

CONTRACT FOR SUPPLIER SERVICES

Section 1 - FORM OF CONTRACT

CONTRACT FOR : An evaluation of the returnable capital intervention of the DFID India's private sector Affordable Housing programme

PURCHASE ORDER NUMBER : 6833

THIS CONTRACT is made

BETWEEN : The Secretary of State for International Development at the Department for International Development, British High Commission, Shantipath, Chanakyapuri, New Delhi, 110 021 (DFID);

AND : KPMG Advisory Services Private Limited ("Supplier") whose Registered Office is situated at Building No.10, 8th Floor Tower C, DLF Cyber City, Phase 2, Gurgaon-122002

(together "the Parties").

WHEREAS:

- A. DFID requires the Supplier to provide the services as defined in Section 3 (the "Services") to DFID (the "Recipient"); and
- B. the Supplier has agreed to provide the Services on the terms and conditions set out in this Contract.

IT IS HEREBY AGREED as follows:

1. Documents

This Contract shall be comprised of the following documents:

Section 1	Form of Contract
Section 2	General Conditions
Section 3	Terms of Reference
Section 4	Special Conditions
Section 5	Schedule of Prices

This Contract constitutes the entire agreement between the Parties in respect of the Suppliers obligations and supersedes all previous communications between the Parties, other than as expressly provided for in Section 3 and/or Section 4.

2. Contract Signature

If the Original Form of Contract is not returned to the Contract Officer (as identified in Section 4) duly completed (including the applicable Purchase Order Number at the top of Section 1), and 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 Contract void.

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

3. Commencement and Duration of the Services

The Supplier shall start the Services on 01 April 2015 (the "Start Date") and shall complete them by 31 March 2022 (the "End Date") unless this Contract is terminated earlier in accordance with its terms and conditions.

4. Financial Limit

Payments under this Contract shall not, in any circumstances, exceed **£745,149** (UK Pound Seven Hundred Forty Five Thousand One Hundred Forty Nine only) exclusive of any government tax, if applicable (the "Financial Limit").

5. Time of the Essence

Time shall be of the essence as regards the performance by the Supplier of its obligations under this Contract.

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



Name:

Position: Contract Officer

Signature:

Date: 30 March 2015

For and on behalf of
KPMG Advisory Services Private Limited

Name:

Position:

Signature:

Date:

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DEFINITIONS AND INTERPRETATION

1. Definitions

"Commercially Sensitive Information" the information listed in Section 4 comprising the information of a commercially sensitive nature relating to the Supplier, its intellectual property rights or its business of which the Supplier has indicated to DFID that, if disclosed by DFID, would cause the Supplier significant commercial disadvantage of material financial loss;

"Confidential Information" means all Personal Data and any information, however it is conveyed, that relates to the business, affairs, developments, trade secrets, know-how, personnel and suppliers of either party, including all intellectual property rights, together with all information derived from any of the above, and any other information clearly being designated as being confidential (whether or not it is marked "confidential") or which ought reasonably be considered to be confidential;

"the Supplier" means the person(s), partnership(s) or company(ies) with whom this Contract is placed.

"the Supplier's Personnel" means any person instructed pursuant to this Contract to undertake any of the Supplier's obligations under this Contract, including the Supplier's employees, agents and sub-contractors.

"the Contract Officer" means the person named in Section 4 who is responsible for all contractual aspects of the Contract.

"Contracting Authority" any contracting authority as defined in Regulation 5(2) of the Public Contracts (Works, Services and Supply) (Amendment) Regulations other than DFID;

"Crown Body" any department, office or agency of the Crown;

"Data Controller" shall have the same meanings as set out in the Data Protection Act 1998;

"DFID Data" means (a) the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, and which are: (i) supplied to the Supplier by or on behalf of DFID; or (ii) which the Supplier is required to generate, process, store or transmit pursuant to this Agreement; or (b) any Personal Data for which DFID is the Data Controller;

"Data Processor" shall have the same meaning as set out in the Data Protection Act 1998;

"Data Protection Legislation" means the Data Protection Act 1998 and all other applicable laws and regulations relating to the processing of personal data and privacy, including without limitation, the guidance and codes of practice issued by the Information Commissioner;

"Data Subject" shall have the same meaning as set out in the Data Protection Act 1998;

"Environmental Information Regulations" means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issues by the Information Commissioner or relevant Government Department in relation to such regulations;

"the Equipment" means any equipment, computer hardware or software, materials, goods and vehicles and associated services necessarily required for the implementation of the Services, which the Supplier cannot reasonably be expected to provide, which are financed or provided by DFID for use by the Supplier.

"the Financial Limit" means the amount specified in Section 1 and is the maximum amount payable by DFID under this Contract.

"FOIA" means the Freedom of Information Act 2000 and any subordinate legislation made under this Act from time to time, together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government Department in relation to such legislation;

"Information" has the meaning given under Section 84 of the Freedom of Information Act 2000;

"Law" means any applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, rule of court or directives or requirements of any Regulatory Body, delegated or subordinate legislation or notice of any Regulatory Body;

"Personal Data" shall have the same meaning as set out in the Data Protection Act 1998;

"Process" has the meaning given to it under the Data Protection Legislation but, for the purposes of this Contract, it shall include both manual and automatic processing;

"the Project Officer" means the person named in Section 4 who is responsible for issuing instructions and dealing with all correspondence in connection with the technical aspects of the Contract;

"Regulatory Bodies" means those government departments, regulatory, statutory and other entities, committees and bodies which, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate, or influence the matters dealt with in this Contract or any other affairs of DFID and "Regulatory Body" shall be construed accordingly;

"Request for Information" a request for information or an apparent request under the FOIA, the Environmental Information Regulations and associated codes of practice;

"the Security Policy" means DFID's security policy, which can be accessed on DFID's website at <http://www.dfid.gov.uk/work-with-us/procurement/dfid-information-security-policy-for-contractorsconsultants/> or as notified to the Supplier from time to time;

"the Services" means the services set out in the Terms of Reference (Section 3).

2. Interpretation

2.1 In the event of any inconsistency between the Form of Contract (Section 1), these General Conditions (Section 2) and the Special Conditions (Section 4), the Special Conditions shall prevail.

2.2 Except as expressly provided in Clause 23 the Supplier is not the agent of DFID and has no authority to represent and shall not purport to represent or enter into any commitments on behalf of DFID in any respect.

2.3 Nothing in this Contract is intended to make nor shall it make DFID the employer of the Supplier or any of the Supplier's Personnel.

2.4 All communications by the Supplier relating to notifications or applications for consents or instructions must be addressed to the DFID Contract Officer whose name and address are given in Section 4.

OBLIGATIONS OF THE SUPPLIER

3. Obligations

3.1 The Supplier shall perform all its obligations under this Contract (including the provision of the Services) with all necessary skill, diligence, efficiency and economy to satisfy generally accepted professional standards expected from experts.

3.2 If the Supplier is a joint venture then each of the joint venture parties shall have joint and several liability in respect of the Supplier's obligations under this Contract.

4. Personnel

4.1 All members of the Supplier's Personnel shall be appropriately qualified, experienced and in a suitable physical condition so as to ensure that the Supplier complies with all the Supplier's obligations under this Contract.

4.2 No changes or substitutions may be made to members of the Supplier's Personnel identified as key personnel in Section 4 of this Contract without DFID's prior written consent.

4.3 If DFID considers any member of the Supplier's Personnel unsuitable, the Supplier shall substitute such member as quickly as reasonably possible without direct or indirect charge to DFID with a replacement acceptable to DFID.

4.4 The Supplier is responsible for all acts and omissions of the Supplier's Personnel and for the health, safety and security of such persons and their property. The provision of information by DFID shall not in any respect relieve the Supplier from responsibility for its obligations under this Contract. Positive evaluation of proposals and award of this Contract (or any subsequent Contract Amendments) is not an endorsement by DFID of the Supplier's security arrangements.

