

Itad Ltd
REDACTED

Our ref: PO 8103

Email: REDACTED

Tel: REDACTED

Date: 17th May 2018

Emailed to: REDACTED

Dear Sir

Contract Reference: PO 8103 Independent Monitoring and Verification (IM&V) Services for Sanitation, Water and Hygiene for the Rural Poor, UNICEF Component

OJEU publication reference number: 2017/S 187-383117

I refer to the contract advertised by the Department for International Development for the supply of "PO 8103 Monitoring and Verification for UNICEF Rural WASH" under the above OJEU reference number 2017/S 187-383117.

The mandatory 'standstill period' has now expired and the Department for International Development acting for and on behalf of the Secretary of State for International Development, is now pleased to advise you that we will be making a formal award of contract for the above mentioned services to ITAD Limited for the contract to supply PO 8103 Monitoring and Verification for UNICEF Rural WASH to those parties as described in the Terms of Reference and contract tender documents.

Please review the enclosed contract documents and confirm that you accept this contract award by signing and returning via our e-sign tool.

As per the DFID Supply Partner Code of Conduct, if this contract qualifies for internal compliance procedures, a member of the PCD Compliance Team will contact you to discuss your compliance requirements.


Yours sincerely

REDACTED

Procurement and Commercial Manager

Programme Sourcing - Procurement and Commercial Department

cc. suppliercompliance@dfid.gov.uk



Department for International Development (DFID)

Standard Terms and Conditions – Service Contracts

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Preliminaries

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Contract, unless otherwise provided or the context otherwise requires, capitalised expressions shall have the meanings set out in Schedule 1 (Definitions) or the meaning set out in the relevant Schedule in which that capitalised expression appears.
- 1.2 If a capitalised expression does not have an interpretation in Schedule 1 (Definitions) or the relevant Schedule, it shall, in the first instance, be interpreted in accordance with the common interpretation within the relevant market sector/industry where appropriate. Otherwise, it shall be interpreted in accordance with the dictionary meaning.
- 1.3 The interpretation and construction of the Contract shall be subject to the following provisions:
- 1.3.1 clause headings shall not affect the interpretation or construction of the Contract;
 - 1.3.2 a reference to Law includes a reference to that Law as amended, consolidated or re-enacted from time to time;
 - 1.3.3 references to a **"person"** includes a natural person and a corporate or unincorporated body;
 - 1.3.4 words in the singular shall include the plural and vice versa;
 - 1.3.5 references to **"representations"** shall be construed as references to present facts, to **"warranties"** as references to present and future facts and to **"undertakings"** as references to obligations under this Contract;
 - 1.3.6 words **"including"**, **"other"**, **"in particular"**, **"for example"** and similar words shall not limit the generality of the preceding words and shall be construed as if they were immediately followed by the words **"without limitation"**;
 - 1.3.7 a reference to one gender shall include a reference to the other genders; and
 - 1.3.8 where the context allows, references to Clauses are to clauses in this Contract and references to Sections are the sections of this Contract.
- 1.4 Except as expressly provided elsewhere in this Contract, and subject to Clause 1.5, in the event of and only to the extent of any conflict between each Section of this Contract, the conflict shall be resolved in accordance with the following order of precedence:
- 1.4.1 Section 1 (Form of Contract);
 - 1.4.2 Section 4 (Special Conditions);
 - 1.4.3 Section 3 (Terms of Reference);
 - 1.4.4 Section 2 (Standard Terms and Conditions (except Schedule 4 (Tender)));
 - 1.4.5 Section 5 (Schedule of Prices); and
 - 1.4.6 Schedule 4 (Tender).

1.5 Where Schedule 4 (Tender) contain provisions which are more favourable to DFID in relation to (the rest of) this Contract, such provisions of the Tender shall prevail. DFID shall in its absolute and sole discretion determine whether any provision in the Tender is more favourable in this context.

1.6 In entering into this Contract DFID is acting as part of the Crown.

2. REPRESENTATIONS AND WARRANTIES

2.1 The Supplier represents and warrants that:

2.1.1 it is validly incorporated, organised and subsisting in accordance with the Laws of its place of incorporation;

2.1.2 it has full capacity and authority to enter into and to perform this Contract;

2.1.3 this Contract is executed by its duly authorised representative;

2.1.4 it has all necessary consents and regulatory approvals to enter into this Contract;

2.1.5 there are no actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, threatened against it or any of its Affiliates that might affect its ability to perform its obligations under this Contract;

2.1.6 its execution, delivery and performance of its obligations under this Contract will not constitute a breach of any Law or obligation applicable to it and will not cause or result in a default under any agreement by which it is bound;

2.1.7 its obligations under this Contract constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar Laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or law);

2.1.8 all written statements and representations in any written submissions made by the Supplier as part of the procurement process, including without limitation its response to the standard selection questionnaire and invitation to tender (if applicable), its Tender and any other documents submitted remain true and accurate except to the extent that such statements and representations have been superseded or varied by this Contract or to the extent that the Supplier has otherwise disclosed to DFID in writing prior to the date of this Contract;

2.1.9 it has notified DFID in writing of any Occasions of Tax Non-Compliance and any litigation in which it is involved that is in connection with any Occasion of Tax Non-Compliance;

2.1.10 it has all necessary rights in and to the Licensed Software, the Third Party IPRs, the Supplier Background IPRs and any other materials made available by the Supplier (and/or any Sub-Contractor) to DFID which are necessary for the performance of the Supplier's obligations under this Contract and/or the receipt of the Services by DFID;

2.1.11 the Charges set out in Section 5 (Schedule of Prices) is/will be a true and accurate reflection of the costs and the Projected Profit Margin and the Supplier does not have any other internal financial model in relation to the Services inconsistent with the Charges;

2.1.12 it is not subject to any contractual obligation, compliance with which is likely to have a material adverse effect on its ability to perform its obligations under this Contract;

2.1.13 no proceedings or other steps have been taken and not discharged (nor, to the best of its knowledge, are threatened) for the winding up of the Supplier or for its dissolution or for the appointment of a

receiver, administrative receiver, liquidator, manager, administrator or similar officer in relation to any of the Supplier's assets or revenue

2.2 The representations and warranties set out in Clause 2.1 shall be deemed to be repeated by the Supplier on the Commencement Date (if later than the date of signature of this Contract) by reference to the facts then existing.

2.3 The representations and warranties set out in this Clause 2 shall be construed as a separate representation and warranty and shall not be limited or restricted by reference to, or inference from, the terms of any other representation, warranty or any other undertaking in this Contract.

2.4 If at any time the Supplier becomes aware that a representation or warranty given by it under Clause 2.1 has been breached, is untrue or is misleading, it shall immediately notify DFID of the relevant occurrence in sufficient detail to enable DFID to make an accurate assessment of the situation.

2.5 the Supplier System and assets used in the performance of the Services will be:

2.5.1 free of all encumbrances, any exceptions must be agreed in writing with DFID; and

2.5.2 Euro Compliant.

2.6 The Supplier shall at all times comply with Law in carrying out its obligations under this Contract.

2.7 For the avoidance of doubt, the fact that any provision within this Contract is expressed as a warranty shall not preclude any right of termination which DFID may have in respect of breach of that provision by the Supplier.

2.8 Except as expressly stated in this Contract, all warranties and conditions whether express or implied by statute, common law or other

3. FINANCIAL LIMIT

3.1 The components which comprise the Financial Limit are set out in Section 5 (Schedule of Prices). No expenditure may be incurred in excess of the Financial Limit and no virements between components shown in the Section 5 (Schedule of Prices) are permitted without the prior written authority of the DFID Contract Officer.

Term of Contract

4. CONTRACT TERM

4.1 The duration of this Contract shall be the Term.

4.2 Where DFID has specified an Extension Period in the Section 4 (Special Conditions), DFID may extend this Contract for the Extension

Provision of Services

5. OBLIGATIONS OF THE SUPPLIER

5.1 The Supplier shall perform all its obligations under this Contract with all necessary skill, diligence, efficiency and economy to satisfy generally accepted professional standards expected from experts and in accordance with DFID's Supply Partner Code of Conduct (Appendix B).

5.2 If the Supplier is a joint venture or an unincorporated consortium then each of the joint venture or consortium partners shall bear joint and several liability where liability may arise.

5.3 In performing its obligations under this Contract, neither the Supplier, nor any of its Affiliates, shall embarrass DFID or otherwise bring DFID into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in DFID, regardless of whether or not such act or omission is related to the Supplier's obligations under this Contract.

5.4 The Supplier shall ensure that the Services:

5.4.1 comply in all respects with the description of Services in Section 3 (Terms of Reference) or elsewhere in this Contract; and

5.4.2 are supplied in accordance with the provisions of this Contract and the Tender.

5.5 The Supplier shall perform its obligations under this Contract in accordance with:

5.5.1 all applicable Law;

5.5.2 Good Industry Practice;

5.5.3 any policies provided by DFID; and

5.5.4 the Supplier's own established procedures and practices to the extent they do not conflict with the requirements of Clauses 5.5.1 to 5.5.3.

5.6 An obligation on the Supplier to do, or to refrain from doing, any act or thing shall include an obligation upon the Supplier to procure

Supplier Personnel and Supply Chain Matters

6. SUPPLIER PERSONNEL

6.1 The Supplier shall not remove or replace any Key Personnel (including when carrying out its obligations under Clause 15 (Exit Management)) unless:

6.1.1 requested to do so by DFID;

6.1.2 the person concerned resigns, retires or dies or is on maternity or long-term sick leave;

6.1.3 the person's employment or contractual arrangement with the Supplier or a Sub-Contractor is terminated by the employer for material breach of contract; or

- 6.1.4 the Supplier obtains Approval (such Approval not to be unreasonably withheld or delayed).
- 6.2 The Supplier shall:
 - 6.2.1 provide a list of the names of all Supplier Personnel requiring admission to DFID Sites, specifying the capacity in which they require admission and giving such other particulars as DFID may reasonably require;
 - 6.2.2 ensure that all Supplier Personnel:
 - (a) are appropriately qualified, trained and experienced to provide the Services with all reasonable skill, care and diligence;
 - (b) are vetted in accordance with Good Industry Practice and in compliance with the Staff Vetting Procedure;
 - (c) obey all lawful instructions and reasonable directions of DFID (including, if so required by DFID, the ICT Policy) and provide the Services to the reasonable satisfaction of DFID; and
 - (d) comply with:
 - (i) all reasonable requirements of DFID concerning conduct at DFID Sites, including any security requirements; and
 - (ii) any DFID policies, provided to the Supplier or Supplier Personnel from time to time
 - 6.2.3 subject to Schedule 2 (Staff Transfer), retain overall control of the Supplier Personnel at all times so that the Supplier Personnel shall not be deemed to be employees, agents or Contractors of DFID;
 - 6.2.4 be liable at all times for all acts or omissions of Supplier Personnel, so that any act or omission of a member of any Supplier Personnel which results in a Default under this Contract shall be a Default by the Supplier;
 - 6.2.5 use all reasonable endeavours to minimise the number of changes in Supplier Personnel;
 - 6.2.6 subject to Clause 6.1, replace (temporarily or permanently, as appropriate) any Supplier Personnel as soon as practicable if any Supplier Personnel have been removed or are unavailable for any reason whatsoever;
 - 6.2.7 bear the programme familiarisation and other costs associated with any replacement of any Supplier Personnel; and
 - 6.2.8 procure that the Supplier Personnel shall vacate DFID Sites immediately upon the Expiry Date.
- 6.3 If DFID reasonably believes that any of the Supplier Personnel are unsuitable to undertake work in respect of this Contract, it may:
 - 6.3.1 refuse admission to the relevant person(s) to DFID Sites and/or
 - 6.3.2 direct the Supplier to end the involvement in the provision of the Services of the relevant person(s).
 - 6.3.3 require the Supplier to replace the relevant person(s) without direct or indirect charge to DFID and the Supplier shall fully indemnify and hold DFID harmless against any claims of any kind that may arise with regard to the replacement of such Supplier Personnel.

7. SUB-CONTRACTORS AND EXCLUSIVITY

- 7.1 DFID has consented to the appointment of the Sub-Contractors set out in Section 4 (Special Conditions).

- 7.2 The Supplier shall exercise due skill and care in the selection of any Sub-Contractors to ensure that the Supplier is able to:
- 7.2.1 manage any Sub-Contracts in accordance with Good Industry Practice;
 - 7.2.2 comply with its obligations under this Contract in the provision of the Services; and
 - 7.2.3 assign, novate or otherwise transfer to DFID or any Replacement Supplier any of its rights and/or obligations under each Sub-Contract that relates exclusively to this Contract.
- 7.3 Prior to sub-contacting any of its obligations under this Contract, the Supplier shall notify DFID and provide DFID with:
- 7.3.1 the proposed Sub-Contractor's name, registered office and company registration number;
 - 7.3.2 the scope of any Services to be provided by the proposed Sub-Contractor; and
 - 7.3.3 where the proposed Sub-Contractor is an Affiliate of the Supplier, evidence that demonstrates to the reasonable satisfaction of DFID that the proposed Sub-Contract has been agreed on "arm's-length" terms.
- 7.4 If requested by DFID within ten (10) Working Days of receipt of the Supplier's notice issued pursuant to Clause 7.3, the Supplier shall also provide:
- 7.4.1 a copy of the proposed Sub-Contract; and
 - 7.4.2 any further information reasonably requested by DFID.
- 7.5 DFID may, within ten (10) Working Days of receipt of the Supplier's notice issued pursuant to Clause 7.3 (or, if later, receipt of any further information requested pursuant to Clause 7.4), object to the appointment of the relevant Sub-Contractor if they consider that:
- 7.5.1 the appointment of a proposed Sub-Contractor may prejudice the provision of the Services or may be contrary to the interests of DFID under this Contract;
 - 7.5.2 the proposed Sub-Contractor is unreliable and/or has not provided reliable goods and or reasonable services to its other customers; and/or
 - 7.5.3 the proposed Sub-Contractor employs unfit persons,
- in which case, the Supplier shall not proceed with the proposed appointment.
- 7.6 If DFID has not notified the Supplier that it objects to the proposed Sub-Contractor's appointment by the later of ten (10) Working Days of receipt of:
- 7.6.1 the Supplier's notice issued pursuant to Clause 7.3; or
 - 7.6.2 any further information requested by DFID pursuant to Clause 7.4,
- the Supplier may proceed with the proposed appointment.
- 7.7 The Supplier shall ensure that all Sub-Contracts contain provisions:

- 7.7.1 requiring the Sub-Contractor to comply with the DFID's Supply Partner Code of Conduct (Appendix B) at all times;
 - 7.7.2 requiring the Supplier to pay any undisputed sums which are due from it to the Sub-Contractor within a specified period not exceeding thirty (30) days from the receipt of a valid invoice;
 - 7.7.3 requiring that any invoices submitted by a Sub-Contractor shall be considered and verified by the Supplier in a timely fashion and that undue delay in doing so shall not be sufficient justification for failing to regard an invoice as valid and undisputed;
 - 7.7.4 conferring a right to DFID to publish the Supplier's compliance with its obligation to pay undisputed invoices to the Sub-Contractor within the specified payment period;
 - 7.7.5 giving the Supplier a right to terminate the Sub-Contract if the Sub-Contractor fails to comply in the performance of the Sub-Contract with legal obligations in the fields of environmental, social or labour law; and
 - 7.7.6 requiring the Sub-Contractor to include in any Sub-Contract which it in turn awards suitable provisions to impose, as between the parties to that Sub-Contract, requirements to the same effect as those required by this Clause 7.7.
- 7.8 The Supplier shall:
- 7.8.1 pay any undisputed sums which are due from it to a Sub-Contractor within thirty (30) days from the receipt of a valid invoice;
 - 7.8.2 include within the Performance Monitoring Reports required under Clause 12.3 a summary of its compliance with this Clause 7.8.1, such data to be certified each quarter by a director of the Supplier as being accurate and not misleading;
 - 7.8.3 not include in any Sub-Contract any provision the effect of which would be to limit or restrict the ability of the Sub-Contractor to contract directly with DFID, a Replacement Supplier, or with any other organisation and Sub-Contractors shall be free to assert their rights independently regarding contractual exclusivity.

8. STAFF TRANSFER

- 8.1 The Parties agree that:
- 8.1.1 where the commencement of the provision of the Services or any part of the Services results in one or more Relevant Transfers, Schedule 2 (Staff Transfer) shall apply as follows:
 - (a) where the Relevant Transfer involves the transfer of Transferring DFID Employees, Part A of Schedule 2 (Staff Transfer) shall apply;
 - (b) where the Relevant Transfer involves the transfer of Transferring Former Supplier Employees, Part B of Schedule 2 (Staff Transfer) shall apply;
 - (c) where the Relevant Transfer involves the transfer of Transferring DFID Employees and Transferring Former Supplier Employees, Parts A and B of Schedule 2 (Staff Transfer) shall apply; and
 - (d) Part C of Schedule 2 (Staff Transfer) shall not apply.
 - 8.1.2 where commencement of the provision of the Services or a part of the Services does not result in a Relevant Transfer, Part C of Schedule 2 (Staff Transfer) shall apply and Parts A and B of Schedule 2 (Staff Transfer) shall not apply; and
 - 8.1.3 Part D of Schedule 2 (Staff Transfer) shall apply on the expiry or termination of the Services or any part of the Services;

8.2 The Supplier shall both during and after the Term indemnify DFID against all Employee Liabilities that may arise as a result of any claims brought against DFID by any person where such claim arises from any act or omission of the Supplier or any Supplier Personnel.

9. DUTY OF CARE

9.1 The Supplier owes a duty of care to the Supplier Personnel and is responsible for the health, safety, security of life and property and general wellbeing of such persons and their property and this includes where the Supplier Personnel carry out the Services.

9.2 The Supplier warrants that it has and will throughout the duration of the Contract:

9.2.1 carry out the appropriate risk assessment with regard to its delivery of the Services;

9.2.2 provide the Supplier Personnel with adequate information, instruction, training and supervision;

9.2.3 have appropriate emergency procedures in place to enable their provision of the Services so as to prevent damage to the Supplier Personnel's health, safety, security of life and property and general wellbeing.

9.3 The provision of information of any kind whatsoever by DFID to the Supplier shall not in any respect relieve the Supplier from responsibility for the health, safety, security of life and property and general wellbeing of the Supplier Personnel in relation to the provision of the Services.

9.4 The Supplier acknowledges that the DFID accepts no responsibility for the health, safety, security of life and property and general wellbeing of the Supplier Personnel in relation to the provision of the Services.

9.5 The Supplier will ensure that such insurance arrangements as are made to cover the Supplier Personnel, or any person employed or engaged by the Supplier, shall be maintained throughout the duration of the Contract.

9.6 The costs of any insurance specifically taken out by the Supplier to support the performance of this Contract in relation to the Supplier's duty of care may be included as part of the management costs of the project, and must be separately identified in all financial reporting relating to the project.

9.7 Where DFID is providing any specific security arrangements for the Supplier or Supplier Personnel in relation to the Contract, these will be set out in the Security Policy and the Supplier shall comply with these arrangements.

9.8 The Supplier shall provide training on a continuing basis for all Supplier Personnel, in compliance with the Security Policy and the Supplier shall ensure that all Supplier Personnel are aware of the Security Policy and the Supplier shall ensure that all Supplier Personnel are aware of the Security Policy and the Supplier shall ensure that all Supplier Personnel are aware of the Security Policy.

10. PROCUREMENT OF EQUIPMENT

10.1 The Supplier shall ensure that procurement of goods and equipment shall:

10.1.1 be undertaken in accordance with best practice principles of openness fairness and transparency;

10.1.2 achieve "Value for Money" defined as the optimum combination of whole-life cost and quality to meet requirements in a fully transparent manner and the procurement may be subject to audit by DFID;

10.1.3 be carried out using strict due diligence processes that ensure the protection of DFID's interests and reputation, with particular emphasis on anti-terrorism, anti-corruption and fraud throughout the delivery chain; and

10.1.4 be on the basis that the ownership of Equipment shall vest in DFID, and shall be so marked.

11. USE OF AND RESPONSIBILITY FOR EQUIPMENT

11.1 Equipment may only be used in providing the Services and shall be safely kept and maintained. Personal use of Equipment by the Supplier is not permitted without Approval.

11.2 The Supplier shall keep an up to date inventory of the Equipment its condition and location and make such inventory available to DFID.

11.3 Subject to Clause 11.4 the Supplier shall be responsible for all loss or damage to Equipment other than that caused by fair wear and tear.

11.4 Except as required by law or circumstance, the Supplier shall not insure Equipment. DFID shall bear the risk in respect of loss or damage to Equipment.

11.5 The Supplier shall obtain DFID's instructions on the disposal of Equipment and comply with such instructions.

Contract Governance

12. MONITORING OF CONTRACT PERFORMANCE

12.1 Unless Section 4 (Special Conditions) specifies that obligations relating to the monitoring of Contract performance shall be those set out in Section 3 (Terms of Reference), the remaining provisions of this Clause 12 shall apply.

12.2 Within twenty (20) Working Days of the Commencement Date the Supplier shall provide DFID with details of how the process in respect of the monitoring and reporting of the performance of the Supplier's obligations under this Contract will operate between the Parties and the Parties will endeavour to agree such process as soon as reasonably possible.

12.3 The Supplier shall provide DFID with performance monitoring reports ("**Performance Monitoring Reports**") in accordance with the process set out in Section 3 (Terms of Reference).

12.3.1 details of compliance with its obligations under Clause 7.8.2

12.3.2 details of compliance with any additional obligations set out in Section 3 (Terms of Reference); and

12.3.3 such other details as DFID may reasonably require from time to time.

12.4 The Parties shall attend meetings to discuss Performance Monitoring Reports ("**Performance Review Meetings**") on a monthly basis (unless otherwise agreed). The Performance Review Meetings will be the forum for the review by the Supplier and DFID of the Performance Monitoring Reports. The Performance Review Meetings shall (unless otherwise agreed):

12.4.1 take place within one (1) week of the Performance Monitoring Reports being issued by the Supplier;

12.4.2 take place at such location and time (within normal business hours) as DFID shall reasonably require unless otherwise agreed in advance;

12.4.3 be attended by the Supplier's Contract Officer and the DFID's Contract Officer; and

12.4.4 be fully minuted by the Supplier. The prepared minutes will be circulated by the Supplier to all attendees at the relevant meeting and also to the DFID's Contract Officer and any other recipients agreed at the relevant meeting. The minutes of the preceding month's Performance Review Meeting

will be agreed and signed by both the Supplier's Contract Officer and the DFID's Contract Officer at each meeting.

12.5 In order to assess the level of performance of the Supplier, DFID may undertake satisfaction surveys in respect of the Supplier's prov

13. PROGRESS & FINANCIAL REPORTS

13.1 Where progress and financial reports are to be submitted under the Contract, the Supplier shall render those reports at such time and

14. OPEN BOOK ACCOUNTING AND AUDIT

14.1 The Supplier shall keep and maintain for seven (7) years after the expiry of the Term (or as long a period as may be agreed between the Parties), full and accurate records and accounts of the operation of this Contract including the Services provided under it, any Sub-Contracts and the amounts paid by DFID.

14.2 If so stated in Section 3 (Terms of Reference), DfID shall be entitled to apply the principles of open book contract management set out in Procurement Policy Note 05/16 (<https://www.gov.uk/government/publications/procurement-policy-note-0516-open-book-contact-management>), or any other replacement guidance or policy issued from time to time to this Contract. DFID shall apply the appropriate tier level which, in DFID's reasonable opinion, is commensurate with the delivery model of the Services and the Supplier shall comply with the principles etc. (as more particular described in the OBMC guidance).

14.3 The Supplier shall:

14.3.1 keep the records and accounts referred to in Clause 14.1 in accordance with Good Industry Practice and Law; and

14.3.2 afford DFID and/or its Auditors access to the records and accounts referred to in Clause 14.1 at the Supplier's premises and/or provide records and accounts (including copies of the Supplier's published accounts) or copies of the same, as may be required by any of the Auditors from time to time during the Term and the period specified in Clause 14.1, in order that the Auditor(s) may carry out an inspection to assess compliance by the Supplier and/or its Sub-Contractors of any of the Supplier's obligations under this Contract including in order to:

- (a) verify the accuracy of the Charges and any other amounts payable by DFID under this Contract (and proposed or actual variations to them in accordance with this Contract);
- (b) verify the costs of the Supplier (including the costs of all Sub-Contractors and any third party suppliers) in connection with the provision of the Services;
- (c) verify the Open Book Data;
- (d) verify the Supplier's and each Sub-Contractor's compliance with the applicable Law;
- (e) identify or investigate an actual or suspected Prohibited Act, impropriety or accounting mistakes or any breach or threatened breach of security and in these circumstances DFID shall have no obligation to inform the Supplier of the purpose or objective of its investigations;
- (f) identify or investigate any circumstances which may impact upon the financial stability of the Supplier and/or any Sub-Contractors or their ability to perform the Services;
- (g) obtain such information as is necessary to fulfil DFID's obligations to supply information for parliamentary, ministerial, judicial or administrative purposes including the supply of information to the Comptroller and Auditor General;
- (h) review any books of account and the internal contract management accounts kept by the Supplier in connection with this Contract;

- (i) carry out DFID's internal and statutory audits and to prepare, examine and/or certify DFID's annual and interim reports and accounts;
- (j) enable the National Audit Office to carry out an examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which DFID has used its resources;
- (k) review any records relating to the Supplier's performance of the provision of the Services and to verify that these reflect the Supplier's own internal reports and records;
- (l) verify the accuracy and completeness of any information delivered or required by this Contract;
- (m) review the Supplier's quality management systems (including any quality manuals and procedures);
- (n) review the Supplier's compliance with any standards referred to in this Contract or applicable to the provision of the Services;
- (o) inspect any of DFID's assets, including DFID's IPRs, equipment and facilities, for the purposes of ensuring that any of DFID's assets are secure and that any register of assets is up to date; and/or
- (p) review the integrity, confidentiality and security of DFID Data.

14.4 DFID shall use reasonable endeavours to ensure that the conduct of each audit does not unreasonably disrupt the Supplier or delay t

14.5 Subject to the Supplier's rights in respect of Confidential Information, the Supplier shall on demand provide the Auditor(s) with all re

14.5.1 all reasonable information requested by DFID within the scope of the audit;

14.5.2 reasonable access to sites controlled by the Supplier and to any Supplier Equipment used in the provision of the Services; and

14.5.3 access to the Supplier Personnel.

14.6 The Parties agree that they shall bear their own respective costs and expenses incurred in respect of compliance with their obligation

15. EXIT MANAGEMENT

15.1 On reasonable notice at any point during the Term, the Supplier shall provide to DFID and/or its potential Replacement Suppliers (s

15.1.1 details of the Service(s);

15.1.2 a copy of the Register, updated by the Supplier up to the date of delivery of such Registers;

15.1.3 an inventory of DFID Data in the Supplier's possession or control;

15.1.4 details of any key terms of any third party contracts and licences, particularly as regards charges, termination, assignment and novation;

15.1.5 a list of on-going and/or threatened disputes in relation to the provision of the Services;

15.1.6 all information relating to Transferring Supplier Employees or those who may be Transferring Supplier Employees' required to be provided by the Supplier under this Contract such information to include the Staffing Information as defined in Schedule 2 (Staff Transfer); and

15.1.7 such other material and information as DFID shall reasonably require,

(together, the "Exit Information").

- 15.2 The Supplier acknowledges that DFID may disclose the Supplier's Confidential Information to an actual or prospective Replacement Supplier or any third party whom DFID is considering engaging to the extent that such disclosure is necessary in connection with such engagement (except that DFID may not disclose any Supplier's Confidential Information which is information relating to the Supplier's or its Sub-Contractors' prices or costs).
- 15.3 if the Exit Information materially changes from the Exit Information previously provided and it could reasonably adversely affect:
- 15.3.1 the provision of the Services; and/or
- 15.3.2 the delivery of the exit services/exit plan; and/or
- 15.3.3 any re-tender exercise by DfID,
- then the Supplier shall notify DfID within a reasonable period of time and consult and shall consult with DFID regarding such proposed material changes and provide complete updates of the Exit Information on an as-requested basis as soon as reasonably practicable and in any event within ten (10) Working Days of a request in writing from DFID.
- 15.4 The Exit Information shall be accurate and complete in all material respects and the level of detail to be provided by the Supplier shall be such as would be reasonably necessary to enable a third party to:
- 15.4.1 prepare an informed offer for those Services; and
- 15.4.2 not be disadvantaged in any subsequent procurement process compared to the Supplier (if the Supplier is invited to participate).
- 15.5 The Supplier shall, within three (3) months after the Commencement Date, deliver to DFID an Exit Plan which:
- 15.5.1 sets out the Supplier's proposed methodology for achieving an orderly transition of the Services from the Supplier to DFID and/or its Replacement Supplier on the expiry or termination of this Contract;
- 15.5.2 complies with the requirements set out in Clause 15.7 below;
- 15.5.3 is otherwise reasonably satisfactory to DFID.
- 15.6 The Parties shall use reasonable endeavours to agree the contents of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within twenty (20) Working Days of its submission, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure.
- 15.7 Unless otherwise specified by DFID, the Exit Plan shall set out, as a minimum:
- 15.7.1 how the Exit Information is obtained;
- 15.7.2 the management structure to be employed during both transfer and cessation of the Services;
- 15.7.3 the management structure to be employed whilst carrying out the activities to be performed by the Supplier as identified in the Exit Plan;
- 15.7.4 a detailed description of both the transfer and cessation processes, including a timetable;
- 15.7.5 how the Services will transfer to the Replacement Supplier and/or DFID, including details of the processes, documentation, data transfer, systems migration, security and the segregation of DFID's technology components from any technology components operated by the Supplier or its Sub-Contractors (where applicable);
- 15.7.6 details of contracts (if any) which will be available for transfer to DFID and/or the Replacement Supplier upon the Expiry Date together with any reasonable costs required to effect such transfer (and the Supplier agrees that all assets and contracts used by the Supplier in connection with the provision of the Services will be available for such transfer);

- 15.7.7 proposals for the training of key personnel of the Replacement Supplier in connection with the continuation of the provision of the Services following the Expiry Date charged at rates agreed between the Parties at that time;
- 15.7.8 proposals for providing DFID or a Replacement Supplier copies of all documentation:
 - (a) used in the provision of the Services and necessarily required for the continued use of the Replacement Services, in which the Intellectual Property Rights are owned by the Supplier; and
 - (b) relating to the use and operation of the Services;
- 15.7.9 proposals for the assignment or novation of the provision of all services, leases, maintenance agreements and support agreements utilised by the Supplier in connection with the performance of the supply of the Services;
- 15.7.10 proposals for the identification and return of all Equipment in the possession of and/or control of the Supplier or any third party (including any Sub-Contractor);
- 15.7.11 proposals for the disposal of any redundant Services and materials;
- 15.7.12 procedures to:
 - (a) deal with requests made by DFID and/or a Replacement Supplier for Staffing Information pursuant to Schedule 2 (Staff Transfer);
 - (b) determine which Supplier Personnel are or are likely to become Transferring Supplier Employees; and
 - (c) identify or develop any measures for the purpose of the Employment Regulations envisaged in respect of Transferring Supplier Employees;
- 15.7.13 how each of the issues set out in this Clause 15 will be addressed to facilitate the transition of the Services from the Supplier to the Replacement Supplier and/or DFID with the aim of ensuring that there is no disruption to or degradation of the Services;
- 15.7.14 proposals for the supply of any other information or assistance reasonably required by DFID or a Replacement Supplier in order to effect an orderly handover of the provision of the Services.

PAYMENT AND TAXATION

16. Charges

- 16.1 In consideration of the Supplier carrying out its obligations under this Contract, including the provision of the Services, DFID shall pay
- 16.2 If DFID fails to pay any undisputed Charges properly invoiced under this Contract, the Supplier shall have the right to charge interest

17. VAT

- 17.1 The Charges are stated exclusive of VAT, which shall be added at the prevailing rate as applicable and paid by DFID following delivery of a Valid Invoice.

17.2 The Supplier shall indemnify DFID on a continuing basis against any liability, including any interest, penalties or costs incurred, which is levied, demanded or assessed on DFID at any time (whether before or after the making of a demand pursuant to the indemnity hereunder) in respect of the Supplier's failure to account for or to pay any VAT relating to payments made to the Supplier under this Contract. Any amounts due shall be paid in cleared funds by the Supplier to DFID not less than five (5) Working Days before the date upon which the tax or other liability is payable by DFID.

18. RETENTION AND SET OFF

18.1 DFID may retain or set off any amount owed to it by the Supplier against any amount due to the Supplier under this Contract or under any other agreement between the Supplier and DFID.

18.2 If DFID wishes to exercise its right pursuant to Clause 18.1 it shall give at least 21 days' notice of its intention to do so, setting out the

18.3 The Supplier shall make any payments due to DFID without any deduction whether by way of set-off, counterclaim, discount, abatement

19. SUPPLIER PROFIT

19.1 On completion of each Contract Year (or on a six-monthly basis if requested by DFID giving reasonable written notice), and for any Variation, the Supplier is required to send a written report (the "**Actual Profit Margin Report**") in a format determined by DFID from time to time setting out the Actual Profit Margin including any change to the Projected Profit Margin.

19.2 Where the Actual Profit Margin Report identifies that the Supplier has exceeded the Projected Profit Margin over the period set out in the Actual Profit Margin Report ("the **Exceeded Amount**"), the Parties shall agree within a reasonable period of time following receipt by DFID of the Actual Profit Margin Report how the Exceeded Amount should be apportioned. Where the Parties are unable to agree DFID shall be entitled to require the Supplier to do any of the following:

19.2.1 pay DFID an amount equal to the difference between the Projected Profit Margin and the Exceeded Amounted; or

19.2.2 redirect an amount equal to the difference between the Projected Profit Margin and the Exceeded Amounted back in to the programme being delivered as part of the Services; or

19.2.3 adjust the Charges.

20. SATISFACTORY PERFORMANCE

20.1 Payments made pursuant to Clause 16.1 are subject to the satisfactory performance by the Supplier of its obligations under the Contract as determined by the DFID Project Officer in addition to verification by the DFID Project Officer that all prior payments made to the Supplier under this Contract were properly due.

20.2 If for any reason the Services are not provided in accordance with this Contract, or DFID is dissatisfied with the performance of this C

20.3 Should DFID determine after paying for a particular part of the Services that this has not been provided in accordance with this Contr

21. PAYMENTS & INVOICING INSTRUCTIONS

- 21.1 Subject to DFID being satisfied that the Supplier is or has been carrying out their duties, obligations and responsibilities under this Contract, the applicable Charges shall be paid within 30 days of receipt of an undisputed Valid Invoice and payment shall be made in sterling in the UK or any other currency in any other country as determined from DFID from time to time.
- 21.2 Expenses (if any) arising in foreign currency shall be reimbursed at the exchange rate stated in OANDA (www.oanda.com) on the Friday immediately preceding the date on which the purchase was made or services acquired by the Supplier or, if this took place on a Friday, at the rate so stated on that day.
- 21.3 Unless otherwise expressly provided in Section 4 (Special Conditions) or Section 5 (Schedule of Prices), invoices should be submitted
- 21.4 DFID shall unless otherwise expressly provided in Section 4 (Special Conditions) make payments due by direct credit through the UK
- 21.4.1 details of the bank account to which payments are to be made (i.e. name and address of bank, sort code, account name and number).
- 21.4.2 the date of the invoice;
- 21.4.3 a unique invoice number;
- 21.4.4 the period(s) to which the relevant charge(s) relate;
- 21.4.5 the correct reference for this Agreement and the purchase order to which it relates;
- 21.4.6 a contact name and telephone number of a responsible person in the supplier's finance department;
- 21.4.7 a detailed breakdown of the Services and the appropriate Charges and supported by any other documentation required by DFID to substantiate the invoice.
- 21.5 All Valid Invoices should correspond with the budget lines identified in Section 5 (Schedule of Prices) of this Contract.
- 21.6 DFID may request proof of purchase in respect of any item and shall be entitled to refuse to meet a claim if this cannot be provided.
- 21.7 Where an invoice is not a Valid Invoice it may be rejected by DFID and in any event shall be liable to query and delay in payment. DF
- 22. UNITED KINGDOM INCOME TAX AND NATIONAL INSURANCE CONTRIBUTIONS**
- 22.1 Where the Supplier or any Supplier Personnel are liable to be taxed in the UK or to pay national insurance contributions in respect of consideration received under this Contract, the Supplier shall:
- 22.1.1 at all times comply with the Income Tax (Earnings and Pensions) Act 2003 and all other statutes and regulations relating to income tax, and the Social Security Contributions and Benefits Act 1992 and all other statutes and regulations relating to national insurance contributions, in respect of that consideration;
- 22.1.2 indemnify DFID against any income tax, national insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made in connection with the provision of the Services by the Supplier or any Supplier Personnel.
- 23. TAX COMPLIANCE**
- 23.1 If, at any point during the Term, an Occasion of Tax Non-Compliance occurs, the Supplier shall:

- 23.1.1 notify DFID in writing of such fact within 5 Working Days of its occurrence;
- 23.1.2 promptly provide to DFID:
 - (a) details of the steps which the Supplier is taking to address the Occasion of Tax Non-Compliance and to prevent the same from recurring, together with any mitigating factors that it considers relevant; and
 - (b) such other information in relation to the Occasion of Tax Non-Compliance as DFID may reasonably require.

Intellectual Property, Security and Information

24. INTELLECTUAL PROPERTY RIGHTS

24.1 Save as expressly granted elsewhere under this Contract:

24.1.1 DFID shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Supplier or its licensors, namely:

- (a) the Supplier Background IPR; and
- (b) the Third Party IPR.

24.1.2 the Supplier shall not acquire any right, title or interest in or to the Intellectual Property Rights of DFID or its licensors, including the:

- (a) DFID Background IPR;
- (b) DFID Data;
- (c) Project Specific IPRs; and
- (d) Programme Name and any rights and interests in it at all times.

24.2 Where either Party acquires, by operation of Law, title to Intellectual Property Rights that is inconsistent with the allocation of title s

24.3 Neither Party shall have any right to use any of the other Party's names, logos or trade marks on any of its products or services without the other Party's prior written consent.

24.4 Any Project Specific IPRs created under this Contract shall be owned by DFID. DFID grants the Supplier a licence to use any DFID Background IPR and Project Specific IPRs for the purpose of fulfilling its obligations under this Contract during its Term.

24.5 Subject to Clause 24.7, to the extent that it is necessary to enable DFID to obtain the full benefits of ownership of the Project Specific IPRs are embedded in or which are an integral part of the Project Specific IPR Items.

24.6 The Supplier shall promptly notify DFID if it is reasonably believes that it will be unable to grant or procure the grant of the licences set out in Clause 24.5 above and the Supplier shall provide full details of the adverse effect this may have on DFID's use of the Project Specific IPRs.

24.7 Where the Supplier is unable to comply with Clause 24.5, the Supplier shall refrain from embedding or integrating any Supplier Background IPRs and/or Third Party IPRs with the Project Specific IPRs in such a way that could affect DFID obtaining full benefit of the ownership of those Project Specific IPRs, except where DFID has provided express written Approval to do so.

24.8 The Supplier shall, during and after the Term, on written demand, indemnify DFID against all Losses incurred by, awarded against, or agreed to be paid by DFID (whether before or after the making of the demand pursuant to the indemnity hereunder) arising from an IPR Claim.

24.9 If an IPR Claim is made or anticipated, the Supplier must at its own expense and DFID's sole option, either:

24.9.1 procure for DFID the rights in Clause 24.5 without infringing the IPR of any third party; or

24.9.2 replace or modify the relevant item with non-infringing substitutes with no detriment to functionality of performance of the Services.

25. SECURITY REQUIREMENTS

25.1 The Supplier shall comply, and shall procure that the Supplier Personnel comply, with the Security Policy and any security plan requested by DFID.

25.2 The Supplier shall ensure that it keeps up to date with the latest version of the Security Policy.

25.3 If the Supplier believes that a change to the Security Policy will have a material and unavoidable cost implication to the Services it may submit a variation in accordance with Clause 37. In doing so, the Supplier must support its request by providing evidence of the cause of any increased costs and the steps that it has taken to mitigate those costs. Any change to the Charges shall then be agreed in discussion with the DFID Contract Officer.

25.4 Until and/or unless a change to the Charges is agreed by DFID pursuant to Clause 25.3 the Supplier shall continue to perform the Services in accordance with its obligations and for the Charges applicable prior to any change request.

26. MALICIOUS SOFTWARE

26.1 The Supplier shall, as an enduring obligation throughout the Term, use the latest versions of anti-virus definitions available from an industry accepted anti-virus software vendor to check for and delete Malicious Software from the ICT Environment.

26.2 Notwithstanding Clause 26.1 if Malicious Software is found, the Parties shall co-operate to reduce the effect of the Malicious Software.

26.3 Any cost arising out of the actions of the Parties taken in compliance with the provisions of Clause 26.2 shall be borne by the Parties.

26.3.1 by the Supplier where the Malicious Software originates from the Supplier Software, the Third Party Software or the DFID Data (whilst the DFID Data was under the control of the Supplier); and

26.3.2 by DFID if the Malicious Software originates from the DFID Software or the DFID Data (whilst DFID Data was under the control of DFID).

27. TRANSPARENCY

27.1 The Parties acknowledge that, except for any information which is exempt from disclosure in accordance with the provisions of Clause 29 (Freedom of Information), the content of this Contract is not confidential information. DFID shall be responsible for determining in its absolute discretion whether any of the content of the Contract is exempt from disclosure in accordance with the provisions of the FOIA.

- 27.2 Notwithstanding any other term of this Contract, the Supplier hereby gives their consent for DFID to publish the Contract in its entirety, including from time to time agreed changes to the Contract, to the general public.
- 27.3 DFID may consult with the supplier to inform its decision regarding any exemptions with regard to FOIA but DFID shall have the final decision in its absolute discretion.
- 27.4 The Supplier shall assist and cooperate with DFID to enable DFID to publish this Contract.
- 27.5 The Supplier acknowledges that DFID endorses/supports the requirements of the IATI standard and shall assist and cooperate with D
- 27.6 The Supplier shall:
- 27.6.1 publish information data to the IATI standard, that relates to a specific activity in a single, common, electronic format for the transparent, accurate, timely and comprehensive publishing of data, on all activities in the delivery chain, in the delivery of development cooperation and humanitarian aid; and
 - 27.6.2 provide all necessary assistance as reasonably requested by DFID to enable DFID to respond to the IATI requirements.
- 27.7 The Supplier shall maintain an up-to-date and accurate record of named downstream delivery partners in receipt of DFID funds and/or DFID funded inventory or assets. This record should demonstrate how funds flow from initial source to end beneficiaries. This record should be made available to DFID upon written request and within the time set out in the request. This record should be updated by the Supplier;
- 27.7.1 as required in the terms of reference;
 - 27.7.2 annually;
 - 27.7.3 when there are material changes in the delivery chain; and
 - 27.7.4 as part of the project completion process.

28. CONFIDENTIALITY

- 28.1 Except to the extent set out in this Clause 28 or where disclosure is expressly permitted elsewhere in this Contract, each Party shall:
- 28.1.1 treat the other Party's Confidential Information as confidential and safeguard it accordingly;
 - 28.1.2 not disclose the other Party's Confidential Information to any other person without the owner's prior written consent.
- 28.2 Clause 28.1 shall not apply to the extent that:
- 28.2.1 such disclosure is a requirement of Law applicable to the Party making the disclosure, including any requirements for disclosure under the FOIA, the Environmental Information Regulations and associated codes of practice pursuant to Clause 29 (Freedom of Information);
 - 28.2.2 such information was in the possession of the Party making the disclosure without obligation of confidentiality prior to its disclosure by the information owner;
 - 28.2.3 such information was obtained from a third party without obligation of confidentiality;
 - 28.2.4 such information was already in the public domain at the time of disclosure otherwise than by a breach of this Contract; or
 - 28.2.5 it is independently developed without access to the other Party's Confidential Information.

- 28.3 The Supplier may only disclose DFID's Confidential Information to the Supplier Personnel who are directly involved in the provision of the Services and who need to know the information, and shall ensure that such Supplier Personnel are aware of and shall comply with these obligations as to confidentiality.
- 28.4 The Supplier shall not, and shall procure that the Supplier Personnel do not, use any of DFID's Confidential Information received other than for the purposes of the Services.
- 28.5 At the written request of DFID, the Supplier shall procure that those members of the Supplier Personnel referred to in Clause 28.3, respectively sign a confidentiality undertaking prior to commencing any work in accordance with this Contract.
- 28.6 Nothing in this Contract shall prevent DFID from disclosing the Supplier's Confidential Information:
- 28.6.1 on a confidential basis to any Central Government Body for any proper purpose of DFID or of the relevant Central Government Body;
 - 28.6.2 to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;
 - 28.6.3 to the extent that DFID (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;
 - 28.6.4 on a confidential basis to a professional adviser, consultant, supplier or other person engaged by any of the entities described in Clause 28.6.1 (including any benchmarking organisation) for any purpose relating to or connected with this Contract;
 - 28.6.5 on a confidential basis for the purpose of the exercise of its rights under this Contract, including the Audit Rights, its step-in rights pursuant to Clause 14 (Open Book Accounting and Audit), its rights to appoint an advisor pursuant to Clause 45 (Dispute Resolution) and any rights set out in Clause 15 (Exit Management);
 - 28.6.6 on a confidential basis to a proposed Successor Body in connection with any assignment, novation or disposal of any of its rights, obligations or liabilities under this Contract; or
 - 28.6.7 for the purpose of the examination and certification of DFID's accounts,
- and for the purposes of the foregoing, references to disclosure on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on DFID under this Clause 28.
- 28.7 Nothing in this Clause 28 shall prevent either party from using any techniques, ideas or know-how gained during the performance of the Contract in the course of its normal business to the extent that this use does not result in a disclosure of the other party's Confidential Information or an infringement of IPR.

