

**Terms of Reference for
Fund Manager to Deliver DFID's Quality Education Strategic Support
Programme**

1. About DFID

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. We are working to help countries achieve the Millennium Development Goals (MDGs), the international targets agreed by the United Nations (UN) to halve world poverty by 2015.

DFID's mission is to help eradicate poverty in the world's poorest countries and this is underpinned by our 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

2. Objective:

The objective of this assignment is to deliver DFID's Quality Education Strategic Support Programme (QESSP) in Ethiopia which is expected to create an enabling environment to maximise the efficiency and impact of all other programmes in the sector by:

- Improving capacity of the Ministry of Education (MoE) and other institutions in the education system to implement reforms to improve access, quality and equity in the education sector
- Enhancing policy dialogue in the education sector, and
- Improving evidence base on impact of education reform efforts

3. SCOPE OF WORK:

Services are required to deliver DFID's QESSP fund for four years (2014 – 2018) and administer additional donors' contribution to the education pooled fund on behalf of the Education Technical Working Group (ETWG). Additional funding is likely to be received from other donors to the pooled fund once a Fund manager is identified.

The support required is both administrative and technical. The scope of the work will include mobilising technical assistance, organising events and grant

management. Once the fund manager is selected DFID E wishes to work closely with the supplier and the MoE to define the scope of a long-term Technical Assistant (TA) position and to engage in the recruitment process.

4. Donor Contributions to the Fund:

Currently QESSP is a DFID funded programme but there is a possibility for other donors, to contribute to the programme once a fund manager is identified and it is anticipated that the value of the fund will increase. Currently the overall budget for the fund including the management fees is approximately up to £10M. The fund manager will be expected to pre-finance the funds and claim in arrears and the commercial proposal should clearly state the cost of pre-financing as a line item.

DFID will use Crown Agents Bank (CAB) to manage the pooled donor funds through its existing Third Party Money contract. This is a pre-existing contract and costs for its operation are met centrally.

The Fund manager will be reimbursed from the Crown Agents Bank (CAB) account on submission of appropriate documentation in line with standard DFID procedures. On a monthly basis (or more frequently, if necessary), the fund manager will provide DFID with a breakdown of claims received from fund recipients and a total figure for payment along with an assurance statement that all amounts claimed have been checked and verified. DFID will issue payment to the fund manager through the CAB account for onward payment subject to cross-checking and receipt of all necessary assurances. The exact process for approval and sign off will be clarified during contract negotiation.

Reimbursement will occur on a monthly or quarterly basis. Requests for payment from the CAB will reach DFID from the Supplier on the last day of each month. It should be noted that DFID expect to see some cost saving in using CAB to provide account management, disbursement and reporting services to QESSP.

5. RECIPIENT:

The recipients of these services are: the Ethiopia Ministry of Education, DFID and other contributing donors

6. SPECIFIC TASKS/ ACTIVITIES:

The main areas of services to be offered by the management agent include the following:

Activity 1: Appoint and manage the work of a long-term national consultant (TA) to the Ministry of Education supported by a small programme administration team

- Source and appoint the TA and manage the logistics of his/her work
- Mobilise a local programme admin team to deliver the activities described below

Activity 2: Funding Ethiopian government at federal and decentralised levels to implement capacity building programmes in the education sector

- Perform the necessary due diligence checks before transferring finance to grant recipients
- Monitoring and auditing spending and outcomes

Activity 3: Procuring services on behalf of MoE and the ETWG

- Finding suitable individuals and firms (both national and international) to undertake work as agreed by the Ministry of Education and its partners
- Arranging air fares and accommodation for consultants as necessary
- Paying fees and reimbursing incidentals as required by the terms of the contract and based on recommendations from MoE and its partners

Activity 4: Organising conferences, workshops and other events as required by MoE and the ETWG

- Identifying suitable venues
- Paying per diems and travel costs for participants at agreed rates
- Recruiting facilitators, translators and report writers if necessary
- Providing materials and documents such as stationary, conference papers etc.