4.5 The Supplier shall comply with the Staff Vetting Procedures in respect of all Supplier's Personnel employed or engaged in the provision of the Services. The Supplier confirms that all Supplier's Personnel employed or engaged by the Supplier by the agreed start date of this contract were vetted and recruited on a basis that is equivalent to and no less strict than the Staff Vetting Procedures, as provided within DFID's Security Policy.

4.6 The Supplier shall provide training on a continuing basis for all Supplier Personnel employed or engaged in the provision of the Services in compliance with the Security Policy and the Security Plan.

5. Sub Contractors

5.1 The Supplier shall not sub-contract any of its obligations under this Contract without the prior written consent of DFID.

5.2 If, having obtained DFID's consent, the Supplier sub-contracts any of its obligations, the sub-contract shall:-

(a) provide that payments due to the sub-contractor shall be made not more than 30 days after provision to the Supplier of a valid invoice; and

(b) include rights for the Supplier and obligations on the sub-contractor to ensure that DFID's rights to require replacement of personnel (as set out in Clause 4.3) and DFID's rights and the Supplier's obligations (as detailed within this contract) can be enforced against the sub-contractor.

6. DFID Data

6.1 The Supplier shall not delete or remove any proprietary notices contained within or relating to DFID Data.

6.2 The Supplier shall not store, copy, disclose, or use DFID Data except as necessary for the performance by the Supplier of its obligations under this Contract or as otherwise expressly authorised in writing by DFID.

6.3 To the extent that DFID Data is held and/or processed by the Supplier, the Supplier shall supply that DFID Data to DFID as requested by DFID in the format(s) specified by DFID.

6.4 Upon receipt or creation by the Supplier of any DFID Data and during any collection, processing, storage and transmission by the Supplier of any DFID Data, the Supplier shall take responsibility for preserving the integrity of DFID Data and preventing the corruption or loss of DFID Data.

6.5 The Supplier shall perform secure back-ups of all DFID Data and shall ensure that up-to-date back-ups are stored off-site in accordance with the Security Policy. The Supplier shall ensure that such back-ups are available to DFID at all times upon request, with delivery times as specified by DFID.

6.6 The Supplier shall ensure that the system on which the Supplier holds any DFID Data, including back-up data, is a secure system that complies with the Security Policy.

6.7 If DFID Data is corrupted, lost or sufficiently degraded as a result of the Supplier's Default so as to be unusable, DFID may:

6.7.1 require the Supplier (at the Supplier's expense) to restore or procure the restoration of DFID Data to the extent and in accordance with the Business Continuity and Disaster Recovery Provisions specified in the Security Policy and the Supplier shall do so as soon as practicable but not later than three days following written request from DFID; and/or

6.7.2 itself restore or procure the restoration of DFID Data, and shall be repaid by the Supplier any reasonable expenses incurred in doing so to the extent and in accordance with the requirements specified in the Business Continuity and Disaster Recovery Provisions specified in the Security Policy.

6.8 If at any time the Supplier suspects or has reason to believe that DFID Data has or may become corrupted, lost or sufficiently degraded in any way for any reason, then the Supplier shall notify DFID immediately and inform DFID of the remedial action the Supplier proposes to take.

7. Protection of Personal Data

7.1 With respect to the parties' rights and obligations under this Contract, the parties agree that DFID is the Data Controller and that the Supplier is the Data Processor.

7.2 The Supplier shall:

7.2.1 process the Personal Data only in accordance with instructions from DFID (which may be specific instructions or instructions of a general nature as set out in this Contract or as otherwise notified by DFID to the Supplier during the Term);

7.2.2 process the Personal Data only to the extent, and in such manner, as is necessary for the provision of the Services or as is required by Law or any Regulatory Body;

7.2.3 implement appropriate technical and organisational measures to protect the Personal Data against unauthorised or unlawful processing and against accidental loss, destruction, damage, alteration or disclosure. These measures shall be appropriate to the harm which might result from any unauthorised or unlawful processing, accidental loss, destruction or damage to the Personal Data and having regard to the nature of the Personal Data which is to be protected;

7.2.4 take reasonable steps to ensure the reliability of any Supplier's Personnel who have access to the Personal Data;

7.2.5 obtain prior written consent from DFID in order to transfer the Personal Data to any Sub-contractors or Affiliates for the provision of the Services;

7.2.6 ensure that all Supplier's Personnel required to access the Personal Data are informed of the confidential nature of the Personal Data and comply with the obligations set out in this clause 7;

7.2.7 ensure that none of Supplier's Personnel publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by DFID;

7.2.8 notify DFID (within two Working Days) if it receives:

7.2.8.1 a request from a Data Subject to have access to that person's Personal Data; or

7.2.8.2 a complaint or request relating to DFID's obligations under the Data Protection Legislation;

7.2.9 provide DFID with full cooperation and assistance in relation to any complaint or request made, including by:

7.2.9.1 providing DFID with full details of the complaint or request;

7.2.9.2 complying with a data access request within the relevant timescales set out in the Data Protection Legislation and in accordance with DFID's instructions;

7.2.9.3 providing DFID with any Personal Data it holds in relation to a Data Subject (within the timescales required by DFID); and

7.2.9.4 providing DFID with any information requested by DFID;

7.2.10 permit DFID or its representatives (subject to reasonable and appropriate confidentiality undertakings), to inspect and audit, in accordance with clause 16 (Access and Audit), Supplier's data processing activities (and/or those of its agents, subsidiaries and Sub-contractors) and comply with all reasonable requests or directions by DFID to enable DFID to verify and/or procure that the Supplier is in full compliance with its obligations under this Contract;

7.2.11 provide a written description of the technical and organisational methods employed by the Supplier for processing Personal Data (within the timescales required by DFID); and

7.2.12 not Process Personal Data outside the United Kingdom without the prior written consent of DFID and, where DFID consents to a transfer, to comply with:

7.2.12.1 the obligations of a Data Controller under the Eighth Data Protection Principle set out in Schedule 1 of the Data Protection Act 1998 by providing an adequate level of protection to any Personal Data that is transferred; and

7.2.12.2 any reasonable instructions notified to it by DFID.

7.3 The Supplier shall comply at all times with the Data Protection Legislation and shall not perform its obligations under this Contract in such a way as to cause DFID to breach any of its applicable obligations under the Data Protection Legislation.

8. Freedom of Information

8.1 The Supplier acknowledges that DFID is subject to the requirements of the FOIA, the Environmental Information Regulations and associated codes of practice shall assist and cooperate with DFID to enable DFID to comply with its Information disclosure obligations.

8.2 The Supplier shall and shall ensure that its Sub-contractors shall:

8.2.1 transfer to DFID all Requests for Information that it receives as soon as practicable and in any event within two Working Days of receiving a Request for Information;

8.2.2 provide DFID with a copy of all Information in its possession, or power in the form that DFID requires within five Working Days (or such other period as DFID may specify) of DFID's request; and

8.2.3 provide all necessary assistance as reasonably requested by DFID to enable DFID to respond to the Request for Information within the time for compliance set out in section 10 of the FOIA or regulation 5 of the Environmental Information Regulations.

8.3 DFID shall be responsible for determining in its absolute discretion and notwithstanding any other provision in this Contract or any other agreement whether the Commercially Sensitive Information and/or any other Information is exempt from disclosure in accordance with the provisions of the FOIA, the Environmental Information Regulations and associated codes of practice.

8.4 In no event shall the Supplier respond directly to a Request for Information unless expressly authorised to do so by DFID.

8.5 The Supplier acknowledges that (notwithstanding the provisions of Clause 8) DFID may, acting in accordance with the Department of Constitutional Affairs' Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the Freedom of Information Act 2000 ("**the Code**"), be obliged under the FOIA, or the Environmental Information Regulations to disclose information concerning the Contractor or the Services:

8.5.1 in certain circumstances without consulting the Supplier; or

8.5.2 following consultation with the Contractor and having taken their views into account;

provided always that where 8.5.1 applies DFID shall, in accordance with any recommendations of the Code, take reasonable steps, where appropriate, to give the Supplier advanced notice, or failing that, to draw the disclosure to the Supplier's attention after any such disclosure.

8.6 The Supplier shall ensure that all Information is retained for disclosure in accordance with clauses 8.7 and 8.8 and shall permit DFID to inspect such records as requested from time to time.

