

FAO [REDACTED]
Price WaterhouseCoopers

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Telephone: 01355 [REDACTED]
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File Ref:

Your Ref: PO 7243

Date: 8 March 2018

Contract Amendment No: 4

CONTRACT FOR: Good Governance Fund

CONTRACT NUMBER: PO 7243

With reference to the contractual letter dated 5th November 2015 (as most recently amended by the letter of 29 June 2017) whereby your firm Price Waterhouse Coopers was engaged to deliver the Terms of Reference for the Good Governance Fund, I confirm that the UK Government wishes to make the following amendments to the letter of 5th November 2015:

1. Section 4, Appendix A

Delete in total and **replace** with PO 7243 – Section 4 App A CA4

Section 4, Appendix A, Annex A Terms of reference

Delete in total and **replace** with Section 4 – Annex A – Terms of reference updated June 2017

Section 4 Appendix A, Annex B Schedule of Prices

Delete in total and **replace** with Section 4 – Appendix A – Annex B Schedule of prices December 2017

ADD

PROPOSAL COMMERCIAL – GGF Managed Fund Contract Extension Amendment No. 4 (10 Nov 2017)

PROPOSAL TECHNICAL – GGF Managed Fund Contract Extension Amendment No. 4 (10 Nov 2017)

DFID Supply Partner Code of Conduct

DFID Supplier Code Clarification memorandum 14.2.18

2. This amendment relates to an increase to the current financial limit, through the addition of funds for the final year of the contract, the inclusion of two additional countries to the Managed Fund, the addition of Key Performance Indicators, an update to the payment mechanism and the inclusion of the DFID Supply partner Code of Conduct.

3. Please confirm in writing by signing and returning one copy of this letter, within **15 working days** of the date of signature on behalf of DFID that you accept the amendments set out herein.

4. Please note the provision in the contractual letter that the financial limit of the UK Government's liability to the Supplier under this engagement shall not exceed the sum specified unless the amount of any such excess has been agreed by the Department for International Development in writing before the Supplier takes any action



which might result in the financial limit being exceeded.

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

Name:

Position:

Signature:

Date:

For and on behalf of

Price WaterhouseCoopers

Name:

Signature:

Date:

Enc

CALLDOWN CONTRACT

Framework Agreement with: Price Waterhouse Coopers

Framework Agreement for: Fragile and Conflict Affected States

Framework Agreement Purchase Order Number: PO 5651

Call-down Contract For: Good Governance Fund

Contract Purchase Order Number: PO 7243

I refer to the following:

1. The above mentioned Framework Agreement dated **1st April 2012**;
2. Your technical and commercial proposal of **4th August 2015** and the **subsequent clarifications of 18th September, 23rd September.**

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 started the Services on 28 September 2015 (“the Start Date”) and the Services shall be completed by 1st November 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 principal recipients of the services will be the governments of the participating states. Other recipients could include organisations such as business organisations, civil society representatives and non-state media to ensure that the voices of citizens are heard by government. (“the Recipient”).

3. Financial Limit

- 3.1 Payments under this Call-down Contract shall not exceed **£45,000,000** (“the Financial Limit”) and is exclusive of any government tax, if applicable as detailed in Annex B. **OR**

When Payments shall be made on a 'Milestone Payment Basis' the following Clause 28.1 shall be substituted for Clause 28.1 of the Framework Agreement.

- 3.2 This is a multi-year CSSF funded programme approved up to 1st November 2018 only.
- 3.3 Any additional funding will be subject to a new commercial proposal and evaluation prior to any increase to the financial limit of the contract

[REDACTED]	[REDACTED]	[REDACTED]

6. Reports

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

7. Liability

Clause 36.1 of the standard Terms and Conditions – Services Contracts is amended to read.

[REDACTED]

[REDACTED]

[REDACTED]

8. Call-down Contract Signature

8.1 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
 PriceWaterhouseCoopers

Name:
 Position:



Signature:

Date:

