Box 1 explains more about the NCCSP 2 design process.

Box 1: Design of NCCSP 2

Design work for NCCSP 2 started in September 2016, with a view to complete a new theory of change and set of operating modalities by July 2018. The design work originally aimed to pull together all of the systems and programme documents needed to start NCCSP 2 in the new Nepali fiscal year.

However during design work the Government of Nepal announced a fundamental change to the shape and scope of local government. From July 2017 the 14 'districts' that implemented NCCSP phase 1 will no longer exist as spending bodies. The new phase of the programme will be implemented by new (elected) local bodies called Guanpalikas and Nagarpalikas (rural and urban local councils).

The NCCSP 2 design work shifted in focus to consider how NCCSP 2 will work with the new system of local government. The design work has recommended that NCCSP move from the 14 districts to ~50 new Guanpalikas and Nagarpalikas (the units are smaller than districts). The new bodies will each own their own new LAPA.

The new units are located in western Nepal, with a stronger concentration of activities in mountain areas than phase 1 and a larger population covered. There is a large overlap with NCCSP 1 geographic area, but some areas will be new and some areas will no longer be part of NCCSP.

As a result of the above, the design work has not gone as far in the development of final programme documents as anticipated. The design work has completed 1) a theory of change; 2) a series of papers in relation to new geographic focus; and 3) a draft operating model using new local government units.

During July – September 2017 the design team will pilot a LAPA design process using one of the new Guanpalika units. They will also pull together a draft 'programme document'.

However many of the more detailed programme policies, systems and documents will need to be developed by the transition support supplier during this contract.

The main shifts from NCCSP phase 1 to NCCSP phase 2 are:

New geography

- As set out in box 1, during 2017 the Government of Nepal has taken forward a programme of local government restructuring in line with the new constitution. The first round of local elections was held in May 2017 and a second round is planned for June 2017. As a result the geographic units / spending bodies used by NCCSP have changed in shape, size and scope. Phase 2 will work with a new set of local government partners.
- Approximately 50 Guanpalikas and Nagarpalikas have been identified as the geographic focus of phase 2. These are focused in western and far western Nepal. To allow for the change in size of LAPA units some of the NCCSP phase 1 LAPAs have been dropped, and some new areas added.
- Even though some areas have been dropped, the total population covered by NCCSP LAPAs will be larger in phase 2. We estimate that the total number of

people who live in an area covered by an NCCSP LAPA will increase from ~600,000 to ~900,000.

Scope and focus

- The programme has a new impact statement and associated Theory of Change (see google drive);
- The programme will seek to increase work on rural municipalities (small towns were not covered in NCCSP 1), and to integrate water resource management into LAPA design;
- The Government's "LAPA Guidelines" will be refreshed to reflect new local governance systems and to integrate more climate / natural resources data in to the LAPA planning process;
- Targeting guidelines (in particular with reference to GESI and household vulnerability) will be refreshed.

Implementation modality

- Delivery will be through new local governments - Gaunpalikas and Nagarpalikas - as opposed to Districts and Village Development Committees (VDCs);
- The programme will transition from 14 District spending units supporting 100 VDC level LAPAs to ~50 Guanpalikas/Nagarpalikas, each with their own LAPA;
- An NCCSP LAPA will cover an entire Guanpalika or Nagarpalika (i.e. the spending unit is now coterminous with the LAPA, which is larger in size than a VDC);
- Delivery will continue to be supported by a project management unit in the Ministry of Population and Environment (MOPE), but it is likely that MOPE will be merged with another Government Ministry in 2017. The programme will need to adapt to this change;
- The programme will transition to new TA contract – to be contracted directly with DFID;
- TA will continue to be delivered at central and local levels but there will no longer be scope to have 3 members of staff per spending unit as per phase 1 – a new model will need to be developed to ensure all 42 spending units receive adequate support;

- The programme will have a new overall NCCSP logframe and a separate TA logframe;
- There will be a new M&E system to measure progress against the overall NCCSP log frame;
- There will be greater collaboration between NCCSP and other LAPA programmes in Nepal. DFID would like to see greater collaboration on geographic coverage, approaches to M&E, and greater cross learning between programmes.

Funding mechanisms

- DFID is currently the sole donor to NCCSP, but welcomes other donors to join the programme;
- DFID anticipates that Government of Nepal will provide matching funding for LAPA implementation in years 2 - 5 (though the scale is not yet agreed).

In order for LAPA implementation to start in July 2018 (next fiscal year, or NCCSP 2 year 2) the following needs to be in place:

- New local bodies need to have adequate capacity to implement LAPA activities and to manage programme funds. A fiduciary risk assessment will be conducted before DFID approves disbursement of any Financial Aid to Government of Nepal;
- NCCSP 2 programme management systems and policies need to be in place. This includes the governance structure (Steering Committee for example); logical framework; M&E system; policies such as vulnerability and gender targeting guidelines. A comprehensive Programme Document is needed to pull this together.
- Financial management and funds flow systems need to be revised. New policies and systems for working through Guanpalikas and Nagarpalikas need to be developed and tested. The NCCSP Operational Guidelines need to be refreshed to reflect new government structures. Mechanisms for external audit need to be put in place.
- LAPAs need to be refreshed. Each Guanpalika or Nagarpalika working with NCCSP will need to develop a new LAPA. This will set out the priority LAPA actions to be implemented during years 2 - 5 of the programme.