29. FREEDOM OF INFORMATION

- 29.1 The Supplier acknowledges that DFID is subject to the requirements of the FOIA, the Environmental Information Regulations and associated codes of practice and shall assist and cooperate with DFID to enable DFID to comply with its Information disclosure obligations.
- 29.2 The Supplier shall and shall ensure that its Sub-Contractors shall:

- 29.2.1 transfer to DFID all Requests for Information that it receives as soon as practicable and in any event within two (2) Working Days of receiving a Request for Information;
 - 29.2.2 provide DFID with a copy of all Information in its possession, or power in the form that DFID requires within five (5) Working Days (or such other period as DFID may specify) of DFID's request; and
 - 29.2.3 provide all necessary assistance as reasonably requested by DFID to enable DFID to respond to the Request for Information within the time for compliance set out in section 10 of the FOIA or regulation 5 of the Environmental Information Regulations.
- 29.3 DFID shall be responsible for determining in its absolute discretion and notwithstanding any other provision in this Contract or any other contract entered into by DFID, the Information to be disclosed in response to a Request for Information.
- 29.4 In no event shall the Supplier respond directly to a Request for Information unless expressly authorised to do so by DFID.
- 29.5 The Supplier acknowledges that DFID may, acting in accordance with any code of practice issued pursuant to Section 45 of FOIA ("the Code"), disclose Information in response to a Request for Information in the following circumstances:
- 29.5.1 in certain circumstances without consulting the Supplier;
 - 29.5.2 following consultation with the Supplier and having taken their views into account;
 - 29.5.3 provided always that where Clause 29.5.1 applies DFID shall, in accordance with any recommendations of the Code, take reasonable steps, where appropriate, to give the Supplier advanced notice, or failing that, to draw the disclosure to the Supplier's attention after any such disclosure.
- 29.6 The Supplier shall ensure that all Information is retained for disclosure in accordance with Clauses 29.7 and 29.8 and shall permit DFID to inspect such records as requested by DFID from time to time.
- 29.7 The Supplier shall, during this Contract and for a period of at least seven years following the expiry or termination of this Contract, retain and maintain all Information:
- 29.7.1 in accordance with Good Industry Practice and Law;
 - 29.7.2 in chronological order;
 - 29.7.3 in a form that is capable of audit;
 - 29.7.4 at its own expense.
- 29.8 Wherever practical, original Information shall be retained and maintained in hard copy form.
- 30. OFFICIAL SECRETS ACT**
- 30.1 The Supplier shall, and shall ensure that the Supplier Personnel shall, comply with any relevant obligations arising under the Official Secrets Acts 1911 to 1989.
- 31. DFID DATA**
- 31.1 The Supplier shall not delete or remove any proprietary notices contained within or relating to DFID Data.

- 31.2 The Supplier shall not store, copy, disclose, or use DFID Data except as necessary for the performance by the Supplier of its obligations.
- 31.3 To the extent that DFID Data is held and/or processed by the Supplier, the Supplier shall supply that DFID Data to DFID as requested.
- 31.4 Upon receipt or creation by the Supplier of any DFID Data and during any collection, processing, storage and transmission by the Supplier of any DFID Data, the Supplier shall take responsibility for preserving the integrity of DFID Data and preventing the corruption or loss of DFID Data.
- 31.5 The Supplier shall perform secure back-ups of all DFID Data and shall ensure that up-to-date back-ups are stored off-site in accordance with the Security Policy.
- 31.6 The Supplier shall ensure that the system on which the Supplier holds any DFID Data, including back-up data, is a secure system that meets the requirements of the Security Policy.
- 31.7 If DFID Data is corrupted, lost or sufficiently degraded as a result of the Supplier's Default so as to be unusable, DFID may:
- 31.7.1 require the Supplier (at the Supplier's expense) to restore or procure the restoration of DFID Data to the extent and in accordance with the Business Continuity and Disaster Recovery Provisions specified in the Security Policy and the Supplier shall do so as soon as practicable but not later than three days following a written request from DFID; and/or
- 31.7.2 itself restore or procure the restoration of DFID Data, and shall be repaid by the Supplier any reasonable expenses incurred in doing so to the extent and in accordance with the requirements specified in the Business Continuity and Disaster Recovery provisions specified in the Security Policy.
- 31.8 If at any time the Supplier suspects or has reason to believe that DFID Data has or may become corrupted, lost or sufficiently degraded, the Supplier shall notify DFID immediately.
- 31.9 The Supplier shall obtain and maintain certification under the HM Government Cyber Essentials Scheme.

32. PROTECTION OF PERSONAL DATA

- 32.1 With respect to the Parties' rights and obligations under this Contract, the parties agree that DFID is the Data Controller and that the Supplier is the Data Processor.
- 32.2 The Supplier shall:
- 32.2.1 process the Personal Data only in accordance with instructions from DFID (which may be specific instructions or instructions of a general nature as set out in this Contract or as otherwise notified by DFID to the Supplier during the Term);
- 32.2.2 process the Personal Data only to the extent, and in such manner, as is necessary for the provision of the Services or as is required by Law or any Regulatory Body;
- 32.2.3 implement appropriate technical and organisational measures to protect the Personal Data against unauthorised or unlawful processing and against accidental loss, destruction, damage, alteration or disclosure. These measures shall be appropriate to the harm which might result from any unauthorised or unlawful processing, accidental loss, destruction or damage to the Personal Data and having regard to the nature of the Personal Data which is to be protected;
- 32.2.4 take reasonable steps to ensure the reliability of any Supplier Personnel who have access to the Personal Data;
- 32.2.5 obtain Approval in order to transfer the Personal Data to any Sub-Contractors or Affiliates for the provision of the Services;

- 32.2.6 ensure that all Supplier Personnel required to access the Personal Data are informed of the confidential nature of the Personal Data and comply with the obligations set out in this Clause 32;
- 32.2.7 ensure that none of Supplier Personnel publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by DFID;
- 32.2.8 notify DFID (within two Working Days) if it receives:
 - (a) a request from a Data Subject to have access to that person's Personal Data; or
 - (b) a complaint or request relating to DFID's obligations under the Data Protection Legislation;
- 32.2.9 provide DFID with full cooperation and assistance in relation to any complaint or request made, including by:
 - (a) providing DFID with full details of the complaint or request;
 - (b) complying with a data access request within the relevant timescales set out in the Data Protection Legislation and in accordance with DFID's instructions;
 - (c) providing DFID with any Personal Data it holds in relation to a Data Subject (within the timescales required by DFID);
 - (d) providing DFID with any information requested by DFID;
- 32.2.10 permit DFID or its representatives (subject to reasonable and appropriate confidentiality undertakings), to inspect and audit, in accordance with Clause 14 (Open Book Accounting and Audit) Supplier's data processing activities (and/or those of its agents, subsidiaries and Sub-Contractors) and comply with all reasonable requests or directions by DFID to enable DFID to verify and/or procure that the Supplier is in full compliance with its obligations under this Contract;
- 32.2.11 provide a written description of the technical and organisational methods employed by the Supplier for processing Personal Data (within the timescales required by DFID);
- 32.2.12 not Process Personal Data outside the United Kingdom without Approval and, where DFID Approves a transfer, to comply with:
 - (a) the obligations of a Data Controller under the Eight Data Protection Principle set out in schedule 2 of the Data Protection Act 1998 by providing an adequate level of protection to any Personal Data that is transferred;
 - (b) any reasonable instructions notified to it by DFID.

32.3 The Supplier shall comply at all times with the Data Protection Legislation and shall not perform its obligations under this Contract in

33. BRANDING

- 33.1 The Supplier shall collaborate with DFID and proactively look for ways to build support for development and raise awareness of DFID's funding. The Supplier shall explicitly acknowledge DFID's funding, in written and verbal communications about activities related to the funding, to the public or third parties, including in announcements, and through use, where appropriate, of DFID's "UK aid – from the British people" logo ('UK aid logo') in accordance with DFID standards for use of the UK aid logo, unless otherwise agreed in advance by DFID and in all cases subject to security and safety considerations of the Supplier.

- 33.2 The Supplier shall provide a visibility statement of how and when they will acknowledge funding from DFID and where they will use the UK aid logo. The Supplier shall include reference to this in its progress reports and annual reviews.
- 33.3 Suppliers may use the UK aid logo in conjunction with other donor logos, and where the number of donors to a programme or project is such as to make co-branding impractical, acknowledgement of funding from DFID shall be equal to that of other co-donors making contributions of equivalent amounts to the programme or project.

Liabilities

34. LIMIT OF LIABILITY

- 34.1 Neither Party limits its liability for:
- 34.1.1 death or personal injury caused by its negligence, or that of its employees, agents or Sub-Contractors (as applicable);
 - 34.1.2 fraud or fraudulent misrepresentation by it or its employees;
 - 34.1.3 breach of any obligation as to title implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982; or
 - 34.1.4 any liability to the extent it cannot be limited or excluded by Law.
- 34.2 Subject to Clause 34.1, the Supplier's total aggregate liability in respect of all Losses (whether in tort, contract or otherwise) incurred by DFID under or in connection with the Contract as a result of Defaults by the Supplier shall not exceed the Financial Limit unless a different amount has been stated in Section 4 (Special Conditions) in which case that amount shall apply.
- 34.3 Subject to Clause 34.1, DFID's total aggregate liability in respect of all Losses (whether in tort, contract or otherwise) shall not exceed one hundred thousand pounds (£100,000).
- 34.4 Subject to Clause 34.1 neither Party be liable to the other for any:
- 34.4.1 loss of profits, turnover, savings business opportunities, revenue or damage to goodwill (in each case whether direct or indirect); and/or
 - 34.4.2 indirect, special or consequential loss or damage of any nature and howsoever caused, even if the losses were reasonably foreseeable or the Party has been advised of the possibility of such losses occurring.
- 34.5 Subject to Clause 34.2, and notwithstanding Clause 34.4, the Supplier acknowledges that DFID may, amongst other things, recover from the Supplier the following losses incurred by DFID to the extent that they arise as a result of a Default by the Supplier:
- 34.5.1 any additional operational and/or administrative costs and expenses incurred by DFID, including costs relating to time spent by or on behalf of DFID in dealing with the consequences of the Default;

- 34.5.2 any wasted expenditure or charges;
- 34.5.3 the additional cost of procuring Replacement Services for the remainder of the Term, which shall include any incremental costs associated with such Replacement Services above those which would have been payable under this Contract;
- 34.5.4 any compensation or interest paid to a third party by DFID; and
- 34.5.5 any fine, penalty or costs incurred by DFID pursuant to Law.

35. INDEMNITY

- 35.1 Subject to Clauses 34.1 to 34.5 (inclusive), the Supplier shall indemnify DFID in respect of any Losses howsoever arising out of or in consequence of negligent acts or omissions by the Supplier or the Supplier Personnel or any claims made against DFID by third parties in respect thereof and in relation to this Contract.
- 35.2 The Supplier shall not be responsible for any injury, loss, damage, cost or expense if and to the extent that it is caused by the negligence or wilful misconduct of DFID or DFID's employees, or by breach by DFID of its obligations under the Contract.

36. INSURANCE

- 36.1 The Supplier shall effect and maintain insurances in relation to the performance of its obligations under this Contract in accordance with Schedule 3 (Insurance Requirements).
- 36.2 The Supplier shall ensure that its Sub-Contractors shall effect and maintain insurances (where appropriate) in relation to the performance of their obligations under any Sub-Contracts appropriate to Services being provided.
- 36.3 The terms of any insurance or the amount of cover shall not relieve the Supplier of any liabilities arising under this Contract.

Control of Contract

37. VARIATIONS

- 37.1 Either Party may request a variation to this Contract provided that such variation does not amount to a material change of this Contract within the meaning of the Regulations and the Law. Such a change once implemented is hereinafter called a "**Variation**".
- 37.2 A Party may request a Variation at any time by sending the request in writing to the relevant Contract Officer. The request shall contain sufficient information setting out:

- 37.2.1 the extent of the proposed Variation and any additional cost that may be incurred; and
- 37.2.2 a formal, technical and commercial justification.
- 37.3 In the event that the Parties are unable to agree a change to the Contract that may be included in a request of a Variation or response to as a consequence thereof DFID may:
 - 37.3.1 agree to continue to perform its obligations under this Contract without the Variation; or
 - 37.3.2 terminate this Contract with immediate effect, except where the Supplier has already fulfilled part or all of the provision of the Services in accordance with this Contract or where the Supplier can show evidence of substantial work being carried out to provide the Services under this Contract, and in such a case the Parties shall attempt to agree upon a resolution to the matter. Where a resolution cannot be reached, the matter shall be dealt with under the Dispute Resolution Procedure.
- 37.4 If the Parties agree the Variation, the Variation shall be effected upon both Parties signing the Contract Amendment Letter (Appendix A) and the Supplier shall implement such Variation and be bound by the same provisions so far as is applicable, as though such Variation was stated in this Contract.

38. ASSIGNMENT AND NOVATION

- 38.1 The Supplier shall not assign, novate or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Contract without Approval.
- 38.2 Subject to Clause 38.1, the Supplier may assign to a third party ("the Assignee") the right to receive payment of the Charges or any part thereof due to the Supplier under this Contract (including any interest to which DFID is liable under the Late Payments of Commercial Debts (Interest) Act 1998). Any assignment under this Clause 38.2 shall be subject to:
 - 38.2.1 deduction of any sums in respect of which DFID exercises its right of recovery under Clause 18 (Retention and Set Off);
 - 38.2.2 all related rights of DFID under the Contract in relation to the recovery of sums due but unpaid; and
 - 38.2.3 DFID receiving notification under both Clauses 38.3 and 38.4.
- 38.3 In the event that the Supplier assigns the right to receive the Charges under Clause 38.2, the Supplier shall notify DFID in writing of the assignment and the date upon which the assignment becomes effective.
- 38.4 The Supplier shall notify DFID of the assignee's contact information and bank account details to which DFID shall make payment.

Default and Termination

39. DFID REMEDIES FOR DEFAULT

39.1 Remedies

- 39.1.1 Without prejudice to any other right or remedy of DFID howsoever arising if the Supplier commits any Default of this Contract then DFID may (whether or not any part of the Services have been provided) do any of the following:

- (a) at DFID's option, give the Supplier the opportunity (at the Supplier's expense) to remedy the Default together with any damage resulting from such Default (where such Default is capable of remedy) or to supply Replacement Services and carry out any other necessary work to ensure that the terms of this Contract are fulfilled, in accordance with the DFID 's instructions;
- (b) carry out, at the Supplier's expense, any work necessary to make the provision of the Services comply with this Contract;
- (c) if the Default is a material Default that is capable of remedy (and for these purposes a material Default may be a single material Default or a number of Defaults or repeated Defaults - whether of the same or different obligations and regardless of whether such Defaults are remedied - which taken together constitute a material Default):
 - (i) instruct the Supplier to comply with the Rectification Plan Process;
 - (ii) suspend this Contract (whereupon the relevant provisions of Clause 43 (Partial Termination, Suspension and Partial Suspension) shall apply) and step-in to itself supply or procure a third party to supply (in whole or in part) the Services;
 - (iii) without terminating or suspending the whole of this Contract, terminate or suspend this Contract in respect of part of the provision of the Services only (whereupon the relevant provisions of Clause 43 (Partial Termination, Suspension and Partial Suspension) shall apply) and step-in to itself supply or procure a third party to supply (in whole or in part) such part of the Services.

39.1.2 Where DFID exercises any of its step-in rights under Clauses 39.1.1 (c) (ii) or 39.1.1 (c) (iii), DFID shall have the right to charge the Supplier for and the Supplier shall on demand pay any costs reasonably incurred by DFID (including any reasonable administration costs) in respect of the supply of any part of the Services by DFID or a third party and provided that DFID uses its reasonable endeavours to mitigate any additional expenditure in obtaining Replacement Services.

39.2 Rectification Plan Process

39.2.1 Where DFID has instructed the Supplier to comply with the Rectification Plan Process pursuant to 39.1.1 (c) (i):

- (a) the Supplier shall submit a draft Rectification Plan to DFID for it to review as soon as possible and in any event within 10 (ten) Working Days (or such other period as may be agreed between the Parties) from the date of DFID's instructions. The Supplier shall submit a draft Rectification Plan even if the Supplier disputes that it is responsible for the Default giving rise to the DFID's request for a draft Rectification Plan.
- (b) the draft Rectification Plan shall set out:
 - (i) full details of the Default that has occurred, including a root cause analysis;
 - (ii) the actual or anticipated effect of the Default; and
 - (iii) the steps which the Supplier proposes to take to rectify the Default (if applicable) and to prevent such Default from recurring, including timescales for such steps and for the rectification of the Default (where applicable).

39.2.2 The Supplier shall promptly provide to the DFID any further documentation that the DFID requires to assess the Supplier's root cause analysis. If the Parties do not agree on the root cause set out in the draft Rectification Plan, either Party may refer the matter to be determined by an expert in accordance with Dispute Resolution Procedure.

39.2.3 DFID may reject the draft Rectification Plan by notice to the Supplier if, acting reasonably, it considers that the draft Rectification Plan is inadequate, for example because the draft Rectification Plan:

- (a) is insufficiently detailed to be capable of proper evaluation;

- (b) will take too long to complete;
- (c) will not prevent reoccurrence of the Default; and/or
- (d) will rectify the Default but in a manner which is unacceptable to DFID.

39.2.4 DFID shall notify the Supplier whether it consents to the draft Rectification Plan as soon as reasonably practicable. If DFID rejects the draft Rectification Plan, DFID shall give reasons for its decision and the Supplier shall take the reasons into account in the preparation of a revised Rectification Plan. The Supplier shall submit the revised draft of the Rectification Plan to DFID for review within five (5) Working Days (or such other period as agreed between the Parties) of the DFID's notice rejecting the first draft.

39.2.5 If DFID consents to the Rectification Plan, the Supplier shall immediately start work on the actions set out in the Rectification Plan.

40. FORCE MAJEURE

40.1 Subject to the remainder of this Clause 40, a Party may claim relief under this Clause 40 from liability for failure to meet its obligations under this Contract for as long as and only to the extent that the performance of those obligations is directly affected by a Force Majeure Event. Any failure or delay by the Supplier in performing its obligations under this Contract which results from a failure or delay by an agent, Sub-Contractor or supplier shall be regarded as due to a Force Majeure Event only if that agent, Sub-Contractor or supplier is itself impeded by a Force Majeure Event from complying with an obligation to the Supplier.

40.2 The Affected Party shall as soon as reasonably practicable issue a Force Majeure Notice, which shall include details of the Force Majeure Event, its effect on the obligations of the Affected Party and any action the Affected Party proposes to take to mitigate its effect.

40.3 If the Supplier is the Affected Party, it shall not be entitled to claim relief under this Clause 40 to the extent that consequences of the relevant Force Majeure Event:

40.3.1 are capable of being mitigated by any of the provision of any Services but the Supplier has failed to do so; and/or

40.3.2 should have been foreseen and prevented or avoided by a prudent provider of services similar to the Services, operating to the standards required by this Contract.

40.4 Subject to DFID's right to terminate set out in Clause 40.5, the Parties shall at all times following the occurrence of a Force Majeure Event and during its subsistence use their respective reasonable endeavours to prevent and mitigate the effects of the Force Majeure Event. Where the Supplier is the Affected Party, it shall take all steps in accordance with Good Industry Practice to overcome or minimise the consequences of the Force Majeure Event.

40.5 Where DFID receives a Force Majeure Notice, from the date of receipt of the Force Majeure Notice, DFID may, at its sole discretion, either suspend this Contract for a period of up to six (6) months ("the Suspension Period") or terminate this Contract forthwith.

40.6 The Affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with its obligations under this Contract.

40.7 Relief from liability for the Affected Party under this Clause 40 shall end as soon as the Force Majeure Event no longer causes the Affected Party to be unable to comply with its obligations under this Contract and shall not be dependent on the serving of notice under Clause 40.6.

40.8 If by the end of the Suspension Period the Parties have not agreed a further period of suspension or re-instatement of the Contract, this Contract shall terminate automatically.

41. TERMINATION WITHOUT DEFAULT OF THE SUPPLIER

41.1 DFID may, at its sole discretion, terminate this Contract, at any time by issuing a Termination Notice to the Supplier giving at least thirty (30) Working Days written notice (unless stated differently in Section 4 (Special Conditions)).

42. TERMINATION WITH DEFAULT OF THE SUPPLIER

42.1 DFID may terminate this Contract for material Default by issuing a Termination Notice to the Supplier where:

42.1.1 any representation or warranty given by the Supplier pursuant to Clause 2 (Representations and Warranties) is materially untrue or misleading, and the Supplier fails to provide details of proposed mitigating factors which in the reasonable opinion of DFID are acceptable;

42.1.2 DFID expressly reserves the right to terminate this Contract for material Default;

42.1.3 the Supplier commits any material Default of the Contract which is not, in the reasonable opinion of DFID, capable of remedy; and/or

42.1.4 the Supplier commits a Default, including a material Default, which in the opinion of DFID is remediable but has not remedied such Default to the satisfaction of DFID in accordance with the Rectification Plan Process.

42.2 For the purpose of Clause 42.1, a material Default may be a single material Default or a number of Defaults or repeated Defaults (whether of the same or different obligations and regardless of whether such Defaults are remedied) which taken together constitute a material Default.

42.3 DFID may, without prejudice to its other rights, including but not limited to the right to claim for Losses incurred, issue a Termination Notice where:

42.3.1 the Supplier or any Supplier Personnel, either directly or through their servants or agents or Sub-Contractors breaches any of their obligations under this Contract; or

42.3.2 the Supplier, Supplier Personnel, servants, agents or Sub-Contractors, or any person acting on their behalf has committed an offence under the Bribery Act 2010 or the Terrorism Act 2000 in breach of Clauses 35 or 36 of this Contract; or

42.3.3 DFID has the right to terminate under Clause 37.3.2; or

42.3.4 the Supplier is an individual or a partnership and at any time:

(a) becomes bankrupt; or

(b) is the subject of a receiving order or administration order; or

- (c) makes any composition or arrangement with or for the benefit of the Supplier's creditors; or
- (d) makes any conveyance or assignment for the benefit of the Supplier's creditors; or
- (e) the warranty given by the supplier pursuant to Clause 23 (Tax Compliance) is materially untrue; or
- (f) the Supplier commits a material breach of its obligation to notify DFID of any Occasion of Tax Non Compliance as required by Clause 23 (Tax Compliance); or
- (g) the Supplier fails to provide details of proposed mitigating factors which in the reasonable opinion of DFID, are acceptable; or

42.3.5 the Supplier is a company and:

- (a) an order is made or a resolution is passed for the winding up of the Supplier; or
- (b) a receiver or administrator is appointed in respect of the whole or any part of the undertaking of the Supplier; or

42.3.6 the Supplier is a partnership or a company and there is a Change of Control.

42.3.7 there is an occurrence of any of the statutory provisos contained in Regulation 73(1)(a)-(c) of the Regulations.

42.4 Where this Contract is terminated in accordance with this Clause 42, the Supplier shall without prejudice to DFID's other remedies, take any steps necessary to terminate the provision of the Services in a timely and orderly manner and in compliance with Clause 15 (Exit Management) but shall not be entitled to any further payment in relation to this Contract.

43. PARTIAL TERMINATION, SUSPENSION AND PARTIAL SUSPENSION

43.1 Where DFID has the right to terminate this Contract, DFID shall be entitled to terminate or suspend all or part of this Contract provided always that, if DFID elects to terminate or suspend this Contract in part, the parts of this Contract not terminated or suspended can, in DFID's reasonable opinion, operate effectively to deliver the intended purpose of the surviving parts of this Contract.

43.2 Any suspension of this Contract under Clause 43.1 shall be for such period as DFID may specify and without prejudice to any right of termination which has already accrued, or subsequently accrues, to DFID.

43.3 The Parties shall seek to agree the effect of any Variation necessitated by a partial termination, suspension or partial suspension in accordance with the procedure set out in Clause 37 (Variation), including the effect that the partial termination, suspension or partial suspension may have on the provision of any other Services and the Charges, provided that the Supplier shall not be entitled to:

43.3.1 an increase in the Charges in respect of the provision of the Services that have not been terminated if the partial termination arises due to the exercise of any of DFID's termination rights under Clause 42 (Termination With Default of the Supplier) except Clause 41 (Termination Without Default of the Supplier); and

43.3.2 reject the Variation.

44. CONSEQUENCES OF EXPIRY OR TERMINATION

44.1 Where this Contract has been terminated pursuant to Clause 41 (Termination Without Default of the Supplier), the Supplier shall:

- 44.1.1 take such steps as are necessary to terminate the provision of the Services or any part of the Services (including suspending or terminating any Sub-Contracts) in a cost-effective, timely and orderly manner;
- 44.1.2 act in accordance with Clause 15 (Exit Management); and
- 44.1.3 provide to DFID, not more than 60 days after DFID notifies the Supplier of the termination of this Contract an account in writing with detailed supporting evidence, stating:
 - (a) any costs, if any, due before the date of termination, which cannot be avoided by the Supplier using reasonable endeavours; and
 - (b) costs to be expended after the date of termination which the Supplier necessarily incurred in the proper performance of this Contract and which the Supplier cannot reasonably avoid or recover using reasonable endeavours;

and, subject to Approval, DFID shall pay such amount stated pursuant to Clause 44.1.3 to the Supplier within 30 days of receipt from the Supplier of a Valid Invoice in respect of the amount due.

- 44.2 Where this Contract is terminated under Clause 42 (Termination with Default of the Supplier) and DFID makes other arrangements for the provision of Services DFID may recover from the Supplier pursuant to Clause 18 (Retention and Set Off) or otherwise, the cost reasonably incurred of making those other arrangements and any additional expenditure incurred by DFID throughout the remainder of the Term provided that DFID shall take all reasonable steps to mitigate such additional expenditure.
- 44.3 Where this Contract is terminated for any reason, save as expressly provided in this Contract:
 - 44.3.1 termination or expiry of this Contract shall be without prejudice to any rights, remedies or obligations accrued under this Contract prior to termination or expiration and nothing in this Contract shall prejudice the right of either Party to recover any amount outstanding at the time of such termination or expiry; and
 - 44.3.2 termination of this Contract shall not affect the continuing rights, remedies or obligations of DFID or the Supplier under Clauses 14, 15, 16, 17, 18, 20, 21, 24, 27, 28, 29, 30, 31, 32, 34, 35, 44, 45, 49 and 54, and the provisions of Schedule 2 (Staff Transfer) of this Section 2 and any relevant clauses listed under Section 4 (Special Conditions), and, without limitation to the foregoing, any other provision of this Contract which expressly or by implication is to be performed or observed notwithstanding termination or expiry shall survive the Expiry Date.

MISCELLANEOUS AND GOVERNING LAW

45. DISPUTE RESOLUTION PROCEDURE

- 45.1 The Parties will attempt in good faith to negotiate a settlement to any Dispute between them arising out of or in connection with this Contract. If the matter is not resolved by negotiation within 45 days of when either Party first made contact in respect of the same, the Parties will refer the Dispute to mediation in accordance with CEDR (Centre for Effective Dispute Resolution in London, UK) procedures. If the parties fail to agree terms of settlement within 90 days of the initiation of the procedure the Dispute may be referred to an arbitrator as agreed between the parties or failing such agreement as may be nominated by the President of the Law Society of England and Wales upon application of any Party. The initiation of the procedure is defined as the written request to CEDR by any Party for mediation provided that such request is copied to the other Party.
- 45.2 The decision of the arbitrator shall be final and binding on both Parties.

45.3 The seat and place of arbitration shall be London.

46. PREVENTION OF FRAUD AND BRIBERY

46.1 The Supplier represents and warrants that neither it, nor to the best of its knowledge any Supplier Personnel, any person acting on t

46.1.1 committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or

46.1.2 been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.

46.2 The Supplier, Supplier Personnel, or any person acting on their behalf shall not during the Term:

46.2.1 commit a Prohibited Act; and/or

46.2.2 do or suffer anything to be done which would cause DFID or any of DFID's employees, consultants, suppliers, Sub-Contractors or agents to contravene any of the Relevant Requirements or otherwise incur any liability in relation to the Relevant Requirements.

46.3 The Supplier shall during the Term:

46.3.1 establish, maintain and enforce, and require that its Supplier Personnel establish, maintain and enforce, policies and procedures which are adequate to ensure compliance with the Relevant Requirements and prevent the occurrence of a Prohibited Act;

46.3.2 keep appropriate records of its compliance with its obligations under Clause 46.3.1 and make such records available to DFID on request.

46.4 The Supplier shall immediately notify DFID in writing if it becomes aware of any breach of Clause 46.1 and/or Clause 46.2, or has reason to believe that it has or any Supplier Personnel, servants, agents or Sub-Contractors, or any person acting on their behalf have:

46.4.1 been subject to an investigation or prosecution which relates to an alleged Prohibited Act;

46.4.2 been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act; and/or

46.4.3 received a request or demand for any undue financial or other advantage of any kind in connection with the performance of this Contract or otherwise suspects that any person or party directly or indirectly connected with this Contract has committed or attempted to commit a Prohibited Act.

46.5 The Supplier warrants and represents to DFID that to the best of its knowledge, that neither the Supplier, Supplier Personnel, servants, agents or Sub-Contractors, or any person acting on their behalf:

46.5.1 has given, offered or agreed to give or accepted, any gift or consideration of any kind as an inducement or reward for doing or for bearing to do or for having done or forborne to do any act in relation to the obtaining or execution of any contract or for showing or forbearing to show favour or disfavour to any person or entity in relation to any contract; or

46.5.2 has entered into any contract in connection with which commission has been paid or agreed to be paid by or to the Supplier or Supplier Personnel or on their behalf or to their knowledge unless, before such contract was made, particulars of any such commission and of the terms of any agreement for the payment of such commission were disclosed in writing to DFID, whose written consent was subsequently given to such payment.

46.6 Neither the Supplier or the Supplier Personnel or any person acting on their behalf shall accept for their own benefit or pass on for t

46.7 Where the Supplier or Supplier Personnel, or any person acting on their behalf, does any of the acts mentioned in Clause 46.5 or con

46.7.1 to terminate the Contract with immediate effect by written notice to the Supplier and recover from the Supplier the amount of any Losses resulting from the termination;

46.7.2 to recover from the Supplier the amount or value of any such gift, consideration or commission;

46.7.3 to recover from the Supplier any other Losses sustained as a result of any breach of this Clause 46, whether or not the Contract is terminated.

46.8 DFID, the Supplier and the Supplier Personnel shall immediately and without undue delay inform each other of any event that interferes or threatens to materially interfere with the successful delivery of the Services, whether financed in full or in part by DFID, including credible suspicion of/or actual fraud, bribery, corruption or any other financial irregularity or impropriety.

DFID has an expert fraud investigation unit, that should be contacted in the first instance at reportingconcerns@dfid.gov.uk or +44 (0)1355 843747. All suspicions will be treated with the utmost confidentiality.

47. ANTI-TERRORISM REGULATIONS

47.1 In accordance to the Terrorism Act 2000 and all subsequent regulations pursuant to this Act, the Supplier will assure itself to the best of its knowledge and belief that it and its Personnel shall not contravene the provisions of those and any subsequent applicable terrorism legislation.

47.2 The Supplier represents and warrants that neither it, nor to the best of its knowledge any Supplier Personnel, servants, agents or Sub-Contractors, or any person acting on their behalf, have at any time prior to the Commencement Date and/or during the term of this Contract appeared on the Home Office Proscribed Terrorist Organisations List.

47.3 The Supplier shall immediately notify DFID in writing if it becomes aware of any breach of Clause 47.1 and/or Clause 47.2, or has reason to believe that it or its Personnel has committed or is committing such a breach.

47.3.1 been subject to an investigation or prosecution which relates to an alleged infringement of Clause 47.1 and/or Clause 47.2;

47.3.2 been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts.

47.4 Where the Supplier or any of his employees, servants, agents or Sub-Contractors, or any person acting on their behalf, breaches any of the acts mentioned in Clause 47.1 and/or Clause 47.2 commits any offence under the Terrorism Act 2000, with or without the knowledge of the Supplier, in relation to this Contract or any other contract with the Crown, DFID shall be entitled:

47.4.1 to terminate the Contract with immediate effect by written notice to the Supplier and recover from the Supplier the amount of any loss resulting from the termination;

47.4.2 to recover from the Supplier any other loss sustained as a result of any breach of this Clause 47, whether or not the Contract has been terminated.

48. DISCRIMINATION

48.1 The Supplier shall not unlawfully discriminate either directly or indirectly against protected characteristics such as race, colour, ethnic or national origin, disability, sex or sexual orientation, religion or belief, or age and without prejudice to the generality of the foregoing the Supplier shall not unlawfully discriminate within the meaning and scope of the provisions of all relevant legislation including the Equality Act 2010, the International Development (Gender Equality) Act 2014 or other relevant or equivalent legislation, or any statutory modification or re-enactment thereof.

48.2 The Supplier shall adhere to the current relevant codes of practice or recommendations published by the Equality and Human Rights Commission. The Supplier shall take all reasonable steps to secure the observance

of these provisions and codes of conduct by all suppliers, employees or agents of the Supplier and all suppliers and Sub-Contractors employed in the execution of this Contract.

48.3 The Supplier will comply with any request by DFID to assist DFID in meeting its obligations under the Equality Act 2010 and to allow DFID to assess the Supplier's compliance with its obligations under the Equality Act 2010.

48.4 Where any investigation is concluded or proceedings are brought under the Equality Act 2010 which arise directly or indirectly out of any act or omission of the Supplier, its agents or Sub-Contractors, or Supplier Personnel, and where there is a finding against the Supplier in such investigation or proceedings, the Supplier will indemnify DFID with respect to all costs, charges and expenses (including legal and administrative expenses) arising out of or in connection with any such investigation or proceedings and such other financial redress to cover any payment DFID may have been ordered or required to pay to a third party.

49. LAW AND JURISDICTION

49.1 This Contract shall be governed by and interpreted in accordance with English Law and shall be subject to the exclusive jurisdiction of the Courts of England and Wales.

50. ENVIRONMENTAL REQUIREMENTS

50.1 The Supplier shall provide the Services and any goods & equipment required under the Contract in accordance with applicable national and international laws, including those of the country or countries in which the Services or goods & equipment are to be provided, and DFID's environmental operations policy, which is to conserve energy, water and other resources, reduce waste, phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.

50.2 The Supplier shall work with DFID and the populations that are potentially affected by its operations under the Contract regarding any environmental issues that could affect the sustainable development provisions of the International Development Act (2002), comply with special conditions as stipulated in the Terms of Reference and carry out any reasonable additional request to ensure the protection of the environment, society and the economy throughout the contract period.

50.3 The Supplier shall ensure it has the requisite expertise and controls to identify and mitigate all factors that may affect compliance with the conditions outlined in Clauses 50.1 and 50.2 as a result of its own operations or those of Sub-Contractors working on its behalf.

50.4 The Supplier shall promptly notify DFID of any changes in potential material adverse effects from its operations under the Contract and of the occurrence of any incident or accident related to the Project that has or is likely to have a significant adverse effect on the environment.

50.5 Nothing in Clauses 50.1 to 50.3 shall relieve the obligations of the Supplier to comply with its statutory duties and Good Industry Practice.

51. CONFLICT OF INTEREST

51.1 Neither the Supplier nor any of the Supplier Personnel shall engage in any personal, business or professional activity which conflicts or could conflict with any of their obligations in relation to this Contract.

- 51.2 The Supplier and the Supplier Personnel shall notify DFID immediately of any actual or potential conflict together with recommendations as to how the conflict can be avoided.
- 51.3 The Supplier shall establish and maintain appropriate business standards, procedures and controls to ensure that no conflict of interest arises between Services undertaken for DFID and that undertaken for other clients. The Supplier shall avoid knowingly committing any acts which are likely to result in any allegation of impropriety against DFID, including conflicts of interest which are likely to prejudice their independence and objectivity in performing the Contract, howsoever arising.
- 51.4 The Supplier shall notify DFID immediately of any circumstances of which it becomes aware which give rise or potentially give rise to a conflict with the Services and shall advise DFID of how they intend to avoid such a conflict arising or remedy such situation. The Supplier shall subject to any obligations of confidentiality it may have to third parties provide all information and assistance reasonably necessary (at the Supplier's cost) that DFID may request of the Supplier in order to avoid or resolve a conflict of interest and shall ensure that at all times they work together with DFID with the aim of avoiding a conflict or remedy a conflict.
- 51.5 Pursuant to Clause 51.4, DFID shall have the right to require that the Supplier puts in place Ethical Walls and will ensure and satisfy DFID that all information relating to the Contract and to the Services (including all working papers, draft reports in both tangible and intangible form) are not shared or made available to person(s) other than Supplier Personnel and that such matters are not discussed by any person(s) other than Supplier Personnel.
- 51.6 In the event of a failure to maintain the Ethical Walls as described above arising during the course of this Contract, DFID reserves the right to immediately terminate the Contract on giving written notice to the Supplier.

52. WAIVER

- 52.1 A waiver of any of the terms and/or conditions of this Contract shall be valid only where it is agreed expressly in writing and signed by the parties. No failure or delay by a Party to exercise any right or remedy provided under this Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

53. ENTIRE AGREEMENT

- 53.1 The Contract constitutes the entire agreement between the Parties relating to the subject matter of the Contract. The Contract supersedes all prior negotiations, representations and undertakings, whether written or oral, except that this Clause 53.1 shall not exclude liability in respect of any fraudulent misrepresentation.
- 53.2 The Supplier is not the agent of DFID and has no authority to represent and shall not purport to represent or enter into any commitments on behalf of DFID in any respect.
- 53.3 Nothing in this Contract is intended to make nor shall it make DFID the employer of the Supplier or any of the Supplier Personnel.
- 53.4 All communications by the Supplier relating to the Contract must be addressed to the DFID Contract Officer whose name and address is given in Section 4 (Special Conditions).

54. THIRD PARTY RIGHTS

- 54.1 The provisions of paragraphs 2.1 and 2.6 of Part A, paragraphs 2.1, 2.6, 3.1 and 3.3 of Part B, paragraphs 2.1 and 2.3 of Part C and paragraphs 1.4, 2.3 and 2.8 of Part D of Schedule 2 (Staff Transfer) (together the **"Third Party Provisions"**) confer benefits on persons named in such provisions other than the Parties (each such person a **"Third Party Beneficiary"**) and are intended to be enforceable by Third Parties Beneficiaries by virtue of the CRTPA.

- 54.2 Subject to Clause 54.1, a person who is not a Party to this Contract has no right under the CTRPA to enforce any term of this Contract but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.
- 54.3 No Third Party Beneficiary may enforce, or take any step to enforce, any Third Party Provision without the prior written consent of DFID, which may, if given, be given on and subject to such terms as DFID may determine.
- 54.4 Any amendments or modifications to this Contract may be made, and any rights created under Clause 54.1 may be altered or extinguished, by the Parties without the consent of any Third Party Beneficiary.

55. NOTICES

- 55.1 Except as otherwise expressly provided within this Contract, any notices sent under this Contract must be in writing. For the purpose of Clause 55, an e-mail is accepted as being "in writing".

- 55.2 Subject to Clause 55.3, the following table sets out the method by which notices may be served under this Contract and the respective deemed time and proof of service:

Manner of delivery	Deemed time of delivery	Proof of Service
Email (Subject to Clauses 55.3 and 55.4)	9.00am on the first Working Day after sending	Dispatched as a pdf attachment to an e-mail to the correct e-mail address without any error message
Personal delivery	On delivery, provided delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the next Working Day	Properly addressed and delivered as evidenced by signature of a delivery receipt
Royal Mail Signed For™ 1 st Class or other prepaid, next Working Day service providing proof of delivery	At the time recorded by the delivery service, provided that delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the same Working Day (if delivery before 9.00am) or on the next Working Day (if after 5.00pm)	Properly addressed prepaid and delivered as evidenced by signature of a delivery receipt

- 55.3 The following notices may only be served as an attachment to an email if the original notice is then sent to the recipient by personal delivery or Royal Mail Signed For™ 1st Class or other prepaid in the manner set out in the table in Clause 55.2:

55.3.1 any Termination Notice (Clause 41 (Termination Without Default of the Supplier) and Clause 42 (Termination With Default of the Supplier)); and

55.3.2 any notice in respect of:

- (a) partial termination, suspension or partial suspension (Clause 43 (Partial Termination, Suspension and Partial Suspension)),
- (b) waiver (Clause 52 (Waiver)); or

(c) Default.

- 55.4 Failure to send any original notice by personal delivery or recorded delivery in accordance with Clause 55.3 shall invalidate the service of the related e-mail transmission. The deemed time of delivery of such notice shall be the deemed time of delivery of the original notice sent by personal delivery or Royal Mail Signed For™ 1st Class delivery (as set out in the table in Clause 55.2) or, if earlier, the time of response or acknowledgement by the other Party to the email attaching the notice.
- 55.5 Clause 55 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.
- 55.6 For the purposes of Clause 55, the address and email address of each Party shall be as specified in Section 1 Form of Contract).

SCHEDULE 1: DEFINITIONS

Unless otherwise provided or the context otherwise requires the following expressions shall have the meanings set out below:

“Actual Profit Margin” means the actual profit achieved during the relevant period set out in Clause 19.1;

“Affected Party” the Party seeking to claim relief in respect of a Force Majeure Event;

“Affiliate” in relation to a body corporate, any other entity which directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control with, that body corporate from time to time;

“Approval” means the prior written consent of DFID and **“Approve”** and **“Approved”** shall be construed accordingly;

“Auditor” means:

- (a) DFID’s internal and external auditors;
- (b) DFID’s statutory or regulatory auditors;
- (c) the Comptroller and Auditor General, their staff and/or any appointed representatives of the National Audit Office;
- (d) HM Treasury or the Cabinet Office;
- (e) any party formally appointed by DFID to carry out audit or similar review functions; and
- (f) successors or assigns of any of the above.

“Central Government Body” a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics:

- (a) Government Department;
- (b) Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal);
- (c) Non-Ministerial Department; or
- (d) Executive Agency;

“Change of Control” means a change of control within the meaning of Section 450 of the Corporation Tax Act 2010;

“Charges” means the charges raised under or in connection with this Contract from time to time, which shall be calculated in a manner that is consistent with Schedule 5 (Schedule of Prices) and the eligible cost guidance:

(a) Include the following costs:

- i) the cost to the Supplier, calculated per Man Day, of engaging the Supplier Personnel, including:
 - (A) base salary paid to the Supplier Personnel;
 - (B) employer's national insurance contributions;
 - (C) pension contributions;
 - (D) car allowances;
 - (E) any other contractual employment benefits;
 - (F) staff training;
 - (G) work place accommodation;
 - (H) work place IT equipment and tools reasonably necessary to provide the Services (but not including items included within limb (ii) below); and
 - (I) reasonable recruitment costs by agreement with DFID;
- ii) costs incurred in respect of any Supplier assets which would be treated as capital costs according to generally accepted accounting principles within the UK, which shall include the cost to be charged in respect of Supplier assets by the Supplier to DFID or (to the extent that risk and title in any Supplier asset is not held by the Supplier) any cost actually incurred by the Supplier in respect of those Supplier assets;
- iii) operational costs which are not included within (i) or (ii) above, to the extent that such costs are necessary and properly incurred by the Supplier in the provision of the Services; and

(b) not include the following costs:

- i) overhead;
- ii) financing or similar costs;
- iii) maintenance and support costs to the extent that these relate to maintenance and/or support services provided beyond the Term whether in relation to Supplier assets or otherwise;
- iv) taxation;
- v) fines and penalties;
- vi) non-cash items (including depreciation, amortisation, impairments and movements in provisions);

"Commencement Date" means the date identified in Section 1 Form of Contract.

"Commercially Sensitive Information" the information listed in Section 4 (Special Conditions) comprising the information of a commercially sensitive nature relating to the Supplier, its intellectual property rights or its business of which the Supplier has indicated to DFID that, if disclosed by DFID, would cause the Supplier significant commercial disadvantage of material financial loss.

"Confidential Information" means all Personal Data and any information, however it is conveyed, that relates to the business, affairs, developments, trade secrets, know-how, personnel and suppliers of either party, including all intellectual property rights, together with all information derived from any of the above, and any other information

clearly being designated as being confidential (whether or not it is marked “confidential”) or which ought reasonably be considered to be confidential.

“Contract” means this agreement between DFID and the Supplier consisting of this Section 2 (Standard Terms and Generals) and any attached Schedules and Appendices

“Contract Amendment Letter” means the form set out in Appendix A.

“Contract Officer” means the person named in Section 4 who is responsible for all contractual aspects of the Contract.

“Control” means control in either of the senses defined in sections 450 and 1124 of the Corporation Tax Act 2010 and “Controlled” shall be construed accordingly;

“Data Controller” shall have the same meanings as set out in the Data Protection Act 1998.

