

Section 4 Appendix A

CALLDOWN CONTRACT

Framework Agreement with: Oxford Policy Management

Framework Agreement for: Global Evaluation Framework Agreement

Framework Agreement Purchase Order Number: PO 7448

Call-down Contract For: Multi-sector Evaluation of the Development Impact of CDC's Investments: Services; Manufacturing; Agriculture; Real Estate; Technology

Contract Purchase Order Number: 10085

I refer to the following:

1. The above-mentioned Framework Agreement dated **12 September 2016**;
2. Your proposal of **30 July 2021**

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 **14 February 2022** ("the Start Date") and the Services shall be completed by **06 September 2024** ("the End Date") unless the Call-down Contract is terminated earlier in accordance with the Terms and Conditions of the Framework Agreement.

2. Recipient

- 2.1 FCDO requires the Supplier to provide the Services to the Foreign, Commonwealth & Development Office ("the Recipient").

3. Financial Limit

- 3.1 Payments under this Call-down Contract shall not, exceed £1,798,896 ("the Financial Limit") and is inclusive of any government tax, if applicable as detailed in Annex B.

22. PAYMENTS & INVOICING INSTRUCTIONS

22.3 Where the applicable payment mechanism is "Milestone Payment", invoice(s) shall be submitted for the amount(s) indicated in Annex B and payments will be made on satisfactory performance of the services, at the payment points defined as per schedule of payments. At each payment point set criteria will be defined as part of the payments. Payment will be made if the criteria are met to the satisfaction of FCDO.

When the relevant milestone is achieved in its final form by the Supplier or following completion of the Services, as the case may be, indicating both the amount or amounts due at the time and cumulatively. Payments pursuant to clause 22.3 are subject to the satisfaction of the Project Officer in relation to the performance by the Supplier of its obligations under the Call-



down Contract and to verification by the Project Officer that all prior payments made to the Supplier under this Call-down Contract were properly due.

4. FCDO Officials

4.1 The Project Officer is:

/REDACTED/

4.2 The Contract Officer is:

/REDACTED/

5. Key Personnel

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

Name	Designation
/REDACTED/	/REDACTED/
/REDACTED/	/REDACTED/
/REDACTED/	/REDACTED/
/REDACTED/	/REDACTED/
/REDACTED/	/REDACTED/
/REDACTED/	/REDACTED/
/REDACTED/	/REDACTED/
/REDACTED/	/REDACTED/

6. Reports

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

7. 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.

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:
Date:

Signed by an authorised signatory
for and on behalf of Oxford Policy Management

Name: /REDACTED/
Position: /REDACTED/
Signature:
Date:

Section 4, Annex A

Call-down Contract PO 10085

PROJ 10177

Terms of Reference

**Multi-sector Evaluation of the Development Impact of CDC's
Investments: Services; Manufacturing; Agriculture; Real Estate;
Technology**

(February 2022-September 2024)

1. Introduction

The UK Foreign, Commonwealth and Development Office (FCDO) is awarding a contract to the supplier to design and implement an evaluation of CDC¹'s investments in services (including health, education, consumer and business services); manufacturing; agriculture; real estate; & technology sectors ('SMART Industries' or 'SMART') for an up to 31-months with a possibility to extend the contract for up to 24 months.

The budget under this contract shall not exceed **£1,798,896** (inclusive of VAT £299,816) and including any local government taxes.

The purpose of the evaluation is to better understand the development outcomes and impacts associated with CDC's investments in SMART Industries and draw out key learnings. In this context, and where practically feasible the evaluation will look at the direct and indirect impacts on business, people and markets.

Periodic, longer-term evaluations of CDC's outcomes and impact are critical to help FCDO, CDC, and CDC's investees better understand how, and in what contexts, CDC's investments help to deliver tangible, sustainable development outcomes and impact on people, businesses, sectors and where feasible, overall economies. This information is crucial to help CDC target investments and track results in those businesses and sectors where it can have most impact and can be used to inform both portfolio management and investment decisions.

The work will be carried out in 2 **phases** and the key components will include: (i) **Inception phase** (3 months) - Mobilise key personnel and submit a draft inception report with detailed methodological approach and workplan for Implementation Phase Stage 1; (ii) **Implementation Phase Stage 1** (8 months) - In-depth descriptive Portfolio Evaluation and detailed design for Stage 2; (iii) **Implementation Phase Stage 2** (20 months) - Full Implementation.

The Supplier will be required to design and manage:

¹ CDC is not an acronym: Before 1999, CDC was known as the Commonwealth Development Corporation. It was renamed when it became a PLC. CDC is classified as a Self-Financing Public Corporation.

- **An in-depth portfolio evaluation** of CDC's investments across the five sectors using descriptive analysis and existing evidence to highlight the outputs, outcomes and impacts intended and produced by CDC investments;
- **A series of 10 in-depth studies** addressing targeted research and evaluation questions relevant to CDC and/or its investees in these sectors;
- **A final assessment** drawing together key learning and understanding of impact from all stages of the evaluation.

2. Background

CDC (<http://www.cdcgroup.com/>) is 100% owned by the UK Government. It is a Development Finance Institution (DFI) which supports the building of businesses throughout Africa and South Asia to create jobs and make a lasting difference to people's lives.

The Foreign, Commonwealth and Development Office (FCDO) would like to contract an organisation or consortium to design and implement an evaluation of CDC's investments in services (health, education, consumer and business), manufacturing, agriculture, real estate, and technology sectors (referred to in the TOR as 'SMART Industries' or 'the five sectors') over a 31-month period, with the possibility of a 24 months extension.

These terms of reference set out guidelines for the scope of the evaluation, reporting processes and timeframe.

This is the third of a series of sectoral evaluations that will be undertaken across CDC's portfolio. It will complement an on-going study examining the extent to which CDC mobilises private sector capital and evaluations of CDC's investments in the financial institutions and infrastructure sectors. Phase 1 is now complete for the financial institutions sector evaluation, and the final portfolio review deliverable is available online [here](#).

3. Evaluation Objectives

3.1 Increase Accountability for impact

The evaluation will consider whether investing in the five priority sectors benefits the people (including the poor), businesses and markets, and whether CDC investments are having their intended impacts on standards of living, economic opportunity, health/education outcomes, nutrition & food security, sustainability, productivity etc. Specifically, they will assess whether CDC investments are on-track to achieve their intended development impact.

3.2 Strengthen learning for future investments

The evaluation will make recommendations to adapt CDC's sector strategies, investment-selection and/or portfolio management decisions to enhance development impact.

3.3 Improve understanding of Development Impact

The evaluation will explore and articulate how impact is being achieved, including mapping portfolio results and the evidence base against CDC's sector impact frameworks, enabling CDC and FCDO to better communicate and understand impact. It will identify areas where CDC investments are supported by a strong evidence base and impact rationale, as well as where CDC can leverage existing evidence better.

3.4 Contribute to global evidence base

The evaluation findings will contribute to the global evidence base to enhance understanding of how investment creates impact in target markets.

4. Recipient and beneficiaries

The primary audience of the evaluations is FCDO and CDC. The findings are expected to directly benefit some of CDC's investee companies and any associated institutions/government bodies, and key stakeholders. Secondary audiences include policy makers, industries in the SMART sectors, opinion leaders and development partners. The evaluation findings may also be of interest to the wider global development community working in the different sectors as it will add to the existing evidence base.

It is expected that the evidence generated by these evaluations will be used by policy makers to inform and integrate economic, urbanisation and technology/agriculture/industrial policies and planning within their areas of work.

5. Scope

To address the evaluation objectives outlined in the section above, FCDO requires the Supplier to conduct the following activities:

A theory-based evaluation, examining the extent to which the impact frameworks underpinning CDC's investments in these sectors holds true. The Supplier is not expected to develop alternative or more-detailed frameworks but to evaluate against the CDC's existing sector impact frameworks – any recommendations for changes to the framework should be provided at the end of the evaluation. The evaluation will use a combination of an analysis of the existing evidence base combined with an in-depth portfolio evaluation of CDC's investments and in-depth studies to answer key evaluation questions and form recommendations for CDC and FCDO.

Please Note the Research questions stated within the Section 13 of this ToR.

In all sectors the evaluation will cover:

- All current investments in CDC's geographies (Africa and South Asia) and any exits/repayments/pre-payments of post-2012 direct investments;
- This includes all direct equity, direct debt, and underlying investee companies of sector focused and generalist funds².

² For the generalist funds, based on our experience with the FI and infrastructure portfolio evaluations, we do not expect that a detailed evaluation on all of these investments and underlying companies will be practical beyond summarising basic descriptive portfolio statistics using key metrics available. Instead the consultant will propose a strategy to be agreed with FCDO and CDC for including a small sample of the generalist funds for more in-depth analysis.

The evaluation will have three key components:

Component 1: An in-depth portfolio evaluation of CDC's investments in these sectors using descriptive analysis and existing evidence to highlight the outputs, outcomes and impacts intended and produced by CDC investments within and across the five sectors. This will draw from internal CDC data but needs to also draw from external publicly available data sources (refer to section D) and analysis of the evidence base underpinning investments in these sectors. The work will provide a deeper understanding of CDC's and its investees' goals, activities and impacts in these sectors at each step along the impact pathway. It will analyse what is understood about the outcomes and impacts of CDC investments, where key questions and knowledge gaps remain, and where there are potential opportunities for further evaluation and learning on these investments through in-depth studies.

Component 2: A series of 10 in-depth studies addressing targeted research and evaluation questions relevant to CDC and/or its investees in these sectors. It is expected that each study will include some primary data collection at outcome/impact level. These studies will be a combination of studies of individual investments and clusters of investments along geographical, sub-sector or themed lines.

Component 3: A final assessment drawing together key learning and understanding of impact from all stages of the evaluation.