The Power Point presentation attached to this Terms of Reference sets out a

suggested log frame for year 1 of NCCSP phase 2.

Objective

The objective of the transition support contract is to enable NCCSP to smoothly transition from phase 1 to phase 2. The transition support team will design and put in place the detailed processes, systems and policy documents needed for full implementation to start (with support from the new TA supplier) in July 2018.

The transition support team will provide both strategic direction to NCCSP during the transition year and technical advice in order to develop systems, processes and policies. The team will work closely with the UNDP TA team, the NCCSP 2 design team, and the new TA supplier (more details on roles and responsibilities are provided in the 'dependencies' section).

Recipient

The primary recipient of this assignment is the Government of Nepal. The focal point in Government will be the Ministry of Population and Environment (MOPE) (or relevant Ministry should government structure change) and Guanpalikas / Nagarpalikas that will implement NCCSP.

The contract will be between a lead supplier and EACDS Lot B (DAI), who will be contracted to DFID. All outputs will be submitted to DFID who will be responsible for quality assurance and milestone payments against deliverables.

Scope

The supplier will deliver against 5 output areas, detailed further in table 1 below:

1. Capacity needs assessment
2. Management, coordination and governance mechanisms
3. M&E system
4. NCCSP policies
5. Programme documents

The supplier will be required to have at least 2 members of staff physically based within the NCCSP Project Management Unit (PMU) in MOPE.

Table 1: Transition support supplier outputs

Output area	Description of activities	Indicative timing
Inception	<ul style="list-style-type: none"> Understand DFID and Government of Nepal requirements. Build relationships with MOPE, UNDP TA team, and NCCSP 2 design team. Develop ways of working with the DFID Nepal 'MEL' unit (see dependencies section below). Mobilise transition support team. Submit inception report to DFID detailing an approach and workplan for the assignment. 	September 2017
Capacity needs assessment	<ul style="list-style-type: none"> Work in collaboration with UNDP to map out the capacity needs of Guanpalikas / Nagarpalikas for NCCSP 2 implementation. The needs assessment should consider capacity to manage programme funds and implement activities. The UNDP TA team will have members of staff on the ground who will be able to facilitate field level data collection. The capacity needs assessment should take a sample of the 42 Guanpalikas /Nagarpalikas for the 	To be completed by November 2017

	<p>assessment.</p> <ul style="list-style-type: none"> The role of the transition support team will be to i) develop the methodology and sample frame for the assessment; ii) conduct field missions in collaboration with UNDP; iii) analyse data; iv) produce final report with recommendations for capacity building activities (to be implemented by UNDP). 	
Management, coordination and governance mechanisms	<ul style="list-style-type: none"> Develop programme governance mechanisms (for example national level steering committee) and ensure these begin to function. Build on design team outputs to put in place funds flow mechanism for the programme and financial reporting formats. Develop coordination mechanisms with other LAPA implementers and facilitate coordination through workshops and regular meetings. 	September – October 2017 (and on-going throughout the year)
M&E system	<ul style="list-style-type: none"> Develop a new NCCSP logical framework and associated reporting systems (building on the theory of change developed by the design team). Develop monitoring and evaluation system for NCCSP 2 – including tools, methods and (if deemed relevant) IT platforms*. This output should be delivered in collaboration with the DFID Nepal MEL unit who will be able to provide some technical inputs. 	Task likely to take full year
NCCSP policies	<ul style="list-style-type: none"> Conduct a short review of Nepal's climate vulnerability data and develop a policy for how this should be used during LAPA design. Refresh the NCCSP targeting 	To be completed by April 2018

	<p>guidelines (vulnerability and gender / social inclusion).</p> <ul style="list-style-type: none"> • Develop the funding allocation mechanisms for the programme (how funds are allocated per Guanpalika). • Develop a 'Financial Management Improvement Plan' for NCCSP, setting out how Nagar/Gaunpalikas will continuously improve financial management during implementation. • Work with UNDP to lead a refresh process of the Government of Nepal 'LAPA Guidelines'. 	
Programme documents	<ul style="list-style-type: none"> • Revise the NCCSP Operational Guidelines (the 'rules booklet' that MOPE and all Nagar/Gaunpalikas must adhere to in order to access NCCSP funding). This will include the formats for financial reporting. • Finalise the NCCSP 2 Programme Document, summarising the implementation mechanisms, funds flow mechanism, key policies, theory of change and logical framework. 	To be completed by April 2018

**If additional budget is needed to contract an IT supplier, DFID will contract this directly. The transition supplier will be responsible for working with the IT company to develop a suitable M&E platform (if required).*

DFID will expect the supplier to keep records of all major stakeholder engagement meetings. All of the outputs (and key documents produced that feed into final outputs) will be made publically available during the assignment. This will ensure that all suppliers bidding for the new TA contract have access to the same information.

