



# Foreign, Commonwealth & Development Office

## CALL DOWN CONTRACT

**Framework Agreement with:** Ecorys UK Limited

**Framework Agreement for:** Global Development Delivery Framework (GDD)

Lot 11 – Economic Development and Trade

**Framework Agreement ECM Number:** ecm\_5891

**Call Down Contract For:** Financial Technical Assistance and Evaluation for SAMARTHA

**Contract ECM Number:** ecm\_7203

I refer to the following:

1. The above-mentioned Framework Agreement dated 18 December 2023;
2. Your proposal of 13 January 2025

and I confirm that FCDO requires you to provide the Services (Annex A, Terms of Reference), 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 27 January 2025 (“the Start Date”) and the Services shall be completed by 27 January 2030 (“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 FCDO requires the Supplier to provide the Services to the British Embassy Kathmandu on behalf of Foreign, Commonwealth & Development Office (the “Recipient”).

### 3. Financial Limit

- 3.1 Payments under this Call Down Contract shall not, exceed £4,996,293 (“the Financial Limit”) and is inclusive of any government tax, if applicable as detailed in Annex B.

### 4. FCDO Officials

January 2025



# Foreign, Commonwealth & Development Office

4.1 The Project Officer is:

██████████ – British Embassy Kathandu, Nepal

4.2 The Contract Officer is:

██████████ – British Embassy Kathmandu, Nepal

## 5. Key Personnel

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

Name	Title
██████████	Team Leader
██████████	Fiduciary Risk Lead
██████████	Grants and Administration Lead
██████████	Technical Director

## 6. Reports

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

## 7. Call Down Contract Signature

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

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

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

Name:  
Position

Signature:  
Date: as per Jaggaer

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

Name:  
Position:

Ecorys UK Ltd

Signature:  
Date: as per Jaggaer

January 2025

## Enhancing Gender Outcomes through Social Services Systems Strengthening (Samartha)

### Terms of Reference for 'Financial Technical Assistance and Evaluation for SAMARTHA'

#### Background

The United Kingdom's Foreign Commonwealth and Development Office (FCDO) leads the UK's work to pursue its national interests and project the UK as a force for good in the world. The FCDO promotes the interests of British citizens, safeguards the UK's security, defends our values, reduces poverty and tackles global challenges with our international partners, in order to end extreme poverty, address climate change and to build a safer, healthier, more prosperous world for all of us. In Nepal, our vision is to develop a broad and deep partnership that delivers both Nepal's and UK priorities and supports ambitious goals in global health, girls' education and women's empowerment.

Adapting to the evolving realities of federalism in Nepal originating from the 2015 Constitution, **Samartha** ("Empowered"): Enhancing Gender & Human Development Outcomes through Systems Strengthening is a programme that aims to improve systems and capacity of provincial and local governments (LGs) to deliver their new constitutional mandates. Samartha has a specific focus on expanding access to quality social services, especially for women, girls and excluded groups (such as Dalits and other minorities). This will be complemented by federal-level support to ensure national sectoral policies and resources allocations are responsive to local needs and promote resilient social systems which improve health, education and gender outcomes.

Samartha will operate in a highly volatile political context, within complex politico-administrative dynamics linked to recent federalism reforms, and in a country that is extremely vulnerable to natural, climate and public health and global economic shocks.

Samartha's Business Case foresees four distinct components for delivery:

1. A Technical Assistance (TA) component, focusing on LG capacities, capabilities and systems.
2. A Financial Aid (FA) component, delivered through an MoU with the GoN and with the aim to leverage key reforms in social sectors.
3. A flexible Breakthrough Initiatives and Innovation (BTII) Fund that will be used to test innovative policy options and interventions, facilitate policy dialogues between stakeholders who have an interest in positive change on governance of social sectors, and identify promising and opportunistic initiatives in other relevant cross-cutting areas (inclusion, multisectoral determinants of social impact, climate, innovative financing models).
4. An Independent Oversight component (**this contract**) that will provide a quality assurance role for evidence generation, fiduciary oversight on financial aid, ensure coherence between technical assistance and financial aid and provide fund management functions for the BTII Fund.

#### Objectives

The main purpose of Financial Technical Assistance and Evaluation for SAMARTHA is to assess the quality of financial aid (in terms of both timely and appropriate use) in the entire project cycle to track and enhance the performance of the programme. It will support FCDO in the monitoring and management of fiduciary risk, particularly to ensure that FCDO's

financial aid to the health and education sectors (and other social sectors, as applicable) is spent accountably, transparently, delivers good value for money, and promotes procedural integrity of GoN's financial management and procurement practice so that there is sufficient confidence to continue its support.

The independent oversight component will also provide assurances on the coherence of the whole Samarthha programme (all four components), including in terms of its approach to evidence generation and learning (by working with FCDO's evidence partners) and supporting punctual independent programme reviews, with the ultimate goal of ensuring programmatic and technical coherence between the various components.

Finally, the Supplier will provide fund management services for the BTII fund, a flexible strategic fund that is expected to be capped at £3.5 million, and which will support innovative or opportunistic interventions aligned with Samarthha's overall objectives and Nepal's political economy.

The assignment is critical to FCDO to provide stronger accountability in its financial aid. The FCDO Samarthha team will share outcomes of the assignment with GoN (through relevant programme steering and technical committees). FCDO will also use the outcomes to make strategic decisions and adaptations in the Samarthha programme.

## Scope of work

As part of the objectives specified above, the following components are proposed.