“Data Processor” shall have the same meaning as set out in the Data Protection Act 1998.

“Data Protection Legislation” means the Data Protection Act 1998 and all other applicable laws and regulations relating to the processing of personal data and privacy, including without limitation, the guidance and codes of practice issued by the Information Commissioner;

“Data Subject” shall have the same meaning as set out in the Data Protection Act 1998.

“Default” means any breach of the obligations of the Supplier (including but not limited to including abandonment of this Contract in breach of its terms) or any other default (including material Default), act, omission, negligence or statement of the Supplier, of the Supplier Personnel howsoever arising in connection with or in relation to the subject-matter of this Contract and in respect of which the Supplier is liable to DFID;

“DFID Background IPR” means:

- a) IPRs owned by DFID before the Commencement Date, including IPRs contained in any of DFID's know-how, documentation, software, processes and procedures;
- b) IPRs created by DFID independently of this Contract; and/or
- c) Crown Copyright which is not available to the Supplier otherwise than under this Contract;

“DFID Data” means (a) the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, and which are: (i) supplied to the Supplier by or on behalf of DFID; or (ii) which the Supplier is required to generate, process, store or transmit pursuant to this Contract; or (b) any Personal Data for which DFID is the Data Controller.

“DFID System” DFID's computing environment (consisting of hardware, software and/or telecommunications networks or equipment) used by DFID or the Supplier in connection with this Contract which is owned by DFID or licensed to it by a third party and which interfaces with the Supplier System or which is necessary for DFID to receive the Services;

“Dispute” any dispute, difference or question of interpretation arising out of or in connection with this Contract, including any dispute, difference or question of interpretation relating to the Services, failure to agree in accordance with the Variation Procedure or any matter where this Contract directs the Parties to resolve an issue by reference to the Dispute Resolution Procedure;

“Dispute Resolution Procedure” means the dispute resolution procedure set out in Clause 45;

“DOTAS” means the Disclosure of Tax Avoidance Schemes rules which require a promoter of tax schemes to tell HM Revenue & Customs of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Part 7 of the Finance Act 2004 and as extended to National Insurance Contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012, SI 2012/1868 made under s.132A Social Security Administration Act 1992.

“Employee Liabilities” means all claims, actions, proceedings, orders, demands, complaints, investigations (save for any claims for personal injury which are covered by insurance) and any award, compensation, damages, tribunal awards, fine, loss, order, penalty, disbursement, payment made by way of settlement and costs, expenses and legal costs reasonably incurred in connection with a claim or investigation including in relation to the following:

- a) redundancy payments including contractual or enhanced redundancy costs, termination costs and notice payments;
- b) unfair, wrongful or constructive dismissal compensation;
- c) compensation for discrimination on grounds of sex, race, disability, age, religion or belief, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation or claims for equal pay;
- d) compensation for less favourable treatment of part-time workers or fixed term employees;
- e) outstanding debts and unlawful deduction of wages including any PAYE and National Insurance Contributions in relation to payments made by DFID or the Replacement Supplier to a Transferring Supplier Employee which would have been payable by the Supplier or the Sub-Contractor if such payment should have been made prior to the Service Transfer Date;
- f) claims whether in tort, contract or statute or otherwise;
- g) any investigation by the Equality and Human Rights Commission or other enforcement, regulatory or supervisory body and of implementing any requirements which may arise from such investigation;

“Employment Regulations” means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) as amended or replaced or any other Regulations implementing the Acquired Rights Directive;

“Employment Business” means an employment agency is an organization which matches employers to employees. In all developed countries there is a publicly funded employment agency and multiple private businesses which also act as employment agencies.

“Environmental Information Regulations” means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issues by the Information Commissioner or relevant Government Department in relation to such regulations;

“Ethical Walls” means a process for avoiding conflicts of interest by limiting disclosure of information to certain individuals within an organisation, thereby building a metaphorical wall between the holders of information and colleagues who represent interests or hold opinions which conflict.

“Euro Compliant” means that:

(i) the introduction of the euro within any part(s) of the UK shall not affect the performance or functionality of any relevant items nor cause such items to malfunction, end abruptly, provide invalid results or adversely affect DFID’s business;

(ii) all currency-reliant and currency-related functions (including all calculations concerning financial data) of any relevant items enable the introduction and operation of the euro; and

(iii) in particular each and every relevant item shall, to the extent it performs or relies upon currency-related functions (including all calculations concerning financial data):

(a) be able to perform all such functions in any number of currencies and/or in euros;

(b) during any transition phase applicable to the relevant part(s) of the UK, be able to deal with multiple currencies and, in relation to the euro and the national currency of the relevant part(s) of the UK, dual denominations;

(c) recognise accept, display and print all the euro currency symbols and alphanumeric codes which may be adopted by any government and other European Union body in relation to the euro;

(d) incorporate protocols for dealing with rounding and currency conversion;

(e) recognise data irrespective of the currency in which it is expressed (which includes the euro) and express any output data in the national currency of the relevant part(s) of the UK and/or the euro; and

(f) permit the input of data in euro and display an outcome in euro where such data, supporting DFID's normal business practices, operates in euro and/or the national currency of the relevant part(s) of the UK.

"Equipment" means any equipment, computer hardware or software, materials, goods and vehicles and associated services necessarily required for the implementation of the Services, which the Supplier cannot reasonably be expected to provide, which are financed or provided by DFID for use by the Supplier.

"Exit Management" services, activities, processes and procedures to ensure a smooth and orderly transition of all or part of the Services from the Supplier to DFID and/or a Replacement Supplier.

"Exit Plan" the plan produced and updated by the Supplier during the Term in accordance with Terms of Reference and Clause 15;

"Expiry Date" means:

- (a) the end date of the Initial Period or, if exercised, the end date of any Extension Period; or
- (b) if this Contract is terminated before the date specified in (a) above, the earlier date of termination of this Contract;

"Extension Period" means such period or periods up to a maximum of the number of years in total as may be specified by DFID, pursuant to Clause 4.2 and in Section 4 (Special Conditions);

"Financial Limit" means the amount specified in Section 1 (Form of Contract) and is the maximum amount of Charges paid by DFID and which DFID has agreed are duly payable under this Contract for the receipt of the Services.

"FOIA" means the Freedom of Information Act 2000 and any subordinate legislation made under this Act from time to time, together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government Department in relation to such legislation.

"Force Majeure Event" any event outside the reasonable control of either Party affecting its performance of its obligations under this Contract arising from acts, events, omissions, happenings or non-happenings beyond

its reasonable control and which are not attributable to any wilful act, neglect or failure to take reasonable preventative action by that Party, including acts of God, riots, war or armed conflict, acts of terrorism, acts of government, government or regulatory bodies, fire, flood, storm or earthquake, or disaster but excluding any industrial dispute relating to the Supplier or the Supplier Personnel, servants, agents or Sub-Contractors, or any person acting on their behalf or any other failure in the Supplier's or a Sub-Contractor's supply chain;

"Force Majeure Notice" a written notice served by the Affected Party on the other Party stating that the Affected Party believes that there is a Force Majeure Event;

“Former Supplier” means a supplier supplying services to DFID before the Relevant Transfer Date that are the same as or substantially similar to the Services (or any part of the Services) and shall include any Sub-Contractor of such supplier (or any Sub-Contractor of any such Sub-Contractor);

“General Anti-Abuse Rule” means (a) the legislation in Part 5 of the Finance Act 2013; and (b) any future legislation introduced into parliament to counteract tax advantages arising from abusive arrangements to avoid national insurance contributions.

“Good Industry Practice” at any time the exercise of that degree of care, skill, diligence, prudence, efficiency, foresight and timeliness which would be reasonably expected at such time from a leading and expert supplier of

services similar to the Services to a customer like DFID, such supplier seeking to comply with its contractual obligations in full and complying with applicable Laws;

“Halifax Abuse Principle” means the principle explained in the CJEU Case C-255/02 Halifax and others.

“HM Government Cyber Essentials Scheme” means the HM Government Cyber Essentials Scheme as further defined in the documents relating to this scheme published at <https://www.gov.uk/government/publications/cyber-essentials-scheme-overview>

“IATI” means the International Aid Transparency Initiative standard and is a technical publishing framework allowing data to be compared. It is designed to report forward-looking aggregate budget information for the reported organisations, and planned future budgets to recipient institutions or countries.

“ICT Environment” means the DFID System and the Supplier System;

“Information” has the meaning given under Section 84 of the Freedom of Information Act 2000; including

all information of whatever nature, however conveyed and in whatever form, including in writing, orally, by demonstration, electronically and in a tangible, visual or machine-readable medium (including CD-ROM, magnetic and digital form);

“Initial Period” means the initial term of this Contract from the Commencement Date to the end date of the initial term stated in Section 4 (Special Conditions);

“Intellectual Property Rights” or **“IPRs”** means

- (a) copyright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions, semi-conductor topography rights, trade marks, rights in Internet domain names and website addresses and other rights in trade names, designs, Know-How, trade secrets and other rights in Confidential Information;

- (b) applications for registration, and the right to apply for registration, for any of the rights listed at (a) that are capable of being registered in any country or jurisdiction; and
- (c) all other rights having equivalent or similar effect in any country or jurisdiction;

“IPR Claim” means any claim of infringement or alleged infringement (including the defence of such infringement or alleged infringement) of any IPR, used to provide the Services or as otherwise provided and/or licensed by the Supplier (or to which the Supplier has provided access) to DFID (including any claims arising from the publication of the Project Specific IPRs as open source) in the fulfilment of its obligations under this Contract

“Key Personnel” means the individuals (if any) identified as such in Section 4 (Special Conditions);

“Key Performance Indicators” or “KPIs” means a set of quantifiable measures that DFID and Supplier will use to measure the performance of the Services provided by the Supplier under the Contract (as defined in Section 3 Terms of Reference).

“Law” means any applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, rule of court or directives or requirements of any Regulatory Body, delegated or subordinate legislation or notice of any Regulatory Body;

“Licensed Software” all and any Software licensed by or through the Supplier, its Sub-Contractors or any third party to DFID for the purposes of or pursuant to this Contract, including any Supplier Software, Third Party Software and/or any Specially Written Software;

“Losses” means all losses, liabilities, damages, costs, expenses (including legal fees), disbursements, costs of investigation, litigation, settlement, judgment, interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise and **“Loss”** shall be interpreted accordingly;

“Malicious Software” any software program or code intended to destroy, interfere with, corrupt, or cause undesired effects on program files, data or other information, executable code or application software macros, whether or not its operation is immediate or delayed, and whether the malicious software is introduced wilfully, negligently or without knowledge of its existence;

“Man Day” means 7.5 Man Hours, whether or not such hours are worked consecutively and whether or not they are worked on the same day;

“Man Hours” means the hours spent by the Supplier Personnel properly working on the provision of the Services including time spent travelling (other than to and from the Supplier's offices) but excluding lunch breaks;

“Milestone” an event or task described in the Implementation Plan which, if applicable, shall be completed by the relevant Milestone Date;

“Milestone Payment” a payment identified in Section 5 to be made following the issue of a Milestone Achievement Certificate;

“Occasion of Tax Non-Compliance” means:

- (a) any tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 is found on or after 1 April 2013 to be incorrect as a result of:
 - vii) a Relevant Tax Authority successfully challenging the Supplier under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rules or legislation that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle;
 - viii) the failure of an avoidance scheme which the Supplier was involved in, and which was, or should have been, notified to a Relevant Tax Authority under the DOTAS or any equivalent or similar regime; and/or
- (b) any tax return of the Supplier submitted to a Relevant Tax Authority on or after October 2012 gives rise, on or after 1 April 2013, to a criminal conviction in any jurisdiction for tax related offences which is not spent at the Effective Date or to a civil penalty for fraud evasion.

“Open Book Data” means complete and accurate financial and non-financial information which is sufficient to enable DFID to verify the Charges already paid or payable and Charges forecast to be paid during the Term, including details and all assumptions relating to:

- (a) the Supplier’s Costs broken down against each Service and/or deliverable, including actual capital expenditure (including capital replacement costs) and the unit cost and total actual costs of all services;
- (b) operating expenditure relating to the provision of the Services including an analysis showing:
 - i) the unit costs and quantity of any consumables and bought-in goods and services;
 - ii) manpower resources broken down into the number and grade/role of all Supplier Personnel (free of any contingency) together with a list of agreed rates against each manpower grade; and
 - iii) a list of Costs underpinning those rates for each manpower grade, being the agreed rate less the Projected Profit Margin;
- (c) Overheads;
- (d) all interest, expenses and any other third party financing costs incurred in relation to the provision of the Services;
- (e) the Supplier Profit achieved over the Term and on an annual basis;
- (f) confirmation that all methods of Cost apportionment and Overhead allocation are consistent with and not more onerous than such methods applied generally by the Supplier;

- (g) an explanation of the type and value of risk and contingencies associated with the provision of the Services, including the amount of money attributed to each risk and/or contingency;
- (h) the actual Costs profile under this Contract; and
- (i) anything not listed in a) to h) but relevant to supplier discharging responsibilities under the Contract;

“Overhead” means those amounts which are intended to recover a proportion of the Supplier’s or the Sub-Contractor’s (as the context requires) indirect corporate costs (including financing, marketing, advertising, research and development and insurance costs and any fines or penalties) but excluding allowable indirect costs apportioned to facilities and administration in the provision of Supplier Personnel and accordingly included within limb (a) of the definition of Charges;

“Parties” and **“Party”** have the meanings respectively given in Section 1 of this Contract;

“Performance Indicators” means the Key Performance Indicators and the subsidiary Performance Indicators;

“Personal Data” means personal data (as defined in the Data Protection Act 1998) which is Processed by the Supplier or any Sub-Contractor on behalf of DFID or a Central Government Body pursuant to or in connection with this Contract;

“Process” has the meaning given to it under the Data Protection Legislation but, for the purposes of this Contract, it shall include both manual and automatic processing and “Processing” and “Processed” shall be interpreted accordingly;

“Programme Name” means the name given to the programme to which this Contract relates as identified in Section 1 (Form of Contract);

“Prohibited Act” has the meaning;

(a) to directly or indirectly offer, promise or give any person working for or engaged by DFID a financial or other advantage to:

(i) induce that person to perform improperly a relevant function or activity; or

(ii) reward that person for improper performance of a relevant function or activity;

(b) to directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this Contract;

(c) an offence:

- (i) under the Bribery Act 2010 (or any legislation repealed or revoked by such Act);
- (ii) under legislation or common law concerning fraudulent acts; or
- (iii) defrauding, attempting to defraud or conspiring to defraud DFID; or
- (d) any activity, practice or conduct which would constitute one of the offences listed under
- (e) above if such activity, practice or conduct had been carried out in the UK;

"Project" means a set of co-ordinated activities, with definite starting and finishing points, undertaken by an individual or team to meet specific objectives within defined time, cost and performance parameters

"Project Officer" means the person named in Section 4 who is responsible for issuing instructions and dealing with all correspondence in connection with the technical aspects of the Contract;

"Project Specific IPRs" means:

- a) Intellectual Property Rights in items created by the Supplier (or by a third party on behalf of the Supplier) specifically for the purposes of this Contract and updates and amendments of these items including (but not limited to) database schema; and/or
- b) IPR in or arising as a result of the performance of the Supplier's obligations under this Contract and all updates and amendments to the same,

but shall not include the Supplier Background IPR;

"Projected Profit Margin" means the profit the Supplier expects to achieve over the Term as set out in Schedule 5 (Schedule of Costs);

"Register" means a register which sets out full details of:

- (a) any assets used by the Supplier in connection with the provision of the Services, including details of:
 - (i) make, model and asset number;
 - (ii) ownership and status as whether the assets are used exclusively for the provision of the Services;

- (iii) condition and physical location; and
 - (iv) use (including technical specifications); and
- (b) Sub-Contracts and other relevant agreements (including relevant software licences, maintenance and support agreements and equipment rental and lease agreements) required for the performance of the Services;

“Regulations” means the Public Contracts Regulations 2015 as amended or replaced from time to time;

“Regulatory Bodies” means those government departments, regulatory, statutory and other entities, committees and bodies which, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate, or influence the matters dealt with in this Contract or any other affairs of DFID and “Regulatory Body” shall be construed accordingly;

“Relevant Requirements” all applicable Law relating to bribery, corruption and fraud, including the Bribery Act 2010 and any guidance issued by the Secretary of State for Justice pursuant to section 9 of the Bribery Act 2010;

“Relevant Tax Authority” means HM Revenue & Customs, or, if applicable, a Tax Authority in the jurisdiction in which the Supplier is established.

“Relevant Transfer” means a transfer of employment to which the Employment Regulations applies;

“Relevant Transfer Date” means, in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place;

“Replacement Services” any services which are the same as or substantially similar to any of the Services and which DFID receives in substitution for any of the Services following the expiry or termination or partial termination of this Contract, whether those services are provided by DFID internally and/or by any third party;

“Replacement Sub-Contractor” means a Sub-Contractor of the Replacement Supplier to whom Transferring Supplier Employees will transfer on a Service Transfer Date (or any Sub-Contractor of any such Sub-Contractor);

“Replacement Supplier” any third party service provider of Replacement Services appointed by DFID from time to time;

“Request for Information” a request for information or an apparent request under the FOIA, the Environmental Information Regulations and associated codes of practice;

“Security Policy” means DFID’s security policy, which can be accessed on DFID’s website at <http://www.dfid.gov.uk/work-with-us/procurement/dfid-information-security-policy-for-contractorsconsultants/> or as notified to the Supplier from time to time;

“Service Transfer” means any transfer of the Services (or any part of the Services), for whatever reason, from the Supplier or any Sub-Contractor to a Replacement Supplier or a Replacement Sub-Contractor;

“Service Transfer Date” means the date of a Service Transfer;

“Services” means the services set out in the Terms of Reference (Section 3).

“Sites” any premises (including DFID premises, the Supplier’s premises or third party premises):

(a) from, to or at which:

(i) the Services are (or are to be) provided; or

(ii) the Supplier manages, organises or otherwise directs the provision or the use of the Services; or

(b) where:

(i) any part of the Supplier System is situated;

(ii) any physical interface with DFID System takes place;

“Software” Specially Written Software, Supplier Software and Third Party Software;

“Specially Written Software” means any software (including database software, linking instructions, test scripts, compilation instructions and test instructions) created by the Supplier (or by a Sub-Contractor or other third party on behalf of the Supplier) specifically for the purposes of this Contract, including any modifications, configuration, customisation, or enhancements to Supplier Software or Third Party Software created specifically for the purposes of this Contract;

“Staffing Information” means in relation to all persons identified on the Supplier's Provisional Supplier Personnel List or Supplier's Final Supplier Personnel List, as the case may be, such information as DFID may reasonably request (subject to all applicable provisions of the DPA), but including in an anonymised format:

- (a) their ages, dates of commencement of employment or engagement, gender and place of work;
- (b) details of whether they are employed, self employed contractors or consultants, agency workers or otherwise;
- (c) the identity of the employer or relevant contracting party;

- (d) their relevant contractual notice periods and any other terms relating to termination of employment, including redundancy procedures, and redundancy payments;
- (e) their wages, salaries, bonuses and profit sharing arrangements as applicable;
- (f) details of other employment-related benefits, including (without limitation) medical insurance, life assurance, pension or other retirement benefit schemes, share option schemes and company car schedules applicable to them;
- (g) any outstanding or potential contractual, statutory or other liabilities in respect of such individuals (including in respect of personal injury claims);
- (h) details of any such individuals on long term sickness absence, parental leave, maternity leave or other authorised long term absence;
- (i) copies of all relevant documents and materials relating to such information, including copies of relevant contracts of employment (or relevant standard contracts if applied generally in respect of such employees); and
- (j) any other "employee liability information" as such term is defined in regulation 11 of the Employment Regulations;

"Staff Vetting Procedure" means DFID's procedures and departmental policies for the vetting of Personnel whose role will involve the handling of information of a sensitive or confidential nature or the handling of information which is subject to any relevant security measures, including, but not limited to, the provisions of the Official Secrets Act 1911 to 1989.

"Sub-Contract" means any contract or agreement (or proposed contract or agreement) to which a third party:

- a) provides the Services (or any part of them);
- b) provides facilities or goods and services necessary for the provision of the Services (or any part of them); and/or
- c) is responsible for the management, direction or control of the provision of the Services (or any part of them);

"Sub-Contractor" means any person other than the Supplier, who is a party to a Sub-Contract and the servants and agents of that person;

"Successor Body" means a body which is not a Central Government Body or if a body which is not a Central Government Body succeeds DFID;

"Supplier" means the person(s), partnership(s) or company (ies) with whom this Contract is placed and as identified in Section 1 (Form of Contract);.

"Supplier Background IPRs" means;

(a) Intellectual Property Rights owned by the Supplier before the Effective Date, for example those subsisting in the Supplier's standard development tools, program components or standard code used in computer programming or in physical or electronic media containing the Supplier's Know-How or generic business methodologies; and/or

(b) Intellectual Property Rights created by the Supplier independently of this Agreement, which in each case is or will be used before or during the Term for designing, testing implementing or providing the Services but excluding Intellectual Property Rights owned by the Supplier subsisting in the Supplier Software;

"Supplier Personnel" means any person (including Key Personnel) instructed pursuant to this Contract to undertake any of the Supplier's obligations under this Contract, including the Supplier's employees, agents and Sub-Contractors.

"Supplier Software" means any software which is proprietary to the Supplier (or an Affiliate of the Supplier which is or will be used by the Supplier or any Sub-Contractor for the purposes of providing the Services or is embedded in and in respect of such other software as required to be licensed in order for DFID to receive the benefit of and/or make use of the Services;

"Supplier System" the information and communications technology system used by the Supplier in implementing and performing the Services including the Software, the Supplier Equipment, configuration and management utilities, calibration and testing tools and related cabling (but excluding DFID System);

"Tender" means the tender submitted by the Supplier to DFID a copy of which is annexed or referred to in Schedule 4 (Tender);

"Term" means the term of this Contract from the Commencement Date until the Expiry Date;

"Termination Notice" means a written notice of termination given by one Party to the other, notifying the Party receiving the notice of the intention of the Party giving the notice to terminate this Contract on a specified date and setting out the grounds for termination;

"Third Party IPRs" means Intellectual Property Rights owned by a third party but excluding Intellectual Property Rights owned by the third party subsisting in any Third Party Software;

"Third Party Software" means any software which is proprietary to any third party (other than an Affiliate of the Supplier) or any open source which is or will be used by the Supplier for the purposes of providing the Services)

"Transferring DFID Employees" those employees of DFID to whom the Employment Regulations will apply on the Relevant Transfer Date;

"Transferring Former Supplier Employees" in relation to a Former Supplier, those employees of the Former Supplier to whom the Employment Regulations will apply on the Relevant Transfer Date;

“Transferring Supplier Employees” means those employees of the Supplier and/or the Supplier’s Sub-Contractors to whom the Employment Regulations will apply on the Service Transfer Date;

“Valid Invoice” means an invoice issued by the Supplier to DFID and containing the information set out in Clause 21.4;

"Variation" means a properly executed variation to the Contract in compliance with Clause 37;

“Variation Procedure” means the procedure set out in Clause 37;

“VAT” means value added tax in accordance with the provisions of the Value Added Tax Act 1994; and

“Working Day” means any day other than a Saturday, Sunday or public holiday in England and Wales.

SCHEDULE 2: STAFF TRANSFER

1. DEFINITIONS

In this Schedule 2, the following definitions shall apply:

"Admission Agreement"	An admission agreement in the form available on the Civil Service Pensions website immediately prior to the Relevant Transfer Date to be entered into by the Supplier where it agrees to participate in the Schemes in respect of the Services;
"Eligible Employee"	any Fair Deal Employee who at the relevant time is an eligible employee as defined in the Admission Agreement;
"Fair Deal Employees"	those Transferring DFID Employees who are on the Relevant Transfer Date entitled to the protection of New Fair Deal (and, in the event that Part B of this Schedule 2 applies, any Transferring Former Supplier Employees who originally transferred pursuant to a Relevant Transfer under the Employment Regulations (or the predecessor legislation to the Employment Regulations), from employment with a public sector employer and who were once eligible to participate in the Schemes and who at the Relevant Transfer Date become entitled to the protection of New Fair Deal);
"Former Supplier"	a supplier supplying services to DFID before the Relevant Transfer Date that are the same as or substantially similar to the Services (or any part of the Services) and shall include any Sub-Contractor of such supplier (or any Sub-Contractor of any such Sub-Contractor);
"New Fair Deal"	the revised Fair Deal position set out in the HM Treasury guidance: <i>"Fair Deal for staff pensions: staff transfer from central government"</i> issued in October 2013 including any amendments to that document immediately prior to the Relevant Transfer Date;
"Notified Sub-Contractor"	a Sub-Contractor identified in the Annex to this Schedule 2 to whom Transferring DFID Employees and/or Transferring Former Supplier Employees will transfer on a Relevant Transfer Date;
"Replacement Sub-Contractor"	a Sub-Contractor of the Replacement Supplier to whom Transferring Supplier Employees will transfer on a Service Transfer Date (or any Sub-Contractor of any such Sub-Contractor);
"Relevant Transfer"	a transfer of employment to which the Employment Regulations applies;
"Relevant Transfer Date"	in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place;
"Schemes"	the Principal Civil Service Pension Scheme available to Civil Servants and employees of bodies under Schedule 2 of the Superannuation Act 1972 (and eligible employees of other bodies admitted to participate under a determination under section 25 of the Public Service Pensions Act 2013), as governed by rules adopted by Parliament; the Partnership Pension Account and its (i) Ill health Benefits Scheme and (ii) Death Benefits Scheme; the Civil Service Additional Voluntary Contribution Scheme; and the Designated Stakeholder Pension Scheme and "alpha" introduced under The Public Service (Civil Servants and Others) Pensions Regulations 2014;
"Service Transfer"	any transfer of the Services (or any part of the Services), for whatever reason, from the Supplier or any Sub-Contractor to a Replacement Supplier or a Replacement Sub-Contractor;
"Service Transfer Date"	the date of a Service Transfer or, if more than one, the date of the relevant

Service Transfer as the context requires;

"Supplier's Final Supplier Personnel List"	a list provided by the Supplier of all Supplier Personnel who will transfer under the Employment Regulations on the Service Transfer Date;
"Supplier's Provisional Supplier Personnel List"	a list prepared and updated by the Supplier of all Supplier Personnel who are at the date of the list wholly or mainly engaged in or assigned to the provision of the Services or any relevant part of the Services which it is envisaged as at the date of such list will no longer be provided by the Supplier;
"Transferring DFID Employees"	those employees of DFID to whom the Employment Regulations will apply on the Relevant Transfer Date;
"Transferring Former Supplier Employees"	in relation to a Former Supplier, those employees of the Former Supplier to whom the Employment Regulations will apply on the Relevant Transfer Date; and
"Transferring Supplier Employees"	those employees of the Supplier and/or the Supplier's Sub-Contractors to whom the Employment Regulations will apply on the Service Transfer Date.

2. INTERPRETATION

Where a provision in this Schedule 2 imposes an obligation on the Supplier to provide an indemnity, undertaking or warranty, the Supplier shall procure that each of its Sub-Contractors shall comply with such obligation and provide such indemnity, undertaking or warranty to DFID, Former Supplier, Replacement Supplier or Replacement Sub-Contractor, as the case may be.

PART A

TRANSFERRING DFID EMPLOYEES AT COMMENCEMENT OF SERVICES

1. RELEVANT TRANSFERS

1.1 DFID and the Supplier agree that:

1.1.1 the commencement of the provision of the Services or of each relevant part of the Services will be a Relevant Transfer in relation to the Transferring DFID Employees; and

1.1.2 as a result of the operation of the Employment Regulations, the contracts of employment between DFID and the Transferring DFID Employees (except in relation to any terms disapplied through operation of regulation 10(2) of the Employment Regulations) will have effect on and from the Relevant Transfer Date as if originally made between the Supplier and/or any Notified Sub-Contractor and each such Transferring DFID Employee .

1.2 DFID shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of the Transferring DFID Employees in respect of the period arising up to (but not including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period up to (but not including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) DFID; and (ii) the Supplier and/or any Notified Sub-Contractor (as appropriate).

2. DFID INDEMNITIES

2.1 Subject to Paragraph 2.2, DFID shall indemnify the Supplier and any Notified Sub-Contractor against any Employee Liabilities arising from or as a result of:

2.1.1 any act or omission by DFID in respect of any Transferring DFID Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring DFID Employee occurring before the Relevant Transfer Date;

2.1.2 the breach or non-observance by DFID before the Relevant Transfer Date of:

(a) any collective agreement applicable to the Transferring DFID Employees; and/or

(b) any custom or practice in respect of any Transferring DFID Employees which DFID is contractually bound to honour;

2.1.3 any claim by any trade union or other body or person representing the Transferring DFID Employees arising from or connected with any failure by DFID to comply with any legal obligation to such trade union, body or person arising before the Relevant Transfer Date;

2.1.4 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

(a) in relation to any Transferring DFID Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date; and

(b) in relation to any employee who is not a Transferring DFID Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from DFID to the Supplier and/or any Notified Sub-Contractor as appropriate, to the extent that

the proceeding, claim or demand by the HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date.

- 2.1.5 a failure of DFID to discharge, or procure the discharge of, all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring DFID Employees arising before the Relevant Transfer Date;
 - 2.1.6 any claim made by or in respect of any person employed or formerly employed by DFID other than a Transferring DFID Employee for whom it is alleged the Supplier and/or any Notified Sub-Contractor as appropriate may be liable by virtue of the Employment Regulations and/or the Acquired Rights Directive; and
 - 2.1.7 any claim made by or in respect of a Transferring DFID Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring DFID Employee relating to any act or omission of DFID in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Supplier or any Sub-Contractor to comply with regulation 13(4) of the Employment Regulations.
- 2.2 The indemnities in Paragraph 2.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier or any Sub-Contractor (whether or not a Notified Sub-Contractor) whether occurring or having its origin before, on or after the Relevant Transfer Date including any Employee Liabilities:
- 2.2.1 arising out of the resignation of any Transferring DFID Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Supplier and/or any Sub-Contractor to occur in the period from (and including) the Relevant Transfer Date; or
 - 2.2.2 arising from the failure by the Supplier or any Sub-Contractor to comply with its obligations under the Employment Regulations.
- 2.3 If any person who is not identified by DFID as a Transferring DFID Employee claims, or it is determined in relation to any person who is not identified by DFID as a Transferring DFID Employee, that his/her contract of employment has been transferred from DFID to the Supplier and/or any Notified Sub-Contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:
- 2.3.1 the Supplier shall, or shall procure that the Notified Sub-Contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to DFID; and
 - 2.3.2 DFID may offer (or may procure that a third party may offer) employment to such person within 15 Working Days of receipt of the notification by the Supplier and/or any Notified Sub-Contractor, or take such other reasonable steps as DFID considers appropriate to deal with the matter provided always that such steps are in compliance with Law.
- 2.4 If an offer referred to in Paragraph 2.3.2 is accepted, or if the situation has otherwise been resolved by DFID, the Supplier shall, or shall procure that the Notified Sub-Contractor shall, immediately release the person from his/her employment or alleged employment.
- 2.5 If by the end of the 15 Working Day period specified in Paragraph 2.3.2:
- 2.5.1 no such offer of employment has been made;
 - 2.5.2 such offer has been made but not accepted; or
 - 2.5.3 the situation has not otherwise been resolved,
- the Supplier and/or any Notified Sub-Contractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person.
- 2.6 Subject to the Supplier and/or any Notified Sub-Contractor acting in accordance with the provisions of Paragraphs 2.3 to 2.5 and in accordance with all applicable proper employment procedures set out in

applicable Law, DFID shall indemnify the Supplier and/or any Notified Sub-Contractor (as appropriate) against all Employee Liabilities arising out of the termination of employment pursuant to the provisions of Paragraph 2.5 provided that the Supplier takes, or procures that the Notified Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities.

2.7 The indemnity in Paragraph 2.6:

2.7.1 shall not apply to:

(a) any claim for:

(i) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or

(ii) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Supplier and/or any Sub-Contractor; or

(b) any claim that the termination of employment was unfair because the Supplier and/or Notified Sub-Contractor neglected to follow a fair dismissal procedure; and

2.7.2 shall apply only where the notification referred to in Paragraph 2.3.1 is made by the Supplier and/or any Notified Sub-Contractor (as appropriate) to DFID within 6 months of the Commencement Date.

2.8 If any such person as is referred to in Paragraph 2.3 is neither re-employed by DFID nor dismissed by the Supplier and/or any Notified Sub-Contractor within the time scales set out in Paragraph 2.5 such person shall be treated as having transferred to the Supplier and/or any Notified Sub-Contractor and the Supplier shall, or shall procure that the Notified Sub-Contractor shall, comply with such obligations as may be imposed upon it under applicable Law.

3. SUPPLIER INDEMNITIES AND OBLIGATIONS

3.1 Subject to Paragraph 3.2 the Supplier shall indemnify DFID against any Employee Liabilities arising from or as a result of:

3.1.1 any act or omission by the Supplier or any Sub-Contractor in respect of any Transferring DFID Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring DFID Employee whether occurring before, on or after the Relevant Transfer Date;

3.1.2 the breach or non-observance by the Supplier or any Sub-Contractor on or after the Relevant Transfer Date of:

(a) any collective agreement applicable to the Transferring DFID Employees; and/or

(b) any custom or practice in respect of any Transferring DFID Employees which the Supplier or any Sub-Contractor is contractually bound to honour;

3.1.3 any claim by any trade union or other body or person representing any Transferring DFID Employees arising from or connected with any failure by the Supplier or any Sub-Contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;

3.1.4 any proposal by the Supplier or a Sub-Contractor made before the Relevant Transfer Date to make changes to the terms and conditions of employment or working conditions of any Transferring DFID Employees to their material detriment on or after their transfer to the

Supplier or the relevant Sub-Contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring DFID Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;

- 3.1.5 any statement communicated to or action undertaken by the Supplier or any Sub-Contractor to, or in respect of, any Transferring DFID Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with DFID in writing;
- 3.1.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring DFID Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date; and
 - (b) in relation to any employee who is not a Transferring DFID Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from DFID to the Supplier or a Sub-Contractor, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date;
- 3.1.7 a failure of the Supplier or any Sub-Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring DFID Employees in respect of the period from (and including) the Relevant Transfer Date;
- 3.1.8 any claim made by or in respect of a Transferring DFID Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring DFID Employee relating to any act or omission of the Supplier or any Sub-Contractor in relation to their obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from DFID's failure to comply with its obligations under regulation 13 of the Employment Regulations; and
- 3.1.9 a failure by the Supplier or any Sub-Contractor to comply with its obligations under Paragraph 2.8 above.
- 3.2 The indemnities in Paragraph 3.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of DFID whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from DFID's failure to comply with its obligations under the Employment Regulations.
- 3.3 The Supplier shall comply, and shall procure that each Sub-Contractor shall comply, with all its obligations under the Employment Regulations (including its obligation to inform and consult in accordance with regulation 13 of the Employment Regulations) and shall perform and discharge, and shall procure that each Sub-Contractor shall perform and discharge, all its obligations in respect of the Transferring DFID Employees, from (and including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and any other sums due under the Admission Agreement which in any case are attributable in whole or in part to the period from and including the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between DFID and the Supplier.

4. INFORMATION

The Supplier shall, and shall procure that each Sub-Contractor shall, promptly provide to DFID in writing such information as is necessary to enable DFID to carry out its duties under regulation 13 of the Employment

Regulations. DFID shall promptly provide to the Supplier and each Notified Sub-Contractor in writing such information as is necessary to enable the Supplier and each Notified Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

5. PRINCIPLES OF GOOD EMPLOYMENT PRACTICE

- 5.1 The Parties agree that the Principles of Good Employment Practice issued by the Cabinet Office in December 2010 apply to the treatment by the Supplier of employees whose employment begins after the Relevant Transfer Date, and the Supplier undertakes to treat such employees in accordance with the provisions of the Principles of Good Employment Practice.
- 5.2 The Supplier shall, and shall procure that each Sub-Contractor shall, comply with any requirement notified to it by DFID relating to pensions in respect of any Transferring DFID Employee as set down in:
 - 5.2.1 the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised 2007;
 - 5.2.2 HM Treasury's guidance "Staff Transfers from Central Government: A Fair Deal for Staff Pensions of 1999;
 - 5.2.3 HM Treasury's guidance "Fair deal for staff pensions: procurement of Bulk Transfer Agreements and Related Issues" of June 2004; and/or
 - 5.2.4 the New Fair Deal.
- 5.3 Any changes embodied in any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraphs 5.1 or 5.2 shall be agreed in accordance with the Variation Procedure.

6. PENSIONS

The Supplier shall, and/or shall procure that each of its Sub-Contractors shall, comply with the pensions provisions in the following Annex.

ANNEX TO PART A: PENSIONS

1. PARTICIPATION

- 1.1 The Supplier undertakes to enter into the Admission Agreement.
- 1.2 The Supplier and DFID:
 - 1.2.1 undertake to do all such things and execute any documents (including the Admission Agreement) as may be required to enable the Supplier to participate in the Schemes in respect of the Fair Deal Employees;
 - 1.2.2 agree that the arrangements under paragraph 1.1 of this Annex include the body responsible for the Schemes notifying DFID if the Supplier breaches any obligations it has under the Admission Agreement;
 - 1.2.3 agree, notwithstanding Paragraph 1.2.2 of this Annex, the Supplier shall notify DFID in the event that it breaches any obligations it has under the Admission Agreement and when it intends to remedy such breaches; and
 - 1.2.4 agree that DFID may terminate this Contract in the event that the Supplier breaches the Admission Agreement:
 - (a) and that breach is not capable of being remedied; or
 - (b) where such breach is capable of being remedied, the Supplier fails to remedy such breach within a reasonable time and in any event within 28 days of a notice from DFID giving particulars of the breach and requiring the Supplier to remedy it.
- 1.3 The Supplier shall bear its own costs and all costs that DFID reasonably incurs in connection with the negotiation, preparation and execution of documents to facilitate the Supplier participating in the Schemes including without limitation current civil service pensions administrator on-boarding costs.

2. FUTURE SERVICE BENEFITS

- 2.1 The Supplier shall procure that the Fair Deal Employees, shall be either admitted into, or offered continued membership of, the relevant section of the Schemes that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date and the Supplier shall procure that the Fair Deal Employees continue to accrue benefits in accordance with the provisions governing the relevant section of Schemes for service from (and including) the Relevant Transfer Date.
- 2.2 The Supplier undertakes that should it cease to participate in the Schemes for whatever reason at a time when it has Eligible Employees, that it will, at no extra cost to DFID, provide to any Fair Deal Employee who immediately prior to such cessation remained an Eligible Employee with access to an occupational pension scheme certified by the Government Actuary's Department or any actuary nominated by DFID in accordance with relevant guidance produced by the Government Actuary's Department as providing benefits which are broadly comparable to those provided by the Schemes on the date the Eligible Employees ceased to participate in the Schemes.
- 2.3 The Parties acknowledge that the Civil Service Compensation Scheme and the Civil Service Injury Benefit Scheme (established pursuant to section 1 of the Superannuation Act 1972) are not covered by the protection of New Fair Deal.

3. FUNDING

- 3.1 The Supplier undertakes to pay to the Schemes all such amounts as are due under the Admission Agreement and shall deduct and pay to the Schemes such employee contributions as are required by the Schemes.

- 3.2 The Supplier shall indemnify and keep indemnified DFID on demand against any claim by, payment to, or loss incurred by, the Schemes in respect of the failure to account to the Schemes for payments received and the non-payment or the late payment of any sum payable by the Supplier to or in respect of the Schemes.

4. PROVISION OF INFORMATION

The Supplier and DFID respectively undertake to each other:

- 4.1 to provide all information which the other Party may reasonably request concerning matters referred to in this Annex and set out in the Admission Agreement, and to supply the information as expeditiously as possible; and
- 4.2 not to issue any announcements to the Fair Deal Employees prior to the Relevant Transfer Date concerning the matters stated in this Annex without the consent in writing of the other Party (not to be unreasonably withheld or delayed).

5. INDEMNITY

The Supplier undertakes to DFID to indemnify and keep indemnified DFID on demand from and against all and any Losses whatsoever arising out of or in connection with any liability towards the Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which relate to the payment of benefits under and/or participation in an occupational pension scheme (within the meaning provided for in section 1 of the Pension Schemes Act 1993) or the Schemes.

6. EMPLOYER OBLIGATION

The Supplier shall comply with the requirements of Part 1 of the Pensions Act 2008, section 258 of the Pensions Act 2004 and the Transfer of Employment (Pension Protection) Regulations 2005 for all transferring staff.

7. SUBSEQUENT TRANSFERS

The Supplier shall:

- 7.1 not adversely affect pension rights accrued by any Fair Deal Employee in the period ending on the Service Transfer Date;
- 7.2 provide all such co-operation and assistance as the Schemes and the Replacement Supplier and/or DFID may reasonably require to enable the Replacement Supplier to participate in the Schemes in respect of any Eligible Employee and to give effect to any transfer of accrued rights required as part of participation under New Fair Deal; and
- 7.3 for the applicable period either:
- 7.3.1 after notice (for whatever reason) is given, in accordance with the other provisions of this Contract, to terminate the Agreement or any part of the Services; or
- 7.3.2 after the date which is two (2) years prior to the date of expiry of this Contract, ensure that no change is made to pension, retirement and death benefits provided for or in respect of any person who will transfer to the Replacement Supplier or DFID, no category of earnings which were not previously pensionable are made pensionable and the contributions (if any) payable by such employees are not reduced without (in any case) the prior approval of DFID (such approval not to be unreasonably withheld). Save that this sub-paragraph shall not apply to any change made as a consequence of participation in an Admission Agreement.

8. BULK TRANSFER

- 8.1 Where the Supplier has set up a broadly comparable pension scheme in accordance with the provisions of paragraph 2.2 above of this Annex, the Supplier agrees to:
- 8.1.1 fully fund any such broadly comparable pension scheme in accordance with the funding requirements set by that broadly comparable pension scheme's actuary or by the Government Actuary's Department;
 - 8.1.2 instruct any such broadly comparable pension scheme's actuary to, and to provide all such co-operation and assistance in respect of any such broadly comparable pension scheme as the Replacement Supplier and/or DFID may reasonably require, to enable the Replacement Supplier to participate in the Schemes in respect of any Fair Deal Employee that remain eligible for New Fair Deal protection following a Service Transfer;
 - 8.1.3 allow, in respect of any Fair Deal Employee that remains eligible for New Fair Deal protection, following a Service Transfer, the bulk transfer of past service from any such broadly comparable pension scheme into the Schemes on a day for day service basis and to give effect to any transfer of accrued rights required as part of participation under New Fair Deal, for the avoidance of doubt should the amount offered by the broadly comparable pension scheme be less than the amount required by the Schemes to fund day for day service ("the Shortfall"), the Supplier agrees to pay the Shortfall to the Schemes; and
 - 8.1.4 indemnify DFID on demand for any failure to pay the Shortfall as required under Paragraph 8.1.3 above.

PART B

TRANSFERRING FORMER SUPPLIER EMPLOYEES AT COMMENCEMENT OF SERVICES

9. RELEVANT TRANSFERS

- 9.1 DFID and the Supplier agree that:
- 9.1.1 the commencement of the provision of the Services or of any relevant part of the Services will be a Relevant Transfer in relation to the Transferring Former Supplier Employees; and
 - 9.1.2 as a result of the operation of the Employment Regulations, the contracts of employment between each Former Supplier and the Transferring Former Supplier Employees (except in relation to any terms disapplied through the operation of regulation 10(2) of the Employment Regulations) shall have effect on and from the Relevant Transfer Date as if originally made between the Supplier and/or Notified Sub-Contractor and each such Transferring Former Supplier Employee.
- 9.2 Subject to Paragraph 6, DFID shall procure that each Former Supplier shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of all the Transferring Former Supplier Employees in respect of the period up to (but not including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (but not including) the Relevant Transfer Date) and the Supplier shall make, and DFID shall procure that each Former Supplier makes, any necessary apportionments in respect of any periodic payments.

