



**CALLDOWN CONTRACT**

**Framework Agreement with: Pegasys Limited**

**Framework Agreement for: IMDP Lot 1**

**Framework Agreement Purchase Order Number: PO 8373**

**Call-down Contract For: Forest Governance Markets and Climate (FGMC) Programme Management 2023 – 2024**

**Contract Purchase Order Number: TBC**

I refer to the following:

1. The above mentioned Framework Agreement dated 30 April 2019;
2. Your proposal of 6 March 2023

and I confirm that FCDO requires you to provide the Services (Annex A), under the Terms and Conditions of the Framework Agreement which shall apply to this Call-down Contract as if expressly incorporated herein.

**1. Commencement and Duration of the Services**

- 1.1 The Supplier shall start the Services no later than 03 April 2023 (“the Start Date”) and the Services shall be completed by 2 February 2024 (“the End Date”) unless the Call-down Contract is terminated earlier in accordance with the Terms and Conditions of the Framework Agreement.

**2. Additional Documents to be included in this Contract**

The following documents are included in and form part of the Contract:

Technical Proposal dated March 2023 (Annex B)

Commercial Proposal dated March 2023 (Annex C)

**3. Recipient**

- 3.1 FCDO requires the Supplier to provide the Services to the FCDO Energy, Climate and Environment Directorate (the “Recipient”).

**4. Financial Limit**

- 4.1 Payments under this Call-down Contract shall not exceed £1,199,997 (“the Financial Limit”) and is inclusive of government tax, as detailed in Annex C.
- 4.2 The supplier will manage an Accountable Grant Fund of up to £2 million which is excluded from the Financial Limit as HM Treasury will advance payment for this to the Supplier on a “just in time” basis.

**5. FCDO Officials**

- 5.1 The Project Officer is:

**REDACTED**



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5.2 The Contract Officer is:

**REDACTED**

## 6. Key Personnel

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

**REDACTED**

## 6. Reports

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

## 7. Duty of Care

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

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

## 8. Call-down Contract Signature

8.1 If the original Form of Call-down Contract is not returned to the Contract Officer (as identified at clause 4 above) duly completed, signed and dated on behalf of the Supplier within **15 working days** of the date of signature on behalf of FCDO, FCDO will be entitled, at its sole discretion, to declare this Call-down Contract void.



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

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

Name: REDACTED

Position: REDACTED

Signature: REDACTED

Date: 4 April 2023

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

Name: REDACTED

Position: REDACTED

Signature: REDACTED

Date: 4 April 2023

## Section 4 - Appendix A Annex A



## Call-down Contract

# Terms of Reference Forest Governance Markets Climate (FGMC) Programme Management 2023-2024

**Summary:** The UK Foreign, Commonwealth and Development Office is seeking to direct award to the Supplier under the IMDP framework to assist in the management of its Forest Governance, Markets and Climate (FGMC) programme over the final extended year of this 12-year, £280 million programme. FGMC is a global programme which has the broad aim of bringing about governance and market reforms that reduce the illegal use of forest resources and benefit poor people who depend on forests for their livelihoods. It tackles illegal logging in developing timber-producing countries, the trade in illegally produced timber products, and seeks to apply lessons from timber trade reforms to trade in other commodities linked to deforestation.

The Supplier will be required to: support political and strategic engagement to deliver programme objectives; provide technical oversight over, and consolidate reporting from across multiple countries and; directly manage a pre-agreed limited number of accountable grants, with an estimated value of £2million in the contract period. The Supplier will be required to work closely with FCDO and other partners in an iterative and flexible manner. The available budget for the services will be up to a maximum of 1,000,000 GBP, excluding any government taxes. The contract will start on 01 April 2023 and run until 31 January 2024.

The overarching objective of the services will be to manage completion and closure of the final “bridge” phase of the FGMC programme, particularly by enabling delivery of priorities for 2023-24. The Supplier will manage aspects of implementation of the FGMC, including: (i) responsibility for financial and performance oversight of a few strategic Accountable Grants; (ii) performance oversight of projects providing technical support in partner countries; (iii) preparation of comprehensive consolidated reporting on FGMC activities and finances over the past decade creating a legacy of information resources for future programmes.

Working closely with the FCDO FGMC team, the Supplier will monitor programme activities to ensure that they are on track and delivering value for money. This will include providing technical advice, supporting FCDO’s political engagement, and monitoring progress of technical support covering action in Guyana, Cameroon, Liberia, Republic of Congo, China, Vietnam and Pacific Islands, and assuming full responsibility, including fund administration for a few Accountable Grants, including with implementing partners working on China’s supply chains carrying forward action of the InFIT partnership. The Supplier will also provide political economy analysis and up to date country analysis to inform the development of the new programme notably in India, the Congo Basin and Pacific regions.



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The Supplier will play a crucial role in ensuring that the results already achieved over the life of the programme, at national and global levels, are sustained and enhanced, and that learning is captured and available to inform future programmes.

The Supplier will be required to sustain the functions of the current Programme Management Support Team (with a contract expiring in April 2023), with as seamless a handover as possible, but with a significantly scaled back function of grant management.