Periodic, longer-term evaluations of CDC's outcomes and impact are critical to help FCDO, CDC, and CDC's investees better understand how, and in what contexts, CDC's investments help to deliver tangible, sustainable development outcomes and impact on people, businesses, sectors and where feasible, overall economies. This information is crucial to help CDC target investments and track results in those businesses and sectors where it can have most impact and can be used to inform both portfolio management and investment decisions. The information is also helpful to inform and guide CDC's investees' strategies and their approaches to development impact. The evaluation will also generate learnings and knowledge useful for a broader audience including other DFIs/impact investors, MDBs, industry leaders, policymakers, and researchers.

The evaluation will provide a clear assessment of the development impact provided by CDC and its investees, as well as clear recommendations on potential actions CDC and its investees could take to further enhance development impact within its current and future portfolio based on an in depth understanding of what works and why.

The Implementation Stage 1 key milestones will be reviewed and refined as part of the Inception phase. Stage 2 key milestones will be refined and agreed by the end of Stage 1.

6. Geographical Location

CDC's list of investments by sector and geography can be found on the CDC website and can be discussed with the Supplier during the Inception Phase. However, details

about the field work and expectations for the Supplier in country won't be available until the locations for the in-depth studies have been agreed after the Inception Phase.

7. Stakeholders

The Supplier will be required to engage with FCDO, CDC, its investees as well as other relevant stakeholders working in the SMART sector, including other NGOs, donors, academia and private sector partners.

8. Timeframe and Formal Review Points

This contract duration is up to 31 months split into two phases: Inception (3 months) and Implementation (28 months). The contract shall commence in February 2022 with a fixed end date in September 2024.

There is a potential for a 24-months contract extension up to a maximum value of £700,000 (including any government taxes). Any extension will be informed by an assessment of the outputs of the evaluation to date and would be subject to approval of further programme funding.

The Implementation of the programme will be delivered in two stages, allowing for decisions on the scaling up or course correction to be taken at the appropriate level based on results achieved (Stage 1: 8 months and Stage 2: 20 months).

The contract will be subject to formal reviews where the performance of the supplier will be assessed against the agreed work plans, the quality of reports and key working principles:

- one at the end of the Inception phase (month 3)
- at the end of Stage 1 (month 12/2022)
- and at the end of Stage 2 (month 08/2024).

The Timelines for the contract milestones:

Indicative Timeline	Milestones
02/2022	The Supplier fully mobilised its resources and commenced services within 2 weeks from the contract award date
04/2022	Draft Inception report delivered- 2 months after the contract signature (<i>To be quality assured by EQUALS</i>)
05/2022	Final inception report delivered (month 3) with programme log frame, final quality assured monitoring framework
09/2022 draft 11/2022 final	In-depth descriptive Portfolio Evaluation and Plan for Stage 2
09/2022	Draft Initial Study Plan for 10 in-depth studies (<i>To be quality assured by EQUALS</i>)
12/2022	Final Initial Study Plan for 10 in-depth studies
01/2023	Annual progress evaluation report & Workplan for coming year

01/2023 - 09/2024	Implementation of 10 in-depth studies across the five sectors (<i>spaced over 20 months</i>)
04/2022 11/2022 07/2024	Interim performance evaluation formal review points for the contract (3)
01/2024	Annual progress evaluation report & Workplan for coming year
05/2024	Draft Synthesis Report on the Evaluation (<i>To be quality assured by EQUALS</i>)
07/2024	Final Synthesis Report on the Evaluation
08/2024	Series of 8 communication products tailored to FCDO/CDC internal and external audience.

9. Scale up/down

Following FCDO reviews, FCDO shall reserve the right to scale the requirement up or down over the contract lifetime to include potential changes to programme scope, geographical reach (where appropriate).

10. Inception Phase (3 months)

The following deliverables will be required during the Inception Phase:

The Supplier will mobilise key personnel, undertake detailed discussions with CDC and FCDO to further understand the requirement, CDC's investment approach and the data it collects. The Supplier will submit a draft inception report at the end of month 2 and ensure this is finalised at the end of month 3. This inception report will include a refined detailed methodological approach and refined evaluation questions for the Implementation Phase Stage 1 and a detailed workplan and budget. The Supplier should expect to tailor the approach presented in their bid during this phase. The methodological approach and workplan for the Implementation Phase Stage 2 will be refined/finalised during the Inception Phase.

11. Implementation Phase

The Implementation phase will have a number of Deliverables/Outputs involving the following activities:

11.1 Deliverable 1 In-depth descriptive Portfolio Evaluation and Plan for Stage 2 (8 months)

Activities: Conduct an in-depth descriptive evaluation of CDC's investments across the five SMART industries.

The goal will be to understand the nature of investments CDC has made in these sectors including their expected and achieved outputs, outcomes, and impacts, where this is credible to assess using data and evidence available. The evaluation will cover the achieved outcomes/impacts on people, especially poorer segments of society (covering both direct and indirect routes to poverty alleviation where this is feasible), businesses (the investee companies themselves, businesses benefitting from services they provide or through supply chains) and sector level impacts (where this is possible to assess or credibly infer from evidence). The Supplier is not expected to

assess mobilisation or financial additionality at this stage (mobilisation is being assessed through a separate ten-year longitudinal study and financial additionality will be addressed through the in-depth studies as relevant). However, a descriptive overview of CDC's value-addition activities is required. Note that it is recognised that achieved outputs cannot necessarily be attributed to CDC's investment or its value-addition activities (again this will be assessed through in-depth studies as relevant).

The review is required to be conducted in collaboration with CDC's team using the following types of information and resources:

- a. existing data and documentation about the investments from within CDC³
- b. interviews with CDC investment managers/directors, CDC's ESG, Business Integrity, CDC Plus (technical assistance) and value creation teams (Gender, Climate and Job Quality) and development impact professionals. It is not envisaged that the Supplier will need to contact CDC investees, either directly or through CDC Investment Managers during Stage 1.
- c. existing publicly available data on the sector or macroeconomic context within which the investment was made and how this has changed over time (national data, WB Enterprise Surveys etc.)
- d. existing publicly available data about firm growth/constraints in countries in which CDC invests (World Bank Enterprise Surveys, for example).
- e. existing publicly available data about the investees or supply chains they support (where investees are listed, for example, or have been evaluated or assessed by others). This includes information available on company websites.

This work shall also include an in-depth analysis of the existing evidence base (ideally rigorous causal evidence) relevant to understanding and testing assumptions about the expected impact pathways, outcomes, and impacts of CDC's investments. This should draw heavily from the evidence reviews noted on page 29, as well as other relevant syntheses of literature, the Supplier's own deep understanding, and practical insights from the investment community to supplement the academic literature. The aim here is twofold:

- a. To use the evidence base to help understand and articulate the impact CDC creates, particularly where this is difficult to assess (i.e. where the impacts are indirect), or as we move further along CDC's impact chain (i.e. from outputs/outcomes to ultimate impacts).
- b. To assess how well CDC's portfolio aligns to the lessons emerging from the evidence base and help CDC understand whether it is making the most impactful investments in the right places and managing the development impact of its investment in the most impactful way.

The main task here is to map CDC's investment portfolio against the evidence supporting its impact frameworks i.e. to what extent does CDC's investing align with where the evidence predicts high expected impacts? The Supplier will not be required

³ This will include investment committee papers for direct and sector-focused fund investments and quarterly monitoring reports. It will also include an investment dataset including development impact metrics collected at corporate and sector level. Most of this data and documentation will be client confidential and therefore undisclosed.

to conduct an extensive new evidence review except to the extent that there are targeted subsectors (e.g. technology) and/or key impact questions not yet adequately covered in the existing reviews (e.g. knowledge gaps in understanding CDC's expected pathways to impact).

The report produced should cover the following areas using available data and evidence:

- An assessment of whether CDC's investments have achieved (or are 'on track' to achieve) the outcomes and impacts envisaged when the investment was made (using each investment's DI Thesis), with explainer notes to justify each investment's rating
 - aggregation of investment impact metrics within and across each SMART sector where feasible based on data available⁴
- A portfolio level view of impact, drawing together data on CDC's portfolio data with external data and evidence to present an overall picture of the portfolio in each sector, its focus and identifying key trends to draw out learnings. This should include:
 - a summary of findings on how well different aspects of CDC's approach to impact investing in each SMART sector is supported by the data and evidence base
 - descriptive statistics on the portfolio and its impacts disaggregated by geography, investment instrument, subsector, etc.
 - a comparison of choice of investment instrument and the influence/impact it brings across the portfolio
 - clarity on if and where transformational change is happening in sectors or in markets
 - clarity on where CDC is reaching the most marginalised groups – esp. women and the poor
- Analysis of the portfolio along key themes that underpin investments and impact across each sector (for example, in Agriculture, this might include: Supply chains; gender impacts; growth of commercial farms; nutrition; in Manufacturing, circular economy; and in Services, education for girls and tech-enabled solutions). The themes must always reflect the cross-cutting issues of most relevance to the sector; note that gender/inclusion, climate and job quality are priority cross-cutting themes for CDC and FCDO. Note that the Supplier will identify the most relevant themes to CDC during the portfolio analysis but is welcome to make suggestions for potentially relevant themes as part of their bid.
- A description of CDC's value-addition activities in the sector through the investment, ESG, BI, CDC Plus and value creation teams.
- Key lessons and recommendations for CDC emerging from the work.
- Identification of gaps in the evidence needed to assess impact and identification of key evaluation questions where further evidence is required. These will form the basis for in-depth studies in Phase 2.

⁴ Impact metrics are likely to include employment, taxes paid, students/patients/farmers reached, number of teachers/health workers trained etc. There is an option to do some economic modelling to impute impacts in key areas if there are gaps however this is not envisaged as a major component of the work.

The main body of the report should be publishable externally (consistent with CDC confidentiality commitments to investees) and should include an approx. 10-page Executive Summary. The annexes will include:

- Portfolio analysis based on confidential data for the internal CDC audience – this should aim to maximise internal learning for CDC
- Details of the evidence review beyond those included in the main body of the report (this could potentially be published as a stand-alone piece or as an annex)
- Company-level analysis of progress relative to DI thesis (confidential)
- Fund-level analysis of progress relative to DI thesis (confidential)

It would facilitate review by different audiences (e.g. CDC sector teams) if sections of the report were structured by sector.

