

Section 3

TERMS OF REFERENCE

Fund Management East Africa Country Office Research Fund and Regional Research Programme

A. About DFID

1. The Department for International Development (DFID) is the part of the UK government that manages Britain's aid to poor countries and works to get rid of extreme poverty. DFID is working with others to reach the Millennium Development Goals, the international targets agreed by the United Nations to halve poverty by 2015.
2. DFID's mission is to help eradicate poverty in the world's poorest countries. This is underpinned by the following set of values:
 - Ambition and determination to eliminate poverty
 - Ability to work effectively with others
 - Desire to listen, learn and be creative
 - Diversity and the need to balance work and private life
 - Professionalism and knowledge
3. DFID wishes to work with Suppliers who embrace the above and also demonstrate Corporate Social Responsibility by taking account of the economic, social and environmental factors. These practices, whether operated locally, regional or internationally, should comply with the International Labour Organisation core standards on labour and social matters.
4. Research and Evidence Division (RED) within DFID leads on the generation of new evidence through research and evaluation in order to improve the effectiveness and efficiency of development interventions aimed at eliminating poverty and reducing vulnerability. RED provides this support in four broad areas:
 - a. Generating evidence on need and context, enabling decision-makers to better understand the changing nature of the environment in which they are working and to plan for the future;
 - b. Supporting evidence on "what works", enabling decision-makers to invest in interventions that are most likely to work;
 - c. Facilitating the better use of existing evidence ensuring that decision-makers can access high-quality, relevant information when they need it; and
 - d. Supporting the capacity building of Southern research organisations, enabling the development of nationally owned research agendas.

B. Background

5. The East Africa Research Hub (EARH) is a new initiative in DFID/RED. Established in September 2013, the EARH is a decentralised team based in Nairobi with a geographical focus on Kenya, Somalia, Ethiopia, Rwanda, Uganda, Tanzania, and Sudan and South Sudan on request. The EARH has the following four core objectives:
 - To support DFID country offices in the region to use and generate high-quality, relevant research and evidence;
 - To support regional relevant research which addresses key challenges for countries in the region or are cross-border issues.

- To strengthen of research capacity and systems in East Africa.
 - To promote cross-UK government work on science, technology and innovation.
6. The purpose of this Terms of Reference is to seek assistance from a Supplier to provide Fund Management services in response to the first two objectives (support to DFID country offices and regional research). In order to deliver against these objectives, a DFID/EARH business case (2014/15-2019/20) has been approved which establishes an East Africa Regional Research Programme; and an East Africa Country Office Research Fund. The Supplier will be responsible for managing both. Each are addressed in turn.

East Africa Regional Research Programme

7. During the EARH's inception phase, the EARH team conducted an extensive consultation with DFID country offices in the region and key external thought leaders and regional research organisations to identify priority areas for further evidence generation. Two types of research priority subsequently emerged: country comparative questions, where issues affected more than one country in the region; and, cross-border questions that are regional in nature. A shortlist of six themes has been identified and will be scoped further by DFID/EARH into research proposals:
- How to promote better resilience and livelihoods in the dry lands of East Africa;
 - How to ensure the discovery of natural resources, such as oil and gas, benefit poor people in the region;
 - What are the barriers and enablers to regional economic integration;
 - How to promote economic development that benefits the poor;
 - How to harness the benefits of urbanisation for the poor, particularly women and girls; and
 - What are the social norms of corruption, and subsequently what are the best approaches for tackling corruption.
8. Research in these areas is expected to be secondary synthesis in the first instance in order to take an overview of the current state of the evidence, with primary research following depending on findings and recommendations.
9. Given the timeframe anticipated for procuring a Supplier for this Fund Management contract, it is planned that a number of the initial secondary syntheses research studies will be commissioned early and managed directly by DFID/EARH. The Fund Manager once appointed will be expected to take over responsibility for any further research commissioned and contracted synthesis and primary research within the themes.

East Africa Country Office Research Fund

10. In addition to the six regional themes, the EARH will also support DFID country offices to generate country specific evidence that directly responds to their programming and policy priorities.
11. The subject and type of this research and evidence has not yet been identified, as it will respond directly to expressions of interest from DFID country offices. Up to 14 research projects are expected to be supported over the six-year duration of the business case. It is expected that these will vary in duration and size depending on the demand from country offices.

12. For further detail on the East Africa Research Programme and Country Office Research Fund see the DFID/EARH business case attached at Annex 2. It should be noted that value for money (vfm) is important to all DFID programmes. In this case, both in terms of the Fund Management Contract and also the individual research studies which the Fund Manager Agency will commission and manage.

C. Objective

13. The objective of this Contract is to provide Fund Management services to the EARH in order to deliver the East Africa Country Office Fund and Regional Research Programme.
14. The EARH Team is ideally seeking a Supplier who has extensive experience at providing Fund Management services for development assistance programmes. Presence in Kenya (Nairobi), with an East Africa regional reach is highly desirable. Prior experience in research management would be desirable, but not essential.

D. Recipients

15. The direct recipient of these services is the EARH in DFID, who will manage this contract.
16. Indirectly, DFID country offices, advisors in Africa Regional Department/Africa Directorate and wider colleagues in RED will be recipients of services.

E. Scope

17. This Contract will run for 62 months, it is expected to commence in February 2015 until 30th March 2020. At the end of the inception phase and each calendar year the scope of the contract will be reviewed, with continuation based on satisfactory completion achievement on agreed milestones.