## INTRODUCTION

1. FCDO is seeking sustain the outsourced management functions of the Supplier to manage its FGMC Programme. FGMC is a global programme which has the broad aim of bringing about governance and market reforms that reduce the illegal use of forest resources and benefit poor people who depend on forests for their livelihoods. It tackles illegal logging in developing timber producing countries, the trade in illegally produced timber products, and seeks to apply lessons from timber trade reforms to trade in other commodities linked to deforestation.

2. The Programme's Business Case<sup>1</sup> covers a 13-year period 2011-24, with a total budget of £280 million funded from UK International Climate Finance (ICF). A recent no cost extension of the Business Case was approved to create a bridge to new programme that we wish to launch in 2023. The 2011 Business Case, subsequent Addenda dated 2014, 2018 and 2019, 2021 and FCDO Annual Reviews are published on the UK Aid Development Tracker

<https://devtracker.FCDO.gov.uk/projects/GB-1-201724/documents> .

3. The programme is implemented through a mixture of grants to civil society and multilateral organisations, operating in multiple countries, and service contracts providing support to governance reform processes in specific focus countries. The programme has been supported through technical and fund management functions outsourced to a Programme Management Support Team (PMST), currently contracted with Pegasys. This new contract will assume responsibility for the equivalent functions from April 2023, and include:

- financial and technical management of approximately 10 Accountable Grants of up to an estimated value £2 million in the contract period, including the transfer of those currently managed by NIRAS in support of UK-China partnership on international forest supply chains and investments (InFIT);
- specialist expertise assisting FCDO in sustaining the political dialogue with key partner countries (Guyana, Liberia, Ghana, Cameroon, Republic of Congo, Indonesia, Vietnam, China, the Pacific region) and in the oversight of other Suppliers;
- consolidating overall monitoring and reporting on FGMC activities and results, including rapid responses to ad hoc information requests.

## RECIPIENT OF SERVICES

4. The client and recipient of services is the UK Foreign, Commonwealth and Development Office (FCDO).

5. The Supplier, in consultation with the FCDO Senior Responsible Officer (SRO) for FGMC, will be required to liaise frequently with FCDO offices in the UK and in countries where FGMC has significant activities (or British Embassies or High Commissions in countries where there are no FCDO offices).

## OBJECTIVE

6. The overarching objective of the services will be to manage completion and closure of the final "bridge" phase of the FGMC programme, particularly by enabling delivery of priorities for 2023-24.



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The Supplier will manage aspects of implementation of the FGMC, including: (i) responsibility for financial and performance oversight of a few strategic Accountable FGMC Grants; (ii) performance oversight of selected projects providing technical support in partner countries; (iii) preparation of comprehensive consolidated reporting on FGMC activities and finances over the past decade creating a legacy of information resources for future programmes.

### **SCOPE**

7. Located in the United Kingdom and working closely with the FCDO team, the Supplier will manage and monitor programme activities to ensure that they are on track and delivering value for money. This will include providing technical advice, supporting FCDO's political engagement, and tracking and monitoring progress of 6 Service Contracts and Memoranda of Understanding (covering action in Guyana, Liberia, Ghana, Cameroon, Republic of Congo, Indonesia, China, Vietnam), and assuming full responsibility, including management of FCDO funding, for Accountable Grants.

8. The selected Supplier will be an organisation with a strong track record of outsourced management of a multidimensional development programme, including grant fund management and contract management. Its personnel assigned to the services will have extensive knowledge of and expertise in the subject matter covered by FGMC programme, including but not limited to:

- Administrative and financial management of grants;
- Contract management and performance oversight;
- Forest sector policy and legislative reform in the Republic of Congo, Gabon, DRC, Cameroon, Ghana, Liberia, Guyana, Indonesia, Vietnam, Pacific Islands);
- International trade in timber and commodities grown on land converted from forest, and related controls and standards;
- International trade in commodities to and from China;
- Environmental and social issues in the forest sector, including those related to tenure rights, gender, poverty and livelihoods, climate change, links between forestry and the illegal wildlife trade; and
- International development and theories of change, and appropriate monitoring techniques to assess programme implementation.

9. The Supplier will be expected to disburse up to £2 million of grant funding over the contract duration, however this third-party funding through accountable grants may increase or decrease in line with programme requirements. The Supplier will establish a separate bank account for managing third-party funding.

### **SUCCESS FACTORS AND DELIVERABLES**

10. To demonstrate effective grant management, the Supplier will:

- i. ensure FCDO-approved grant proposals are contracted under new grant agreements and operational by 30 April 2023;
- ii. manage and guide grantees to maximise results, value for money, accurate financial forecasting, coordination between grantees and cross programme learning;
- iii. ensure full compliance of grantees with reporting, programme and financial management requirements (including asset management and independent audit);
- iv. effectively manage risks across the grant portfolio.

11. To demonstrate strategic oversight of FGMC and support political engagement, the Supplier will:

- i. provide timely and high-quality reporting, including but not limited to back-to-office reports of monitoring missions; programme-wide quarterly and annual report; a report on progress achieved



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against the ICF KPI for Transformational Change; briefing documents on request to inform political engagement;

ii) Lesson learning and consolidated information that reflects on the legacy of FGMC engagement on forest governance reforms over more than a decade;

iii) Reporting requirements are described in greater detail in paragraphs 33 to 38.

