



Section 4 - Appendix A Annex A

Call-down Contract

TERMS OF REFERENCE

for

Building Resilience and adapting to climate change in Malawi (2018-2023) Knowledge, Policy and Implementation Support Manager

1. Introduction

DFID Malawi wishes to contract a Supplier, to act as Knowledge, Policy and Implementation Support Manager (KPISM) in support of the Building Resilience and adapting to climate change (BRACC) programme. This contract is for the targeted technical assistance to support a BRACC programme on evidence, policy influence and coordination functions and shall run till 31 December 2023.

The budget under this contract should not exceed £5,753,926.19 (including £1m Strategic Partnership Fund net value and any government taxes).

2. Context

Malawi is one of the world's poorest countries, with some of the worst human development indicators for a country not in conflict. Entrenched poverty is exacerbated by natural resource degradation and frequent climate change shocks, particularly floods and drought. The current economic costs of this climate variability are estimated at 2% of GDP each year on average.

The political economy fosters poorly functioning food markets, especially the staple crop maize. Even in a good year, small weather variations can result in large numbers of people unable to meet their basic needs. This is a predictable and chronic problem, yet it is managed as a repeated 'crisis. Breaking this recurrent cycle of crises requires a transformative shift in policy response and development support, from costly humanitarian responses, to longer-term investments which address the root causes of chronic poverty and build sustainable strategies for adapting to climate change.

The UK is investing up to £90.65 million over five years (2018-2023) in the 'Building Resilience and Adapting to Climate Change (BRACC) programme. The long-term impact of the programme is to contribute to a reduction in extreme poverty and end the recurrent cycle of hunger and humanitarian assistance in Malawi. The programme aims to do this by taking market-based approaches to improving people's livelihoods; and developing scalable social safety net systems that respond predictably to weather and climate related shocks.

Please refer to the Business Case in Annex A.



The BRACC programme is investing in four key interlinked components:

1. Climate resilient livelihoods: up to £52 million to reduce the impact of climate shocks on poor and vulnerable households through asset transfers; improved agricultural production; natural resource management; and access to more diverse income streams. This is being delivered through a joint Non-Government Organisation (NGO) and United Nations (UN) led consortium called Promoting Sustainable Partnerships for Empowered Resilience (PROSPER).
2. Provision of a scalable safety net 'crises modifier': up to £20million to respond to predictable seasonal food insecurity needs and climate shocks through an increase in safety net value per person and/or numbers of people covered in the face of shocks. This is also being delivered through PROSPER
3. Strengthening social protection systems: up to £5million to strengthen national safety nets programmes so that in the longer term, they meet the basic needs of the poorest and respond to climate shocks when necessary. This is delivered through a Memorandum of Understanding (MOU) with Germany (BMZ/GIZ) and is co-financed by Germany and the European Union (EU).
4. Evidence, knowledge and policy influence: up to £8million to generate evidence and learning to drive programme decisions and inform government policy (£1.4million of this that has already been committed). This will be complemented by targeted technical assistance to government on social protection, disaster risk management and climate change adaptation. An accountable grant was put in place with the International Food Policy Research Institute (IFPRI) on an interim basis, until the 'Knowledge, Policy and Implementation Support Manager (KPISM)', who will deliver the services set out in these Terms of Reference, is in place. A handover is anticipated during the Inception Phase.

In addition, £1 million has been allocated to support Illegal Wildlife Trade (IWT) related activities in communities surrounding protected areas. This is being delivered through an Accountable Grant with African Parks. A further £4million has been allocated to co-finance USAID's Modern Cooking for Healthy Forests programme which aims to strengthen Malawi's resilience to climate change by countering deforestation and forest degradation, reducing soil erosion, improving land management and supporting sustainable livelihoods.

Overall the programme aims to target around 300,000 households with a set of integrated interventions designed to increase household and community resilience to weather and climate related shocks. Key activities include:

- Climate Smart Agriculture
- Nutrition sensitive interventions
- Integrated watershed management
- Natural resource management
- Disaster risk reduction and Climate services
- Market systems development and inclusive business models
- Micro-finance and micro-insurance
- Shock-responsive social protection
- Lean season response
- District and national systems strengthening and coordination



Additional Background to Interim arrangement with the International Food Policy Research Institute (IFPRI)

In October 2018, DFID engaged IFPRI on an interim basis to support the design of the BRACC impact evaluation and to collect baseline data for the programme. This interim solution was needed to ensure a robust monitoring, evaluation and learning framework for the programme was put in place from the outset, and that evaluation baselines could be established before the implementation of the programme activities.