10. FORMER SUPPLIER INDEMNITIES

- 10.1 Subject to Paragraphs 2.2 and 6, DFID shall procure that each Former Supplier shall indemnify the Supplier and any Notified Sub-Contractor against any Employee Liabilities arising from or as a result of:

- 10.1.1 any act or omission by the Former Supplier in respect of any Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee arising before the Relevant Transfer Date;
- 10.1.2 the breach or non-observance by the Former Supplier arising before the Relevant Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Former Supplier Employees; and/or
 - (b) any custom or practice in respect of any Transferring Former Supplier Employees which the Former Supplier is contractually bound to honour;
- 10.1.3 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Former Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Former Supplier Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Supplier to the Supplier and/or any Notified Sub-Contractor as appropriate, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations in respect of the period to (but excluding) the Relevant Transfer Date;
- 10.1.4 a failure of the Former Supplier to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Supplier Employees in respect of the period to (but excluding) the Relevant Transfer Date;
- 10.1.5 any claim made by or in respect of any person employed or formerly employed by the Former Supplier other than a Transferring Former Supplier Employee for whom it is alleged the Supplier and/or any Notified Sub-Contractor as appropriate may be liable by virtue of this Contract and/or the Employment Regulations and/or the Acquired Rights Directive; and
- 10.1.6 any claim made by or in respect of a Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee relating to any act or omission of the Former Supplier in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Supplier or any Sub-Contractor to comply with regulation 13(4) of the Employment Regulations.
- 10.2 The indemnities in Paragraph 2.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier or any Sub-Contractor whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities:
 - 10.2.1 arising out of the resignation of any Transferring Former Supplier Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Supplier or any Sub-Contractor to occur in the period from (and including) the Relevant Transfer Date; or
 - 10.2.2 arising from the failure by the Supplier and/or any Sub-Contractor to comply with its obligations under the Employment Regulations.
- 10.3 If any person who is not identified by DFID as a Transferring Former Supplier Employee claims, or it is determined in relation to any person who is not identified by DFID as a Transferring Former Supplier

Employee, that his/her contract of employment has been transferred from a Former Supplier to the Supplier and/or any Notified Sub-Contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:

- 10.3.1 the Supplier shall, or shall procure that the Notified Sub-Contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to DFID and, where required by DFID, to the Former Supplier; and
 - 10.3.2 the Former Supplier may offer (or may procure that a third party may offer) employment to such person within 15 Working Days of the notification by the Supplier and/or the Notified Sub-Contractor or take such other reasonable steps as the Former Supplier considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law.
- 10.4 If an offer referred to in Paragraph 2.3.2 is accepted, or if the situation has otherwise been resolved by the Former Supplier and/or DFID, the Supplier shall, or shall procure that the Notified Sub-Contractor shall, immediately release the person from his/her employment or alleged employment.
- 10.5 If by the end of the 15 Working Day period specified in Paragraph 2.3.2:
- 10.5.1 no such offer of employment has been made;
 - 10.5.2 such offer has been made but not accepted; or
 - 10.5.3 the situation has not otherwise been resolved,
- the Supplier and/or any Notified Sub-Contractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person.
- 10.6 Subject to the Supplier and/or any Notified Sub-Contractor acting in accordance with the provisions of Paragraphs 2.3 to 2.5 and in accordance with all applicable proper employment procedures set out in Law, DFID shall procure that the Former Supplier indemnifies the Supplier and/or any Notified Sub-Contractor (as appropriate) against all Employee Liabilities arising out of the termination of employment pursuant to the provisions of Paragraph 2.5 provided that the Supplier takes, or shall procure that the Notified Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities.
- 10.7 The indemnity in Paragraph 2.6:
- 10.7.1 shall not apply to:
 - (a) any claim for:
 - (i) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
 - (ii) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Supplier and/or any Sub-Contractor; or
 - (b) any claim that the termination of employment was unfair because the Supplier and/or Notified Sub-Contractor neglected to follow a fair dismissal procedure; and
 - 10.7.2 shall apply only where the notification referred to in Paragraph 2.3.1 is made by the Supplier and/or any Notified Sub-Contractor (as appropriate) to DFID and, if applicable, the Former Supplier, within 6 months of the Commencement Date.
- 10.8 If any such person as is described in Paragraph 2.3 is neither re-employed by the Former Supplier nor dismissed by the Supplier and/or any Notified Sub-Contractor within the time scales set out in

Paragraph 2.5, such person shall be treated as having transferred to the Supplier or Notified Sub-Contractor and the Supplier shall, or shall procure that the Notified Sub-Contractor shall, comply with such obligations as may be imposed upon it under the Law.

11. SUPPLIER INDEMNITIES AND OBLIGATIONS

- 11.1 Subject to Paragraph 3.2, the Supplier shall indemnify DFID and/or the Former Supplier against any Employee Liabilities arising from or as a result of:
- 11.1.1 any act or omission by the Supplier or any Sub-Contractor in respect of any Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee whether occurring before, on or after the Relevant Transfer Date;
 - 11.1.2 the breach or non-observance by the Supplier or any Sub-Contractor on or after the Relevant Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Former Supplier Employee; and/or
 - (b) any custom or practice in respect of any Transferring Former Supplier Employees which the Supplier or any Sub-Contractor is contractually bound to honour;
 - 11.1.3 any claim by any trade union or other body or person representing any Transferring Former Supplier Employees arising from or connected with any failure by the Supplier or a Sub-Contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;
 - 11.1.4 any proposal by the Supplier or a Sub-Contractor prior to the Relevant Transfer Date to make changes to the terms and conditions of employment or working conditions of any Transferring Former Supplier Employees to their material detriment on or after their transfer to the Supplier or a Sub-Contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Former Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;
 - 11.1.5 any statement communicated to or action undertaken by the Supplier or a Sub-Contractor to, or in respect of, any Transferring Former Supplier Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with DFID and/or the Former Supplier in writing;
 - 11.1.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Former Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Former Supplier Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Supplier to the Supplier or a Sub-Contractor, to the extent that the proceeding, claim or demand by the HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date;
 - 11.1.7 a failure of the Supplier or any Sub-Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance

contributions relating to the Transferring Former Supplier Employees in respect of the period from (and including) the Relevant Transfer Date;

- 11.1.8 any claim made by or in respect of a Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee relating to any act or omission of the Supplier or any Sub-Contractor in relation to obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the Former Supplier's failure to comply with its obligations under regulation 13 of the Employment Regulations; and
- 11.1.9 a failure by the Supplier or any Sub-Contractor to comply with its obligations under Paragraph 2.8 above.
- 11.2 The indemnities in Paragraph 3.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Former Supplier whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Former Supplier's failure to comply with its obligations under the Employment Regulations.
- 11.3 The Supplier shall comply, and shall procure that each Sub-Contractor shall comply, with all its obligations under the Employment Regulations (including without limitation its obligation to inform and consult in accordance with regulation 13 of the Employment Regulations) and shall perform and discharge, and shall procure that each Sub-Contractor shall perform and discharge, all its obligations in respect of all the Transferring Former Supplier Employees, on and from the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and any other sums due under the Admission Agreement which in any case are attributable in whole or in part to the period from (and including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the Supplier and the Former Supplier.

12. INFORMATION

The Supplier shall, and shall procure that each Sub-Contractor shall, promptly provide to DFID and/or at DFID's direction, the Former Supplier, in writing such information as is necessary to enable DFID and/or the Former Supplier to carry out their respective duties under regulation 13 of the Employment Regulations. Subject to Paragraph 6, DFID shall procure that the Former Supplier shall promptly provide to the Supplier and each Notified Sub-Contractor in writing such information as is necessary to enable the Supplier and each Notified Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

13. PRINCIPLES OF GOOD EMPLOYMENT PRACTICE

- 13.1 The Supplier shall, and shall procure that each Sub-Contractor shall, comply with any requirement notified to it by DFID relating to pensions in respect of any Transferring Former Supplier Employee as set down in:
 - 13.1.1 the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised 2007;
 - 13.1.2 HM Treasury's guidance "Staff Transfers from Central Government: A Fair Deal for Staff Pensions of 1999;
 - 13.1.3 HM Treasury's guidance: "Fair deal for staff pensions: procurement of Bulk Transfer Agreements and Related Issues" of June 2004; and/or
 - 13.1.4 the New Fair Deal.
- 13.2 Any changes embodied in any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraph 5.1 shall be agreed in accordance with the Variation Procedure.

14. PROCUREMENT OBLIGATIONS

Notwithstanding any other provisions of this Part B, where in this Part B DFID accepts an obligation to procure that a Former Supplier does or does not do something, such obligation shall be limited so that it extends only to the extent that DFID's contract with the Former Supplier contains a contractual right in that regard which DFID may enforce, or otherwise so that it requires only that DFID must use reasonable endeavours to procure that the Former Supplier does or does not act accordingly.

15. PENSIONS

The Supplier shall, and shall procure that each Sub-Contractor shall, comply with the pensions provisions in the following Annex.

ANNEX TO PART B: PENSIONS

1. PARTICIPATION

- 1.1 The Supplier undertakes to enter into the Admission Agreement.
- 1.2 The Supplier and DFID:
 - 1.2.1 undertake to do all such things and execute any documents (including the Admission Agreement) as may be required to enable the Supplier to participate in the Schemes in respect of the Fair Deal Employees;
 - 1.2.2 agree that the arrangements under paragraph 1.1 of this Annex include the body responsible for the Schemes notifying DFID if the Supplier breaches any obligations it has under the Admission Agreement;
 - 1.2.3 agree, notwithstanding Paragraph 1.2.2 of this Annex, the Supplier shall notify DFID in the event that it breaches any obligations it has under the Admission Agreement and when it intends to remedy such breaches; and
 - 1.2.4 agree that DFID may terminate this Contract for material default in the event that the Supplier breaches the Admission Agreement:
 - (a) and that breach is not capable of being remedied; or
 - (b) where such breach is capable of being remedied, the Supplier fails to remedy such breach within a reasonable time and in any event within 28 days of a notice from DFID giving particulars of the breach and requiring the Supplier to remedy it.
- 1.3 The Supplier shall bear its own costs and all costs that DFID reasonably incurs in connection with the negotiation, preparation and execution of documents to facilitate the Supplier participating in the Schemes including without limitation current civil service pensions administrator on-boarding costs.

2. FUTURE SERVICE BENEFITS

- 2.1 If the Supplier is rejoining the Schemes for the first time, the Supplier shall procure that the Fair Deal Employees shall be either admitted to or offered continued membership of the relevant section of the Schemes that they became eligible to join on the Relevant Transfer Date and shall continue to accrue or accrue benefits in accordance with the provisions governing the relevant section of the Schemes for service from (and including) the Relevant Transfer Date.
- 2.2 If staff have already been readmitted to the Schemes, the Supplier shall procure that the Fair Deal Employees, shall be either admitted into, or offered continued membership of, the relevant section of the Schemes that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date and the Supplier shall procure that the Fair Deal Employees continue to accrue benefits in accordance with the provisions governing the relevant section of the Schemes for service from (and including) the Relevant Transfer Date.
- 2.3 The Supplier undertakes that should it cease to participate in the Schemes for whatever reason at a time when it has Eligible Employees, that it will, at no extra cost to DFID, provide to any Fair Deal Employee who immediately prior to such cessation remained an Eligible Employee with access to an occupational pension scheme certified by the Government Actuary's Department or any actuary nominated by DFID in accordance with relevant guidance produced by the Government Actuary's Department as providing benefits which are broadly comparable to those provided by the Schemes on the date the Eligible Employees ceased to participate in the Schemes.
- 2.4 The Parties acknowledge that the Civil Service Compensation Scheme and the Civil Service Injury Benefit Scheme (established pursuant to section 1 of the Superannuation Act 1972) are not covered by the protection of New Fair Deal.

3. FUNDING

- 3.1 The Supplier undertakes to pay to the Schemes all such amounts as are due under the Admission Agreement and shall deduct and pay to the Schemes such employee contributions as are required by the Schemes.
- 3.2 The Supplier shall indemnify and keep indemnified DFID on demand against any claim by, payment to, or loss incurred by the Schemes in respect of the failure to account to the Schemes for payments received and the non-payment or the late payment of any sum payable by the Supplier to or in respect of the Schemes.

4. PROVISION OF INFORMATION

The Supplier and DFID respectively undertake to each other:

- 4.1 to provide all information which the other Party may reasonably request concerning matters (i) referred to in this Annex and (ii) set out in the Admission Agreement, and to supply the information as expeditiously as possible; and
- 4.2 not to issue any announcements to the Fair Deal Employees prior to the Relevant Transfer Date concerning the matters stated in this Annex without the consent in writing of the other Party (not to be unreasonably withheld or delayed).

5. INDEMNITY

The Supplier undertakes to DFID to indemnify and keep indemnified DFID on demand from and against all and any Losses whatsoever arising out of or in connection with any liability towards the Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which relate to the payment of benefits under and/or participation in an occupational pension scheme (within the meaning provided for in section 1 of the Pension Schemes Act 1993) or the Schemes.

6. EMPLOYER OBLIGATION

The Supplier shall comply with the requirements of the Pensions Act 2008, section 258 of the Pensions Act 2004 and the Transfer of Employment (Pension Protection) Regulations 2005 for all transferring staff.

7. SUBSEQUENT TRANSFERS

The Supplier shall:

- 7.1 not adversely affect pension rights accrued by any Fair Deal Employee in the period ending on the Service Transfer Date;
- 7.2 provide all such co-operation and assistance as the Schemes and the Replacement Supplier and/or DFID may reasonably require to enable the Replacement Supplier to participate in the Schemes in respect of any Eligible Employee and to give effect to any transfer of accrued rights required as part of participation under the New Fair Deal; and
- 7.3 for the applicable period either
 - 7.3.1 after notice (for whatever reason) is given, in accordance with the other provisions of this Contract, to terminate the Agreement or any part of the Services; or
 - 7.3.2 after the date which is two (2) years prior to the date of expiry of this Contract, ensure that no change is made to pension, retirement and death benefits provided for or in respect of any person who will transfer to the Replacement Supplier or DFID, no category of earnings which were not previously pensionable are made pensionable and the contributions (if any) payable by such

employees are not reduced without (in any case) the prior approval of DFID (such approval not to be unreasonably withheld). Save that this sub-paragraph shall not apply to any change made as a consequence of participation in an Admission Agreement.

8. BULK TRANSFER

- 8.1 Where the Supplier has set up a broadly comparable pension scheme in accordance with the provisions of paragraph 2.2 above of this Annex, the Supplier agrees to:
- 8.1.1 fully fund any such broadly comparable pension scheme in accordance with the funding requirements set by that broadly comparable pension scheme's actuary or by the Government Actuary's Department;
 - 8.1.2 instruct any such broadly comparable pension scheme's actuary to, and to provide all such co-operation and assistance in respect of any such broadly comparable pension scheme as the Replacement Supplier and/or DFID may reasonably require, to enable the Replacement Supplier to participate in the Schemes in respect of any Fair Deal Employee that remain eligible for New Fair Deal protection following a Service Transfer;
 - 8.1.3 allow, in respect of any Fair Deal Employee that remains eligible for New Fair Deal protection, following a Service Transfer, the bulk transfer of past service from any such broadly comparable pension scheme into the Schemes on a day for day service basis and to give effect to any transfer of accrued rights required as part of participation under New Fair Deal, for the avoidance of doubt should the amount offered by the broadly comparable pension scheme be less than the amount required by the Schemes to fund day for day service ("the Shortfall"), the Supplier agrees to pay the Shortfall to the Schemes; and
 - 8.1.4 indemnify DFID on demand for any failure to pay the Shortfall as required under Paragraph 8.1.3 above.

PART C

NO TRANSFER OF EMPLOYEES AT COMMENCEMENT OF SERVICES

1. PROCEDURE IN THE EVENT OF TRANSFER

- 1.1 DFID and the Supplier agree that the commencement of the provision of the Services or of any part of the Services will not be a Relevant Transfer in relation to any employees of DFID and/or any Former Supplier.
- 1.2 If any employee of DFID and/or a Former Supplier claims, or it is determined in relation to any employee of DFID and/or a Former Supplier, that his/her contract of employment has been transferred from DFID and/or the Former Supplier to the Supplier and/or any Sub-Contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:
 - 1.2.1 the Supplier shall, and shall procure that the relevant Sub-Contractor shall, within five (5) Working Days of becoming aware of that fact, give notice in writing to DFID and, where required by DFID, give notice to the Former Supplier; and
 - 1.2.2 DFID and/or the Former Supplier may offer (or may procure that a third party may offer) employment to such person within fifteen (15) Working Days of the notification by the Supplier or the Sub-Contractor (as appropriate) or take such other reasonable steps as DFID or Former Supplier (as the case may be) considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law.
- 1.3 If an offer referred to in Paragraph 1.2.2 is accepted (or if the situation has otherwise been resolved by DFID and/or the Former Supplier), the Supplier shall, or shall procure that the Sub-Contractor shall, immediately release the person from his/her employment or alleged employment.
- 1.4 If by the end of the fifteen (15) Working Day period specified in Paragraph 1.2.2:
 - 1.4.1 no such offer of employment has been made;
 - 1.4.2 such offer has been made but not accepted; or
 - 1.4.3 the situation has not otherwise been resolved,the Supplier and/or the Sub-Contractor may within five (5) Working Days give notice to terminate the employment or alleged employment of such person.

2. INDEMNITIES

- 2.1 Subject to the Supplier and/or the relevant Sub-Contractor acting in accordance with the provisions of Paragraphs 1.2 to 1.4 and in accordance with all applicable employment procedures set out in applicable Law and subject also to Paragraph 2.4, DFID shall:
 - 2.1.1 indemnify the Supplier and/or the relevant Sub-Contractor against all Employee Liabilities arising out of the termination of the employment of any employees of DFID referred to in Paragraph 1.2 made pursuant to the provisions of Paragraph 1.4 provided that the Supplier takes, or shall procure that the Notified Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities; and
 - 2.1.2 subject to paragraph 3, procure that the Former Supplier indemnifies the Supplier and/or any Notified Sub-Contractor against all Employee Liabilities arising out of termination of the employment of the employees of the Former Supplier referred to in Paragraph 1.2 made pursuant to the provisions of Paragraph 1.4 provided that the Supplier takes, or shall procure that the relevant Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities.

- 2.2 If any such person as is described in Paragraph 1.2 is neither re-employed by DFID and/or the Former Supplier as appropriate nor dismissed by the Supplier and/or any Sub-Contractor within the fifteen (15) Working Day period referred to in Paragraph 1.4 such person shall be treated as having transferred to the Supplier and/or the Sub-Contractor (as appropriate) and the Supplier shall, or shall procure that the Sub-Contractor shall, comply with such obligations as may be imposed upon it under Law.
- 2.3 Where any person remains employed by the Supplier and/or any Sub-Contractor pursuant to Paragraph 2.2, all Employee Liabilities in relation to such employee shall remain with the Supplier and/or the Sub-Contractor and the Supplier shall indemnify DFID and any Former Supplier, and shall procure that the Sub-Contractor shall indemnify DFID and any Former Supplier, against any Employee Liabilities that either of them may incur in respect of any such employees of the Supplier and/or employees of the Sub-Contractor.
- 2.4 The indemnities in Paragraph 2.1:
- 2.4.1 shall not apply to:
- (a) any claim for:
- (i) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
- (ii) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,
- in any case in relation to any alleged act or omission of the Supplier and/or any Sub-Contractor; or
- (b) any claim that the termination of employment was unfair because the Supplier and/or any Sub-Contractor neglected to follow a fair dismissal procedure; and
- 2.4.2 shall apply only where the notification referred to in Paragraph 1.2.1 is made by the Supplier and/or any Sub-Contractor to DFID and, if applicable, Former Supplier within 6 months of the Commencement Date.

3. PROCUREMENT OBLIGATIONS

Where in this Part C DFID accepts an obligation to procure that a Former Supplier does or does not do something, such obligation shall be limited so that it extends only to the extent that DFID's contract with the Former Supplier contains a contractual right in that regard which DFID may enforce, or otherwise so that it requires only that DFID must use reasonable endeavours to procure that the Former Supplier does or does not act accordingly.

PART D

EMPLOYMENT EXIT PROVISIONS

1. PRE-SERVICE TRANSFER OBLIGATIONS

- 1.1 The Supplier agrees that within twenty (20) Working Days of the earliest of:
- 1.1.1 receipt of a notification from DFID of a Service Transfer or intended Service Transfer;
 - 1.1.2 receipt of the giving of notice of early termination or any Partial Termination of this Contract;
 - 1.1.3 the date which is twelve (12) months before the end of the Term; and
 - 1.1.4 receipt of a written request of DFID at any time (provided that DFID shall only be entitled to make one such request in any six (6) month period),
- it shall provide in a suitably anonymised format so as to comply with the DPA, the Supplier's Provisional Supplier Personnel List, together with the Staffing Information in relation to the Supplier's Provisional Supplier Personnel List and it shall provide an updated Supplier's Provisional Supplier Personnel List at such intervals as are reasonably requested by DFID.
- 1.2 At least thirty (30) Working Days prior to the Service Transfer Date, the Supplier shall provide to DFID or at the direction of DFID to any Replacement Supplier and/or any Replacement Sub-Contractor:
- 1.2.1 the Supplier's Final Supplier Personnel List, which shall identify which of the Supplier Personnel are Transferring Supplier Employees; and
 - 1.2.2 the Staffing Information in relation to the Supplier's Final Supplier Personnel List (insofar as such information has not previously been provided).
- 1.3 DFID shall be permitted to use and disclose information provided by the Supplier under Paragraphs 1.1 and 1.2 for the purpose of informing any prospective Replacement Supplier and/or Replacement Sub-Contractor.
- 1.4 The Supplier warrants, for the benefit of DFID, any Replacement Supplier, and any Replacement Sub-Contractor that all information provided pursuant to Paragraphs 1.1 and 1.2 shall be true and accurate in all material respects at the time of providing the information.
- 1.5 From the date of the earliest event referred to in Paragraph 1.1, the Supplier agrees, that it shall not, and agrees to procure that each Sub-Contractor shall not, assign any person to the provision of the Services who is not listed on the Supplier's Provisional Supplier Personnel List and shall not without the approval of DFID (not to be unreasonably withheld or delayed):
- 1.5.1 replace or re-deploy any Supplier Personnel listed on the Supplier Provisional Supplier Personnel List other than where any replacement is of equivalent grade, skills, experience and expertise and is employed on the same terms and conditions of employment as the person he/she replaces;
 - 1.5.2 make, promise, propose, permit or implement any material changes to the terms and conditions of employment of the Supplier Personnel (including any payments connected with the termination of employment);
 - 1.5.3 increase the proportion of working time spent on the Services (or the relevant part of the Services) by any of the Supplier Personnel save for fulfilling assignments and projects previously scheduled and agreed;

- 1.5.4 introduce any new contractual or customary practice concerning the making of any lump sum payment on the termination of employment of any employees listed on the Supplier's Provisional Supplier Personnel List;
- 1.5.5 increase or reduce the total number of employees so engaged, or deploy any other person to perform the Services (or the relevant part of the Services); or
- 1.5.6 terminate or give notice to terminate the employment or contracts of any persons on the Supplier's Provisional Supplier Personnel List save by due disciplinary process,

and shall promptly notify, and procure that each Sub-Contractor shall promptly notify, DFID or, at the direction of DFID, any Replacement Supplier and any Replacement Sub-Contractor of any notice to terminate employment given by the Supplier or relevant Sub-Contractor or received from any persons listed on the Supplier's Provisional Supplier Personnel List regardless of when such notice takes effect.

- 1.6 During the Term, the Supplier shall provide, and shall procure that each Sub-Contractor shall provide, to DFID any information DFID may reasonably require relating to the manner in which Services are organised, which shall include:

- 1.6.1 the numbers of employees engaged in providing the Services;
- 1.6.2 the percentage of time spent by each employee engaged in providing the Services;
- 1.6.3 the extent to which each employee qualifies for membership of any of the Schemes or any broadly comparable scheme set up pursuant to the provisions of paragraph 2.2 of the Annex (Pensions) to Part A of this Schedule 2 or paragraph 2.3 of the Annex (Pensions) to Part B of this Schedule 2 (as appropriate); and
- 1.6.4 a description of the nature of the work undertaken by each employee by location.

- 1.7 The Supplier shall provide, and shall procure that each Sub-Contractor shall provide, all reasonable cooperation and assistance to DFID, any Replacement Supplier and/or any Replacement Sub-Contractor to ensure the smooth transfer of the Transferring Supplier Employees on the Service Transfer Date including providing sufficient information in advance of the Service Transfer Date to ensure that all necessary payroll arrangements can be made to enable the Transferring Supplier Employees to be paid as appropriate. Without prejudice to the generality of the foregoing, within five (5) Working Days following the Service Transfer Date, the Supplier shall provide, and shall procure that each Sub-Contractor shall provide, to DFID or, at the direction of DFID, to any Replacement Supplier and/or any Replacement Sub-Contractor (as appropriate), in respect of each person on the Supplier's Final Supplier Personnel List who is a Transferring Supplier Employee:

- 1.7.1 the most recent month's copy pay slip data;
- 1.7.2 details of cumulative pay for tax and pension purposes;
- 1.7.3 details of cumulative tax paid;
- 1.7.4 tax code;
- 1.7.5 details of any voluntary deductions from pay; and
- 1.7.6 bank/building society account details for payroll purposes.

2. EMPLOYMENT REGULATIONS EXIT PROVISIONS

- 2.1 DFID and the Supplier acknowledge that subsequent to the commencement of the provision of the Services, the identity of the provider of the Services (or any part of the Services) may change (whether as a result of termination or Partial Termination of this Contract or otherwise) resulting in the Services being undertaken by a Replacement Supplier and/or a Replacement Sub-Contractor. Such change in the identity of the Supplier of such Services may constitute a Relevant Transfer to which the Employment Regulations and/or the Acquired Rights Directive will apply. DFID and the Supplier further agree that, as

a result of the operation of the Employment Regulations, where a Relevant Transfer occurs, the contracts of employment between the Supplier and the Transferring Supplier Employees (except in relation to any contract terms disappplied through operation of regulation 10(2) of the Employment Regulations) will have effect on and from the Service Transfer Date as if originally made between the Replacement Supplier and/or a Replacement Sub-Contractor (as the case may be) and each such Transferring Supplier Employee.

- 2.2 The Supplier shall, and shall procure that each Sub-Contractor shall, comply with all its obligations in respect of the Transferring Supplier Employees arising under the Employment Regulations in respect of the period up to (but not including) the Service Transfer Date and shall perform and discharge, and procure that each Sub-Contractor shall perform and discharge, all its obligations in respect of all the Transferring Supplier Employees arising in respect of the period up to (and including) the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and all such sums due as a result of any Fair Deal Employees' participation in the Schemes which in any case are attributable in whole or in part to the period ending on (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the Supplier and/or the Sub-Contractor (as appropriate); and (ii) the Replacement Supplier and/or Replacement Sub-Contractor.
- 2.3 Subject to Paragraph 2.4, where a Relevant Transfer occurs the Supplier shall indemnify DFID and/or the Replacement Supplier and/or any Replacement Sub-Contractor against any Employee Liabilities arising from or as a result of:
- 2.3.1 any act or omission of the Supplier or any Sub-Contractor in respect of any Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee whether occurring before, on or after the Service Transfer Date;
 - 2.3.2 the breach or non-observance by the Supplier or any Sub-Contractor occurring on or before the Service Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Supplier Employees; and/or
 - (b) any other custom or practice with a trade union or staff association in respect of any Transferring Supplier Employees which the Supplier or any Sub-Contractor is contractually bound to honour;
 - 2.3.3 any claim by any trade union or other body or person representing any Transferring Supplier Employees arising from or connected with any failure by the Supplier or a Sub-Contractor to comply with any legal obligation to such trade union, body or person arising on or before the Service Transfer Date;
 - 2.3.4 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and before the Service Transfer Date; and
 - (b) in relation to any employee who is not identified in the Supplier's Final Supplier Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier to DFID and/or Replacement Supplier and/or any Replacement Sub-Contractor, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or before the Service Transfer Date;
 - 2.3.5 a failure of the Supplier or any Sub-Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance

contributions relating to the Transferring Supplier Employees in respect of the period up to (and including) the Service Transfer Date);

- 2.3.6 any claim made by or in respect of any person employed or formerly employed by the Supplier or any Sub-Contractor other than a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List for whom it is alleged DFID and/or the Replacement Supplier and/or any Replacement Sub-Contractor may be liable by virtue of this Contract and/or the Employment Regulations and/or the Acquired Rights Directive; and
 - 2.3.7 any claim made by or in respect of a Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee relating to any act or omission of the Supplier or any Sub-Contractor in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by DFID and/or Replacement Supplier to comply with regulation 13(4) of the Employment Regulations.
- 2.4 The indemnities in Paragraph 2.3 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Replacement Supplier and/or any Replacement Sub-Contractor whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities:
- 2.4.1 arising out of the resignation of any Transferring Supplier Employee before the Service Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Replacement Supplier and/or any Replacement Sub-Contractor to occur in the period on or after the Service Transfer Date; or
 - 2.4.2 arising from the Replacement Supplier's failure, and/or Replacement Sub-Contractor's failure, to comply with its obligations under the Employment Regulations.
- 2.5 If any person who is not identified in the Supplier's Final Supplier Personnel List claims, or it is determined in relation to any person who is not identified in the Supplier's Final Supplier Personnel List that his/her contract of employment has been transferred from the Supplier or any Sub-Contractor to the Replacement Supplier and/or Replacement Sub-Contractor pursuant to the Employment Regulations or the Acquired Rights Directive, then:
- 2.5.1 DFID shall procure that the Replacement Supplier shall, or any Replacement Sub-Contractor shall, within five (5) Working Days of becoming aware of that fact, give notice in writing to the Supplier; and
 - 2.5.2 the Supplier may offer (or may procure that a Sub-Contractor may offer) employment to such person within fifteen (15) Working Days of the notification by the Replacement Supplier and/or any and/or Replacement Sub-Contractor or take such other reasonable steps as it considers appropriate to deal with the matter provided always that such steps are in compliance with Law.
- 2.6 If such offer is accepted, or if the situation has otherwise been resolved by the Supplier or a Sub-Contractor, DFID shall procure that the Replacement Supplier shall, or procure that the Replacement Sub-Contractor shall, immediately release or procure the release of the person from his/her employment or alleged employment.
- 2.7 If after the fifteen (15) Working Day period specified in Paragraph 2.5.2 has elapsed:
- 2.7.1 no such offer of employment has been made;
 - 2.7.2 such offer has been made but not accepted; or
 - 2.7.3 the situation has not otherwise been resolved
- the Replacement Supplier and/or Replacement Sub-Contractor, as appropriate may within five (5) Working Days give notice to terminate the employment or alleged employment of such person.

- 2.8 Subject to the Replacement Supplier and/or Replacement Sub-Contractor acting in accordance with the provisions of Paragraphs 2.5 to 2.7, and in accordance with all applicable proper employment procedures set out in applicable Law, the Supplier shall indemnify the Replacement Supplier and/or Replacement Sub-Contractor against all Employee Liabilities arising out of the termination of employment pursuant to the provisions of Paragraph 2.7 provided that the Replacement Supplier takes, or shall procure that the Replacement Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities.
- 2.9 The indemnity in Paragraph 2.8:
- 2.9.1 shall not apply to:
- (a) any claim for:
- (i) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
- (ii) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,
- in any case in relation to any alleged act or omission of the Replacement Supplier and/or Replacement Sub-Contractor; or
- (b) any claim that the termination of employment was unfair because the Replacement Supplier and/or Replacement Sub-Contractor neglected to follow a fair dismissal procedure; and
- 2.9.2 shall apply only where the notification referred to in Paragraph 2.5.1 is made by the Replacement Supplier and/or Replacement Sub-Contractor to the Supplier within six (6) months of the Service Transfer Date.
- 2.10 If any such person as is described in Paragraph 2.5 is neither re-employed by the Supplier or any Sub-Contractor nor dismissed by the Replacement Supplier and/or Replacement Sub-Contractor within the time scales set out in Paragraphs 2.5 to 2.7, such person shall be treated as a Transferring Supplier Employee.
- 2.11 The Supplier shall comply, and shall procure that each Sub-Contractor shall comply, with all its obligations under the Employment Regulations and shall perform and discharge, and shall procure that each Sub-Contractor shall perform and discharge, all its obligations in respect of any person identified in the Supplier's Final Supplier Personnel List before and on the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and such sums due as a result of any Fair Deal Employees' participation in the Schemes and any requirement to set up a broadly comparable pension scheme which in any case are attributable in whole or in part in respect of the period up to (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between:
- 2.11.1 the Supplier and/or any Sub-Contractor; and
- 2.11.2 the Replacement Supplier and/or the Replacement Sub-Contractor.
- 2.12 The Supplier shall, and shall procure that each Sub-Contractor shall, promptly provide to DFID and any Replacement Supplier and/or Replacement Sub-Contractor, in writing such information as is necessary to enable DFID, the Replacement Supplier and/or Replacement Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations. DFID shall procure that the Replacement Supplier and/or Replacement Sub-Contractor, shall promptly provide to the Supplier and each Sub-Contractor in writing such information as is necessary to enable the Supplier and each Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations.
- 2.13 Subject to Paragraph 2.14, where a Relevant Transfer occurs DFID shall procure that the Replacement Supplier indemnifies the Supplier on its own behalf and on behalf of any Replacement Sub-Contractor and its sub-contractors against any Employee Liabilities arising from or as a result of:

- 2.13.1 any act or omission of the Replacement Supplier and/or Replacement Sub-Contractor in respect of any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List or any appropriate employee representative (as defined in the Employment Regulations) of any such Transferring Supplier Employee;
- 2.13.2 the breach or non-observance by the Replacement Supplier and/or Replacement Sub-Contractor on or after the Service Transfer Date of:
- (a) any collective agreement applicable to the Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List; and/or
 - (b) any custom or practice in respect of any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List which the Replacement Supplier and/or Replacement Sub-Contractor is contractually bound to honour;
- 2.13.3 any claim by any trade union or other body or person representing any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List arising from or connected with any failure by the Replacement Supplier and/or Replacement Sub-Contractor to comply with any legal obligation to such trade union, body or person arising on or after the Service Transfer Date;
- 2.13.4 any proposal by the Replacement Supplier and/or Replacement Sub-Contractor to change the terms and conditions of employment or working conditions of any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List on or after their transfer to the Replacement Supplier or Replacement Sub-Contractor (as the case may be) on the Service Transfer Date, or to change the terms and conditions of employment or working conditions of any person identified in the Supplier's Final Supplier Personnel List who would have been a Transferring Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Service Transfer Date as a result of or for a reason connected to such proposed changes;
- 2.13.5 any statement communicated to or action undertaken by the Replacement Supplier or Replacement Sub-Contractor to, or in respect of, any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List on or before the Service Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Supplier in writing;
- 2.13.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
- (a) in relation to any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier or Sub-Contractor, to the Replacement Supplier or Replacement Sub-Contractor to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date;
- 2.13.7 a failure of the Replacement Supplier or Replacement Sub-Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List in respect of the period from (and including) the Service Transfer Date; and
- 2.13.8 any claim made by or in respect of a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List or any appropriate employee representative (as

defined in the Employment Regulations) of any such Transferring Supplier Employee relating to any act or omission of the Replacement Supplier or Replacement Sub-Contractor in relation to obligations under regulation 13 of the Employment Regulations.

- 2.14 The indemnities in Paragraph 2.13 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier and/or any Sub-Contractor (as applicable) whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities arising from the failure by the Supplier and/or any Sub-Contractor (as applicable) to comply with its obligations under the Employment Regulations.

ANNEX TO SCHEDULE 2: LIST OF NOTIFIED SUB-CONTRACTORS

SCHEDULE 3: INSURANCE REQUIREMENTS

1.OBLIGATION TO MAINTAIN INSURANCES

- 1.1 Without prejudice to its obligations to DFID under this Contract, including its indemnity obligations, the Supplier shall for the periods specified in this Schedule 2 take out and maintain, or procure the taking out and maintenance of the insurances as set out in Annex 1 (Required Insurances) and any other insurances as may be required by applicable Law (together the “**Insurances**”). The Supplier shall ensure that each of the Insurances is effective no later than the Commencement Date.
- 1.2 The Insurances shall be maintained in accordance with Good Industry Practice and (so far as is reasonably practicable) on terms no less favourable than those generally available to a prudent Contractor in respect of risks insured in the international insurance market from time to time.
- 1.3 The Insurances shall be taken out and maintained with insurers who are of good financial standing and of good repute in the international insurance market.
- 1.4 The Supplier shall ensure that the public and products liability policy shall contain an indemnity to principals clause under which DFID shall be indemnified in respect of claims made against DFID in respect of death or bodily injury or third party property damage arising out of or in connection with the Services and for which the Supplier is legally liable.

2.GENERAL OBLIGATIONS

- 2.1 Without limiting the other provisions of this Contract, the Supplier shall:
 - 2.1.1 take or procure the taking of all reasonable risk management and risk control measures in relation to the Services as it would be reasonable to expect of a prudent Contractor acting in accordance with Good Industry Practice, including the investigation and reports of relevant claims to insurers;
 - 2.1.2 promptly notify the insurers in writing of any relevant material fact under any Insurances of which the Supplier is or becomes aware; and
 - 2.1.3 hold all policies in respect of the Insurances and cause any insurance broker effecting the Insurances to hold any insurance slips and other evidence of placing cover representing any of the Insurances to which it is a party.

3.FAILURE TO INSURE

- 3.1 The Supplier shall not take any action or fail to take any action or (insofar as is reasonably within its power) permit anything to occur in relation to it which would entitle any insurer to refuse to pay any claim under any of the Insurances.
- 3.2 Where the Supplier has failed to purchase any of the Insurances or maintain any of the Insurances in full force and effect, DFID may elect (but shall not be obliged) following written notice to the Supplier to purchase the relevant Insurances, and DFID shall be entitled to recover the reasonable premium and other reasonable costs incurred in connection therewith as a debt due from the Supplier.

4.EVIDENCE OF POLICIES

- 4.1 The Supplier shall upon the Commencement Date and within 15 Working Days after the renewal of each of the Insurances, provide evidence, in a form satisfactory to DFID, that the Insurances are in force and effect and meet in full the requirements of this Framework Schedule 2. Receipt of such evidence by DFID shall not in itself constitute acceptance by DFID or relieve the Supplier of any of its liabilities and obligations under this Agreement.

5.AGGREGATE LIMIT OF INDEMNITY

5.1 Where the minimum limit of indemnity required in relation to any of the Insurances is specified as being "in the aggregate":

5.1.1 if a claim or claims which do not relate to this Contract are notified to the insurers which, given the nature of the allegations and/or the quantum claimed by the third party(ies), is likely to result in a claim or claims being paid by the insurers which could reduce the level of cover available below that minimum, the Supplier shall immediately submit to DFID:

(a) details of the policy concerned; and

(b) its proposed solution for maintaining the minimum limit of indemnity specified; and

5.1.2 if and to the extent that the level of insurance cover available falls below that minimum because a claim or claims which do not relate to this Contract are paid by insurers, the Supplier shall:

(a) ensure that the insurance cover is reinstated to maintain at all times the minimum limit of indemnity specified for claims relating to this Contract; or

(b) if the Supplier is or has reason to believe that it will be unable to ensure that insurance cover is reinstated to maintain at all times the minimum limit of indemnity specified, immediately submit to DFID full details of the policy concerned and its proposed solution for maintaining the minimum limit of indemnity specified.

6. CANCELLATION

6.1 The Supplier shall notify DFID in writing at least five (5) Working Days prior to the cancellation, suspension, termination or non-renewal of any of the Insurances.

7. INSURANCE CLAIMS

7.1 The Supplier shall promptly notify to insurers any matter arising from, or in relation to, the Services and/or this Contract for which it may be entitled to claim under any of the Insurances. In the event that DFID receives a claim relating to or arising out of the Services or this Contract, the Supplier shall co-operate with DFID and assist it in dealing with such claims including without limitation providing information and documentation in a timely manner.

7.2 Except where DFID is the claimant party, the Supplier shall give DFID notice within twenty (20) Working Days after any insurance claim in excess of £25,000.00 relating to or arising out of the provision of the Services or this Contract on any of the Insurances or which, but for the application of the applicable policy excess, would be made on any of the Insurances and (if required by DFID) full details of the incident giving rise to the claim.

7.3 Where any Insurance requires payment of a premium, the Supplier shall be liable for and shall promptly pay such premium.

7.4 Where any Insurance is subject to an excess or deductible below which the indemnity from insurers is excluded, the Supplier shall be liable for such excess or deductible. The Supplier shall not be entitled to recover from DFID any sum paid by way of excess or deductible under the Insurances whether under the terms of this Contract or otherwise.

ANNEX 1: REQUIRED INSURANCES

PART A: THIRD PARTY PUBLIC & PRODUCTS LIABILITY INSURANCE

1.INSURED

- 1.1 The Supplier

2.INTEREST

- 2.1 To indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay as damages, including claimant's costs and expenses, in respect of accidental:

2.1.1 death or bodily injury to or sickness, illness or disease contracted by any person;

2.1.2 loss of or damage to property;

happening during the period of insurance (as specified in Paragraph 5 of this Annex 1 to this Schedule 2) and arising out of or in connection with the provision of the Services and in connection with this Contract.

3.LIMIT OF INDEMNITY

- 3.1 Not less than the Financial Limit in respect of any one occurrence, the number of occurrences being unlimited, but the Financial Limit in respect of any one occurrence and in the aggregate per annum in respect of products and pollution liability.

4.TERRITORIAL LIMITS

- 4.1 N/A

5.PERIOD OF INSURANCE

- 5.1 From the Commencement Date for the Term and renewable on an annual basis unless agreed otherwise by DFID in writing.

6.COVER FEATURES AND EXTENSIONS

- 6.1 Indemnity to principals clause.

7.PRINCIPAL EXCLUSIONS

- 7.1 War and related perils.
- 7.2 Nuclear and radioactive risks.
- 7.3 Liability for death, illness, disease or bodily injury sustained by employees of the Insured during the course of their employment.
- 7.4 Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by applicable Law in respect of such vehicles.
- 7.5 Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the Insured.
- 7.6 Liability arising out of technical or professional advice other than in respect of death or bodily injury to persons or damage to third party property.

7.7 Liability arising from the ownership, possession or use of any aircraft or marine vessel.

7.8 Liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence.

8. MAXIMUM DEDUCTIBLE THRESHOLD

8.1 Not Used

PART B: PROFESSIONAL INDEMNITY INSURANCE

1.INSURED

- 1.1 The Supplier

2.INTEREST

- 2.1 To indemnify the Insured for all sums which the Insured shall become legally liable to pay (including claimants' costs and expenses) as a result of claims first made against the Insured during the Period of Insurance by reason of any negligent act, error and/or omission arising from or in connection with the provision of the Services.

3.LIMIT OF INDEMNITY

- 3.1 Not less than £5,000,000 in respect of any one claim and in the aggregate per annum.

4.TERRITORIAL LIMITS

- 4.1 N/A

5.PERIOD OF INSURANCE

- 5.1 From the date of this Contract and renewable on an annual basis unless agreed otherwise by DFID in writing (a) throughout the Term or until earlier termination of this Contract and (b) for a period of 6 years thereafter.

6.COVER FEATURES AND EXTENSIONS

- 6.1 Retroactive cover to apply to any claims made policy wording in respect of this Contract or retroactive date to be no later than the Commencement Date.

7.PRINCIPAL EXCLUSIONS

- 7.1 War and related perils
7.2 Nuclear and radioactive risks

8.MAXIMUM DEDUCTIBLE THRESHOLD DELETE

- 8.1 Not used.

PART C: UNITED KINGDOM COMPULSORY INSURANCES

1.GENERAL

- 1.1 The Supplier shall meet its insurance obligations under applicable Law in full, including, UK employers' liability insurance and motor third party liability insurance.

SCHEDULE 4: TENDER

1. GENERAL

- 1.1 This Schedule 4 sets out a copy of the Supplier's Tender.
- 1.2 Subject to Clause 1.4, in addition to any other obligations on the Supplier under this Contract, the Supplier shall provide the Services in accordance with the Tender.

Appendix A. Contract Amendment Letter

Department for International Development

Abercrombie House
Eaglesham Road
EAST KILBRIDE
Glasgow
G75 8EA

Kilbride 01355 84 4000

Telephone: East

Directline: 01355 84 [

File Ref: [

Date: [

Contract Amendment

No: [

CONTRACT FOR: [

CONTRACT NUMBER: [

With reference to the Contract dated [, both Parties have in principle agreed to the following variation[s] to the Contract [:

[

2. [These/This amendment[s] relate[s] to [

3. Please confirm in writing by signing and returning one copy of this letter, within 15 working days of the date of signature on behalf of DFID that you accept the variation[s] set out herein.

4. The Contract, including any previous variations, shall remain effective and unaltered except as amended by this letter.

5. Words and expressions in this letter shall have the meanings given to them in the Contract.

Signed by an authorised signatory for and on behalf of the
Secretary of State
for International Development

Name: [

Position:

Signature:

Date: [

Signed by an authorised signatory for and on behalf of the Supplier

Name: [

Signature:

Date:



DFID Supply Partner Code of Conduct

Principles

DFID aims to create an inclusive culture of best practice with the delivery partners with whom it engages and which receive UK taxpayers' funds. All supply partners should adhere to the overarching principles of the Supply Partner Code of Conduct (Code).

Overarching Principles for Supply Partners

- ✓ **Act responsibly and with integrity**
- ✓ **Demonstrate commitment to poverty reduction and DFID priorities¹**, including work in fragile and conflict affected states, recognition of human rights, focus on girls and women, youth engagement, climate change and wealth creation
- ✓ **Demonstrate commitment to wider HMG priorities²**

¹ <https://www.gov.uk/government/organisations/department-for-international-development/about#priorities>

² <https://www.gov.uk/government/organisations/hm-treasury/about#priorities>

- ✓ **Seek to improve value for money**
- ✓ **Be transparent and accountable**

DFID Supply Partner responsibilities

Supply partners and their Sub-Contractors should ensure they have read and understood the Code and their required compliance level and seek clarification from DFID where necessary. In particular, it is important that the supply partners and their Sub-Contractors understand any risks and have systems in place to manage them. The 3 compliance levels are:

Compliance Level 1 - Supply partners with an individual contract value of £1m or above, or two or more contracts with DFID with a combined value of £5m or above

Compliance Level 2 - Supply partners with an individual contract value below £1m, or two or more contracts with DFID with a value of less than £5m

Compliance Level 3 – Supply partners with an individual contract value, or component of a Contract, with a value below the EU Threshold. At this level supply partners are required to adhere to the overarching Code principles and recognise, mitigate and manage risks. These supply partners will not be monitored against the contractual KPIs.