**GOOD GOVERNANCE FUND - MANAGED FUND:
TERMS OF REFERENCE
UPDATED JUNE 2017**

1. Introduction

1.1. A Service Provider (SP) will be contracted by the Department for International Development (DFID) to provide the services as set out below: a managed, flexible fund of up to £62million over the period to 01/11/2018 through which technical assistance will be provided to the Governments and selected partners in the following countries: Georgia, Moldova, Serbia, Bosnia and Herzegovina (BiH) and Ukraine. From 01/11/2017, two new countries will be added to the Good Governance Fund: Armenia and Macedonia. Technical assistance will support these countries to become more resilient to internal and external shocks, both economic and political. The Managed Fund (MF) will both complement and learn from the experience of a similar MF in Ukraine. From 1 July 2016, Ukraine will be included under the umbrella of the Good Governance Fund (GGF) MF with the termination of the separate Ukraine MF. There should be a seamless transition to the new arrangement with no delay in activities at country level. We expect the breakdown of funding to be approximately £16m to 31/03/2017, £12m for financial year (FY) 2017/18 and £13m in FY 2018/19 but there is flexibility with the agreement of the GGF Joint Unit (JU) for funds to be distributed.

2. Background

2.1 Since the early 1990s steps have been taken in all five target countries to develop stronger economies and democratic institutions to support poverty reduction and growth. There has been some success but many challenges remain which could undermine progress. UK support will help to assist particular reforms and in turn boost resilience to economic and political shocks. All seven countries are classed as lower and upper-middle income Countries¹ by the Organisation of Economic Co-operation and Development (OECD) and are eligible for Official Development Assistance (ODA).

2.2 The British Government (HMG) now has an opportunity through the DFID and Foreign & Commonwealth Office's (FCO) GGF to accelerate and sustain progress. By developing targeted UK activities and building partnerships with key actors in the region we will galvanise support for reforms which have strong political and local ownership.

3. Objective

3.1. The MF will be one of the principal delivery mechanisms of the GGF, which will draw down technical assistance in agreed priority areas, and provide direct technical assistance as appropriate. It is intended to operate as a responsive, flexible and timely "demand-driven" facility, responding to the needs of governments, and other national institutions as appropriate for technical assistance, in line with citizen demand and UK priorities for these countries. The expected impact of the GGF is that participating countries become more resilient to external and internal shocks, both economic and political. At outcome level this will entail:

- More informed and active populations that can hold their government to account;
- Demonstrable and perceived open, accountable and responsive governments; and
- Higher rates of investment and job creation to support inclusive growth.

The MF will provide technical assistance outputs which will support the impact and outcome of the GGF.

3.2. The aim of the MF is to facilitate reform to economic and governance institutions in participating countries, by improving access to technical assistance in a way that is responsive to the challenges faced by their governments. Technical assistance will be provided to support implementation of national reform programmes, or to produce deliverables that will: unblock barriers to reform; leverage political commitment or wider resource to support reforms. It will help to ensure that such reforms are well sequenced, contribute to host government's priorities, compliment other development efforts and make sure that they are based on the best possible advice and evidence, and take into account the impact on different social, economic and geographic groupings, including the most vulnerable groups. It will help governments to communicate with their own citizens in an open and transparent way which improves accountability. It will help move reforms forward more quickly and in a timely manner. A flexible fund will allow the UK to respond to governments' needs and priorities as they emerge and to support initiatives which respond to citizen's demands.

4. The Recipients

4.1. The principal recipients of the services will be the Governments of the participating states. Other recipients will include the types of organisations described in paragraph 5.4 below.

5. Scope of Work

5.1. The MF will provide flexible technical assistance in order to support the creation of open societies and open economies in the target countries, including through:

- a) Strengthening the rule of law and democratic accountability as well as reforming police and justice systems;
- b) Liberalisation and modernisation of key growth sectors such as energy and banking;
- c) Reform of tax systems, improvements to the business environment and the reduction of red tape to generate foreign investment and help private sector entrepreneurs to drive trade, investment and exports;
- d) Supporting public administration reform including civil service reform and improvements in public financial management and anti-corruption measures to help enhance use of public resources and improve transparency; and
- e) Strengthening independent media to ensure balanced and accurate news and public affairs reporting.

5.2. Technical assistance will be delivered by a pool of pre-qualified national and international experts provided by the SP, in response to requests from national

governments and specified partners, working closely with UK missions in country. Additional specialists or organisations, including non-government organisations, should be brought on board as necessary to meet the objectives of the MF and to help deliver UK priorities which are reflected in respective GGF country Theories of Change (ToCs) and Country Business Plans. Assistance will be focussed mainly at central government rather than sub-national, regional or local level and aligned with national reform strategies. At no stage should funds be disbursed directly to government officials or ministries in pursuit of the objectives of the GGF.

