

## Contract - Section 3

### Terms of Reference

#### **DFID Policy Development Facility 2 (PDF 2) Terms of Reference for PDF 2 Administrator**

##### **1 Introduction**

The Department for International Development (DFID) leads the UK's work to end extreme poverty. We're ending the need for aid by creating jobs, unlocking the potential of girls and women and helping to save lives when humanitarian emergencies hit. DFID Nigeria is seeking a service provider to assist with the management of its Policy Development Facility (PDF) phase 2.

PDF Phase 1 will end in March 2015 and DFID wishes to appoint a service provider to implement phase 2. There will be some existing commitments that will be expected to continue under phase 2, an outline of these are included as an annex. The background detailing the achievements under phase 1 of support is included in the business case for PDF 2.

##### **2 Objective**

To provide targeted assistance over a 5 year period to help Nigeria's champions of change implement economic and social policies that lead to poverty reduction, enabling HMG to back reform through:

- Backing key economic and public sector reformers in Nigeria with technical support
- Conducting research and studies that can be used to influence and shape Nigeria's economic reform agenda.
- Initiating explorative studies for potential complimentary DFID studies.

The **Impact** of PDF phase 2 is that the Nigerian Government implements policies that lead to poverty reduction. The **Outcome** is that Nigeria's 'champions of change' make increased use of capacity and evidence to enable them to pursue vital economic and social reform.

##### **3 Recipient**

The Recipients are Federal Government of Nigeria Ministries, Departments and Agencies

##### **4 Scope**

A PDF Administrator (service provider) will assist DFID (represented by the lead adviser and programme officer) with the management of PDF with specific responsibility for the sourcing of inputs, contract administration, monitoring and

reporting of physical and financial progress and providing quality assurance of the technical work proposed and/or completed. In addition the service provider is responsible for ensuring that the mechanisms for monitoring the project at output, outcome and impact levels are in place and are adequate for measuring the indicators included in the logical framework.

DFID Nigeria receives regular requests for technical support from key Nigerian Government institutions and partners. DFID will assess both the credibility of the requests and whether they are in-line with DFID objectives. Following consultation with the Service Provider, and final DFID approval the service provider will set-up the approved interventions. The service provider's role will be to complete the sourcing of the agreed inputs, administer the contracts, and provide sufficient on-going monitoring and quality assurance of the support and report to DFID on a regular basis, highlighting successful elements or areas which risk going off-track without DFID/PDF 2 intervention. DFID may also wish to initiate discrete pieces of work through the service provider aimed at building the evidence base in particular priority policy areas. Where workshops and seminars are being funded, the service provider will assist the host organisations in the design of the event to ensure that the learning and participatory processes are optimised.

The majority of PDF activities will be short-medium term initiatives for example technical assistance (such as embedded advisers to support key government partners) and policy research. PDF 2 will be expected to source high quality, specialist expertise rapidly in order to take advantage of windows of opportunities to influence. The service provider should have good networks for sourcing expertise both locally in Nigeria as well as internationally to be able to meet the requirements of the beneficiary often under tight deadlines.

Contracting by the service provider will seek to engage Nigerian and regional expertise as far as possible. The sub-contracting method will sometimes be sole source but subject to satisfactory evaluation and evidence of value for money. Wherever possible PDF 2 should seek to use competition to drive value for money for DFID and the service provider should demonstrate an adaptable approach to suit the situation and requirements. To achieve all this, the service provider will have a managed fund over 5 years, operating costs will be separate. This will be pre-financed by the service provider and claimed back through invoices. The predecessor project over a 3 year period contracted 36 embedded advisers within Federal Ministries and Agencies and commissioned 27 evidence studies as well as sourcing a range of highly specialised technical input to support Nigerian Government projects.

#### *Sourcing of Embedded Advisors / Technical Assistance*

- On receipt of DFID's authority to engage, enter into contract negotiations with the nominated agency, supplier or individual.
- Source a supplier of TA where a nominated agency, supplier or individual has not been or cannot be identified
- Where proposed contract terms are outside the DFID agreed norms, refer back to DFID for approval

- Negotiate, ensuring best possible value for money for DFID, and then issue a contract
- Keep receiving/beneficiary agency informed of progress with procurement and inform when contract signed, together with mobilisation date

#### *Contract administration*

- Ensure all payments are made in accordance with contract terms
- In the event of any contract dispute, liaise with relevant parties for early resolution.