11.2 Deliverable 2 An initial Study Plan for 10 in-depth studies to be conducted in Implementation Phase Stage 2 (a Study Plan). This initial plan for the studies must include:

- a. A list of the evaluation questions to be addressed in each study with a justification to explain the choice (knowledge gaps to be filled, relevance for FCDO/CDC/other stakeholders, etc.)
- b. A proposed list of investee companies the studies will focus on to address the questions
- c. A brief description of the research methods and types of data required for the analysis along with a realistic assessment of their likely feasibility/availability and contingency options if needed.
- d. Estimated resources required and timeline
- e. For at least two of the proposed studies, FCDO requires that the study plans will be feasibility-tested (i.e. they will be developed to an advanced stage with detailed research designs/plans signed off on by FCDO, CDC and relevant investees) so that they are ready to launch right at the start of Stage 2.

Further details on the in-depth studies are provided in the Stage 2 description below. The plan will be further iterated and developed during Stage 2 through discussions with FCDO, CDC, investee companies, and other stakeholders. The initial plan should include 10 proposed study options. Please note, some of them may be ruled out during the course of the contract due to feasibility challenges and the associated cost and resources may be reallocated if needed (subject to the formal contract amendment process).

11.3 Deliverable 3- Implementation of 10 in-depth studies

To further understand whether and how CDC and CDC investee companies are achieving envisaged outputs, outcomes and (to the extent possible) impacts. Although an initial plan for this work will be agreed in Stage 1, it is expected that a considerable amount of time and effort will be required through an iterative process to develop and refine a more detailed research design for each study and get buy-in from different stakeholders required. Each study's methodology will need to be flexible enough to take advantage of opportunities and needs that may emerge from CDC investee companies throughout the duration of the study and some funds should be reserved for this purpose.

These studies should be a mix of evaluations of individual investments and clusters of investments along geographical, sub-sector or themed lines to ensure greater coverage.

CDC has undertaken a number of its own studies (through its Insights⁵ publications); these are listed in Annex B. The in-depth studies will add to this work, covering a range of additional investments/themes with a significant level of depth.⁶

It is envisaged that studies will be divided amongst the five sectors as follows:

- Services: 2-3 studies
- Manufacturing: 1-2 studies
- Agriculture: 1-2 studies
- Real Estate: 1-2 Studies
- Technology: 1-2 studies

However, this should be flexible to need and opportunity following the portfolio evaluation.

This stage will provide the opportunity to go beyond the desk-based portfolio evaluation and start diving into the selected evaluation questions in greater depth, based on the initial assessment of where critical knowledge gaps and evaluation/learning opportunities exist.

Each study will have an appropriate and relevant methodology laid out with regard to the question(s) it is trying to answer. The in-depth studies should directly capture impacts. When this is not possible, impacts may be inferred where there is sufficient evidence linking outcomes and impacts (with reference to the assessment of evidence in phase 1) and/or estimated through modelling.

It is the responsibility of the Supplier to propose an appropriate approach. The appropriate methodology for each study will vary and could include a variety of approaches, but it is envisaged that a mixed methods approach will be used drawing on quantitative and qualitative techniques. The proposed methods should demonstrate how the Supplier's methodology will assess issues such as **attribution** and **contribution**.

Approaches that could be applied include: analysis of existing data sets and documentation; collection of additional data; interviews with CDC, other stakeholders and investees; in depth case studies; impact modelling; tracer studies and diaries; geospatial mapping; and macro-economic studies. It is expected that all studies will involve some primary data collection.

⁵ The CDC Insights programme is a CDC led series of shorter studies to help understand the impact of investments in CDCs portfolio and generate useful learnings using a range of methodologies. See the [Insights](#) section of CDC's website, focus on the 'evaluation' subcategory.

⁶ We envision a comparable level of depth to other studies on CDC investments such as: What is the link between power and jobs in Uganda : <https://www.cdcgroup.com/en/news-insight/insight/articles/what-is-the-link-between-power-and-jobs-in-uganda/>; SME finance and growth: evidence from RBL Bank: <https://assets.cdcgroup.com/wp-content/uploads/2018/07/06124531/SME-Finance-and-Growth-in-India.pdf>

Note, that the studies will involve looking at current and/or future investments and may be forward- or backward-looking, depending on the opportunities available to investigate specific evaluation questions. The split of input days and cost between Stage 1 and 2 of the Implementation Phase should be roughly 25%/75% respectively.

This part of the work should be packaged as a series of studies that will be delivered throughout the duration of the evaluation. This phase of the work is likely to entail a number of trips to visit CDC investees in order to further assess research needs, refine the evaluation questions, determine feasibility, and start building the relationships needed to access data and progress the evaluation. As the geography of the investees won't be confirmed until the locations for the in-depth studies are pinned down after the Inception Phase, the Supplier will need to use CDC's list of investments by sector and geography as a basis for compiling an indicative budget for the related costs. The Supplier must clearly assess the feasibility of the approach in this phase.

Critically, this phase will involve building buy-in with CDC investment managers and subsequently with investees to participate in the studies. As such, it will be important that the studies are responsive to research needs and are designed to provide useful learnings for these key audiences. The Supplier must produce study concept notes or pitch papers for each of the short-listed studies to support the advocacy and engagement process, and ensure they allow sufficient time for this. These should outline the question(s) the study is trying to answer and associated methodology, indicative timeline, benefits and insights the investee will get from the study, and what this means in terms of assistance/resource implications (as applicable).

During the Stage 2 the Supplier should again factor in members of the core team spending periods of time in CDC offices (if COVID 19 restrictions permit this) and/or travelling to CDC investee companies, as well as use of local enumerators for firm/household surveys. The Supplier will hold monthly update and review meetings with FCDO and CDC or as needed during Stage 2 to discuss progress with the evaluation and any changes that may be required to the approach.

A key final output will draw together findings from the different studies into a final analysis of CDC's portfolio examining 'what' is happening and 'how' and cross-referencing this to what the current evidence base tells us about what works and doesn't in each sector. This will build on the outputs produced in Stage 1 (and update these if relevant). There is ample room to bring in learnings from beyond CDC's portfolio as well.

The Supplier will ensure that a clear plan is in place to communicate and disseminate findings from the work as results emerge but factor in developing and evolving the plan throughout the duration of the study as findings emerge and their utility to different audiences becomes clearer (in addition to the needs of different audiences, confidentiality requirements might necessitate different internal and external learning products). The Supplier should be well networked with external stakeholders, including DFIs and IFIs, investors, other private sector and the research community.

The level of effort anticipated for both these phases of the evaluation by sector are detailed below:

KEY	High-Intensity Effort	Medium Intensity Effort	Low Intensity Effort
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	Stage 1 – Portfolio Evaluation		Stage 2
	Evidence Review	Portfolio Analysis	In-depth Studies
Services	Build on existing work eg health & education reviews	Focus on direct and sector-focused fund investments plus selected generalist fund investments	2-3
Manufacturing	Use CDC-commissioned ODI Review		1-2
Food & Agriculture	Use CDC-commissioned evidence review by Wageningen University		1-2
Real Estate	Use CDC-commissioned evidence review by WRI		1-2
Technology	Build on existing work e.g. CDC-commissioned connectivity review		1-2

12. Additional notes on the scope and approach

Within each sector, the evaluation will focus on the following sub-sectors and cross cutting themes/strategic priorities which dominate the investments that CDC has made:

Sector	Sub-sector focus	Cross-cutting themes ⁷
Services	Secondary and tertiary healthcare; diagnostics & pharma; Health Insurance and Clinical Education; Core education; supplementary education; sector enablers; Business services; e-commerce	Gender/inclusion, job quality
Manufacturing	Consumer durables and apparel; Chemicals; Construction materials; Containers and packaging; Pharmaceuticals	Gender/inclusion, climate change, job quality
Agriculture	Agriculture finance; Agri inputs; Forestry; Food processing; high value crops; nutrition	Gender/inclusion, climate change, biodiversity, job quality
Real Estate	Social infrastructure, comprising housing, student accommodation, urban regeneration, and healthcare and education real estate. Business infrastructure comprising industrial and logistics parks, hotels, retail, and business parks	Gender/inclusion, climate change, job quality
Technology	ICT connectivity for firms, households; data centres; VC innovations	Productivity, climate change, inclusion

The evaluation will look explicitly at the issues of gender/inclusion, climate change and job quality and ensure these are brought into the assessment of relevant investments and the portfolio more broadly. The portfolio evaluation should specifically analyse relevant cross-cutting issues from a thematic perspective, drawing out the most relevant investments. The in-depth studies should also ensure data is disaggregated and impacts differentiated to draw out gender, climate change and job quality related impacts as relevant. There might also be a need/opportunity to specifically explore one or more of the cross-cutting themes through one of the in-depth studies.

Key to this evaluation is understanding whether CDC's current investments are creating the envisaged outputs, outcomes and impacts to inform how CDC manages development impact within its current and future investments. The Supplier must apply an approach that (1) describes what is happening and how and (2) enables key learnings, challenges and successes to be drawn out to enable CDC and FCDO to use this information in a practical way to further improve CDC's development impact. Key learning from the evaluation should enable CDC to make changes to the ways in

⁷ The most relevant cross-cutting themes will be verified with CDC leads in the Value Creation team and may be subject to change during the life of the evaluation.

which it allocates capital and manages investments to maximise development impact. The decisions involved in doing this include:

- (1) Portfolio construction: where to allocate effort in originating investment opportunities; how to structure investments to support the most impactful aspects of a business; what non-financial support to offer businesses to enhance their impact;
- (2) Portfolio management: how to support businesses after the point of investment, as they react to market developments, in a way that has the greatest positive impact on development;
- (3) Impact measurement and monitoring: how to ensure development impact is accurately measured and tracked to inform portfolio management and enable portfolio-wide learning

The design of the evaluation, including the details of the methodology will be agreed with FCDO and CDC through an iterative process. It will be important that the work responds to the interests and needs of CDC's investees to ensure buy-in and take-up of findings. It will be important for the Supplier to have some flexibility to adjust plans as needed in response to emerging findings, changing demands and opportunities arising from CDC portfolio companies, and/or other unexpected developments that may arise during the course of the evaluation.