5.3. As part of the MF a new facility will be developed for the five GGF countries, and could later be expanded to cover additional countries, specifically for peer to peer support through the use of UK or other appropriate government and non-government expertise and technical assistance. This i-2-i facility is designed specifically to meet GGF objectives. All deployment activities will be managed by the SP and approved by the JU in consultation with Embassies. The SP will have no responsibility and accepts no liability (including without limitation to the GGF or to the UK partners and beneficiaries) for i) the selection of the specialists from the UK partners, including their suitability for any assignment, other than to the extent set out in these terms of reference (ToRs), or ii) the work done by those specialists in connection with their assignments.

5.4. The MF may also support work which will strengthen the relationship between citizens and the state around national reform programmes. This could include grants to organisations to advocate for reform, e.g. business organisations, civil society representatives, non-state media, and to ensure that the voice of citizens are heard by government. Where relevant to ToR objectives/ outcomes, support to such organisations can be embedded in technical assistance to government partners.

5.5. The MF will consider gender and inclusion, and encourage women's participation in relevant areas as a matter of priority and seek to reduce gender inequality where relevant. MF projects shall comply with the International Development Gender Act 2014, at project level the MF shall consider the impact on gender issues and mitigate against risks of negative effects and should refer to this in both project ToRs and reporting during implementation and at project completion. The JU will look to ensure that projects approved for funding seek to address governance issues affecting women and girls, e.g. women's access to justice, a level business playing field for women entrepreneurs including access to finance and assets, women's political representation, and women's voice and priorities fully reflected in the media.

5.6. The MF is expected to also support donor coordination activities to ensure that technical assistance is well coordinated and in line with priorities agreed by national governments and with donors. Prior to project approval, the MF should clearly demonstrate that proposed projects have been co-ordinated with other donors and also aim to address gaps in activities by partner organisations that would otherwise delay efforts around reform.

5.7. To ensure the MF maximises any window of opportunity that emerges over its duration, it will work with a range of stakeholders focussed in the public sectors, with particular reference to national ministries/ agencies and judicial institutions whose remit includes finance, economic development, trade and investment, energy, social policy, revenues and customs, democratic accountability, rule of law, justice and anticorruption institutions.

5.8 Given the need for flexibility and to take advantage of opportunities, the MF should proactively seek to partner with other donors and with established international non-governmental organisations (NGOs) who have unique and specialist knowledge and experience in priority technical areas. By working with a

wide range of stakeholders, the MF should ensure that open, accountable and inclusive reforms gain momentum and are sustainable over time. Partnerships of this nature will be particularly important in areas where a need has been identified, but where the MF does not have a natural comparative advantage or the requisite experience to deliver the highest possible impact.

5.9. Sustainability and value for money of interventions will be of paramount importance. This is why MF interventions will, as much as possible, seek to build on existing work by the partner governments, development partners and civil society, or feed into future work by one or more of these actors. The potential for and risks around sustainability should be clearly set out in all project ToRs.

5.10 The MF will work to ensure that all of its interventions are both technically sound and politically feasible. All MF ToRs will include a political economy assessment that identifies the political rationale, the incentives (and demand) for reform, maps potential drivers and blockers and adapt ways of working, including all relevant partners in the approach. This will support GGF decision-making around whether a project should proceed. For projects with a higher risk of achieving sustainable outcomes but where the potential for impact is deemed worthwhile, projects may be approved on a pilot basis and the MF will ensure that appropriate mechanisms are set up to monitor the project closely and report on progress.

5.11. DFID agreed to provide up to £20 million to establish the GGF in Financial Year 2015/16 for five countries (Ukraine, Georgia, Moldova, Serbia and BiH) on a demand-led basis through a variety of delivery channels i.e. a managed fund, a small grants facility (Strategic Support Fund) and direct support to international financial institutions. £180million funding for financial years 2016/17 to 2020/21 was confirmed in the Comprehensive Spending Review (CSR) which is being programmed through the three streams. Two further countries have been added to GGF since its establishment, Armenia and Macedonia. The MF should work in a complementary way with the other streams.

6. Methodology

6.1. The MF will primarily deliver assistance to beneficiaries through arranging the provision of national and international expert advice and support as appropriate. It will operate on a demand-driven principle, i.e. requiring that all MF applications include evidence of the commitment of the beneficiary.

6.2. The following paragraphs set out the arrangements in place for similar funds in other DFID programmes, notably the UK-Ukraine Technical Assistance programme. The SP is invited to consider how such arrangements may be adapted appropriately for operations in several countries, and to propose alternatives and variations as they think necessary.