### CONTEXT

12. The FGMC is a 13-year programme funded from the UK Government's International Climate Fund (ICF) allocation and implemented by FCDO.

13. The programme supports policy actions and programme under the 2003 Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan, as part of a global effort to tackle illegal logging, deforestation and the underlying governance and market failures. It is part of the UK's broader initiative on forests and climate focused on supporting developing country governance reforms.

14. The programme's main task is to support governance and market reforms that reduce the illegal use of forest resources and benefit poor people who depend on forests. It aims to achieve this by combining "demand-side" measures in consumer countries with "supply-side" actions in producer and developing countries, focusing on countries which enter into FLEGT Voluntary Partnership Agreements (VPAs) with the European Union or the UK.

15. The programme addresses three problems. First, it tackles market failure that encourages illegal logging and illegal forest clearance for agricultural commodity production. It works with the private sector to promote practices that favour trade in forest products from legal and well-managed sources and will extend lessons learnt to other illegally sourced "forest-risk" commodities that drive deforestation, such as soybean, palm oil, beef and leather.

16. Second, it tackles government failure, specifically the weak regulation of logging, forest clearance, and the trade in illegally sourced forest-risk commodities. The bulk of the programme is directed at improving public and private standards and the enforcement of these in producer and consumer countries, including in China.

17. Third, the programme aims to address the inequitable distribution of resources that results from illegal logging and illegal clearance, from associated corruption, and from the collection and distribution of forest revenues. Maintenance of the ecosystem services, clarification and improvement in the rights and tenure, and improvements in the distribution of forest revenues, will contribute to benefitting poor people living and around forests, and who depend on them for a significant proportion of their livelihood.

18. Specific programme outputs as set out in its log frame are:

1. **producer and processing countries with effective multi-stakeholder institutions** for overseeing, implementing, enforcing and monitoring legal, policy and market reforms and actions that control illegally sourced timber and other agricultural or forest-risk commodities;
2. **compliance with public rules and policies, as well as private business standards in consumer countries**, that discourage trade in illegal timber and other commodities sourced from illegal forest practices;
3. **knowledge and momentum for change**, based on sound evidence and lesson learning, amongst the public, NGOs, private sector and governments;
4. **coherence between programmes on forests and deforestation at national and international levels.**





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19. Between 2011 and 2022, FGMC grants have been awarded to not-for profit organisations working to the same broad aims of the FGMC from a range of perspectives supporting grass-roots civil society organisations to engage in national policy making processes, international advocacy for tenure rights for forest-based communities, advice on developing legislation, governance and trade policy research, undercover forest crime monitoring, and support for coherent trade policies that favour legal trade. Most of the accountable grants have ended in December 2022. A key task for the FGMC Bridge period will be to sustain working level contacts with grant holders encouraging and fostering learning and helping to build a knowledge bank and legacy from which the successor FGMC2 programme can be developed.

20. A few grants will be sustained through the FGMC bridge extension in order to carry forward strategically important engagement related to market recognition of national systems as announced at COP26 and COP27, to sustain critical momentum with on-going policy reforms, including in China supply chains from developing countries, as well as with local NGOs whose critical role in governance reforms would be lost without external support. It is anticipated that up to 10 existing grants will be extended into 2023, including some transferred from management by LTS (NIRAS) and require management by the Supplier under this contract.

21. FCDO will sustain a limited number of Technical Assistance projects through supplier contract and the MOU with the EFI TA Facility in countries where national reforms are at a critical juncture, notably in the Republic of Congo and Liberia as well as Facilitators supporting multi-stakeholder dynamic in national governance reform in 5 countries.

22. The programme contributes to UK's International Climate Finance commitment. FGMC works alongside and in conjunction with UK support for efforts to reduce deforestation, including REDD+, and aims to maximise coherence between these programmes.

### **TIMING AND BUDGET**

24. The services will be provided for a period of 10 months from 01 April 2023 until 31 January 2024. All accountable grants managed by the Supplier will end no later than 31 December 2023.

25. FCDO has allocated a budget of up to a maximum of £1,000,000 (excluding VAT or other government taxes) for the services. In addition, the Supplier will manage accountable grant funding to third parties, of up to £2m. FCDO programmes are not automatically tax exempt and therefore the Supplier will be liable to pay any relevant taxes in the country of operation. Tax liabilities should therefore be taken into consideration in commercial proposals.

### **METHODOLOGY**

26. Supplier will :

- i manage the handover from the existing FGMC management contract to the new as smoothly as possible by April 2023;
- ii. The project team will work strategically in FGMC priority countries (Guyana, Ghana, Liberia, Cameroon, Republic of Congo, Indonesia, Vietnam, China, Pacific) and within a global community of practice to support the maximum impact from FGMC in the final year of the programme;
- iii. work with the FGMC community of practice to build a legacy of information and learning from which new programme may take guidance and inspiration;
- iv. Manage and monitor grants, including the transfer of those currently supported through InFIT, consolidate reporting from FGMC implementing partners, highlight results and challenges;
- v. demonstrate risk management, financial management and value for money.