Scope

This Code forms part of DFID's standard contractual terms and conditions and full compliance and annual verification via a signed declaration, to be found at Annex 1b, is mandatory for supply partners. DFID will monitor supply partners in six priority areas as set out below using a set of Key Performance Indicators (KPIs) referenced in Annex 1a and 1b.

1. Value for Money and Governance Key Performance Indicators KPI 1 a - c

Value for Money is an essential requirement of all DFID commissioned work. All supply partners must seek to maximise development results, whilst driving cost efficiency, throughout the life of commissioned programmes. This includes budgeting and pricing realistically and appropriately to reflect delivery requirements and levels of risk over the life of the programme. It also includes managing uncertainty and change to protect value in the often challenging environments that we work in.

Supply partners must demonstrate that they are pursuing continuous improvement to reduce waste and improve efficiency in their internal operations and within the delivery chain. DFID expects supply partners to demonstrate openness and honesty and to be realistic about capacity and capability at all times, accepting accountability and responsibility for performance along the full delivery chain, in both every-day and exceptional circumstances.

Specific requirements include:

- ✓ Provision of relevant VfM and governance policies and a description of how these are put into practice to meet DFID requirements (e.g. codes on fraud and corruption, due diligence);
- ✓ A transparent, open book approach, which enables scrutiny of value for money choices, applies pricing structures that align payments to results and reflects an appropriate balance of performance risk;
- ✓ Processes for timely identification and resolution of issues and for sharing lessons learned.

2. Ethical Behaviour

Key Performance Indicators KPI 2 a- f

DFID supply partners and their Sub-Contractors act on behalf of government and interact with citizens, public sector/third sector organisations and the private sector. These interactions must therefore meet the highest standards of ethical and professional behaviour that upholds the reputation of government.

Arrangements and relationships entered into, whether with or on behalf of DFID, must be free from bias, conflict of interest or the undue influence of others. Particular care must be taken by staff who are directly involved in the management of a programme, procurement, contract or relationship with DFID, where key stages may be susceptible to undue influence. In addition, supply partners and their Sub-Contractors must not attempt to influence a DFID staff to manipulate programme monitoring and management to cover up poor performance.

Supply partners and their Sub-Contractors must declare to DFID any instances where it is intended that any direct or delivery chain staff members will work on DFID funded business where those staff members have any known conflict of interest or where those staff members have been employed by DFID or the Crown in the preceding two years. Supply partners and their Sub-Contractors must provide proof of compliance with the HMG approval requirements under the Business Appointment Rules.

Supply partners and their Sub-Contractors must have the following policies and procedures in place:

- ✓ Recruitment policy (which must address circumstances where there may be potential or actual conflict of interest)
- ✓ Ongoing conflict of interest, mitigation and management
- ✓ Refresher ethical training and staff updates (including awareness of modern day slavery and human rights abuses)
- ✓ A workforce whistleblowing policy
- ✓ Procedures setting out how, staff involved in DFID funded business, can immediately report all suspicions or allegations of aid diversion, fraud, money laundering or counter terrorism finance to the Counter Fraud and Whistleblowing Unit (CFWU) at fraud@dfid.gov.uk or on +44(0)1355 843747

3. Transparency and Delivery Chain Management

Key Performance Indicators KPI 3 a – f

DFID requires full delivery chain transparency from all supply partners. All delivery chain partners must adhere to wider HMG policy initiatives including the support of micro, small and medium sized enterprises (MSMEs), prompt payment, adherence to human rights and modern slavery policies and support for economic growth in developing countries.

DFID's direct/prime supply partners (tier 1) must engage their delivery chain supply partners in a manner that is consistent with DFID's treatment of its prime supply partners. This includes, but is not limited to: pricing; application of delivery chain risk management processes; and taking a zero tolerance approach to tax evasion, corruption, bribery and fraud in subsequent service delivery or in partnership agreements.

Specific requirements for prime supply partners include:

- ✓ Provide assurance to DFID that the policies and practices of their delivery chain supply partners and affiliates are aligned to this Code;
- ✓ Maintaining and sharing with DFID up-to-date and accurate records of all downstream partners in receipt of DFID funds and/or DFID funded inventory or assets. This should map how funds flow from them to end beneficiaries and identify risks and potential risks along the delivery chain;
- ✓ Ensuring delivery chain partner employees are aware of the DFID fraud mail box³ found on DFID's external website and of the circumstances in which this should be used;
- ✓ Publication of DFID funding data in accordance with the International Aid Transparency Initiative (IATI)⁴
- ✓ Supply partners shall adhere to HMG prompt payment policy not use restrictive exclusivity agreements with sub-partners.

4. Environmental issues

Key Performance Indicators KPI 4 a – b

³ <https://www.gov.uk/government/organisations/department-for-international-development/about#reporting-fraud>

⁴ <http://www.aidtransparency.net/>

DFID supply partners must be committed to high environmental standards, recognising that DFID's activities may change the way people use and rely on the environment, or may affect or be affected by environmental conditions. Supply partners must demonstrate they have taken sufficient steps to protect the local environment and community they work in, and to identify environmental risks that are imminent, significant or could cause harm or reputational damage to DFID.

Commitment to environmental sustainability may be demonstrated by:

- ✓ Formal environmental safeguard policies in place;
- ✓ Publication of environmental performance reports on a regular basis
- ✓ Membership or signature of relevant Codes, both directly and within the delivery chain such as conventions, standards or certification bodies (eg the Extractive Industries Transparency Initiative⁵).

5. Terrorism and Security

Key Performance Indicators KPI 5 a – d

DFID supply partners must implement due diligence processes to provide assurance that UK Government funding is not used in any way that contravenes the provisions of applicable terrorism legislation.

Specific requirements:

- ✓ DFID suppliers must safeguard the integrity and security of their IT and mobile communications systems in line with the HMG Cyber Essentials Scheme⁶. Award of the Cyber Essentials or Cyber Essential Plus badges would provide organisational evidence of meeting the UK Government-endorsed standard;
- ✓ All DFID supply partners who manage aid programmes with a digital element must adhere to the global Principles for Digital Development⁷, which sets out best practice in technology-enabled programmes
- ✓ Ensure that DFID funding is not linked to terrorist offences, terrorist activities or financing

6. Social Responsibility and Human Rights

Key Performance Indicators: KPI 6 a – d

⁵ <https://eiti.org/>

⁶ <https://www.gov.uk/government/publications/cyber-essentials-scheme-overview>

⁷ <http://digitalprinciples.org/>

Social responsibility and respect for human rights are central to DFID's expectations of its Supply Partners. We will ensure that robust procedures are adopted and maintained to eliminate the risk of poor human rights practices within the complex delivery chain environments funded by DFID. These include unethical and illegal employment practices, such as modern day slavery, forced and child labour and other forms of exploitative and unethical treatment of workers. DFID will expect a particular emphasis on management of these issues in high risk fragile and conflict affected states (FCAS), with a focus on ensuring remedy and redress if things go wrong.

Specific requirements:

- ✓ All Supply Partners must be fully signed up to the UN Global Compact⁸;
- ✓ Practices in line with the International Labour Organisation (ILO) 138⁹ and the Ethical Trading Initiative (ETI) Base Code¹⁰ are encouraged;
- ✓ Policies to embed good practice in line with the UN Global Compact Guiding Principles 1 & 2 on business and human rights, as detailed in Annex 2;
- ✓ A Statement of Compliance outlining how the organisation's business activities help to develop local markets and institutions and contribute to social and environmental sustainability, whilst complying with international principles on labour and ethical employment, social inclusion and environmental protection.
- ✓ Overarching consideration given to building local capacity and promoting the involvement of people whose lives are affected by business decisions;

Annex 1a

Compliance KPIs and contractual checking mechanisms

Maintaining standards of assurance and driving sustainable improvements, in connection with the Code's principles through partner relationships is a key focus for DFID.

Supply partner and delivery chain compliance checking processes will take place in accordance with the agreed compliance levels and the specific contractual clauses down the delivery chain, DFID shall undertake compliance spot checks.

Where appropriate, a progress review plan setting out the Code of Conduct delivery methodology for the supply partner arrangements during the contract term may be jointly developed during Contract mobilisation.

⁸ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

⁹ http://ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138

¹⁰ <http://www.ethicaltrade.org/eti-base-code>

Contract Checks and Compliance KPIs		KPI target	Specific Contractual link	Checking mechanism
i.	Declaration of acceptance of the DFID Supply Partner Code of Conduct	Annual declaration submitted by contracted supplier on behalf of delivery chain	Contract Terms and Conditions Clause 5.1 and Clause 7.7	Declaration of acceptance at the applicable level of compliance with each of the 5 sections received
	Declaration of sign up to the UN Global Compact	Annual declaration submitted by contracted supplier on behalf of delivery chain	Standard Selection Questionnaire (SQ)	Declaration of applicable sign up received
1.	<u>VfM and Governance standards</u>			
a)	Economic and governance policies in practice	Annual updated documentation provided (copy of Policy with detailed annual financial breakdown relating to contract)	Contract Terms and Conditions Clauses 12, 13 & 14	Annual contract review/programme management Audit checks
	VfM being maximised over the life of a contract 1. By confirmation of annual profit level fluctuations since tender submittal	Updated documentation	Contract Terms & Conditions	Spot checks

b)	2. by timely identification and resolution of issues	submitted once annually	Clause 14 & 19	Annual contract review/programme management
	3. ensuring lessons learned are shared		Terms of Reference (ToR)	Spot checks
c)			Terms of Reference (ToR)	Annual contract review/programme management
				Spot checks
c)	<u>Tax Declaration (HMRC format)</u>	Annually updated documentation submitted by contracted supplier and on behalf of delivery chain partners	Contract Terms and Conditions Clauses 14, 22 & 23	Annual return
	<ul style="list-style-type: none"> Tax the organisation paid on profits made in the last 3 years, and in which countries Compliance with relevant country level tax regulations fully understood and met 			
2.	<u>Ethical Behaviour</u>			
a)	Recruitment policy (which must address circumstances where there may be potential or actual conflict of interest)	Updated policy documentation submitted once annually by contracted supplier and on behalf of delivery chain partners	Contract Terms and Conditions Clauses 6, 48 & 51	Annual return Spot checking

b)	Ongoing conflict of interest, mitigation and management	As 2a. above	Contract Terms and Conditions Clause 51	Annual return Spot checking
c)	Refresher ethical training and staff updates (including disclosure restrictions on DFID confidential information)	Copy of training logs provided Delivery in accordance with training programme in place	Contract Terms and Conditions Clauses 6, 28 48 & 51	Annual return Spot checking
d)	A workforce whistleblowing policy	Continuous workforce awareness maintained Policy in place	Contract Terms and Conditions Clause 46	Annual return Spot checking
e)	<p>1. Procedures setting out how, staff involved in DFID funded business, can immediately report all suspicions or allegations of aid diversion, fraud, money laundering or counter terrorism finance to the Counter Fraud and Whistleblowing Unit (CFWU) at fraud@dfid.gov.uk or on +44(0)1355 843747</p> <p>2. Employees working on DFID Contracts fully aware of the DFID external website fraud mailbox</p>	<p>Continuous awareness maintained</p> <p>Procedure in place</p> <p>Continuous awareness maintained</p>	<p>Contract Terms and Conditions Clause 46</p> <p>Contract Terms and Conditions Clause 46</p>	<p>Annual return Spot checking</p> <p>Annual return Spot checking</p>

f)	<p>Declarations of direct or delivery chain staff members proposed to work on DFID funded if employed by DFID or the Crown in the preceding two years.</p> <p>Supply partners and their Sub-Contractors must provide proof of compliance with the HMG approval requirements under the business appointment rules</p>	Details submitted as applicable	<p>Contract Terms and Conditions Clause 51</p> <p>HMG business appointment rules</p>	<p>Annual return</p> <p>Spot checking</p> <p>Contract management</p>
3.	<u>Transparency and Delivery Chain Management</u>			
a)	IATI compliance for supply partner and their delivery chain supply partners	Updated documentation submitted once annually	Contract Terms and Conditions Clause 27	<p>Tender evaluation</p> <p>Periodic spot checks</p>
b)	Up to date and accurate records of all downstream supply partners	Updated documentation submitted	<p>Contract Terms & Conditions Clauses 8 & 27</p> <p>Tender submittal – delivery chain</p>	<p>Annual return</p> <p>spot checking</p> <p>Contract management</p>
c)	Policies and practices for the management of delivery chain partners and affiliates aligned to the DFID Supply Partner Code of Conduct	Updated documentation submitted annually	Contract Terms & conditions Clause 7	<p>Contract management processes</p> <p>Periodic spot checks</p>
d)	Tax evasion, bribery, corruption and fraud - statements of assurance provided	Updated documentation submitted once annually	Contract Terms and Conditions 22, 23 & 46	Periodic and annual return spot checks

e)	All delivery chain partner employees working on DFID Contracts fully aware of the DFID fraud mailbox	Updated documentation submitted once annually	Contract Terms & Conditions Clause 46	Periodic and annual return spot checks
	HMG prompt payment policy adhered to by all delivery chain partners	Updated documentation submitted once annually	Contract Terms & conditions 7	HMG spot checks Annual return
f)				
4.	<u>Environmental Issues</u>			
a)	1.Steps in place to identify environmental risks (e.g. by maintaining a risk register) Ensuring legislative requirements are being met 2. Formal context specific environmental safeguarding policies in place to ensure legislative requirements are being met	Updated documentation submitted once annually	Contract ToR, and Contract Terms and Conditions Clause 50	Contract management Periodic and annual return spot checks
b)	Published annual environmental performance reports	Updated documentation submitted once annually	Contract ToR	Periodic and annual return spot checks
5.	<u>Terrorism and Security</u>			
a)	Status declaration regarding the reporting of terrorist offences or offences linked to terrorist activities or financing	Updated documentation submitted if changes identified since tender	Standard Selection Questionnaire (SQ) Contract Terms	Annual return Spot checks Annual contract

		submittal	and Conditions Clause 47	review
b)	Certification at or above the level set out in the tender submittal	Updated documentation submitted if changes identified since tender submittal	Standard Selection Questionnaire (SQ)	Annual return
c)	Data managed in accordance with DFID Security Policy and their systems in accordance with the HMG Cyber Essentials Scheme	Updated documentation submitted if changes identified since tender submittal	Contract Terms & Conditions Clause 31 & 32	Spot checks
d)	Best practice global Principles for Digital Development in place	Updated documentation submitted if changes identified since tender submittal	Terms of Reference (TOR)	Annual contract review
6.	<u>Social Responsibility and Human Rights</u>			
a)	Provision of a current internal document demonstrating good practice and assuring compliance with key legislation on international principles on labour and ethical employment	Confirmation of UN Global Compact Membership	Standard Selection Questionnaire (SQ)	Tender evaluation
b)				Annual return spot checking

Prior to contract award and thereafter on an annual basis, the supply partner is required to submit a compliance declaration in connection with the management of any DFID Contracts in place and on behalf of their delivery chain partners. Supply partners should be aware that spot check compliance monitoring will take place to verify responses.

Supply Partner Compliance Declaration

Key:

Contractual Requirement:

X denotes full compliance required

O denotes reduced compliance level, if clearly stipulated in contractual Terms of Reference

Compliance Level 1

Supply partners with an individual contract value of £1m or above, or two or more contracts with DFID with a combined value of £5m or above.

Compliance Level 2

Supply partners with an individual contract value below £1m, or two or more contracts with DFID with a value of less than £5m.

Compliance Level 3

Supply partners with an individual contract value or component of a Contract with a value below the EU Threshold. At this level supply partners are required to adhere to the

overarching Code principles and recognise, mitigate and manage risks but will not be monitored against the contractual KPIs.

KPI Compliance Area		Supplier Compliance Level		Commentary	CEO Signatory	Signature & date of signing
		1	2			
1.	<u>VfM and Governance standards</u>					
a)	Evidence of how economic and governance policies work in practice	X	O			
b)	VfM maximisation over contract life					
	1. Annual confirmation of % profit on contract	X	X			
	2. timely identification and resolution of issues	X	X			
	3. ensuring lessons learned are shared	X	O			
c)	<u>Tax Declaration (HMRC format)</u>					
	Comply with all tax requirements	X	X			
2.	<u>Ethical Behaviour</u>					
a)	Adherence to set and agreed conflict of interest management procedures	X	X			
b)	Evidence of workforce ethical training updates					

	taking place	X	X			
c)	Confirmation of direct and delivery chain partner compliance with the HMG approval requirements under the Business Appointment Rules.	X	X			
3.	<u>Transparency and Delivery Chain Management</u>					
a)	Supply partner and delivery chain partners IATI compliant	X	O			
b)	Provision of up to date and accurate records of all downstream supply partners provided within the required frequencies, including annual contractual spend on MSME's, women owned businesses and apprenticeships in place	X	O			
c)	Verification that policies and practices for the management of delivery chain supply partners and affiliates are aligned to the DFID Supply Partner Code of Conduct i.e. by demonstrating delivery chain governance arrangements in place	X	O			
d)	Assurance there has been no change to previous statements provided in relation to tax evasion, bribery, corruption and fraud	X	X			
	Confirmation that all					

e)	delivery chain supply partners' employees working on DFID Contracts are fully aware of the DFID external website fraud mailbox	X	X			
f)	Confirmation of adherence to HMG prompt payment policy with all their delivery chain supply partners	X	O			
4.	<u>Environmental Issues</u>					
a)	Environmental risks identified (e.g. by maintaining a risk register) with formal context specific environmental safeguarding policies in place	X	O			
b)	Annual published environmental performance reports	X	O			
5.	<u>Terrorism and Security</u>					
a)	Status declaration regarding the reporting of terrorist offences or offences linked to terrorist activities or financing	X	X			
b)	No engaged employees or delivery chain partner personnel appears on the Home Office Prescribed Terrorist Organisations List	X	X			
c)	Data is managed in accordance with DFID security policy and systems are in accordance with the HMG cyber essentials	X	X			

	scheme					
d)	Adherence to the best practice global principles for digital development	X	O			
6.	<u>Social Responsibility and Human Rights</u>					
a)	Provision of a current internal document demonstrating good practice and assuring compliance with key legislation on international principles on labour and ethical employment(to include Modern Day Slavery Act 2015 compliance detail)	X	O			
b)						
c)						
	Current membership of UN Global Compact?	X	X			
	Current membership of ethical trading initiative (ETI)?	O	O			
	Has the supply partner provided an internal policy or written outline of good practice service delivery approaches to UN Global Compact Principles 1&2 demonstrating an appropriate level of commitment in relation to their Contract?	X	O			

UN Global Compact – Human Rights

Principle 1: businesses should support and respect the protection of internationally proclaimed Human Rights

Principle 2: businesses should ensure they are not complicit in Human Rights abuse

Organisations should do this by giving attention to vulnerable groups including women, children, people with disabilities, indigenous groups, migrant workers and older people.

Organisations should comply with all laws, honouring international standards and giving particular consideration to high risk areas with weak governance.

Examples of how suppliers and partners should do this are set out below:

In the workplace

- by providing safe and healthy working conditions
- by guaranteeing freedom of association
- by ensuring non-discrimination in personnel practices
- by ensuring that they do not use directly or indirectly forced labour or child labour
- by providing access to basic health, education and housing for the workers and their families, if these are not provided elsewhere
- by having an affirmative action programme to hire victims of domestic violence
- by making reasonable accommodations for all employees' religious observance and practices

In the community

- by preventing the forcible displacement of individuals, groups or communities
- by working to protect the economic livelihood of local communities
- by contributing to the public debate. Companies interact with all levels of government in the countries where they operate. They therefore have the right and responsibility to express their views on matters that affect their operations, employees, customers and the communities of which they are a part
- through differential pricing or small product packages create new markets that also enable the poor to gain access to goods and services that they otherwise could not afford
- by fostering opportunities for girls to be educated to empower them and also helps a company to have a broader and more skilled pool of workers in the future, and
- perhaps most importantly, a successful business which provides decent work, produces quality goods or services that improve lives, especially for the poor or other vulnerable groups, is an important contribution to sustainable development, including human rights
- If companies use security services to protect their operations, they must ensure that existing international guidelines and standards for the use of force are respected

Section 3

TERMS OF REFERENCE

Invitation to Bid, Volume III

Terms of Reference for:

Independent Monitoring and Verification (IM&V) Services for Sanitation, Water and Hygiene for the Rural Poor, UNICEF Component

Project No 204702

Abbreviations

ASWA	Accelerating Water and Sanitation for All
JMP	Joint Monitoring Programme
IPME	Independent Process Monitoring and Evaluation
ODF	Open Defaecation Free
PbR	Payment by Results
ToR	Terms of Reference
UNICEF	United Nations Children's Organisation
VfM	Value for Money
WASH	Water Supply, Sanitation and Hygiene

Context

1. This Terms of Reference (ToR) sets out the role, responsibilities and deliverables for a supplier to provide DFID with independent monitoring and verification (IM&V) services for a major water supply, sanitation and hygiene (WASH) programme. The services in question relate to a centrally managed WASH programme that has

recently been approved: 'Sanitation, Hygiene and Water for the Rural Poor, Project Number 204702¹¹.

2. The new programme, which is largely focused on sanitation, will use two delivery channels or components. The first component involves UNICEF. The second involves a number of NGO or Private Sector consortia. This ToR focuses on the UNICEF component only.
3. The UNICEF component is due to commence in October 2017 and will continue until 31st December 2022. There will be a break point in all DFID agreements and contracts associated with this project in October 2020. The continuation of the project after October 2020 will depend on (i) satisfactory progress against objectives and (ii) the availability of DFID funds after this point. The break point applies to the contribution agreement with UNICEF and the associated IM&V contract.
4. The UNICEF project builds on the momentum achieved by a centrally managed WASH project, 'Accelerating Water and Sanitation for All (ASWA), currently being implemented in nine countries. In June 2016, the ASWA project was extended until January 2019, with additional WASH results being generated in five of the eight counties, Burma, Cambodia, Madagascar, Nepal and South Sudan.
5. Whilst the original ASWA project has shaped the development of its successor, some aspects of ASWA II are entirely new. These include the introduction of performance incentives, one form of Payment by Results (PbR), in this case focusing on the sustainability of sanitation outcomes.
6. Following detailed discussions with UNICEF, it has been agreed that ASWA II will focus on a set of ten countries (Table 1). These include eight of the nine countries targeted by ASWA I, building on the momentum achieved by the first ASWA project. Two other countries have been added: Eritrea and Haiti. Work in Yemen, which was originally included in ASWA I, was discontinued in 2016 because of the worsening security situation. Additional countries, possibly including Burkina Faso, may be included in the ASWA portfolio at a later date. Such addition would result in a contract amendment.
7. ASWA II helps strengthen a long term strategic partnership between DFID and UNICEF. The partnership assists developing countries secure lasting WASH services for poor and vulnerable people. At the same time, DFID is supporting UNICEF to strengthen its core systems, in particular, those relating to accountability, transparency and value for money.

Serial	Country	UNICEF Region	Original ASWA Country (Y/N)
1	Bangladesh	South Asia	Y
2	Burma	East Asia and Pacific	Y
3	Cambodia	East Asia and Pacific	Y
4	Eritrea	Eastern and Southern Africa	N
5	Haiti	Latin America and Caribbean	N

¹¹ Development Tracker Project Reference 204702

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6	Madagascar	Eastern and Southern Africa	Y
7	Nepal	South Asia	Y
8	Niger	West and Central Africa	Y
9	Pakistan	South Asia	Y
10	South Sudan	Eastern and Southern Africa	Y

Table 1: ASWA II Host Countries

8. The second delivery channel for the new programme involves NGOs or private sector suppliers. This delivery channel is however currently suspended whilst DFID reassesses the WASH results it has achieved to date. Should this channel be re-activated, a separate IM&V contract would also be established.
9. The programme's 'contractual design', showing both its delivery channels, is summarised in Figure 1. Bidders for the IM&V work associated with the UNICEF delivery channel may also apply for the second IM&V contract, associated with the second delivery channel, should this be re-activated.

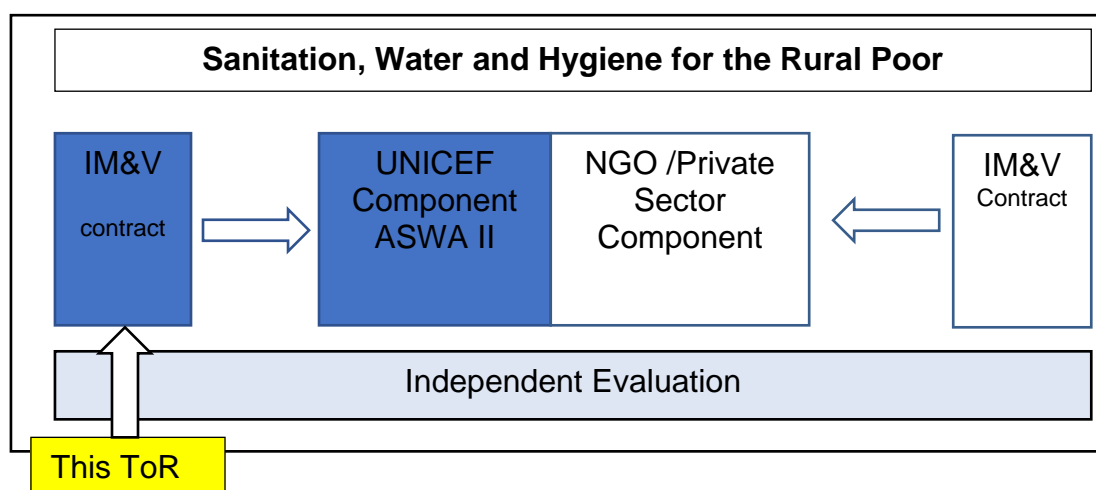


Figure 1: Contractual Design of New WASH Programme

10. Lessons learnt and best practice will be exchanged across the two delivery channels using a series of annual partner meetings. If possible, these will be associated with DFID Annual Reviews. The IMV contract does not focus on knowledge sharing. This will be a responsibility of UNICEF on one hand, and NGO / Private sector implementers on the other.
11. Technical details of the DFID programme are set out in the projects business case which is available on the Development Tracker website.
12. ASWA II's objectives, indicators and targets are set out in country specific proposals and logframes. UNICEF's WASH Section in New York is pulling these documents together to form a global proposal and logframe. Advanced drafts of these documents are attached at Annex A (the global UNICEF proposal) and Annex B (the global UNICEF logframe). Country and global logframes are compatible with the overarching

programme logframe, which is also available on the Development Tracker website.

Further details of how results are to be captured and reported are included in the UNICEF Results Framework at Annex C.

13. Once the DFID / UNICEF Contribution Agreement has been signed, the UNICEF component of the project will begin with a six month inception phase. During this time, logframe milestones will be refined, baselines will be established, and arrangements for transition between ASWA I and ASWA II will be finalised. The latter is important to avoid double counting. Value for Money indicators will be updated, as set out in Annex D. The project's performance incentive system will also be finalised, details of which are provided in Annex E. Implementation is due to start in April 2018. The project has a financial breakpoint in October 2020; this breakpoint also applies to the IM&V supplier.
14. Selected results for ASWA II, extracted from Annex B are set out in the table below. The table provides a rough indication of the scale of the project.

Serial	Objective	UNICEF Target
1	Sustained Access to basic sanitation for people in targeted rural districts	3,750,000 people
2	Sustained access to basic, safe water supplies	500,000 people
3	Sustained access to improved WASH facilities, with hygiene being promoted	500 schools
4	Sustained access to improved WASH facilities in health care facilities	250 health care facilities
5	District authorities using mobile to web monitoring systems to collect, analyse and report WASH results	'X' Districts: UNICEF to confirm related target during inception phase

Table 2: Key Results, ASWA II

15. ASWA II will include an element of Payment by Results (PbR). The rationale and approach to be used, which is based on performance incentives rather than financial penalties, are set out at Annex E. Incentives are focussed on enhancing sustainability, rather than the delivery of project outputs.
16. The DFID WASH Policy Team will manage ASWA II from DFID's main office in East Kilbride, Scotland. Whilst DFID has offices in some of the countries listed above, the project team cannot draw on DFID in-country capacity. The team will therefore require additional support to monitor progress and verify results.

Requirement

17. The supplier is to provide DFID's WASH Policy Team in East Kilbride with IM&V services for the ASWA II project. The service will commence shortly after the completion of the project's inception phase, with an award date of 17th May 2018. The contract will end on 31st December 2022, with a contract break point in October 2020.
18. IM&V activities are to be focused on three inter-related areas:

- a. Periodic assessments of the monitoring systems, sustainability checks and outcome surveys used by UNICEF to report project results to DFID;
 - b. Follow-up monitoring of project activities and results.
 - c. Provision of project related advice to DFID.
19. Unlike the independent process monitoring and evaluation contract that supported ASWA I (this is due to end in November 2017); the IM&V contract does not include programmatic support to UNICEF. Neither does it include lesson learning and knowledge transfer. This is for three reasons:
 20. It is felt that UNICEF has sufficient capacity to undertake these aspects of programme without independent support. Should this not be the case, UNICEF itself can arrange technical assistance.
 21. It is difficult for a single contractor to combine programme and accountability functions for the same project.
 22. UNICEF has Regional Offices with capable WASH staff whose responsibilities include technical support to UNICEF Country Offices and knowledge management. Employing independent consultants to undertake similar functions is inefficient and may cause confusion.
 23. The following specific tasks will be undertaken by the IM&V supplier. These tasks reflect the role and responsibilities of a DFID Infrastructure Adviser and / or Programme Officer in situations where a DFID Country Office is managing a WASH Project.

Specific Tasks

i). Delivery Plan

- Review relevant documentation and meet with key stakeholders (including DFID in the UK) to get a clear understanding of the project's objectives, strategy, results, approaches and risks.
- On this basis, prepare an **initial monitoring and verification workplan** for present to DFID in the UK.

ii). Preliminary Work

- Develop and agree with DFID and the UNICEF WASH Team in New York¹² a detailed **assessment methodology** to assess project monitoring systems, outcome surveys and qualitative assessments, sustainability checks (which are part-survey based), and associated capacity. Described in Annex C, these are the main tools being used by each participating UNICEF Country Office to measure progress against logframe targets. The assessment methodology should include a grading system, with grades and specific recommendations being generated to help strengthen monitoring systems and related capacity.
- It should be emphasised that the programme aims to target **poor and vulnerable people** and reach them with **sustainable WASH services**. The programme

¹² The process will involve UNICEF Regional and Country Offices, although final agreement will be with HQ in New York.

should be **gender sensitive**, also make specific provision for women and girls. This should be reflected in UNICEF strategy, processes and monitoring systems.

- The assessment methodology should include the use of **spot checks** to verify the reliability of monitoring systems.
- The assessment should include UNICEF's use of **VfM metrics** to improve performance (Annex D). It should also be noted that the grading system is linked to the payment of **sustainability incentives** (see Annex E).
- Working with the DFID Senior Responsible Officer and UNICEF's Programme Lead, update the **IM&V workplan**, indicating key objectives and describing activities, their timing and location, who will be involved, and resource requirements.
- Prepare a **preliminary report**, including (i) the updated **IM&V workplan** and (ii) the **assessment methodology**
- Present the preliminary report to DFID in the UK.

iii). Initial Monitoring Systems Assessment.

- Applying the assessment methodology, undertake initial in-country assessments of UNICEF's project monitoring systems, sustainability checks and **outcome surveys** (i.e. the **baseline**), and related capacity, for each of the UNICEF Country Offices involved in ASWA II. It is estimated that each assessment will take up to 10 days.
- Assessments are likely to benefit from the participation of UNICEF Regional Office WASH Staff.
- Should DFID's Duty of Care prevent travel to any country; carry out a desk review, augmented by information provided by the supplier's in-country partner, if applicable.
- Assessment reports will be shared with UNICEF at Country, Regional and Global level, and with DFID. The reports should include recommendations to improve the quality of monitoring systems.
- Present results of the assessments to DFID (single meeting, likely to be in the UK).

iv). Subsequent Assessments of Monitoring Systems

- Continue to monitor the performance of these monitoring systems on an annual basis. As set out in Annex D, the results of these assessments will be used to determine performance incentives linked to two indicators.
- Assessment reports will be shared with UNICEF at Country, Regional and Global level, and with DFID
- Should DFID's Duty of Care prevent travel to any country; carry out a desk review, augmented by information provided by the supplier's in-country partner, if applicable.
- Present results of follow-up assessments on monitoring systems to DFID (single meeting per year, likely to be in the UK)

v). Follow-up Monitoring

- In addition to these assessments, the supplier should undertake periodic follow up visits to countries where Duty of Care can be assured. These should be planned around six months after the last assessment.
- Follow-up missions are intended to be relatively 'light touch', lasting up to a week, and should focus on checking the status of follow up recommendations as well as targeting and sustainability. Missions will include related joint field visit (with in-country UNICEF staff). UNICEF Regional staff may also wish to participate.
- Present results of routine monitoring to DFID in the UK (single meeting per year, likely to be in the UK)

vi). Provision of Additional project related Information and Advice.

- Additional advice to DFID is required in the form of:
 - Inputs to DFID-led Annual Reviews, informed by recent visits and a review of UNICEF annual progress reports, which are due in April each year. The first Annual Review has been brought forward to April 2017, to mark the end of the project's inception phase. The supplier is not expected to contribute to this first report.
 - Reviews of UNICEF half-yearly technical updates, the first of which is due in October 2018;
 - Conduct three reviews of baseline, midline and endline outcome reports. These will be produced by UNICEF in 2018, 2020 and 2022. The supplier's review should consider the design, methodology, analysis and results of these reports.
 - Inputs to the DFID-led project completion report due in December 2022
- Advice should include specific recommendations related to targeting, gender and disability, sustainability and value for money.
- Informal advice may be provided to UNICEF's Programme Manager and Results Manager in New York, if requested. However, it should be noted that the IM&V supplier is accountable to DFID. DFID retains responsibility for making appropriate decisions, and for communicating these to UNICEF HQ, taking into the account the advice received from the IM&V supplier.
- DFID will meet UNICEF's WASH Section (face to face) twice a year to discuss progress. Meetings will be arranged to coincide with the Annual Review and Half-Yearly reporting. The IM&V supplier is may be requested by DFID to participate in these meetings if this is considered necessary.

Deliverables

24. Key deliverables are set out in the following table. We have assumed an award date of 17th May 2018.

Ser	Deliverable	Timing	Frequency	Remarks
1.	Initial Delivery plan, presented to DFID in the UK	End May 2018	One-off	Within four weeks after contract award

2.	Preliminary Report, including the monitoring assessment	End June 2018	One-off	Developed with DFID and UNICEF
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Ser	Deliverable	Timing	Frequency	Remarks
	methodology and the updated IM&V workplan			input
3.	Assessments of Monitoring Systems: country and consolidated reports	1st round completed by mid Oct 2018,	Annual	Requires visits to ASWA II countries unless Duty of Care prevents this (e.g. South Sudan)
4.	Review of UNICEF half-yearly technical updates (produced by UNICEF each October)	From Nov 2018, annually thereafter	Annual	Informed by routine monitoring
5.	Inputs to DFID Annual Reports, including review of UNICEF's Annual Progress Reports (produced by UNICEF by 15 April each year)	1 st input due end April 2019, annually thereafter	Annual	Home Base
6.	Routine monitoring reports	Starting 1 st July 2018	One reports per year per country	
7.	Review of Outcome surveys at Baseline, Midline and Endline	2018; 2020; 2022	3 times over 5 years	Home base: Liaise with UNICEF M&E specialists
8.	Final Report to inform Project Completion Review	Dec 2022	One off	Home base: To inform DFID PCR

25. The supplier is also expected to prepare brief three-monthly updates and financial utilisation reports for DFID, based on its delivery plan. These documents will inform quarterly meetings between the supplier and DFID (see paragraph 24) and will also trigger payments to the supplier.

Contract Period

26. The contract for the IM&V supplier will commence on 17th May 2018 and end on 31st December 2022. The contract will be issued for the full period, but subject to a break point at the end of October 2020. Should the contribution agreement between UNICEF and DFID be extended beyond December 2022, the IM&V contract may also be extended, subject to (i) satisfactory progress against objectives and (ii) the availability of DFID funds.

Team Composition

27. IM&V team should include the following:

- An experienced programme manager, primarily operating from home base, responsible for coordinating inputs, liaison with DFID; quality control and team administration.
- A field team leader with at least 10 years' experience of leading a multi-sector team to monitor rural WASH programmes, and developed interpersonal and communication skills. S/he must have a developed understanding of rural WASH, including understanding of sustainability, pro-poor targeting and gender concepts

and related practice. S/he should also be familiar with UNICEF's engagement in the WASH sector, and have a good understanding of its WASH programming,

relationships (particularly with its government counterparts and NGO implementing partners), and systems, especially those employed by UNICEF to monitor WASH results, which increasingly includes the use of mobile to web technology. Experience of working in rural WASH in Sub-Saharan Africa and/or South / South East Asia is also important, more so if this relates to one or more ASWA II countries.

- An evaluation expert with at least 10 years' experience of designing, implementing and/or reviewing output or outcome surveys and qualitative assessments, especially relating to behaviour change. S/he must have a good understanding of sustainability, pro-poor targeting and gender in the context of WASH.
- Between two and four field team members should also be nominated (with CV's presented). They must have a developed understanding of sustainability, pro-poor targeting and gender in the context of rural WASH. They should also be familiar with UNICEF's engagement in the WASH sector, and have a good understanding of its WASH programming, relationships (particularly with its government counterparts and NGO implementing partners), and systems, especially those employed by UNICEF to monitor WASH results, including the use of mobile to web technology. Experience of rural WASH in Sub-Saharan Africa and/or South / South East Asia is also important, particularly if this relates to one or more ASWA II countries.
- DFID requires that bids should include a number of in-country or regional partners or sub-contractors, able to cover at least 5 of the ten ASWA II Countries. Partners or Sub-contractors are expected to have a developed understanding of Rural WASH (particularly demand-led sanitation and hygiene) in a specific regional or country context. They are expected to have a good understanding of related monitoring systems. For each partner, at least one CV should be presented, equivalent to the field team leader, together with an organisational profile. In-country partners should not have a financial relationship with UNICEF, and should complete due diligence checks. DFID anticipates that at least 25% of the total budget will be allocated to regional or in-country partners.
- DFID would also like to see a gender balance across the IM&V team.
- In overall terms, a balance of skills and specialist experience is required across the team, covering the breadth of WASH and balancing social development, institutional, technical, financial and monitoring skills. Interpersonal and communication skills are also important as team members are expected to develop and maintain an effective professional relationship with UNICEF. It should be pointed out that two of ASWA II's countries are francophone, implying that at least one team member must be fluent in French.

DFID Coordination and Management

28. The supplier will be managed by a nominated individual in DFID's WASH Policy Team. DFID will arrange quarterly meetings with the supplier to discuss progress and agree work plans.
29. DFID will evaluate the performance of the IM&V supplier throughout the life of the contract, including as part of DFID's standard annual review process.
30. Payments to the IM&V supplier are expected to be made quarterly, based on the delivery plan (Ser 1 in the delivery table), and evidence of satisfactory performance

and financial utilisation.

Duty of Care

31. The Supplier is responsible for the safety and well-being of its staff and sub-contracted personnel or partners (as defined in Annex F). This responsibility extends to including the provision of appropriate security arrangements. DFID will share available information with the supplier on security status and related developments in ASWA II countries.
32. Bidders are expected to develop their proposals on the basis of being fully responsible for Duty of Care. Acceptance of responsibility must be supported with evidence of capability and DFID reserves the right to clarify any aspect of this evidence. For further details see Annex F.

Annexes:

- A. UNICEF ASWA II Global Proposal
- B. UNICEF ASWA II Global Logframe
- C. UNICEF ASWA II Results Framework
- D. UNICEF ASWA II VfM Note
- E. UNICEF ASWA II PbR System
- F. DFID Duty of Care: Responsibilities for Suppliers

CB118 (April 2002)

Accelerating Water and Sanitation for All

(ASWA II) Global Proposal

September 2017

Name	Accelerating Sanitation, Hygiene and Water for All (ASWA II)
Amount requested	£ 56,000,000 including a conditional performance incentive of up to £6,000,000
Timeframe	1 October 2017 to 31 December 2022
Participating countries (10)	Cambodia, Bangladesh, Eritrea, Haiti, Madagascar, Myanmar, Nepal, Niger, Pakistan, South Sudan.
Outcome	Sustained use of safe water supplies and sanitation services, and sustained adoption of hygiene practices, by poor and vulnerable people in targeted rural districts, especially by women and girls.
Planned results	<ul style="list-style-type: none"> • 3.75 million people gain sustainable access to basic sanitation; • 500,000 people gain access to sustainable, basic and safe water supplies; • 500 schools and 250 health care facilities have appropriate, effectively managed WASH facilities, with hygiene also being promoted; • Participating countries have strengthened national monitoring systems and reinforced capacity to improve the equity and sustainability of rural WASH services; • Participating countries complete three third-party sustainability checks over the course of the project, with appropriate follow-up actions agreed with and undertaken by community groups and/or government counterparts; • Value for Money assessed annually by participating UNICEF country offices to drive project performance and improve delivery efficiency.