Governance and Organisational Structure

6.3. It is proposed that the MF's organisational structure will comprise a small, centrally-managed Coordinating Unit (CU), supported by in-country Programme Management Units (PMUs). The SP will propose appropriate staffing for both the CU and PMUs. The GGF JU will provide strategic direction to the SP and project oversight. The SP may propose alternative structures, provided that these also offer good access to national and international expertise, effective and efficient coordination and common standards, and facilitate lesson-learning across all countries to be supported by the MF.

Coordinating Unit (CU)

6.4. The CU will maintain day-to-day oversight of country PMUs and set common standards, coordinate the portfolio overall, have responsibility for transparent, efficient, effective and economic financial and resource management across the portfolio, and ensure that opportunities to share experience and lesson-learning across all five countries are maximised. CU oversight will also include effective quality assurance and timely presentation of MF project ToRs and budgets to HMG for approval once received from PMUs (see section - “Programme Management Units” below).

6.5. The CU will maintain a database of high quality sector specialists who can be brought in as and when required. This will include details of international specialists who can work across country programmes, and national specialists identified by PMUs who bring in-depth knowledge and understanding of their country’s requirements, some of whom will also be able to operate in other countries. To support value-for-money objectives where international specialists (as opposed to national consultants) are brought into projects, their added value should be clearly demonstrated. The CU will bring in additional specialists and business or non-governmental organisations as needed to meet the objectives of the fund and in line with the British Embassy country ToCs and Country Business Plans, in order to address all the priorities in these ToRs. The CU will also consider whether the peer-to-peer support facility can provide appropriately qualified personnel to meet the demand.

6.6. The CU should share and update on a biannual basis, the list of MF coalition partners, so as to ensure that the GGF JU and Embassies are aware of the range of partners that can be deployed for particular assignments.

6.7. The CU will provide the appropriate level of oversight and quality assurance to PMUs in their activities to develop country pipelines (working closely with GGF Embassies), work plans and budgets, and will coordinate and collate reporting on progress in implementing them to the JU. Where possible, the CU will endeavour to build the capacity of PMUs to work independently to produce deliverables of a high quality and should consider how to boost this capacity remotely and through the use of technology to ensure value-for-money and with environmental sustainability objectives in mind.

6.8. The CU will be responsible for the coordination and delivery of various reports including:

- Monthly finance reports on spend to date and forecasts at project-level;
- Progress reports at agreed intervals focused on the day to day delivery of projects;
- Quarterly reports focused on what projects have achieved in terms of change towards strategic and ToC objectives. Reports should also include updates to the MF Risk matrix where appropriate;
- Individual and collated case studies which examine the impact of particular interventions, lessons learnt and demonstrate how MF funds contribute to longer-term outcomes (helping to test assumptions within the GGF ToC);
- Ensuring that the MF and PMUs work alongside and respond to reasonable requests from the independent Monitoring, Evaluation and Learning (MEL) provider (once contracted by the GGF JU) to ensure effective monitoring and evaluation of, and learning from MF projects;
- Regular thematic lesson learning events, in coordination with the GGF JU, to disseminate knowledge across GGF countries;
- A map of delivery chain partners on an ongoing basis; and

- An annual travel plan agreed with the GGF JU, to ensure value for money of CU travel.

Programme Management Units (PMUs)

6.9. The SP will work through PMUs to manage the provision of technical assistance through the MF to key government departments, ministries and agencies engaged in the management and delivery of reforms in the countries in which they are based. PMUs will work closely with UK Embassies in-country to help deliver UK country strategies, HMG ToCs and Embassy Country Business Plans in line with overall objectives of the GGF. PMUs will also have a role in eliciting proposals around clearly defined ToRs to encourage work from civil society organisations in support of transparency and accountability objectives and in support of advocacy around national reform programmes. In close consultation with GGF Embassies they will develop country-specific project pipelines reflecting UK priorities and country-level ToCs where technical assistance adds value or is complementary to other Donor efforts. PMUs will be small teams, agreed by the JU, who will be selected primarily on the basis of their programme delivery and relationship management skills. They will include professionals with in-depth knowledge and understanding of the political economy issues involved in economic and governance reform development in their countries, as well as programme and financial management experience and expertise.