**Component 1: Fiduciary Risk Management** within the public procurement and financial management (PPFM) framework of social sectors in Nepal, with a focus on UK's FA assurances. The supplier will provide regular, independent oversight on key Ministry of Health and Population (MoHP) and Ministry of Education, Science and Technology (MoEST) financial management and reporting documentation (including but not limited to quarterly financial monitoring reports – FMRs) to ensure accuracy, credibility, high-quality analysis and advice on fiduciary and corruption risks against agreed and established national and international standards and benchmarks. This will include, but not be limited to:

- Providing an assurance function by developing and/or reviewing criteria against which all FA payments to the government of Nepal will be disbursed;
- Reviewing the Office of the Audit General (OAG) annual audit and provide recommendations to BEK (e.g., on funds retained / deducted in event of the identification of ineligible expenditures);
- Providing independent quality assurance and review function of high value or high-risk procurements in MoHP/MoEST against agreed and established benchmarks (e.g. Public Procurement Act and Regulations);
- Ensuring the independent review of progress and advice on agreed Financial Fiduciary Risk Management Assessments' recommendations on behalf of BEK;
- Learning, dissemination and dialogue support on PPFM issues, including to support the broader joined development agenda of development partners.

## Component 2: Programme Coherence

- Enhance programme coherence under Samarthha by acting as organisers and facilitators of lessons learning meetings, joint dissemination events, and playing a brokering role within the BEK's broader portfolio coherence initiative (Partnership

Roundtables – see Annex 1) including coordinating Samarth's content curation for BEK's Partnership Roundtables.

### **Component 3: Fund Management for the BTII Fund**

- Provide fund management services, including:
  - advisory review of specific interventions or project “mini-ToRs”;
  - compliance assurance activities to facilitate FCDO's issuing of proactive requests for proposals
  - compliance assurance activities to facilitate FCDO's reactive review of unsolicited proposals
  - compliance assurance activities to facilitate FCDO's procurement of specialised suppliers for said projects (via grant or MOU);
  - operational and financial monitoring of suppliers' project implementation (including monitoring of risk management and safeguarding).

FCDO will retain technical leadership and technical delivery oversight of all the projects and interventions implemented through the BTII Fund.

### **Component 4: independent Programme Review**

- Lead an independent mid-term review (MTR) of the Samarth programme, most likely in Q3 of 2027 to appraise the relevance and effectiveness of the delivery approach against the ambitions and anticipated outcomes of the programme, and advise on methodological changes or overall viability of the programme
- Lead an independent end review to inform and complement FCDO's Programme Closure Review (PCR) of Samarth.

### **Requirements**

The requirements enlisted below are not exhaustive and FCDO welcomes proposals to further strengthen the monitoring and management of fiduciary risk, within the indicative budget allocation. This should be clearly outlined in Supplier(s) bids. The requirements for these components will be further developed, refined and agreed with all stakeholders like MoHP and MoEST during the inception phase. The inception period shall last three months.

**Component 1:** Regular, independent oversight on key financial management and reporting documentation to ensure accuracy and credibility and high-quality analysis and advice on fiduciary and corruption risks. This includes, but is not limited to:

- quarterly reviews of Financial Management Report (FMRs) of government counterparts
- analysis and classification of recurring audit observations
- spot checks (e.g. TABUCS financial data quality checks, matching physical and financial progress, third party monitoring) of key FM documentation and processes in Samarth.
- conduct of Fiduciary Risk Assessment (FRAs) / Annual Statement of Progress (ASPs) for health and education sectors (including the effectiveness of safeguard), including by identifying synergies for making use other donors' FRAs;
- continuous high-level appraisal of the implications of fiduciary risk in health and education sectors (and potentially other social sectors such as WASH, nutrition) in response to federalism and the progress related to work on financial management systems at the sub-national level.

- Assessment of and reporting on progress on a quarterly basis of relevant PPFM improvement plans and specific assignments.
- Independent analysis and advice in such areas as budget preparation and analysis at sectoral level (credibility, implementation, and execution), payroll reform, staff capacity.
- Regular complementary review of progress against Disbursement Linked Indicator / Results targets within the two sector-wide approaches (SWAp), compounding independent sectoral exercises carried out under the health and education Joint Financing Arrangements (JFAs).
- procurement audits of key (material) procurements to ensure compliance with agreed laws/regulations.

### *Component 2 – Programme Coherence*

- Regularly perform an integrated review TA and FA reports to identify synergies, programme-level learning and recommendations that cut across projects, presenting findings on a quarterly basis;
- Identify and promote joint disseminations events at least on an annual basis based on programme-level findings;
- Play a “connector” role between Samarth partners and the BEK’s portfolio level coherence framework, including by curating content and harmonising participation in BEK’s quarterly Partnerships Roundtables (see Annex 1).

### *Component 3 – BTII Fund Management*

- Pre-assess unsolicited proposals for viability against a set of criteria. The criteria will include consistency with the Samarth Business Case’s objectives for the BTII Fund;
  - to test innovative policy options and interventions;
  - to facilitate policy dialogues between stakeholders who have an interest in positive change on governance of social sectors;
  - to identify promising and opportunistic initiatives in other relevant cross-cutting areas (inclusion, multisectoral determinants of social impact, climate, innovative financing models);
- and further criteria to be agreed with FCDO during inception phase (likely rotating around innovative potential, size and duration of the proposed interventions, and political opportunities for success).
- Carry out due diligence assessments and organisational capacity assessments of potential implementing partners for pre-selected interventions for validation by FCDO
- Manage contractual instruments / agreements with proposed implementing partners on behalf of FCDO in alignment with FCDO compliance and reporting standards.