Expected impact of the East Africa Country Office Fund and Regional Research Programme are::

- The expected impact will be evidence-informed changes in the policy and programming of DFID in East Africa, national governments, international agencies, other donors, civil society and private actors which benefit the poor and most vulnerable. In order to achieve this, the expected intermediate outcomes are:
- DFID country offices in the region experience an increased availability of country relevant evidence and staff have an enhanced capacity to engage with, evaluate and apply research evidence
- New regional/national concepts, ideas and approaches are debated within DFID, and national and regional contexts, as a result of regionally relevant evidence generation.

Longer-term outcomes are:

- New and existing evidence forms part of debate around DFID country office operational plans, business cases, programmes, policy positions and other decision-making processes
- National and regional policy and practice actors are more receptive to evidence-based challenge and debate.

The outputs will be:

- High-quality and country relevant evidence products which are demand-driven from DFID country offices in the East Africa region.
 - High-quality and regional relevant evidence products which address key East Africa research priorities.
 - Peer reviewed research products such as academic papers; and
 - Outreach strategies undertaken so research is put into policy and practice.
18. In the first year of implementation, once the regional research themes have been scoped further, the number of specific number of outputs will be mapped against milestones in the business case logframe. This will be finalised during this business case's first annual review. However, by the end of the first year the following results are expected:
- At least 4 DFID country office demanded research projects commissioned or supported.
 - At least 3 regional research projects scoped, approved and commissioned
 - At least 2 high quality, DFID country office demanded evidence products published in open access format.
19. The primary responsibility of the Supplier ("Fund Management Agency") will be to manage procurement competitions for research projects, conduct due diligence assessments on prospective sub-contracted research partners, and programme manage research projects implemented by sub-contracted research organisations. These core responsibilities cover the East Africa Regional Research Programme, where themes have already been identified, and the East Africa Country Office Research Fund where demand is still to be determined by DFID country offices. In addition to this, the Supplier will establish a local panel for external peer review. The DFID/EARH Team Leader/Team will have responsibility for developing and approving research proposals, approving the sub-contracted research organisations to conduct work, providing technical advice and guidance on research outputs, and will sign-off on all final research outputs. In relation to the final selection of sub-contracted research partners, DFID/EARH will be responsible for the technical review of tenders but the selection of an organisation will be contingent on the organisation passing the due diligence assessment undertaken by the Fund Management Agency. It will only be when DFID/EARH and the Fund Management Agency are both content from technical and commercial perspectives that a contract will be awarded by the Fund Management Agency.
20. The Fund Management Agency will also have responsibility for a number of cross-cutting activities in relation to the Fund and Programme, as well as establishing a technical assistance facility for additional administrative and programme management support to DFID/EARH and wider-RED activities in East Africa. A full list of Fund Management Agency activities, and roles and responsibilities visa-vie DFID, is elaborated on in section G.
21. DFID/EARH is seeking an organisation or consortium of organisations for the Fund Management Agency role. Individual consultants will not be eligible.

F. EARH Management and governance structure

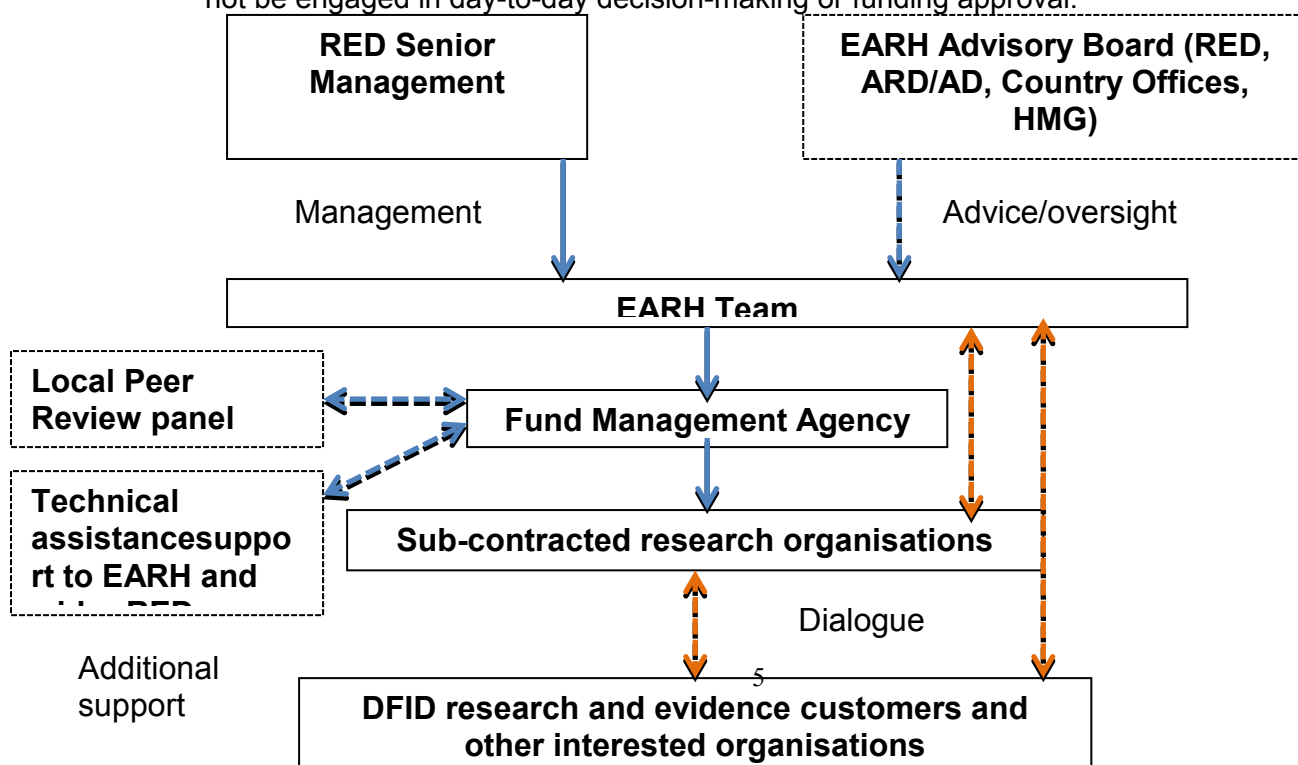
22. The combined management and governance structure of the East Africa Country Office Research Fund and Regional Research Programme has been predicated on the need for flexible and timely decision-making, whilst drawing in key DFID stakeholder views. An overview of these arrangements are set out in the below diagram.