6.10. PMUs will be responsible for managing the day-to-day project operations, including:

- Working proactively with HMG staff at the Embassy in identifying programmatic options, in line with country ToCs;
- Soliciting and reviewing proposals for assistance in accordance with agreed criteria and procedures (see section below);
- Developing project proposals/ToRs which:
 - Ensure the right mix of local and international expertise;
 - Are informed by political economy analysis;
 - Ensure that the approach includes consultation with relevant stakeholders;
- Incorporate, where relevant, a project completion event which disseminates information on project outputs/ outcomes.
- Preparing annual work plans, spend forecasts and budgets for submission to the CU, and reporting to the CU on progress in implementing them;
- Procuring and supervising the efficient delivery of MF activities to beneficiaries. This could include undertaking due diligence assessments of local beneficiaries and managing grant disbursement;
- Monitoring project progress (both in terms of implementation and progress towards achievement of outcomes), relevant contextual and political changes and escalating issues, ensuring that Embassies and the JU are informed early of any potential blockages to project outputs/ outcomes, so that risks can be managed/ mitigated or activities put on hold/stopped early as necessary;
- Working alongside and responding to reasonable requests from the independent Monitoring, Evaluation and Learning (MEL) provider (once contracted) to ensure effective monitoring and evaluation of, and learning from MF projects;
- Developing and maintaining constructive relationships with interlocutors including government officials, private sector operators, civil society organisations, donors, international NGOs and professional institutions involved in economic and governance reform; and

- Identifying and recruiting national sector specialists for inclusion in the CU database.

6.11. PMUs will also consult with national governments and other donors on their key priorities for technical assistance, so that activities are aligned with government needs and demonstrate ownership from relevant stakeholders and are not duplicating other donor initiatives. Evidence of such consultations should be clearly presented in project ToRs.

Role of the GGF Joint Unit/UK Embassies (HMG)

6.12. The GGF JU including programme managers and advisers, will oversee the MF as a whole. The CU will report to the GGF JU on the progress and delivery of the MF. UK Embassies will work directly with the PMUs to scrutinise and approve projects and oversee their delivery with the GGF JU.

6.13. The GGF JU and Embassies will be responsible for:

- Defining ToC strategies and policies which will guide the management of the MF;
- Ensuring that the ToC strategies and policies are aligned with HMG's policies and, where appropriate, with the National Security Council's strategies;
- Approving country work programmes and budgets;
- Monitoring the operation and performance of the CU and PMUs;
- Ensuring that the MEL provider develops a GGF MEL system that appropriately engages and captures learning and impact across the GGF (including MF projects); and
- Ensuring the integrity and effectiveness of fund internal controls and procedures
- Sharing information on the activities and plans of other donors, in particular where such information is not directly available to the PMUs.

Policies and Procedures

6.14. The CU will propose, in consultation with the JU and the PMUs, an appropriate framework to support scrutiny of, and guidance on, specific interventions where appropriate. The CU should take the following guiding principles into account in developing a proposed governance framework:

- Provision of a high level of assurance to the JU and Embassies that the MF is being managed in a manner that is likely to achieve a good development return on the effort and resources being committed;
- Effective assessment and escalation of political and/or reputational risks to HMG stemming from particular interventions or engagement with particular beneficiaries and/or implementing agents;
- Maintenance of MF independence and avoidance of capture by particular political, sectoral or other interests;
- Consistency with the MF operation as a demand-led response facility; and
- Avoidance of unnecessary bureaucracy, cost, and/or additional workload for the MF management team and others.

6.15. The CU will be required to review and expand as necessary, project policies and procedures in key areas and recommend changes for approval by the GGF JU throughout the course of the MF's operation.

Planning and Programming

6.16. The MF is intended to operate as a “demand-driven” facility, responding to the needs of governments and other national agencies for assistance. PMUs, under coordination by the CU, will prepare annual pipeline plans before the end of each financial year setting out the intended focus of effort and the expected level of support among types of activity, sectors and types of beneficiary.

Screening and Approval

6.17. The process for evaluating and approving ToRs (and where applicable, Concept Notes) for each MF project should be designed to strike a balance between speed of response; thorough evaluation which includes appropriate advance scoping and research for each proposed area of support to be fully informed on the feasibility of MF support; and ensuring transparency within reasonable cost constraints.

6.18. The PMUs will undertake an initial screening of all proposals to verify that the scope of the ToR is clearly defined, in line with the relevant country ToC; that the documentation presented is complete and the ToR is consistent with the threshold eligibility criteria for type of intervention, sector and beneficiary.