IFPRI have developed the methodology for the impact evaluation design of BRACC through an extensive consultation process with DFID and implementing partners. A mixed methods approach has been agreed: combining state-of-the-art quantitative and qualitative methods to generate robust evidence on what works, why it works and what is most cost-effective in reducing household and individual-level vulnerability in rural Malawi. The evaluation involves an experimental (randomised control trial) design in two of the four focal districts. Baseline surveys were undertaken in September and October 2019 and baseline data analysis will be complete by the start of the KPISM contract. See Annex D for the Impact Evaluation Inception report.

3. Objective

The BRACC programme is designed to influence policies and drive positive change in the sector; to do this the programme aims to be flexible and adaptive; and will take a robust approach to monitoring, evaluation and learning to ensure that programme level learning as well as wider evidence can support key programme decisions and course correction during the life of the programme; and inform and influence wider policy reforms.

The main objectives of the Knowledge, Policy and Implementation Support Manager (KPISM) is to support DFID in the implementation of the BRACC programme; Improve knowledge and understanding of poverty, vulnerability and climate risk for all stakeholders in Malawi; provide advice, evidence and innovation that drive adaptive implementation of the programme - particularly the component on climate resilient livelihoods; and deliver timely evaluation(s) to generate lessons on what does and does not work and why.

Overarching learning questions include:

- How effective is the BRACC programme at improving resilience?
- How relevant are the different BRACC programme interventions to the Malawi context?
- Which interventions are most effective, for whom and under what circumstances?
- What are the likely barriers to scale-up of these interventions?
- What strategies are most effective to enhance long-term sustainability of the programme gains?
- What is the VfM of combining this number of partners under the same programme?
- How effective is the BRACC programme at targeting marginalised groups (woman, disabled)?

4. The Recipient

The main recipients of the services will be DFID, direct and indirect programme beneficiaries, national and local governmental, non-governmental institutions in Malawi.



5. Scope of work

The Supplier will be responsible for the delivery of short and long term technical assistance to 1) support DFID in the implementation of the BRACC programme; 2) develop the overall strategy for monitoring, evaluation, learning and facilitating adaptive management; 3) fill evidence gaps through high quality research; 4) develop credible policy advocacy strategies and support policy reforms; 5) strengthen coordination, coherence and compliance across the programme. Fund management of a partnerships fund will also be required if DFID decide to include this activity following scoping work (see below).

6. Coverage

The focus of this contract will be on the two PROSPER components, as outlined in section 2. However, the Supplier will be expected to cover needs of the other programme components in a proportionate manner. See Annex E for additional information on PROSPER activities.

7. Geographical location

BRACC focuses on southern Malawi, targeting districts with the highest vulnerability to weather-related shocks, poverty, and chronic food insecurity. The programme has 4 priority districts (Balaka, Chikwawa, Mangochi, and Phalombe). However, many activities focus on a wider set of districts or operate at the national level. The Supplier will be expected to work in priority districts as well as at a national level.

8. Stakeholders

The Supplier will be required to engage with DFID programme implementing partners as well as with national and local government and other relevant stakeholders working on resilience in Malawi, including other NGOs, donors, academia and private sector partners.

9. Timeframe

This contract will run from 18th February 2020 till 31 December 2023. The contract will have a 5-month Inception Phase (up to 17th July 2020); followed by a 38.5 months Implementation Phase (18th July 2020 to end September 2023); concluded by a 3-month Exit Phase (October 2023 to December 2023).

The contract will have two formal review points: at the end of the Inception Phase (July 2019) and after the midterm evaluation (January 2022). Continuation of contract beyond the Inception Phase will be subject to formal review and approval of the Inception report, programme and supplier performance, and DFID acceptance of proposed implementation phase deliverables/outputs/milestones, including but not limited to the Implementation payment plan.