#### *Quality assurance and advisory inputs*

- The service provider will be expected to provide general quality assurance of all areas sourced by the programme including technical assistance, research and policy studies. This quality assurance should cover (but not limited to) the standard of reporting, extent of delivery, degree to which support has met expectations of beneficiary. Where specialist technical input is required for quality assurance, this will be provided either in conjunction with DFID advisers, or in special circumstances (to be agreed with DFID), sourced externally with appropriate terms of reference developed.
- Where PDF 2 commissions research or policy studies these should also be quality assured in terms of standard of reporting and the degree to which they effectively communicate their main messages.
- Where PDF funding is approved for a workshop, or other consultative or learning event, provide advice to beneficiary organisations on how to optimise the impact of the event both in terms of delivery methods, organisation, facilitation and recording the event.

#### *Reporting, monitoring and evaluation*

- The reports listed below, at section 8, will be submitted by the service provider
- Prior to the six monthly meetings of DFID's PDF Management Team, the service provider will assess the progress made, or being made, with the PDF sponsored interventions and prepare a report for Management Team review
- Evaluation reports, to monitor progress and results at each of the milestones, will be submitted. The service provider may need to sub contract specialist studies to complete the evaluation of the indicators in the logical framework

#### *Draw-Down Facility on Political Economy Support*

- The service provider should make provision for a rapid reaction draw-down facility within the managed fund that can be flexibly used by DFID Nigeria in order to receive quality analysis of the political economy as it relates to specific interventions and how this may impact on design of new initiatives (examples under PDF 1 include sectors such as trade and private sector education in

Lagos). This facility should also be able to offer updates (as requested) on the political economy of the economic reform landscape in Nigeria and identify opportunities and threats for DFID Nigeria's wealth creation and governance portfolios.

## 5 Requirements

### Outputs

Logframe (Attachment No. 3) provides additional output information.

**Output 1:** Relevant and high quality PDF policy research and consultation products delivered to beneficiaries.

Indicator 1: Proportion of projects assessed as executed satisfactorily or better during implementation.

Indicator 2: Beneficiary, user and DFID perceptions of relevance, quality and use of PDF-supported policy studies and events.

**Output 2:** Relevant and high quality PDF organisational support delivered to beneficiaries. Indicators.

### Location

The service provider will be based in an office located in Abuja and provide the necessary number of staff with the appropriate competencies to deliver the requirement. Additional expertise, required such as the political economy drawdown facility and any additional monitoring and evaluation expertise will be identified by the service provider and included as part of its bid to DFID with nominated sub-contractors, estimated person days and proposed fee rates.

### Competencies required

*The service provider will be responsible for the following (non-exhaustive list of) activities*

- Project management.
- Procurement and contract administration
- Financial administration and accounting

And should be able to demonstrate technical knowledge in the following areas:

- Additional monitoring and evaluation specialist skill (to complement in-country capacity where necessary)
- Political economy analysis
- Communications of policy work (including research dissemination, influencing strategies etc.)

Experience of providing these, or similar, services in Nigeria is desirable. Evidence of ability to provide these, or similar, services in Nigeria is essential. Other specialist areas may be required on an ad-hoc basis, so ability to easily source a range of high quality expertise in various areas will be an advantage.

## Audits

DFID will contract an independent firm of auditors to complete periodic audits of PDF's statements of expenditure. The service provider will be obliged to provide an audited statement of account every year.

## Project Tracking

The service provider will maintain a sub project tracking system which enables progress to be monitored on a daily basis and summary reports to be extracted as required. The accounting system (using proven software), linked to the tracking system, will report on commitments as well as expenditures. The chart of accounts will enable financial reporting to be completed by output as well as by nature of expenditure (such as venue rental), and purpose of expenditure (such as workshops). If possible, an automated forecasting facility should be available in the adopted project planning software.

In addition to monthly and six monthly reporting, the service provider will prepare a six-monthly report for submission to DFID at the milestone dates indicated in the project logical framework.

## **6 Constraints and dependencies**

*See section on implementation requirements*

## **7 Implementation Requirements**

*Ensure smooth transition of on-going technical assistance from PDF 1*

- There are a number of on-going projects which will transfer from PDF 1 to PDF 2 (an overview of these are provided in attachment 5). The service provider should demonstrate how they will manage a smooth transition (including TUPE considerations where applicable) in order to avoid disruption to the beneficiaries. Any disruptions pose a reputational risk to DFID. Examples include currently contracted embedded advisers working in Federal Ministries who will need to move across to PDF 2 once PDF 1 has closed. It is critical to maintain an uninterrupted service to beneficiary organisations during the transition from PDF 1 to PDF 2.