6.19. ToRs that meet the threshold criteria will be subject to a detailed evaluation according to the following criteria:

- a) *Consistency with the relevant ToC and country reform strategy:* All activities supported must demonstrate how they will contribute to identified national priorities for reform and higher-level outcomes including risks around achievement of these outcomes;
- b) *Clarity of purpose:* The delivery of high quality technical assistance requires carefully defined scoping of the intervention to ensure that both the beneficiary and SP will have a well-informed and common understanding of the issues to be addressed (including the political economy), the expected SMART results and outcomes and their alignment to national reform priorities, the project outputs to be delivered, and a clear understanding and articulation of the expected impact of the proposed intervention;
- c) *Commitment of the beneficiary:* The MF should only support interventions where there is clear evidence that the beneficiary actively solicits the proposal in writing and is committed to contributing to its success, as appropriate, by providing logistical support and all requisite information to the service provider, by agreeing to participate in consultative progress reviews, and to disseminate completed reports or documentation produced by the assignment. ToRs should also comment on what additional incentives and disincentives may exist if work is taken forward;
- d) *Coherent sequencing of support:* The PMUs will assess and determine that any proposal fits into a logical sequencing of technical assistance needs of the sector/beneficiary. The MF should generally only support downstream activities (e.g. institutional capacity building or facilitation transactions) for a sector or institution if there is a clear and coherent strategy and policy framework in place. The sequencing of MF support to project activities must also be clearly demonstrated and the rationale behind the proposed sequencing well thought out and in line with achieving value-for-money;
- e) *Quality assurance:* Proposals should contain verifiable indicators against which the intervention should be monitored. Larger and phased interventions

should generally include appropriate stakeholder consultative and quality review mechanisms at key review points to help determine whether projects should proceed into the next phase/inform future phases;

- f) *High quality project teams*: PMUs should ensure that they are able to demonstrate that proposed teams possess the skills and expertise necessary to deliver high-quality assistance;
- g) *PMUs should be working actively with UK Embassies in-country to understand HMG's priorities* in line with country ToCs and planning work areas and priorities accordingly. Concept notes followed by ToRs should be developed for all projects and approved by GGF project staff in-country as well as the GGF JU centrally. Formal approval is required before work begins on any MF project;
- h) *External Communication/ Publications*: PMUs must ensure that they obtain initial approval from the GGF leads within Embassies for any material to be published or disseminated and must receive initial approval for general content before commencing the work, and final sign-off before publication or dissemination takes place;
- i) *Eligible expenditures*: ToRs and corresponding budgets should be limited to covering the following:
 - o Costs associated with the delivery of the services (overall cost to be included in all ToRs);
 - o Costs associated with the preparation and supervision of the intervention including due diligence of technical specialists to assist the PMUs;
 - o Costs of the preparation and dissemination of documentation produced by the intervention in order to increase public awareness of key issues and potential solutions.
- j) PMUs will work with UK GGF staff in Embassies to identify desired outcomes and results and steps taken to reach those results. They will be supported by the CU who will use this information to develop the logframe for the programme. This will be monitored by the JU and is expected to evolve over time.

6.20. For grants (as opposed to ToRs), the PMUs will prepare formal evaluations of any grant application based on a standard evaluation format. These will be quality assured by the CU and made available to the JU and relevant Embassy staff.

6.21. If the SP reasonably believes that there are circumstances that pose a threat to the health, safety or security of its personnel (including subcontractors) which impact on its ability to exercise its obligations in respect of duty of care, then those circumstances will be treated as a Force Majeure event. The SP may withdraw its personnel from any affected locations and will discuss next steps with the GGF JU.

7. Risk Management

7.1 The CU is expected to maintain a full risk register, setting out its understanding of the most important anticipated risks across the MF portfolio with weightings of likelihood and impact, and setting out expected mitigations. This will be updated at least every quarter; revised risk registers will be submitted to the JU for review as part of regular project reporting.

7.2 The PMUs are expected to set out their understanding of the most important anticipated risks within ToRs at project level with weightings of likelihood and impact, and setting out expected mitigations. They should then monitor these during project implementation, escalate where appropriate, and report on verbally during monitoring/review meetings with HMG representatives and when contributing to centralised written reports.

7.3. Types of risks considered should include fiduciary, programmatic, reputational (including reputational risk to HMG) and political risk, as well as risks to achieving value-for-money, although this list is by no means exhaustive and other types of risk should be considered, as appropriate.

7.4. The SP will develop appropriate mechanisms to ensure that project-level risks are effectively aggregated to inform and help monitor portfolio level risks, and will clearly demonstrate how this mechanisms works to GGF representatives who reserve the right to request changes to how risk is managed, monitored, reported and escalated.

