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Terms of Reference

DFID DRC Decision Support Unit (DSU)

1 Objectives of the assignment

- 1.1 The overall objective of this project is to establish and manage a Decision Support Unit for DFID DRC's Private Sector Development programme. This programme aims to improve the incomes of over 1m small producers by 2021 through transformational changes to key market sectors, the business environment and access to finance. The Decision Support Unit will play a critical role in the independent verification of programme results and their impact on the poor. It will also be the means through which project progress is assessed for annual reviews and payment by results mechanisms.
- 1.2 The purpose of the Decision Support Unit is to provide DFID with impartial verification of the results reported by the private sector development programme. This will be in the form of six monthly reports, as well as delivering annual reviews. The Decision Support Unit will also play a learning function through conducting a mid-term and final evaluation as well as collating lessons learnt and some best practise examples for wider dissemination. This learning function will serve both DFID (DRC and more widely) as well as the broader development community working in the field of economic development. The Decision Support Unit may also be required to conduct short and precise research activities to advance DFID DRC and partner's understanding of the problematique in DRC.
- 1.3 There are three main components to the Private Sector Development programme as follows:
- i. Market Development – “Elan” this component is a £50m Making markets works for the poor (M4P) programme. The project is working in a number of sectors including coffee, river transport, mobile money and farm inputs amongst others. The project started in 2013 with an inception phase, and full implementation started in January 2014. The project will run until 2020.
 - ii. Business Environment reform – “Eссор” this component is a £35m business environment reform programme, which aims to improve the business environment in DRC. Its initial focus will be on implementing reforms necessary for OHADA¹, working closely with government partners. It will also undertake other workstreams focussing on specific areas of reform such as electricity liberalisation, taxation, anti-corruption etc. Eссор started in its inception phase in January 2015 and moved to implementation in September 2015. The anticipated end date is 2019/2020.

¹ OHADA – This is a francophone Africa initiative which will simplify and harmonise commercial law across 16 African countries. DRC has signed up to the OHADA treaty....

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- iii. Access to Finance 'FPM' this component is for a £10m financing agreement to a local institution called FPM². This has not been launched as yet, discussion are ongoing with project partners, and agreement should be reached in early 2016

2 Outputs

2.1 The outputs of the Decision Support Unit will include but not be limited to:

- a) An inception report which includes a plan of how the Decision Support Unit will function and how data will be collected and verified. This inception report will outline the key milestones for the 7 year project and synchronise activities with the time frames of the different components of the private sector development programme.
- b) Verification of the reported results from the different components, on a six monthly basis.
- c) Conduct annual reviews of the Private Sector Development programme, working in partnership with DFID advisers.
- d) A thorough mid-term review of the PSD programme in 2017, which will be an important juncture for the programme.
- e) Recommendation from an independent review panel (which will be established to support the DSU) as to the achievement of programme results by the different components. These recommendations will use the information gathered through the verification exercise, and make judgements as to whether the criteria for results based payments have been met by the various programme components.
- f) Collation and dissemination of key lessons learnt through the programme, with examples of best practise and innovation.
- g) Continually reviewing the 'problematique' – i.e. our understanding of the constraints to private sector development in DRC. This will involve collating and analysing data collected by the different project components as well as external sources. It may also involve additional short term research of specific issues.
- h) Development of VfM metrics for each of the programme's components, so that VfM can be monitored closely by the programmes and DFID, and this information can inform annual reviews. This will involve working closely with each of the components to develop a practical framework for assessing VfM.
- i) Analysis of the risk registers for the different components of the PSD programme, together with recommendations where needed on how these could be strengthened.

² FPM – Fonds pour l'inclusion financière en RDC. This is a multi-donor fund which aims to increase financial inclusion in DRC through the construction of an inclusive financial system and the provision of technical support and loan capital to financial institutions in the country.

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- j) Conduct a final evaluation of the programme in 2022/2023, which should draw on the results verification conducted in the intervening period. The key questions for the evaluation, beyond the measurement of impact, will be determined through discussions with DFID DRC during the implementation phase.