8.7 The Supplier shall, during this Contract and for a period of at least seven years following the expiry or termination of this Contract, retain and maintain all Information:

8.7.1 in accordance with the requirements of the Public Records Office and in accordance with the exercise of the degree of care that would be expected from a leading company within the relevant industry or business sector;

8.7.2 in chronological order;

8.7.3 in a form that is capable of audit;

8.7.4 at its own expense.

8.8 Wherever practical, original Information shall be retained and maintained in hard copy form.

8.9 The Supplier acknowledges that any Commercially Sensitive Information noted within this contract is of indicative value only and that DFID may be obliged to disclose it in accordance with clause 8.5.

9. Confidentiality

9.1 Except to the extent set out in this clause or where disclosure is expressly permitted elsewhere in this Contract, each party shall:

9.1.1 treat the other party's Confidential Information as confidential and safeguard it accordingly; and

9.1.2 not disclose the other party's Confidential Information to any other person without the owner's prior written consent.

9.2 Clause 9.1 shall not apply to the extent that:

9.2.1 such disclosure is a requirement of Law placed upon the party making the disclosure, including any requirements for disclosure under the FOIA, the Environmental Information Regulations and associated codes of practice pursuant to clause 42 (Freedom of Information);

9.2.2 such information was in the possession of the party making the disclosure without obligation of confidentiality prior to its disclosure by the information owner;

9.2.3 such information was obtained from a third party without obligation of confidentiality;

9.2.4 such information was already in the public domain at the time of disclosure otherwise than by a breach of this Contract; or

9.2.5 it is independently developed without access to the other party's Confidential Information.

9.3 The Supplier may only disclose DFID's Confidential Information to the Supplier's Personnel who are directly involved in the provision of the Services and who need to know the information, and shall ensure that such Supplier's Personnel are aware of and shall comply with these obligations as to confidentiality.

9.4 The Supplier shall not, and shall procure that the Supplier's Personnel do not, use any of DFID's Confidential Information received otherwise than for the purposes of this Contract.

9.5 At the written request of DFID, the Supplier shall procure that those members of the Supplier's Personnel identified in DFID's notice signs a confidentiality undertaking prior to commencing any work in accordance with this Contract.

9.6 Nothing in this Contract shall prevent DFID from disclosing the Supplier's Confidential Information:

9.6.1 to any Crown Body or any other Contracting Authority. All Crown Bodies or Contracting Authorities receiving such Confidential Information shall be entitled to further disclose the Confidential Information to other Crown Bodies or other Contracting Authorities on the basis that the information is confidential and is not to be disclosed to a third party which is not part of any Crown Body or any Contracting Authority;

9.6.2 to any person conducting an Office of Government Commerce gateway review;

9.6.3 for the purpose of the examination and certification of DFID's accounts; or

9.6.4 for any examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which DFID has used its resources.

9.7 DFID shall use all reasonable endeavours to ensure that any government department, Contracting Authority, employee, third party or Sub-contractor to whom the Contractor's Confidential Information is disclosed pursuant to clause 9.6 is made aware of DFID's obligations of confidentiality.

9.8 Nothing in this clause 9 shall prevent either party from using any techniques, ideas or know-how gained during the performance of the Contract in the course of its normal business to the extent that this use does not result in a disclosure of the other party's Confidential Information or an infringement of IPR.

10. Warranties

10.1 The Supplier warrants, represents and undertakes for the duration of the Term that:

10.1.1 all personnel used to provide the Services will be vetted in accordance with Good Industry Practice and the Security Policy;

10.1.2 it has and will continue to hold all necessary (if any) regulatory approvals from the Regulatory Bodies necessary to perform the Supplier's obligations under this Contract;

10.1.3 it has and will continue to have all necessary rights in and to the Supplier's Software or the Third Party Software and/or the Supplier's Background IPRs, or any other materials made available by the Supplier and/or the Sub-contractors to DFID necessary to perform the Supplier's obligations under this Contract;

10.1.4 in performing its obligations under this Contract, all Software used by or on behalf of the Supplier will:

10.1.4.1 be currently supported versions of that Software; and

10.1.4.2 perform in all material respects in accordance with its specification,

10.1.5 as at the agreed Contract start date all statements and representations in the Supplier's response to the ITT and any follow up information provided by the Supplier are to the best of its knowledge, information and belief, true and accurate and that it will advise DFID of any fact, matter or circumstance of which it may become aware which would render any such statement or representation to be false or misleading;

10.1.6 as detailed in this contract or at the request of DFID, the Supplier will provide a Business Process Manual and supporting documentation containing all necessary information and explanation required for the purpose of executing the Exit Plan and for suitably qualified employees of DFID or of the Replacement Contractor to be able to use the Software and receive the Services and to perform the Replacement Services on termination or expiry; and

10.1.7 the Supplier's system and assets used in the performance of the Services:

10.1.7.1 will be free of all encumbrances [any exceptions must be agreed in writing with DFID]

10.1.7.2 will be Date Compliant; and

10.1.7.3 will be Euro Compliant.

10.1.8 it shall at all times comply with Law in carrying out its obligations under this Contract.

11. Security Requirements

11.1 The Supplier shall comply, and shall procure the compliance of the Suppliers Personnel, with the Security Policy and the Security Plan and the Supplier shall ensure that the Security Plan produced by the Supplier fully complies with the Security Policy.

11.2 DFID's Security Policy can be accessed on the DFID website at <http://www.dfid.gov.uk/work-with-us/procurement/dfid-information-security-policy-for-contractorsconsultants/> or as notified to the Supplier from time to time. The Supplier shall ensure that they keep up to date with the latest version of the Security Policy on this website.

11.3 If the Supplier believes that a change to the Security Policy will have a material and unavoidable cost implication to the Services it may submit a Change Request. In doing so, the Supplier must support its request by providing evidence of the cause of any increased costs and the steps that it has taken to mitigate those costs. Any change to the Charges shall then be agreed in discussion with the Contract Officer.

11.4 Until and/or unless a change to the Charges is agreed by DFID pursuant to clause 11.3 the Supplier shall continue to perform the Services in accordance with its existing obligations.

12. Malicious Software

12.1 The Supplier shall, as an enduring obligation throughout the Term, use the latest versions of anti-virus definitions available [from an industry accepted anti-virus software vendor] to check for and delete Malicious Software from the ICT Environment.

12.2 Notwithstanding clause 12.1 if Malicious Software is found, the parties shall co-operate to reduce the effect of the Malicious Software and, particularly if Malicious Software causes loss of operational efficiency or loss or corruption of DFID Data, assist each other to mitigate any losses and to restore the Services to their desired operating efficiency.

12.3 Any cost arising out of the actions of the parties taken in compliance with the provisions of clause 12.2 shall be borne by the parties as follows:

12.3.1 by the Supplier where the Malicious Software originates from the Supplier's Software, the Third Party Software or the DFID Data (whilst the DFID Data was under the control of the Contractor); and

12.3.2 by DFID if the Malicious Software originates from the DFID Software or the DFID Data (whilst DFID Data was under the control of DFID).

13. Disclosure of Information

13.1 The Supplier and the Supplier's Personnel shall not, without the prior written consent of DFID, disclose to any third party any confidential information obtained during or arising from this Contract (other than in the proper performance of this Contract or as may be required by authority of competent jurisdiction). In addition, no publicity is to be given to this contract without the prior written consent of DFID.

14. Intellectual Property Rights

14.1 All intellectual property rights in all material (including but not limited to reports, data, designs whether or not electronically stored) produced by the Supplier or the Supplier's Personnel pursuant to the performance of the Services ("the Material") shall be the property of the Supplier.

14.2 The Supplier hereby grants to DFID a world-wide, non-exclusive, irrevocable, royalty-free licence to use all the Material.

14.3 For the purpose of Clause 14.2, "use" shall mean, without limitation, the reproduction, publication and sub-licence of all the Material and the intellectual property rights therein, including the reproduction and sale of the Material and products incorporating the same for use by any person or for sale or other dealing anywhere in the world.