7.5. The SP and the GGF may identify some projects as higher risk but appropriate for pilot interventions. Monitoring of risk on these projects will be paramount and additional risk monitoring mechanisms may be determined. This may include closer monitoring by the MEL provider.

8. Monitoring, Evaluation and Reporting

8.1. The SP is responsible for effective monitoring of all MF projects and reporting to the agreed MF logframe in line with requirements and timelines set out by GGF representatives.

8.2. The PMUs will monitor the progress of the implementation of individual projects which it manages, including monitoring progress towards achieving results and targets for output and outcome indicators as agreed in project ToRs. The PMUs will attempt to resolve any issues encountered by beneficiaries and/or technical experts. Each project should have a final report which summarises progress against output and outcome indicators.

8.3. The PMUs will submit monthly and quarterly reports, including financial reports and spending forecasts for the remaining FY period, to the CU for collation and quality assurance. These will provide an update on the status of all ongoing MF projects, particularly highlighting any projects considered to be at risk of failing to deliver their expected outputs and outcomes, and any mitigating measures being taken to ensure projects remain on track. The CU will in turn submit a collated report and a summary narrative within two weeks of the submission of PMU reports, to the JU.

8.4. The PMUs, in consultation with the CU which will ensure consistent standards, will propose output and outcome indicators and project monitoring arrangements that enable effective reporting to the MF logframe and provide the JU and the independent MEL Provider (once contracted) with sufficient information to:

- Monitor ongoing projects and evaluate the completed projects undertaken by the PMUs;
- Set strategic parameters to guide the overall strategic direction of the MF;
- Set out key milestones to assist the PMUs, CU and the JU in evaluating progress and in steering the MF;

- Capture learning across the portfolio and demonstrate how MF projects contribute to longer-term outcomes and test core concepts and/or assumptions within the overall and country level GGF ToCs;
- Provide assurance that the scope and level of effort proposed for each MF project intervention are justified by the prospective impact, taking into account the overall MF logframe;
- Provide guidance in relation to other development programmes with significant technical assistance components, whether funded by the GGF or other donors; and
- Assess whether phased projects should continue and/or the design of future phases.

8.5. The MF should aim to capture relevant learning across the MF portfolio. In addition to logframe reporting, qualitative narrative should be provided demonstrating what the MF is learning around what works and why, in the different sectors and contexts it is operating in. The MEL provider will support this.

8.6. The MF will be included within Annual Reviews and evaluations of the GGF. Exact dates and relevant arrangements will be confirmed by the JU.

8.7. The independent MEL provider (once contracted) will be responsible for evaluating the overall GGF portfolio but the MF will be expected to support reasonable requests from the MEL provider to enable this to be done effectively.

9. Outputs and Deliverables

9.1. The SP will be required to submit an inception report, containing the following for the JU's approval within one month of the beginning of the contract. The JU will review the inception report and will either give approval to proceed to project implementation, or request amendments to be made before project implementation begins, within one month thereafter;

- a) A standard operational manual which will include details of:
 - Procurement procedures for the pool of pre-qualified technical sector experts/consultants;
 - Internal rules governing relationships amongst and between the four layers of the governance structure, highlighting any area where conflicts of interest may arise and how they may be addressed;
- b) A strategy and workplan for the initial six-month start-up period, with clear criteria for programme implementation and deliverables;
- c) Any proposed changes to the implementation methodology, project staffing (areas of expertise, deployment times, etc.) and organogram;
- d) An accompanying narrative to the workplan describing how project management activities will be conducted and a budget for fund management for the initial six-month start-up period;
- e) A fiduciary risk management strategy including risk management plan;
- f) A monitoring and evaluation framework.

9.2. Following JU approval of the inception report, the SP will be required to implement the project in line with its recommendations and international best practice. The SP will be monitored against the agreed MF Logframe

9.3. The SP will be required to submit a Project Completion Report at the end of the contract, i.e. not more than four weeks after the last technical assistance inputs have been completed.

Payment Structure

9.4. The SP will initially be reimbursed on a fees and expenses basis. However from October 2017, the JU intends to introduce an amendment in payment structure for both management fees and projects delivered under the MF. The JU will seek to amend project payments to be linked to outputs rather than number of consultancy days used.

9.5. The JU will also seek to amend payment of the management fee, linking this to 8-10 Key Performance Indicators (KPIs). It is envisaged that the management fee will therefore be paid as a percentage of the project spend for any month.