3 Scope

- 3.1 This 7 year project with a budget in the range of £3-4 million will provide verification of the various components results from the Private Sector Development Programme across DRC. Presently that includes the provinces of Kinshasa, North Kivu, South Kivu, Katanga, Kasai Occidental and Equateur provinces. These focus provinces may change, and with the recent introduction of *decoupage*³, the PSD programme will end up working in a greater number of provinces, though maintaining the same geographical area.
- 3.2 The budget includes all activities under the programme including management, monitoring assignments, data collection and impact assessments. The budget may potentially increase if in later years it is deemed necessary to extend the scope of the DSU and/or the timeframe for implementation. The budget increase would be according to need and legal limits, and the timeframe could be extended for up to 3 years.
- 3.3 The six month inception phase (including one month for mobilisation) will enable the programme to develop a full plan for the effective monitoring of the PSD programme's progress and ongoing assessments of impact. Further outputs of the inception phase will be a clear indication of the key milestones, the key performance indicators for the DSU, a learning strategy and communications plan as well as a risk matrix with its mitigation strategy.
- 3.4 The service provider will be required to demonstrate clear value for money at each stage of the implementation process. This will include demonstrating that administrative and security costs are efficient and that management processes are designed to maximise cost effectiveness.
- 3.5 **Recipients:** The Decision Support Unit will be an important part of the wider £100m Private Sector Development Programme in DRC, which aims to improve the incomes of over 1m poor people by 2021. The primary beneficiaries of the private sector development programme are small producers in DRC, whose incomes will be increased as a result of improved market systems, business environment and access to finance. The DSU will help to ensure that poor people in DRC remain the primary focus that interventions are delivering results and contractors are held to account in reaching their targeted number of poor producers. As such the key recipients of the DSU will ultimately be the target beneficiaries – small producers and entrepreneurs in DRC. Other recipients will be the wider private sector development community who will benefit from the case studies and final evaluation of this

³ This is the process whereby DRC's 11 provinces are being split into smaller provinces, creating a total of 26.

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large programme. DFID DRC will also be a recipient of the advice of the independent panel in the DSU who will recommend payments as per Payment by Results agreements.

4. Duty of Care

- 4.1. The Supplier is responsible for the safety and well-being of their personnel and third parties affected by their activities, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.
- 4.2. DFID will share available information with the Supplier on security status and developments in-country where appropriate.
- 4.3. The Supplier is responsible for ensuring appropriate safety and security briefings for all of their personnel and ensuring 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.
- 4.4. 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 Services (such as working in dangerous environments etc.). The Supplier must ensure their personnel receive safety in the field training prior to deployment if judged necessary.
- 4.5. Tenderers must develop their Tender on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix developed by DFID (see 4.6 below). They must confirm in their 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.
- 4.6. The DFID DRC Risk assessment for the PSD Programme is shown below.

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

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	Kinshasa risk score	North and South Kivu risk score	DRC, excluding Kinshasa and North and South Kivu
Overall rating	2.8	3.5	2.2
FCO travel advice	3	4	2
Host nation travel advice	Not available		
Transportation	4	4	4
Security	3	3	2
Civil unrest	4	3	2
Violence/crime	4	4	3
Terrorism	2	2	2
War	3	4	3
Hurricane	1	1	1
Earthquake	1	1	1
Flood	2	2	2
Medical services	2	4	4
Mode	2/3/4	4	2
Mean	2.6	2.9	2.4

5 Methodology

- 5.1 The design of the Decision Support Unit must enable it to verify the reported achievements of the different components of the Private Sector Development Programme. Each of these elements (ELAN, ESSOR and FPM) has its own logframe and as such the methodology of the DSU must enable it to verify achievements against those logframe targets. The logframes of ELAN is attached as Annex A, as well as the outline logframe for ESSOR (which will be reviewed in March 2016). The service provider should provide DFID with recommendations of appropriate methodologies for verifying the various results. Some examples of the indicators may include but are not limited to :

Impact Level

- Net Attributable Income change for poor men and women.

Outcome Level

- Cumulative number of poor men and women who report a substantive increase in enterprise performance.

Output Level

- Number of market actors who invest resources into pro poor changes adopted by the programme.

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- Number of market systems with changes that provide greater opportunity for women to adopt more beneficial roles.
- Total amounts of funds disbursed to financial institutions for on-lending to the private sector.
- Measurements (as yet to be determined) which demonstrate DRC's implementation of the OHADA treaty.
- Measurements (as yet to be determined) which demonstrate key business environment reforms which deliver benefits to poor men and women.

- 5.2 It will be important when defining a methodology to consider the diversity of the programmes indicators as demonstrated above in section 5.1 Further information on the various indicators can be found in the annexes to these terms of reference, particularly the logframe. In addition, further indicators will be developed for the various project components by the time of the inception phase. Hence having a methodology which will have the flexibility to respond to new measurements will be important.
- 5.3 The methodology should also enable the DSU to analyse cross-cutting issues in regards to the various project components. A specific example is on gender and the impact that the project components are having in changing the economic situation for women and girls.
- 5.4 The methodology should be able to draw on the data provided by the individual project components, and verify this using various techniques. There may be cases where the DSU needs to establish its own data for verification purposes, but on the whole the DSU should be able to use what partners provide. Some examples of the various data sources and project documents are included as Annex x.
- 5.5 The DSU will also be expected to continue monitoring the impact of the Elan and Essor components once they have closed in 2019/2020. Therefore the methodology devised for the DSU must be able to draw upon the monitoring systems devised by the two project components and continue to use them beyond 2020 to capture post project impact.
- 5.6 It is envisaged that the Decision Support Unit will compile six monthly verification reports which will document all the verified results of the various project components. These verification reports will draw on either the annual report (at the end of Jan) or the 2nd quarterly report (end of July) from each of the project components. These project reports, together with the DSU's own data sources and verification exercises will be used as a basis for triangulating the reported results and to generate a verification report for the programme. This report will then be put to an independent panel who will make a recommendation on the appropriate payments for those project components which have a 'Payment by Results' mechanism.
- 5.7 This independent panel will include 2 representatives of DFID DRC and 3 additional members. These additional members should not be employees of any of the contractors

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which are implementing the various components, including the DSU itself. The panel will need to review the reports made by the DSU and make a decision on payments. The 3 independent members must be able to perform this role impartially and bidders should consider the profile of the three members. A TOR for the panel members will be developed between the DSU and DFID once the DSU is established. The various project components will likely need to provide no objections to the non-DFID members of the independent panel.

