

Section 3

Terms of Reference

September 2016

Technical Review and Monitoring Panel (TRAMP) for EIAF in Ethiopia

INTRODUCTION

1. The Ethiopian Investment Advisory Facility (EIAF) is a technical assistance facility which provides consultancy services to government ministries and agencies who are involved in planning and implementing public investment activities. The technical assistance provided is flexible and based on demand from government; specific requests for technical assistance are considered on a rolling basis.
2. The technical assistance provided will focus on public investment management. This will be delivered through technical assistance in three key sectors critical to Ethiopia's growth plans: energy, trade logistics and urban development. There will also be a fourth pillar focused on cross-cutting issues which are relevant to these three sectors as well as public investment management more broadly, to help strengthen all aspects of public investment. The technical assistance can range from specific pieces of technical advice, to longer-term capacity building within government institutions or training on specific technical issues or techniques.
3. The overall objective of the Ethiopia Investment Advisory Facility (EIAF) is to "strengthen the effectiveness of growth-enhancing public investment in Ethiopia". This will be achieved through improving the capacity of the Ethiopian public sector to plan, appraise, finance and implement public investment projects, as well as the provision of high quality technical inputs which can be used for decision-making.
4. These Terms of Reference (ToR) set out the scope for delivery of technical review and monitoring services for the EIAF programme.

OBJECTIVE

5. DFID Ethiopia is seeking to contract a provider/consortium of providers to fulfil the role of the Technical Review and Monitoring Panel (TRAMP). The TRAMP will provide a means of external technical quality assurance and review of the EIAF programme as well as delivering formal monitoring outputs.

RECIPIENT

6. The Government of Ethiopia will be the ultimate beneficiary of the services as the quality of the technical assistance delivered through EIAF should be improved as a result of feedback from the TRAMP. The direct recipient of the services and deliverables under the contract will be DFID Ethiopia.

SCOPE

7. The TRAMP is responsible for technical quality assurance and review of services delivered through EIAF. This includes TA delivered through the main facility, which is managed by a service provider, and that delivered through the EIAF grant window. Delivery of services will be through six-monthly technical review and monitoring reports, which will scrutinise programme outputs. The TRAMP will also be responsible for delivering two more in-depth reviews: a mid-term review and an end of programme review. These reviews will have focus on learning lessons and improving programme performance.
8. Although the specific technical assistance delivered under EIAF will be demand-driven and therefore not known ex-ante, the sectoral scope has been defined. The major theme of EIAF is to support the Government of Ethiopia to strengthen the effectiveness of its public investment. At a sectoral level the programme will focus on three broad areas:

trade logistics, energy and urban development. Technical assistance is expected to be delivered within each of the three sectors as well as under the cross-cutting theme of public investment management e.g. support to the Government on Public Private Partnerships or project appraisal.

9. The EIAF Programme Management Unit (i.e. the supplier) has a formal mandate to capture lessons and build up data and evidence, as the success of the facility approach is based on flexible, adaptive programming with “real time” feedback. The EIAF supplier has developed its own Monitoring, Reporting and Learning (MRL) strategy that is designed around two work streams:
 - (i) Reporting on the results delivered through the technical assistance (i.e. an accountability mechanism)
 - (ii) A feedback mechanism that uses results to validate assumptions and revise implementation.
10. The EIAF PMU will collect and use results at three levels: the project level, the project area level and the overall programme level. Each project will have its own, nested, theory of change and key performance indicators. These will be used to monitor progress at the project level and feed into the log frame output indicators.
11. The EIAF MRL team will be responsible for measuring the direct impact of projects, agreeing a score for each project with DFID, as well as measuring outcome-level indicators. EIAF project teams will be responsible for day to day data collection for project and portfolio level, with support from EIAF MRL advisers. The TRAMP will complement and verify the monitoring and reporting provided by the PMU and will provide an independent view of the technical assistance being delivered.
12. DFID does not envisage that the TRAMP would have a permanent presence in Ethiopia, but a minimum of two trips per year would be expected (i.e. one trip for each technical review and monitoring report). Additional desk-based work can be conducted as required from wherever the team/members of the team are normally based.