RED Senior Management

23. The EARH is a decentralised team in RED and therefore in terms of its own management reports to Senior Management in RED. The EARH will provide bi-annual reports on progress and performance as part of team mid-year and end-of-year reviews. A RED Senior Management member will also chair the EARH Advisory Board, described below. The Fund Management Agency is not anticipated to have any direct engagement with RED Senior Management, but the routine reporting it conducts and presents to the EARH will be an important source of information to senior managers.

EARH Advisory Board

24. The EARH Advisory Board will provide high-level, strategic advice on the overarching portfolio of activities, as well as additional oversight of implementation and results. It will not be engaged in day-to-day decision-making or funding approval.



25. The Advisory Board will meet every quarter and will be chaired by a senior manager in RED, with membership from Africa Regional Department/Africa Directorate, country offices and wider-HMG interests. Formally the EARH Team will act as the secretariat for this group. However, the Fund Manager would need to provide timely information and reporting in order to contribute to these meetings. It should also be noted that whilst the East Africa Country Office Research Fund and Regional Research Programme are two large components of the EARH's portfolio, this Advisory Board will also have oversight of other activities not covered by this Terms of Reference and the EARH business case attached at Annex 2.

EARH Team

26. The EARH Team is composed of a Team Leader, two Research Analysts, and one Programme Officer. The EARH Team Leader will act as the Senior Responsible Officer for this contract, and is also responsible for the approval of all new research funding proposals. A key responsibility of the Research Analysts, as well as the Team Leader, will be to identify and develop the six regional research themes as well as expressions of interest for evidence generation from DFID country offices. The Programme Officer will be the day-to-day contact for the Supplier and would be the first point of contact for any emerging issues or decisions.

Fund Management Agency

27. Fund Management, to which these Terms of Reference relate, has primary responsibility for the procurement and programme management of research proposals approved by the EARH Team Leader. The Fund Manager will have day-to-day oversight of the wide range of research implementing partners. It will be focused on administrative activities, facilitating technical/quality assurance input from the EARH, wider DFID, and external local experts. The Fund Manager will also conduct up to four analysis pieces focused on different aspects of portfolio performance, and will have to provide accurate and timely narrative and financial report. The full range of responsibilities and the relationship visa-vie DFID/EARH is set out in section G.

Sub-contracted research organisations

28. On the basis of DFID approved research proposals, the Fund Manager will develop project Terms of Reference (which will be approved by DFID) and sub-contract to a research organisation(s) with appropriate expertise through a procurement competition. In relation to the research proposals, neither the Supplier or its employees and associates will be able to bid for this work (see section on Conflict of Interest). Sub-contractors will be research organisations (e.g. universities, think tanks, research centres, and consultancy or data-collection companies). The Fund Manager will not sub-contract to individual consultants.

Local peer review panel

29. The EARH Team and wider expert advisors in DFID will provide technical advice and guidance on research project Terms of Reference and research outputs. It is envisaged that for each research project there will be a DFID steering group (the size of which will depend on the scale and complexity of the research project) that will be composed of DFID advisors in RED, Africa Regional Department/Africa Directorate (ARD/AD), and country offices with a particular interest in the research project. The Fund Management Agency will have an important role in convening these groups at appropriate moments during the research project cycle. To provide additional quality assurance to research

Terms of Reference and final outputs, the Fund Management Agency will be responsible for establishing a local peer review panel composed of academic and technical experts in areas of interest to the DFID/EARH.

Communications activities

30. The Supplier will be expected to support a number of communications activities, with an emphasis on using existing DFID¹ and external channels:
- Awareness raising of the Fund and Programme within DFID;
 - Promoting research calls to prospective East African research organisations;
 - Supporting sub-contracted research partners to disseminate and communicate research findings; and
 - Developing impact research case studies and news stories about research programmes, particularly in relation to influence on policy and practitioner communities for use by DFID in relation to impact monitoring, but also for a wider audience.
31. During the inception phase, the Supplier will be required to develop a communications strategy to support these activities. In doing so, it is important to note DFID is subject to a UK cross-Government freeze on marketing and advertising expenditure. This freeze covers any promotion of DFID as an organisation or promotion of our partners. Only limited funds can be used on communications activities to share research and evidence for the purposes of developing policy in support of poverty reduction. The Supplier is expected to consider zero-cost activities and use existing communication channels. Where expenditure is made for the purpose of communicating research, the Supplier should provide details of the impact of that expenditure, demonstrating that it represented good vfm.
32. For further detail on the management and governance structures see Annex 2 – EARH business case.