15. Official Secrets Acts

15.1 The Supplier shall ensure that all members of the Supplier's Personnel are aware that the Official Secrets Acts 1911 to 1989 apply to them.

16. Access and Audit

16.1 The Supplier shall keep accurate and systematic accounts, files and records ("the Records"). The Records shall clearly identify, among other things, the basis upon which invoices have been calculated and the Supplier shall keep the Records throughout the duration of this Contract and for six years following its termination.

16.2 The Supplier shall upon request provide DFID or its representatives including the National Audit Office, unrestricted access to the Records in order that the Records may be inspected and copied. The Supplier shall co-operate fully in providing to DFID or its representative's answers to such enquiries as may be made about the Records.

16.3 Where it is found by DFID that any overpayment has been made to the Supplier the Supplier shall reimburse DFID such amount within 28 days of the date of DFID's written demand.

17. Corruption, Commission, Discounts and Fraud

17.1 The Supplier warrants and represents to DFID that neither the Supplier nor any of the Supplier's Personnel:

(a) has given, offered or agreed to give or accepted, any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of any contract or for showing or forbearing to show favour or disfavour to any person or entity in relation to any contract; or

(b) has entered into any contract in connection with which commission has been paid or agreed to be paid by or to the Supplier or Supplier's Personnel or on their behalf or to their knowledge unless, before such contract was made, particulars of any such commission and of the terms of any agreement for the payment of such commission were disclosed in writing to DFID, whose written consent was subsequently given to such payment.

17.2 Neither the Supplier nor any of the Supplier's Personnel shall accept for or on their own benefit any trade commission, discount or similar payment or benefit in connection with this Contract.

17.3 The Supplier undertakes that neither the Supplier nor the Supplier's Personnel shall attempt or commit any fraud, deception, financial or procedural wrongdoing in relation to the performance by the Supplier of its obligations under the Contract and shall immediately notify DFID of any circumstances giving rise to a suspicion that such wrongful activity may occur or has occurred.

18. Conflict of Interest

18.1 Neither the Supplier nor any of the Supplier's Personnel shall engage in any personal, business or professional activity which conflicts or could conflict with any of their obligations in relation to this Contract.

18.2 The Supplier and the Supplier's Personnel shall notify DFID immediately of any actual or potential conflict together with recommendations as to how the conflict can be avoided.

19. Discrimination

19.1 The Supplier shall not unlawfully discriminate within the meaning and scope of the provisions of the Race Relations Act 1976, the Sex Discrimination Acts 1975 and 1986, and the Disability Discrimination Act 1995 (as revised, amended or supplemented from time to time) or as prohibited by the laws of the place of the performance of any of the Services.

19.2 The Supplier shall take all reasonable steps to secure that the Supplier's Personnel do not unlawfully discriminate as set out in Clause 19.1.

20. Environmental Requirements

20.1 The Supplier shall take all reasonable steps to protect the environment in relation to the performance of the Services and shall comply with all applicable environmental laws, regulations and DFID practice.

21. Insurances

21.1 The Supplier shall maintain professional indemnity insurance cover of an amount not less than the Financial Limit.

21.2 At the request of DFID, or its representatives, the Supplier shall provide evidence showing that such insurance has been taken out and maintained and that current premiums have been paid.

22. Indemnity

22.1 Except where arising from the negligence of DFID or DFID's employees, the Supplier shall indemnify DFID in respect

of any costs or damages howsoever arising out of or related to breach of warranty or representation, contract or statutory

duty, or tortious acts or omissions by the Supplier or the Supplier's Personnel or any claims made against DFID by third parties in respect thereof.

PROCUREMENT AND EQUIPMENT

23. Procurement

23.1 Subject to Clause 23.4 all Equipment to be procured pursuant to this Contract and paid for by DFID shall be procured by a DFID registered procurement agent, acting as agent of DFID ("the Procurement Agent").

23.2 For the purpose of the appointment of a Procurement Agent and for this purpose only, the Supplier shall act as an agent of DFID.

23.3 The Supplier shall provide the Procurement Agent with sufficient details for the satisfactory procurement and delivery of Equipment and shall manage the Procurement Agent on DFID's behalf.

23.4 Where the total value of the Equipment is less than 50% of the Financial Limit or £100,000, whichever is less the Supplier may, subject to DFID's prior written consent, procure such Equipment.

23.5 All procurement of Equipment shall

(a) be undertaken in accordance with DFID Guidance on Procurement of Goods and Environmental Procurement Policy or such other procedures as may be agreed in writing by DFID;

(b) achieve "Value for Money" and be conducted in a fully transparent manner;

(c) be on the basis that the ownership in Equipment shall vest in DFID, and shall be so marked.

23.6 "Value for Money" shall mean procuring at the optimum combination of whole-life cost and quality to meet requirements.

24. Use of and Responsibility for Equipment

24.1 Equipment may only be used in providing the Services and shall be safely kept and maintained. Personal use of Equipment by the Supplier is not permitted unless DFID gives prior written consent.

24.2 The Supplier shall keep an up to date inventory of the Equipment its condition and location and make such inventory available to DFID immediately on request.

24.3 Subject to Clause 24.4 the Supplier shall be responsible for all loss or damage to Equipment other than that caused by fair wear and tear. The Supplier shall notify DFID immediately the Supplier becomes aware of any loss of or damage to Equipment.

24.4 Except as required by law, the Supplier shall not insure Equipment. DFID shall bear the risk in respect of loss or damage provided such loss or damage was not due to the Supplier's negligence and provided the Supplier obtains and pays to DFID such proper compensation as may be due from others.

24.5 The Supplier shall obtain DFID's instructions on the disposal of Equipment and comply with such instructions.

PRICE AND PAYMENT

25. Applicable Provisions and Financial Limit

25.1 Unless different provisions are substituted in Section 4, Clauses 25 to 29 inclusive shall apply in relation to price and payment.

25.2 The components which comprise the Financial Limit are set out in the Schedule of Prices, Section 5. No expenditure may be incurred in excess of the Financial Limit and no virements between components shown in the schedule of prices in Section 5 are permitted without the prior written authority of the Contract Officer.

26. Fees

26.1 Any fees payable are deemed to cover the cost of salary, overseas inducements, leave allowances, bonuses, profit, taxes, insurances, superannuation, non-working days and all other costs including, but not limited to, clothing, passports, visas and vaccinations, overheads and expenses of whatsoever nature that may be incurred except those otherwise specifically provided for in this Contract.

27. Expenses

27.1 Travel and living expenses will be paid at a rate consistent with the Schedule of Prices at Section 5 of the contract. All journeys by Rail or Air will be made by a class of travel that is no more than Standard / Economy.

28. Invoicing Instructions

28.1 Unless otherwise expressly provided in Section 4 or Section 5, invoices should be submitted monthly in arrears to the Accounts Payable Section, DFID Financial Management Group, Abercrombie House, Eaglesham Road, East Kilbride, Glasgow, G75 8EA, and in accordance with the remainder of clause 28.

28.2 DFID shall unless otherwise expressly provided in Section 4 make payments due by direct credit through the UK Bank Clearing Systems (BACS). All invoices must contain details of the UK bank account to which payments are to be made.

28.3 Invoices should include a form of letterhead, the Purchase Order number, bear an original signature and be numbered sequentially and dated. Each invoice should state the period the services were provided using "from" and "to" dates. The final invoice presented in connection with this Contract should be endorsed "Final Invoice".

28.4 All invoices should correspond with the budget lines identified in the Schedule of Prices, Section 5 of this Contract.

28.5 DFID may request proof of payment in respect of any item and shall be entitled to refuse to meet a claim if this cannot be provided.

28.6 Any invoice not presented in accordance with the above may be rejected and in any event shall be liable to query and delay in payment. DFID reserves the right not to pay any amount due in respect of an invoice received by DFID more than 90 days after the day of the Supplier becoming entitled to invoice for the payment to which it relates.

29. Payments

29.1 Subject to DFID being satisfied that the Supplier is or has been carrying out their duties, obligations and responsibilities under this Contract, sums duly approved shall be paid within 30 days of receipt of a valid invoice.