Outline	The ASWA II programme will be implemented in ten low income and lower-middle income countries characterized by poor child survival indicators; low WASH coverage, especially
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Strategy	<p>sanitation; and high rates of child undernutrition.</p> <p>The programme’s main focus will be sanitation and hygiene behaviour change, achieved by applying UNICEF’s successful Community Approaches to Total Sanitation (CATS) strategy. This multi-pronged approach is ultimately designed to achieve and sustain open defaecation free (ODF) status across whole communities. Sanitation and hygiene promotion will also be reinforced with limited investments in safe water supplies and institutional WASH. District level activities will be backed up by UNICEF supporting the development of the WASH sector at national and/or sub-national levels. This high-level work will be tailored to suit national needs as well as UNICEF’s local capacity. In overall terms, this is likely to focus on strengthening accountability and sustainability in the context of national plans to meet SDG 6 targets.</p> <p>At ground level, the programme will target poor and vulnerable people in rural districts characterised by poor child survival indicators, low access to WASH services, high rates of malnutrition, and, if applicable, the prevalence of WASH-related Neglected Tropical Diseases (NTDs) such as trachoma. ASWA II will take opportunities for geographical convergence with complementary programmes such as in the nutrition, health or education sectors to maximise results for children and their families. Rural communities targeted by the programme will be identified through a mapping process during the project’s inception phase by district governments, UNICEF and other stakeholders. Selection criteria will include appropriate wealth indicators to target poor communities. Community profiling will be undertaken as part of CATS pre-triggering to ensure interventions include poor and vulnerable households.</p> <p>Outputs will be reported to DFID twice a year through technical updates and annual progress reports; outcomes will be measured by survey at baseline, mid-term and at the end of the project, with results being disaggregated by wealth, gender, and other relevant markers. DFID will procure independent monitoring and verifying services to confirm the results being reported.</p>																																																																							
Relation to UNICEF Strategic Plan	The programme is designed to support the implementation of UNICEF’s Strategic Plan (2018-2021) and Strategy for WASH (2016-2030). Individual country components are designed to support the achievement of Country Plans of Action agreed by host Governments and UN/UNICEF.																																																																							
Budget Summary	<p>Assumed conversion rate 1:1.30 £/USD</p> <table><tr><th>Results</th><th>Total USD</th><th>Total Pound</th><th>Percentages of grand total</th></tr><tr><td>Sanitation & Hygiene Promotion</td><td>\$27,000,000.00</td><td>£20,769,230.77</td><td>42%</td></tr><tr><td>Water Supply 66% new and 34% Rehabilitation</td><td>\$7,595,000.00</td><td>£5,842,307.69</td><td>12%</td></tr><tr><td>WASH in School</td><td>\$4,250,000.00</td><td>£3,269,230.77</td><td>7%</td></tr><tr><td>WASH in Health care Facility</td><td>\$2,837,500.00</td><td>£2,182,692.31</td><td>4%</td></tr><tr><td>Subtotal A</td><td>\$41,682,500.00</td><td>£32,063,461.54</td><td></td></tr><tr><td>Enabling Environment</td><td>\$3,000,000.00</td><td>£2,307,692.31</td><td>5%</td></tr><tr><td>Learning & Monitoring</td><td>\$5,098,570.00</td><td>£3,921,976.92</td><td>8%</td></tr><tr><td>Outcomes results and Sustainability</td><td>\$3,010,368.51</td><td>£2,315,668.08</td><td>5%</td></tr><tr><td>Subtotal B</td><td>\$52,791,438.51</td><td>£40,608,798.85</td><td></td></tr><tr><td>Direct & indirect Project Support Cos</td><td>\$2,400,000.00</td><td>£1,846,153.85</td><td>4%</td></tr><tr><td>Direct & indirect Project Support Ros</td><td>\$420,000.00</td><td>£323,076.92</td><td>1%</td></tr><tr><td>Direct & indirect Project Support HQ</td><td>\$600,000.00</td><td>£461,538.46</td><td>1%</td></tr><tr><td>In country Support cost in 10 countries</td><td>\$3,973,750.00</td><td>£3,056,730.77</td><td>6%</td></tr><tr><td>Total C: programme cost</td><td>\$60,185,188.51</td><td>£46,296,298.85</td><td>93%</td></tr><tr><td>Cost recovery</td><td>\$4,814,815.08</td><td>£3,703,703.91</td><td>7%</td></tr><tr><td>Grand Total</td><td>\$65,000,003.59</td><td>£50,000,002.76</td><td>100%</td></tr></table>				Results	Total USD	Total Pound	Percentages of grand total	Sanitation & Hygiene Promotion	\$27,000,000.00	£20,769,230.77	42%	Water Supply 66% new and 34% Rehabilitation	\$7,595,000.00	£5,842,307.69	12%	WASH in School	\$4,250,000.00	£3,269,230.77	7%	WASH in Health care Facility	\$2,837,500.00	£2,182,692.31	4%	Subtotal A	\$41,682,500.00	£32,063,461.54		Enabling Environment	\$3,000,000.00	£2,307,692.31	5%	Learning & Monitoring	\$5,098,570.00	£3,921,976.92	8%	Outcomes results and Sustainability	\$3,010,368.51	£2,315,668.08	5%	Subtotal B	\$52,791,438.51	£40,608,798.85		Direct & indirect Project Support Cos	\$2,400,000.00	£1,846,153.85	4%	Direct & indirect Project Support Ros	\$420,000.00	£323,076.92	1%	Direct & indirect Project Support HQ	\$600,000.00	£461,538.46	1%	In country Support cost in 10 countries	\$3,973,750.00	£3,056,730.77	6%	Total C: programme cost	\$60,185,188.51	£46,296,298.85	93%	Cost recovery	\$4,814,815.08	£3,703,703.91	7%	Grand Total	\$65,000,003.59	£50,000,002.76	100%
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Plan for	
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Request for Payments	Payment due date		UK£/Amount	
			Contribution	CPI (Maximum Value)
	1.	15 Sep 2017	£ 7,000,000	
	2.	09 April 2018	£ 8,000,000	
	3.	08 Oct 2018	£ 8,000,000	
	4.	08 Apr 2019	£ 7,000,000	£ 1,500,000
	5.	07 Oct 2019	£ 4,000,000	
	6.	06 Apr 2020	£ 4,000,000	£ 1,500,000
	7.	05 Oct 2020	£ 4,000,000	
	8.	09 Apr 2021	£ 2,000,000	
	9.	04 Oct 2021	£ 2,000,000	£ 1,500,000
	10.	04 Apr 2022	£ 2,000,000	
	11.	03 Oct 2022	£ 2,000,000	£ 1,500,000
	12.	Total	£50,000,000	£6,000,000

Accelerating Water and Sanitation for All (ASWA II) Global Proposal, September 2017

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Acronyms and Abbreviations

AMCOW	African Ministers' Council on Water
BAT	Bottleneck Analysis Tool
CATS	Community Approaches to Total Sanitation
CLTS	Community-Led Total Sanitation
CO	Country Office
CPI	Conditional Performance Incentive
DGIS	Directorate-General for International Cooperation (Netherlands)
DFID	Department for International Development (United Kingdom)
EAPRO	East Asia and the Pacific Regional Office
EMIS	Education Management Information Systems
ESARO	Eastern and Southern Africa Regional Office
GHD	Global Handwashing Day
HCF	Health-care Facility
HQ	Headquarters
IDS	Institute of Development Studies
JMP	Joint Monitoring Programme for Water Supply and Sanitation
LACRO	Latin America and the Caribbean Regional Office
LSHTM	London School of Hygiene and Tropical Medicine
MENA	Middle East and North Africa
MHM	Menstrual Hygiene Management
MICS	Multiple Indicator Cluster Surveys
NGO	Non-Governmental Organizations
NTD	Neglected Tropical Disease
OD	Open Defecation
ODF	Open Defecation Free
PbR	Payment by Results
PD	Programme Division
PCA	Programme Cooperation Agreement
RAM	Results Assessment Module
ROSA	South Asia Regional Office
SACOSAN	South Asian Conference on Sanitation
SMS	Short Message Service
SWA	Sanitation and Water for All
ToR	Terms of Reference
VfM	Value for Money
WASH	Water, Sanitation and Hygiene
WCARO	West and Central Africa Regional Office
WHO	World Health Organization
WinS	WASH in Schools

1. Context

Water lies at the heart of the Sustainable Development Goals and the 2030 Agenda for Change. Whilst water underpins the planned achievement of the SDGs relating to economic growth, health, nutrition, education and gender, it now has its own distinct goal: SDG 6. SDG 6 includes specific targets for water supply, sanitation and hygiene. The targets envisage universal access to safe water and sanitation by 2030, and include ambitious indicators such as water being available in the home. Extending WASH services to unserved populations whilst upgrading services in line with SDG 6 targets will require a dramatic change in sector performance; this requires:

- Simultaneously managing improvements in both equity (e.g., by extending access to all in hard-to-reach areas) and service quality (progressively moving up the ladder from basic to safely managed services);
- A sharp increase in progress rates, especially for sanitation, which will require a threefold increase in current levels of investment;
- The development of innovative and affordable approaches to finance, establish and sustain WASH services;
- The mobilisation of the private sector not only to assist with implementation, but also the subsequent management of rural WASH services, as well as the mobilisation of private finance;
- Stronger in-country partnerships: with government supported by its development partners to take the lead and assume accountability; and with donors aligning their strategies, plans and budgets with those of the government.

In 2016, UNICEF launched its Strategy for WASH (2016-2030), reflecting UNICEF's contribution to SDG 6 and other SDG goals for children in over 100 countries across the world. The Strategy reiterates UNICEF's commitment to the right to safe water and sanitation and the rights of the child, with interventions that help eliminate disparities in access due to poverty, gender, disability status, or other factors.

UNICEF's Strategy emphasises comprehensive approaches to service delivery which combine WASH services targeting households and communities with interventions targeting schools and health care facilities. There is more emphasis on environmental sustainability and the potential impacts of climate change; on sustaining water supply and sanitation services; on ensuring water safety; and on maintaining newly-established hygiene behaviours. Menstrual hygiene management (MHM) is specifically mentioned as a prerequisite for girls if they are to receive a quality education and one of UNICEF's four key strategies for hygiene.

The Strategy also highlights the benefits of working across sectors to maximise overall impact on child health and wellbeing, taking advantage of UNICEF expertise in WASH and other sectors. The strategy emphasizes the importance of UNICEF's upstream work with government and other partners to influence national policies and plans and develop national systems and capacity to advance global efforts to scale up WASH interventions.

The second Accelerating Sanitation and Water Supply for All programme, ASWA II, is designed to implement many aspects of UNICEF's Strategy for WASH. The programme will operate in rural districts in ten low and lower middle income countries, which failed to achieve

MDG WASH targets: Nepal, Pakistan, Bangladesh, Myanmar, Cambodia, Yemen, Niger, Madagascar, and South Sudan. Of these, eight were supported by the ASWA I programme

from 2013 and two –Eritrea and Haiti – are new. This continuity allows UNICEF to build on existing partnerships and capacity, consolidating success achieved by ASWA I, while also applying lessons to new countries. As was the case before, the new programme is managed centrally by both DFID and UNICEF. This ensures that the programme is well positioned to demonstrate the strategy in a wide variety of country contexts.

The £35.5m ASWA I programme is due to run until 31 January 2019, although most partner countries are well into a ‘sustainability phase’. Implementation phases are continuing in Madagascar, Nepal and Pakistan. In many respects the programme has proved highly successful, exceeding DFID expectations by reaching more than 5 million poor people with improved access to water and sanitation services. The programme has recently been evaluated by DFID, with lessons learnt informing the design of ASWA II. Other lessons have emerged from a somewhat similar multi-country programme supported by the Netherlands Government in sub-Saharan Africa. Key points are summarised below.

2. Lessons Learned

Overall Design

- ASWA I lacked an inception phase and moved quickly into implementation, reflecting pressure to achieve output results quickly. Over-ambitious milestones in Year 1 led to the project initially underperforming – it secured a ‘B’ – whilst the lack of an agreed results framework undermined efforts to establish a detailed baseline and measure outcomes. Learning from this experience, ASWA II includes an inception phase to ensure adequate planning and manage the risk of delays during implementation.
 - Noting challenges with reporting aggregated from nine ASWA I countries in four UNICEF regions, the new programme’s global and country-level logframes, and any supporting results frameworks, will be based on common definitions, indicators and data collection methods. To maximise efficiency and cost effectiveness, indicators will be aligned to UNICEF’s global indicators for WASH.
 - To ensure accountability and facilitate internal as well as external monitoring, UNICEF Country Offices should set targets and milestones at both output and outcome level. Targets should be achievable, taking into account the capacity of UNICEF counterparts and implementing partners, and of the UNICEF’s country office.
 - The measurement of outcomes is particularly important for both UNICEF and DFID. During ASWA II, UNICEF HQ and Regional Offices will play an increased role in quality assurance processes for survey methodology, data collection methods, and procurement. This will be undertaken in line with UNICEF’s global WASH knowledge management strategy and organizational procurement procedures. Baseline assessments will be initiated during the inception phase to enable outcomes to be measured at mid-term and at the end of the programme.
 - The programme duration needs to be long enough for measurable change at outcome level. Given that the programme is focused on achieving sustained behaviour change, a minimum of five years is suggested for ASWA II. Accordingly, partnerships between UNICEF and implementing agencies, which aim at shared outcomes, will be able to take advantage of this predictable timeline.
 - Country-level objectives for strengthening national WASH sectors must be clearly defined, based on careful needs assessments conducted during the programme’s inception phase. The selection of a relatively small number of priority objectives for this type of enabling work is critical. Prioritisation will account for UNICEF’s in-country capacity, and be coordinated with the plans of other development partners.
-
- As host of the secretariat of the Sanitation and Water for All (SWA) partnership, UNICEF has a central role in national advocacy efforts for the prioritisation to the WASH sector,

which is in support of the broader WASH programme and the specific objectives of ASWA II. In-country advocacy will be coordinated and consistently reflected in related objectives and indicators.

- Learning opportunities should be maximized, both through country-to-country exchange, and between the ASWA II and Netherlands-supported projects through UNICEF. Such activities will be facilitated by UNICEF HQ and Regional Offices.

Targeting

- To strengthen reporting on equity of outcomes, outcome surveys at baseline, midline and end line should disaggregate access to services by wealth quintile, gender and other relevant social determinants, and report accordingly. Qualitative research (potentially linked to outcome surveys) is likely to be needed to assess the degree of participation in marginalised groups in project processes.
- In ASWA I, output level results were not required to be disaggregated by sex and wealth quintile due to resource and capacity constraints. Whilst NGO partners may collect this data, the scalability of such an approach is questionable due to the resources required to do this on a regular basis. To address equity concerns at output level, more work is needed to identify target poor communities within districts.
- UNICEF's CATS approach includes a participatory mapping process to identify and include the least able and marginalised; however, emerging evidence from ASWA I and other experiences around the world suggest a need to better support the most disadvantaged with accessible and sustainable sanitation facilities. ASWA II will make use of emerging principles and action points developed by UNICEF, IDS and other partners to strengthen intra-community support and introduce external support mechanisms for the least able when necessary and appropriate¹³.

Sustainability

Working with communities, strengthening existing structures and respecting local leadership have been the main strengths of the ASWA I programme. This has helped secure a degree of sustainability in most programme locations; however, there is an opportunity to strengthen sustainability of outcomes through:

- Continuing support to the enabling environment that is focused on sustainable service delivery, for example by supporting government budgeting for post-ODF follow up, and building capacity and systems for carrying out such follow up;
- Continuing bi-annual third-party sustainability checks, which provide government with an important mechanism to monitor sustainability and advocate for better resourcing. These need to be linked to prompt follow-up, undertaken by communities, by development partners or by government as appropriate. Recently produced UNICEF guidelines will be adopted by all participating country offices to establish relatively simple but effective sustainability checks and related sustainability compacts signed by the government. The longer-term objective should be to institutionalise this system, with government funding and technical resources.

VfM

A number of useful approaches and tools for undertaking VfM analysis were introduced through the ASWA I programme. UNICEF has used this experience to develop a quantitative and qualitative toolkit that will enable Country Offices to use VfM analysis to improve performance. This is made easier by the adoption of a common results framework and common indicators, the introduction of mobile-to-web reporting and the potential to align activities and outputs to financial codes using UNICEF's financial management system.

¹³ For more information, see <http://www.communityledtotalsanitation.org/resource/supporting-least-able-throughout-and-beyond-clts>

UNICEF HQ and Regional Offices may support Country Offices as required to build capacity to use the new tools effectively.

Role of HQ and Regional Offices

The supportive complementary roles of UNICEF HQ and the Regional Offices should be maximized to achieve results through a greater specificity of respective roles. Both HQ and Regional offices have WASH capacity and this can be deployed to support country offices, for instance, through supporting sustainability checks in the West and Central Africa Region. To most effectively benefit ASWA II, the respective supporting roles should be reflected in the allocation of financial resources, linked to agreed objectives, activities and reporting.

Selected Programmatic Areas

- **Sanitation and Hygiene Promotion:** Establishing partnerships with national NGOs and civil society organisations, and reinforcing community participation and ownership through the CATS approach, has helped to scale up sanitation and hygiene promotion in a relatively short time frame. Working with extension workers in the nutrition and health sectors has also contributed to reaching greater number of people with hygiene messages. However, significantly more attention needs to be placed on post-ODF follow-up activities in communities, which are critical for the sustainability of newly-acquired practices.
- **WASH in Schools:** Household sanitation has been shown to provide a useful entry point for WASH in Schools and to a lesser extent WASH in Health Care Facilities. At the same time, children exposed to sanitation and hygiene at school can readily be mobilised to promote and monitor change at home. A coordinated approach is however required for this cross-fertilization between institutional and community WASH to work. In addition, existing school WASH facilities and programmes must be significantly improved to provide an adequate demonstration platform. UNICEF's 'Three Star approach', which encourages education authorities and schools to undertake an incremental improvement of key WASH infrastructure (such as handwashing stations) together with hygiene promotion and school management systems, are a cost-effective way to achieve this.
- **Safe, basic and resilient Water Supply:** Establishing water supply services that meet the JMP standard of basic services (drinking water from an improved source with a total collection time of not more than 30 minutes) and ensuring the supply is sustainable and resilient requires time and up-front investment in technical assessments and community mobilisation. In water scarce areas vulnerable to climate change, additional investment in developing resilience water supply solutions is needed. This is an area for learning best practice, with some UNICEF Country Offices needing specific guidance. A shortage of suitable implementing partners often delays progress. ASWA I demonstrated how spending time to develop robust partnerships for implementation can help reduce future delays, a practice that should be continued in ASWA II. Successful operation and maintenance of water supply systems require locally appropriate solutions developed together with communities. These may go beyond 'conventional' community managed approaches, and include the involvement of private sector actors – such as water system operators.
- **Enabling Environment for WASH:** Under ASWA I, UNICEF and sector partners made progress in strengthening the enabling environment in areas of WASH policy development, resource mobilization sector reviews, and capacity building action across

the 9 countries. These interventions help strengthen the national sector and lead to results beyond the scope of the project itself.

3. Objectives, Results and Indicators

The programme's impact, outcomes, outputs, and related indicators are detailed below in Tables 1-3. These relate to the programme's Theory of Change, which is attached at Annex A, and the project logframe at Annex B. The associated global results framework, which includes a more detailed description of indicators and means of verification, is at Annex C.

Table 1: Impact

Objective	Results Statement	Indicator(s)
Impact	Improved health, nutrition and wellbeing of poor and vulnerable people in targeted rural districts, especially of women and girls.	<ol style="list-style-type: none"> 1. Reduction in prevalence of diarrhoea in rural areas, disaggregated by wealth quintile, sex and age (whole population; children under 5) 2. Reduction in prevalence of stunting in children under 2, in rural areas, disaggregated by wealth quintile and sex 3. Time saved by women and girls gaining in water safe communities achieved through DFID support, disaggregated by wealth 4. Women in local water and sanitation management organisations and user committees participate in decision making about the provision and management of WASH services in their communities, disaggregated by wealth

Table 2: Outcome

Objective	Results Statement	Principle Indicator(s)
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Outcome	Sustained use of safe water supplies and sanitation	33.Proportion of externally verified ODF communities
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	services, and sustained adoption of hygiene practices, by poor and vulnerable people in targeted areas, especially by women and girls	<p>attributed to DFID support, maintaining their ODF status for at least one year.</p> <p>34. "Proportion of people in intervention communities that use household toilets, disaggregated by JMP toilet category, sex, disability and wealth ranking.</p> <p>35. "Proportion of people in intervention communities that practise handwashing with soap or an alternative handwashing agent such as ash, and water, disaggregated by sex, disability and wealth ranking.</p> <p>36. Proportion of people in intervention communities that use safe water from newly constructed or rehabilitated systems aggregated by JMP water supply category, sex, disability and wealth ranking.</p> <p>37. Proportion of externally verified water safe communities attributed to DFID support, maintaining their water safe status at least 1 year.</p> <p>38. Proportion of intervention schools with students practicing handwashing with soap water after visiting the toilet at least 1 year after intervention.</p>
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Table 3: Outputs

Objective	Results Statement	Principle Indicator(s)
Output 1	Access to basic sanitation for 3.75 million people in targeted rural districts	<p>1.1 Proportion of communities triggered with DFID support that are externally verified ODF within one year of months of triggering.</p> <p>1.2 Number of externally verified ODF communities.</p> <p>1.3 Cumulative number of people who gain sustained access to basic sanitation, disaggregated by sex</p> <p>1.4 Cumulative number of people who gain sustained access to basic handwashing facilities, disaggregated by sex</p> <p>1.5 Number of externally verified ODF districts (or equivalent local government unit)</p>

Output 2	500,000 people gain access to sustainable, basic and safe	2.1 Cumulative number of people who gain sustained access to basic, safe water supplies with a
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Objective	Results Statement	Principle Indicator(s)
	water supplies	<p>maintenance system in place, results disaggregated by sex.</p> <p>2.2 Number of externally verified water-safe communities.</p> <p>2.3 Percentage of newly constructed or rehabilitated water points fully functioning at the time of independent inspection undertaken by third parties (IM&V supplier or relating to sustainability check) - indicator description to be confirmed during inception.</p>
Output 3	500 schools and 250 Health Care Facilities have appropriate, effectively managed WASH facilities, with hygiene also being promoted	<p>3.1 Number of schools gaining improved water and sanitation facilities, with menstrual hygiene being promoted</p> <p>3.2 Proportion of intervention districts implementing district-wide MHM programmes in their schools.</p> <p>3.3 Number of health care facilities in intervention districts gaining improved water supply and sanitation facilities, achieved through DFID support.</p>
Output 4	National systems and capacity for rural WASH strengthened in prioritised areas	<p>4.1 Number of intervention districts (or equivalent) in which the local authorities use real time, mobile-to-web monitoring systems to collect, analyse and report output level project results, strengthened through DFID support</p> <p>4.2 Participating countries complete three third-party sustainability checks over the course of the project, with appropriate follow-up actions agreed with and undertaken by community groups and/or government counterparts;</p> <p>4.3 Countries to define third priority indicator, based on SWA building blocks</p>
Output 5	Value for Money assessed annually by participating UNICEF country offices to drive project performance and improve delivery efficiency.	<p>5.1 Number of intervention countries reporting the agreed set of VfM indicators, in line with VfM reporting schedule and associated guidance provided by UNICEF HQ</p>

The output targets will be assessed every year, and take into account slippage during the course of the project. Indicator 4.3 will be nationally-defined during the project inception period, during which UNICEF Country Offices will undertake a needs assessment and prioritise national capacity strengthening activities accordingly.

Tables 4 and 5 summarize the planned results with respect to beneficiaries, disaggregated by year and by country. These are indicative. The distribution of results across years and between countries will be confirmed during the project's inception. UNICEF may also adjust results between countries in order to achieve the aggregate target, providing DFID with a short justification prior to making any changes.

Table 4: Planned results per year (cumulative)

Results area and unit	Total	2017	2018	2019-2020	2021-2022
1) Basic sanitation, number of people	3,750,000	0	1,500,000	3,000,000	3,750,000
2) Basic water supply, number of people	500,000	0	200,000	400,000	500,000
3a) WASH in Schools; number of schools	500	0	200	400	500
3b) WASH in Health Care Facilities; number of facilities	250	0	100	200	250

Table 5: Distribution of targets per region, country, and results area

UNICEF Regional Office	Country	(1) Sanitation & Hygiene (people)	(2) Water Supply (people)	(3a) WASH in Schools (institutions)	(3b) WASH in Health Care Facilities (institutions)
ROSA	Bangladesh	450,000	40,000	50	15
	Nepal	350,000	10,000	50	20
	Pakistan	500,000	200,000	60	50
EAPRO	Myanmar	250,000	40,000	50	30
	Cambodia	350,000	10,000	50	15
ESARO	Eritrea	300,000	10,000	40	20
	South Sudan	350,000	60,000	50	25
	Madagascar	600,000	110,000	50	25
WCARO	Niger	500,000	10,000	50	25
LACRO	Haiti	100,000	10,000	50	25
TOTAL		3,750,000	500,000	500	250

4. Implementation Strategy

4.1 Targeting

The ASWA II programme will be implemented in ten low income and lower-middle income countries in Sub-Saharan Africa, South and South East Asia, and in the Caribbean. The countries are listed below.

- Bangladesh
- Cambodia
- Eritrea
- Haiti
- Madagascar
- Myanmar
- Nepal
- Niger
- Pakistan

- South Sudan

These countries are characterized by poor child survival indicators, low WASH coverage, especially for sanitation, and high rates of child undernutrition. The same criteria led to eight of the countries forming part of ASWA I; Eritrea and Haiti were added at the request of DFID. ASWA I also included Yemen, which despite fully delivering results as planned had implementation suspended in 2015 due to growing security concerns. Continuity in eight ASWA I countries into ASWA II bring efficiencies by using existing partnerships and established relationship with government, while at the same time focusing on many new districts. The continuity also ensures that UNICEF can monitor and reinforce the sustainability of ASWA I project outcomes. There is scope for other developing countries with poor WASH indicators to join the programme in the future, subject to the agreement of DFID and UNICEF.

Within each country, ASWA II will concentrate interventions in a limited number of districts, to be confirmed with government counterparts in the inception phase. District selection criteria include the same factors used to identify countries. Other selection criteria include (i) the presence of nutrition, health, education or other programmes that will provide opportunities for convergence and reinforce health impact; (ii) lack of support and/or resources from other development partners; (iii) UNICEF's country strategy and plans, developed and agreed with the host government, (iv) the presence of existing or potential implementation partners, and (iv) other factors, including the prevalence, if applicable, of neglected tropical disease related to WASH, in particular, trachoma.

Limiting the number of districts included in the programme will help ensure the efficient use of resources, including government capacity. This will reduce unit costs and increase the results tally. Concentration will also benefit sustainability, for example, enabling local entrepreneurs establish viable business plans to maintain water supplies. It should also result in an increased health impact due to wider areas achieving ODF status, reducing opportunities for the transmission of WASH related disease.

Rural communities within districts will be identified through a mapping process undertaken by district governments, UNICEF and other stakeholders initiated during the project's inception phase. Selection criteria will include appropriate wealth indicators, to help identify poor communities. Community profiling will also be undertaken as part of CATS pre-triggering to ensure that sanitation and hygiene interventions include poor and vulnerable households. The programme aims to maximise the achievement of verifiable ODF status across whole communities and potentially whole districts, ensuring that no-one in these communities has been left behind.

4.2 Implementation Strategy

The programme is structured with an initial six-month inception phase, followed by an implementation phase. The addition of an inception phase is a lesson learned from ASWA I and is anticipated to avoid start-up problems, and separate output and outcome phases. UNICEF and DFID hope that this separation will balance the attention to outputs and outcomes.

The following activities will be undertaken during the six month inception phase (1st October 2017 to 31st March 2018).

Table 6: Inception phase key activities

Key Activities	Country offices	Regional Offices	HQ
Orientate stakeholders	X	X	
Confirm district selection with government counterparts based on criteria mentioned	X		
Design and if possible initiate baseline survey and initial round of sustainability checks (procurement dependent)	X	X	X
Undertake district mapping to identify intervention sites	X		
Establish district implementation plans	X		
Seek and secure environmental impact approval as appropriate	X		
Establish implementation partnerships with NGOs and contracts with private sector	X		
Initiate procurement of hardware (e.g. with long lead times)	X		
Undertake WASH Bottleneck analysis or similar to identify national capacity building priorities	X	X	
Prepare and agree sustainability compacts with host governments based on UNICEF guidance	X	X	
Develop relevant guidance materials and standards	X	X	X
Establish learning needs, objectives and plan	X	X	
Finalise M&E frameworks with updated logframes	X	X	X
Prepare Country level implementation plans			
Submit Inception Report (equivalent to 1 st Annual Progress Report to DFIDS by 15 th April 2018.	X	X	X
Joint field mission, 2 countries, UNICEF-DFID-Govt , second half April 2018	X	X	X
Finalise staff recruitment if applicable	X	X	

The procurement of suppliers to undertake baseline surveys and sustainability checks will take time, noting that before this begins, ToRs need to be drafted and agreed. It is therefore unrealistic to expect that baseline data will be available or the first round of sustainability checks will be available before September 2018. The mid-October 2018 technical update should however report that both these tasks are completed. Midline and endline surveys need to be planned so that data is collected in the same months as they were for the baseline.

Implementation Phase

The implementation phase begins in April 2018 after the six-month inception phase is completed. Implementation will be guided by **country-specific** implementation plans and logframes. Below are specific approaches for the different programme components.

Sanitation and Hygiene

- The programme's sanitation and hygiene component aims to reach 3.75m beneficiaries at the 'basic' level of service, which is defined as an 'improved' family toilet not shared with other families (as defined by the JMP).
- In most situations, Country Offices will be encouraged to use a locally relevant adaptation of UNICEF's global approach to rural sanitation, Community Approaches to Total Sanitation (CATS). The CATS approach, which builds on the CLTS (Community Led Total Sanitation) approach, has been highly successful in achieving sanitation results at scale in many parts of the world. The approach includes a number of components, including CLTS, third-party ODF verification and certification, post-ODF follow up, additional hygiene promotion, sanitation marketing and WASH in schools. Countries will adapt the approach to their needs with support from Regional WASH

Advisers if required.

- In some cases, significant adaptation of the CATS approach to the local context may be needed, for example, in areas where ground conditions make it extremely difficult for poor households to establish and maintain pit latrines without external assistance.
- ASWA I experience reinforces the need to establish sustainable systems to provide follow up support and monitoring after ODF is achieved. This area will receive significant attention in ASWA II. Almost inevitably, it will require the commitment of government resources (for example, local health extension staff) for several years, until social norms around the use of toilets, handwashing, and other aspects of good hygiene, become embedded.

Safe Water Supplies

- The programme's water supply component is relatively small, benefitting only 500,000 people in the programme area (compared to the 3.75m people benefitting from sanitation). The 500,000 will benefit from a basic service in line with JMP's definition – water from an improved source with a 30 minute round trip, including collection time. The programme's monitoring system will be designed to record this category of user. Of the 500,000 beneficiaries, at least 650 per cent will receive entirely new supplies; the rest will have defunct water supplies which have been out of use for a significant amount of time rehabilitated. In all cases, water will be tested for microbial and priority chemical contaminants before supplies are made available to the public.
- The programme will combine conventional water supply technologies with more innovative approaches to improve performance, reduce costs and maximise sustainability. Conventional technologies include drilled boreholes fitted with hand-pumps and gravity systems. Solar pumping is increasingly affordable and will be introduced wherever practical. Piped water supplies, including micro-systems and larger piped water supplies may be used if these are cost effective, providing opportunities for smart metering.
- UNICEF will ensure that each system is effectively managed and maintained. In many cases, this role may be carried out by a private sector organisation under contract to a local community or to local government. A sustainability check, based on UNICEF's latest guidance, will be conducted every two years in to monitor service performance and down times.
- With climate change an increasing threat in many locations, UNICEF will apply its recently established guidance on climate and resilience to assess the risk and vulnerability of proposed water supply solutions, and take appropriate mitigating action.
- After the water supply is established, community organisations or other local bodies responsible for operation and maintenance will be trained to identify and reduce or eliminate the risk of microbial contamination. A simplified water safety plan approach to risk assessment will be used based on guidance produced by UNICEF and WHO.

WASH in Schools

- The programme will result in 500 schools served with a complete WASH package which includes sanitation, water supplies, hand washing facilities, and facilities for menstrual hygiene and meets national standards. Selecting schools for ASWA II will rely on district mapping to produce list of schools that will benefit from the project. To ensure that children attending schools can play a key role in their communities, promoting sanitation and handwashing, intervention schools will be co-located in districts with sanitation support.
- Country offices will be encouraged to use UNICEF's established 'Three Star Approach', an incremental approach to developing WASH services, including hygiene promotion

and school management systems. By the end of the project, , 500 schools out of a larger number will secure three stars associated with a full WASH package and in line with

national standards. However, many more schools will be introduced to the system, with the possibility of future advancement.

- Every intervention schools will require a unique solution, taking into account the number of children attending, their gender, special needs, and the status of existing WASH facilities if these exist. School staff will also be taught and equipped to promote hygiene and menstrual hygiene management.
- Delivering quality MHM services and information is important for building the confidence and freedom of girls during adolescence; it is also a gateway for other gender-transformative interventions, such as life skills and sexual and reproductive health. Under ASWA II, all WASH in schools interventions will include a minimum package of education, facilities, materials, and a supportive social environment to enable MHM. The programme will also promote the uptake of this package within district education plans and budgets.
- Monitoring is an essential component of the WinS programme and ensures the ability of countries to report on their progress towards the SDGs. Greater efforts will focus on supporting the education sector to mainstream WinS in national Education Management Information Systems (EMIS). Technical support will also be provided to governments to develop appropriate standards for WASH in schools.

WASH in Health Care Facilities (HCFs)

- District mapping will also identify Health Care Facilities which will benefit from the project. Reliable, safe water supplies, appropriate sanitation and hand washing facilities are essential elements of a rural health service. Priority will be given to establish WASH in HCFs which will make the greatest impact on the health of the local population, taking into account disease prevalence. Technology will be selected to reduce running costs and maximise the availability of safe water – for example using solar pumping and low cost filters for potable drinking water. Toilets and handwashing facilities will be designed to facilitate access and use for patients as well as caregivers and health staff.

Gender and Disability

The new programme will place increased emphasis on inclusion, and gender and disability in particular. UNICEF's approach to gender in this context will be based on a number of key principles. These include:

- Specific efforts will be made to engage with women and girls in all aspects of the programme, to ensure that interventions are fully informed by their perspectives, respecting the principle of 'nothing about us without us'. This applies to sanitation and hygiene promotion, water supply and water safety, school and health care facility WASH, all aspects of capacity development, monitoring and evaluation and formal learning.
- UNICEF and its partners will also do more to ensure that women form a larger component of the human resources engaged in both implementation and monitoring activities.
- School and Health Care facility WASH components of the programme will be designed from an engendered perspective. This includes ensuring that the facilities provided are fully appropriate for use by women and girls. All 500 schools and 250 health care facilities established will made adequate provision for menstrual hygiene.

Menstrual hygiene will be promoted through structured learning in schools. UNICEF

will work with district education and health staff to introduce and strengthen MHM throughout the targeted districts.

- Impact indicators include two qualitative measures with a strong gender dimension. These include an assessment of the time saved by women as a result of programme interventions, and how this time is used, and the degree to which women participate in decision making relating to programme activities. Both these indicators will be measured using qualitative methodologies in parallel with outcome surveys.
- Outcome indicators will be disaggregated by gender, with baseline, midline and endline data being captured. To the extent possible, output data will also be gender disaggregated.

Disability will also receive increased emphasis. The needs of people with physical mobility challenges – due to aging or any other reason - will be taken into account. The issue will form an important part of sanitation promotion during pre-triggering, with potential implications for the location, design and construction of home build toilets and hand washing facilities, and the establishment of a local safety net to ensure that everyone ends up with an appropriate toilet.

The design of school and health care WASH facilities will also take into account the needs of students and patients with disabilities or care givers with compromised physical abilities for whatever reason. Important information on hygiene in schools will take into account different learning abilities and styles.

Given the difficulties assessing the impact of the project on disabled users using standard surveys or by adapting routine reporting mechanisms, UNICEF will endeavour to conduct a multi-country, in-depth qualitative assessment of this issue. This study will not only contribute to the ASWA II programme learning and reporting, it will also inform global programming.

Sustainability

Many of the key lessons learnt during ASWA I relate to sustainability. This aspect will be reinforced in ASWA II, with more attention given to ensuring the achievement of sustainable outcomes relating both to the services established and new hygiene practices. Both are needed to ensure lasting health, social and economic impacts.

Sustainability will be reinforced by:

- Concentration of effort in limited geographical areas, reducing many of the communication, logistic and economic challenges of ensuring sustainability in a rural context;
- Community participation and ownership in the design, delivery and sustainability of services, providing options to communities which meet demand;
- Ensuring that water and sanitation systems are environmentally sustainable. For water supply services, this means conducting climate and resilience assessments as described;
- Ensuring the technical quality of the services provided, including any hardware;
- Supporting private sector organisations to manage and operate services;
- Assessing and developing local and national capacity to support and monitor

sustainable outcomes;

- Monitoring long term performance with a sharp focus on sustainability.

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In addition to these efforts, using the global sustainability framework developed by UNICEF HQ and specific examples from DGIS supported projects in West and Central Africa, the programme will also support the use of third-party sustainability checks to monitor the sustainability of both water and sanitation facilities in all ten countries. The first sustainability checks will start in 2018, by the end of the project UNICEF aims to have integrated sustainability checks into governments' sector planning and budgeting processes.

Sector support

Whilst much of the programme is focused on district-level interventions, to maximise its impact and ensure sustainability significant efforts will be invested in developing national sector capacity. Government plans are now realigning with the SDGs – as is UNICEF's global WASH strategy, and this is reflected in the support to be provided.

Learning from ASWA I, Country Offices will conduct needs assessments (or make use of the results of a recently conducted assessment) to prioritise sector interventions. UNICEF capacity and comparative advantage will help determine what to prioritise. Objectives will be country-specific, and will be identified and refined with sector partners during the inception phase. In general, though, there are three guiding principles that will shape this work:

- Sector support will be compatible with the architecture established by the five SWA building blocks¹⁴ that together constitute an effective WASH sector, and the four SWA collaborative behaviours that both UNICEF and DFID have committed to. In general, UNICEF will use its influence and capacity to work with the national WASH sector and its government partners to help introduce the SWA partnership, or reinforce participation if the country is an existing member.
- The established WASH Bottleneck Analysis Tool (BAT) will be applied to establish intervention priorities, if no similar analysis has been conducted for the sector.
- Reinforcing sector monitoring is likely to be a key priority in most countries, though in some cases, UNICEF's role may be fairly limited given the activities of other sector partners. There are potential opportunities associated with the introduction of mobile-to-web reporting, which UNICEF has been supporting in a growing number of countries for many years.

The use of RapidPro and/or AKVO Flow mobile-to-web platforms in UNICEF's West and Central Africa Region, and the DHIS2 platform in countries such as Zambia, has demonstrated how real-time monitoring can improve sector performance. This knowledge and capacity will be extended to all ten countries. Wherever appropriate, UNICEF will invest in these or other systems, both to collect, analyse and report project results, and to develop national WASH monitoring capacity.

Value for Money (VfM) Analysis

Based on experience gained during the AWSA I and its involvement in related VfM work undertaken by Oxford Policy Management (OPM) also supported by DFID, UNICEF HQ has recently developed quantitative and qualitative tools enabling country offices to undertake VfM assessments. The aim is to use VfM analysis to demonstrably improve programme delivery. The opportunity presented by ASWA II will be used to introduce the tools to all ten countries, piloting the approach and learning from this. VfM assessments will be undertaken annually, with results gathered by HQ for analysis before being shared with DFID. These include the

¹⁴ The five enabling environment building blocks: sector policy and strategy, institutional arrangements, sector financing, planning, monitoring and review, and capacity development. Collaborative behaviors include supporting government leadership, aligning processes, supporting a single sector monitoring system, and participating in joint sector reviews.

values of 12 core VfM indicators already agreed with DFID, covering VfM economy, efficiency and effectiveness.

Performance incentives

ASWA II will introduce a form of payment by results (PbR). The system will be based on an additional, conditional performance incentive, associated the achievement of challenging sustainability indicators: ODF conversion rates (the proportion of triggered communities which become ODF within 12 months), and ODF 'retention' rates (the proportion of communities that retain their ODF status for more than a year). Like other indicators, these are subject to independent verification through a third party entity contracted separately by DFID. Incentive payments are stepped, depending on the result achieved. Details are included in Annex E.

5. Programme Monitoring, Evaluation and Reporting

One of the key lessons learnt during ASWA I was the importance of Country Offices having their own targets, based on an agreed set of common indicators to enable aggregation and facilitate programme and financial management. ASWA II now features the following:

- An agreed list of common objectives, indicators -compatible with UNICEF global standard indicators - and targets;
- A programme logframe with nested country logframes with country level targets;
- A common results framework, adding detailed descriptions of indicators, disaggregation, and data collection methods.

Progress against output targets will be assessed throughout the project and reported to DFID twice a year (short technical updates in reported in September, more detailed annual progress reports in March). The latter will be used by DFID to inform Annual Reviews. Both the technical inputs and annual progress reports will form part of funding requests submitted twice a year.

The method used to report against outputs will vary country to country, depending on the involvement of government counterparts and/ or NGO partners. The use of mobile-to-web systems to capture progress will be encouraged, especially if this in line with UNICEF support to sector monitoring. Disaggregation by wealth and other socio-economic parameters may be resource intensive to the extent of it not being scalable. In these circumstances, it would be better to disaggregate at outcome level (based on more penetrating surveys), and put increased emphasis on pro-poor targeting at district and community level, and more emphasis on achieving community wide results. This approach is reflected in the programme strategy, the logframe and results framework.

Irrespective of the system used, UNICEF staff will be engaged in spot checks to validate claimed results. In some cases, UNICEF may procure third party monitors to assist with this process – learning from very positive lessons from Pakistan during ASWA I. It is planned that DFID will support the process with an independent

monitoring and verification (IM&V) service to confirm results. This will use a systems

approach, in that the contractor(s) will access the reliability and use of project monitoring systems, augmented by spot checks.

Progress against outcomes will also be measured using surveys, supplemented by qualitative research as indicated (see Gender section under Strategy). Representational surveys, using an appropriate, randomised cluster sampling methodology, will be undertaken in all ten countries, with baseline, mid- line and endline surveys being undertaken. Mobile-to-web systems will be used if possible to facilitate data entry and analysis. In each case, the universe will be communities preselected for implementation following a district mapping exercise. Sample sizes will be sufficient to ensure 90 or 95% confidence levels. The survey design, procurement, quality control and results interpretation will be supported by HQ and Regional offices as well as by in-country M&E staff.

Parallel with these surveys, UNICEF will also conduct qualitative research looking at the potential impact of project activities on women and girls. This will focus on two areas – the time saved through having better access to water and sanitation services, and the quality of women's' participation in related decision making. This research is likely to involve focus group discussions and interviews, potentially scoring responses in order to facilitate aggregation. Again, support from HQ, Regional and in country M&E staff is going to be required.

Reporting

The processes described above will provide the necessary information for developing global annual progress reports and global six-monthly technical updates. These will be informed by country reports, which will be provided as attachments.

Annual progress reports, due in mid-April each year, are comprehensive, not least because they are needed to inform DFID Annual reports. They will include an assessment of results against milestones, an associated narrative description of the progress made, a description of the challenges encountered and mitigation strategies, and details of financial expenditure, with a clear description that relates expenditure to progress and explains major deviation from plans. The results of VfM analysis, and updated core VfM indicator values, will also be reported. The progress report will be accompanied by an updated logframe and an updated risk assessment.

The first annual progress report is to be brought forward to 15th April 2018, and will provide a full account of the projects inception phase and related results.

Global technical updates will be provided every year from mid-October 2018. These are less detailed but still provide updated results and a financial summary. Once again, country updates are to be attached to the global document.

Both annual progress reports and technical updates will be used to request financial transfers from DFID.

Audited financial statements detailing income and expenditure will also be provided every

year, as will a final audited financial statement.

6. Research and Learning

One significant lesson learnt from ASWA I was that better use could have been made of associated learning opportunities. In this respect, a global learning plan will be produced as part of the programme's inception phase. Learning activities will frequently involve the exchange of information between countries, and will be coordinated by HQ and Regional WASH staff. The plan will include learning objectives and indicators, and will be based on a needs assessment. Progress will be assessed as part of the reporting system outlined above. The project will also benefit from a ring fenced learning budget.

The programme sets up many opportunities for operational research. The research agenda and priorities will be identified and developed as part of the learning plan. Research will be of demonstrable value to the programme and its objectives. Related activities will be implemented within the project area. Research reports will be assessed for quality by UNICEF's evaluation unit (achieving a minimum grading of good) before dissemination.

5.4 Roles and Responsibilities

UNICEF Country Offices

Participating UNICEF Country Offices, led by UNICEF Representatives, have primary accountability for delivering expected results on time and with the quality established in this proposal. They will work with government counterparts and other key stakeholders to develop country specific work plans to implement the project in accordance with this proposal and its annexes, related country proposals, and relevant UN or UNICEF procedures and regulations.

UNICEF Regional Offices

UNICEF Regional Offices will be the primary point of contact for Country Offices for guidance and support with respect to ASWA II. Project results will also be reviewed and quality assured by the respective UNICEF Regional Office prior to submission to UNICEF HQ. Other roles include:

- Providing technical assistance to country offices on any aspect of the programme, including but not limited to results frameworks, monitoring, the design, implementation and use of outcome surveys and related qualitative assessments, sustainability checks and compacts, VfM analysis, and approaches to targeting, gender and disability;
- Conducting regular field visits to review progress on the ground, in conjunction with visits from HQ staff;
- Developing and conducting the learning and research agenda at regional level; organising regional knowledge sharing, evidence generation and documentation;
- Developing and implementing a regional monitoring and quality assurance system for results reported by ASWA II countries;
- Review country reports to ensure that they are accurate and comply with measures defined by this proposal and the programme logframe, in particular, relating to disaggregation;
- Participating in joint country missions involving DFID, UNICEF, Government Counterparts and UNICEF Implementing partners associated with DFID's Annual Review process.

- Support country data collection and validation workshops, impact studies and data quality improvement workshops, conduct regional WASH progress review meetings and prepare regional WASH progress reports; and,
- Verify and submit country budget request to HQ, and monitor and utilization of allocated fund country as per the requirements of the programme.

UNICEF Headquarters

UNICEF's WASH Section in Programme Division holds primary accountability for programme oversight and will provide programmatic and management advice to regional and country offices. Responsibilities include:

- Providing a consistent and responsive communication interface with a designated focal point to both DFID and its IM&V service provider when engaged;
 - Refining and finalising programme design, results, finances and associated arrangements, liaising with DFID as and when necessary;
 - Providing Regional and Country offices with specialist technical and management advice and guidance, including on monitoring, evaluation and reporting;
 - Consolidating regional research and learning plans to inform a global learning plan;
 - Field monitoring, liaising with regional and Country offices as well as DFID, noting that DFID staff may wish to accompany HQ staff on relevant monitoring missions;
 - Global fund management, including monitoring expenditure against results and requesting funds from DFID based on agreed progress, an agreed timetable and funding pattern; giving DFID advance notice of any significant deviation from these plans;
 - Global risk management;
 - Global reporting: Consolidating, analysing and finalising technical updates and annual progress reports, including financial utilisation reports and the results of annual VfM assessments, ensuring their quality before sending on to DFID;
 - Participating in joint country missions involving DFID, UNICEF, Government Counterparts and UNICEF Implementing partners, associated with DFID's Annual Review process;
-
- Ensuring Country Offices comply with DFID guidance on visibility and branding;
 - Quarterly meetings with DFID to access progress and resolve challenges, either virtual or face to face.

7. Partnerships

UNICEF Country Offices will implement ASWA II in with national government counterparts, NGO partners, research and training institutions and private contractors. Indirectly, UNICEF will also partner with local communities. UNICEF will use partnership mechanisms to engage NGOs will to deliver results where these organisations can demonstrate relevant capacity, value for money and low fiduciary risk. In other cases, UNICEF will procure private sector contractors through an approved competitive approach in accordance with standing UNICEF/UN public procurement procedures.

UNICEF will use its convening role as sector lead or co-lead to engage with all key stakeholders in the targeted districts and communities, and explore how ASWA II can complement, leverage and/or benefit from ongoing programmes to ensure sustainable WASH provision.

UNICEF HQ and Regional Offices will foster partnerships with higher-level platforms, such as SWA, AMCOW and ASEAN, to disseminate lessons learned from ASWA and support evidence generation and knowledge management among not only the 10 ASWA II countries but all WASH priority countries.

Further details of UNICEF project partners and contractors are provided in Annex D. This list will be updated during inception and every six months thereafter.

8. Risk and Mitigation Measures

A full risk assessment and management matrix associated with this project is presented in Table 7 below. Risks will be monitored and reviewed annually as part of the annual review process, beginning in March 2018.