G. Fund Management requirements

General approach

33. As part of the Invitation to Tender, prospective Suppliers are required to present methodologies and processes to address the specific requirements in this section. The Supplier should address these in the context of East Africa, and use appropriate analysis and referenced sources to justify their approach in each case.
34. The Supplier should also note, that across the East Africa Country Office Research Fund and Regional Research Programme the DFID/EARH will take consideration of cross-cutting issues such as gender (and other dimensions of social exclusion) and climate change. Where appropriate, a mainstreaming approach will be adopted across the portfolio. Driving and analysing vfm within the research portfolio will also be another important area of cross-cutting relevance.

Core function – procurement and management of research projects

35. The main objective of the Fund Management Agency will be to procure and manage research projects within the East Africa Country Office Fund and Regional Research

¹ In relation to DFID, this will likely include external webpages (e.g. DFID Research for Development, DFID Gov.uk; UK in Kenya) and social media channels (e.g. @DFID_UK, @DFID_Research, DFID Facebook).

Programme, which have been identified, scoped and approved by the EARH Team. Tasks linked to this objective, will take up the majority of the Fund Management Agencies time and resource.

36. Table 1 sets out expected respective roles and responsibilities of the Fund Management Agency and DFID/EARH Team. It is anticipated the research and evidence linked to the six regional theme identified earlier, as well as up to 14 country office demand research projects will be commissioned and managed through this process. All approved research proposals will be submitted to the Fund Manager by the DFID/EARH team, no proposals will come directly from DFID country office/regional advisors or external organisations.

Table 1: Fund Manager responsibilities and activities.	
Role of EARH Team	Role of Fund Manager
Step 1: EARH team works with DFID country office to identify research needs; commissions rapid reviews to identify gaps; help country office to define research questions to address gaps; and recommends approaches to address research questions. The EARH team develops a research proposal which is approved by the Head of the EARH (see Annex 2 business case for template).	Step 2: Fund Manager receives approved research proposal from the EARH team. Fund Manager drafts Terms of Reference (ToR) for the study based on research questions; including establishing milestones and key performance indicators.
Step 3: EARH team manages internal DFID review of TOR through setting up a steering group with colleagues in RED, ARD/AD and country offices; using DFID's new global peer review college for all large value programmes	Step 4: Fund Manager maintains local East Africa peer review panel and seeks technical review of TOR. Where appropriate, independent researchers will also be members of the DFID steering group.
Step 5: EARH team brings together internal DFID and global/local East Africa peer review panel comments; guides Fund Manager on finalisation of TOR	Step 6: Fund Manager manages procurement process in line with DFID requirements: call for proposals; answering questions; setting up technical and commercial review process; reporting of procurement.
Step 7: EARH team identifies DFID technical reviews.	Step 8: Fund Manager sets up and is secretariat to technical review panels. Where appropriate, the Fund Manager initiates independent technical review through the local East Africa peer review panel and shares feedback with the EARH.
Step 9: EARH team make a recommendation to the Fund Manager on appointing a Supplier based on technical review scorings.	Step 10: Fund Manager conducts due diligence review on the technically identified supplier organisation, in line with DFID standards. Makes a recommendation to the EARH team about whether the supplier organisation meets the due diligence

	benchmark.
Step 11: Hub review the due diligence review, and if acceptable authorisation the award of a contract by the Fund Manager.	Step 12: Fund Manager issues contract and monitors deliverables against timelines; conducts field monitoring; conducts spot checks in relation to due diligence requirements; contributes to DFID quarterly reporting and Annual Reviews; conducts impact monitoring over the course of the project.
Step 13: Hub team and project steering group quality assure regular progress reports and research outputs.	Step 14: Fund Manager manages independent technical review through the local East Africa peer review college of final research outputs and shares feedback with the EARH team and project steering group.
Step 15: Hub approve final research outputs. For larger programmes the EARH team will meet with research partners regularly and review field operations (with the Fund Manager)	Step 16: Fund Manager closes the contract with the supplier organisation, writing up a project completion note, which records any impact of the research on policy-makers/practitioners.

37. Linked to this core objective, the Fund Management Agency will also be expected to carry out two supportive activities.

38. Firstly, they will need to establish a local East Africa peer review panel which can be used as required. As set out above, this panel should be composed of regional experts from different disciplines linked to the areas of interest of the EARH (currently governance, economic development, livelihoods, social development, conflict and humanitarian)². External peer reviewers will be engaged in the review of Terms of Reference, as well as key final research outputs. They will be paid for their contribution and this cost should be factored into the Suppliers Invitation to Tender response. The Fund Management Agency should work with the EARH Team to establish this pool of peer reviewers.

39. Secondly, the Fund Management Agency will also work to develop the capacity of national and regional research organisations to apply for DFID/EARH research calls. This should be particularly targeted at those who do not have experience of managing DFID research projects, but should be open to all so as to prevent unfair advantage. This will include advice and guidance through events and written materials on how to draft and submit research proposals, as well as information on the research procurement processes. It should be noted that all EARH research calls will be awarded based on merit, but this support is targeted at encouraging a broader group of organisations in East Africa to respond to competitions.