10. Activities

The Supplier will be expected to deliver the following services:

10.1 Inception Phase (Up to 17th July 2020)

- i. Complete hiring and contracting of team leader and core team



- ii. Consult key stakeholders as described in Section 8 and develop a communication strategy for the programme.
- iii. Review programme theory of change and review agreed monitoring, evaluation, and learning (MEAL) frameworks of BRACC implementing partners. The KPISM should suggest changes, where relevant to ensure they are well adapted for programme delivery and adaptive management.
- iv. Building on component level work, develop a BRACC Value for Money strategy, including programme level targets that can be measured annually to feed into the DFID BRACC Annual Review.
- v. Agree transitional arrangements and clear timelines with IFPRI in order to complete a full handover with IFPRI by end March 2020. This handover period will include 'handover work plan' which will include all previous interim proposals, submitted quarterly reports, Standard Operating Procedures (SOPs) and datasets, in addition to another other relevant information linked to the impact evaluation design and baseline data.
- vi. Once handover is complete, the KPISM will start to develop, manage, and continuously refine the overarching BRACC Monitoring, Evaluation and Learning strategy, building on component level MEAL work and the existing programme logframe and theory of change;
- vii. Work with DFID and implementing partners to review evidence, identify gaps and propose research priorities for the programme.
- viii. Scope out need for, structure, size and focus of a 'Strategic Partnerships Fund' that would allow the programme to respond flexibly to new opportunities, technologies and innovations.
- ix. Produce a detailed work plan that sets out key milestones for the year 1 of implementation phase and indicative milestones for the subsequent years 2-3. This should be linked to the final agreed performance-based payment plan.
- x. Develop a risk register and refine the risk and mitigation framework;

Each of the above listed deliverables will be subject to approval by DFID.

During the inception phase, the Supplier shall regularly update DFID on progress being made.

10.2 Implementation Phase (18th July 2020- September 2023)

Output 1: Monitoring, Evaluation, Learning and Adaptive management

On a regular basis during the implementation phase the Supplier shall:

- i. Provide ongoing capacity building support as necessary to implementing partners on programme monitoring, evaluation and learning, VFM metrics, maintenance and use of data management information systems.
- ii. Continuously work with the implementing partners and DFID to validate and challenge the theory of change; identify areas of uncertainty or information/data gaps; reflect upon incoming data to test assumptions and advise on specific interventions (or changes to interventions) that will help achieve programme goals; and make recommendations for necessary changes to programme.
- iii. Facilitate opportunities for continuous MEAL reflection among programme implementers in response to incoming data and evidence for the purpose of modifying interventions so that they are contributing more effectively to programme goals
- iv.



- v. Identify types of adaptation scenarios and strategic and tactical adaptations at the programme level
- vi. Carry out Monitoring, Reporting and Evaluation activities, including:
 - Maintaining and updating the programme logical framework, including methodology notes for key indicators and record of changes to logical framework that result from implementation adaptations
 - Undertaking quarterly and annual programme reviews to DFID on implementing partner performance and recommendations for improvement
 - Designing and undertaking a process evaluation in August 2020 to review governance and implementing arrangements and to make recommendations for how these could be improved.
 - Undertaking the mid-term impact evaluation in July – December 2021 and the final impact evaluation in July - December 2023

Output 2: Undertaking research and analysis to generate learning and fill evidence gaps

On a regular basis during the Implementation Phase the supplier shall:

- i. Generate and share lessons from the programme through learning events, continuous strategy testing, targeted publications and media productions; for a range of audiences {hold at least one annual policy learning event for programme partners and other stakeholders to share lessons}
- ii. Commission or undertake high quality complementary research and strategic analysis to fill evidence gaps or test assumptions. This research and analysis should allow the Programme to answer questions about the performance of programme delivery on a real time basis during implementation. Topics will be identified in collaboration with DFID and programme partners and could cover a range of technical issues, for example review of new technologies and innovations, disability, gender/social exclusion. Topics may also explore untested assumptions in the theory of change and aspects of implementation that are relatively uncertain in order to refine implementation strategies.

Output 3: Developing credible policy advocacy strategies and supporting policy reforms

On a regular basis during the implementation Phase the supplier shall:

- i. Work with DFID and implementing partners to develop programme policy priorities and advocacy strategies as relevant - these should be well-targeted based on thorough political economy assessment and evidence from research and programme learning.
- ii. Provide demand driven Technical Assistance to government of Malawi to support policy development and implementation (e.g. high-level technical advisers embedded into relevant ministries/districts, technical support to government for implementation and monitoring of national policies and strategies; or support to establish national coordination structures and platforms).

Outputs 4: Strengthening coordination, coherence and compliance across the programme.