### **ROLES AND RESPONSIBILITIES**

#### **Roles and Responsibilities for Accountable Grants**





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27. The Supplier will assume responsibility for managing a limited number of grants from 1 April 2023. These grants will build from current grants and will be pre-agreed by FCDO (Annex 1 illustrates FGMC accountable grants). It is not anticipated that the Supplier will award any grants to new partner organisations, or increase the values of pre-agreed grants, but the ceiling for managed funds will include some contingency for this possibility. The Supplier's responsibilities with respect to Accountable Grants will include:

- i. Formalising grant arrangements;
- ii. Ensuring grantees comply with all terms and conditions, including financial and technical reporting requirements, UK Aid branding guidance, anti-fraud, safeguarding and whistle-blowing policies, compliance with IATI processes, and maintenance of capital asset registers.;
- iii reviewing technical and financial reports, providing and consolidating reported results, for quarterly and annual reporting to inform FGMC's Annual review and final completion report;
- iv Disbursing grants on receipt and validation of grantees' technical and financial reports and claims for payment;
- v. Receiving Annual Audited Accounts from all grantees and verifying that each grant was expended in accordance with its agreed terms;
- vi. Coordinating with current and past FGMC grantees to prepare stories that illustrate impacts on the ground that result from their activities;
- vii. In coordination with the FCDO SRO, organise an workshops drawing together FGMC partners encouraging shared learning an policy reflections
- viii monitoring grantees' activities at an appropriate level (including visits) so as to ensure delivery of agreed objectives and continuous value for money.

28.. Third party funding is currently requested from FCDO and disbursed to grantees quarterly in advance, based on approved grantee work plans and forecasts, and it is expected that the Supplier will continue this system. Grantees must itemise and certify actual spend quarterly, and advance payments will be calculated based on needs for the next quarter, adjusted for any over- or under-spend in the prior quarter.

29. FCDO will issue payment to the Supplier for onward payment to grantees subject to receipt of all necessary assurances that amounts claimed for have been checked and verified. The Supplier will not be required to prefinance payments to grantees.

### **Roles and Responsibilities for monitoring technical assistance projects**

30. FCDO is the contracting party for the supplier contracts and technical projects delivered through MOU with the European Forest Institute listed in Annex 2. FCDO will delegate aspects of monitoring and performance management to the Supplier while the FCDO will maintain direct relationships with the contractors named in Annex 2. The Supplier will provide technical guidance and assist FCDO in monitoring performance, including:

- i. Reviewing contractors' technical reports, summarising performance progress quarterly, and informing the FCDO SRO promptly of issues that need their attention;
- ii. Providing advice and guidance to project teams as requested;
- iii. Notifying the FCDO SRO of any implementation or performance issues
- iv. Maintaining direct contact with the technical project teams including meeting with them at least once every quarter to review progress;
- v. Visiting those countries where relevant contracts are being implemented at least twice to review progress on the ground, where feasible in conjunction with project steering committees or similar events attended by FCDO team members.

### **Roles and Responsibilities in support of FCDO SRO in supporting political engagement**



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31. Support the SRO and HMG FGMC team in political engagement in partner countries including through political economy analysis, updating on sector developments in key partner countries (ROC, Liberia, Cameroon, Ghana, Guyana, Indonesia, China, Vietnam, Pacific Islands); sustaining relations with other donors in those countries; In some cases, the SRO may task the Supplier to represent FCDO's interests in meetings and events which fall within the scope of FGMC and the duties described herein. This may include participation in steering committees established for project oversight.

### **Roles and Responsibilities in support of Evaluation and Learning**

32. The supplier will support the FCDO team in preparing for programme completion review and report, providing analysis and drawing lessons from the decade of FGMC action. The Technical Pool resource will serve to draw in additional M&E expertise in support of developing and information and knowledge bank that draws out lessons, results and experience to inform FGMC2 as well as other IFU programmes. This may include commissioning analysis to inform the development of the successor FGMC2 programme.

### **REPORTING TO FCDO**

33. Within one month of the start of the contract the Supplier working closely with the SRO will agree a detailed workplan for the FGMC Bridge period to the end of 2023. This will set out key areas for lesson learning and exchange as well as a travel plan for the first quarter.

34. Within one month of the quarters ending June 30th, September 30st and December 31st, the Supplier will submit **Finance reports** and within two months **Quarterly Reports** to FCDO. These will summarise, by country and/or thematic area, the main actions and results achieved by all FGMC implementing partners during the previous quarter and summarise key actions and events anticipated in the following quarter. The structure of quarterly reports, which will be agreed with FCDO, should as a minimum include:

- i. A summary of key points;
- ii. Financial and performance information;
- iii. Main results achieved;
- iv. Risks identified and actions taken;
- v. If applicable, case studies (non-technical and jargon-free) suitable for general communications about the programme
- vi. Forward look for the following quarter.

35. By January 25<sup>th</sup> 2024 the Supplier will submit a Programme Summary Report to FCDO. Its structure will build from previous Annual Reviews. Working closely with the FCDO team, it will incorporate information from the legacy of analysis and briefs and provide compendium of expenditure and results by country, and by cross cutting themes agreed with FCDO

36. FGMC reports results annually against the ICF Key Performance Indicator for **Transformational Change and Policy Results Index**. The Supplier will repeat the methodology developed by the current PMST to prepare reports scoring transformational change for the end of the programme in December 2023.