Activity 5: Arranging study tours and other capacity building activities

- Booking courses, arranging accommodation
- Paying subsistence and flight costs
- Paying course and conference fees

Activity 6: Act as the Secretariat on behalf of the co-chairs of the ETWG

- Attending monthly ETWG meetings and recording minutes and key agreements

- Coordinating the solicitation and compilation of partner information
- Maintaining an accessible data base of all ETWG documents
- Arranging ETWG semi-annual retreats and joint review missions

7. METHODOLOGY

We anticipate that the management of QESSP will work as follows:

- The Fund manager will need to have access to a network of expertise in the education sector both nationally and internationally who can be mobilised quickly to support requests. Initially this will include recruiting and appointing a senior national consultant (TA) to be embedded in the MoE and mobilising a small administrative and finance team to manage events, grants etc. It will be important that the selected person is of sufficient seniority and expertise to command the respect of Ministry colleagues.
- The TA will be embedded in the MoE to work closely with the Planning and other Directorates, the ETWG and regional stakeholders to identify proposals to be taken forward with inputs from funding partners as necessary. After approval, the TA will liaise with other structures of the management agent to deliver activities as necessary mobilising suitable experts to carry out assignments and monitoring and evaluating their work. The TA would also provide advice to the Planning Directorate on other issues as requested and to act as a focal person for the ETWG.
- With the approval of DFID and the TWG co-chairs the Fund manager will need to use QESSP resources to quickly and flexibly respond to requests for support using a range of options for financing, including direct procurement and procurement through third parties.
- The fund manager will need to have a proposed methodology for the assessment of the risks, challenges and mitigating factors and actions relevant to evaluating the programme.
- Bids for the services are expected to include evidence of institutional capacity and ability to mobilise the required technical and administrative staff and the systems to perform the required activities and to demonstrate value for money in the procurement and management of services.

8. OUTPUT

Bidders will need to suggest Key Performance Indicators (KPIs). KPIs for the successful bidder will be agreed, after signature of the contract, between the Supplier and DFID and the supplier has to demonstrate its performance against these KPIs.

- **Inception report** - Within three months of the inception period, an inception report will be required with detailed anticipated activities that will be done by the fund allocated to the MoE and which also makes recommendations on any change in activity and/or priority.
- **Bi-annual and annual financial and activity reports of progress** – Exact timing to be agreed, but the contractor will be required to report semi-annually both on physical progress and financial progress of the programme.
- All outputs/milestones for both the inception and implementation phase must link to the suggested work plans and KPIs suggested. Bidders are encouraged to be innovative in how they present their commercial proposals using output based contracting models.

9. REPORTING:

Contractually the management agent will be required to report to DFID Ethiopia but on all technical matters it will have a joint reporting responsibility to DFID, The Ministry of Education and other contributing donors.

10. INSTITUTIONAL ARRANGEMENTS

The work of the Fund manager will be overseen by DFID in coordination with other contributing donors, and the Ministry of Education's EMIS, Planning and Resource Mobilisation Directorate which is also responsible for the overall coordination and implementation of the General Education Quality Improvement Programme (GEQIP). This arrangement will ensure coordination and coherence of activities since both programmes have a quality focus.

In order not to increase the management burden of the ministry and the supporting donors, and to ensure smooth procedures, QESSP resources will be managed by the Fund manager, for use on a request basis.

We anticipate the following process of initiation, approval and implementation of activities under this project.

1. The national TA that the fund manager has embedded in the MoE will work with different directorates of the Ministry, regional education bureaus and other government and non-governmental entities to solicit initiative and help them develop proposals for funding.
2. The Fund manager will prepare annual and quarterly work and funding plans where possible including anticipated level of grants expected to be approved.
3. A small steering committee will be established with members including the co-chairs (government and donor) of the TWG, DFID and other contributing donors as necessary. The mandate of this committee will be to review and approve proposals for funding and will report on the

overall use of QESSP and other donor funds in the pool to the annual Education Conference.