29.2 Payment shall be made in sterling in the UK. Expenses (if any) arising in foreign currency shall be reimbursed at the exchange rate stated in the London Financial Times "Guide to World Currencies" on the Friday immediately

preceding the date on which the purchase was made or services acquired by the Supplier or, if this took place on a Friday, at the rate so stated on that day.

29.3 If for any reason DFID is dissatisfied with performance of this Contract, an appropriate sum may be withheld from any payment otherwise due. In such event DFID shall identify the particular Services with which it is dissatisfied together with the reasons for such dissatisfaction, and payment of the amount outstanding will be made upon remedy of any unsatisfactory work or resolution of outstanding queries.

29.4 Should DFID determine after paying for a particular service that the service has not been completed satisfactorily, DFID may recover, or withhold from further payments, an amount not exceeding that previously charged for that service until the unsatisfactory service is remedied to its satisfaction.

FORCE MAJEURE AND TERMINATION

30. Force Majeure

30.1 Where the performance by the Supplier of their obligations under this Contract is delayed, hindered or prevented by an event or events beyond the reasonable control of the Supplier and against which an experienced Supplier could not reasonably have been expected to take precautions, the Supplier shall promptly notify DFID in writing, specifying the nature of the force majeure event and stating the anticipated delay in the performance of this Contract.

30.2 From the date of receipt of notice given in accordance with Clause 30.1, DFID may, at its sole discretion, either suspend this Contract for up to a period of 6 months ("the Suspension Period") or terminate this Contract forthwith.

30.3 If by the end of the Suspension Period the parties have not agreed a further period of suspension or reinstatement of the Contract, this Contract shall terminate automatically.

31. Suspension or Termination without Default of the Supplier

31.1 DFID may, at its sole discretion, suspend or terminate this Contract at any time by so notifying the Supplier and giving the reason(s) for such suspension or termination.

31.2 Where this Contract has been suspended or terminated pursuant to Clause 31.1, the Supplier shall:

(a) take such steps as are necessary to terminate the provision of the Services, (including suspending or terminating any Sub-Contracts) in a cost-effective, timely and orderly manner; and

(b) provide to DFID, not more than 60 days after DFID notifies the Supplier of the suspension or termination of this Contract an account in writing, stating:

(i) any costs, if any, due before the date of suspension or termination;

(ii) any costs to be expended after the date of suspension or termination which the Supplier necessarily incurred in the proper performance of this Contract and which it cannot reasonably be expected to avoid or recover.

31.3 Subject to DFID's approval DFID shall pay such amount to the Supplier within 30 days after receipt from the Supplier of an Invoice in respect of the amount due.

32. Suspension or Termination with Default of the Supplier

32.1 DFID may notify the Supplier of the suspension or termination of this Contract where the Services or any part of them are not provided to the satisfaction of DFID, giving the reasons for such dissatisfaction and, in the case of suspension, the action required by the Supplier to remedy that dissatisfaction and the time within which it must be completed.

32.2 Where this Contract is suspended under Clause 32.1 and the Supplier subsequently fails to remedy the dissatisfaction DFID may terminate this Contract forthwith.

32.3 DFID may, without prejudice to its other rights, including but not limited to the right to claim for costs and losses incurred, terminate this Contract forthwith where:

(a) the Supplier or any member of the Supplier's Personnel, either directly or through their servants or agents, breaches any of their obligations under this Contract; or

(b) the Supplier or any member of the Supplier's Personnel has committed an offence under the Prevention of Corruption Acts 1889 to 1916 or the Anti-Terrorism Crime and Security Act 2001 or in breach of Clause 17 of this Contract; or

(c) the Supplier is an individual or a partnership and at any time:

(i) becomes bankrupt; or

(ii) is the subject of a receiving order or administration order; or

(iii) makes any composition or arrangement with or for the benefit of the Supplier's creditors; or

(iv) makes any conveyance or assignment for the benefit of the Supplier's creditors; or

(d) the Supplier is a company and:

(i) an order is made or a resolution is passed for the winding up of the Supplier; or

(ii) a receiver or administrator is appointed in respect of the whole or any part of the undertaking of the Supplier.

(e) the Supplier is a partnership or a company and there is a Change in Control. "Change in Control" means that the person(s) (including corporate bodies) directly or indirectly in Control of the Supplier at the time this Contract is

entered into cease to be in Control. "Control" means the power of a person to secure that the affairs of the Supplier are conducted in accordance with the wishes of that person.

32.4 Where this Contract is terminated in accordance with this Clause, the Supplier shall without prejudice to DFID's other remedies, take any steps necessary to terminate the provision of the Services in a timely and orderly manner but shall not be entitled to any further payment in relation to this Contract.

32.5 Where this Contract is terminated pursuant to Clause 32.3(b) the Supplier shall pay DFID within 10 days of notification such amount as DFID shall have determined as the amount of any loss to DFID resulting from such termination together with the amount or value of any gift, consideration or commission concerned.

GENERAL PROVISIONS

33. Variations

33.1 No variation in the terms or scope of this Contract shall be effective without DFID's prior written consent and recorded in writing [in the form of a letter entitled "Contract Amendment No. "]. DFID shall have no liability in respect of work performed outside the Services set out in Section 3 .

34. Assignment

34.1 Except where clause 34.2 applies, the Supplier shall not, without the prior written consent of DFID, assign or transfer or cause to be assigned or transferred, whether actually or as the result of takeover, merger or other change of identity or character of the Supplier, any of its rights or obligations under this Contract or any part, share or interest therein.

34.2 Notwithstanding clause 34.1, the Supplier may assign to a third party ("**the Assignee**") the right to receive payment of the Contract Price or any part thereof due to the Supplier under this Contract (including any interest to which DFID is liable under the Late Payments of Commercial Debts (Interest) Act 1998). Any assignment under this clause 34.2 shall be subject to:

- (a) reduction of any sums in respect of which DFID exercises its right of recovery under clauses 29.3 and 29.4;
- (b) all related rights of DFID under the contract in relation to the recovery of sums due but unpaid; and
- (c) DFID receiving notification under both clauses 34.3 and 34.4.

34.3 In the event that the Supplier assigns the right to receive the Contract price under clause 34.2, the Supplier shall notify DFID in writing of the assignment and the date upon which the assignment becomes effective.

34.4 The Supplier shall notify DFID of the Assignee's contact information and bank account details to which DFID shall make payment.

35. Limit of Liability

35.1 Except where there has been misconduct, gross negligence, dishonesty or fraud on behalf of the Supplier or the Supplier's Personnel the Supplier's liability under this Contract shall be limited to the amount of the Financial Limit.

36. Retention of Rights

36.1 Clauses 5.2(b),6,7,8,9,11,12, 13, 14, 15 16, 22, 23, 35.1, 37 and 38 of this Section 2 and any relevant clauses listed under Section 4 shall continue in force following the termination of this Contract.

37. Law

37.1 This Contract shall be governed by the laws of England and Wales.

38. Amicable Settlement

38.1 The parties will attempt in good faith to negotiate a settlement to any claim or dispute between them arising out of or in connection with this Contract. If the matter is not resolved by negotiation the parties will refer the dispute to mediation in accordance with CEDR (Centre for Effective Dispute Resolution in London, UK) procedures. If the parties fail to agree terms of settlement within 90 days of the initiation of the procedure the dispute may be referred to an arbitrator as agreed between the parties or failing such agreement as may be nominated by the President of the Law Society of England and Wales upon application of any party. The initiation of the procedure is defined as the written request to CEDR by any party for a mediation provided that such request is copied to the other party (ies).

38.2 The decision of the arbitrator shall be final and binding on both parties.

38.3 The seat and place of arbitration shall be London.

39. Transparency of UK Government Spend

The parties acknowledge that, except for any information which is exempt from disclosure in accordance with the provisions of the FOIA, the content of this Contract is not confidential information. DFID shall be responsible for determining in its absolute discretion whether any of the content of the Contract is exempt from disclosure in accordance with the provisions of the FOIA.

Notwithstanding any other term of this Contract, the Supplier hereby gives their consent for DFID to publish the Contract in its entirety, including from time to time agreed changes to the Contract, to the general public.