Cross-cutting portfolio activities

40. In addition to the core objectives above, the Fund Management Agency will be responsible for conducting a number of cross-cutting activities. These activities will span

² See regional themes in the business case attached at Annex A.

the East Africa Country Office Research Fund and Regional Research Programme, and will include:

- Design and regular monitoring of value for money indicators, which should draw on best practice within the field of research;
- Establish and maintain a system of quarterly and annual progress and results reporting across the research portfolio. This should support DFID's Annual Review and Project Completion Report corporate compliance requirements, and align with outputs; outcome and impact indicators within the DFID business case logframe (see Annex C).
- The Fund Management Agency should also propose how to report in more indepth against output indicators such as academic papers with first authors who are women, and/or from East Africa. How to track and report research impact beyond the life-cycle of the grant. This proposal should include a consideration of using existing online reporting systems such as used by UK Research Councils(ResearchFish³).
- Conduct four cross-cutting analysis studies on the DFID/EARH research portfolio. The topics of these studies will be determined by the DFID/EARH in conversation with the Fund Management Agency during the contract. Topics might include an assessment of researcher fee rates across projects, how to manage the research procurement process to support a wide base of application from East Africa, geographical/institutional location of (un)successful research organisations and principle investigators/researchers etc.
- Communications activities to raise awareness activities in DFID of the fund, promote research calls, case studies and news stories to support partners in the dissemination of research findings. The Fund Management Agency will be expected to work through DFID/UK Government channels, as well as consider cost-effective use of new media.

Additional technical assistance

41. The Fund Management Agency may also be requested to provide technical assistance support to DFID/EARH and other RED teams in relation to East Africa. Thus, the Fund Management Agency should ensure that they have the capacity to respond to a number of activities on a requirement basis for the EARH, as well as RED colleagues more widely.
42. This technical assistance support could include:
 - Administrative and facilitation support to meetings in the region linked to research programmes;
 - Due diligence checks for RED research partners based in the region;
 - Support to DFID Annual Reviews and Project Completion Reports for RED programmes in East Africa;
 - Access to the local (East Africa) peer review panel for wider RED teams (outside the EARH core responsibilities).
43. Suppliers in their Tender responses should demonstrate the ability to respond to these requests and to present a range of fee rates for these services. DFID funds for these additional technical assistance services will come from outside the EARH business

³ See: www.researchfish.com. This Terms of Reference does not include the creation of a new online platform for results monitoring.

case (attached at Annex 2) and will be largely from other teams in DFID's Research and Evidence Division.

H. Experience, skills and knowledge

44. Suppliers are expected to suggest their own structure and approach for responding to the Fund Management objectives and activities within this Terms of Reference. However, DFID/EARH would expect to see the following areas of experience, skills and knowledge covered:

Essential

- International programme management experience at a senior-level, particularly in relation to Fund Management (essential);
- Financial management and compliance, experience of applying due diligence processes to potential partners (essential);
- Experience of working with international donors in relation to programme and fund management, particularly DFID (essential);
- Experience of working across countries in the East Africa region (essential); and
- Experience of measuring and monitoring value for money (essential).

Desirable

- Presence in Kenya, ideally Nairobi (highly desirable);
- International research management experience (desirable);
- Good knowledge and understanding of DFID corporate systems in relation to programme management and procurement (desirable);
- Experience of working cross-sectors, bring together political, economic, and development issues (desirable);
- Experience of monitoring indicators and results across a complex portfolio of projects and activities (desirable);
- Experience in communications in relation to research, policy or programming (desirable)

45. Within the Invitation to Tender response, Suppliers should present a cohesive, as well as a qualified team which reflects the scale of this Contract. DFID recognises that problems in leadership, composition and management structure can greatly reduce the effectiveness of teams. Therefore, the quality and coherence of the Fund Management Agency team structure will be a key element in the Technical evaluation criteria of Tenders.

I. Funding mechanism

46. There will be two components to the funding mechanism to the Fund Management Agency for this Contract:
- Direct funding to the Fund Management Agency for the delivery of services in response to the programme management and administrative objectives and activities in this Terms of Reference.
 - Funds for research activities as part of the East Africa Country Office Research Fund and Regional Research Programme conducted by research organisations sub-contracted by the Fund Management Agency.
47. The commercial components for Supplier's Invitation to Tender responses should separate these two components.

48. The quantum of funds DFID/EARH expect the Fund Management Agency to manage in relation to the second component (i.e. research projects funding) is up to £9m over 2014/15-2019/20 (approximately 20% for the East Africa Country Office Research Fund and 80% for the Regional Research Programme). For the first component, DFID/EARH anticipates a management fee, including any pre-financing, of between 5-10% of the whole fund.
49. DFID/EARH have a strong preference for a performance or milestone based Contract with the Fund Management Agency for both funding components, and Suppliers should note that this is one of the commercial criteria in which full tenders will be assessed. Under this proposed arrangement, the Fund Management Agency will be expected to pre-finance research projects to some degree, although individual projects are expected to be of a relatively small value individually. Reimbursement to the Fund Management Agency will ideally occur on a quarterly basis, so as to reduce administrative processes, based on agreed key performance indicators/milestones.
50. These milestones/indicators should be in line with the output indicators/targets in the East Africa Research business case logframe (see Annex 3). The milestone targets within this logframe are to be finalised as part of the business cases first Annual Review in April/June 2015. However, the Supplier in addition to cross-cutting activities set out above, is expected to procurement and manages a portfolio of up to 20 research programmes/projects over the course of the contract (6 regional research themes and 14 country office demands research projects). DFID and the Supplier will discuss and agree specific performance requirements during the contract inception period. These will contribute to populating the business case logframe. Invitation to Tender responses should include an indicative proposal for performance milestone/indicator payment schedule.