9.6. KPIs will be agreed between the JU and CU and will include (but will not be limited to) areas such as: accurate and timely delivery of reporting; accuracy of financial forecasting; timely conclusion and submission of final project reports; responsiveness of CU to JU requests; responsiveness of PMUs to GGF Embassies; timeliness of CU/PMU responses to HMG during development of project ToRs; and timely reporting and amendment of MF logframe. KPIs should be agreed between the CU and JU ahead of implementation in October 2017.

10. Timeframe

10.1. The MF is expected to become operational in September 2015. The SP will be contracted for a period of 3 years (including inception phase). The initial contract will be let for a period of up to 3 years in the first instance but will include a breakpoint after 8 months, i.e. at the end of Financial Year 15/16, and at the end of each subsequent financial year. Progression from one period to the next will be subject to satisfactory performance of the SP, the continuing requirement of the services and budget for the following period.

10.2. In the event that the decision is taken to terminate the project, the GGF JU will liaise with the SP to determine the time scale for, and the best means, of termination. A one-month inception phase is envisaged to establish and operationalise the MF. It is expected that the first six months of the MF's operation will constitute a start-up phase, during which time the PMUs will be determining strategic priorities in consultation with key stakeholders and developing their pipeline of technical assistance activities.

10.3. The contract may be further extended to a maximum of 12 months dependent on the success of the SP, the political environment, and availability of funding.

11. DFID Coordination

11.1. The SP will report directly to the GGF JU.

12. Duty of Care

12.1. The SP is responsible for the safety and wellbeing of their personnel 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. British Embassies in participating countries, in consultation with the GGF JU, will share available information with the SP on security status and developments in-country where appropriate.

12.2. The SP 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 website² and the SP must ensure they and their personnel are up to date with the latest position.

13. Travel

13.1. The SP will on occasion be required to visit GGF target countries to review progress and to attend meetings with both PMU's and beneficiaries. In order to ensure value for money such trips should be kept to a minimum, involve only those for whom there is a sensible justification for the visit and use the most cost effective airline and hotel accommodation. A travel plan should therefore be developed and agreed between the CU and JU. Any further travel above and beyond this must be agreed in advance with the JU and should only be undertaken once the option of video-conferencing has been considered and ruled out. Where possible, the SP should use technology to provide remote capacity building support, monitoring and mentoring, rather than travel, in line with DFID's policy to reduce the impact of programming on climate change.

14. Open Access

14.1. All projects will be required to comply with DFID's Enhanced and Open Access Policy. At the full application stage, applicants will be required to submit an Access and Data plan. Where appropriate the costs of complying with DFID's Open Access Policy should be clearly identified within the SP's commercial proposal.

15. Branding

15.1. The public has an expectation and right to know what is funded with public money. It is expected that all outputs will acknowledge GGF support in a way that is clear, explicit and which fully complies with the GGF JU's Branding Guidance. This will include ensuring that all publications acknowledge GGF support. If press releases on work which arises wholly or mainly from the project are planned, this should be in collaboration with DFID's Communications Department. Country-facing and UK-facing branding guidelines will be provided by the GGF JU.

16. Break Clause

16.1. The contract must have adequate provision for variation to adapt to changes that occur during the life of the MF. Following GGF reviews, the JU and DFID shall

² <https://www.gov.uk/foreign-travel-advice>

reserve the right to request changes to the contract, including the services, the ToRs, changes in circumstances, policies or objectives relating to or affecting the MF.

16.2. DFID, in consultation with the GGF, reserves the right to scale the MF up or down over its lifetime to include potential changes to programme scope, geographical and country reach and contract value. The GGF may call on this contract for scoping work on other countries in the region in line with the overall objectives of the GGF.

16.3. The key review points for the MF will be at the end of the inception phase (1 month after contract start) and at the end of Financial Year 15/16, i.e. end of March 2016. There will be break points at 31 October 2016 and at the end of the Financial Years 16/17 and 17/18. Clause 16.1 applies for the duration of the contract, with three months' notice to the SP should a significant change be required.

16.4. At each point DFID in consultation with the GGF reserves the right to terminate the contract in the event of unsatisfactory performance and delivery of outputs. DFID, in consultation with the GGF, further reserves the right to terminate the contract in the event of substantial changes within the operating environment of the programme.

16.5. The SP will be required to prepare and submit a detailed technical and commercial bid for all specified components.