On a regular basis during implementation phase the Supplier shall:

- i. Provide Secretariat services for programme governance structures, including Quarterly steering and technical committees; and ad-hoc technical workshops; evidence reviews; collective sensemaking (expected to be on a quarterly basis).
- ii. Carry out additional programme spot checks, reviews, audits and assessments as necessary; including on value for money, assets, results, safeguarding, fiduciary risk of funding flows, fraud risk (expected to be at least annually).
- iii. Collate regular beneficiary feedback and other stakeholder insights to support appropriate and contextually relevant decision making (expected to be done on a quarterly basis and form part of quarterly reports)
- iv. Undertake Due diligence and safeguarding assessments of any new partners that are brought into the programme (as necessary).
- v. Provide proposals for the DFID team to consider that support and ‘push the boundaries’ of implementation of programme components; improving quality of delivery and helping bring in new technologies and innovations into the programme;
- vi. Help leverage relevant UK-funded “Centrally Managed Programmes” (e.g. specialist private sector advice on markets and value chain development, and on risk insurance.
- vii. Provide specialist technical support on areas that might be seen as priority for DFID, implementing partners and the government of Malawi in the areas of Disaster Risk Management, Resilience, Natural Resource Management, Agriculture, Social Protection and Climate Change).
- viii. Manage the Strategic Partnerships Fund if DFID decide to go ahead with this activity.

11. Budget

An indicative budget allocation across the intervention areas is estimated as outlined below.

KPISM Contract Deliverables	Estimated budget
Inception Phase Activities	Up to £0.5 million
Outputs 1: Programme Monitoring, Evaluation, Learning and Adaptive Management	Up to £2.0 million
Outputs 2: Research and analysis	Up to £1.3 million
Outputs 3: Policy Advocacy	Up to £0.7 million
Outputs 4: Coordination, coherence and compliance, including a £1million strategic partnerships fund	Up to £1.5 million
	TOTAL £6 million

Outputs 4 shall comprise a £1million strategic partnerships fund (net value).

12. Constraints and dependencies

The Supplier will be expected to coordinate with other DFID Malawi programmes where appropriate. These may include DFID Malawi health and education programmes, economic development and governance programmes.

The Supplier will be expected to plan with sufficient flexibility to accommodate unexpected changes resulting from the emerging context as well as holiday periods.



The Supplier must be self-supporting and responsible for its own activities. It should not rely on DFID Malawi transport, offices, facilities or logistical or administrative support, although DFID Malawi can provide visa letters for visiting staff if required.

13. The Requirements

13.1 Reporting Requirements

The Supplier will report to the programme Senior Responsible Owner (SRO) and is expected to deliver the following:

- i) Inception report is expected 1 month after end of Inception Phase. The inception report will include results and findings of programme analysis, status of the baseline information and M&E process, gaps and proposals on how they will take the work forward. The inception report should also include a detailed work plan and budget for the first year of the contract.
- ii) Quarterly and annual progress reports to DFID (both narrative and financial). The reports will be based on the agreed workplan.
- iii) Quarterly strategy testing to continuously monitor, reflect, and shift implementation strategies. Outcomes of strategy testing and resultant programmatic adaptations should be documented in quarterly progress reports.
- iv) A process evaluation report by September 2020 that details key finding and opportunities to improve programme implementation
- v) A mid-term programme evaluation report by November 2021 that details key findings, opportunities to further improve quality of results, changes in context, challenges to implementation, key lessons and a proposal on clear recommendations.
- vi) A final impact evaluation report by November 2023 that details key achievements in relation to logframe milestones, analysis of key assumptions on whether these materialised during implementation period, key lessons learnt from the programme and major recommendations on resilience building in Malawi.
- vii) An evaluation findings workshop for each evaluation that allows for discussion of the evaluation recommendations and action planning with DFID and implementing partners for how to take the recommendations forward.
- viii) Up to 3 research reports and 4 policy briefs/year identified by DFID, the implementing partners and the Suppliers.
- ix) An annual programme learning event

The Supplier will coordinate with the responsible DFID Programme Manager on issues related to financial reporting, forecasting, asset management and due diligences.

13.2 Skills and Competency Requirements

Delivery of programme activities will require a range of skills and a diverse team of experts. The Supplier proposed the most suitable team structure to deliver the requirement set out within these Terms of Reference. The Supplier must also have access to a wider pool of experts in relevant to this programme technical areas that can be drawn down upon as necessary.



DFID places significant importance on the involvement of regional/national partners and in-country expertise particularly and a gender balance across the team.