There will be a Formal Review point at the end of Stage 1. Continuation of the contract beyond Stage 1 into Stage 2 will be subject to approval of an agreed methodology, budget and team of personnel to take forward the work as outlined in the Timeframe and Formal Review Points Section of the Terms of Reference.

13. Research questions

This evaluation will take account of the OECD-DAC questions of **relevance** (are we doing the right thing), **effectiveness** (are we achieving our objectives), impact (are we making a difference) and **sustainability** (are the impacts long lasting).

The work will be guided by the following evaluation questions. These should be **further refined in the inception phase of the study** and again after the portfolio evaluation with the most important research questions identified based on the analysis of CDC's portfolio, routes to impact and the evidence base. In particular, the Supplier will identify key themes/evaluation questions by sector during the inception phase and should include any suggestions for sub-questions and/or any additional questions they believe should be covered in their proposal for this work. The Supplier should be realistic about what questions can be answered, with what rigor and which methodological approaches could be used to answer them, including whether they will use the portfolio evaluation, the evidence base and/or Stage 2 in-depth studies.

- What are the expected and achieved outputs, outcomes and impacts of CDC's investments, where this can be credibly assessed using primary and secondary data, or inferred from the evidence, and to what extent are these sustainable?

- To what extent have CDC's investments contributed to poverty reduction (e.g. through employment, entrepreneurship, tax effects and economic growth, health or education outcomes)?
- To what extent has CDC contributed additional skills and expertise to their investments, over and above finance, which has strengthened the development impact achieved?
- To what extent is there evidence of unintended consequences or distortions from CDC's investments – either positive or negative?
- What are the key learnings and innovations from CDC's investments that have the most potential to fill critical knowledge gaps and generate further impact?

14. REQUIREMENTS

The Supplier shall apply the proposed approach and use the proposed core team of personnel to work on the evaluation, including the proposed indicative evaluation framework/matrix, refined evaluation questions(which will be further refined and agreed with CDC and FCDO), the reporting structure proposed, methods of data collection and analysis including plans for incorporating external data sources, approach to the evidence review and integrating its findings into the report, and strategy for triangulating and cross-checking different sources of data and evidence. The Supplier shall apply the proposed set of sector relevant methodologies and evaluation techniques to address the evaluation questions in stage 2 of implementation phase. The Supplier shall approach both Implementation stages, using the proposed synthesis across stages, the depth of analysis and the methodologies.

Deliverables for the contract include:

Inception phase (months 1-3)

- Mobilisation of core team and delivery of a detailed design, methodological approach, risk matrix, dissemination plan, budget and workplan for Stage 1, including questions that will be answered through the portfolio evaluation linked to data needs across all sources (draft report month 2 after contract signing, final report month 3). The Supplier should envisage two rounds of reviews to finalise the inception report. The following meetings are envisaged with CDC and FCDO to ensure a common understanding of the evaluation and its deliverables:
 - A series of meetings with members of the core project team at CDC and FCDO
 - Meetings with sector strategists and embedded development impact professionals to better understand CDC's portfolio, strategy and sector impact framework in relation to each of the five sectors

- Meetings with members of the value-creation strategies teams to explore the Suppliers plans for analysing gender, climate and job quality impacts
- An inception report consultation (1-2 hours) with core stakeholders at CDC and separately with FCDO to present and consult on the Supplier's proposed approach.
- A draft outline for the portfolio evaluation report (to be completed in Stage 1).

Stage 1 (months 4-11)

- Portfolio evaluation of CDC's SMART Industries investments:
 - Refined report outline with a detailed data analysis plan and list of tables/graphs to be included in the report: month 4
 - Partial draft report and data analysis sections for 1 of the SMART sectors: month 5⁸
 - Excel database with data collected per investee/country/market and sources (with URLs): month 7
 - Draft full report: month 7
 - Evidence Review output (standalone or appendix): month 8
 - Final report: month 10
 - Series of five internal CDC learning seminars and presentations (one per SMART Industry) and one internal FCDO seminar: Months 10-11
 - Externally published report (copy edited): Month 11
 - Stage 2 Study Plan covering the design and methodological approach for the 10 in-depth studies, budget, workplan, resourcing and deliverables for Stage 2⁹: Month 8 (draft), Month 11 (final). This should include:
 - A description of the research questions and sub-questions that the evaluations will address, evaluation methods, and data collection methods.
 - The companies or clusters of companies that will be evaluated, with a list of requirements of the investee company and its clients, particularly any data sharing expected.
 - As noted earlier, for at least two of the in-depth studies, the research plans should be developed to an advanced, feasibility-tested stage with initial groundwork laid for launch at the start of Stage 2. 'Pitch decks' should be produced for the relevant investees and their commitment to participate should be secured.
 - Clear work plan and budget for this phase of the project including planned yearly break-down for year 1 and estimated yearly breakdown for year 2.
 - Risk matrix and how risks will be mitigated, to include specifically COVID 19 risks.
 - Planned communication and dissemination plan for all activities, including communication products to be developed.

⁸ Bidders may propose more specific plans here; the idea is to confirm the report and analysis structure for 1-2 sectors as a template before proceeding with the remaining sectors.

⁹ This output and the methodological approach report for phase 1 will need to be externally quality assured by FCDO's EQUALS service, which provides an independent view of the quality of outputs produced for FCDO evaluations.

- Demonstration of value for money and efforts to minimise costs as part of a value for money strategy.
- Outline of existing plans/approach to Open Access publishing and data sets in line with FCDO's [Open Access Policy](#) consistent with the personal (GDPR) and commercial confidentiality requirements imposed for these types of data.
- Plan for ensuring appropriate research ethics (including the 'do no harm' principle) and clear communication of any conflict of interest the Supplier may have with investees to be studied.

The Supplier will regularly engage with CDC and FCDO with meetings expected monthly (or as needed) during Stage 1 and should plan to have members of the core team, particularly the Technical Director, spend some time at CDC's office in London (subject to COVID 19 restrictions).

Stage 2 (months 12-31)

The detailed requirements for Stage 2 may change depending on the evaluation plan agreed at the end of Stage 1, however deliverables will include:

- Revised Stage 2 Study Plan including detailed, feasibility-tested research designs and plans with 'pitch decks' to secure commitments from investees for all remaining in-depth studies: Months 12-16
- An annual progress report for year 1 of this Stage and workplan and budget for the following year to be agreed with FCDO and CDC: Month 23.
- A series of up to 10 studies on CDC investees or clusters of investees. The reports should be written in a way that is accessible to non-academics. Each report should be accompanied by a short synthesis paper that clearly identifies findings and implications/recommendations for CDC/FCDO and other stakeholders. These should be delivered as standalone documents setting out key findings and recommendations. The delivery of these studies should be spaced throughout the 20-month period – timing to be confirmed in Stage 1. Each evaluation report will need to be written to ensure it can be published externally. All commercially confidential information should be restricted to the annexes, which will not be published.
- A final synthesis report¹⁰. Drawing on Stage 1 work (updated as relevant) and the in-depth studies this should be an evaluation of CDC's portfolio examining 'what' is happening and 'how' and cross-referencing this to what the current evidence base tells us about what works and doesn't in each sector. The report should bring in learning from outside CDC's portfolio to supplement the findings of the review of CDC's portfolio, including where feasible from other DFIs and IFIs. Month 28 (draft); Month 30 (final).
- A series of at least 8 further communication products tailored to internal and external audiences to disseminate findings and lessons. The nature and exact number of these products will be agreed with FCDO and CDC. At least one of these will be an 'evaluation digest', that succinctly summarises the overall results of the evaluation.

¹⁰ This output will need to be externally quality assured by FCDO's EQUALS service.

15. Skills and Competency Requirements

The team responsible for delivering this programme should be multidisciplinary including, but not limited to skills in the following disciplines: evaluation, private investment, project and commercial finance, health, education, agriculture, manufacturing, real estate & construction, econometrics, statistics, gender, climate change and project management.

The supplier must deploy only the highly experienced personnel across all the sectors covered. The Team composition in terms of sector expertise and person days, should broadly reflect the proportion of the portfolio invested in each subsector, as well as the portfolio's regional representation (circa 60% Africa and 40% South Asia) with a named sector specialist to lead the theory-based evaluation in each of the five sectors and build credibility with CDC's sector teams who is available for the duration of the contract.

The proposed Team Lead will lead the development of the methodology and oversee the quality of the evaluation across all sectors, whilst the proposed Deputy Team Lead will actively take the lead on day-to-day coordination and management of the evaluation including regular communications with CDC and FCDO. The proposed team should have generalist skills and expertise across all sectors, with a dedicated lead for each of the sectors. The team may also represent a mix of international and national/regional experts with considerations to a gender balance within the proposed team.

The Supplier and its team of personnel is required to have a strong track record in:

- Successful management and delivery of large, complex multi-country evaluations in the relevant sectors in Africa and South Asia;
- Track record of working directly with companies in emerging market contexts;
- Knowledge and expertise in each of the five sectors: services (health, education, consumer and business services); manufacturing; agriculture; real estate; & technology in relation to private sector investments in Africa and South Asia;
- Development and implementation of quantitative and qualitative evaluation methodologies in the relevant sectors;
- Sound understanding of evaluation design and methods, and knowledge of strengths and limitations of different approaches;
- In depth understanding of state-of-the-art evidence in relevant sectors in developing countries, including in each of the five SMART sectors;
- Ability to deploy in-country enumerators with demonstrable evaluation skills and knowledge;
- Ability to communicate complex studies and findings in an accessible way for non-technical readers/varied audience, including presentation of data in

visually appealing ways, highly structured and rigorous summaries of research findings and robust and accessible synthesis of key lessons from across different studies;

- Expertise in financial and technical management (including managing value for money and efforts to minimise costs), commercial and financial reporting skills and administration of evaluations (including duty of care and management of fiduciary risk);
- The Supplier and/or sub-contractor(s) are expected to have extensive networks and credibility among relevant stakeholders in each sector.