4. The Fund manager will implement approved proposals which are expected to be around the activities defined in section 6 above.

11. TIMING:

The contract will run for a period of four years from 2014 to 2018. There is a possibility of a 12 month extension which will be agreed between the programme team and the Fund manager subject to programme requirements, performance of the service provider and availability of funding.

The contract will be for 4 years with a break clause after the inception period of 3 months and annual reviews during the implementation phase of the contract period to review the performance of the Fund manager. Movement from the inception to the implementation phase will be subject to satisfactory performance, and approval and acceptance of the implementation phase milestones/outputs by DFID.

12. BACKGROUND:

Since 2010 DFID used QESSP to provide extra financing for capacity building and technical assistance in the education sector. This included the secondment of a senior education adviser in the MoE, contributions to the previously UNDP managed education pooled fund (EPF), and internally managed funds. The first phase of QESSP is closed in December 2013 and DFID has designed QESSP 2 to be delivered by an independent management agent.

The main benefit of QESSP is that it has provided the education sector with a financial instrument which is more flexible than other larger instruments. Elements of this flexibility include:

- The ability to carry out an activity more rapidly or efficiently than might be possible with another instrument.
- The ability to conduct activities which are made difficult or impossible by particular rules, e.g. the hiring of international and/or national consultants. The MoE has particular challenges in this area because it can only pay in local currency and faces restrictions in the level of payments it can make.
- The ability to finance activities which were not envisaged at the time of planning larger instruments.
- The ability to finance activities which were previously funded by another development partner. Examples of this include accelerated teacher training in Somali region previously funded by USAID and capacity building of local education offices in pastoral and semi-pastoral regions previously funded by the Italian government.

The Education Pooled Fund (EPF) to which DFID's QESSP has been contributing to was established in 2004 when the Ministry of Education and Development Assistance Group (DAG) agreed to have a multi-donor mechanism for supporting the capacity development, research and other emerging needs of the Ministry of Education. Previously donor support for the EPF has been provided by DFID, The Netherlands, Finland, SIDA, Irish Aid, UNESCO, and the European Commission. According to a 2009 review contributions from EPF donors between 2004 – 2008 reached a total of \$4 million. Several studies, review missions and study tours of strategic importance to the education sector have been financed by the EPF mechanism.

UNDP's withdrawal in 2012 from the fund manager role created challenges for DFID and other stakeholders. These have largely been overcome by DFID taking on the de facto role of management agent for EPF delegating event management roles to other agencies. But, transaction costs have been high, particularly for DFID. The situation is not considered sustainable in the longer term. Therefore identifying a management agent for QESSP 2 (including EPF) through a competitive process is considered to be a viable option.

13 Duty of Care:

As part of the recent Duty of Care policy of DFID, DFID Ethiopia has assessed the country and project risks (see below) in order to allow the Supplier to take reasonable steps to mitigate those risks.

Project/intervention title: Quality Education Strategic Support Program (QESSP)

Location: Ethiopia

Date of assessment: 11 March 2014

Assessing official:

Theme	DFID Risk score
OVERALL RATING	2
FCO travel advice ¹	3
Host nation travel advice	2
Transportation	2
Security	2
Civil unrest	2
Violence/crime	2
Terrorism	3
War	1
Hurricane	1
Earthquake	1
Flood	1

¹Please visit FCO Travel advice: <http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/> for more details.

Medical Services	2
Nature of Project/ Intervention	2

1 Very low risk	2 Low risk	3 Med risk	4 High risk	5 Very high risk
Low		Medium	High risk	

14. 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 in case of long term residency.
15. 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.
16. 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. 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.
17. The Supplier is responsible for all acts and omissions of the Supplier's Personnel and for the health, safety and security of such persons and their property. The provision of information by DFID shall not in any respect relieve the Supplier from responsibility for its obligations under this Contract. Positive evaluation of proposals and award of this Contract (or any future Contract Amendments) is not an endorsement by DFID of the Supplier's security arrangements.