



Department
for International
Development



CONTRACT FOR SUPPLIER SERVICES

Section 1 - FORM OF CONTRACT

CONTRACT FOR : DRC Private Sector Development Project: Market Development
Component Scale-Up
PURCHASE ORDER NUMBER : PO7003

THIS CONTRACT is made

BETWEEN : The Secretary of State for International Development at the Department for International Development, Abercrombie House, Eaglesham Road, East Kilbride ("DFID");

AND : Adam Smith International ("Supplier")
whose registered office is situate at Westminster Tower, 3 Albert Embankment, London SE2 7SP

(together "the Parties").

WHEREAS:

- A. DFID requires the Supplier to provide the services as defined in Section 3 (the "Services") to DFID DRC (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
Appendix A	DFID Statement of Priorities and Expectations for Suppliers.
Appendix B	ASI Original Technical Submission dated 24 th August 2012
Appendix C	ASI Commercial Proposal for Scale Up dated 11 th December 2014

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

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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 19th December 2014 (the "Start Date") and shall complete them by 31st December 2018 (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 £43,364,428 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 of its obligations under this Contract.

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

Name:

Position:

Signature:

Date:

For and on behalf of
Adam Smith International

Name:

Position:

Signature:

Date:

Section 2 - GENERAL CONDITIONS

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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;

"DOTAS" means the Disclosure of Tax Avoidance Schemes rules which require a promoter of tax schemes to tell HM Revenue & Customs of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under powers contained in Part 7 of the Finance Act 2004 and as extended to National Insurance Contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012, SI 2012/1868 made under s.132A Social Security Administration Act 1992.

"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.

[Signature]
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"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.

"General Anti-Abuse Rule" means (a) the legislation in Part 5 of the Finance Act 2013; and (b) any future legislation introduced into parliament to counteract tax advantages arising from abusive arrangements to avoid national insurance contributions.

"Halifax Abuse Principle" means the principle explained in the CJEU Case C-255/02 Halifax and others.

"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;

"Occasion of Tax Non-Compliance" means:

- (a) Any tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 is found on or after 1 April 2013 to be incorrect as a result of:
 - (i) a Relevant Tax Authority successfully challenging the Supplier under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rules or legislation that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle;
 - (ii) the failure of an avoidance scheme which the Supplier was involved in, and which was, or should have been, notified to a Relevant Tax Authority under the DOTAS or any equivalent or similar regime; and/or
- (b) Any tax return of the Supplier submitted to a Relevant Tax Authority on or after October 2012 gives rise, on or after 1 April 2013, to a criminal conviction in any jurisdiction for tax related offences which is not spent at the Effective Date or to a civil penalty for fraud evasion.

"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;

"Relevant Tax Authority" means HM Revenue & Customs, or, if applicable, a tax authority in the jurisdiction in which the Supplier is established.

"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 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;

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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

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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 Supplier or the Services:

8.5.1 in certain circumstances without consulting the Supplier; or

8.5.2 following consultation with the Supplier 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 Supplier'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 Data 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 in line with Clause 8.7 above.
- 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 representatives 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.
- 17.4 DFID and the Supplier will immediately and without undue delay inform each other of any event that interferes or threatens to materially interfere with the successful implementation of the project, whether financed in full or in part by DFID, including credible suspicion of or actual fraud, bribery, corruption or any other financial irregularity or impropriety.

DFID have an expert fraud investigation unit, that should be contacted in the first instance at fraud@dfid.gov.uk or +44 (0)1355 843551. All suspicions will be treated with the utmost confidentiality.

18. Conflict of Interest

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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 Contractor shall not unlawfully discriminate either directly or indirectly on protected characteristics such as race, colour, ethnic or national origin, disability, sex or sexual orientation, religion or belief, or age and without prejudice to the generality of the foregoing the Contractor shall not unlawfully discriminate within the meaning and scope of the provisions of all relevant legislation including the Equality Act 2010 or other relevant or equivalent legislation, or any statutory modification or re-enactment thereof.

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 variations 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 re-instatement 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
 - (v) the warranty given by the supplier pursuant to Clause 41 is materially untrue; or
 - (vi) the Supplier commits a material breach of its obligation to notify DFID of any Occasion of Tax Non Compliance as required by Clause 41; or
 - (vii) the supplier fails to provide details of proposed mitigating factors which in the reasonable opinion of DFID, are acceptable.
 - (viii)
- (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 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

- 39.1 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.
- 39.2 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.
- 39.3 DFID may consult with the supplier to inform its decision regarding any exemptions but DFID shall have the final decision in its absolute discretion.
- 39.4 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."