*Fast Mobilisation and Short Inception period*

The service provider will be expected to be mobilised on the signing of the contract. The service provider will only have a short inception period (one month from contract signing) to review existing policies and procedures for PDF 1 and suggest any modifications, and then implement a PDF 2 Procedures Manual which will contain, inter alia, the guidelines for procurement, the standard form of contract(s) to be adopted, the accounting and financial administration procedures, the Project Log

Sheet, and the reporting formats for submission to DFID. All of the procedures will be informed by, and be consistent with, DFID's procedures and guidelines. The service provider will within the inception period propose and agree with DFID the set of indicators and standards whereby DFID will monitor the performance of the service provider.

## **8 Reporting**

The service provider will compile and submit the following reports in a format to be determined by DFID:

- Annual forecast of expenditure
- Monthly update of the annual forecast of expenditure
- Monthly report on physical progress, commitments and spend
- Monthly invoicing on Fees and expenses incurred during the period.
- Six monthly assessments of the benefits being delivered by the sponsored inputs, based on information received from the beneficiary agencies and/or the sponsored individuals
- Informed by the DFID PDF Management Team meetings, submit a six monthly schedule of current interventions and potential interventions
- Political Economy updates on areas requested by DFID.
- Periodic reviews of embedded adviser performance, in conjunction with beneficiaries- sufficient to ensure confidence in the quality of input.

## **9 Timeframe**

The programme will be implemented spanning a time period of five years commencing from anticipated contract start date: 01 April 2015. Monitoring of contract performance by DFID will be on-going supplemented by Annual Reviews. Subject to programme requirements, an extension of twelve months may be considered at the end of the five year period.

## **10 DFID co-ordination**

The service provider's Head of Office will report to DFID's project officer and lead adviser (currently the country economist).

## **11 Background**

### *Key documents*

For relevant background we highly recommended service providers read:

- Policy Development Facility 2 Business Case (strategic, appraisal and management case)
- PDF 2 logframe

- Existing commitments likely to be passed on to PDF 2
- All Annual Reviews for PDF 1.

#### *Key partner agencies for PDF 1*

Ministry of Finance, Ministry of Trade and Investment, Ministry of Agriculture, Ministry of Power, National Planning Commission, Securities and Exchange Commission.

## **12 Duty of Care**

The SP 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. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.

This procurement may require the supplier to operate in conflict-affected areas, parts of which are highly insecure. The security situation is 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 country in order to deliver the contract (subject to travel clearance being granted).

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 security training, relevant to their organisational arrangements.

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

- An initial security briefing will be made, by DFID Risk management Office, to the Programme Manager who may use to brief their Personnel on arrival.
- Updates on security developments to the in-country team leader, which they may use to brief their Personnel.
- All such Personnel must register with their respective Embassies to ensure that they are included in emergency procedures.

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

Tenderers must develop their bid response on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial risk



assessment matrix developed by DFID (see Annex [A] of this ToR). They must confirm in their bid response that:

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

If you are unwilling or unable to accept responsibility for Security and Duty of Care as detailed above, your bid will be viewed as non-compliant and excluded from further evaluation.

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 set of questions to the risk assessments below:

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

Attachment

## 1. PDF 2 - Duty of Care Risk Assessment

## SUMMARY RISK ASSESSMENT MATRIX

COMMERCIAL IN CONFIDENCE  
(when completed)

### DFID Overall Project/Intervention Summary Risk Assessment Matrix

**Project/intervention title:** Policy Development facility Phase II (PDF II)  
**Location:** Nigeria  
**Date of assessment:** 31 January 2014  
**Assessing official:**

Theme	DFID Risk score	DFID Risk score
OVERALL RATING <sup>1</sup>	4	
FCO travel advice	4	
Host nation travel advice	N/A	
Transportation	4	
Security	4	
Civil unrest	3	
Violence/crime	4	
Terrorism	4	
War	1	
Hurricane	1	
Earthquake	1	
Flood	2	
Medical Services	3	
<b>Nature of Project/ Intervention</b>	<b>2</b>	

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

<sup>1</sup> The Overall Risk rating is calculated using the MODE function which determines the most frequently occurring value.