The Supplier will only provide fund management (administrative) oversight, and the technical and strategic oversight will rest with BEK on behalf of the FCDO. This means that the role of the Supplier will be focusing on providing key compliance assurances to FCDO when it comes to assessing potential BTII implementing partners, such as assurances on internal processes and procedures, on financial reporting, on risk management, on asset management etc. The supplier may be asked to provide insights on the viability of a specific intervention in the case of unsolicited proposals, but the technical decision-making process will stay firmly within FCDO Samarth’s team.

As a way of illustrative example, FCDO may agree for the BTII to provide a grant (e.g., £350,000 for a period of 1 year) to a specialised NGO, either following the receipt of an

unsolicited proposal or because FCDO selected this organisation as the go-to implementing partner for a specific intervention that became viable in the given context. The Supplier would, on behalf FCDO, undertake all due diligence assessments in line with FCDO requirements, assuring timely quarterly progress reporting, ensure risk and asset management, quality-assure quarterly financial reports and subsequently recommend and manage disbursements after approval by FCDO.

#### *Component 4 – MTR and End Review*

- Carry out an independent mid-term review of Samarth's programme (estimated in Q3 2024, but with actual timelines to be defined in agreement with BEK)
- Carry out an independent end-programme review of Samarth by the end the contract period (November 2029).

The scope and format of these reviews will be defined in agreement with BEK by the end of the inception period.

The Supplier(s) will be expected to support the work of external auditors as necessary and appropriate.

#### **Approach**

It is important that Supplier(s) are cognisant of the sensitivities of the assignment and relevant government counterparts and respond flexibly and responsively how this programme is implemented and evolves. FCDO will work closely with the Supplier(s), in coordination with the MoH/MoEST and other ministries, to agree and finalise the Workplan during the inception phase.

The Supplier(s) shall liaise with GoN/MoH/MoEST to carry out the requirements outlined above, promoting respect, mutual accountability and key development partnership's principles, especially aid effectiveness principles and Government ownership.

The Supplier(s) are expected to be familiar with GoN rules, regulations and procedures that are related to the scope and technical requirements outlined above.

For all components of this contract, FCDO does not foresee 100% FTE roles and invites proposals that are based on a rationalised application of financial management oversight at key risk and assurance points during programme implementation, as well as punctual review points and support. FCDO also welcomes proposals that fulfil the requirements in innovative ways that promote VfM on personnel costs (e.g. dedicated individuals for multiple tasks, shared tasks, etc.)

For all contract components (but especially for components 2, 3 and 4), the supplier shall propose potential approaches for FCDO to consider and eventually refine both during the tender process and during inception, expanding from the requirements defined above. Criteria for the BTII Fund will be further developed and refined in collaboration with FCDO during the inception period.

#### **Governance and Reporting**

Overall coordination of the programme within FCDO will rest with the SRO for the programme, who is also the technical lead Adviser. Supplier(s) coordinate with the PRO for overall management, driving and overseeing delivery of projects to ensure outputs are achieved, and

with Programme Manager on issues related to financial management, asset management and due diligences.

The Supplier(s) will proactively engage and coordinate with all stakeholders including the GoN, involved in similar areas of intervention and will report on this to the Steering Committee.

The programme will be subject to FCDO's Annual Reviews and a Project Completion Report. The Supplier will be expected to cooperate and provide input into both. The Supplier will also be expected to input into briefings for UK Government senior officials and ministers as well as answers to parliamentary questions that relate to the Health Sector in Nepal.

The key formal reports will be as follows although these may be amended by mutual agreement between FCDO and the Supplier (s):

- monthly Progress Update Meeting with the FCDO Samarthya programme team to review progress against planned implementation, outputs and a review of risks (with slide deck of **maximum** 10 slides);
- quarterly Progress Reports in a succinct format that links directly to the requirements under the Scope of Work. This will include:
  - a summary "intelligence report" on a) key high-level trends in PFM and b) opportunities for enhancing programme and portfolio coherence (max 10 pages, Arial pt 11 – exact format to be agreed with FCDO). This will include the following annexes:
    - Relevant quarterly FMRs for the health and education sectors.
    - Summary of findings and spot-check exercises (format to be determined)
    - Summary of DLIs verification exercises (max 4-page brief, Arial pt 11): this is likely to happen on a 6-monthly basis for most DLIs subscribed to by FCDO;
    - Submission of any draft due diligence reports and quality-assured technical reports from implementing partners funded through the BTII (as relevant), for FCDO review.
    - Financial report detailing expenses and fees (including quarter and cumulative variance analysis). This shall include spend for any BTII-funded agreement.
    - Updated Risk Register
- annual work plans and budgets to be delivered three months before the start of the next annual programme cycle to allow adequate time for consultation with and feedback from FCDO and key stakeholders; and
- annual reporting pack on progress over the past year, achievements and lessons learned from feedback mechanisms. This should link directly to the requirements under the Scope of Work. This shall include:
  - annual report (max 20 pages, Arial pt. 11) describing progress against the requirements highlighted under the Scope of Work.
  - Annual FRA or ASP (in alternative years)
    - Proceedings reports on joint dissemination events organised during the year.

The annual reporting pack shall also include all quarterly reporting outputs described above.