37. The Supplier should submit brief **back-to-office reports** following each country visit undertaken. These should outline any significant issues identified, action taken and, where relevant, recommendations for action by FCDO.

38. The Supplier will submit additional ad hoc **briefing documents** on request, to inform political engagement. These may be country-specific or thematic.

### **FCDO CO-ORDINATION AND REPRESENTATION**



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39. The Supplier will report to the FCDO SRO and liaise with FCDO's Programme and Finance Officers assigned to FGMC. The Supplier will be expected to meet at least monthly with the FCDO team, to discuss the implementation of the programme, and progress and pertinent developments in partner countries and international processes.

40. Significant overseas travel to monitor implementation of activities will be required. Every overseas mission will require prior approval from the FCDO SRO, but the Supplier should budget for up to 15 missions across focus countries, and to key international events in other locations. Risk scores for countries expected to require visits are provided at Annex 3.

41. In some cases, the FCDO's SRO may task the Supplier to represent FCDO and FCDO's interests in meetings and events which fall within the scope of FGMC and the duties described herein. This may include participation in steering committees established for oversight of MoUs, participation in donor coordination meetings and other similar events.

### **FLEXIBILITY, SCALING UP/DOWN OPTIONS AND AMENDMENTS**

42. The FGMC programme must have scope to be adaptive to changes in political context and other opportunities and risks. The financial ceilings stated in these Terms of Reference are expected to be sufficient to cover all likely scenarios, including budget reductions as well as increases. However, if FCDO recommends significant changes in the grants portfolio or the quantum of technical support required, the contract may be amended upwards or downwards – changing the maximum value of grants managed, agreed number of country visits, or required levels of technical inputs.

### **ASSET MANAGEMENT**

43. The Supplier will maintain a register of all capital assets of value exceeding £500 that have been directly purchased using FCDO funds. The Supplier will also ensure that grantees maintain asset registers, updated as part of the quarterly reporting process, and share these with FCDO on request. The Supplier will be responsible for carrying out spot checks of grantee's assets at project locations, when opportunities arise.

44. Assets remain the property of FCDO, unless otherwise agreed. Upon grant closure, disposal and future ownership of assets will be decided by FCDO in accordance with FCDO procedures on asset management and disposal.

### **PAYMENT STRUCTURE**

45. Up to 80% of the Supplier's fees will be paid in arrears, preferably quarterly, based on a breakdown of inputs by team member, with justification provided where appropriate.

46. A minimum of 20% of the Supplier's fees will be contingent on Key Performance Indicators for Timeliness, Accuracy and Quality of the services, to be scored quarterly by FCDO. An indicative table of KPIs and targets is attached at Annex 4.

47. Expenses directly incurred by the Supplier's team will be reimbursed quarterly in arrears, based on actuals

48. The Supplier will create a separate Client Account for managed third party funding. FCDO will transfer grantee funding quarterly, based on certified evidence on need.

### **END OF CONTRACT ACTIVITIES**

49. Three months before the expiry date of the contract the Supplier will prepare for FCDO approval a draft Exit Plan which shall include plans for:

- i. disposal for all assets procured by grantees throughout the lifetime of the project in accordance with FCDO procedures on asset management and disposal;
- ii. delivering to FCDO prior to the contract end date (or termination of the contract) any finished work or unfinished materials or work-in-progress which relate to the contract;



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- iii. providing FCDO before the contract ends a summary of the status and next steps in relation to any on-going projects or other material and unfinished activities being conducted or monitored by the supplier;
  - iv. returning all confidential information to FCDO before the contract end date.
  - v. A summary document detailing all programme reports and communication materials, including links to relevant websites and contact information.
  - vi. The supplier will prepare a short lesson-learned briefing focused on the challenges faced by and opportunities generated in managing such a large complex programme.
50. The Supplier should allow for a period of up to sixty days after the contract end date (or termination date) for the exit process to be properly implemented.

### **DUTY OF CARE**

51. The Supplier will be responsible for the safety and well-being of their Personnel whilst they are in countries covered by the programme (as defined in FCDO's standard Terms and Conditions) and Third Parties affected by their activities during the course of this programme, including having appropriate security arrangements in place. Acceptance of responsibility must be supported with evidence of capability (no more than two A4 pages) and FCDO reserves the right to clarify any aspect of this evidence. In providing this 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 FCDO)?
  - 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?

### **UK AID BRANDING**

52. Suppliers that receive funding from FCDO must use the UK aid logo on their development and humanitarian programmes to be transparent and acknowledge that they are funded by UK taxpayers. Suppliers should also acknowledge funding from the UK government in broader communications, but no publicity is to be given to this Contract without the prior written consent of FCDO. The Supplier must adhere to UK aid branding guidance. For more information see: [www.gov.uk/government/publications/uk-aidstandards-for-using-the-logo](http://www.gov.uk/government/publications/uk-aidstandards-for-using-the-logo)

### **DIGITAL**

53. Suppliers that receive funding from FCDO must follow UK Government's and FCDO's standards for the use of digital in international development programmes. Details are available here: [www.gov.uk/government/publications/guidance-on-digital-spend-adviceand-controls-for-FCDO-partners-and-suppliers](http://www.gov.uk/government/publications/guidance-on-digital-spend-adviceand-controls-for-FCDO-partners-and-suppliers)

### **DO NO HARM**

54. FCDO requires assurances regarding protection from violence, exploitation and abuse through involvement, directly or indirectly, with FCDO suppliers and projects. This includes sexual



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exploitation and abuse, but should also be understood as all forms of physical or emotional violence or abuse and financial exploitation.