DFID may consult with the supplier to inform its decision regarding any exemptions but DFID shall have the final decision in its absolute discretion.

The Supplier shall assist and cooperate with DFID to enable DFID to publish this Contract.

40. United Kingdom Income Tax and National Insurance Contributions

40.1 Where the Supplier is liable to be taxed in the UK in respect of consideration received under this contract, it shall at all times comply with the Income Tax (Earnings and Pensions) Act 2003 (ITEPA) and all other statutes and regulations relating to income tax in respect of that consideration.

40.2 Where the Supplier is liable to National Insurance Contributions (NICs) in respect of consideration received under this contract, it shall at all times comply with the Social Security Contributions and Benefits Act 1992 (SSCBA) and all other statutes and regulations relating to NICs in respect of that consideration.

40.3 For those workers contracted on PAYE terms via the Supplier, their contract with the Supplier, signed in advance of any employment, will specifically state:

“The Temporary Staff shall be engaged by and shall sign terms of engagement with the Supplier and at no stage shall be deemed to have employment or co-employment with DFID. The Supplier shall be responsible for payment of remuneration of the Suppliers Temporary Staff and for making statutory deductions and payment of all statutory contributions in response of earnings in relation to National Insurance and the administration of Income Tax (PAYE) applicable to the Contractors Temporary Staff by Law.”

40.4 Where the Supplier engages a limited company (“The Company”) on behalf of DFID, the contract they enter into sets out that The Company has responsibility for, and indemnifies the Supplier in respect of any tax and NI payments:

“The Company shall indemnify the Employment Business in respect of any tax or employees national insurance together with any interest of penalties, costs or expenses incurred or arising out of or in connection with any such payments.”

Section 3

Terms of Reference

1. Background

Origin and context of the study

The Department of International Development (DFID) is a British Government Department and in India is part of the British High Commission in New Delhi. DFID India is responsible for the implementation and the administration of the UK development co-operation programme to India in partnership with the Government of India.

These terms of reference (ToR) is to invite consultancy services to evaluate impacts of the **Returnable Capital Intervention through Debt** within DFID India's **Affordable Housing programme**. Unlike some of the traditional grant aid DFID India' programme, this is from the perspective of the new generation programme, namely, returnable capital, approved by DFID India. As a result, to ensure better convergence between the ongoing monitoring work and the results expected to be achieved, it is proposed to have a more clarity and rigor on the evaluation mechanism. The study will assess attributable impacts of the programme and will also test the assumptions made during the programme design. This is the first major study of its kind to look at the impact of returnable capital intervention of the DFID India's private sector affordable housing programme.

The implementation of the programme began in August 2013 in Rajasthan, one of the low income states in India.

Cities have emerged as the engines of growth in India, contributing more than two-thirds of its GDP. With a diverse range of large and small cities spread widely across the country, India needs to continue with a distributed model of urbanisation to ensure that migration flows are not unbalanced towards particular cities. The rapid unplanned urbanisation, lack of affordable housing units and inequality in the distribution of wealth has resulted in informal settlements and extreme poverty in and around the cities, putting additional pressure on infrastructure and basic services. Currently, across all major quality-of-life indicators, Indian cities fall well short of delivering even a basic standard of living for its residents. If India continues to invest in infrastructure at the current rate, in 20 years the urban infrastructure will fall woefully short of what is necessary to sustain prosperous cities leading to urban gridlock and crippling.

Planned housing, a critical component of orderly urbanisation, is a huge gap, with 24.7 million units estimated shortage of urban affordable housingⁱ (homes costing less than £12,000) in India. The middle income segment often displaces the poorest families from subsidised homes constructed for them leading to the development of slums, with lower income households living in insecure tenements, denied basic services like water, toilets and electricity. It also makes it difficult for urban centres to attract talent and skills such as teachers, nurses and technicians, both for the public and private sectors, adversely affecting the ability of urban centres to contribute to the economic growth. A study on attracting and retaining health professional in Orissa notes that 'better housing facilities was seen as a 'very important' factor by 71% doctors, 73% nurses and 60% health workers'.

There have been a handful of pilots that provide affordable housing but these are largely limited to the progressive states. The eight low income statesⁱⁱ have some way to go before attracting significant private

investment, especially into this sector. The evidence on the effectiveness of housing programs funded through returnable capital mode is sparse both in India and worldwide.

Challenges include:

- Availability of capital for development of affordable housing units: Private investors/developers focus on constructing high end units, where return is safe and predictable. The government focuses on subsidizing housing for the poorest. Providers of capital who are willing to take additional risk to test out investments in affordable housing are not available.
- Poor availability of loans for buyers of affordable homes: 93% Indians are 'informally' employed, and cannot provide documentation that banks and other formal financial institutions require for approving housing loans. There are some in this segment who have the ability to pay, but remain excluded due to banking norms. A few specialised Housing Finance companies (HFCs) catering to this segment have begun operating in high income states but have not yet ventured into the low income states due to lack of capital and high risks.
- The inadequate policy and institutional environment in the Low Income States: These states are perceived to be 'high risk' by investors due to the lack of: (i) a proper housing policy particularly in the affordable segment, (ii) tried and tested PPP models for the sector and (iii) capacities in Government departments

DFID has partnered with the National Housing Bank (NHB) to offer concessional credit to private sector developers and HFCs in the affordable housing market in low income states. DFID has already an Institutional Appraisal of NHB. The full report is available in the Business Case. The project will stimulate growth in the affordable housing sector by demonstrating that the risks are not as high as currently perceived by investors and by helping the investors overcome the costs and time lag associated with being the first entrant.

More specifically, DFID will (See Annex for ToC):

- Provide patient capital for the development of affordable housing projects: A £25 million line of concessional credit will be provided to the NHB, which will invest in projects that meet the DFID eligibility criteria.
- Increase availability of home loans for low-income households: A line of credit for £15 million to the NHB will be used for lending to housing finance companies (HFCs) to commence operations in the low income states.
- Strengthen policy and build systems: Technical assistance funds (grant) of £5 million will be utilised for building technical expertise and strengthening systems at the national level through NHB and in state government departments. For example, rating system for developers and projects, better urban planning, and adoption of PPP models that have worked elsewhere, rationalisation of processes for quicker and more transparent clearances for affordable housing projects.
- Innovate: £5 million of TA funds will be used to pilots, such as green building technologies, including learning from the UK experience. The project will also use these funds to test out rental and incremental housing models for low income households but are also commercially viable.

While other bilateral/multilateral donors also have partnerships with the National Housing Bank, this will be an independent evaluation by DFID, as the other donors (KfW and the World Bank) are focussed

on evaluating impacts at the institutional level, while DFID would like to examine impacts at the household level as well.

Headline Results from the programme (See Annex for Logframe)

- Additional capital of £80 million mobilized for the affordable housing sector in the 8 Low Income States
- 27,000 jobs for the poor in the LIS
- 17,000 affordable housing units constructed
- 10,000 home loans to low income families
- Policy environment: (i) better regulatory environment e.g. financing affordable housing is given 'priority' status by the Central Bank to encourage lending; (ii) sector building, e.g., developer rating systems for better governance and regularisation of the real estate sector; (iii) creating a repository of data and evidence on affordable housing at NHB to feed into future policy changes (iv) pilots to feed into policy papers on incremental and rental housing.

2. Purpose, objectives and scope

The purpose of an independent evaluation of the programme is to: (i) assess rigorously the socio-economic impacts attributable to the programme (ii) assess the effectiveness and sustainability of the programme using a mix of debt and technical assistance

The objectives of the evaluation are to: (a) estimate the direct and indirect effect of affordable housing programme on households having monthly income between Rs. 8,000 to Rs. 20,000 (b) build the evidence base on how best to make returnable capital instruments effective in emerging economies; and (c) understand what policy, regulatory and institutional measures will be required to make such instruments more effective for the socio-economic development in low income states.