## **Required Technical Competence and Experience of Supplier**



The prospective supplier shall have proven experience and demonstrated success in the following areas:

- Oversight and quality assurance of UK's financial aid, as well as broader PFM support (including in supporting financial management systems for the GoN). This shall include experience working with key government interlocutors in the sectoral ministries and statutory commissions, including but not limited to Ministry of Finance, Financial Comptroller General's Office (FCGO) and Office of the Auditor General (OAG), and their provincial agencies at the subnational level.
- Experience conducting fiduciary risk assessments (FRAs) and Annual Statement of Progress (ASP), designing improvement plans, providing oversight function in PFM aspects of programmes in line with FCDO's requirements, and overall demonstration to deliver sound fiduciary risk management advice and support to FCDO.
- Experience in carrying out independent programme reviews, evaluations and appraisals, ideally with FCDO and including the ability to analyse complex data and develop innovative mechanisms of disseminating results.
- Experience in fund and grants management on behalf of the FCDO.

Based on their experience, the Supplier will need to demonstrate excellent understanding of the following thematic areas and how they specifically matter for Nepal:

- **PFM and Public Sector accountability:** Policy development, integrated planning and institutional capacity building of government sector ministries/departments and other GoN stakeholders on PFM and accountability reforms. In-depth knowledge of PFM and administrative reform issues in Nepal, especially social sectors. Demonstrated knowledge and understanding of the roles and functions of accountability institutions (such as Supreme Audit Institutions, parliamentary scrutiny committees) and the role of the media and civil society relationships between these actors. Understanding and technical expertise in accounting, reporting, budgeting, audit (external/internal), financial management information systems; sectorial expertise as it relates to PFM and fiduciary risk assessment. Strong understanding and knowledge about the Public Expenditure & Financial Accountability (PEFA) pillars and have relationship with the PEFA secretariat to promote financial management and fiscal discipline.
- **Fiscal federalism:** The relations between different levels of government, and the political drivers of change. The process of devolving budgetary planning and execution from a centralised function to subnational governments, including specific dynamics in social sectors. Understanding the technical and political aspects of redefining fiscal relations between different tiers of government. This includes understanding the system strengthening benefits and analysis of the balance of risk and reward with regards to associated fiduciary risks.
- **Corruption and fraud:** Analysis of fraud and corruption risks; drivers and effects of corruption (including sectoral specific dynamics); development of short-term safeguards and medium-term mitigation measures; fraud audit; assurance frameworks; follow-the-money methodologies. Demonstrated knowledge and understanding about the anti-corruption measures, tools, and structures in the country context, especially knowledge about Commission for the Investigation of Abuse of Authority (CIAA) and other anti-corruption bodies.
- **Applied political economy analysis and adaptive management:** Awareness of the risks related to political transitions, the viability of making a difference, and identifying opportunities to nudge change. Ability to research and analyse (detailed and/or rapid 'everyday political analysis') political economy concerns, including of formal and informal structures/institutions and adapt approaches and intervention implementation strategies in line with findings; focus on underlying interests, incentives, and institutions; application of PEA insights to shape politically feasible reform strategies, with a specific reference to intergovernmental fiscal arrangements in Nepal.

- **Governance:** Institutional analysis of government organisations/departments, design and implementation of capacity building programmes and strengthening institutional policies and systems, with a focus on social sectors' governance. Understanding of the roles of citizens and social movements, and institutional arrangements for their engagement and inclusion (e.g., committees, citizen's assemblies) to drive reform and generate and achieve ambition in long-term policy areas.
- **Social Sectors:** Understanding of the constitutional rights enshrined in Nepal's Constitution with respect to basic social services. Understanding of key bottlenecks, challenges and opportunities in translating ambitious of the federal Constitution into improved access to and quality of social services. Understanding of the diverse stakeholders engaged in social sectors, including key Government stakeholders, development partners and major initiatives, and other relevant stakeholders and how the influence the social agenda (private sector, associations, academia, civil society).
- **Gender Equality & Social Inclusion (GESI):** understanding of barriers, opportunities and tools to mainstream GESI dimensions in the delivery of social services, including through fiscal tools and incentives (e.g., budget marking, data segregation, etc.)

### Supplier Programme Team

This shall include assurances of required in-house skills, knowledge and qualifications that support the presented experience and knowledge areas as outlined above. The Supplier will be expected to provide appropriately skilled personnel and systems to ensure appropriate strategies and effective day to day management of the programme. The Supplier may make specific recommendations to the FCDO on how best to deliver these ToRs.

The Supplier shall put together a team with a range of excellent skills, appropriate experience, and deep technical expertise as outlined above. The team shall have extensive experience in working in Nepal and with Government, including local and provincial governments, and in sustainably building capacities, providing collaborative solutions, and promoting good governance.

By default, delivery shall be ensured by local experts. Quality assurance support from international consultants can be considered if there is a strong case for it. Delivery of inputs provided remotely (such as Team Director, QA and administrative costs) is discouraged unless it is linked to the specific delivery of outputs.

The team shall have excellent programme delivery and management expertise and proven experience with adaptive programming, ensuring that they can be flexible, agile, and able to adapt to changing circumstances in Nepal. The team should be balanced to ensure GESI Policy requirements.

### Payment and Performance

Payment will be hybrid in nature, with fees linked to milestones and expenses based on actuals. The Supplier is required to develop an effective approach to milestone payments i.e. through the effective design and selection of outputs in Inception phase and beyond.