55. The supplier will be required to include a statement that they have duty of care to project stakeholders and their own staff, and that they will comply with the ethics principles in all activities. Their adherence to this duty of care, including reporting and addressing incidences, should be included in both regular and annual reporting to FCDO

56. The Supplier will demand equally high standards of safeguarding and duty of care from Accountable Grant holders and report all received allegations of misconduct to FCDO immediately.

57. A commitment to the ethical design and delivery of evaluations including the duty of care to informants, other project stakeholders and their own staff must be demonstrated.

58. FCDO does not envisage the necessity to conduct any environmental impact assessment for the implementation of this project. It is, nonetheless, important to adhere to principles of “Do No Harm” to the environment.

### **GENERAL DATA PROTECTION REGULATIONS (GDPR)**

59. Please refer to the details of the GDPR relationship, status and personal data (where applicable) for this Service contract as detailed in Annex 5, which appears as standard clause 33 in section 2 of the contract.

### **TRANSPARENCY**

60. FCDO requires Suppliers receiving and managing funds to release data on how this money is spent to the International Aid Transparency Initiative (IATI), in a common, standard, re-usable format and to require this level of information from immediate sub-contractors, sub-agencies and partners.

61. It is a contractual requirement for all Suppliers to comply with this approach, and to ensure they have the appropriate tools to enable routine financial reporting, publishing of accurate data and providing evidence of this to FCDO. Further information is available from the International Aid Transparency Initiative (IATI): [www.aidtransparency.net](http://www.aidtransparency.net).

### **DELIVERY CHAIN MAPPING**

62. The Supplier will maintain and provide to FCDO an up to date and accurate record of Grantees and any other Downstream Partner(s) in receipt of FCDO resources. This forms the basis of the delivery chain risk map which should demonstrate the flow of funds from the initial source to end beneficiaries, and the risks and potential risks along the chain.

63. The delivery chain risk map should be updated regularly by the Supplier and when there are material changes to the risk assessment associated with this Memorandum or to any delivery partner(s) in the chain.

64. The Supplier will provide to FCDO, as a minimum, an updated delivery risk map at the following intervals:

- within 60 days of the Start Date; and
- at the conclusion of activities, as part of the project completion review process.

### **SAFEGUARDING**

65. The Supplier will take all reasonable steps to prevent the sexual exploitation, abuse and harassment of any person linked to the delivery of this Memorandum by both its employees and any Downstream Partner.

66. FCDO has a zero-tolerance approach towards sexual exploitation, abuse and harassment. The Supplier will immediately contact FCDO's Counter Fraud Section at [reportingconcerns@FCDO.gov.uk](mailto:reportingconcerns@FCDO.gov.uk) or +44 (0)1355 843747, to report any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment related to this contract. The Supplier should assess credibility based on the source of the allegation, the content, and the level of detail or evidence provided. All





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sexual activity with children (persons under the age of 18) is prohibited, regardless of the age of majority, or age of consent locally.

67. The Supplier will fully co-operate with investigations into such events, whether led by FCDO or any of its duly authorised representatives or agents.

### **DISABILITY AND INCLUSION**

68. The Supplier shall outline in their proposal how they intend to design, develop and implement the project in ways that consider the needs and capabilities of people with disability and other vulnerable groups.

### **ENVIRONMENTAL CONSIDERATIONS**

69. The supplier is required to take due care and ensure all the feasibility study work does not negatively harm the environment nor contribute to drivers of climate change. If in any case, the works involved disturb the environment, ecosystem or natural habitats, an environmental impact assessment should be done, and appropriate mitigation measures should be put in place.