The scope of the assignment is to conduct a baseline evaluation, mid-term evaluation in year 3 and a final evaluation of the programme in year 7 or 9 (depending on the life of the fund). As the programme has been launched in Rajasthan, a primary survey has been commissioned in order to establish a baseline for select projects, given that the beneficiaries in Rajasthan (who are currently residing in slums, informal housing, etc.) will have moved in to their allocated houses by the time the impact evaluation is rolled out. The results of the primary survey will be shared with the evaluation team.

3. Target audiences

This evaluation will inform DFID India and DFID more widely on impact and effectiveness of providing long-term finance through returnable capital instrument. The findings will be used as evidence to support policy interventions in the housing sector within India and by DFID globally. It is expected that the findings of this evaluation will inform and be used to design and deliver future returnable capital programmes in DFID with focus on low- income economies, especially after 2015 when traditional financial grant aid comes to an end. We would expect the evaluation to have academic value as rigorous evidence of returnable capital as instruments to achieve development outcomes. It could also feed into the guidelines being developed by the DFID-HQ on pre-requisites for country offices to proceed with designing of returnable capital programmes. This evaluation will also inform NHB about the effectiveness of this affordable housing model which has the potential to be replicated in different states of India.

4. Dissemination and communication

These reports and briefs will be shared widely with DFID and HQ to disseminate the results of a pioneering returnable capital instrument to achieve development outcomes while ensuring adequate returns. It is important that the key findings, conclusions and recommendations from the evaluation are disseminated for engaging and acting on the information so that returnable capital instruments could be adequately analysed as instruments to finance long-term capital investments in infrastructure specifically, housing sector. The document will be disseminated within DFID and NHB and may be widely disseminated and shared with the policy makers. Bidders can propose a dissemination and communication plan for this evaluation suitable to different types of stakeholders – DFID, NHB and policymakers.

5. Broad Evaluation questions to be answered by the study

The broad evaluation design will, reflecting the five DAC evaluation criteria of relevance, impact, effectiveness, efficiency and sustainability, aim to answer the following questions:

- What have been the direct effects of this program in delivering services to the targeted households, the indirect benefits at the household level (such as health, education, water and sanitation, women safety etc.) and the multiplier effect on the local economy as a whole?
- Has the programme been effective in creating a demonstration effect in mobilizing private sector capital in the affordable housing sector in the target states? Also, has the project helped in developing enabling environment for private investments in affordable housing sector in these states?
- How sustainable has been the programme and funding mechanism in terms of viability? What is the extent to which this program can be replicated within India and other economies?
- What are the policy, regulatory and institutional measures which can make the returnable capital instrument more effective for the socio-economic development in the target states?
- What has been the overall value for money and how has the theory of change and impact being achieved?
- What has been the impact of this program at the Policy Level – state / national (affordable housing policy /clearances/ town master planning exercises) and how have these changes improved the ability of poor households to access low-cost housing? (Policy Level Impact)
- What has been the influence of the programme and DFID’ ESG framework on NHB as an institution – the processes, systems, capacities etc.? (Borrower Level)

6. Evaluation Design and Methodology

The consultants are expected to develop an evaluation design that is rigorous and uses internationally recognised methods. They will also be expected to present the evaluation framework linked with output and methodology. The methodology proposed should show how the chosen data gathering and analysis techniques will lead to robust conclusions and recommendations around the impact of the programme.

The methodology is expected to adopt a design which includes the gathering of baseline, midline (where deemed necessary) and end of project primary data collection. The main design and methods should be proposed in the bid, with the expectation that they will be refined during the initial 3 month Inception Phase, in consultation with DFID. In developing the evaluation design and methods, the bidders should consider the following design issues:

- The winning evaluation team will be expected to review the evaluation questions identified in Para 5 (“Key Evaluation Question”) of these ToRs and provide suggestions on how these might be

amended and/or their range expanded. This review of the evaluation questions should draw on two sources, at a minimum. First, revisions should be drawn from a Theory of Change, which the evaluators will be expected to develop during the Inception Phase using discussion with key stakeholders. Second, the evaluators will be expected to develop a 'Communication and Dissemination Strategy' during the Inception Phase. As part of this work, the evaluators will be expected to identify other organisations that potentially have an interest in providing capital to the infrastructure sub-sectors in low-income states in future; and

- The £40m concessional loan extended to NHB (Borrower) will be on-lent as follows (i) £25m will be lent to supply-side projects, i.e. developers of low cost housing units, and (ii) £15m will be lent to HFCs which provide mortgages at affordable rates to low-income households employed in the informal sector.
- The on-lending decisions will be made by the Project Management Committee constituted with representation from DFID and NHB, and shall adhere to the Investment Policy outlined in the Loan Agreement. The loan will be fully disbursed to NHB in 6 half-yearly instalments before 31st December 2016.
- The design must be methodologically rigorous and credible when judging both the **internal** and **external** validity of the results. Bidders will be expected to clearly set out the standards used for ensuring rigor/credibility and assessing rigor/credibility will be a major focus of the future DFID QA process.
- The expectation is that the detailed design will be agreed by the end of the Inception Phase, with baseline data then collected and analysed by the end of year 1. A midterm evaluation, should then be scheduled for year 3, and will be used by DFID in its own midterm review of the overall private sector affordable housing portfolio.
- Impacts will be disaggregated by gender, poverty level and caste/tribal grouping.

Bidders are free to propose the most appropriate design to allow generalisation from those investments selected for evaluation and identify key contextual factors expected to affect both effectiveness and sustainability and external validity. These designs and methods will be judged on their utility under small to medium term scenarios.

The evaluators will also be expected to set out how they will address the implications for establishing baselines and identifying control groups (if required) when target beneficiaries will be identified on an on-going basis between 2013 and 2015; as individual sub-borrowers are identified. As housing involves multi-stakeholders, any evaluation has to take into account issues and concerns of each stakeholder's involvement. The key respondents for this evaluation study will be individual sub-borrowers, project developers, HFC representatives, NHB functionaries and policymakers.

Ownership of all data collected will lie with DFID and arrangements for longer term storage and accessibility of any data generated will be agreed during the Inception Phase between DFID and the Evaluation Consultant.

It will be useful for the bidders to consider the following challenges/limitations while formulating the evaluation framework:

1. There are differences in timeline of the program across the states with contextual differences.

2. There will be limited access to beneficiaries, especially labourers/construction workers, which is largely migrant population.
3. There will be considerable challenge in getting financial data from public sector financial institutions – e.g. beneficiary information will be confidential

7. Skills and qualifications

The evaluation team should have a clear understanding of evaluation designs and research methods. The team should understand the strengths and limitations of different designs and how to accurately interpret and present findings to both researchers and non-researchers. The team will require a broad set of skills to be able to effectively design a complex evaluation and prior experience of evaluating private sector programmes. The team should have a combination of international and local experts.

The team will also have a demonstrated ability to communicate complex studies and findings in an accessible way for non-technical readers, including presentation of data in visually appealing ways, highly structured and rigorous summaries of findings and robust and accessible syntheses of key lessons.

The evaluation team will need to have a mix of skills that cover:

- Strong understanding of various quantitative and qualitative evaluation methodologies, surveys, and econometric/statistical analysis
- Experience of undertaking large evaluation/impact assessments projects, using mixed methods approaches that meet recognised standards for credibility and rigor
- Experience of working on evaluations of private sector approaches such as affordable housing
- A good grounding in the literature of the ethnography in the target states
- Strong analytical and report writing skills and task management
- Financial analysis, the private sector and economics
- Poverty and vulnerability assessments;
- Political economy analysis
- Presentation of reports, data visualisation, and synthesising findings; Research communications and uptake

The preferred bidder will need to be able to guarantee sufficient people to be able to implement and manage various studies simultaneously.

The preferred bidder will need to comply with DFID's policies on fraud and anti-corruption, knowledge of latest UK Bribery Act and cooperate with any checks required from them for the duration of the evaluation e.g. annual audited statements, policies on management of funds, etc.

The preferred bidder will be expected to supply their own logistic requirements including office space and transport.