The Supplier proposed a team structure that demonstrates the skill set required to deliver the stated activities and capacities. The proposed team should meet the following requirements:

13.3 The Team Leader

The team leader(s) must have knowledge and expertise in the areas outlined below and be able to provide overall leadership and manage the core team. The Team leader(s) must have:

- Proven leadership skills, with significant expertise in working on similar programmes in contexts similar to Malawi;
- Understanding of climate smart development, natural resources management, agriculture, social protection, and disaster resilience sectors.
- Understanding of evaluation methods and MEAL tools and processes that support learning and adaptive management
- Capacity and influence to convene stakeholders and shape national policy implementation;
- Ability to oversee the measurement and communication of robust results and impact and to hold their team and downstream partners accountable for good and timely performance, management of fiduciary risk and VfM.

13.4 The Core Team

The Supplier's core team should demonstrate a mix of the following capabilities and expertise:

- Expertise in implementing and informing adaptive programmes. Using appropriate monitoring & learning strategies to help in defining results; and producing evidence that can be used to inform BRACC implementation in real time and be used to assess the programme performance and impact;
- Understanding of current political economy issues and context; demonstrable understanding of the policymaking process; influencing skills; and clear outline of approaches to identify and build relationships with key stakeholders.
- Technical expertise in climate change, natural resource management, agriculture, resilience, social protection and disaster risk management is essential; as well as humanitarian programming, market systems development and political economy analysis;
- Technical expertise in design and implementation of quantitative and qualitative research methods and data analysis and design of impact evaluations;
- Expertise in monitoring development programmes, including development of monitoring systems, logical frameworks, data collection and value for money analysis;
- Expertise in assessing and increasing capacity for programme MEAL, including use of MEAL data for programmatic learning and adaptation
- Expertise in developing communications and learning strategies as well as necessary IT and graphic design skills required to develop attractive learning and policy dissemination products.
- Expertise in gender, disability and social exclusion, ideally with reference to Malawi or similar contexts.



- Familiarity with DFID's strategies, priorities and working practices as they apply both in Malawi and more broadly;
- Strong financial management and financial reporting skills, and a track record of delivering value for money;

13.5 Resource Pool

Additionally, the Supplier must have access to a resource pool of experts (other than those specified in the core team) for additional project development and specialist technical expertise to meet the demand from BRACC programme. This pool is envisaged to be required on an ad hoc and occasional basis. Time input for the part time, short term experts will be defined based on demand and on quarterly rolling work-plans.

13.6 Co-ordination

The DFID Malawi Climate and Environment Adviser is the Senior Responsible Owner (SRO) for the programme, supported by an Evaluation adviser and Humanitarian policy manager and a Programme Manager leading on day-to-day management of the programme. The Supplier will report to the programme manager on day today operational issues.

The Supplier is expected to coordinate with all programme partners and other key stakeholders. The Supplier is also expected to communicate regularly with DFID –and with any other donors that may subsequently contribute to the programme– including regular verbal updates. It is expected that the Supplier and DFID will meet monthly.

14. Contract Management and performance Requirements

14.1 Payment Mechanism

The Inception phase payments will be output-based and linked to the successful delivery and acceptance of all the listed Inception Phase Deliverables as per clause 10.2. The expenses shall be reimbursed on monthly basis and shall be based on actuals.

A hybrid payment model will be used for the Implementation phase where fees payments will be linked to performance and delivery of outputs. The Supplier proposed a performance-based payment plan for the contract Implementation Phase activities that provides an incentive for strong performance and reflects appropriate risk-sharing of non-delivery of outputs/failing to meet the KPIs to the satisfactory level.

The Implementation phase input-based Fees will be paid monthly with 75% of fees to be retained against the KPIs to be paid quarterly.

For the Inception and Exit phases output-based payments the Supplier specified the outputs/milestones the payments shall be linked to. The implementation phase Year 1 outputs/milestones shall be defined and agreed between the Supplier and DFID during the inception phase and then annually thereafter (within three months of the end of the implementation year). The Implementation phase expenses shall be reimbursed on monthly basis and shall be based on actuals.



At the end of Inception phase (month 5), DFID will review the Supplier's performance in delivering the Inception phase deliverables, including the finalised workplan for the implementation phase.

Continuation of the contract beyond the inception phase will be subject to acceptance by DFID of the Inception phase deliverables, satisfactory performance of the Supplier and agreement to the Supplier's proposed costs and workplan for the implementation phase milestones/outputs. The implementation phase is expected to begin immediately thereafter with budgets and workplans agreed on a quarterly basis.