Table 7: Overview of programme risk

Description of Risk	Overall risk rating	Proposed Risk mitigation measures
Variation in unit costs of countries with different contexts may result in the project under-resourced to achieve its goals. Exchange rate fluctuations pose additional risks.	Moderate	Encourage implementing partners to develop more cost effective approaches. Implementing partners will need to think carefully about technology selection, as this is linked to costs. Focusing on a limited number of districts may result in economies of scale.
Risk that implementing partners do not have sufficient relevant experience on pro-poor targeting, links with nutrition, water safety, institutional WASH, menstrual hygiene, sustainability, improved monitoring.	Moderate	Assess implementing partners experience and approach before formalising any contractual relationship. UNICEF to call on other specialists within the organisation to provide technical advice. Opportunities for cross-learning between implementing partners to share experience
Five years to secure sustainability is ambitious, given the programmatic focus on the poor, who are typically harder to reach.	Moderate	Implementing partners approach to sustainability will be detailed in proposals. Efficiency will be increased by concentrating activities in a limited number of districts (without exceeding absorptive capacity), by phasing activities, and by making full use of local capacity. Where appropriate sub-contractors will be used.
Limitations in national and sub-national results reporting systems.	Moderate	Independent verification of WASH results is an important part of the project. Learning from the WASH Results project, verification processes will be streamlined, aided by the use of mobile-to-web systems, and the use of local consultants. A common results framework will facilitate this process.
Difficulty in achieving equitable targeting in practice beyond focusing on poor districts and adopting a 'whole community' approach.	Moderate	Country proposals will set out the criteria used to select intervention districts, with emphasis on reaching the poor and monitoring output and outcomes.

Description of Risk	Overall risk rating	Proposed Risk mitigation measures
There is a risk that sustainability receives inadequate emphasis, with more attention given to securing project outputs than securing sustained outcomes.	Moderate	Implementing partners will be expected to strengthen local capacity and ownership to support sustainability, both at community level and with local government. Outcomes will also be monitored at mid-term and end of project, related indicators focusing on factors which will contribute to long-term sustainability. The PbR system (Annex D) is designed to incentivise sustainability beyond a benchmark derived from ASWA I performance.

9. Value for Money

The ASWA programme has also created an important platform for developing a VfM analysis tool, linked to a set of core indicators. An initial assessment of VfM indicator values is shown below. These values will be revisited during the inception period, and reported on annually thereafter (noting that this reporting is itself a logframe indicator).

Table 8 Value for money core metrics by country offices

Core VfM metrics for DFID	CAMBODIA		MYANMAR		ERITREA		MADAGASCAR		SOUTH SUDAN		NIGER		NEPAL		PAKISTAN		BANGLADESH		HATI	
	Baseline	Proposal Estimate	Baseline	Proposal Estimate	Baseline	Proposal Estimate	Baseline	Proposal Estimate	Baseline	Proposal Estimate	Baseline	Proposal Estimate	Baseline	Proposal Estimate	Baseline	Proposal Estimate	Baseline	Proposal Estimate	Baseline	Proposal Estimate
	2017	2020	2017	2020	2017	2020	2017	2020	2017	2020	2017	2020	2017	2020	2017	2020	2017	2020	2017	2020
1. PBR Indicator: Proportion of communities triggered with DFID support that are externally verified as ODF within 1 year of triggering	~	30%	40%	60%	60%	80%	75%	90%	50%	85%	74%	90%	48%	60%	~	80%	~	75%	40%	68%
2. Average cost per beneficiary who gained access to basic sanitation	~	8	15.00	8.45	7.0	6.75	3.1	7.4	5.5	6.5	6	6	5.4	~	7.5	7	~	10.5	8.05	7.0
3. Average cost per beneficiary who gained access to basic safe water supplies	~	23	30.0	27.1	106	75.0	17	15	20.0	22.0	94	33.65	58	58	8.1	7.5	~	16.5	64	60
4. Average cost of constructing a school latrine cubicle	~	826	750	825	10,000	10,000	6,000	6,900	5,000	5,500	4,500	5,000	520	600	1,000	1,000	~	1,411	16,200	16,200
5. Average cost of achieving an externally verified ODF community	~	7,176	1,200	1,347	7,000	7,000	~	~	~	~	3,350	3,350	666	1,107	700	700	~	1,640	6,700	6,300
6. Average cost per community that is still ODF at least 1 year after external verification (USD)	~	10,252	1,800	1,960	9,000	9,000	483	483	500	550	600	600	~	~	700	700	~	160	8,150	7,680
7. Average cost of achieving an externally verified water safe community	~	14,683	550	667	150,000	150,000	~	~	~	~	~	~	~	~	50	50	~	100	129,000	121,000
8. Average cost per community that is still water safe at least 1 year after external verification	~	20,976	550	667	150,000	150,000	~	~	~	~	~	~	~	~	100	100	~	200	22,700	21,000
9. PBR Indicator: Proportion of externally verified ODF communities attributed to DFID support that maintain their ODF status for at least one year	~	70%	40%	60%	60%	80%	72%	90%	50%	85%	75%	90%	97%	90%	70%	80%	~	70%	~	70%
10. Proportion of externally verified water safe communities that maintain water safe status at least 1 year	~	70%	58%	100%	100%	100%	0%	90%	60%	85%	~	90%	~	70%	75%	75%	~	70%	~	~
11. Proportion of intervention schools in which students routinely practice handwashing with water and soap after visiting the toilet at least 1 year after the intervention	~	70%	60%	75%	60%	90%	~	90%	0%	50%	75%	85%	56%	70%	70%	80%	~	70%	~	~
12. UNICEF staff gross salaries and associated costs (i.e. staff adjustment and allowances) as a proportion of total programmable cost, excluding work related travel	~	14%	15%	16%	11.0%	11.0%	6%	6%	5%	7%	4.37%	6%	15%	14.5%	12.5%	11.7%	~	13%	~	~

The main sources of data to calculate the 12 metrics will be the ASWA II dashboard (or result report) and the associated financial report from VISION. Result data in the ASWA II dashboard will come from 2 main sources: from the routine country office WASH programme monitoring system for the 7 metrics for annual reporting; and from the latest sustainability check for the 5 metrics to be reported on every two years.

The VfM analysis will also use the Quantitative VfM indicators and qualitative indicators, and will assess the following parameters by activity, output and outcome:

- Performance ratio;
- Expenditure ratio;
- Performance to expenditure ratio;
- Actual unit costs;
- Variation actual/budgeted unit costs;
- Other performance/quality indicators:
 - CLTS/CATS: Certification rate (effectiveness), slippage rate (sustainability);
 - Equivalent Key Performance Indicators for water and WASH in institutions; and,
- Share of support costs.

9. Budget

For ASWA I, unit costs achieved are generally considered to be cost-effective, including:

- \$7.03 per capita to provide access to household sanitation; includes pre triggering, post triggering, post ODF monitoring for at least 2 years, other aspects of CATS including hygiene promotion, ODF verification costs and certification and celebration.
- \$13.7 per capita to provide access to improved water supplies; this unit cost includes water quality test and water safety planning.

The equivalent average unit costs for ASWA II have been increased by an average of between 25% for water supply, compared to ASWA I. This is due to the need to provide water within a maximum 30 minute collection time of the household, including queueing, and the increased focus on targeting the poor who typically live in more remote and smaller communities.

The proposed budget requested from DFID is £50,000,000, equivalent to USD **65,000,000** at USD 1.30 / £ 1.00. Analysis of budget per unit cost, budget per programme component, and budget per cost category are presented in tables 4, 5 and 6 respectively.

Table 9: Budget using unit cost (1 Pound= 1.30 USD)

Results	Total USD	Total Pound	Percentages of grand total
Sanitation & Hygiene Promotion	\$27,000,000.00	£20,769,230.77	42%
Water Supply 66% new and 34% Rehabilitation	\$7,595,000.00	£5,842,307.69	12%
WASH in School	\$4,250,000.00	£3,269,230.77	7%
WASH in Health care Facility	\$2,837,500.00	£2,182,692.31	4%
Subtotal A	\$41,682,500.00	£32,063,461.54	
Enabling Environment	\$3,000,000.00	£2,307,692.31	5%
Learning & Monitoring	\$5,098,570.00	£3,921,976.92	8%
Outcomes results and Sustainability	\$3,010,368.51	£2,315,668.08	5%
Subtotal B	\$52,791,438.51	£40,608,798.85	
Direct & indirect Project Support Cos	\$2,400,000.00	£1,846,153.85	4%
Direct & indirect Project Support Ros	\$420,000.00	£323,076.92	1%
Direct & indirect Project Support HQ	\$600,000.00	£461,538.46	1%
In country Support cost in 10 countries	\$3,973,750.00	£3,056,730.77	6%
Total C: programme cost	\$60,185,188.51	£46,296,298.85	93%
Cost recovery	\$4,814,815.08	£3,703,703.91	7%
Grand Total	\$65,000,003.59	£50,000,002.76	100%

Table 10: Budget per year activity and results

Outcomes results as per LFA	Total 2017-2022	Total Pounds	2017	2018	2019	2020-2022
Sanitation and Hygiene	\$27,000,000.00	£20,769,230.77	\$2,700,000.00	\$9,450,000.00	\$9,450,000.00	\$5,400,000.00
Water Supply	\$7,595,000.00	£5,842,307.69	\$759,500.00	\$2,658,250.00	\$2,658,250.00	\$1,519,000.00
WASH in schools	\$7,087,500.00	£5,451,923.08	\$708,750.00	\$2,480,625.00	\$2,480,625.00	\$1,417,500.00
WASH in Health Facility						
Enabling Environment	\$3,000,000.00	£2,307,692.31	\$300,000.00	\$1,050,000.00	\$1,050,000.00	\$600,000.00
Learning & Monitoring	\$5,098,570.00	£3,921,976.92	\$509,857.00	\$1,784,499.50	\$1,784,499.50	\$1,019,714.00
Outcomes Measurement Sustainability Checks	\$3,010,368.51	£2,315,668.08	\$301,036.85	\$1,053,628.98	\$1,053,628.98	\$602,073.70
Direct & Indirect Project Support	\$3,420,000.00	£2,630,769.23	\$342,000.00	\$1,197,000.00	\$1,197,000.00	\$684,000.00
In country support cost	\$3,973,750.00	£3,056,730.77	\$397,375.00	\$1,390,812.50	\$1,390,812.50	\$794,750.00
Programmable	\$60,185,188.51	£46,296,298.85	\$6,018,518.85	\$21,064,815.98	\$21,064,815.98	\$12,037,037.70
Cost recovery	\$4,814,815.08	£3,703,703.91	\$481,481.51	\$1,685,185.28	\$1,685,185.28	\$962,963.02
Total	\$65,000,003.59	£50,000,002.76	\$6,500,000.36	\$22,750,001.26	\$22,750,001.26	\$13,000,000.72

Annexes:

- A. Programme Theory of Change
- B. Programme Logframe
- C. Monitoring Framework
- D. Guidance on Value for Money (VFM)
- E. Approach to PbR
- F. Proposed partners and contractors, country by country

Attachments:

Individual Country proposals and logframes

Sanitation, Hygiene and Water Supply for the Rural Poor: UNICEF ASWA II Partnership

IMPACT

IMPACTA3:K54+A3:K54	Impact Indicator 1		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	
Improved health, nutrition and wellbeing of poor people in targeted rural districts, especially of women and girls	Reduction in prevalence of diarrhoea in rural areas, disaggregated by wealth quintile, sex and age (whole population; children under 5)	Planned		To follow		To be calculated following baseline		4% reduction	4% reduction	
		Achieved								
			Source Aggregated national survey data - rural areas: DHS, MICs etc: OR use Outcome Survey (see Note A). Methodology to be confirmed during inception							
	Impact Indicator 2		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	
	Reduction in prevalence of stunting in children under 2, in rural areas, disaggregated by wealth quintile and sex	Planned		To follow		To be calculated following baseline		4% reduction	4% reduction	
		Achieved								
			Source Aggregated national survey data, rural areas: DHS, MICs, etc. Or use outcome survey (Annex A). Methodology to be confirmed during inception							
	Impact Indicator 3		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	
	Time saved by women and girls gaining in water safe communities achieved through DFID support, disaggregated by wealth	Planned		Formalised agreement with 3rd party organisations in place to undertake PIA, workplan agreed, field work started		To be calculated following baseline		To follow		
		Achieved								
			Source Participatory Impact Assessment in parallel with outcome survey: Details to be confirmed during inception							
	Impact Indicator 4		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	

	Women in local water and sanitation management organisations and user committees participate in decision making about the provision and management of WASH services in their communities, disaggregated by wealth	Planned		Formalised agreement with 3rd party organisations in place to undertake PIA, workplan agreed, field work started		To be calculated following baseline			To follow			
		Achieved										
			Source									
			Participatory Impact Assessment in parallel with outcome survey: Details to be confirmed during inception									

Note A: In theory, the reduction would be 16% in project areas. We have assumed that national progress is only 4% (measured across all rural areas). This is likely to be measured using national qualifying surveys. However, it may be possible for this to be measured in intervention areas as part of the outcome survey - see Indicator 2 below. In which case, target would be a 16% reduction in intervention sites.

OUTCOMES

OUTCOME	Outcome Indicator 1		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	Assumptions	
Sustained use of safe water supplies and sanitation services, and sustained adoption of hygiene practices, by poor and vulnerable people in targeted areas, especially by women and girls	Proportion of externally verified ODF communities attributed to DFID support that maintain their ODF status for at least one year (Note A).	Planned		Formalised agreements with third party organisations to undertake baselines, detailed workplans agreed; fieldwork started in all countries		To be calculated following baseline		At least 70%		Robust data collection, analysis and reporting system in place UNICEF WASH has a methodology for outcomes measurement at district level.	
		Achieved									
			Source								
		Biennial sustainability check									
	Outcome Indicator 2		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022		
	Proportion of people in intervention communities that use household toilets, disaggregated by JMP toilet category, sex, disability and wealth ranking (Note B)	Planned		Formalised agreements with third party organisations to undertake baselines, detailed workplans agreed; fieldwork started in all countries		To be calculated following baseline		To be calculated following baseline			
		Achieved									
			Source								

		Outcome survey (mid term and endline, informed by baseline)						
Outcome Indicator 3		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022
Proportion of people in intervention communities that practise handwashing with soap or an alternative handwashing agent such as ash, and water, disaggregated by sex, disability and wealth ranking (Notes B, C)	Planned		Formalised agreements with third party organisations to undertake baselines, detailed workplans agreed; fieldwork started in all countries		To be calculated following baseline		To be calculated following baseline	
	Achieved							
		Source						
		Outcome survey (mid term and endline, informed by baseline)						
Outcome Indicator 4		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022
Proportion of people in intervention communities that use safe water from newly constructed or rehabilitated systems aggregated by JMP water supply category, sex, disability and wealth ranking (Note B)	Planned		Formalised agreements with third party organisations to undertake baselines, detailed workplans agreed; fieldwork started in all countries		To be calculated following baseline		To be calculated following baseline	
	Achieved							
		Source						
		Outcome survey (mid term and endline, informed by baseline)						
Outcome Indicator 5		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022
Proportion of externally verified water safe communities attributed to DFID support that maintain water safe status at least 1 year (Note D)	Planned		Indicators and monitoring protocols for water safe communities agreed and included in sustainability check methodology		To be calculated following baseline		To be confirmed during inception	
	Achieved							

			Biennial sustainability checks						
	Outcome Indicator 6		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022
	Proportion of intervention schools with students practicing handwashing with soap water after visiting the toilet at least 1 year after intervention	Planned		Indicators and monitoring protocols for WinS agreed and included in sustainability check methodology		To be calculated following baseline		To be confirmed during inception	
		Achieved							
			Source						
			Biennial sustainability checks						
INPUTS	DGIS (\$)		Govt (\$)		Other (\$)				
	DGIS (FTEs)								

Note A: Qualifying communities should comprise at least ten distinct households, and must be externally verified as ODF at the time of measurement. Externally verified means verified by an entity outside the community, egg by district authorities, as set out in a national protocol or guideline.

Note B: Outcome survey requires a baseline of proposed intervention communities organised during the project inception period or shortly afterwards. This implies the need to first carry out a district wide inventory assessing access to sanitation, in order to identify intervention sites.

Note C. Method to include observation of a functional hand washing facility with water and soap available for handwashing purposes at or near the toilet.

Note D: Water safe communities are defined in Output 2

OUTPUTS

Output 1	Output Indicator 1.1		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	Assumptions	
Access to basic sanitation for people in targeted rural districts	Proportion of communities triggered with DFID support that are externally verified ODF within one year of months of triggering (Note A)	Planned		Intervention communities identified through a district mapping process, and associated with updated district WASH plans, targets and annual milestones	reported by country	reported by country	reported by country	reported by country	Minimum 75%; percentage to be confirmed, progress greater than this linked to PbR	Countries targets defined based on the actual trend and targets reviewed annually	
		Achieved									
			Source								
			Project monitoring system								
	Output Indicator 1.2		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	All countries have a robust verification and certification methodology in place	

Number of externally verified ODF communities achieved by DFID support	Planned		Protocols and processes for ODF verification reviewed and included in district WASH plans with ODF targets and milestones	13,000	17,000	25,000	27,500	27,500		
	Achieved									
		Source								
		ODF verification reports								
Output Indicator 1.3		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	Robust, real time monitoring system in place at district level	
DFID CORE INDICATOR: Cumulative number of people who gain sustained access to basic sanitation, disaggregated by sex, achieved by DFID support (Note B)	Planned		District profiles completed, sanitation targets and milestones established in district WASH plans		3,000,000		3,750,000	3,750,000	Post ODF strategy is operationalised by district. Simplified sustainability check is used at district	
	Achieved									
		Source								
		Project monitoring system								
Output Indicator 1.4		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	Robust, real time monitoring system in place at district level	
Cumulative number of people who gain sustained access to basic handwashing facilities, disaggregated by sex and disability, achieved by DFID support (Note C)	Planned		District profiles completed, handwashing targets and milestones established in district WASH plans		3,000,000		3,750,000	3,750,000	Post ODF strategy is operationalised by district. Simplified sustainability check is used at district	
	Achieved									
		Source								
		Project monitoring system								
Impact Rating	Output Indicator 1.5		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	District level verification and certification protocols in place and EE applied

40%	Number of externally verified ODF districts (or equivalent local government unit) achieved by DFID support (Note D)	Planned		District ODF strategies or plans developed with national government counterparts and district officials in at least 5/10 ASWA II countries, with targets, annual milestones and process descriptions.	Numbers determined by national plans	Numbers determined by national plans	Numbers determined by national plans	Numbers determined by national plans	Numbers determined by national plans	Open defecation in urban, peri-urban centers in interventions districts are addressed in the protocols	
		Achieved									
			Source								
			ODF verification reports								
INPUTS	DGIS (\$)		Govt (\$)		Other (\$)						
	DGIS (FTEs)										
Note A: Triggering refers to a participatory process in which all members of the community are exposed to their sanitation reality and are facilitated to abandon open defecation and build and start using basic toilets through self help Note B: Basic sanitation defined by JMP. The indicator must be regularly updated over the course of the project to measure sustained access, rather than initial access. Note C: Basic handwashing facility defined by JMP, handwashing facility with soap and water available Note D: Definition of 'district' depends on country context; here it is broadly considered as an intermediate level administrative division run by local government											
Output 2	Output Indicator 2.1		Project Start: Oct 2017	Baseline April 20181st Annual Review	Milestone April 20192nd Annual Review	Milestone April 20203rd Annual Review	Milestone Apr 20214th Annual Review	Milestone Apr 20225th Annual Review	Target Dec 2022	Assumptions	
Access to basic, safe, locally managed water supplies for people in targeted rural districts	DFID CORE INDICATOR: Cumulative number of people who gain sustained access to basic, safe water supplies with a maintenance system in place, results disaggregated by sex and disability, achieved through DFID support (Note E)	Planned		Communities to be targetted for water supply improvements identified informed by district mapping and reflected in District WASH plans with targets and milestones		400,000			500,000	Service management models tested and approved at district level Private sector engagement proven to deliver sustained services	
		Achieved									
			Source								
			Project monitoring system								
	Output Indicator 2.2		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	Water safe community action plans are developed and operationalised by the	

	Number of externally verified water safe communities, achieved through DFID support (Note F)	Planned		Approach to water safety and water safe communitiers developed and agreed with government counterparts and reflected in District WASH plans	250	400	1000	1650	1,650	communities	
		Achieved									
			Project monitoring system								
Impact Rating	Output Indicator 2.3		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	Robust, real time monitoring system in place at district level	
20%	Percentage of newly constructed or rehabilitated water points fully functioning at the time of independent inspection undertaken by third parties (IM&V supplier or relating to sustainability check) - indicator dewscription to be confirmed during inception	Planned		Sustainability check protocols for water supply prepared in each country reflecting HQ guidance; ToRs developed and being used to procure 3rd party suppliers	To follow after inception	To follow after inception	To follow after inception	To follow after inception	To follow after inception	Simplified sustainability check is used at district	
		Achieved									
			Source								
			Third party biennial sustainability check								
INPUTS	DFID (\$)		Govt (\$)		Other (\$)					.	
	DFID (FTEs)										
Note E: Basic water supplies meeting JMP definitions. Safe water supplies are tested before handover, with water confirmed to be free of microbial and priority chemical contamination. Maintenance system definition: roles and responsibilities for O&M agreed; mechanics trained and equipped; System in place to finance repairs. Figure updated over course of project to measure sustained access. Note F: Water safe communities have a water security and safety plan in place and being implemented. Water safe communities must also be externally verified as open defecation free. Definition may be adjusted at country level.											
Output 3	Output Indicator 3.1		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	Assumptions	
Schools and health care facilities have appropriate, effectively managed WASH facilities, with hygiene also being promoted	Number of schools gaining improved water and sanitation facilities, with menstrual hygiene being promoted, achieved through DFID support (Note	Planned		District mapping used to identify intervention schools, targets and milestones, reflected in district WASH plans		400		500	500	WASH in schools are assessed in coordination with education sector Three star approach used to reach maximum number of schools with special focus on 500	

	G)	Achieved								school with at least 2 star ratings plus MHM	
			Source								
			Project monitoring system								
	Output Indicator 3.2		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	Guidelines for MHM in Schools developed and adopted at district level for scale up	
	Proportion of intervention districts implementing district-wide MHM programmes in their schools.	Planned		Guidance on district wide MHM prepared by UNICEF and used to inform district WASH Plans with targets and milestones		100%		100%	100%		
		Achieved									
			Source								
		Project monitoring system									
Impact Rating	Output Indicator 3.3		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	WASH in Health Care Facilities are assessed in coordination with health sector	
20%	Number of health care facilities in intervention districts gaining improved water supply and sanitation facilities, achieved through DFID support (Note H)	Planned		District mapping used to identify intervention health care facilities, targets and milestones, reflected in district WASH plans		200		250	250	Guidelines for WASH in Health Care Facilities developed and adopted at district level for scale up	
		Achieved									
			Source								
			Project monitoring system								
INPUTS			Govt (\$)		Other (\$)						
	DFID(FTEs)										
Note G. Improved water and sanitation facilities conform to National Guidelines, and include separate sanitation facilities for girls and boys, hand washing facilities and facilities for disabled users . Hygiene to be promoted, with focus on handwashing. Facilities for menstrual hygiene management and related hygiene education to be included. School student numbers - gender disaggregated, also to be recorded. Note H: Improved water and sanitation facilities conform to National Guidelines, and include separate facilities for males and females, provision of handwashing facilities, provision of facilities for disabled users . Catchment populated, disaggregated by sex, also to be recorded.											

Output 4	Output Indicator 4.1		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	Assumption	
National systems and capacity for rural WASH strengthened in prioritised areas	Number of intervention districts (or equivalent) in which the local authorities use real time, mobile-to-web monitoring systems to collect, analyse and report output level project results, strengthened through DFID support	Planned		Detailed assessments of WASH monitoring systems and related capacity needs completed, informing plans to strengthen systems with targets and milestones	To follow after inception	To follow after inception	To follow after inception	To follow after inception	To follow after inception	All the interventions districts have been capacitated to conducted real time monitoring User-friendly, real-time monitoring systems are developed and operationalised at district level	
		Achieved									
		To follow	Source								
	To follow										
		Output Indicator 4.2		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	WASH BAT applied and EE assessments conducted at district level using the SWA Building Blocks and bottlenecks addressed.
Countries to define second priority indicator, based on SWA building blocks - must be related to a SMART objective	Planned		Information from sector assessments (eg WASHBAT)used to (i) agree sector development priorities with Govt and other Stakeholders and (ii) UNICEF plans for supporting national sector development, with indicators, targets and milestones	To follow after inception	To follow after inception	To follow after inception	To follow after inception	To follow after inception	To follow after inception		
	Achieved										
		Source									
To follow											
	Output indicator 4.3		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	Sustainability compacts based on UNICEF global guidance signed by government;	

	Number of sustainability compacts signed by Government Counterparts and UNICEF, with management response plans based on the results of biannual sustainability checks being implemented	Planned		10 sustainability compacts prepared and signed, 1st round of sustainability checks completed; government's management response plans available	To follow after inception	Second round of Sustainability Checks completed, including assessment of status of management response from 2018; management response plans updated	To follow after inception	Third round of Sustainability Checks completed, including assessment of status of management response from 2020; management response plans updated	Evidence of sustainability checks and management response plans being adopted by government as an integral part of national WASH policy, plans and budgeting	government ensures effective management response to sustainability checks and follow up actions are taken	
		Achieved									
			Source								
			Government approved management response plans to 3rd party biannual sustainability checks, implementation status reported in UNICEF annual progress reports								
Impact Rating	Output Indicator 4.4		Project Start: Oct 2017	Baseline April 2018 1st Annual Review	Milestone April 2019 2nd Annual Review	Milestone April 2020 3rd Annual Review	Milestone Apr 2021 4th Annual Review	Milestone Apr 2022 5th Annual Review	Target Dec 2022	VFM methodology developed and applied across the programme countries	
20%	Number of intervention countries reporting the agreed set of VfM indicators, in line with VfM reporting schedule and associated guidance provided by UNICEF HQ (Note I)	Planned		VFM methodology developed by HQ/ROs; UNICEF COs trained to apply this to update core indicator values	10	10	10	10	10		
		Achieved									
			Source								
			VfM values and analysis to be included as a separate section in UNICEF's annual progress report submitted by UNICEF HQ to DFID by mid-April each year.								
INPUTS	DFID (\$)		Govt (\$)		Other (\$)						
	DFID (FTEs)										
Note I: VfM Core indicators (Max 12) and reporting schedule to be agreed with UNICEF and detailed in the Contribution Agreement. Not every indicator will be reported every year, the requirement will be specified in a separate note finialised during inception.											

UNICEF/DFID Accelerated Water and Sanitation for All (ASWA II)

Monitoring and Evaluation Framework

September 2017

Background

In 2015, the UK Government committed to help at least 60 million people gain access to clean water and sanitation by 2020. The ASWA II programme makes an important contribution to this ambitious target. The programme seeks to establish sustainable water, sanitation and hygiene (WASH) services for 3.75 million poor and vulnerable people in rural areas in ten countries: Niger, Nepal, Bangladesh, Pakistan, Niger, Haiti, South Sudan, Eritrea, Cambodia and Myanmar. UNICEF Regional and Headquarters staff will support the project, which is firmly based on the UNICEF WASH Strategy, 2016-2030, and lessons learnt from the preceding ASWA I programme.

Monitoring and Evaluation (M&E) is a critical component of the ASWA II programme. Each country project is expected to establish a number of M&E work-streams in-line with the global proposal, this framework, the programme logframe (see Global Proposal, Annex 'C'); and the country's nested logframe. These workstreams include:

- Process monitoring, typically focused on process quality and targeting;
- Output monitoring, based on logframe indicators and milestones, strengthening and making best use of government monitoring systems, including mobile-to-web (M2W) reporting systems;
- Outcome & Impact assessments, undertaken at baseline, midterm and endline, using randomised cluster surveys, bi-annual sustainability checks and qualitative assessments – all informed by HQ and Regional Office guidance;
- Value for Money assessments, undertaken at country level with data aggregated and analyses at global level – including an assessment of 12 core indicators;
- Special studies, as determined by a learning and research agenda that will be defined during the programme's inception period. One focus is likely to be disability, and the extent that disabled people are able to access and use WASH facilities created by the project.

This document outlines the systems that will be put into place by UNICEF to support these work-streams. The framework is a formal tool. It is also adaptable, and will be progressively upgraded (for example, with supplementary sections) and adjusted by the Results Manager in UNICEF HQ, with the agreement of UNICEF's Senior WASH Adviser leading the programme and DFID's Senior Responsible Officer.

Key Objectives of the M&E system

Key objectives are set out below. These focus on establishing a baseline, monitoring progress against indicator milestones and targets; process monitoring; sustainability checks; VfM assessments; the conditional performance incentive system and DFID procured independent monitoring and verification system. Many of these objectives are linked: for example, key information from sustainability checks will be used to report progress against outcome indicators.

In overall terms, whilst these objectives are all related to the DFID funded ASWA II programme, the M&E system should also be used to help strengthen government monitoring systems. The first and most immediate priority is to establish a coherent, quality baseline, this process beginning early in the project's inception phase. Further details are set out below.

Objective 1: To establish a coherent **baseline** to determine the existing situation at the beginning of the programme at output, outcome and impact level. The baseline will be used to measure progress (see below). The baseline has five distinct components:

- To measure outcome indicator values, a *randomised cluster sample survey* will be undertaken as part of the baseline. The logframe sets out the level of disaggregation required.
- Survey data will be complemented by a *qualitative assessment*, focused on the quality of women's participation in decision making and the time saved by improved access to WASH. These are two of four impact indicators. Whilst they are relatively low level impact indicators, they are important given the programme's overall gender focus. Our current knowledge of how WASH improvements affects either is limited. Therefore they will be measured.
- The remaining impact indicators related to diarrhoeal disease and stunting. Given the challenge of measuring either through a programme survey, and the limited timeframe for nutrition improvements to be measures, change will be measured at national level through *qualifying national surveys*.
- Baseline data in the form of a district wide *WASH inventory* (or similar instrument) will be used to identify specific intervention sites, prioritising poor and vulnerable communities. Alternatively, UNICEF can use the results of a recently undertaken a Multiple Overlapping Deprivational Analysis (MODA) if this has been focused on the project district(s).
- A *WASH bottleneck analysis* or similar tool will be used to identify priorities for sector support, strengthening the enabling environment.

Objective 2: To monitor **progress** against annual milestones and end of project targets as defined by global and country level logframes, at output and outcome level; *with corrective action being undertaken as and when needed.*

Objective 3: To monitor the key processes used to achieve results, with a focus on **process quality and targeting**, as set out in global and country proposals, *with corrective action being undertaken as and when needed;*

Objective 4: To monitor **sustainability** of project results using biannual sustainability checks and associated tools (such as the 3rd party verification of ODF villages) following UNICEF HQ / RO guidance. Corrective actions will be defined in a formal management response to each check, in line with pre-agreed sustainability compacts.

Objective 5: To monitor **VfM** by providing information on results which is then linked to financial information extracted from Vision. This will enable UNICEF to monitor 12 core VfM indicators, thereby improving programme effectiveness, efficiency and sustainability (see Annex 'D').

Objective 6: To determine the size of financial incentives to paid to UNICEF under the **conditional performance incentive** system (see Annex 'E'). The size of each payment depends on the value of verified indicators associated with the sustainability of sanitation improvements.

Objective 7: To facilitate **validation** by DFID's Independent Monitoring and Verification (IM&V) supplier.

Objective 8: To plan and undertake a number of **special studies** associated with the programme and undertaken within the programme area, the objective being to fill critical knowledge gaps that can inform UNICEF and DFID's global portfolios. One potential area of interest concerns disability, given difficulties in establishing the extent that disabled people can access WASH facilities by survey or routine monitoring.

Results Framework

The following workplan relates each of these objectives to specific time bound actions, and who is expected to lead these actions.

Objective	Activity	Responsibility	Timing
1. Establish Baseline	Set baseline and End of Project values for health related impact indicators (diarrhoea and stunting)	Technical guidance: HQ and ROs Implementation: COs	One off, during inception
	Baseline survey & qualitative assessment	Technical guidance, methodology, generic ToR(s), QA: HQ/ROs Procurement & contract management	1 st of 3: baseline initiated during inception, completed shortly afterwards, followed by midline and endline
	District Profile / inventory Need to keep this simple, supplement existing data with rapid assessments?	Technical Guidance: HQ/ROs Implementation: UNICEF/Dist Govt	Undertaken during inception to inform prioritisation of programme activities
	WASH Bottleneck Analysis or similar participatory assessment involving wide range of stakeholders	Technical Guidance: HQ/ROs Implementation: National Govt supported by UNICEF	Undertaken during inception to inform prioritisation of UNICEF support to National WASH Sector
2. Progress against milestones	Project monitoring against annual milestones and targets, based on district monitoring systems strengthened by UNICEF following assessment; support the adoption of mobile to web systems;	UNICEF / District Govt	Quarterly or bi-annual. Data needed by DFID to inform 6 monthly update and annual reviews
	Midterm and End line Surveys and Qualitative Assessments; compatible with baseline studies to ensure comparability. Qualitative assessments for impact indicators are likely to be based on participatory techniques with information derived from focus group discussions	Technical guidance, methodology, generic ToR(s), QA: HQ/ROs Procurement & contract management: COs	Midterm (2020) and Endline (2022)
3. Process monitoring	Define critical project processes and related monitoring methodology (keeping this very simple); prepare guidance, establish system. Consider use of M2W technology to facilitate process monitoring.	Guidance and technical support: UNICEF HQ & ROs Implementation: UNICEF COs / National & District Government	Defined by system. Process indicators used to inform annual progress reports

Objective	Activity	Responsibility	Timing
4. Sustainability monitoring	Sustainability check to be conducted biannually, linked to compacts and management response; ensure related logframe indicators are captured	Guidance and technical support: UNICEF HQ & ROs Procurement and implementation: UNICEF COs & Government	Biannually
5. VfM Assessment	Annual assessment, linking logframe indicator values to financial data from Vision. See Annex 'D'.	Guidance and technical support: UNICEF HQ & ROs Implementation: UNICEF COs	Annually to inform UNICEF progress reports.
6. Conditional performance Assessment	Annual assessment using logframe indicators associated with sustainability of sanitation results	Guidance and technical support: UNICEF HQ & ROs Implementation: UNICEF COs	Annually from 2019;
7. Independent Verification	Procured by DFID, service starts April 2018. System based approach, with spot checks to validate results; recommendations designed to help UNICEF strengthen M&E systems	Procurement: DFID COs expected to provide support to the contractor	Biannual visits from 2018
8. Special Studies	Procured by UNICEF, based on a clear research and learning agenda and plan agreed by UNICEF and DFID during inception	Coordination and overall leadership: UNICEF HQ Regional Support: ROs In Country support: COs	Throughout programme based on a learning agenda and plan

Logframe Indicator Protocols

The outcome and output indicators defined in the project logframes will be used as the basis for monitoring project progress. The tables below present how progress on the different indicators will be monitored and verified.

Impact Assessment

The ASWA II programme has a single anticipated impact: *Improved health, nutrition and wellbeing of poor people in targeted rural districts, especially of women and girls*. As per the programme logframe, four indicators will be utilised to assess progress towards this expected impact. Progress at impact level will be assessed through the use of surveys commissioned by UNICEF as part of the baseline and subsequent mid-term and end-of-programme evaluation process.

Impact Indicator	Definitions, measurement and means of verification
Indicator 1: Reduction in prevalence of diarrhoea in rural areas, disaggregated by wealth quintile, sex and age (whole population; children under 5)	Definition: This is the reduction in annual number of cases of diarrhoeas (episodes) per child under five years of age
	Measurement: National sample survey
	Disaggregation: household wealth quintile, sex, age
	Means of verification: Qualifying national surveys (MICS, DHS)
	Frequency of measurement: Baseline, Midterm and End of Project – depends on timing of qualifying national surveys
Indicator 2: Reduction in prevalence of stunting in children under 2, in rural areas, disaggregated by wealth quintile and sex	Definition: Stunting measures children age 5 years and under whose height for age is two or more standard deviations below the median height for age of a reference population. It is also measures severe and potentially irreversible impacts on the physical, mental, and emotional development prevalence of stunting in children
	Measurement: National sample survey
	Disaggregation: household wealth quintile, sex, age
	Means of verification: Qualifying national surveys (MICS, DHS)
	Frequency of measurement: Baseline, Midterm and End of Project
Indicator 3: Time saved by women and girls gaining access to safe basic water achieved through DFID support, disaggregated by wealth	Definition: Time saved by women and girls benefiting from more proximate water supplies and household sanitation, and how this time is used
	Measurement: Qualitative assessment
	Means of verification: Qualitative Participatory Assessment. Focus group discussions with women and girls in a number of randomly selected communities; employ ordinal scoring to responses to enable aggregation of data.
	Disaggregation: Wealth, age, other locally relevant characteristics?
	Frequency of measurement: Baseline, Midterm and End of Project
Indicator 4: Women in local water and sanitation management organisations and/or. user committees participate in decision making about the provision and management of WASH services in their communities, disaggregated by wealth	Definition: This refers to the extent to which women are involved and participate in community level decision making related to design, implementation, monitoring of WASH services
	Measurement: Qualitative assessment
	Disaggregation: Wealth, age, other locally relevant characteristics
	means of verification: Qualitative Participatory Assessment: Focus group discussion with women in management committees; employ ordinal scoring to responses to enable aggregation of data
	Frequency of measurement: Baseline, Midterm and End of Project

Outcome Monitoring

The ASWA II programme has a single over-arching outcome: *Sustained use of safe water supplies and sanitation services, and sustained adoption of hygiene practices, by poor and vulnerable people in targeted areas, especially by women and girls.*

Progress on realising this outcome will be assessed through the use of six outcome indicators, as per the programme logframe. In most cases, progress will be assessed using biennial sustainability checks or UNICEF-commissioned randomised cluster survey (RCS) at baseline, midterm and end-of-project. The RCS will use as its universe planned intervention communities across all targeted districts. Intervention communities will be selected following the district inventory, using criteria that include limited access to WASH facilities. The sample size will be designed to generate 90% or 95% confidence that results are not due to random error.

Outcome Indicator	Definitions, measurement and means of verification
Indicator 1: Proportion of externally verified ODF communities attributed to DFID support that maintain their ODF status for at least one year NB: Conditional Performance Incentive Indicator	Definition: This refers to communities that meet national criteria for ODF, one year or more after first being verified as ODF, this being confirmed by an external party not associated with that village (e.g. a group of district officials). Measurement: Sum the number of communities that are verified as ODF in one year (A). At the end of the following year, sum the number of the same set of communities that are re-verified as ODF (B). The indicator is the proportion B/A. The calculation is done twice, once covering 2019/2020; the second time covering 2021/2022. Communities that are counted in the first round cannot be counted in the second.
	Disaggregation: Community location (district) and Size (no of households).
	Means of verification: Sustainability Check
	Frequency of measurement: Biennial (2020, 2022).
Indicator 2: Proportion of people in intervention communities that use household toilets, disaggregated by sex, disability and wealth ranking	Definition: This is people using basic toilets as now defined by the JMP. This does not include shared or communal facilities. Measurement: Standard MICs indicator question
	Disaggregation: sex, disability and household wealth
	Means of verification RCS
	Frequency of measurement: Baseline, midline, endline
Indicator 3: Proportion of people in intervention communities that practise handwashing with soap or an	Definition: Practise is assumed to be commensurate with the presence of an appropriate hand washing facility at the time of survey. Appropriate hand washing facilities are defined as having a specific place for hand washing where water and soap or other cleansing agent are present.
	Measurement: Standard MICS indicator question

Outcome Indicator	Definitions, measurement and means of verification
alternative handwashing agent such as ash, and water, disaggregated by sex, disability and wealth	Disaggregation: Sex, disability and household wealth
	Means of verification RCS
	Frequency of measurement Baseline, midline, endline
Indicator 4: Proportion of people using basic, safe water supplies, disaggregated by sex, disability and wealth ranking	Definition: A basic, safe drinking water supply is: <ul style="list-style-type: none"> • A basic drinking water supply (JMP definition, protected water supply, within a 30 minute return trip) and • Safe (i.e. free of faecal and priority chemical contamination, such as nitrate, arsenic or fluoride) Measurement: Standard MICS question.
	Disaggregation: sex, disability, household wealth
	Means of verification RCS
	Frequency of measurement: Baseline, midline, endline
Indicator 5: Proportion of externally verified water safe communities attributed to DFID support that maintain water safe status at least 1 year	Definition: qualifying communities meet the following criteria: (i) all households in the community use a basic, safe water supply; (ii) are implementing a water safety plan to control faecal contamination risks from the water source to the point of use; (iii) the water supply has a low contamination risk, as measured by sanitary surveillance score and (ii) the community is ODF.
	Measurement Similar to indicator 1, undertaken in two rounds, 2019/2020, and 2021/2022. Further details to follow.
	Disaggregation: Not applicable
	Means of verification Sustainability check
Indicator 6: Proportion of intervention schools with water supply and sanitation facilities being used by students at least one year after intervention	Frequency of measurement: Biennial (2020, 2022)
	Definition: Schools with WASH facilities meeting at least basic WASH standards as defined by JMP - (a) basic drinking water; (b) single-sex basic sanitation facilities that meet national standards; and (c) basic handwashing facilities, plus facilities for disabled users, plus facilities that enable menstrual hygiene management. Specific definitions are as follows:
	Measurement: Sustainability check
	Disaggregation: By location (district)
	Means of verification sustainability check
	Frequency of measurement: Biennial (2020, 2022)

Output Monitoring

Monitoring at output level will be mainly undertaken through routine project monitoring systems, strengthened where possible through the use of mobile to web technology. This is being introduced in a growing number of countries. In all countries, UNICEF field staff will verify output data through spot checks. DFID's independent monitoring and verification (IM&V) supplier will also monitor the performance of the project monitoring system, providing advice on how the system can be strengthened.