8. Logistics and procedures

The evaluation will be contracted and managed by DFID India's evaluation team with support from Affordable Housing Team. The Economic Advisor, DFID India will be the main interlocutor in the programme team and will provide technical support. The Senior Infrastructure Advisor will provide overall technical guidance and oversight. During the tenure of the assignment, the consultant will report to the Economic Advisor for any queries regarding the terms of reference, financial matters and related issues.

The evaluation suppliers will provide recommendations to Results Advisor and Project Officer, Affordable Housing Team. Bi-annual reports on the progress of the evaluation, any obstacles to delivery and updated financial forecasts will be required.

DFID India will form a reference group as an advisory body for the purposes of evaluation which will include the following:

- Adviser, CDC
- Senior Infrastructure Adviser
- Social Development Adviser
- Institutional Adviser/ expert(s) from national level institute or apex body involved in housing planning and administration and having strong experience in the field of housing related evaluation and technical assistance

The reference group, which along with providing an oversight to the evaluation process and ensuring quality of the products would also, serve as a sounding board for key decisions to be taken with respect to the evaluation. A ToR would be drawn for the reference group to adhere to during the process of evaluation to support the process.

DFID India will sign off on the Inception Report and all other outputs specified in these ToR. All outputs will be subject to DFID quality assurance process, as will all final evaluation reports.

The evaluation suppliers will be independent, but required to work closely with NHB and DFID India throughout the life of the programme, including agreeing the evaluation design, hypotheses for testing, outcomes of concern, appropriate indicators and a dissemination strategy. Whilst the evaluation must generate internationally credible evidence, the associated findings must have local stakeholders' buy-in and acceptance to be useful for instigating reform and change. The programme will therefore create a reference group drawing from the DFID program team, DFID Evaluation Team and the NHB to facilitate this relationship.

9. Outputs and deliverables

The major deliverables include inception report including the piloting of design, baseline, midline and endline reports. At a broad level, the deliverables range from validation and refining of Theory of Change for drawing out relevant indicators for the evaluation questions; developing appropriate methodology for establishing Affordable Housing Programme impacts; developing appropriate and cost effective sample size; developing robust, rigorous but cost-effective data collection procedures and tools; data analysis methods and tools to reviewing and validating the data.

The evaluation agency is also expected to submit a six monthly progress report to DFID. All the evaluation reports will undergo mandatory quality assurance (QA) processes. Usually, the quality assurance of each evaluation product requires 15 days. The evaluation consultant should factor in the time requirement for QA while charting out the work plan.

9.1 An Inception Report (within 3 months of commissioning the evaluation)

The consultant will submit an inception report covering the following:

- The finalised evaluation design and methods including an analysis of the degree to which the methods used and overall design will deliver against the evaluation's objectives and purpose
- An analysis of the extent to which the design proposed meets the requirements of the overall ToR and specifically flags any divergences from the ToR
- Elaboration of the ToC and discussion of implications for the evaluation design
- Review the evaluation questions and proposals for how they might be amended or their range expanded
- A communication and dissemination strategy, reflecting DFID's Open Access Policy, and specifying the target audiences

- A review of the main risks and challenges for the evaluation and how these will be managed
- Proposal on collection of baseline data
- Assessment of the probable quality and credibility of the identified datasets and sources and implications for primary data collection
- Review and validation of the monitoring data that will be gathered by the monitoring consultants to maximise the extent that it can be used for evaluation purposes
- Work plan and indicative budget

9.2 A Baseline Evaluation Report (on timeline as agreed in Inception Report)

The evaluation agency will submit a report after the base-line work has been completed. The baseline-line report should state the findings of the survey, review of situation/context and analyse the results. It will include an executive summary, context, evaluation goals, purpose, objectives, scope, methodology and the process through which data and information have been collected and analysed. The report should include suitable graphs, charts, tables disaggregated and aggregated data for different relevant spatial and socio-economic categories based on the evaluation framework.

The consultant should submit the draft baseline-line report within two weeks of completing the primary data collection (quantitative and qualitative) and review of the relevant documents, policies and practices and secondary data sources. The final baseline report should be submitted within two week after incorporating comments from DFID and reference group. The consultant should submit the draft and final reports to DFID in both electronic and print format for comments.

9.3 A Midterm Evaluation Report (Year 3):

The evaluation agency will submit a report after the mid-line work/survey has been completed in the third year after commissioning the evaluation. It will evaluate progress against the evaluation questions identified above. The mid-line report should state the findings of the survey and analyse the results as against the baseline. This will be a status report of the programme and illustrate findings with respect to the evaluation questions and indicators. There should be a specific high level report using the mid-term findings and conclusions to disseminate to senior DFID and other stakeholders outlining the potential for replication of the social venture capital model. At this stage it may not be possible to identify impact however the mid-term evaluation will identify the trajectory of change and allow revisions to the evaluation design and methodology to be implemented in preparation for the final evaluation. The mid-term evaluation will also include a process evaluation element to consider the effectiveness of the programme and efficiency of the delivery approach.

The consultant should submit the draft mid-line report within two weeks of completing the data collection and the final midline report within two week after incorporating comments from DFID and reference group. The consultant should submit the draft and final reports to DFID in both electronic and print formats for comments.

9.4 A Final Evaluation Report (timeline contingent on programme completion)

The final evaluation will take place in year 7, will commence no later than 3 months after the loan has been fully repaid to DFID, and will focus on evaluating the impact of the programme. Evaluation work that may be relevant to both the mid-term and the final evaluation includes the following:

- Working closely with the partners, project developers, HFCs and monitoring agency to embed evaluation in the sub-borrowers' business plans and build on existing and available information sources
 - Piloting to test the evaluation questions, indicators and the tools
 - Conducting baseline studies in the identified groups/areas
 - Refine, if need be, the data collection procedures Conducting a mid-line study to assess initial impacts of the investment
 - Conducting an end-line study at the end of evaluation to establish change in the relevant outcome and impact variables. Analytical reports on baseline and end-line studies
 - Documenting data sources used in sampling, the frequency of collection and publication
 - Providing a database of all raw data in Excel format for each data collection exercise (baseline and end line)
- 2.

The report should highlight the analysis of how the results were achieved and how they can be attributed to the unique features of the projects specifically and to the overall programme. It will document the lessons learnt from the evaluation of the programme. It will provide detailed explanation of how closely the evaluation methodology has been followed and an explanation of the implementation procedures.

The draft final report will collate all the data that is gathered and synthesise the analysis at the various collection points (at the start and at the end). The draft final report will be the main product for the evaluation team and must include a detailed explanation of the methodology that has been used as well as the implementation process for each intervention.

The consultant should submit draft final reports to DFID in both electronic and print formats for comments within three weeks of completing final data collection at the end of the programme.

The consultant should also prepare bespoke presentations for DFID and other stakeholders as mentioned earlier.

9.5 Pilot evaluation report

Consultant should be ready to proceed with the pilot within a week of Inception Report being agreed. Within a week of concluding the pilot of the methodology, the consultant is expected to produce an evaluation report (not longer than 5 pages) of the pilot and whether the design methodology as set out in the Inception Report needs to be adjusted.

9.6 Regular six-monthly up-dates to DFID and the reference group covering;

- Progress against the agreed work plan
- Variations in the proposed budget.

9.7 Any other products identified and agreed as part of the communication and dissemination strategy.

10. Budget

Bids are requested to provide a detailed costing to meet the objectives of this evaluation. In order to provide guidance, an indicative budget is around £600,000. This is indicative only and should not be interpreted as a minimum, maximum or preferred level of budget. Bid evaluation will be based on both technical and financial costs, with the successful bid being the proposal that offers the best and most cost-effective way to meet the objectives of the evaluation.

11. Existing information and data sources

Apart from the primary data collected, the evaluator will have access to the following data sources:

- Financial Statements of the NHB
- MIS of project developer and HFCs
- ESG report of projects funded
- The business cases, log-frames and ToC
- Periodic progress reports including mid- year & Annual Reviews of the projects, as and when they are available.
- Monitoring Data in relation to all the above referred projects

12. Ownership

The agency conducting the evaluation has to confirm that all the datasets, outputs and other documents created as part of the evaluation will be the sole property of DFID and no part will be discussed, disseminated or used without prior approval from DFID.