Dependencies

Table 2 sets out the roles and responsibilities of the relevant partners working on NCCSP phase 2. The transition supplier will need to develop good working relationships with each of the partners.

In addition to the partners set out in table 2, DFID Nepal is contracting a ‘Monitoring, Evaluation and Learning’ (MEL) unit to provide portfolio level M&E services across DFID Nepal’s climate change and resilience programmes. The MEL unit will be starting work in August 2017. If desired, the MEL will be able to provide the transition supplier with technical advice on the NCCSP M&E system. It will also be conducting an impact evaluation of NCCSP and will need to collaborate with the transition support supplier on baseline data collection.

The transition support team should collaborate with the MEL during the inception phase for this contract to agree ways of working together and to integrate any joint activities into the workplan for this assignment.

Table 2: Roles and responsibilities of partners involved in NCCSP 2 year 1

Partner	Main responsibilities in year 1 of NCCSP 2	Location of personnel	Contract period
Transition support team (this contract)	<ul style="list-style-type: none"> Delivering against outputs 1 – 5 set out above Facilitate coordination between design team, UNDP TA and new TA Ensure a smooth handover to new TA contract 	At least 2 team members based in the PMU (based inside MOPE)	September 2017 – June 2018 (10 months)
NCCSP 2 design team	<ul style="list-style-type: none"> Conducting pilots of LAPA refresh process, urban LAPAs and Guanpalika level LAPA planning. Sharing lesson learning. Consolidating NCCSP 2 design papers (theory of change, geographic focus paper, draft modality paper, and draft programme document). 	Team based outside of PMU.	Contract end September 2017
UNDP TA team	<ul style="list-style-type: none"> Collaborate with transition support team to develop the capacity needs assessment Building capacity of new 	Core team based in PMU, with TA staff based at field level.	July 2017 – June 2018 (12 months)

	<p>local government staff</p> <ul style="list-style-type: none"> • Collaborate with transition support team to refresh LAPA guidelines • Conduct LAPA refresh process in new NCCSP spending units 	<p>(Team size to be finalised but likely to include approximately 5 members of staff in the PMU, 40 members of staff providing local TA, and 40 'LAPA facilitators' who will conduct LAPA process)</p>	
New TA supplier	<ul style="list-style-type: none"> • Mobilise TA team • Develop the NCCSP workplan and budget for years 2 – 5 • Develop the TA workplan and budget for years 2 - 5 • Put in place knowledge and communications strategy • Develop procurement manual • Develop VFM measurement strategy • Develop programme risk management strategy 	<p>Team leader to be based in PMU with staff gradually moving across to the PMU. Field staff mobilising on the ground to replace UNDP.</p>	<p>Proposed start of inception in March 2018 with full implementation from July 2018</p>

Requirements

There are a number of ways to deliver this Terms of Reference and as such we invite suppliers to suggest a staffing model and structure that offers good VFM in their bid.

Delivery of the outputs will require a range of skills and as such we suggest that a small core team (ideally with no more than 6 people) led by a Team Leader will be required. We require that at least two of the team members will be embedded within the PMU.

The core team may wish to draw on part time resources from a wider pool of expertise within the supplier organisation as required. For example, the Team Leader could be supported by a Project Director or technical adviser who could sit outside of the core team and provide strategic guidance. In their bid suppliers are encouraged to identify individuals that may be drawn upon to support the core team.

We expect the Team Leader to demonstrate expertise in leadership and team management, with a proven ability to coordinate a range of partners. We would expect to see a team leader with at least 10 years' experience. Past work with Government of Nepal is highly desirable. Familiarity with Nepal's climate change policy and institutional framework is desirable.

The bid should include individuals who demonstrate the following skills:

Essential:

1. Experience providing advice and technical assistance to Government bodies, either in Nepal or other relevant context. Experience working with the Government of Nepal is highly desirable.
2. Design and implementation of monitoring and evaluation systems of large complex development programmes.
3. Analysis and design of public financial management (PFM) systems. Knowledge of Nepal's PFM systems, especially with reference to local government.
4. Experience in the design of programme implementation modalities, governance and management structures, procurement systems, and operational guidelines.

Important:

5. Technical knowledge on climate vulnerability and climate change adaptation, ideally with reference to Nepal.
6. Knowledge of Nepal's climate change policy and institutional framework, and how this compares to international best practice.
7. High quality written and verbal presentation skills. Proven ability to manage and convene diverse groups of stakeholders.
8. Technical knowledge on gender and social inclusion, ideally with reference to Nepal.

DFID strongly encourages international suppliers to partner with Nepal based organisations.

Reporting and DFID Coordination

The central point of contact during implementation of the assignment will be Annika Olsson ([REDACTED] from September 2017) Senior Responsible Officer for the 'Climate Smart Development for Nepal' programme in DFID-Nepal. Financial reports and completed outputs should be submitted to [REDACTED], Programme Manager in DFID Nepal.

Payment milestones linked to delivery of outputs will be agreed with the successful supplier prior to award of contract. Suppliers are encouraged to suggest a payment schedule within their bid.

Timeframe

The assignment will commence in September 2017 and will be completed by the end of August 2018.

CB129 (February 2007)