The proposed approach relates to the frequency of the delivery of the outputs and thus payment against deliverables will be outlined in the proposal and in detail in the inception report for the first two years and indicatively for the latter years. Agreement on yearly deliverables will be made at the inception phase and then annually thereafter, within three months of the end of the programme year. Supplier(s) should note that where and when feasible Samarth TA expenditure will be concentrated in the first three quarters of the UK financial year.

For the BTII fund management component (component 3), the Supplier should propose an efficient and Value for Money payment mechanism for the fund management services. For example, this could be a fixed percentage fee proportional to the value of a given specific grant / contract / MoU managed under the fund, or it could be a flat annual fee model, with an element of tiering to reflect periods of low or high activity.

All expenditure will be against pre-agreed fee rates and project costs. All fee rates, costs and expenses should be clearly set out in the proposal in line with GDD price caps, FCDO Cost Eligibility Guidance and FCDO's Transparency and Accountability agenda and must be justified in terms of value for money. Expenditure will be monitored, reported, and accounted for on an annual basis, as part of the Annual Review cycle.

Payment will be made quarterly in arrears within 30 days of receipt of an undisputed valid invoice as per the GDD framework terms and conditions Clause 22.1 (Payments & Invoicing Instructions) and following verification of any milestones/deliverables. The Supplier will be responsible for monitoring and forecasting all spending and be fully accountable to FCDO for all expenditures.

All (one hundred percent) of approved expenses (all costs except staff pay) will be reimbursed on an actual expenditure basis. Ninety percent of fees (staff pay) will be linked to achievement of milestones, paid quarterly. Illustrative programme milestones / deliverables are specified in the table below. BEK/FCDO will agree final milestone / deliverables with the Supplier before the end of the inception period.

Ten percent of total fee payments to the Supplier shall be linked to Key Performance Indicators (KPIs). The Supplier will be assessed against the KPIs every quarter as part of contract management. The purpose will be to manage the Supplier's performance throughout the life of this contract. The KPIs, scoring and related payment methodology are outlined below.

FCDO will institute a regular, structured contract performance management system to monitor contract progress linked to delivery of results and client relations and when possible, link this with FCDO's annual review process. Partners will be expected to comply with this process.

The Supplier(s) will also need to liaise with other programme stakeholders, including MoHP and MoEST counterparts. The Supplier(s) will need to interface with the other Supplier(s) of FCDO PFM programmes to ensure synergies, avoid duplication and share lessons. Modalities and expectations will be clarified during the inception phase. It is not expected that this will result in additional scope or requirement.

#### *Proposed Inception Deliverables*

<b>Deliverables due on the last calendar day of month 3 of the Inception period</b>	
Deliverable 1	<p><u>Core Team mobilised and programme management structures set up.</u>  Office(s) set up and organogram and delivery chain map finalised;  agreements with consortium partners (where applicable) finalised;  agreement on roles and responsibilities and ways of working. Reporting processes and formats agreed with FCDO. Documents to be submitted:</p> <ul style="list-style-type: none"> <li>• <b><u>Refined Organogram.</u></b></li> <li>• <b><u>Refined Delivery Chain Mapping.</u></b></li> <li>• <b><u>Procurement plan</u></b></li> <li>• <b><u>Governance Structures for contract.</u></b> Agreement on ways of working with GoN and other Samarthia implementing partners.</li> <li>• <b><u>Finalised reporting formats and deadlines.</u></b> Confirmed format, content and deadlines for all standard reporting during implementation, including</li> </ul>

	quarterly and annual progress reports, as well as quality standard for any written submissions.
Deliverable 2	<p><u>Core Inception Phase documents finalised::</u></p> <ul style="list-style-type: none"> <li>• <b><u>Refined Inception Phase Workplan.</u></b> A refined and finalised workplan will require to be agreed by FCDO.</li> <li>• <b><u>Draft Risk Register</u></b> to monitor and mitigate programme risk.</li> <li>• <b><u>Draft BTII Grants Management Approach</u></b></li> <li>• <b><u>Draft Exit Plan</u></b> as per the Terms and Conditions.</li> <li>• <b><u>First Quarterly Narrative Report (as per Reporting Requirements)</u></b></li> <li>• <b><u>First Quarterly Financial Report and related invoices</u></b></li> </ul>
<b>Deliverables due on the last calendar day of month 5 of the Inception Phase</b>	
Deliverable 3	<ul style="list-style-type: none"> <li>• <b><u>Draft Inception Report.</u></b> To include all finalised Deliverable 1 and 2 documents, as well as: <ul style="list-style-type: none"> <li>○ <b><u>Narrative Report of Inception Phase activities</u></b>, outputs and outcomes, including final programme design, as per agreed format.</li> <li>○ <b><u>Implementation Phase Workplan</u></b>, including a detailed workplan for the remainder of Year 1 (including final Y1 deliverables) and a high level workplan for the full implementation phase, broken down year-by-year (including planned deliverables). This will be informed by discussions with and agreed by FCDO.</li> <li>○ <b><u>Risk Register</u></b> approved by FCDO.</li> </ul> </li> </ul>
<b>Deliverables due on the last calendar day of month 6 of the Inception Phase</b>	
Deliverable 4	<ul style="list-style-type: none"> <li>• <b><u>Final Inception Report</u></b> agreed and approved by FCDO, including all documents and plans listed above in their final version.</li> <li>• <b><u>Second Quarterly Narrative Report (as per Reporting Requirements)</u></b></li> <li>• <b><u>Quarterly Financial Report and related invoices</u></b>, including cumulative financial report for the inception phase, detailed forecast for the remainder of the programme's year and the remainder UK's fiscal year, as well as indicative forecast for subsequent years (by both FCDO financial year and programme year).</li> </ul>