J. Financial Management

51. The Fund Management Agency will be responsible for all financial aspects of the East Africa Country Office Research Fund and Regional Research Programme. Fund Management Agency responsibilities in relation to financial management of individual research projects will include:
- Negotiating and agreeing budgets for all approved research projects;
 - Confirming that proposed project budgets reflect vfm by using benchmarks, cost comparisons and agreeing formal efficiency targets;
 - Agreeing results/milestone based disbursement with sub-contracted research partners;
 - Producing and issuing contracts;
 - Providing contract holders with advice on the use of the UKaid logo, ensuring compliance with DFID guidelines;
 - Checking, verifying and authorising all claims, ensuring funds are claimed in accordance with agreed sub-contracted budgets;
 - Disbursement of funds ensuring all payments are paid within agreed timeframes;
 - Agreeing appropriate budget amendments, presenting any revised contracts to DFID/EARH before dispatching;
 - Checking and verifying quarterly/annual expenditure reports for all projects submitted with quarterly/annual narrative reports;
 - Receiving Annual Audited Accounts for all fund recipients and verifying that DFID/EARH funds were expended in accordance with the terms of contract;

- Dealing with ad hoc enquires relating to the project;
- Establishing and monitoring portfolio-wide vfm indicators;
- Monitoring the overall Fund and Programme budget;
- Producing quarterly and annual financial reports for EARH/DFID, showing amounts broken down into individual projects in the DFID financial year period.

52. DFID's preferred method is to link payment to milestones/results. Payment by results (PBR) ties disbursements to the achievement of clearly specified outputs, only paying once the achievement of these results has been verified. They empower the recipient to decide how results will be achieved, facilitating innovation in delivery.

K. Fiduciary and reputational risk

53. The risk of funds not being used for their intended purpose is considered being low for these Terms of Reference. However, DFID have a zero-tolerance policy on fraud. The Supplier will need to propose methodologies for managing and monitoring fiduciary and reputational risk to DFID. These should include, but are not limited to:

- Due diligence assessment for all potential research partners;
- Regular monitoring of projects, research partners, and others;
- Results/milestone based payment systems with sub-contractors;
- Annual Audited Accounts required for all funding recipients;
- Risk mitigation strategies with clear actions; and
- Post-procurement reviews.

L. External audit of the Fund Management Agency

54. The Supplier shall contract, using the funds within this Contract, an annual independent audit that covers financial and management operations. The Supplier will agree with DFID/EARH the Terms of Reference for this audit ahead of procurement. The Supplier should also take the advice from DFID/EARH with regards to any existing arrangements in place for the procurement of external auditors.

M. Timeframe

55. It is envisaged that the contract will commence in February 2015 and will run until 30th March 2020, with the possibility of extension subject to need, review recommendations and budget availability. Any such extension will be agreed by the Head of the EARH and subject to negotiation.

56. This contract will be implemented in two stages:

- Inception phase (3 months)
- Implementation period (59 months).

During the implementation phase the performance of the Supplier will be reviewed annually with opportunity for a break within that review should the contract in the event of underperformance. The movement from inception phase to implementation period will be approved by the Head of the EARH (Julia Kemp).

Inception phase

57. The Fund Manager is expected to commence core activities within 3-months of the contract award. Tasks that must be undertaken during this timeframe include:

- Development of an Operations Manual, which includes procedures and processes for the procurement of research projects, due diligence on sub-contractors, duty of care of sub-contractors and programme management of sub-contractors⁴.
- Results monitoring strategy, including formats for regular reports and a dashboard for project oversight, proposals on vfm indicators and monitoring as well as tracking against logframe output, outcome and impact indicators.
- Proposals (in discussion with EARH/DFID) for the four cross-cutting portfolio analysis studies.
- A Gantt chart with milestones, actions for implementation, and proposed performance/payment milestones/indicators.
- Risk assessment matrix with mitigating measures, including in relation to fraud (see Annex 2 business case for DFID's risk matrix for the programme).
- Knowledge management strategy, how will information be shared and stored.
- Communications strategy, which includes how research calls will be published and how (supporting research partners) research findings are communicated and disseminated. This should include the approach to DFID's policy on Open and enhanced access to research publishing (see support documents in section L).

Implementation period

58. This package of manuals, strategies and other programme management documents will be reviewed by DFID/EARH at the end of the inception phase. Following DFID acceptance of these inception deliverables the contract will move to an implementation phase.
59. During the implementation period the Supplier will be required to provide regular progress and results reporting to DFID/EARH and contribute to reporting for the EARH Advisory Board (as set out in section F). This includes regular meetings on a 'dashboard' overview of the project and quarterly reports. Linked to this reporting, as set out in section I, DFID/EARH expects the implementation phase of the Contract to be subject to some kind of performance milestones/indicators. This arrangement will be finalised at the end of the inception phase.

N. Monitoring, reporting and coordination

60. The Supplier will report directly to DFID/EARH. The EARH Programme Officer will be responsible for the day-to-day management of the contract with the Head of the EARH with ultimate management responsibility as the Senior Responsible Officer. The Supplier will be required to prepare and send to DFID/EARH the following reports:
- **Monthly portfolio dashboard reports**, including milestones reached against the work plan, risk, budgets/forecasting and results.
 - **Quarterly narrative progress and expenditure reports** on activity and expenditure in the previous quarter and activities planned for the subsequent quarter. The

⁴ See EARH business case Annex 2, commercial case for guidance on procurement thresholds and mechanisms.

audience for this report is the EARH team. The audience for this report is the EARH team and Advisory Board.