REQUIREMENTS

13. Under the monitoring function the TRAMP will be responsible for delivering the following:
 - i. Two technical review and monitoring reports per year - one light touch and another more detailed, which could be an input to the DFID Annual Review.
 - ii. Mid Term Review
 - iii. End Term Independent Review
14. In addition, DFID may request the TRAMP to do further, ad hoc, pieces of analysis related to the technical review and monitoring of the programme. For example, deeper dives into certain sub-projects or issues. These ad hoc pieces of work would fall under the broad scope of the TRAMP, but specific terms of reference would be developed. Additional funding for this would also be made available (see paragraph 27).

Technical Review & Monitoring Reports

15. These reviews will provide feedback on the activities being delivered by EIAF from a technical perspective. Key questions to be addressed by these reports are:
 - How appropriate is the technical assistance to the Ethiopian context?
 - How do you view the quality of the advice/inputs being delivered?
 - Are risks being appropriately assessed and mitigated?
 - Verification of PMU analysis on scores and value for money

These reports will help inform DFID’s assessment against log frame indicators. The log frame is expected to evolve over the three phases of the programme:

- i. Under the start-up phase a draft log frame will be used, which will focus on process indicators and outputs from the service provider. Tentative outcome indicators and targets have been drafted and approved by DFID, but these may be revised.
 - ii. For the early implementation phase (approx. 2016-18) Individual activities will have their own rating system on a 1-5 scale and the principle output indicators will be an aggregation of these scores. Major interventions could be incorporated into the log frame with their own tailored progress indicators and milestones where appropriate.
 - iii. Under the second phase of implementation (approximately 2018 – 2021) the log frame may be more significantly updated following the recommendations of the Mid Term Review (MTR). It is possible the project may be close to fully committed by this point, in which case output level indicators could be made more specific than had previously been the case. This increased specificity should allow improved attribution on poverty and gender issues and as a result allow for the beginning of beneficiary monitoring.
16. The revisions to the log frame at each stage will be agreed jointly by the EIAF service provider and relevant DFID Ethiopia staff, in consultation with the TRAMP where appropriate. When significant input from the TRAMP on log frame revision is required (for example dedicated quality assurance of a major revision) this will be specifically requested by DFID and dedicated budget made available (see paragraph 27.)

Mid Term Review

17. The MTR will focus on how EIAF is working in the Ethiopian context and what changes could be made to improve its effectiveness. This could (but may not necessarily) include recommendations to DFID on how performance of the main EIAF supplier could be incentivised to improve performance. It should also test assumptions of the theory of change at the input-output level and gather some evidence (although this may be limited) on assumptions at the output-outcome level. The review will therefore be framed around the following questions:
- Are the assumptions underpinning the theory of change valid?
 - Is the TA relevant and high quality?
 - Does the Government have trust in EIAF and use its outputs?
 - Do EIAF outputs lead to behaviour change within government institutions?
 - Are the individual projects being implemented supporting the delivery of the overall theory of change?
 - What is and is not working well about the facility model in this context? What could change to make it more effective?
 - How appropriate is the current payment mechanism/structure (taking into account of different payment mechanisms and contexts)

End Term Independent Review

18. A second independent review will be carried out after EIAF programme completion i.e. after five years. The end term review should also have a strong focus on learning, but should do so with an increased focus on reporting what impacts (positive and negative) the EIAF programme has had. We expect this will be largely qualitative, but if specific projects lend themselves to quantitative analysis this should be incorporated. Case studies could be incorporated into the end term review – baseline information for individual case studies could feasibly be collected. The review should focus on the following key questions:
- Is there any evidence that EIAF has helped to strengthen the effectiveness of growth enhancing public investment in Ethiopia?
 - What have been the major successes of the EIAF programme? Have there been any unintended negative impacts?

- What have been the key factors of success or failure in relation to delivery of results under the programme?