<b>Annex 1: Current FGMC Grants – illustrating the nature of FGMC accountable grants</b>			
<b>Project Title</b>	<b>Grantee</b>	<b>Budget 2018-21 (£)</b>	<b>Countries</b>
Creating markets for responsible timber from VPA countries	Instituto BVRio	1,210,510	Cameroon, RoC, Ghana, Indonesia, Vietnam, China, EU, Global/ UK
Using the law to address illegal use of forest resources and promote better forest and land governance	Client Earth	2,983,112	RoC, Cote d'Ivoire, Ghana, Liberia, China, EU, Global/UK
Strengthening Forest Governance Through Enhanced Knowledge	Chatham House	1,094,199	Global/UK
Strengthening Forest Monitoring and Law Enforcement in the Congo Basin	Centre for International Development and Training	1,958,136	Cameroon, RoC, DRC, Congo Basin, Gabon, CAR
Strengthening forest governance through civil society monitoring and tracking illicit timber flows	Environmental Investigation Agency	2,119,597	Indonesia, Vietnam, Laos, Asia (regional), EU
Consolidating good governance, tackling illegalities	Fern	2,943,506	Cameroon, RoC, Ghana, Liberia, Vietnam, EU
Transforming Markets for Accountable Forest Law Enforcement and Governance in Producer, Processing and Consumer Countries	Forest Trends	3,413,454	Liberia, Vietnam, Asia (regional), Global/UK
Accelerating private sector action on deforestation free supply chains	Global Canopy	1,841,903	China, EU, Global/UK
China-Africa Cooperation to Strengthen Forest Governance and Reduce Deforestation	Global Environmental Institute	1,200,734	Congo Basin, China
Stemming demand for tropical timber and forest risk commodities	Global Witness	1,129,094	Asia (regional), China, EU, Global/ UK
Building capacity of small-medium forest enterprises (SMFEs) in Ghana and Liberia to supply and trade in legal timber	Nature Development Foundation	1,077,253	Ghana, Liberia
Using deforestation-free commodity supply chains to support national initiatives to combat forest loss	Proforest	1,836,018	Cameroon, Ghana, Liberia, Indonesia, China, Global/UK





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An Accountability Framework for deforestation-free and responsible supply chains: aligning mechanisms and building capacity for implementation, monitoring and reporting, with a focus on Liberia, Ghana and Cameroon	Rainforest Alliance	997,850	Cameroon, Ghana, Liberia, Global/UK
Driving forest governance and market reforms through the improvement and implementation of financial sector policies and systems	Rainforest Action Network	1,600,000	Indonesia, Japan, China, Global/UK
Embedding community real time monitoring to sustain livelihoods and forest in West and Central Africa	Rainforest Foundation UK	2,458,170	Cameroon, RoC, DRC, Ghana, Global/UK
Securing Indigenous Peoples', communities', and women's land and forest rights to confront climate change and advance sustainable development, security, and wellbeing for all	Rights and Resources Initiative	1,500,000	Global/UK
Reinforcing Chinese Government and industry action to reduce illegal timber exports from Cameroon, Viet Nam and other transit countries. Phase II	TRAFFIC	1,143,062	Congo Basin, Vietnam, China
Growing the demand for FLEGT-licensed timber - Improving communication between users and producers on customer expectations and values of FLEGT processes	Timber Trade Federation	600,000	Ghana, Indonesia, China, EU
Addressing forest and wildlife crime and illegal deforestation in the Mekong, Central Africa and Indonesia	Wildlife Conservation Society	1,859,965	RoC, Indonesia, China, Global/UK
Supporting engagement of key stakeholders in VPA processes in the Congo Basin	Well Grounded	787,822	Cameroon, RoC, DRC, Congo Basin, CAR
Strengthening Forest Legality through Transparency and Accountability	World Resources Institute	3,904,452	Guyana, Cameroon, RoC, China, Global/UK
Transformation through Markets: Making China a Nation that positively demands sustainable palm oil	World Wide Fund for Nature (WWF) - Sustainable Palm Oil	792,129	Indonesia, PNG, China, Global/UK
Consolidating China-Africa collaboration to reduce deforestation and forest degradation in the Congo Basin through strengthened governance addressing illegal logging and trade	World Wide Fund for Nature (WWF) - Timber	967,664	Cameroon, RoC, Gabon, China
Embedding legality and sustainability in timber production and trade through finance sector engagement	Zoological Society of London	920,305	Cameroon, RoC, Gabon, Indonesia, China, Global/UK
<b>TOTAL</b>		<b>£ 40,338,935</b>	

## Annex 2: Current FGMC Service Contracts and Memoranda of Understanding

Organisation	Title	Duration	Geography	Value (£)
European Forest Institute	Support to FLEGT and REDD+ Facilities and FGMC Technical Assistance Project	Aug 2016 – June 2021	Multi-country	£12.9m
Ghana Forestry Commission	Support to Forest Sector Governance Reforms 2019-2021	Dec 2019 – Dec 2021	Ghana	£2m

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Palladium	Multi-stakeholder Forest Governance and Accountability Project (MFGAP)	July 2019 – July 2022	Liberia	£5.25m
Palladium	Facilitation of Forest Governance Reforms	July 2019 – July 2022	Cameroon Ghana Guyana Liberia Rep. of Congo	£5.24m
LTS International Ltd	Support to the UK-China Cooperation on International Forest Investment and Trade (InFIT)	July 2019 – July 2021	China (as a processing and consumer country)	£2.36m

Details of these contracts are published here <https://devtracker.dfid.gov.uk/projects/GB-1-201724/documents>

## Annex 3: Risk scores for relevant countries (PLEASE NOTE: Not adjusted for Covid 19 risks)

Theme	Cameroon	China	Ghana	Guyana	Indonesia	Liberia	Republic of Congo	Vietnam
<b>OVERALL RATING</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>2</b>
FCO travel advice	3	4	2	1	2	4	4	2
Host nation travel advice	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Transportation	4	1	3	3	3	4	4	3
Security (including cyber)	2	3	3	3	3	4	3	2
Civil unrest	3	2	3	4	2	4	3	1
Violence/crime	3	2	3	4	3	4	3	1
Terrorism	2	1	1	1	3	2	2	1
War	2	1	1	1	1	2	2	3
Hurricane	1	2	1	2	1	1	1	2
Earthquake	2	2	1	2	4	1	1	1
Flood		2	1	3	3	2	1	2
Medical Services	4	2	3	4	2	4	2	3
Nature of Project/Intervention	2	2	2	2	2	2	2	2

key for scoring:

1	2	3	4	5	
Very Low Risk	Low Risk	Med Risk	High Risk	Very High Risk	
Low		Medium	High Risk		



## Annex 4: I Key Performance Indicator Assessment Criteria

### Principles

Bidders will propose the % of fees contingent on KPIs, with the minimum acceptable being 20%.