- **Annual reports**, which contribute to DFID's Annual Review process, drawing on information from across the research portfolio and sub-contractors on performance against output and outcome indicators. In addition, Annual reports should also include a forward workplan for the subsequent year as well as financial forecasts. The audience for this report is EARH Team, Advisory Board, RED Senior Management and general public (all DFID Annual Reviews are published). The annual results reporting cycle will be aligned to the DFID reporting cycle for the overall project (July – June).
- **Annual external audit reports**, both financial and management, and the Supplier's management response for follow-up. The audience for this report is the EARH team and RED Senior Management should any issues arise.
- **End of contract report**, which contributes to DFID Project Completion Report, drawing on information from across the portfolio and sub-contractors. The audience for this report is EARH Team, Advisory Board, RED Senior Management and general public (all DFID Project Completion Reports are published).

61. During the inception phase, the Supplier will maintain bi-weekly contact with DFID/EARH to discuss any pertinent issues as they arise. As the programme progresses this will be reduced to less regular contact (likely to be monthly around the submission of dashboard reports). The Supplier may also be required to attend and present at quarterly EARH Advisory Board meetings. All meetings will be hosted in Nairobi, with virtual meeting links as appropriate.

O. Duty of care

62. The Supplier should ideally be based in Kenya (Nairobi) with the significant majority of their work being conducted in Nairobi and/or office based. There will be a limited requirement to travel in the region within the Fund Management Agency's project monitoring responsibility. The locations of this travel is yet to be determined and will emerge as the research projects are scoped and commissioned. The Supplier is responsible for the safety and well-being of their personnel (as defined in Section 2 of the Contract) and Third Parties affected by their activities under this contract, including appropriate security arrangements for their domestic and business property.
63. DFID will share available information with the Supplier on security status and developments in-country where appropriate. DFID will provide the following All Supplier Personnel will be offered a security briefing by the British Embassy/DFID on arrival. All such Personnel must register with their respective Embassies to ensure that they are included in emergency procedures. A copy of the DFID visitor notes (and a further copy each time these are updated), which the Supplier may use to brief their Personnel on arrival.
64. The Supplier is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract and ensuring that their Personnel register and receive briefing as outlined above.
65. Travel advice is available on the FCO website and the Supplier must ensure they (and their Personnel) are up to date with the latest position.

66. 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 [where appropriate] complete a UK government approved hostile environment or safety in the field training prior to deployment.
67. This procurement may require the Supplier to operate in fragile and conflict-affected areas where the security situation is uncertain and subject to change. The Supplier should be comfortable in working in such environments and should be capable of deploying to areas within the East Africa region in order to deliver the contract.
68. Tenderers must develop their PQQ Response and Tender (if invited to 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 DFID (see Annex 1 of this ToR). Tenderers should prepare their Duty of Care responses in line with the Kenya Duty of Care risk assessment in Annex 1 as this is where the significant majority of their work will be located. Risk assessments for other countries and locations within the region have been included at Annex 1 for information.
69. Tenderers must confirm in their PQQ Response that:
- They fully accept responsibility for Security and Duty of Care.
 - They have made a full assessment of security requirements.
70. They have the capability to provide security and Duty of Care for the duration of the contract. If you are unwilling or unable to accept responsibility for Security and Duty of Care as detailed above, your PQQ will be viewed as non-compliant and excluded from further evaluation.
71. Acceptance of responsibility must be supported with evidence of Duty of Care capability and DFID reserves the right to clarify any aspect of this evidence. In providing evidence, interested Suppliers should respond in line with the Duty of Care section in Form E of the Pre-Qualification Questionnaire (PQQ).

P. Conflict of interest

72. Neither the selected Supplier, nor its employees or associates including sub-contractors will be eligible to receive funds under the East Africa Country Office Research Fund or Regional Research Programme due to the conflict of interest this would present.
73. The Supplier during the inception phase should put in place a Conflict of Interest register, which tracks any potential conflict and sets out mitigating actions. The Supplier should communicate to DFID/EARH any potential Conflicts of Interest as soon as they are identified.

Q. Key documents

74. The following are key DFID documents that Suppliers should consider in putting together their proposals:

- DFID/EARH business case (attached at Annex 2)
- DFID/EARH business case logframe (attached at Annex 3)
- [DFID ethics principles for research and evaluation](#)
- [DFID research uptake guidance](#)
- [DFID guidance on marketing, advertising and communications spending controls for research programmes](#)
- [DFID open and enhanced research access policy](#).

R. Environmental considerations

75. The Supplier should ensure due consideration is given to the environmental impact of all work undertaken to deliver this task, both in terms of minimising any direct negative impact, and the extent to which research findings contribute to positive environmental management. Specific attention to minimising operational impacts on the environment and global climate of those undertaking the research should include ensuring individuals travel by economy class, and reducing carbon footprint through for example, using recycled paper and minimising printing waste.

ANNEX 1 – Kenya Duty of Care risk assessment

Date of assessment **19 June 2014**

Theme	Risk Score	Risk Score	Risk Score
	Kenya (excluding areas listed separately)	Mombasa island and within 5km of the coast from Mtwapa creek in the north down to and including Tiwi in the south (this area does not include Diani or Moi international airport)	Mandera, Daadab and Garissa plus anywhere else within 60km of the Somali border (including areas North of Pate Island on the coast)⁵
OVERALL RATING	4	4	4
FCO travel advice	4	5	5
Host nation travel advice	Not available	Not available	Not available
Transportation	4	4	4
Security	4	5	4
Civil unrest	3	4	4
Violence/crime	4	4	4
Terrorism	4	5	5
War	1	1	3
Hurricane	1	1	1
Earthquake	1	1	1
Flood	2	1	1
Medical Services	3	3	3
Rating for this contract	2	Not applicable (not within likely scope of the contract)	Not applicable (not within likely scope of the contract)

1 Very Low risk	2 Low risk	3 Med risk	4 High risk	5 Very High risk
			SIGNIFICANTLY GREATER	

⁵ For these areas specific travel advice should be sought. See latest FCO [travel advice](#) for Kenya.