OUTPUT 1		
Output	Indicator	Definitions, Measurement and Means of Verification
Output 1: Access to basic sanitation for people in targeted rural districts	Indicator 1.1: Proportion of communities triggered with DFID support that are externally verified ODF within one year of triggering	Definition: Community definition based on national criteria. "Triggered" is defined as communities that underwent community mobilization to end OD.
		Measurement: Annual calculation undertaken, in March each year. Sum all externally verified ODF communities triggered within the last 12 months; divide by total number of communities triggered in the last 12 months.
		Disaggregation: By district and by population of community
		Means of verification External verification reports for ODF villages; project monitoring system for list of triggered villages and date of triggering.
		Frequency of measurement: Annually
	Indicator 1.2: Cumulative number of externally verified ODF communities achieved by DFID support	Definition: ODF based on national criteria. Externally verification based on national protocols. Community definition based on national criteria.
		Measurement: Sum of externally verified ODF communities in project area where process of becoming ODF has been supported by DFID ASWA II
		Disaggregation: Location (district) and size of community
		Means of verification External verification reports for ODF
		Frequency of measurement : Annually
	Indicator 1.3: Cumulative number of people who gain sustained access to basic sanitation, disaggregated by sex achieved by DFID support	Definition: This is the sum of people who gain access to basic sanitation based on the JMP definition of 'basic' due to DFID funded sanitation promotion under AWSA II. May be a completely new toilet (i.e. first time access) or an upgrade from JMP 'unimproved' toilet. NB: The indicator must be regularly updated over the course of the project to measure sustained access, with 'drop outs' being excluded from the count.
		Measurement: Count the number of people living in households who have a qualifying sanitation facility in both ODF and non-ODF communities.
		Disaggregation: Sex of user
		Means of verification Project monitoring system
		Frequency of measurement: Annually

	Indicator 1.4: Cumulative number of people who gain sustained access to a functioning handwashing facilities, disaggregated by sex achieved by DFID support	Definition: Functioning hand washing facilities are defined as having a specific place for hand washing at or near a household toilet, where water and soap (or an alternative) is present at the time of assessment.
		Measurement: Count the number of people living in households who have access to a functioning hand washing facility at or near the toilet. People in households without toilets cannot be counted.
		Disaggregation: sex
		Means of verification Project monitoring system
	Frequency of measurement	
	Indicator 1.5: Cumulative number of externally verified ODF districts (or equivalent local government unit) achieved by DFID support	Definition: This refers to the cumulative number of ODF districts (or equivalent administrative units) that successfully met national external verification criteria, where the service delivery organization was supported by DFID under ASWA II. Districts that loose ODF status cannot be counted.
		Measurement: Sum of externally verified ODF districts
		Disaggregation: Country by country
Means of verification National ODF verification system		
Frequency of measurement : Annual		
OUTPUT 2		
Output 2: Access to safe, locally managed water supplies for people in targeted rural districts	Indicator 2.1 Cumulative number of people who gain sustained access to basic, safe water supplies with a maintenance system in place, results disaggregated by sex, achieved through DFID support	Definition: This is the number of beneficiaries supported by the AWSA II programme that have access to a protected drinking water service, discharging water that is free of microbial and priority chemical contaminants. To count, beneficiaries should spend no more than 30 mins collecting water including queuing.
		Measurement: During project handover, local user committees should list households, and the number and gender of family members) who regularly use the water supply, and live within a 30 minute collection time. The process may need to be facilitated, using participatory mapping techniques. User lists are in any case needed to establish a payment system for O&M. Water safety should be assessed by testing at handover, with national water quality standards being applied. The presence of a maintenance system must also be measured. All the following are needed: (i) list of users maintained by user committee or equivalent; (iii) water point caretaker identified; (v) system for communicating breakdown and undertaking repairs established (vi) system for raising funds for O&M established.
		Disaggregation: sex
		Means of verification Project monitoring system
Frequency of measurement Annually		

	Indicator 2.2: Number of externally verified water safe communities, achieved through DFID support	<p>Definition: Sub-set of 2.1, measured at community level. This is number of communities that have benefited from basic, safe water supplies (see above) that are also implementing a water safety plan to reduce the risk of faecal contamination from source to the point of consumption. To qualify, all community members need to be users, and the community has to have verified ODF status. Further details to follow.</p> <p>Measurement: Measure over course of project. If communities slip (no longer qualify they should be excluded from the count.</p>
		Disaggregation: size of community
		Means of verification Project monitoring system;
		Frequency of measurement Annually
Output 3: Schools and health care facilities have appropriate, effectively managed WASH facilities, with hygiene also being promoted	Indicator 3.1: Number of schools gaining improved water and sanitation facilities, with hygiene including menstrual hygiene being promoted	<p>Definition: This is the number of schools benefiting from DFID support under ASWA II that satisfy the following criteria; basic, safe water supply on the premises; sex-separated toilets for boys and girls as per national standards taking into account student numbers; handwashing facilities; facilities for disabled users, facilities for MHM; hygiene being promoted</p> <p>Measurement: Include support for new construction and rehabilitation or extension; school student numbers also recorded and sex disaggregated.</p>
		Disaggregation: Number of boys and girls benefiting
		Means of verification Project Monitoring System
		Frequency of measurement Annually, cumulative
	Indicator 3.2: Proportion of intervention districts implementing district-wide MHM programmes	<p>Definition: District must be implementing plans to introduce MHM in all primary schools in the district</p> <p>Measurement</p>
		Disaggregation: NA
		Means of verification Project Monitoring System
		Frequency of measurement Annually
	Indicator 3.3: Number of health care facilities in intervention districts gaining improved water supply and sanitation facilities, achieved through DFID support	<p>Definition: Number of health centres where DFID has supported the construction, rehabilitation or extension of WASH facilities. Improved water and sanitation facilities must conform to National Guidelines, and include a safe water supply on the premises, separate sanitation facilities for males and females, handwashing facilities with water and soap available; provision of facilities for disabled / infirm / elderly users.</p> <p>Catchment population, disaggregated by sex, also to be recorded.</p> <p>Measurement: Sum of health facilities which have benefited from improved WASH facilities installed with DFID direct support under ASWA II.</p>
		Disaggregation: location, males and females in catchment population

		Means of verification Project Monitoring System
		Frequency of measurement Annually
Output 4: National systems and capacity for rural WASH strengthened in prioritized areas	Indicator 4.1: Number of intervention districts (or equivalent) in which the local authorities use real time, mobile-to-web monitoring systems to collect, analyse and report output level project results, strengthened through DFID support	Definition: This is DFID support local authorities that employ mobile-to-web monitoring systems to collect, analyse and report on the majority of output level results every quarter. Measurement: Count the number of district using mobile-to-web monitoring systems supported by DFID under ASWA II.
		Disaggregation: Not applicable
		Means of verification Government and sector project/programme reports and records
		Frequency of measurement Annually
		Definition: Refer to the SWA building block and UNICEF RAM standard indicators for enabling environment definition and scale of assessment Measurement: Refer UNICEF RAM scale of assessment for enabling environment
		Disaggregation: Not Applicable
	Indicator 4.2: Countries to define second priority indicator, based on SWA building blocks - must be related to a SMART objective	Definition: Refer to the SWA building block and UNICEF RAM standard indicators for enabling environment definition and scale of assessment Measurement: Refer UNICEF RAM scale of assessment for enabling environment
		Disaggregation: Not Applicable
		Means of verification Government and sector project/programme reports and records
		Frequency of measurement Annually
		Definition: VfM Core indicators (12) and reporting schedule is set out in Annex D. To be reported Annually. Measurement: See Annex D
		Means of Verification: Logframe indicators and data from Vision
	Indicator 4.3: Number of intervention countries reporting the agreed set of VfM indicators, in line with VfM reporting schedule and associated guidance provided by UNICEF HQ	Frequency of measurement: Annual, see Annex D as not all indicators reported every year.

Sustainability Checks

Biennial sustainability checks will be carried out by independent agencies contracted by UNICEF. The checks will be conducted on a random sample basis drawn from districts targeted by ASWA II, and will be designed in accordance with HQ guidance. Normally the first check will be completed during the project's inception phase, and then in 2020 and 2022. The checks are to be associated with a related sustainability compact agreed by UNICEF and Government. Following each check, a management response is required that details the response of different stakeholders.

Two methodologies that will form part of the sustainability check are:

- Facility audits.** These involve visiting a random sample of the new and rehabilitated water and sanitation facilities reported by the projects. The audit will assess the existence, quality and functionality of the facility. Facility quality and functionality are determined using standardized

checklists. The facility audit's purpose is thus twofold: (1) to confirm the reliability of routine monitoring; and (2) to assess the quality, functionality and sustainability of WASH infrastructure.

- **Household surveys** assess the *use* of water and sanitation facilities through a standard questionnaire for households supplemented by a simple standardized observation checklist. The questionnaire will focus on determining whether or not household members are using improved water supply and sanitation facilities provided through the project. Observations help to determine some aspects of the hygiene promotion component of the project and will include criteria such as the existence of soap in the home, drinking water storage practices, etc.

Coordination and Accountability

UNICEF is responsible for the overall coordination of project monitoring activities undertaken by UNICEF, its counterparts, partners and subcontractors. This involves leading and coordinating programme-specific monitoring processes (routine monitoring and commissioned surveys and studies), quality assurance, and using the information collected to develop progress reports and technical updates (see next section).

UNICEF will assign **WASH Results Managers** for the programme in each participating country. These will be responsible for leading and coordinating monitoring and evaluation activities in each country. WASH Results Managers will also assure the quality and timeliness of country reports, prior to submission to **Regional WASH Advisers**. Regional WASH Advisers will review and verify the quality of these reports, prior to onward-submission to the UNICEF **Senior WASH Adviser** (HQ) who leads the programme.

The IM&V service provider will report to DFID's **Senior Responsible Officer** (SRO) in the UK. The SRO will liaise closely with the UNICEF's Senior WASH Adviser in NY all programme-related matters. These include IM&V work planning, coordination, field missions, communicating the findings relating to IM&V outputs, feedback and response.

Reporting and Reviews

The monitoring process will provide the necessary information for developing **annual progress reports** (submitted to DFID by the **middle of April** each year from April 2018) and shorter **annual technical updates** (submitted to DFID by the **middle of October** each year from October 2018).

Annual Progress Reports and Annual Technical Updates are to be prepared at Country Level and submitted via ROs to New York. UNICEF HQ will prepare consolidated versions (syntheses) of both. Country reports will be appended to consolidated reports.

Annual progress reports will report progress made since the last Annual progress report, or, in case of the first annual progress report due in mid-April 2018, since the beginning of the programme. This covers the programme's six-month inception phase.

All UNICEF Annual Reports will include:

- Updated output results, reporting against logframe milestones;
- A detailed analysis, reflecting the progress made against each output, including lessons learnt and proposed corrections;
- An assessment as to progress being made towards the achievement of outcome targets;
- A financial analysis relating expenditure to progress;
- A VfM assessment with updated Core Indicator values;
- A summary of activities planned over the next six months;

- A financial report (Annex), detailing financial utilisation (spend and committed) against the agreed budget;
- An updated logframe (Annex) reflecting progress made;
- An updated delivery chain (Annex), showing partners and contractors receiving DFID financial support;
- A QA checklist (Annex) signed off by the relevant results manager, based on UNICEF best practice.

The consolidated progress report submitted by HQ will also detail supportive activities carried out at the **Regional and HQ level**, relating to technical support, knowledge management and monitoring, and related expenditure.

The Consolidated Annual Report and its annexes will inform **DFID Annual Reviews**. Annual Review reports will be prepared by DFID, and must be completed, authorised and uploaded by the end of May each year. This will include output and overall scoring, following DFID SMART rules. Country components will not be scored by DFID, although their aggregate performance will be reflected in the project grading and narrative.

Technical updates will be somewhat shorter than annual progress reports. They will reflect the progress made since the last Annual Progress Report (i.e. the last 6 months). Technical updates will be limited to an assessment of progress made, challenges and plans to overcome these, an updated results matrix (table showing progress towards milestones), a financial summary (expenditure against each objective), and activities planned for the next six months.

UNICEF's financial management and reporting practices and systems will be used to provide detailed breakdowns of Allocations, Utilization and Projected Expenditure at Country and Global level.

The format of annual progress reports and technical updates will be developed by UNICEF and DFID during the inception phase.

The DFID Annual Review process includes an in-country component. If possible, several countries will be visited in the second half of April each year. The in-country component will be undertaken by DFID with UNICEF Staff from HQ, RO and Country /Offices, as well as representatives of the national governments involved, and UNICEF partner NGOs, as applicable. The in-country component will include initial presentations and meetings, joint field trips, a workshop with stake-holders and exit meetings with both government and UNICEF. The **Terms of Reference** for the in-country component will be agreed jointly with UNICEF, Government counterparts and DFID. A second field mission may be planned on similar lines in October or November each year, linked to the technical update.

The Annual Review process will provide the formal mechanism through which all parties can agree to modify the logical framework at Country or Global level, and adapt the programme accordingly.



Guidance for Value for Money assessment in WASH / ASWA

II

UNICEF NYHQ, Evaluation Office and PD WASH section, August 2017

The objective of this guidance note is to 1) explain what a Value for Money assessment is, and why it is important for UNICEF and WASH; 2) describe the process for assessing VFM in UNICEF offices that will benefit from DFID funding as part of the multi-country WASH programme, “Accelerating Sanitation, Hygiene and Water for All” (ASWA II)¹⁵.

This internal note is intended for UNICEF WASH staff (primary audience) involved in and other interested sections within the organization as well as DFID.

This preliminary note will be reviewed and adjusted after the inception period in March 2018

What is a Value for Money assessment?

Although the concept of Value for Money (VFM) is increasingly used in development, there is still no internationally agreed definition and no corporate definition within UNICEF¹⁶. A key common element in the various existing definitions is that **VFM is about making the best use of available resources to achieve results**. VFM can be about saving money and reducing unit costs, but it can also be about maximising results with the resource available: both sides of the ‘Value-for-Money equation’ can be acted on.

A VFM assessment examines the results in relation to the costs, and *vice versa*¹⁷. Conducting a VFM assessment therefore implies **collecting quantitative data on results and costs** of an on-going or completed project or programme. Once collected, results and costs data can be analysed in a systematic way using objective criteria. In a VFM assessment, data are disaggregated, analysed, and interpreted. **An evaluative judgment is made as to whether or not the relationship between costs and results is positive, why, and how it could be further optimized**. This requires quantitative data to be accompanied by a **narrative and qualitative analysis**.

Why conduct a VFM assessment?

Aid agencies conduct VFM assessments for two main reasons: accountability to funding institutions or taxpayers, and learning to inform management decisions. There is an increasing need to move from reporting on ‘how much money is spent’ to ‘how well money is spent’. This need is expected to grow further to meet the ambitious agenda of the SDGs and the increasing humanitarian needs in the face of uncertain international aid flows. This increases the imperative to ‘do more with less’ (or at least, do more with the same amount). Moreover, it is expected that programmes demonstrating good VFM will be likely to attract more funds.

¹⁵ ASWA II includes ten countries: Cambodia, Bangladesh, Eritrea, Haiti, Madagascar, Myanmar, Nepal, Niger, Pakistan, and South Sudan.

¹⁶ Although VFM is mentioned in some corporate documents including the Programme Policy and Procedure Manual.

¹⁷ A definition of VFM analysis could be: “Compares the results (*outputs and outcomes, both in quantitative and qualitative terms*) in relation to the inputs (*time; financial, human and material resources; and partnerships*)”.

VFM assessments are particularly useful for aid agencies that operate in fragile environments and low-resource, low-capacity countries in which financial risks are significant. VFM assessments benefit agencies lacking sufficient insight on programmatic costs and results and their drivers. For UNICEF WASH, the body of evidence on VFM remains limited despite two recent assessments supported by DFID in a dozen countries between 2013 and 2016. Finally, a VFM assessment helps to determine whether an intervention should be continued or replicated, and how aid effectiveness can be improved in the future.

For these reasons, **DFID has requested that UNICEF assess VFM as a reporting requirement for the “ASWA II” multi-country WASH programme** over the period 2017-2022.

How will VFM be assessed in ASWA II?

There is no standard methodology in the development field for assessing VFM, nor standards for the quantitative or qualitative analysis. UNICEF WASH has therefore defined its own approach for the specific purpose of the ASWA II program, in collaboration with DFID. Part of the VFM assessment will be used for reporting to DFID, while the remainder will be used by UNICEF for internal purposes of learning and improvement.

The VFM analysis will assess the following parameters¹⁸ by activity, output and outcome, in Table 1.

Table 1: VFM parameters and definitions

Parameters	Definition and calculation
Performance ratio	Level of attainment of initially agreed programme targets ¹⁹ (“performance ratio”: planned vs. achieved). This be measured at the level of output or outcome.
Expenditure ratio	Amount of the budget actually consumed in relation to the available budget (“expenditure ratio”: budgeted vs. spent).
Performance-to-expenditure ratio	Calculated by dividing the performance ratio by the expenditure ratio.
Budgeted unit cost	Best estimate of how much it will cost to deliver a single result unit as presented in the proposal. This can be based on previous programmes or top-down budgeting of planned of activities, such as ASWA I.
Actual unit costs	Sum of all costs to deliver all activities for the specific output divided by number of achieved result
Sustained unit costs	Sum of all costs to deliver all activities for the specific output divided by the number of sustained results
Variation actual/budgeted unit costs	Percentage difference between budgeted unit cost versus actual unit cost.
Variation between ‘actual unit costs’ and unit costs for sustained results	Percentage difference between unit costs to achieve output level results (effectiveness) versus sustained outcomes (sustainability).
Support Costs	Support costs are analysed separately as a proportion of the total programme costs. Support costs primarily include

¹⁸ The VFM parameters and definitions are based on previous VFM analysis conducted in ASWA 1 June 2017

¹⁹ Performance indicators are based on the definitions set against the DFID Logframe and UNICEF Monitoring and Evaluation framework.

	Support costs include (i) direct support costs associated with the project, primarily the cost of UNICEF staff responsible for project management and oversight; and (ii) indirect support costs incurred by the office but not directly attributable to the project, for which the project must still contribute an appropriate share. The cost of UNICEF staff engaged to deliver a defined project objective should be incorporated under this objective, rather than being included as a direct support cost.
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For ASWA I, an Excel-based tool was developed to analyse the quantitative and qualitative components of these VFM parameters. The ASWA II indicators have been incorporated into the tool to facilitate future VFM analysis²⁰. UNICEF HQ and Regional Offices will work closely with the County Offices in the initial preparations for the each country spreadsheet and baseline estimates for cost per unit based on agreed targets and budgets. HQ and ROs will provide additional support for the yearly VFM analysis accordingly.

Core quantitative metrics for periodic reporting to DFID

Based on experiences from ASWA I, 12 core VFM metrics have been identified to conduct the analysis and for periodic reporting by country offices to DFID. They are presented in the below table together with the reporting timeline. Of the 12 metrics, five relate sanitation, four to water, two to WASH in schools, and one to indirect costs. They measure programme efficiency, (cost-) effectiveness including sustainability, **and in-country direct and indirect support costs**. All VFM metrics must be attributable to DFID project support provided between October 2017 and December 2022²¹.

Table 2: Core VFM metrics for ASWA II and timeline for reporting to DFID

²⁰ The Excel spreadsheet may still be adjusted and detailed during the inception phase of this project.

²¹ As much as possible, it would be ideal to separate geographical areas and funding sources. But in case there are country contexts that require mixed funding sources, the results may be pro-rated based on the proportion of support of DFID in relation to other funding sources.

Core VFM metrics for ASWA II reporting	Frequency of reporting	Estimates		Actual Values				
		June 2017 Baseline	Proposed Estimate 2020	Oct 2018	Oct 2019	Oct 2020	Oct 2021	Oct 2022
				AR	AR	AR	AR	AR
Efficiency (Activity to Output)								
1. Payment by Results (PbR) Indicator: Proportion of communities triggered with DFID support that are externally verified ²² as ODF within 1 year of triggering ²³	Annually	X	X	X	X	X	X	X
2. Average cost per beneficiary who gained access to basic sanitation	Annually	X	X	X	X	X	X	X
3. Average cost per beneficiary who gained access to basic safe water supplies (i.e. ‘basic plus ²⁴ ’)	Annually	X	X	X	X	X	X	X
4. Average cost of constructing a school latrine cubicle, i.e. per drop hole ²⁵	Annually	X	X	X	X	X	X	X
5. Average cost of achieving an externally verified ODF community	Annually	X	X	X	X	X	X	X
6. Average cost per community that is still ODF at least 1 year after external verification	Every two years	X	X			X		X
7. Average cost of achieving an externally verified water safe community ²⁶	Annually	X	X	X	X	X	X	X
8. Average cost per community that is still water safe at least 1 year after external verification	Every two years	X	X			X		X
Effectiveness (Output to Outcome)								
9. PbR Indicator: Proportion of externally verified ODF communities attributed to DFID support that maintain their ODF status for at least one year	Every two years	X	X			X		X
10. Proportion of externally verified water safe communities that maintain water safe status at least 1 year	Every two years	X	X			X		X
11. Proportion of intervention schools in which students routinely practice handwashing with water and soap verified by national protocol or guideline after the intervention	Every two years	X	X			X		X
²² Externally verified means verified by an entity outside the community (i.e. by district authority or other external body) as a condition for funding. ²³ Triggering refers to a participatory process in which all members of the community are expected to abandon open defecation and build and start using basic toilets through self help facilitated to abandon open defecation and build and start using basic toilets through self help. ²⁴ “UNICEF’s definition of Basic+ for household supply is: Basic water supply including a water supply system that provides water to the household at least once a day at a minimum flow rate of 10 litres per person per day.” ²⁵ A hole in the ground with at least 3 meters (10 feet) deep and 1 m (3.2 feet) across. ²⁶ Communities that have implemented community-wide barriers to protect the safety of the water sources as identified through a water safety action plan.								
12. UNICEF in-country support costs including (i) the cost of UNICEF staff responsible for programme management and oversight and (ii) indirect costs as a proportion of total programmable cost, excluding work related travel	Annually	X	X	X	X	X	X	X

The source of data for all 12 metrics will be the ASWA II dashboard (or result report) and the associated financial report from VISION. The source of results data in the ASWA II for metrics 1-5, 7, and 12 will be CO routine WASH programme monitoring and will be reported annually. The source for metrics 6 and 8-11 will be the latest sustainability check and will be reported on every two years.

A VFM reporting table will be added to the ASWA II dashboard as a second spreadsheet in the same Excel file. It will be linked to the dashboard to calculate most of the VFM metrics automatically. This approach has already been successfully tested as part of the VFM analysis on ASWA I (using ASWA I logframe indicators), reported by UNICEF to DFID in the July 2017 progress report.

Additional quantitative metrics for UNICEF internal use

Using the same data reported by COs in the ASWA II dashboard, additional VFM metrics²⁷ can be automatically calculated. Suggested metrics are presented in the table below but may be adjusted during the inception phase. These will not be reported to DFID but used by UNICEF internally, for generating and analysing additional, new data and evidence on VFM in WASH programmes, and for future documentation and evaluation purposes.

Table 3: Suggested metrics for annual reporting for UNICEF internal use

Suggested metrics for annual reporting	
Sanitation	Proportion of the target number of externally verified ODF communities achieved so far
	Proportion of the target number of people who gained sustained access to basic sanitation achieved so far
	Proportion of budget for the sanitation/CLTS component spent so far
Water supply	Proportion of the target number of people who gained sustained access to basic, safe water supplies, with a maintenance system in place, achieved so far
	Proportion of budget for water supply already spent so far
WASH in schools	Proportion of the target number of schools that gain improved water and sanitation facilities (according to the needs), including menstrual hygiene being promoted, achieved so far
	Proportion of budget for WASH in schools already spent so far
EE	Proportion of the target number of districts using real time, mobile to web monitoring systems to collect, analyse and report sanitation and hygiene results

Conducting the quantitative analysis

Each country office will report on the results in the Monitoring and Evaluation Framework and disaggregate the costs of interventions by output level results²⁸ (e.g., sanitation, water, WASH in Schools). Planned results and budgeted expenditure will be entered in the VFM Excel matrix (work in

²⁷ Performance indicators are based on the definitions set against the UNICEF Monitoring and Evaluation framework.

²⁸ Whenever possible, costs associated with a specific result area (e.g. Sanitation) may be aligned with SIC coding in VISION (e.g. SIC Code 3/2/2001 for Elimination of Open Defecation - Rural). This will simplify cost disaggregation for reporting.

progress). Annual results should also be entered in the VFM Excel matrix after collection, which automatically calculate the above VFM metrics using pre-populated formulas.

Qualitative component for UNICEF internal use (to be agreed after the inception phase)

For COs to demonstrate good quantitative VFM, programme design must consider VFM principles from the start, and programme reviews must identify factors that have supported/undermined VFM in order for learning and improvement. To this end, a 'VFM scorecard' has been developed as a program diagnosis, learning and management tool.

The scorecard investigates 12 areas, organized by stage in the program cycle: program design; program implementation and management; and quality assurance, monitoring and evaluation, and learning. The 12 areas of investigation are presented in table 4 below.

Table 4: Suggested qualitative assessment areas for UNICEF internal use

Program design	Implementation	QA, M&E and learning
Equity & sustainability lensed situation analysis	Geographical concentration, programmatic integration, coordination/complementarity	Field supervision & QA
Robust ToC with equity & sustainability	HR management	Programme monitoring
Geographical targeting	Supply/procurement and contract management	Evaluation, learning, and programmatic improvements
Assessments and selection of implementation options	Partnership management	
	Inclusion of sustainability factors and equity lens in field activities	

Each of the 12 areas under investigation is assessed through a set of questions, scored using a simple rating scale (0-1-2 points)²⁹. The questions and rating scale have been developed based on existing corporate policies, procedures, guidelines, as well as on available evidence and sector best practices³⁰. They aim to be applicable to all countries and types of WASH programming. The application of the rating scale to each question generates scores on the VFM performance of the program, by stage in the program cycle, by area of investigation, etc³¹. This is useful to quantify results, visualize where improvement are needed and incentivize them, and to compare over time and across countries.

Table 5: Key indicators for VFM scorecards

²⁹ Its simplicity compensated by the number of items allowing for a nuanced picture and analysis.

³⁰ Main reference documents and guidelines used are the following: UNICEF Program Policy and Procedure Manual; UNICEF Supply Manual; UNICEF HACT Policy and Procedure; UNICEF RBM and M&E training modules and Evaluation Policy; WASH sector best practices related to sustainability and equity programming; Specific guidelines/tools developed by UNICEF WASH (WASH BAT, EE toolkit, sustainability compacts and checks); Lessons from review of UNICEF WASH evaluations 2006-2015 and from on-going global evaluation of UNICEF RWS programming; and key principles of the DFID ASWA 2 grant.

³¹ There is no weighting of items for total score calculation. The total score is not an addition of all points but an average between 0 and 2. The scale used for evaluative judgment is: strong (above 1.5 point), medium (between 1 and 1.5 point) and weak (between 0 and 1 point).

Key indicators for VFM scorecards
1. Overall VFM score
2. Sub-rating by stage in the program cycle: <ul style="list-style-type: none"> - Design - Implementation/management - QA, monitoring-evaluation-learning
3. Other sub-rating: <ul style="list-style-type: none"> - Sustainability - Equity

This qualitative component of VFM assessment was piloted early 2017 in four countries (Haiti, Pakistan, Bangladesh and Nepal), in order to assess the time needed to complete the scorecard and its usefulness as a programme management tool. Results of both the quantitative analysis described in the previous section and this qualitative analysis have been presented and discussed internally in UNICEF HQ (Evaluation Office and WASH) in July and August 2017. The scorecard questions will be refined accordingly during the ASWA II inception phase.

In general, VFM assessment and monitoring are relatively new in DFID and UNICEF WASH. The above proposed approaches and components may be slightly adapted/improved by DFID or UNICEF throughout the programme period, while ensuring comparability over time.

DFID Rural WASH Project:

Adapting our approach to Payment by Results

Context

1. DFID has developed a business case for a new centrally managed rural WASH project. This builds on the success of two on-going centrally managed projects: 'Accelerating Sanitation and Water for All' (ASWA I), being implemented by UNICEF, and the WASH Results Project, being implemented by three NGO-led consortia. Both these projects have proved to be effective and this is reflected in the new business case in which both UNICEF and NGO/private sector led consortia are identified as preferred delivery channels.
2. DFID intends to use Payment by Results (PbR) in the new project, learning from the WASH Results Project, which has relied heavily on PbR and from other relevant experience.
3. This note has been specifically prepared for the **UNICEF** delivery channel of the future project, which is now referred to as ASWA II. The note takes into account the outcomes of project preparation meetings between UNICEF and DFID in Kathmandu and New York. The note describes the rationale for using PbR in ASWA II; specific objectives; lessons learnt to date; and the form that PbR is likely to take in this context.

Rationale for Using PbR

4. In overall terms, PbR helps provide increased assurance to the UK public that its contribution to overseas development assistance is achieving results on the ground. Associated motives for using PbR concern the maximisation of project performance. An effective PbR system can:
 - Incentivise cost-efficiency and cost-effectiveness by linking payments to the delivery of results at both output and outcome level;
 - Incentivise sustainability and targeting - these being key concerns for DFID and more broadly the global WASH sector.
 - Improve the reliability of WASH monitoring systems.
5. Care is needed to avoid a number of pit-traps. These include DFID paying over the odds for results, should it be unable to benchmark unit costs. Efforts to focus interventions on the poor and vulnerable may be undermined by implementing organisations focusing on easy-to-reach populations. The use of PbR may reduce the scope for innovation, as this is often associated with additional risk. Finally, the verification of results and associated reporting requirements can add to management overheads to the extent that the costs of implementing PbR outweigh the benefits.

Lessons Learnt

6. The strengths and weaknesses of using PbR in a WASH context have been thoroughly assessed. The following sources of information were used to establish lessons learnt:
 - A document review, including DFID's recently developed SMART Guide on PbR, and relevant project reports, including the (draft) output-stage evaluation of the WASH Results Project;
 - Discussions with DFID's overall lead for PbR;
 - A field visit to assess the performance and results of the WASH Results Project in Kenya, including meetings with several implementing NGOs and other key stakeholders;
 - Meetings with the service provider contracted by DFID to verify results claimed by NGOs who are implementing the WASH Results Project;
 - Discussions on the future use of PbR, held during an early market engagement exercise in late January 2017, with over 50 NGOs, private sector companies and research organisations participating.

Overall Impression

7. After initial challenges, the NGO leads implementing the WASH Results project have appreciated the benefit of PbR. NGOs also appreciated the freedom to develop their own implementation strategy without DFID oversight. They also appreciated the fact that detailed financial reporting was not required. Several NGOs also appreciated the impact that external verification has had on strengthening their internal monitoring systems.
8. We know rather less about how PbR has influenced the delivery of results or the achievement of Value for Money (VfM) compared to a counterfactual. Several NGOs are concerned that activities not directly related to quantifiable results (e.g. those involving social mobilisation or the enabling environment) may have received less attention than they should have. This may undermine affect the longer term sustainability of project outcomes.

Inception

9. The NGOs consulted emphasised the importance of an inception period to give them time to orientate their implementing partners and local government, and establish formal agreements, systems and capacity, to 'do' PbR. In some cases, the pressure to achieve outputs quickly led to a number of avoidable mistakes being made, for example, in terms of the design of outcome surveys.

Bureaucracy

10. Some NGOs have found the results monitoring regime to be overly bureaucratic, requiring considerable management support. This was particularly felt at the beginning of the project. Familiarity with the verification regime, and the use of digital monitoring and reporting systems, have helped eased this pressure since then.

Operational Constraints

11. DFID contracted verifiers find it difficult to secure approval to operate in areas with a significant security risk. This has limited verification to relatively secure areas. This constraint may limit the extent that a PbR-based project (at least one with independent verification) could be established in insecure areas.

Cash Flow

12. The '100%' PbR system used in the WASH Results Project caused some cash flow problems with some NGOs, especially during the output phase. Some got round this problem by agreeing intermediate outputs – effectively establishing a degree of milestone based payment. Some NGOs did not apply PbR to their implementing partners (typically smaller local NGOs and companies) as their low liquidity would have jeopardised progress and a delayed or reduced payment could have been extremely damaging.

Targeting

13. Pro-poor targeting seems to have happened largely because the districts selected by NGOs were relatively poor; because the NGOs had an inherent poverty focus/culture; and because processes such as Community Led Total Sanitation (CLTS) are community-wide. The PbR system did not in itself incentivise pro-poor targeting, or targeting to maximise gender or disability impacts.
14. Most of the results reported to date are not disaggregated by wealth or other dimensions of inequality. One NGO has measured outcomes annually using a randomised survey, disaggregating results by wealth quintile. This process was helped by the use of mobile to web technology.

Sustainability

15. The PbR incentive system and two-phase approach employed by the WASH Results Project may have inadvertently led NGOs to focus on output targets during the first phase of the project, with less attention being given to developing capacity and systems for the long-term sustainability of outcomes.

16. Long-term sustainability depends to a large degree on community organisation and enduring government support; it is also difficult to measure within a project lifetime, difficult to attribute to DFID support, and is therefore relatively difficult to reward with results payments within a time bound project.

Innovation

17. Innovation has focused on how to improve the efficiency and rigour of monitoring systems rather than programme content. In terms of DFID's accountability to UK tax payers, the credibility of reported results is critical. The results reported by the WASH Results Project are particularly robust. The monitoring systems are however designed to be used by NGO for project reporting, rather used by the host government to report on a national WASH sector programme.

VfM

18. The PbR system used by the WASH Results programme does not require implementing NGOs to share data on VfM based on actual costs – indeed, those approached are reluctant to do this, possibly because they may lose their commercial advantage. As a result, it is fairly difficult for DFID to assess VfM.
19. Several NGOs exceeded their output targets by 10% or more. Additional results have been reported to DFID and have contributed to the results 'tally'. The PbR system used by the WASH results system does not however reward overachievement (i.e. there is currently no 'up-side').

Summing Up

20. Implementing NGOs have got used to the PbR system used by the WASH Results Project, and in overall terms, appreciate it, albeit for reasons which are primarily operational.
21. The PbR system, with its independent monitoring and verification contract, is relatively simple for DFID to manage, although some payments have been unpredictable, making accurate resource forecasting challenging. By comparison, it has been fairly bureaucratic for NGOs and their verifiers. As with other DFID investments in WASH, there are concerns about sustainability, targeting and VfM – all three of which are prominent in the new WASH project's Theory of Change.

Implications for UNICEF PbR System

22. Taking into account these pros and cons, and the principles set out in the new WASH project's business case, we need to consider how to use PbR to maximise performance of a UNICEF-led delivery channel, taking into account how the organisation works, its relationships with other stakeholders, its capacity, and its financial rules and regulations. In this respect, the following points must be taken into account:

- UNICEF has an established track record of delivering output-level WASH results for DFID. There is little point introducing output level PbR to a delivery system that appears to be working well.
- In overall terms, the new project is largely focused on sanitation and hygiene, with significantly less emphasis on water supply. Ideally, this bias should be reflected in the PbR system.
- Furthermore, UNICEF's approach to sanitation and hygiene is mature and effective, and increasingly focused on establishing externally verified open defaecation free (ODF) communities. The inputs needed to generate sanitation results are well understood.
- By comparison, UNICEF has less experience of establishing water safe communities, this being a relatively new concept. The resources needed to establish water supplies are relatively variable, compared to sanitation promotion. Unit costs for water supply are relatively difficult to benchmark.
- Sustainability remains a major challenge throughout the WASH sector, demonstrated by ODF slippage rates of between 5 and 25% in participating ASWA I countries.
- A recent analysis of UNICEF evaluations of WASH projects suggests that it also needs to do more to ensure that interventions reach poor and vulnerable groups.
- UNICEF's global financial and risk management systems, its formal relationship with government, and the limited liquidity of many of its local NGO partners, all complicate the establishment of a PbR system with a significant down-side (i.e. when under-achievement leads to a financial penalty).
- The UNICEF delivery channel currently includes ten countries. Independent verification of results is feasible in at least seven, noting that there are security concerns in parts of South Sudan and Niger, whilst the Government of Eritrea is likely to reject any approach in which its monitoring systems are assessed by an external organisation. This may limit the scope for introducing PbR in these three countries.
- The PbR system needs to reflect that UNICEF country offices share accountability for delivering results with UNICEF HQ. This should be reflected in how performance is recognised.

23. Taking into account these points, the UNICEF PbR system should focus on:

- Sanitation and hygiene, rather than water supply;
- A limited number of relatively easy to verify indicators;
- Quality (sustainability and/or targeting) rather than quantity (the number of output results);
- Strengthening monitoring systems and sustainability checks;

- Upside performance incentives rather than down-side penalties;
- The incentive paid should be linked to the degree of success achieved, using a number of performance steps above an agreed baseline.

24. PbR should only be introduced in countries where the independent verification of results is feasible. This should be confirmed during the project's inception phase, taking into account the area in which interventions are to be focused.

Proposed PbR System: UNICEF Delivery Channel

25. The new project should focus PbR on the sustainability of Open Defaecation Free (ODF) communities. This links PbR with sanitation and hygiene rather than water supply. ODF is also relatively easy to measure and verify. The countries selected by UNICEF for ASWA II have government-owned ODF verification protocols in place.
26. The sustainability of sanitation practices is often associated with the quality of the promotion that helped introduce it. The promotion process is known as 'triggering'. Communities tend to be triggered during a relatively short participatory exercise. If triggering is effectively planned, organised and implemented, and adequate post triggering support is provided, communities are motivated to achieve ODF comparatively quickly, and tend to retain their ODF status. We can therefore use the proportion of triggered communities that are externally verified as ODF within a year of being triggered as a PbR indicator. This indicator, the **ODF conversion rate**, can be measured annually, and therefore linked to annual incentive payments.
27. The sustainability focus can be reinforced by linking other PbR payments to a second indicator, the proportion of externally verified ODF communities that remain ODF for at least a year. This indicator, the **ODF retention rate**, can be measured at mid-term and at the end of the project through a third party sustainability check.
28. By focusing PbR on ODF communities, the principle of leaving no one behind is also incentivised. To achieve ODF, everyone needs to be using a toilet, regardless of their socio-economic status. In practice, communities often need to support marginalised households and individuals to build their own toilets. This idea is often discussed with community members during the triggering process.
29. UNICEF is in a position to establish baseline values for ODF conversion and retention rates for each participating country in ASWA II. Both these indicators also happen to be logframe indicators.

30. The sanitation budget allocated in the new project's business case is based on cost information from several sources including the ASWA I project. Several price adjustments were also factored in, including an adjustment for enhanced sustainability, reflecting the need to invest more in post ODF follow-up. It is therefore proposed that DFID use the 'enhanced sustainability' component of the sanitation budget to finance a related performance incentive. The amount in question is £6,000,000, including a proportion of support costs and UNICEF HQ cost recovery. £6m is just over 10% of the total budget provisionally allocated to the UNICEF delivery channel.
31. The following 'performance to payment' matrix is proposed for the **ODF conversion rate** indicator. There are three payment points, the first in 2019, with results being reported by the project monitoring system. No payment point is suggested for 2022, as all ODF triggering should be completed by May 2020.

Indicator: Proportion of triggered communities that are externally verified as ODF within a year of being triggered					
Baseline Value	70% estimate	Weighted average taking into account country baseline values and results targets. Baseline to be confirmed during project inception.			
Performance Step	Achievement (baseline estimate assumed)	Proposed payment frequency: annual, with 3 payment points between May 2019 and May 2021			
		May 2019	May 2020	May 2021	Total
Step 1	70% - 80%	£400k	£400k	£400k	£1.2m
Step 2	80% - 90%	£800k	£800k	£800k	£2.4m
Step 3	90% - 100%	£1m	£1m	£1m	£3.0m

32. The following performance to payment matrix is proposed for the **ODF retention rate** indicator. There are two payment points in May 2020 and November 2022, each associated with the results of a third party sustainability check.

Indicator: Proportion of externally verified ODF communities that retain their ODF status for at least a year.		
Baseline Value	70% estimate	Weighted average taking into account country baseline values and results targets. Baseline to be confirmed during project inception.
Performance	Achievement	Proposed payment frequency: 2 payment points in May 2020 and November 2022,

Step	(baseline estimate assumed)	informed by biennial sustainability check.		
		May 2020	Nov 2022	Total
Step 1	70% - 80%	£600k	£600k	£1.2m
Step 2	80% - 90%	£1.2m	£1.2m	£2.4m
Step 3	90% - 100%	£1.5m	£1.5m	£3m

Verification of Results

33. DFID needs assurance that claimed results have been achieved. This will be provided by a DFID appointed service provider, which will conduct regular assessments of the project monitoring systems and sustainability checks used by UNICEF to establish both ODF conversion and retention rates.
34. Assessments will take place in each participating country. The assessment methodology will be developed by the service provider, with inputs from both UNICEF and DFID. The methodology will then be piloted in all participating countries in 2018. The pilots will test the methodology and establish the performance of monitoring systems at the beginning of the project. Actions to improve system reliability will also be recommended. The results of the initial assessments will not affect incentive payments.
35. Formal assessments will then be conducted in 2019, 2020 and 2021 for ODF conversion, and in 2020 and 2022 for ODF retention.
36. The results of these assessments will effect incentive payments, based on a grading system that forms part of the assessment methodology. To determine a 'global' payment modifier, the results of each country level assessment will be applied to the weighted proportion of results from that country. This will enable DFID to determine an aggregate incentive payment.

Use of Performance Incentives

37. Performance incentives can be used by UNICEF to support any ASWA II project activity, with the WASH Team in New York retaining responsibilities for allocation.

Paul Deverill

Updated 11 Sep 2017

Duty of Care to Suppliers Policy Information Note

DFID has implemented a new Duty of Care to Suppliers Policy with effect from 19 July 2012. The policy clarifies the DFID position on Duty of Care to Suppliers, how it will be applied in practise and who is responsible for Duty of Care (DoC) when DFID contracts with a Supplier for the provision of Goods and Services (of any type or value). Under this new Policy, DoC must be considered at the beginning of any procurement process and managed throughout the life of the contract. This policy does not apply to DFID Accountable Grant arrangements.

What is “Duty of care”?

“Duty of Care” is a legal obligation requiring an adherence to a standard of reasonable care to prevent foreseeable harm. The duty stems from the relationship of the participants in a given situation being sufficiently close that it is reasonable for the law to infer that a duty is owed. Where it exists, such as between an employer/employee, it requires due care to be taken (which will always depend on the circumstances). The focus should be on what needs to be done or prevented to provide adequate care. In general terms, a Duty of Care will arise towards someone whom you should be aware of as being potentially at risk from some act or inaction on your part.

Who is responsible for duty of care?

All Supplier Personnel (including their employees, sub-contractors or agents) engaged under a DFID contract will come under the Duty of Care of the lead Supplier. The Supplier is responsible for the safety and well-being of their Personnel and any Third Parties affected by their activities, including appropriate security arrangements. This approach is not new, but our DoC policy, competitive processes and contract documents make our position clearer for both DFID staff and suppliers. Suppliers must comply with the general responsibilities and duties under relevant health and safety law including appropriate risk assessments, adequate information, instruction, training and supervision, and appropriate emergency procedures. These responsibilities must be applied in the context of the specific requirements the Supplier has been contracted to deliver.

What will DFID provide in relation to duty of care?

DFID will carry out a risk assessment (of foreseeable risks) for all new procurements and a risk rating of Low, Medium or High will be applied (See Annex A for an example). The Terms of Reference will provide any further DoC information DFID considers appropriate. In exceptional circumstances DFID may offer to provide specific DoC arrangements and if applicable, these will also be specified in the Terms of Reference. The provision of DoC information or special arrangements by DFID does not relieve the Supplier of their DoC responsibilities under any contract awarded.

How will this impact on the suppliers’ selection process?

For Procurements rated as Low risk there is no change to the supplier selection process and DFID standard processes continue to apply.

Procurements rated as Medium or High risk will require suppliers to provide evidence that they have the capability to take on and effectively manage their Duty of Care Responsibilities throughout the life of the contract. As part of the procurement process suppliers will be asked to respond to a set of standard DoC questions (See Annex B for a copy of the standard questions) and to provide supporting evidence in the form of text (the number of pages required may vary and will be specified in the procurement pack). The assessment of DoC will be on the basis of suppliers demonstrating in

their response that they have the Knowledge, Experience and Resources to adequately deal with their responsibilities in the context of the specific procurement. The DoC assessment will be on a Pass / Fail basis:

For High Value procurements that are being competed under the EU Restricted Route, the assessment will be carried out at the Pre-Qualification Questionnaire (PQQ) stage. The standard DoC questions will be included in our PQQ Template. This assessment is completed separate from (and prior to) the Technical Evaluation / Scoring of the PQQ. If a supplier fails the DoC assessment, their PQQ Response will be excluded from the Technical Evaluation and they will not be shortlisted for ITT. DFID may revisit their earlier DoC (PQQ) "Pass" decision if at the ITT stage the more detailed risk management information provided in the Supplier's Tender raises significant concerns in relation to their DoC capability.

For Low Value procurements (under the EU threshold of £113K), the standard DoC questions and request for evidence will be included in the Terms of Reference provided in the Invitation to Tender (ITT) pack. The Supplier DoC response will be provided as part of their Technical Tender. The assessment of Supplier DoC capability is completed separate from (and prior to) the Technical Evaluation / Scoring of the Tender. If a supplier fails the DoC assessment, their Tender will be excluded from the Technical Evaluation/Scoring.

DFID will not award a contract to a Supplier who cannot demonstrate that they are willing to accept and have the capability to manage their DoC responsibilities in relation to the specific procurement.

How will this impact on the contractual arrangement?

Our standard contract for suppliers will include the following clause in relation to DoC:

"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".

We will also be in touch with Framework Suppliers to agree the inclusion of this clause in section 2 of the Framework Agreements. In line with this policy, Framework Suppliers will be assessed for DoC capability as part of any mini-competition under the Frameworks. A Call-down contract will not be awarded to a Framework Supplier who cannot demonstrate that they are willing to accept and have the capability to manage their DoC responsibilities in relation to the specific procurement.

How will DoC be managed post contract award?

The Supplier is responsible for managing all aspects of DoC for the duration of the contract (in line with the contract Terms and Conditions). When, in exceptional circumstances DFID is providing specific DoC arrangements these will be detailed in the Terms of Reference and agreed in the contract.

The Terms of Reference will provide an outline of any on-going briefing arrangements that DFID are willing to provide. This will vary in relation to the procurement. The level of appropriate briefing provided by DFID will be decided at the sole discretion of DFID.

DFID will maintain an overview of on-going supplier contracts and may decide that changes are required to contractual arrangements to alleviate concerns on Supplier capability to manage DoC

responsibility throughout the life of the contract in a changing risk environment. This could in some instances result in termination of a contract.

If you have questions who do you contact?

Questions on the general application of the Duty of Care to Suppliers Policy should be directed to the e-mail address: dutyofcare@dfid.gov.uk

Questions on application of the Policy in relation to a specific procurement must be directed to the named Contract Officer via the DFID Portal (in line with the related Supplier Instructions provided as part of the competitive process).

DFID will develop a Q & A section for suppliers during the early implementation period to assist understanding and embed implementation. Suppliers should maintain a regular check on this Information Note to keep up to date with Q & A developments.

SUMMARY RISK ASSESSMENT MATRIX – EXAMPLE

COMMERCIAL IN CONFIDENCE
(when completed)

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

Project/intervention title:

Location:

Date of assessment:

Assessing official:

Theme	DFID Risk score	DFID Risk score
	Parts of Country X	Other Parts of Country X
OVERALL RATING¹		
FCO travel advice		
Host nation travel advice		
Transportation		
Security		
Civil unrest		
Violence/crime		
Terrorism		
War		
Hurricane		
Earthquake		
Flood		
Medical Services		
Nature of Project/		
Intervention		

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

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

Standard Duty of Care Questions

- a) 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)?
- b) 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?
- c) 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?
- d) 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)?
- e) 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?
- f) Have you appropriate systems in place to manage an emergency / incident if one arises?

Section 5

SCHEDULE OF PRICES

1. It is a requirement that all invoices are presented in the format of the payment basis, and in the case of Fees and Expenses only those categories defined are separately identified. Only one invoice per period, as defined in Section 2, paragraph 21, should be submitted.

2. Fees and Expenses

The amount of fees and expenses are shown separately and reflects the financial ceilings within each category. Only expenditure actually incurred will be reimbursed, and receipts for expenditure incurred may be required before any payment is made under this contract.

3. Milestone Payments

The amount to be paid for the completion of the services is fixed at £2,789,030 inclusive of government tax, if applicable.

Payment will be made on satisfactory performance of the services, at the payment points defined below (Proforma 9: Payment Schedule):

- (i) a lump sum on completion of the services;
- or
- (ii) at relevant points throughout the contract period.

At each payment point set criteria will be defined as part of the schedule of payments. Payment will be made if the criteria are met to the satisfaction of DFID.

The Schedule of Prices is attached at Section 5 Schedule of Prices Annex 1.