Work plan

19. The TRAMP should develop a full work plan setting out: the approach to monitoring and how this will interact with the EIAF service provider's MRL system; when and how the independent reviews will take place; approaches to be used and data requirements. This will be finalised and signed off by DFID no later than six weeks after contract signing.
20. Although key questions have been set out above, it is important that the TRAMP will be flexible and questions and plans should be adapted as necessary as the programme develops. The work plan should contain outline plans for the two reviews, but these should be refined and agreed with DFID (including finalising the set of questions the review will answer) closer to the review dates.

Staffing Skills and Expertise

21. The successful provider(s) will have the necessary expertise to deliver the outputs described above. The supplier will be afforded flexibility in the structure and composition of the TRAMP team. However, this should include personnel with significant technical expertise in the area of public investment management as well as technical expertise in at least one of the sectors (energy, urban development and trade logistics). Knowledge and experience of monitoring and evaluation in the context of adaptive programmes is also necessary.

CONSTRAINTS AND DEPENDENCIES

22. Firms/consortia/individuals bidding for the TRAMP contract should not have significant conflict of interest with the main EIAF service provider. Any conflict of interest should be declared to DFID. Firms/consortia/individuals that bid for the EIAF supplier contract and were unsuccessful are welcome to apply for the TRAMP contract.
23. The EIAF contract has a break clause linked to the outcomes of the mid-term review. The TRAMP contract will also have a break clause at this point, which will be linked both to supplier performance (the quality and efficacy of the mid-term review) and be contingent on the continuation of the EIAF programme (in its original form or otherwise.)
24. An additional break clause will be included after one year and will only be activated in the case of poor supplier performance (based on agreed KPIs).
25. It should be noted that DFID programmes are not automatically tax exempt in Ethiopia and therefore suppliers may be liable to pay local tax. Tax liabilities should therefore be taken into consideration in commercial proposals.

TIMELINE, PAYMENT AND REPORTING

26. The contract will be for four years and nine months, however at DFID's discretion and dependent on supplier performance and needs of the programme, DFID may consider a contract extension of up to two years.
27. The expected budget is in the range of £500,000 to £700,000. This is based on DFID's estimate of the level of effort required to deliver the outputs listed in the table below. Proposals with a value outside of this guide may still be considered. All proposals will be evaluated for their commercial competitiveness and value for money in line with criteria provided.
28. The Supplier is required to commit to being fully prepared in the event any decision is made to scale up (increase by no more than 50% of the original contract value), which will include accommodation of additional outputs other than those specified in Table 1. Terms of reference for any additional outputs will be agreed between DFID and the supplier. Fee rates will be based on fee rates specified in the supplier's commercial proposal. Furthermore, DFID reserves the right to scale back or discontinue this programme at any point, (in line with our Terms & Conditions).

29. The TRAMP will deliver two reports per year for DFID, at 6 month intervals. The specific timing for these reports will be agreed by DFID at the beginning of the contract based on the deadline for the DFID annual reviews, but an indicative timeline is presented in Table 1. In total there will be three full technical review and monitoring reports and four light touch technical review and monitoring reports.

Table 1: Outputs to be delivered under the TRAMP contract

Date	Deliverable	Notes
May 2017	Full technical review and monitoring report (1)	
November 2017	Light touch technical review and monitoring report (1)	
May 2018	Mid-term review	May delay this by one year to April 2019. Need to retain flexibility.
November 2018	Light touch technical review and monitoring report (2)	
May 2019	Full technical review and monitoring report (2)	
November 2019	Light touch technical review and monitoring report (3)	
May 2020	Full technical review and monitoring report (3)	
November 2020	Light touch technical review and monitoring report (4)	
July 2021	End term independent review	Ready to inform DFID's Project Completion Review (due September 2021)

30. The mid-term review should be conducted after two full years of implementation of EIAF. It is expected that a final version of the review would be submitted to DFID within three months of the initiation of the review. A preliminary date for submission is set for May 2018, however this may change depending on the pace of the work being delivered under the EIAF programme. The final date for confirming the timing of the MTR will be December 2017.
31. A further independent review will be conducted five full years of EIAF's implementation. It is expected that a final version of the review would be submitted to DFID within three months of the initiation of the review.
32. Payments will be linked to timely delivery of outputs as set out in table 1. Suppliers should provide detail on how an innovative and effective Payment by Results mechanism could be implemented in a way that financially incentivises performance and retains financial risk.