#### *Illustrative Implementation Deliverables*

<b>Frequency</b>	<b>Deliverable</b>
Quarterly	FMRs
	Quarterly Progress Reports (with annexes) + Financial Report (including financial reports of BTII Fund's implementing partners) and invoices
	Coherence-enhancing events (dialogues on PFM; dissemination and joint learning events)
Annual	FRA or ASP report
	Annual Progress Report (including annual workplan and financial reports)
	Annual Review self-assessment report
Ad-hoc	Independent Mid-Term Review
	Independent End-Of-Programme Review

#### **Key Performance Indicators**

Each contract management KPI will be assessed on a scoring scale of 0-5. The score will then be multiplied by 100 and multiplied by the weighting % for that KPI. The maximum score would be 500. KPI payments will be based on the total score in accordance with the KPI payment structure as set out below. FCDO will assess the contract management KPIs every quarter and the Supplier is required to submit evidence of delivery against the KPIs. FCDO will

respond with feedback within five working days. The Supplier will have five additional working days to respond to any feedback.

Contract management KPIs are illustrated below and may be reviewed, refined and finalised by FCDO during the first quarter (and if FCDO considers a review necessary at any point in the contract duration to ensure that the KPIs and methodology are fit for the contract). Contract management KPI invoice adjustment will be required if the total KPI scores are less than 400 and the Supplier will be required to send the revised invoice to FCDO for payment. The KPIs and scoring methodology are described below.

*Proposed contract management KPI*

Description	Rating
Proactive and innovative, delivering with superior efficiency and effectiveness above Contractual expectations.	5
Delivery criteria being efficiently and effectively met in line with Contractual and customer expectations.	4
Most delivery criteria are being met efficiently and effectively. Some areas for improvement.	3
Some delivery criteria being met however some performance concerns and improvements needed	2
Few delivery criteria being met, and significant performance concerns and improvements needed.	1
Serious delivery failure and under performance. Immediate and major changes needed.	0

The scores awarded for each KPI will be multiplied by their respective weighting and added together to arrive at a total score. In line with the maximum total score of 500, the proposed payment KPI % structure shall be as follows:

Total Score	% KPI Payment
400 and above	100% of the 10% retained fees
300 to 399	80% of the 10% retained fees
200 to 299	60% of the 10% retained fees
100 to 199	20% of the 10% retained fees
99 and below	0% of the 10% retained fees

ID	CM KPI	Description	Weighting
CM KPI 1	Quality monitoring of and reporting	<p>100% of individual reports and other written products submitted on time and accepted by FCDO as per agreed reporting requirements. These include monthly updates, quarterly reports, yearly reports, independent reviews and contributions to FCDO's annual reviews, final report and any written product (including technical documents) associated to programme delivery and agreed with FCDO.</p> <p>All reports include evidence of how the Supplier sought to improve programme delivery based on FCDO recommendations</p>	30%
CM KPI 2	Financial Management and reporting	<p>100% of financial reports and other financial planning and management documents submitted on time and accepted by FCDO as per agreed reporting requirements. This includes, for both supplier's proportion of costs <b>and</b> for managed funds/agreements/contracts:</p> <ul style="list-style-type: none"> <li>- quarterly financial reports</li> <li>- quarterly and annual forecasts</li> </ul>	30%

		<ul style="list-style-type: none"> <li>- costed annual workplans</li> <li>- audited accounts.</li> </ul> <p>Adherence to monthly forecast must be within 5% variance.</p>	
CM KPI 3	Risk Management	Proactive and ad-hoc reporting of risks as per risk registers and agreed reporting requirements. This includes updated risk register and delivery chain map (and associated risks) as part of quarterly and annual reporting, as well as immediate ad-hoc escalation of new / changed risks during monthly meetings. These should include evidence of how the Supplier is mitigating active risks and has sought to improve risk management based on FCDO recommendations	15%
CM KPI 4	Stakeholder engagement	Supplier engages actively with FCDO and key stakeholders, including strategic partners (e.g., key donors and their implementing partners) and government counterparts. The Supplier is responsive and flexible to client needs and aligns with the FCDO priorities.	25%

### Value for Money

Value for Money (VFM) in FCDO is about maximising the impact of every pound spent to improve poor peoples' lives. This means more than just the benefits of our work outweighing the costs. It means that in everything we do we try to maximise impact given the financial, political and human resources we have available.

At the programme level, this requires us to think about whether we are getting the most value out of our activities with the best use of resources. This influences how we procure our inputs (economy), how we use inputs to deliver activities (efficiency) and, most importantly, what overall value we are generating for the intended beneficiaries and at what cost (cost effectiveness). We should continuously challenge ourselves to see if we can do the same for less, if we can deliver activities in more efficient ways that drive better value and if these are the best activities to achieve the right benefits, for the right people in the right ways.

Therefore, it is a requirement that the supplier delivers demonstrable Value for Money when responding to this Terms of Reference. Commercial proposals will be evaluated for Value for Money and may be rejected if FCDO are not satisfied that Value for Money is sufficiently demonstrated. As part of their proposal, suppliers are required to outline a VFM analysis framework covering, how they have achieved VFM in their bid, and how VFM will be evidenced and analysed during programme implementation, with reference to key indicators for VFM analysis over the life of the programme, the programme results and potential measurement/monitoring approaches and the enablers of the VFM strategy. Further refinement of the VFM framework will be agreed during the inception phase.