		THAN NORMAL RISK
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DFID Overall Project/Intervention / Summary Risk Assessment matrix

Project/intervention title:

Location: **Mogadishu/South Central Somalia**

Date of assessment: **19 June 2014**

Assessing official:

Theme	DFID Risk score	DFID Risk score	DFID Risk score	DFID Risk score	DFID Risk score	DFID Risk score
	Mogadishu Airport	Mogadishu	Kismayo Airport	Kismaayo	Dollow	Other Parts of South Central Somalia
OVERALL RATING	4	4	4	4	4	4
FCO travel advice	4	4	4	4	4	4
Host nation travel advice	Not available	Not available	Not available	Not available	Not available	Not available
Transportation	3	4	4	4	4	5
Security	3	4	3	4	3	4
Civil unrest	2	4	2	4	4	4
Violence/crime	3	4	2	4	4	4
Terrorism	3	4	3	4	4	4
War	2	2	2	2	2	2
Hurricane	1	1	1	1	1	1
Earthquake	1	1	1	1	1	1
Flood	1	1	1	1	1	1
Medical Services	2	4	3	4	5	5
Nature of Project/ Intervention						

1 Very Low risk	2 Low risk	3 Med risk	4 High risk	5 Very High risk
			SIGNIFICANTLY GREATER THAN NORMAL RISK	

**DFID Overall Project/Intervention
Summary Risk Assessment matrix**

Project/intervention title:

Location: **PUNTLAND**

Date of assessment: **19 June 2014**

Assessing official:

Theme	DFID Risk score	DFID Risk Score	DFID Risk score	DFID Risk score
	Garowe	Bossaso	Galkacyo	Other Parts of Puntland
OVERALL RATING	4	4	4	5
FCO travel advice	4	4	4	4
Host nation travel advice	Not available	Not available	Not available	Not available
Transportation	4	4	5	5
Security	4	4	5	4
Civil unrest	3	4	3	4
Violence/crime	3	3	5	4
Terrorism	4	4	5	5
War	2	3	3	3
Hurricane	2	2	1	1
Earthquake	1	1	1	1
Flood	2	2	1	1
Medical Services	4	5	5	5
Nature of Project/ Intervention				

1 Very Low risk	2 Low risk	3 Med risk	4 High risk	5 Very High risk
			SIGNIFICANTLY GREATER THAN NORMAL RISK	

DFID Uganda Overall Project/Intervention Summary Risk Assessment Matrix
Updated July 2014

Read in conjunction with the Travel Advisory on Uganda

Theme	DFID Risk Score	DFID Risk Score	DFID Risk Score	DFID Risk Score	DFID Risk Score	DFID Risk Score
	Kampala	North-east Uganda Karamoja Region	Northern Uganda	South West Uganda	Western Uganda	Eastern Uganda
Overall Rating	2	4	3	3	2	2
FCO Travel Advice	2	4	3	3	2	2
Host Nation Travel Advice	Not available	Not available	Not available	Not available	Not available	Not available
Transportation	3	4	3	3	3	3
Security ¹	3	3	3	3	3	3
Civil Unrest	2	2	2	2	2	2
Violence/crime	3	4	3	3	3	3
Terrorism	3	3	3	3	3	3
War	1	2	1	1	1	1
Hurricane	1	1	1	1	1	1
Earthquake	1	1	1	2	2	1
Flood	2	1	2	2	1	2
Medical Services	2	3	3	3	3	3
Nature of Project Intervention						

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

¹ Although UK assessment of Security for Uganda is substantial risk, hostile environment awareness training is not required other than for Karamoja

DUTY OF CARE OVERALL PROJECT/INTERVENTION SUMMARY RISK ASSESSMENT MATRIX – DFID TANZANIA

Project/intervention title:

Location: Tanzania

Date of assessment: July 2013

Assessing official:

Theme	DFID Risk score	DFID Risk score
Geographical remit of programme is Dar es Salaam and Zanzibar and hence overall rating is 3 Medium	Dar es Salaam only	Whole of the country (including Dar)
OVERALL RATING	2 Low (1 rating x 3; 2 rating x 5; 3 rating x 3; 4 rating x 1 with score for project / intervention to be added)	3 Medium (1 rating x 3; 2 rating x 2; 3 rating x 6; 4 rating x 1 with score for project / intervention to be added)
FCO travel advice	1	1
Host nation travel advice	Not available	Not available
Transportation	2	3
Security	3*	3*

Civil unrest	2	2
Violence/crime	4*	4*
Terrorism	3*	3*
War	1	1
Hurricane	1	1
Earthquake	2	3
Flood	2	2
Medical Services	2	3
Nature of Project / Intervention	Design of a governance programme geared to contribute to increased domestic accountability and strengthened government responsiveness	Design of a governance programme geared to contribute to increased domestic accountability and strengthened government responsiveness

ANNEX 2 – EARH Business case (attached as a separate document)

ANNEX 3 – EARH Business case logframe (attached as a separate document).

CB118 (April 2002)