41. Tax Compliance

Particularly relating to occasions of Disclosure of Tax Avoidance Schemes (DOTAS) in line with General Anti-Abuse Rule (GAAR)

41.1 The Supplier represents and warrants that as at the Effective Date, it has notified DFID in writing of any Occasions of Tax Non-Compliance or any litigation that is involved in that is connection with any Occasions of Tax Non-Compliance.

41.2 If, at any point during the Term, an Occasion of Tax Non-Compliance occurs, the Supplier shall:

(a) notify DFID in writing of such fact within 5 Working Days of its occurrence; and

(b) promptly provide to DFID:

- (i) details of the steps which the Supplier is taking to address the Occasion of Tax Non-Compliance and to prevent the same from recurring, together with any mitigating factors that it considers relevant; and
- (ii) such other information in relation to the Occasion of Tax Non-Compliance as DFID may reasonably require.

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Terms of Reference

DRC Private Sector Development Project

Market Development Component – Scale Up

1. Introduction

- 1.1 Decades of economic mismanagement and war have exacted a heavy toll on the economy of the Democratic Republic of Congo (DRC). Official GDP per capita in DRC is still the lowest in the world (\$311) – less than half of its 1980 value in constant terms. And around 59% of the population live on less than \$1.25 per day. It is estimated that only around 300,000 people are employed in formal Small to Medium Enterprise (SME) firms and that up to 90% of all business activity takes place 'below the radar' in the informal sector.
- 1.2 Recovery of the private sector would provide jobs and business opportunities for poor people in DRC to lift themselves out of poverty. However, recovery of the private sector is impeded by a poor business environment, which is regarded as *the* binding constraint to growth in DRC. DRC is currently ranked 178th out of 183 countries in the Ease of Doing Business Index – 40 places behind the Sub-Saharan African (SSA) average. In addition, the legal framework is explicitly biased against female participation in business.
- 1.3 The DRC country office of the Department for International Development (DFID) has, following a 1 year design phase, designed a Private Sector Development (PSD) programme to strategically target key constraints to empower the private sector to be an engine of growth, firm and job creation, and poverty alleviation in DRC. At the start of the inception phase this was anticipated to be a £44 million 5 year programme. However, over the course of the inception phase, the scale and ambition of our PSD programme has increased to a £100m programme over 10 years. The estimated minimum result of this programme is £91.8m - £137.7m of positive Net Attributable Income Change (NAIC) for 1.13m - 1.7m MSMEs by 2023.
- 1.4 The PSD programme will consist of three components:
 - **Business environment reform component:** This component will address national, top-down regulatory and policy implementation problems associated with poor governance.
 - **Meso-level reforms component:** This component will improve supporting markets and institutions affecting multiple sectors. This will involve both high-level regulatory and policy implementation reform as well as action to address market and coordination failures targeted at financial services and trade facilitation. DFID DRC will undertake this component in collaboration with other donors operating in DRC.
 - **Market development component:** This component will develop the private sector more directly by tackling specific constraints affecting particular markets. Such constraints can stem from deficiencies in the business environment at the national, provincial and sectoral levels, as well as other government, market, and coordination failures. As is detailed in this Terms of Reference, a Service Provider (SP) will

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manage both the design and implementation phases of this component on behalf of DFID DRC.

- 1.5 The interconnectedness of the three components will provide a thread through which the localised impact of top-down reforms can be traced and demonstrated. This will enable DFID to demonstrate attributable results and bolster political will for reform – particularly when combined with support to the private sector to articulate their demands for a better business environment under all three components.
- 1.6 These ToR set out the objectives, recipients, and scope of the project, as well as the proposal requirements the SP must meet and the outputs they must deliver. The following annexes provide further background information:
- Annex A is DFID DRC's Country Operational Plan.
 - Annex B is the business case for the Private Sector Development Implementation Project.
 - Annex C is a summary risk matrix for this project
 - Annex D is the 5 year strategic plan for the market development component.