The proposed **Team Lead** is required to:

- Provide managerial leadership to the programme, ensuring the evaluation is linked into cutting edge thinking in this area and aligned to CDC/FCDO priorities;
- Oversee the development of the methodology and generation of high-quality reports for the programme, including consistency in approach and quality of outputs across the sectors;
- Be accountable for high quality and robust evaluation outputs; and
- Develop and maintain strong relations with relevant stakeholders, driving forward the sharing of knowledge and learning across relevant stakeholders as a result of this study.

This is a key position for the evaluation contract. The nominated Team Lead must have track record in leading multi-country research and evaluation programmes with a strong understanding of FCDO's work and investment. The Team Lead must:

- Be able to bring cutting edge thinking and external linkages to the evaluation, with relevant expertise in economics, investment, evaluation or similar disciplines;
- Have a strong research track record;
- Possess knowledge, expertise and understanding of investments, particularly in developing countries, including the work of relevant impact funds, Development Finance Institutions (DFIs) and Multilateral Development Banks (MDBs);
- Have links to wider networks of expertise in relevant fields of investment or specific sectors;
- Possess interpersonal and communication skills and an ability to work flexibly and collaboratively to deliver agreed outputs.

If specific sector or sub-sector expertise needed for any phase of the evaluation is not represented in the core team, the Supplier must ensure availability of such expertise

to facilitate a stage 2 in-depth study. Where the proposed Team Lead possesses relevant sectoral knowledge and expertise it is expected that s/he could also be a Thematic lead in one or more of the outlined sectors to be evaluated.

The Supplier will be responsible for all logistic arrangements for themselves and members of the core team with all relevant expenses built into the cost of proposal.

16. Contract Management and Governance

The Supplier will be responsible for delivery of the evaluation, including design, implementation, data collection and analysis. The Supplier will also be responsible for monitoring progress and reporting study findings and ensuring effective partnerships in its operations. Where applicable in the case of any sub-contracted components, it will also be responsible for financial, procurement and risk management of the project.

The Supplier will report on a day-to-day basis to a small project management team comprising both CDC and FCDO staff. FCDO management for this contract will be led by the Private Sector Department within the International Finance Directorate, but in close collaboration with other FCDO technical leads on research, monitoring and evaluation. On the CDC side, management will be led by CDC Director for Development Impact Evaluations and his team.

Overall strategic direction for the study will be given by the existing FCDO-CDC Evaluation and Learning Programme Steering Group. This is chaired by FCDO's Chief Economist and comprises other members from CDC and FCDO as well as a number of independent experts. The group meets at least twice a year. The methodology proposed for this study and the findings will be discussed by this group. Strong collaboration between FCDO and CDC is envisaged in the management and direction of the evaluation, however final conclusions and judgements in reports on the impact of CDC's investments will rest with the Supplier.

In addition to the milestone payment model outlined below, the Supplier's performance on broader aspects of contract delivery (e.g. accuracy of financial forecasting, responsiveness to queries) will be monitored through Key Performance Indicators (KPIs). Please see Annex D for a list of KPIs.

The Supplier will be responsible for managing their and all their sub-contractor's performance and tackling poor performances. They will be required to demonstrate strong commitment towards transparency, financial accountability, due diligence of partners and zero tolerance to corruption and fraud.

For technical issues the key contact is the Development Finance Team in FCDO's Private Sector Department and the Development Impact Evaluations Team in CDC.

17. Payment Mechanism and Performance Management

The contract will be based on a Milestone Payment model: (i) fees will be linked to satisfactory delivery of key milestones/deliverables (ii) expenses will be paid quarterly in arrears on actuals

Satisfactory delivery and quality of key milestones/deliverables as per Milestone Payment tab of Cost Proformas will be required for the full payment to be released. FCDO will quality-assure deliverables, validate reports and assess the Supplier against achievement of key milestones as per the TOR requirements as part of the approval process for payment.

FCDO approval of the key milestones will focus on the quality of each review/evaluation output, as well as the extent to which its outputs are useful, accessible and offer appropriate analysis.

FCDO has proposed an approach to measuring the quality of deliverables, key milestones and associated KPIs (Annex D) expected of the Supplier which will be finalised at contract placement stage, but which may require further adjustment during the contract term, subject to a formal contract amendment process.

A number of key outputs delivered under this contract will need to be externally quality assured by FCDO's EQUALS service. Payment for those products requiring external quality assurance will be made based on 50% of the costs invoiced on submission of the agreed deliverable(s) to FCDO and the remaining 50% invoiced on approval of the deliverable by FCDO. All other milestone deliverables will be paid 100% on approval by FCDO.

FCDO requires at least 10 working days to review and comment on any products produced by the Supplier. Some products may require a number of different approval processes within CDC and may take longer. The approval processes and timelines for all products will be defined and agreed between FCDO and the Supplier during the Inception Phase.

At the start of each financial year, the Supplier will be required to provide an annual forecast of expected spend for each month to FCDO, on a resource accounting basis. The Supplier will also be required to provide six-monthly financial and progress reports. An example template for these financial and progress reports is included at Annex C. If there are issues on quality of output, it will be discussed with the Supplier at the earliest opportunity with clear instructions provided for the Supplier to address, whilst the payment for such outputs may be delayed until approval is given. Any resubmissions of outputs will be at no additional cost to FCDO.

18. Reporting Requirements

The Supplier shall submit project reports in accordance with the specific detailed deliverables set out under the Inception Phase and Implementation Phase of the Terms of Reference. The Supplier shall also submit six-monthly progress reports as set out in Annex C.

19. Constraints and Dependencies

The Supplier should be aware that there are many issues of commercial confidentiality and data access at the institutional level that will need to be addressed throughout this work – both when accessing data and compiling findings. This presents a risk to the evaluation. These issues will need to be discussed and managed carefully early on. CDC will aim to facilitate access to relevant data held by CDC and/or its investees for the evaluations to the extent possible, subject to data protection requirements. The Supplier will not be given access to any data until they have signed a non-disclosure agreement (NDA) with CDC. FCDO/CDC will take account of commercial sensitivities when publishing findings of the evaluation – and there will be a need for different internal and external learning products.

20. UK Aid Branding

Partners 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. Partners 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.

21. Transparency

FCDO has transformed its approach to transparency, reshaping our own working practices. FCDO requires Suppliers receiving and managing funds, to release open data on how this money is spent, in a common, standard, re-usable format and to require this level of information from immediate sub-contractors, sub-agencies and partners.

It is a contractual requirement for all Suppliers to comply with this, and to ensure they have the appropriate tools to enable routine financial reporting, publishing of accurate data and providing evidence of this to FCDO – further IATI information is available from;

<http://www.aidtransparency.net/http://www.aidtransparency.net/http://www.aidtransparency.net/http://www.aidtransparency.net/>

22. Duty of Care

The Supplier is responsible for the safety and well-being of their Personnel and Third Parties affected by their activities under this contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property. The respective FCDO Programme Office will share available information with the Supplier on security status and developments in-country where appropriate.

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. 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 the required level of training and safety in the field training prior to deployment.

Travel advice is also available on the FCDO website (<https://www.gov.uk/foreign-travel-advice>) and the Supplier must ensure they (and their Personnel) are up to date with the latest position.

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 prepared by FCDO (Annex E).

23. General Data Protection Regulation (GDPR)

Please refer to the details of the GDPR relationship status and personal data (where applicable) for this project as detailed in Appendix A and the standard clause 33 in section 2 of the contract.

24. Modern Slavery

The HMG Modern Slavery Statement sets out how UK Government departments must take action to ensure modern slavery risks are identified and managed in government supply chains.

The FCDO Supply Partner Code of Conduct sets out the expectation for all supply partners to have full awareness of the International Labour Organisation (ILO).

25. Background – CDC

Successful businesses are vital to drive a country's growth and provide a sustainable route to poverty reduction. Businesses provide jobs and tax receipts which enable a country to fund its own social services, reducing dependence on aid.

Businesses in many countries in Africa and South Asia need additional investment capital, which they fail to attract in sufficient amounts due to (i) limited long term domestic capital, and (ii) high actual or perceived risks, including political, corruption and currency risks. CDC aims to grow businesses with its own capital, creating both direct and indirect impacts.

CDC's Investment Policy and current five-year strategy (2017-2021)¹¹ aim to further enhance its development impact and reach, including through new catalytic strategies with different risk/return profiles than the investments made under its growth investment strategy.

¹¹ See <https://assets.cdcgroup.com/wp-content/uploads/2017/06/25150902/Strategic-Framework-2017-2021.pdf> for more details

Background on CDC's portfolio and evidence reviews

The five 'SMART' priority sectors – services (health, education, consumer and business services); manufacturing; agriculture; real estate; & technology – account for approximately 32% of CDC's total portfolio.¹² Note that the figures below are indicative estimates for the purposes of this evaluation.