The Supplier accepted the defined by DFID Key Performance Indicators as the Supplier's performance management/baseline measurement tool. The nominated Supplier will have to align to and report against the set of KPIs outlined in Annex C. The outlined KPIs provide the baseline measurement and will be used to monitor/ review programme-level performance in delivering the log frame outputs, which in turn will be linked to the performance-based payments.

14.3 Use of KPIs in KPISM Contract

The retained fees will be paid to the Supplier on the basis of a quarterly assessment against the DFID KPIs in line with the Performance Scoring Criteria for Project Management as set out in Annex C. This assessment will be based on the outputs delivered and engagement between DFID and the supplier over the previous 3 months. The supplier will be expected to achieve the satisfactory evidence as the minimum in each of the following 5 performance categories to receive full payment of the retained fee value. In an instance of any underachievement, the % pay-out will be proportionately reduced - with each performance KPI category being weighted at **20%** of the total value of retained fees. So, if the Supplier underperforms in one area, DFID will reduce the pay-out of the retained fees by 20%. DFID's assessment of performance will be reviewed with the Supplier and the final decision made on eligible payment.

Performance Categories:

- **Timeliness of delivery (20%):** Payment for deliverables at Implementation phase will be made primarily on the basis of satisfactory delivery of outputs (including reports), as set out above. This KPI will assess the degree to which those outputs delivered are timely, accurate, concise and reflective of business needs.
- **Responsiveness (20%):** Degree to which the Supplier's management team quickly responds and adapts to changing contexts or requests as per the agreed timeline. Degree to which the Supplier's management team responds to DFID's recommendations based on the findings of Due-Diligence assessments, quarterly reviews, mid-term reviews, annual audit reports and performance improvement plans.
- **Value for Money (20%):** The supplier should demonstrate how value for money has been achieved throughout the previous year. This includes ensuring that expenses are in line with agreed expenses policy and that appropriate level of expertise and



skill of personnel allocated to the project. Degree to which the supply partner is able to maximise value for money. The effectiveness in this area will also measure the

achievement of Value for Money at economy (spend less) and efficiency (spending well) level on quarterly basis by reviewing the VFM framework in results reporting.

- **Robustness of the budget forecast (20%):** Percentage of variance of project delivery in comparison to budget/estimate expectations. Realistic and accurate monthly projected budget (forecasted expenditure) and the Supplier should work to an **average 1% budget variance** (but not more than 5%) in the actual core programme expenditures. DFID will review the achievement of robustness of the budget forecast quarterly. Any exceptions/changes should be visible and agreed by DFID in advance.
- **Compliance (20%):** Degree of Supplier's compliance to DFID terms and conditions including fraud reporting, risk management, delivery chain mapping, audit, DFID visibility, information security requirement and more specific details as set out in the contract.

The Annual review will include a summary of how the Supplier has performed, drawing from the performance indicators data, and the Supplier's workplans. Recommendations from the Annual Review requiring action by the Supplier will be discussed and targets for progress will be agreed and form part of the reporting requirements for the following year.

DFID will set out the specified agenda items to be covered at each quarterly review meeting and related reporting requirements, including progress on milestones; supply chain/ delivery chain management; due diligence assessment of partners; team performance; risk management, spend to date and financial performance. A specific escalation process for dispute resolution will be included as part of the contract.

The Supplier will need to map out their supply chain and provide a narrative on their planned management and reporting of the chain. Discussion of the delivery chain map and management of the supply chain will be a standing item at each quarterly meeting during the contract. It is important to cover all risks and opportunities related to the supply chain as part of the aim of driving continuous improvement.

In addition to the examination of annual published accounts, the nominated Supplier will be required to produce an annual financial statement of all funding received from DFID related to this programme. Independent audits may also be commissioned by DFID to ensure accountability of funds and verification of outputs.

14.3 Fiduciary and Risk Management

Fraud and corruption: adhere to DFID's zero tolerance for fraud and corruption. The proposal should clearly outline what systems they will put in place to identify, prevent and adequately respond to any incidents of fraud and or corruption.