2. Objectives

- 2.1 The overall objective of this assignment is to implement the market development component (MDC) of the PSD programme as laid out in the 5 year strategic plan (Annex D). The expected duration of the MDC was five years (1 year design + 4 years implementation) dependant on performance of the Service Provider and results of this part of the PSD programme with a budget of £7,918,122, broken down into £1,402,550 for the design phase and £6,515,572 for implementation. However with the increased scale and ambition of the wider programme, the implementation phase of the M4P component is now anticipated to have an upper limit of up to £50m over five years. Thus this scale-up contract is for the value of up to a further £43,484,428. We believe the proposed budget for this component is commensurate with the size of the country, opportunities for poverty alleviation through M4P, and DFID DRC's ambition for its PSD portfolio. This includes programme cost including disbursement of funds and procurement of technology and supplier's management cost. However, note that the programme as a whole is following a flexible approach, with interventions being abandoned, added or augmented throughout the lifetime of the programme in response to continual lesson learning. As such, DFID may move budget within the overall £100 million between components if analysis suggests this would be warranted. This means that the MDC component could receive an increase or decrease in budget within the overall programme envelope. Any decision to rebalance the portfolio will be undertaken by the Programme Management Board and submitted for approval as detailed in the management case of the Business Case (Annex D).
- 2.2 The MDC aims to contribute to economic growth and poverty alleviation by creating firms, jobs and raising the incomes of poor people, particularly women and adolescent girls, in DRC. It also aims to achieve more equitable market access for poor people and a deepening of selected markets.
- 2.3 The MDC was designed following the "Making Markets Work for the Poor (M4P)" approach and international best practices in this area. As such, the MDC will support a range of market functions and value chains in the selected sectors, address government failures, support entrepreneurship development and enterprise innovation, stimulate private sector provision of services and promote innovative and inclusive

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business models which have a potential to reach a large number of low-income people, particularly women and adolescent girls.

3. Recipient.

- 3.1 The ultimate beneficiaries of the programme will be the poor, vulnerable and excluded people of DRC, including those who may otherwise seek to make a living through violence, and particularly women and adolescent girls.
- 3.2 The programme will support relevant government, private sector, financial institutions, civil society and not-for-profit organisations or partnerships thereof, delivering the expected outcomes at a systemic level.

4. Scope of services

Implementation phase

- 4.1 The SP will be responsible for implementing the market systems development component of the Private Sector Development Programme, as designed in the inception phase and outlined in the 5 year strategic plan (Annex D). The SP will implement the market system interventions according to M4P principles of facilitation, avoidance of becoming a market player, taking account of market and political incentives, and generating impact at scale through private sector replication of business models. Interventions need to be cognizant of addressing barriers and opportunities for the poor, including women and adolescent girls, in the market system, both in parts of the system where they are numerous and have a presence and parts where they are not currently present but could play a role. In the latter, it will be important to consider cultural barriers.
- 4.2 It is critically important that the MDC works synergistically with the other components of the PSD programme. To ensure coherence across the programme portfolio, detailed Annual Reviews will be undertaken by DFID DRC drawing on results reporting and analysis from implementing partners and the Decision Support Unit. In addition to verifying progress against projected results, these Annual Reviews will be used to confirm activities for the forthcoming year and associated results targets and budgets. The SP for the market development component will be expected to play an important role in contributing to results and analysis for the programme Annual Reviews..
- 4.3 Wherever possible, and practical, resources should be shared across all 3 components of DFID DRC's PSD programme. The SP will work with DFID DRC's Growth and Economic Adviser (as well as the Programme Management Board) to identify areas where resources could be used synergistically (for example, where surveys overlap, costs could be reduced and disruption for survey respondents minimised by using the same surveyor to ask questions related to both surveys).
- 4.4 The SP will develop rolling annual business plans for the MDC which will be flexible and will set out the interventions to be implemented. Results based payment will be linked to the results outlined in these annual business plans. It will also be responsible for managing the financial resources of the MDC instruments (specific technical assistance, grants, etc) and operate a Monitoring and Evaluation (M&E) system that meets the relevant standards of the Donor Committee for Enterprise Development (DCED).

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4.5 Following the M4P approach, the SP will:

- Review the progress of the interventions and, where necessary, scale up some and abandon some.
- Work out how to influence both the public and private sectors.
- Identify the key actors within the system (both from public and private sectors) that will help generate change.
- Identify facilitators with good knowledge of the market, who will be able to stimulate it without being part of it and catalyse change.
- Identify the partners within the market system with whom the SP will work with.
- Ensure the sustainability of the interventions.

5. Deliverables

Implementation phase

5.1 The implementation phase will require the delivery of the MDC to achieve the desired outcomes and impact consistent with the logframe outputs. A results based payment mechanism will be used to make payments against this. The SP should propose the results based payment mechanism as part of the commercial proposal. Payment mechanisms will be agreed on an annual basis in conjunction with the rolling annual business plan and the results outlined in these. As part of delivery the the SP will also supply:

- Annual business plans (which will include up-to-date strategies for each sector).
- Baseline and annual surveys for selected sectors.
- Procedures manual for grants.
- Communication and knowledge management strategy.
- And all reporting requirements included in section 6.3

6. Reporting

6.1 The SP will report to the Growth and Economic Adviser in DFID DRC with regard to any technical or programme management issues. The SP will be expected to quantify how and where VFM is driven throughout the duration of this programme.