For the BTII fund management component (component 3), the Supplier should propose an efficient and Value for Money payment mechanism for the fund management services. For example, this could be a fixed percentage fee proportional to the value of a given specific grant / contract / MoU managed under the fund, or it could be a flat annual fee model, with an element of tiering to reflect periods of low or high activity. Fee rates will be benchmarked using FCDO data and poor VFM will be grounds to reject the Supplier's proposal.

### Recipients

The core recipients of the assignment will be FCDO and the GoN, particularly the Ministry of Health and the Ministry of Education.

### Timing and budget

A budget of up to GBP 5M, over 60 months has been allocated to deliver the services. FCDO intends to award the contract with successful supplier by the end of November 2024.

FCDO may decide to extend the contract beyond the end date considering the appropriateness, and within the budget limits of the business case. This is subject to necessary approvals and acceptance of the supplier's proposal to ensure continued value for money in the offer. It is expected that any potential extension of the contract would be for a maximum of additional 12 months. Any extension is likely to be dependent on increase in FA contributions to the GoN.

*Summary by UK Fiscal Year*

	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>28/29</b>	<b>TOTAL</b>
<b>Total</b>	<b>0.1</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>	<b>0.5</b>	<b>5.0*</b>

*\* £3.5 million are to be earmarked for the BTII Fund.*

### Break Clause requirements

Considering the long duration of the programme, the contract will have adequate provision for variation to adapt to changes that occur during the life of the programme. To support this, there will be one break point at the time of the next UK Government's spending review, expected in the spring / summer 2025. It will assess whether or not the programme has been set up and resourced in a way that delivers the desired results and continues to offer a good value for money for FCDO. Another break point will be after the MTR in 2027, based on the review of the relevance and performance of the programme. At this point, based on the review, FCDO (and any partners) may decide to strengthen programme implementation, for example to address gaps, or consider a scale up or scale down based on the findings and the evolving context.

FCDO reserves the right to amend and scale down, re-tender or cancel the contract if the Supplier's performance during the inception phase or during the first 18 months of implementation does not explicitly and satisfactorily meet the conditions and performance milestones set forth in the contract and/or if the bi-lateral agreement between FCDO and the Government of Nepal changes. FCDO also reserves the right to amend for scale up within the scope of work and due to the need to adapt to context.

In the case of a consortium bid, the Lead Supplier(s) will be responsible for managing and tackling poor performance of consortium partners.

### Reporting requirements

Reporting formats will be agreed between FCDO and the Supplier(s) during the inception phase. The Supplier should develop appropriate arrangements to monitor programme implementation with clear demonstrable evidence of value for money principles.

### Performance Requirements

FCDO reserves the right to request changes to the contract, including services, the ToRs and the contract cost to reflect lessons learned, or change in circumstances, policies or objectives relating to or affecting the programme. FCDO will also have the right to terminate the contract at any point (using termination rights under section 43 of the GDD Framework Terms and Conditions) where it deems that the programme is not delivering the intended results and/ or does not offer value for money to FCDO.

The performance of the Supplier(s) will be assessed by FCDO and will be informed by insights from MoHP and MoEST, particularly when verifying the quality of stakeholders engagement in line with KPI 4. If need be, at any point in time, a change in activities or outputs is indicated (additional, change in scope or scale or agreement to stop work on a deliverable), the Ministry of Health and FCDO will review the Supplier's proposed revision and if and where relevant will seek a formal amendment to the contract accordingly.

At key points of this assignment, the MoH/MoEST and FCDO team may call upon internal as well as external expertise of other federal, regional and district level bodies and other donors and agencies, to quality assure relevant deliverables of the Suppliers. Regular field monitoring visits will be undertaken by FCDO team and where possible with representatives from the GoN.

## **Logistics**

The Supplier(s) will be responsible for their logistical arrangements including in-country transport, office space, translation, and other logistical support. The Supplier will also be required to cover the duty of care (see below for more details) for all members of their team. All relevant expenses should be covered by the evaluation contract budget.

The Supplier(s) will be provided with the information detailed under existing information sources. FCDO will facilitate contacts for the Supplier with other stakeholders and provide support where appropriate.

## **Duty of Care**

FCDO will not take responsibility of personal security of suppliers. Regarding information security, suppliers are responsible for not sharing sensitive information with any parties other than FCDO.

The supplier is responsible for the safety and well-being 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.

FCDO will share available information with the supplier on security status and developments in country where appropriate. A security briefing by FCDO is available to all supplier personnel on request. All such personnel must register with their respective Embassies to ensure that they are included in emergency procedures.

This Procurement will require the supplier to operate in a seismically active zone which is at high risk of earthquakes. Earthquakes are impossible to predict and can result in major devastation and loss of life. There are several websites focusing on earthquakes, including <http://geology.about.com/library/bl/maps/blworldindex.html> the supplier(s) should be comfortable working in such an environment and should be capable of deploying to any areas



required within the region in order to deliver the contract (subject to travel clearance being granted).

Tenderers must develop their Tender on the basis of being fully responsible for Duty of Care in line with the details provided above. 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; and
- they have the capability to manage their Duty of Care responsibilities throughout the life of the contract.