- 5.8 Further, the Decision Support Unit is expected to continually review the ‘problematique’ – i.e. our understanding of the constraints to private sector development in DRC, and the extent to which the various components are addressing it. This will require the means to collate and analyse data from the different project components and also external sources, and determine whether the project components are addressing the key constraints and whether the key constraints have changed in any way. For the latter the views of other stakeholders will be important, and the DSU could organise regular focus groups with key private sector operators and other actors in DRC to get a better understanding.

6 Implementation

- 6.1 The Decision Support Unit will not necessarily require a presence in DRC, though this may assist in programme activities. If the implementing contractor does decide to establish a presence then they will be required to look at cost effective options, though avoiding sub-contracting of office space with any of the PSD programme partners.
- 6.2 Expertise – to successfully deliver the required outputs it is expected that the DSU will require expertise in the following areas– results verification in fragile environments, Market development (particularly monitoring of such programmes), French language, knowledge of the DRC and the context, measuring the impact of business environment reforms and economic development evaluation.
- 6.3 The Decision Support Unit will be responsible to DFID DRC throughout the inception and implementation phases. It will need to collaborate closely with the different project components, yet maintain an independence stance from them. During the implementation phase, DFID DRC will work with the DSU to establish a Memorandum of Understanding between DFID DRC, the DSU and the project components. This will define the need to collaborate effectively, the type of data to be shared, the frequency of such data sharing and the use of such data. In addition the MOU will set out the dissemination and co-ordination of lesson learning.
- 6.4 Governance – whilst the DSU will report to DFID DRC, an independent review panel will be established to provide an independent view on the recommendations made by the DSU. This is particularly important in that the recommendations made by the DSU in the verification reports will be used to determine specific payment to project components in line with agreed Payment by Results mechanisms between the components and DFID. The independent panel will thus provide some distance between the contractor operating the

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DSU and the contractors implementing the different project components. The DSU will assist DFID DRC in establishing an independent review panel, but for all appointments to the panel a letter of no objection will be obtained from each project component. Likewise all appointments will be subject to a thorough check on potential conflicts of interest.

7 Contractual Timeframe and expected Deliverables

The likely start date will be August 2016, with an anticipated end date of July 31st 2023

- 7.1 The contract will be issued for the full period but subject to acceptance of deliverables, satisfactory performance of the service provider and agreement to the service provider's final design of the Decision Support Unit. This will be assessed at the end of the inception phase.
- 7.2 In the event that DFID decides not to proceed to the Implementation Phase the Contract will be terminated at no further cost to DFID.
- 7.3 In the event that DFID decides to proceed to the Implementation Phase, a contract amendment will be issued to include details of the services to be provided in the form of updated Terms of Reference and detailed costs.
- 7.4 There will be a further break point in the contract in 2019/2020 as the Essor and Elan projects draw to a close. Post project monitoring will be a key part of the DSU, but DFID DRC will need to have confidence that the DSU is able to collect the data once these project components have drawn to a close.

The key deliverables of the project will be:

No	Activity	Time after Contract Commencement
1.	Inception meeting with summary report on actions (Mobilisation – one month)	6 weeks (max)
2.	Detailed plan of work for the inception phase (Deliverable 1)	12 weeks
3.	Inception report with full design plan for the DSU. Presentation to DFID DRC. Additional documents required at this stage include MOU between project components DSU and DFID DRC; Learning strategy and communication plan; Risk matrix and mitigation measures; Key performance indicators for the DSU.	6 Months
4	Final version and approval of inception report (Deliverable 2)	7 Months

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5	Commencement of the implementation phase	6-7 Months
6	Six monthly results verification and annual reviews of the different project components annual refresh of the 'problematique' plus case studies for wider dissemination. Deliverable 3 (Multiple, every 6 months)	After 12 months and then every 6 months
7	Mid Term evaluation report	Due in March 2017
8	Recommendations from independent review panel on results payments. Deliverable 4 (Multiple every 12 months)	Every 12 months
9	Final Evaluation	Due March 2023

8. Transparency

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

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

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

Annexes:

Business Case (redacted version)

ELAN logframe (subject to revision)

ESSOR inception report

ELAN latest quarterly report

Example of current data sources

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Bid Document Format

Size 12 point font, 25 pages max excluding annexes (which should be kept to a maximum of 25 pages. 2 pages maximum for CVs or they will not be considered.