6.2 Reporting requirements during the implementation phase have been defined at the design phase, and include:

- Annual workplans

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- Annual forecast of expenditure (including procurement plans) - disaggregated monthly for the financial year April to May. These should be updated on a monthly basis.¹
- Quarterly financial progress reports
- Annual audited accounts.
- Quarterly progress/performance management reports.
- Quarterly strategic review
- Annual reports outlining progress against agreed targets.

6.3 DFID will undertake:

- 6 month reviews of the programme by the DFID DRC Growth and Economic Adviser (supported by other relevant advisers specialising in areas such as evaluation).
- 6 month independent verification of results by the Decision Support Unit and arbitration of targets
- A full mid-term review after 2 years.
- A project completion report.
- An independent evaluation at the end of the project.

7. Timeframe

- 7.1 The implementation phase is expected to run for five years and commenced in January 2014.
- 7.2 The contract will be issued for the full period with a break point at Year 2 following the mid-term review.
- 7.3 Should there be an ongoing requirement for the activity of this project, and should it continue to hit results targets, we reserve the right to extend the duration of the contract to meet this need. The budget would be adjusted accordingly.

8. Qualifications of SP

8.1 The selected SP shall have the following skills, expertise and experience:

- Ability to design, deliver, monitor and evaluate market development/M4P programmes.
- A successful track record of implementing projects in support of economic growth and poverty reduction in the Central Africa region/francophone countries/conflict affected areas.
- Ability to deploy experts who are able to operate fluently in French (essential) and have strong credibility in DRC.
- Ability to deploy experts who have a strong track record and commitment to poverty and gender equity issues, and have acquired knowledge of the M4P approach.

¹ Note that reimbursement of disbursed funds and funds used for procurement will be made retrospectively (subject to negotiation with DFID DRC during the design phase).

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8.2 DFID DRC encourages collaboration with local organisations to maximise spillovers to wider development within DRC and to increase the pool of local expertise. As such, it is expected that the SP will award a number of sub-contracts to local consultancies, NGOs or academic organisations.

8.3 The sustainability of the project will also be key. It is expected that the SP will give consideration to an exit strategy which ensures sustainability of interventions and improvements to market systems so that there continue to be positive contributions to economic growth and poverty alleviation.

9. Duty of Care

9.1 The Supplier is responsible for the safety and well-being of their Personnel (as defined in Section 2 of the Framework Agreement) and Third Parties affected by their activities under this Call-down Contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.

9.2 DFID will share available information with the Supplier on security status and developments in-country where appropriate. DFID will provide the following:

- All Supplier Personnel will be offered a security briefing by the British Embassy/DFID on arrival. All such Personnel must register with their respective Embassies to ensure that they are included in emergency procedures.
- A copy of the DFID visitor notes (and a further copy each time these are updated), which the Supplier may use to brief their Personnel on arrival.

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

9.4 This Procurement will require the Supplier to operate in conflict-affected areas and parts of it are highly insecure. The security situation is volatile and subject to change at short notice. The Supplier 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.

9.5 The Supplier is responsible for ensuring that appropriate arrangements, processes and procedures are in place for their Personnel, taking into account the environment they will be working in and the level of risk involved in delivery of the Contract (such as working in dangerous, fragile and hostile environments etc.). The Supplier must ensure their Personnel receive safety in the field training prior to deployment if judged necessary.

9.6 Tenderers must develop their Tender on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix developed by DFID (see Annex C of this ToR). They must confirm in their Tender that:

- They fully accept responsibility for Security and Duty of Care.

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

9.7 Acceptance of responsibility must be supported with evidence of capability and DFID reserves the right to clarify any aspect of this evidence. In providing evidence Tenderers should consider the following questions:

- a) Have you completed an initial assessment of potential risks that demonstrates your knowledge and understanding, and are you satisfied that you understand the risk management implications (not solely relying on information provided by DFID)?
- b) Have you prepared an outline plan that you consider appropriate to manage these risks at this stage (or will you do so if you are awarded the contract) and are you confident/comfortable that you can implement this effectively?
- c) Have you ensured or will you ensure that your staff are appropriately trained (including specialist training where required) before they are deployed and will you ensure that on-going training is provided where necessary?
- d) Have you an appropriate mechanism in place to monitor risk on a live / on-going basis (or will you put one in place if you are awarded the contract)?
- e) Have you ensured or will you ensure that your staff are provided with and have access to suitable equipment and will you ensure that this is reviewed and provided on an on-going basis?
- f) Have you appropriate systems in place to manage an emergency / Incident if one arises?

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