Figure 1: Sector Breakdown of CDC's Portfolio

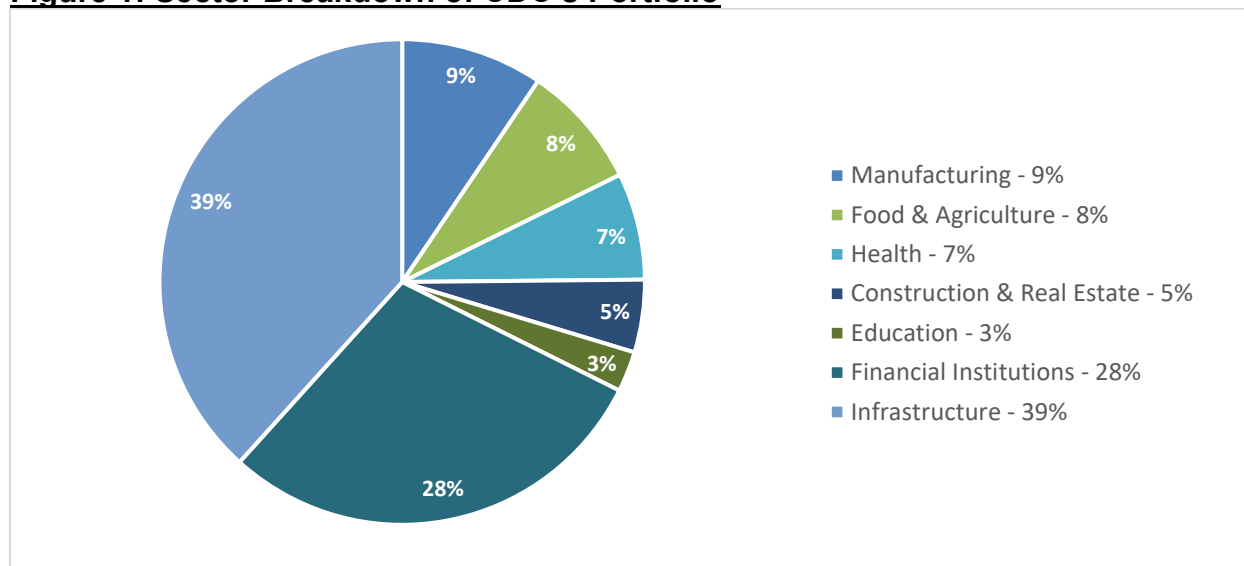


Table 1 below indicates the % of each sector portfolio by value that is through direct and fund investments (split by sector-focused and generalist funds). Fund investments are on average smaller than direct investments¹³.

Direct investments account for a lower proportion of investments by value in these five sectors than they do across other sectors in CDC. Sector-focused **funds are** particularly important for Construction and Real Estate and generalist funds for Manufacturing and Education.

Table 1: Sector investments through directs and funds by % value

	% sector portfolio value directs (\$)	% sector portfolio value sector-focused funds (\$)	% sector portfolio value generalist funds (\$)
SMART	40%	19%	41%
Financial Institutions	69%	9%	22%
Infrastructure	71%	21%	7%

Source: CDC estimates as at December 2019

Table 2 below summarises the number of company investments – direct and through funds and the regional focus. Note that within each category these are unique company investments, but companies with both direct and fund investments will be counted twice.

¹² CDC's total portfolio size was £4.7 billion at year-end 2019 as reported in our 2020 annual review.

¹³ See the CDC Group website for a list of CDC's investments per sector: <https://www.cdcgroup.com/>

Table 2: Number of Company Investments by Sector¹⁴

	# Sector-Focused Funds	# Generalist Funds	# Current Directs	# Direct Exits	# companies through:		Total # portfolio companies
					sector-focussed funds	generalist funds	
Services	3	64	10	1	11	90	112
Manufacturing	0	69	4	0	0	178	182
Agriculture	9	36	11	1	59	70	141
Real Estate	8	7	2	1	41	9	53
Technology	tbd	Tbd	tbd	tbd	tbd	tbd	tbd
Total for 5 Sectors	20	83	27	3	111	347	488

Source: CDC estimates as at December 2019

	Regional split - by portfolio value		Regional split - by # companies	
	Africa	South Asia	Africa	South Asia
Services	43%	57%	45%	55%
Manufacturing	76%	24%	54%	46%
Agriculture	68%	32%	69%	31%
Real Estate	94%	6%	87%	13%
Technology	tbd	tbd	tbd	tbd
Total for 5 sectors	62%	38%	59%	41%

Source: CDC estimates as at December 2019

Each sector has an impact framework¹⁵ based on the CDC-wide impact framework, which is aligned to the five dimensions of the Impact Management Project (What, Who, How Much, Contribution, and Risk)¹⁶. These set out how CDC believes impact is created in each of these sectors. Although they were developed in 2018/2019 – and were not used as the basis for making investments prior to this time – they are still relevant for a theory-based evaluation and should be used as the basis for this evaluation in each sector. These frameworks are updated on a rolling basis. The sector impact frameworks for the SMART sectors are included in Annex A¹⁷.

Also, since 2018, CDC has developed a Development Impact thesis ('DI Thesis') for every investment commitment (at direct or fund level). The DI Thesis is a single sentence or paragraph, encapsulating CDC's core impact rationale for the investment. In most cases these have been developed retrospectively for post-2012 investments, but for pre-2012 commitments or where the thesis hasn't been developed retrospectively (e.g. for exited investments), the supplier should infer a DI thesis using the Investment Committee paper. Since 2019, the thesis is backed up by a more detailed 'Impact Dashboard'.¹⁸ It is anticipated that the supplier will assess

¹⁴ A list of CDC investments is available on the CDC Group website: <https://www.cdcgroup.com/>

¹⁵ Impact Framework is the terminology used in CDC for a Theory of Change.

¹⁶ See: <https://impactmanagementproject.com/>

¹⁷ Note that for the Services sector there are separate sub-sector impact frameworks for health and education. Note also that there is also a separate, complementary impact framework for investments in CDC's Catalyst portfolio which takes a more flexible approach to risk in exchange for pioneering impact, that should be taken into account for the relatively small number of investments made under a Catalyst Strategy. This will be shared with the winning bidder. See CDC Group website for more details: <https://www.cdcgroup.com/en/our-approach/our-approach-to-investing/our-investment-solutions/catalyst/>

¹⁸ CDC's Impact Dashboard template is available at: <https://www.cdcgroup.com/wp-content/uploads/2020/07/impact-framework-explanatory-sheet.pdf>

progress against the DI thesis and Impact Dashboard (where available) as part of their assessment of impact at company-level.

CDC has recently commissioned evidence reviews mapped to these sector impact frameworks in three of the five priority SMART sectors as follows:

1. [Food & Agriculture](#) with Wageningen University (2020)
2. [Manufacturing](#) with the Overseas Development Institute (2020)
3. [Construction & Real Estate](#) with the World Resources Institute (WRI) (2021)

CDC has also previously commissioned the following impact frameworks/evidence reviews relevant to the remaining two priority SMART sectors (services and technology)¹⁹:

4. [Healthcare](#) with Imperial College London (2017)
5. [Education](#) with the National Foundation for Educational Research (NFER) (2019)
6. [Connectivity](#) with the Oxford Martin School (2019)

Other Development Finance Institutions have taken steps to assess the impacts of their work in these sectors and it will be important for the supplier to ensure adequate linkages with complementary work.

FCDO also has a substantial network of programmes in these five sectors and the Supplier should ensure adequate linkages and learning from the implementation and evaluation of this work. Examples include: Invest Africa, Ethiopia Investment Advisory Facility, Poorest States Inclusive Growth Programme (India), (Manufacturing); CASA, LEGEND, Food Trade and Resilience Programme, AgDevCo (Agriculture); Infrastructure Cities and Economic Development Programme, Cities for Infrastructure and Growth, PIDG (Construction and Real Estate). The Supplier will also be expected to coordinate with suppliers undertaking other evaluative work on CDC.

There are also networks of researchers, investors and other donors active in this space that the supplier will need to connect with. This will be particularly the case where in country work is undertaken (i.e. for each of the in-depth studies). The Supplier will be expected to understand and use such networks of organisations and programmes to ensure complementarity, enhance shared learning, identify opportunities for collaboration and drive dissemination of findings across relevant communities.

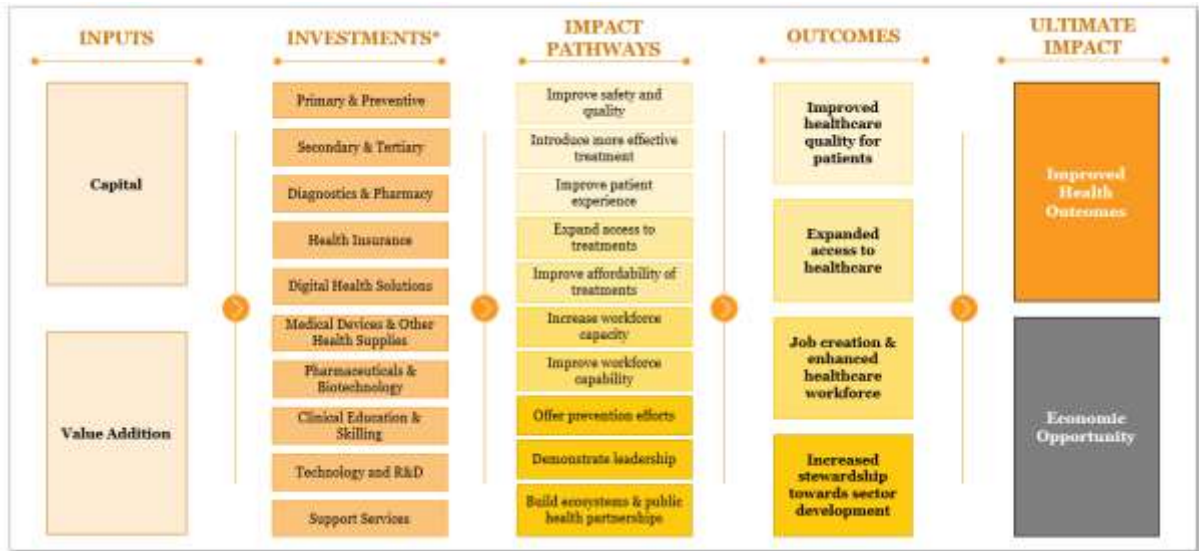
Documentation/references

¹⁹ Note publications listed here are not as updated/comprehensive in their mappings to CDC's sector impact frameworks as the set previously listed however they provide a useful starting point.