DFID will score 3 cross cutting KPIs - **Timeliness, Accuracy and Quality** – quarterly, on a 4-point scale. DFID will award **composite scores** for Timeliness, Accuracy and Quality by considering a range of indicators, including those listed below. Scoring will be based on “snapshot” assessments at the end of each quarter, **based on the evidence available at the time of the assessment**. Actions taken or evidence presented **after** the assessment will have no bearing on scoring or payment for the preceding quarter.

KPI score	Performance score			
	1. Excellent (criteria exceeded)	2. Good (criteria met)	3. Some improvement needed (criteria not met)	4. Poor
	100% of KPI payment awarded	100% of KPI payment awarded	50% of KPI payment awarded	0% of KPI payment awarded
	looks like	looks like	looks like	looks like
<b>Timeliness</b> 30% Weighting	Reports delivered ahead of deadlines, reports anticipating need  Grant disbursement in 3 or less working days of receiving funds from FCDO  Immediate responses to urgent enquiries, responses within 2 days for other requests	Reports meet agreed deadlines  Grant disbursement 4-10 working days of receiving funds from FCDO  Response to routine FCDO, grantee and external and enquiries within 5 working days. Response to FCDO enquires marked “urgent” within 1 working day. Response to more substantive exercises commissioned by FCDO within mutually agreed deadlines.	Reports occasionally miss deadlines by 1-10 working days (unless exceptionally agreed in advance by FCDO)  Grant disbursement over 11 working days after receiving funds from FCDO  Enquiry responses often take longer than 5 days	Multiple missed deadlines, sometimes by over 10 working days  Grant disbursement over 20 working days after receiving funds from FCDO  Enquiries frequently go unanswered
<b>Accuracy</b>	Under 2% variance in financial data	Financial data and programme	Outdated, incorrect or insufficient information	Multiple examples of outdated or incorrect



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	<p>forecasting, for both services and third-party funding, based on mutually agreed baselines*</p> <p>Updated Forecasts of Grantee Fund Disbursements, Professional Fees &amp; Expenses provided by 20<sup>th</sup> of the preceding month.</p>	<p>information provided to FCDO is clear, accurate and regularly updated.</p> <p>3 - 10% variance between actual spend and forecasts, as presented by the 20<sup>th</sup> of the preceding month.</p> <p>Appropriate FAQs and grantee guidance kept up to date</p>	<p>occasionally provided</p> <p>11-25% variance in forecasts relative to agreed baselines. (allowances will be made for events outside the control of either grantees or the Supplier).</p>	<p>information provided</p> <p>Over 25% variance in forecasts</p>
<b>Quality</b>	<p>Excellent performance under the areas indicated</p> <p>("9 out of 10" or above)</p>	<p>Meeting expectations in the areas indicated ("6 - 8 out of 10")</p> <p>Evidence based, clear, timely and helpful advice given, strongly focussed on programme results and priorities.</p> <p>Supplier is proactively helping FGMC to deliver cross cutting FCDO agendas such as gender, vfm and illegal wildlife trafficking (these priorities may evolve and new priorities may emerge).</p> <p>Effective prioritisation, work-planning, allocation of resources, and fund management.</p> <p>Drafts of written outputs require minimal amendment</p>	<p>Some improvements needed in the areas indicated ("4 - 5 out of 10")</p>	<p>Poor performance in many of the areas indicated ("3 out of 10 or below")</p>



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		<p>Programme monitoring information clearly presented, up to date and user-friendly</p> <p>Positive feedback received from delivery partners (both service providers and grantees)</p> <p>Effective organisation, facilitation and recording of meetings.</p>		
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\* Forecasting accuracy relates to the accuracy of the Supplier's requests to DFID for funds relative to forecast requests

## Annex 5: Schedule of Processing, Personal Data and Data Subjects

This schedule must be completed by the Parties in collaboration with each-other before the processing of Personal Data under the Contract.

The completed schedule must be agreed formally as part of the contract with FCDO and any changes to the content of this schedule must be agreed formally with FCDO under a Contract Variation.

Description	Details
<b>Identity of the Controller and Processor for each Category of Data Subject</b>	<p>The Parties acknowledge that for the purposes of the Data Protection Legislation, the following status will apply to personal data under this Call-down Contract:</p> <ol style="list-style-type: none"> <li>1. The Parties acknowledge that Clause 33.2 and 33.4 (Section 2 of the contract) shall not apply for the purposes of the Data Protection Legislation as the <b>Parties are independent Controllers</b> in accordance with Clause 33.3 in respect of the following Personal Data:</li> </ol>