CONTRACT MANAGEMENT

33. DFID will contract one supplier, or lead consortium member, who will be responsible for delivering the full terms of reference. DFID and the supplier will agree Key Performance Indicators in order to manage contract performance.
34. The supplier will report to the DFID Ethiopia Senior Responsible Officer (SRO), and will have regular engagement with other relevant advisers and programme management staff from DFID Ethiopia.
35. The supplier must identify in the tender a senior representative with whom any contract management issues may be escalated.

DUTY OF CARE

36. 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.
37. DFID will share available information with the Supplier on security status and developments in-country where appropriate. DFID will provide 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. A named person from the contracted organisation should be responsible for being in contact with DFID to ensure information updates are obtained. There should be a process of regular updates so that information can be passed on (if necessary). This named individual should be responsible for monitoring the situation in conjunction with DFID.
38. Travel advice is also available on the FCO website and the supplier must ensure it (and its personnel) are aware of this. The supplier is responsible for ensuring appropriate safety and security briefings for all of its personnel working under this contract.
39. The supplier is responsible for ensuring that appropriate arrangements, processes and procedures are in place for its 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 its personnel receive the required level of appropriate training prior to deployment.
40. Suppliers must develop tenders 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 to this Terms of Reference). They must confirm in the tender 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.
 - They will give responsibility to a named person in their organisation to liaise with DFID and work with DFID to monitor the security context for the evaluation.
41. If you are unwilling or unable to accept responsibility for security and Duty of Care as detailed above, your Tender will be viewed as non-compliant and excluded from further evaluation.
42. Acceptance of responsibility must be supported with evidence of capability (no more than 2 A4 pages) and DFID reserves the right to clarify any aspect of this evidence. In providing evidence tenderers should consider and answer yes or no (with supporting evidence) to the following questions:
 - I. 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)?
 - II. 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?
 - III. 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?
 - IV. 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)?
 - V. 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?

- VI. Have you appropriate systems in place to manage an emergency / incident if one arises?

BACKGROUND

43. Ethiopia's economy has rapidly transformed since 2004, driven by growth in the agriculture and services sectors; however it still remains one the poorest countries in the world. Despite impressive growth and poverty reduction, Ethiopia has witnessed disappointing progress in structural change and export performance, which risks the sustainability of the current growth path. The Government of Ethiopia has actively pursued a 'development state' model with a strong pro-growth and pro-poor focus and a highly interventionist industrial policy. A major pillar of the Government of Ethiopia's growth strategy has been a massive public investment programme, often implemented by large State Owned Enterprises (SoEs).
44. Within the government's public investment programme the areas of i) trade logistics, ii) energy, and iii) urban development are critical to supporting Ethiopia's transition to a more export orientated and manufacturing led growth path. Limited capacity within the GoE can sometimes mean the effectiveness and efficiency of the public investment programme is not maximised.
45. By providing technical assistance to the Government of Ethiopia the UK can help to improve the returns to public investment. By focusing support on areas that have been identified as critical to supporting growth, this can contribute to outward orientated, manufacturing-led inclusive growth in Ethiopia.
46. DFID has procured a provider to deliver services in the form of a technical assistance facility: The Ethiopian Investment Advisory Facility (EIAF). Through EIAF consultancy services will be made available to government ministries and agencies who are involved in planning and implementing public investment activities. The technical assistance provided will be flexible and based on demand from government; specific requests for technical assistance will be considered once the facility is operational.
47. The technical assistance provided will focus on three key sectors critical to Ethiopia's growth plans: energy, trade logistics and urban development. There will also be a fourth pillar focused on cross-cutting issues relevant to these three sectors and capital expenditure more broadly. The technical assistance provided could range from specific pieces of technical advice, to longer-term capacity building within government institutions or training on specific technical issues or techniques.
48. DFID is appointing a review panel to ensure the technical assistance being delivered is relevant and high quality. Maintaining a consistent review panel throughout the life of the programme will ensure consistency of approach in review and reporting.