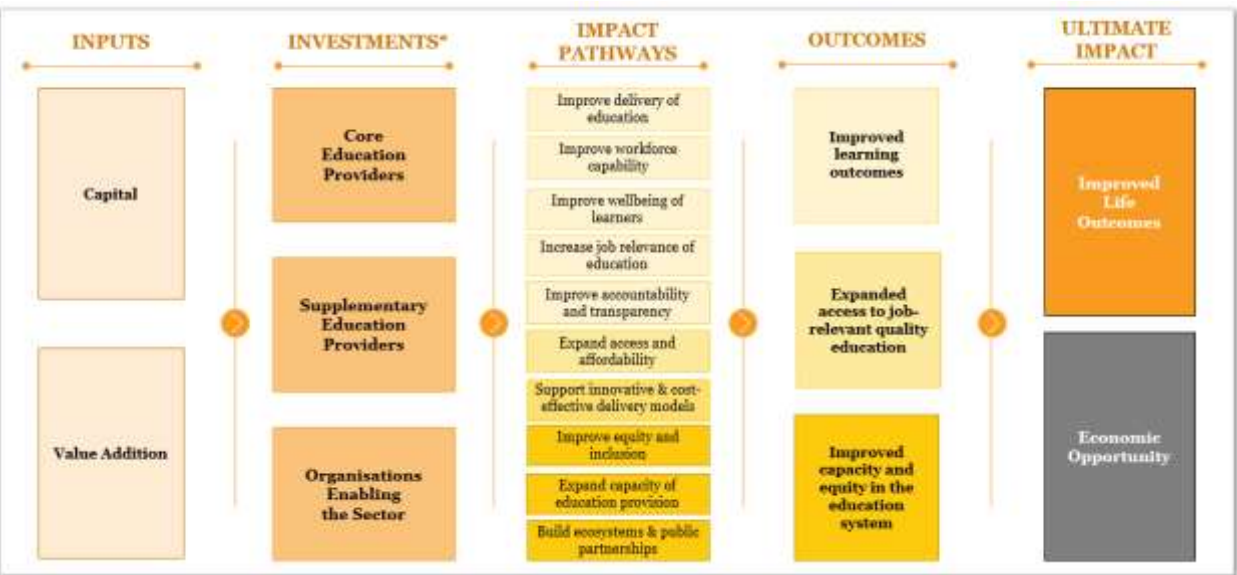
1. CDC Strategy 2017-2021: <https://assets.cdcgroup.com/wp-content/uploads/2017/06/25150902/Strategic-Framework-2017-2021.pdf>
2. FCDO-CDC Evaluation and Learning Programme Plan: <http://www.cdcgroup.com/evaluation-and-learning-programme>
3. What is the link between power and jobs in Uganda: <https://www.cdcgroup.com/en/news-insight/insight/articles/what-is-the-link-between-power-and-jobs-in-uganda/>
4. SME finance and growth: evidence from RBL Bank: <https://assets.cdcgroup.com/wp-content/uploads/2018/07/06124531/SME-Finance-and-Growth-in-India.pdf>
5. Rapid Evidence Assessment: The Impact of Development Finance Institutions. <https://www.gov.uk/FCDO-research-outputs/the-impact-of-development-finance-institutions-rapid-evidence-assessment>
6. Evaluating the Impact of Private Providers on Health and Health Systems: <https://www.imperial.ac.uk/media/imperial-college/institute-of-global-health-innovation/centre-for-health-policy/public/IMPJ5551-Health-Report-Update-Final-Web.pdf>
7. Maximising the Impact of Education Investments: <https://assets.cdcgroup.com/wp-content/uploads/2020/01/10140708/Maximising-the-impact-of-education-investments.pdf>
8. See list of CDC published Insights in the five sectors below (Annex B)

ANNEX A: CDC Sector Impact Frameworks

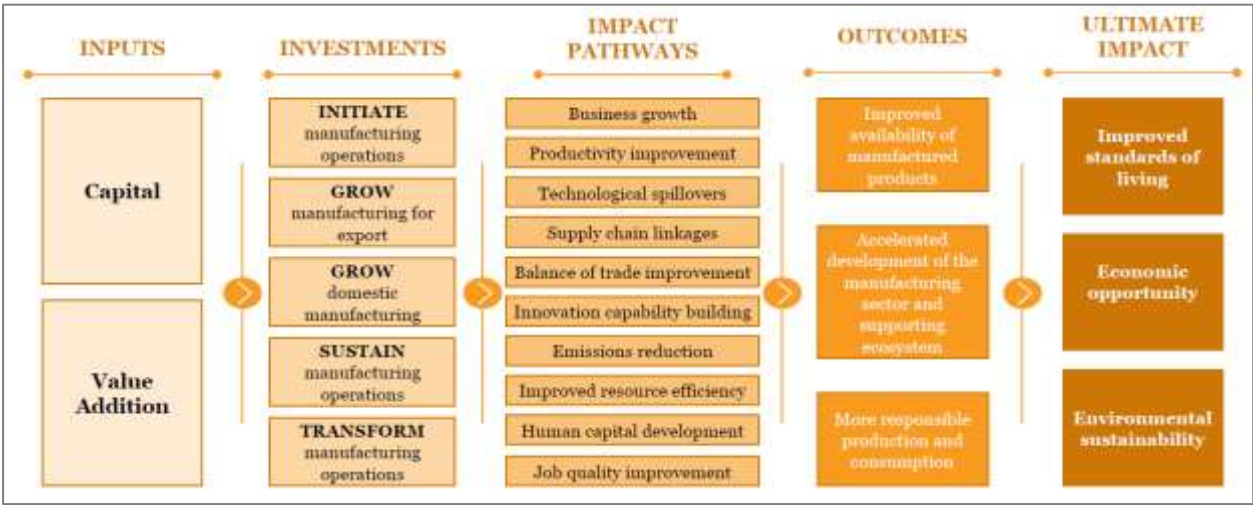
Services: Health



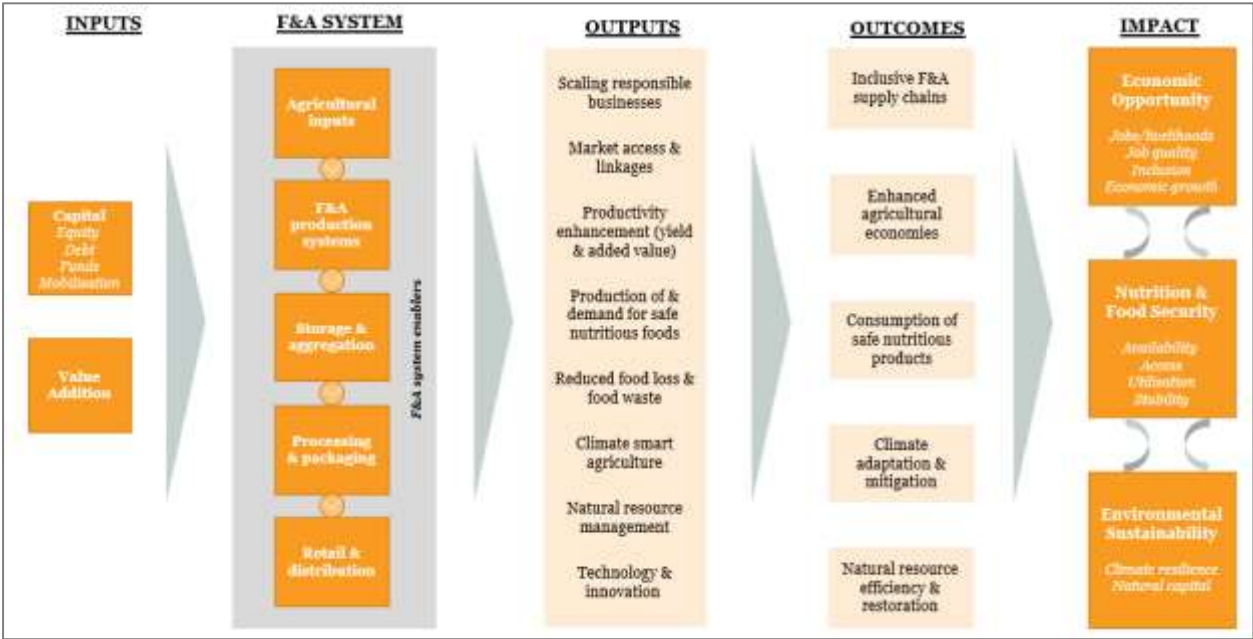
Services: Education



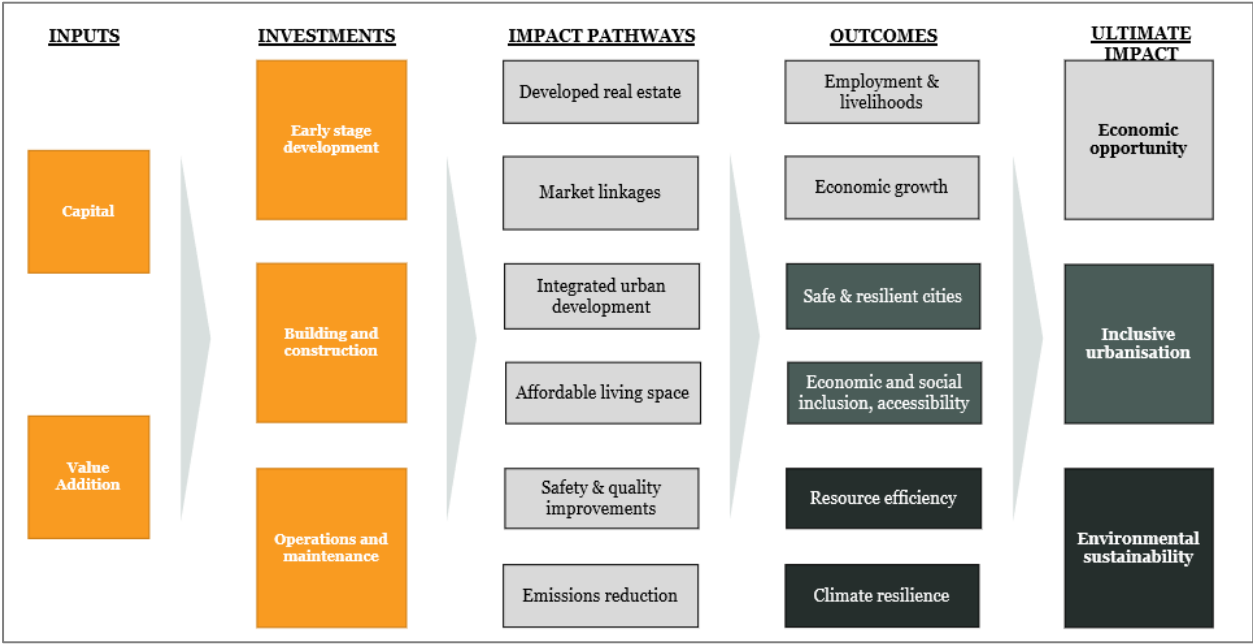
Manufacturing



Agriculture



Real Estate



Technology: tbd

ANNEX B: List of CDC Insight Studies

Below is a list of studies published as at December 2020 relevant to the five sectors. Pipeline studies in progress will be shared with the winning bidder.