The subjective assessment of DoC is placed at Annex to this ToR. Please note that this risk assessment will be re-examined at the point of transition between the design phase and the implementation phase. If at any stage there are concerns that the Supplier cannot manage DoC then they may be precluded from operating in that region. The ability of the Supplier to manage DoC shall remain a pre-condition of the contract. Further information on Duty of Care is provided in the Supplier Instructions.

### **UK Aid Branding**

Transparency, value for money, and results are top priorities for the UK Government. FCDO has accountability towards UK taxpayers where their money is being spent, its impact, and the results achieved. FCDO has guidance on the use of its logos, which will be shared with the Supplier(s) provider as necessary.

Digital Spending Policy: Expenditure budgeted under information services, websites, transactional services, web applications (e.g. maps), mobile apps, and extranets falls under the category of FCDO Digital Spending Policy. Expenditure on such item(s) will require prior approval from the SRO. The Supplier(s) should seek clearance of the list of items under IT with the SRO prior to commencing procurement.

### **Aid Transparency**

FCDO has transformed its approach to transparency, reshaping its own working practices and encouraging others across the world to do the same. FCDO requires Suppliers receiving and managing funds to release open data on how this money is spent, in a common, standard, re-usable format and to require this level of information from immediate sub-contractors, sub-agencies and partners. It is a contractual requirement for all Suppliers to comply with this, and to ensure they have the appropriate tools to enable routine financial reporting, publishing of accurate data and providing evidence of this further information is available from [www.aidtransparency.net](http://www.aidtransparency.net).

### **Conflict of Interest**

The onus lies with the Supplier(s) to identify, assess the risk of, and suggest measures to mitigate, any perceived or actual conflicts of interest. This mitigation proposal will be subject to FCDO approval. A conflict of interest can be deemed to exist where a party (either an individual or an entity) has an existing interest or relationship which could result in an impairment of objectivity.



**Annex 1:****Dialogue Driven Partnerships, British Embassy Kathmandu**Objectives:

- To onboard new implementing partners into the British Embassy (BEK) portfolio, ensuring understanding of FCDO compliance and programme processes and procedures.
- To build common understanding and deliver on shared principles for the UK's development engagement in Nepal, including but not limited to developing evidence-based, adaptive, and collaborative programme and portfolio delivery.
- To examine the UK's development portfolio through theme-specific lenses (e.g. GEDSI) and to look forward at likely risks and opportunities within the dynamic context of Nepal, assuring our programming is adaptive and agile.
- Building on previous learning, to ensure that the UK portfolio is more than the sum of its programmatic parts; that all partners engage in Nepal on the basis of best practice and learning, that partners prioritise collaboration and reflection, and the UK role models an improved, portfolio approach to development assistance.
- Coherence, collaboration, learning and adaptation across portfolio themes at BEK. Stronger portfolio impacts and greater Value for Money (VFM).
- Identifying what's not working and ensuring the dialogues help solve problems, build consensus on ways of working, and support evidence-based decision making on portfolio priorities.
- Support partners to embed portfolio co-ordination vision and approaches, mutually reinforce BEK community of practices and support portfolio level harmonisation and coherence across all partners.

What Success looks like:

Programme implementing partners understand FCDO and BEK's vision, portfolio and ways of working from an early stage. Programme partners are able and proactive in spotting gaps, risks and opportunities for cross-portfolio collaboration leading to increased organic engagement outside of the Roundtable. Programme partners contribute effectively to and provide learning across the portfolio and take on an adaptive management approach, reflecting changes in context and opportunities.

Requirements:

The supplier is required to participate in a series of dialogues. Some of these will be thematic and externally focused, convening Civil Society Organisations (CSOs), local, provincial or federal governments representatives, with relevant implementing partners and experts, others will be partnership focused, bringing together FCDO implementing programme partners and teams.

These roundtable discussions will facilitate portfolio coherence, collaboration, learning and adaptation across portfolio themes at BEK.

The supplier is required to contribute constructively, proactively and effectively to these discussions and provide learning, offer recommendations and build consensus.

The supplier is required to make reasonable endeavours to reflect learnings and recommendations from the discussions in the delivery of the *Financial Technical Assistance and Evaluation for SAMARTHA* contract, where these are consistent with the objectives, requirements, terms and conditions of the *Financial Technical Assistance and Evaluation for SAMARTHA* contract. Where the supplier identifies conflict between the learnings and recommendations from the Roundtables and the objectives, requirements, terms and conditions of the *Financial Technical Assistance and Evaluation for SAMARTHA* contract, they are required to raise this formally with the *Financial Technical Assistance and Evaluation for SAMARTHA* contract manager and resolve conflicts through normal contract management processes and remedies including, if necessary, contract amendment.

#### Anticipated Approximate Timeline and Time Commitment

Event	Duration/Likely Location for each event	Frequency/timing
Thematic dialogues (up to 5, though participation only required where themes are relevant)	Half Day Sterling Hall, BEK	Each few months from September 2024
Two day thematic event	Up to 2 full days Venue TBD	Once, Mid 2025
Partnership focussed discussions (up to 4)	Up to a Half Day, Sterling Hall, BEK	November 2024, February 2025, April 2025
Six Monthly Partnership Days (2)	Up to 1 full day Venue TBD	May 2025

Attendance will be in person and the implementing partners are required to pay for their own travel and logistics. The expectation is that the FCDO Implementing partners will send senior programme management staff who are based in Nepal.

The supplier is required to complete a survey after each programme partners event.