Sector	Title	Summary	External author/partners
Services	What is the impact of improved access to finance for healthcare facilities in Kenya?	Case study on Medical Credit Fund (MCF)'s impact on health and business outcomes.	Dalberg
	What is the impact of online higher education in Africa?	Case study on UNICAF's impact with insights for the company and broader online education sector.	Open Capital Advisors
Agriculture	Affordability of protein-rich food: evidence from Zambia	Study on how commercial producers and distributors can enhance the affordability of protein-rich foods, featuring Zambeef.	Southern African Institute of Policy & Research w/ David McKee
	How does an online supermarket in India impact farmers?	Impact of Big Basket's value chain model on agriculture practices, productivity, pricing, and market access of its farmer suppliers.	Sattva Consulting
	What is the impact of sustainable farming on smallholder suppliers in Ethiopia?	Impact of GreenPath Foods' (Novastar investee) organic farming approach on the livelihoods of farmers.	60 Decibels
	What is the impact of modern rice farming in Nigeria?	Impact of Coscharis Farms' rice production on food security and employment opportunities.	60 Decibels
	Responsible Venture Capital	Good practice note	ERM
Technology	What is the impact of investing in connectivity?	Evidence review on the impacts of connectivity on economic growth, employment and business outcomes, social	Pantelis Koutroumpis, Oxford Martin School

		outcomes and governance.	
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ANNEX C: Example Finance and Progress Reports

This template must be used by Supplier(s) for six monthly reporting to FCDO. Narrative reports should be concise (no more than 6 pages). They must include the sections set out below:

- A. Basic data sheet
- B. Executive summary
- C. Report by deliverable
- D. Value for Money and Financial Performance
- E. Risk Management
- F. Financial report

FCDO may modify this reporting template during implementation.

A. Basic data sheet

This should give the following information:

- **Name of project** - including location(s);
- **Name of organisation** - with name, designation, address, telephone, fax and email of the contact point for this project. Add parent organisation and partner organisation details where applicable;
- **Project cost** – total value of the project;
- **Project purpose** - a sentence that identifies the purpose of the project;
- **Project duration** - with start and end dates;
- **Type of agreement with FCDO** (i.e. Accountable Grant, MOU, contract – Please also include FCDO Component Numbers);
- **Status of report** - is this an Interim Progress Report (indicate 1st, 2nd, 3rd etc) or a Final Project Report? What dates does it cover?

B. Executive Summary (1 page)

In this part of the report, please **summarise** the main body of the report i.e.

- Summary of progress, including key achievements and milestones (for last reporting period only; for entire programme if end-of-programme report).
- Summary of lessons learnt; including technical and managerial lessons (e.g. personnel, financial management, partnerships, assets and management).
- Summary of actions on previous recommendations.
- Summary of any key recommendations for the next reporting period.
- Summary of operational constraints that have arisen and action taken to address them.
- Summary of any issues requiring an FCDO decision or urgent discussion.

N.B. Anything that might impact on timing and delivery of the project should be flagged to FCDO at the earliest possible stage.

C. Report on key deliverables (max. 1 page per deliverable as appropriate)

D. Value for Money and Financial Performance (½ page max)

- Best estimate of future costs against current approved budget and forecasting
- Adherence to narrative and financial reporting requirements including reporting on KPIs
- Conclusions of last financial report
- Achievement of auditing requirements if appropriate

E. Risk Management (½ page max)

- Summary of any changes to programme risk, including emerging risks or mitigating actions.

F. Financial report (½ page max)

The financial report should show the complete financial position of the programme:

- All programme spend must be shown in the same currency as the approved project budget.
- All agreed budget lines including income/spend/commitments (in the form of contracts) and unallocated.
- For reporting on upfront funding please quote the exchange rate used in the money transfer (s) for each tranche being accounted for.
- Realistic monthly forecast (s) of spend for each subsequent six months for financial year.

Narrative explaining spend variances to forecasts including any risks associated with delivery and/or identification of issues (i.e. budget virements) requiring discussion/decision.

ANNEX D: Key Performance Indicators (KPIs)

Proposed KPI	Success Criteria	Evidence Required	KPI Pass
Quality and Timeliness of Reporting	The Supplier provides accurate, concise and timely Project Management Reports that include aggregated data and financial reporting as outlined in the FCDO report template.	Project Management Reports produced by the Supplier to the timeframe agreed with FCDO.	90% of Project Reports meet the success criteria.
Adherence to Schedule	The Supplier completes agreed deliverables within the agreed schedule (including raising and agreeing any changes to the schedule in a timely manner).	Work completed will be documented in the Project Management Reports, including a comment to their timeliness.	100% of deliverables meet the success criteria.
Value for Money	The Supplier will actively look for opportunities to maximise the Value for Money of the project, and report back on where this was possible in the Project Management Reports.	Regular updates on the implementation of activities that maximize Value for Money will be included in the Project Management Reports.	Value for Money activities are described in at least half of the Project Management Reports.
Risk Management	The Supplier will employ robust procedures to identify and manage project risks, and report on these regularly to FCDO.	Maintenance of a risks log to be shared with FCDO quarterly which will capture and report any risks, and the actions taken to mitigate them.	100% of risks are recorded in the log.
Flexible and Adaptive Programming	The Supplier proposes and is open to discussions about changing contexts and requests and works collaboratively to agree a suitable solution/alternative.	Evidence of the Supplier responding to feedback and adjusting the original plans. Feedback from FCDO of discussions throughout the project and at the end.	Qualitative assessment that the Supplier is considered 'Satisfactory' or 'Good' at meeting the success criteria.
Quality of Responsiveness and Communications	The Supplier will respond to all written communication, including email, within 3 working days of it being sent. The Supplier will provide substantive detail in response to any queries or questions from FCDO within 3 working days of request. If this is not possible then timelines for the substantive response will be agreed within 2 working days.	Feedback from FCDO on quality of communications throughout the project and at the end.	Qualitative assessment that 'nearly all' (i.e. 90%) of communications meets the success criteria.

Annex E: Risk Assessment

FCDO Overall Project/Intervention Summary Risk Assessment

Country: These represent countries where CDC operates and are not an indication of places the supplier's personnel will have to visit. Choice and location of case studies will be undertaken in Phase 1 of this work.

Date of assessment: 29th September 2019

Assessing official: REDACTED

No	City	Security Category		
		Overall Security	Violent Crime and Disorder	Terrorism
1	Afghanistan	5	4	5
2	Angola	4	4	2
3	Bangladesh	3	3	3
4	Benin	2	2	3
5	Burkina Faso	3	3	4
6	Burma (Myanmar)	2	2	1
7	Burundi	4	4	4
8	Cameroon	2	3	2
9	Central African Republic	4	4	3
10	Chad	4	4	4
11	Comoros	2	2	2
12	Cote d'Ivoire	3	4	1
13	Democratic Republic of the Congo	4	5	2
14	Djibouti	3	3	2
15	Equatorial Guinea	2	2	2
16	Eritrea	2	1	2
17	Ethiopia	3	2	3
18	Gambia	2	2	2
19	Ghana	3	3	1
20	Guinea	3	4	1
21	Guinea-Bissau	3	3	2
22	Haiti	3	4	1
23	India	2	1	3
24	Kenya	5	5	4
25	Laos	1	1	1
26	Lesotho	2	2	1
27	Liberia	4	4	2
28	Madagascar	2	3	1

29	Malawi	3	3	2
30	Mali	3	2	4
31	Mauritania	3	1	4
32	Mozambique	3	3	3
33	Nepal	2	2	1
34	Niger	4	4	4
35	Nigeria	4	4	4
36	Pakistan	5	5	5
37	Rwanda	2	2	3
38	Sao Tome and Principe	2	2	1
39	Senegal	2	2	3
40	Sierra Leone	3	3	2
41	Somalia	5	2	5
42	South Africa	4	4	2
43	South Sudan	4	4	4
44	Sudan	4	3	4
45	Swaziland	1	2	1
46	Tanzania	3	4	3
47	Uganda	3	3	3
48	Zambia	2	3	2
49	Zimbabwe	3	3	1

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

Appendix A: GDPR

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
Identity of the Controller and Processor for each Category of Data Subject	<p>The Parties acknowledge that for the purposes of the Data Protection Legislation, the following status will apply to personal data under this contract:</p> <p>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 Parties are independent Controllers in accordance with Clause 33.3 in respect of Personal Data necessary for the administration and/or fulfilment of this contract.</p>
Subject matter of the processing	
Duration of the processing	
Nature and purposes of the processing	
Type of Personal Data [and Special Categories of Personal Data]	
Plan for return and destruction of the data once processing complete.	(UNLESS requirement under EU or European member state law to preserve that type of data)