Risk Management: develop and implement a risk management policy for the programme, including:



- i. The Supplier is expected to maintain a full risk register, setting out its understanding of the most important anticipated key risks with weightings of likelihood and impact, and setting out expected mitigations. This will be updated at least every quarter; revised risk registers will be submitted to DFID for review as part of regular project reporting.
- ii. Types of risks considered should include fiduciary, programmatic (operational and delivery), reputational (including to HMG), safeguards, external context and political risk, as well as risks to achieving value-for-money. Other types of risk should also be considered, as appropriate.
- iii. The Supplier and DFID may identify some projects as higher risk. Monitoring of risk on these projects will be paramount and additional risk monitoring mechanisms may be determined.

14.4 Value for money

VfM in DFID means maximising the impact of each pound spent to improve poor people's lives. At a programme level, VfM means designing, procuring, managing, and evaluating our interventions to maximise impact, given available resources. Broadly DFID's approach to VfM is defined by the 4 "Es" and influences how we procure our inputs (**economy**), how we use inputs to deliver activities (**efficiency**), what overall value we are generating for the intended beneficiaries and at what cost (**cost effectiveness**), and Equity - How fairly are the benefits distributed, to what extent programme reaches those most effected by the climate change in Malawi (**equity**)?

The Supplier's technical proposal set out their Value for Money offer using the 4 "Es" in a framework format and outlined how VfM will be measured and analysed at each stage of the programme cycle (design, mobilization, delivery, monitoring and evaluation, and closure stages) during life of the programme.

The VfM framework will be finalised and agreed during the programme's inception phase and is likely to include some of the following indicators. The Supplier's quarterly reports must contain reporting against the following indicative VfM indicators.

Economy	<ul style="list-style-type: none"> Travel, accommodation and subsistence rates in line with or better than capped ceiling rates under the IMDP Framework Unit costs of majority of outputs (directly attributable only) Trends in costs of significant operating items Overhead cost vs. overall programme cost Use of digital technologies in research and programme delivery Daily Fee rates of staff in line with or better than the capped Ceiling Fee Rates under the IMDP Framework Discount on the Fee rate is in line with the % discount under the IMDP Framework
Efficiency	<ul style="list-style-type: none"> Savings through management process and delivery efficiency Achieving A and A+ on the majority of DFID output indicators
Effectiveness	<ul style="list-style-type: none"> Cost per research activity Cost per evaluation
Equity	<ul style="list-style-type: none"> Proportion of research that includes relevant findings for marginalised groups and people with disability



- | | |
|--|---|
| | <ul style="list-style-type: none"> • Proportion of new innovations and technologies proposed that are suited to marginalised groups and people with disability • Inclusive composition of core team and resource pool |
|--|---|

The Supplier in their proposal outlined a VfM analysis framework and demonstrated the VfM enablers and how VfM will be evidenced and analyzed during the programme implementation, with particular reference to key indicators for VfM analysis over the life of the programme, the programme results and potential measurement/monitoring approaches.

The Supplier proposed indicators for monitoring VfM, these will be agreed with DFID during the inception phase.

15. Do No Harm

DFID requires assurances regarding protection from violence, exploitation and abuse through involvement, directly or indirectly, with DFID Suppliers and programmes. This includes sexual exploitation and abuse but should also be understood as all forms of physical or emotional violence or abuse and financial exploitation.

DFID does not envisage at this stage the necessity to conduct any environmental impact assessment for the implementation activities. However, it is important to adhere to principles of “Do No Harm” to the environment.

16. Other Requirements

16.1 Exit Strategy

The Supplier will be expected to develop an exit strategy as part of the KPISM programme design during the first year of the Implementation phase. The exit strategy will be reviewed during the course of programme implementation to ensure that it remains relevant.

The Supplier will co-operate with DFID to ensure the smooth transfer of responsibilities to any persons or organisation taking over such responsibilities after the contract ends.

The exit strategy should cover:

- Plan for how the programme gains could be sustained after the contract has ended including mapping of key stakeholders who would be important for continuity post-implementation phase
- Asset management and recommendations disposal of all assets procured throughout the lifetime of the programme (in accordance with the relevant DFID Smart Rules)
- Delivery of finished work, and materials related to work-in-progress, and
- Return (or destruction of) all confidential information to DFID before the contract end date.

The supplier will adhere to the supplier code of conduct including DFID Value for money and governance, Ethical Behaviour, Social responsibility and human rights.

The exit plan should allow up to 60 days after the contract end for the exit process to be completed.



Partners that receive funding from DFID must use the UK aid logo on their development and humanitarian programmes to be transparent and acknowledge that they are funded by UK taxpayers. Partners should also acknowledge funding from the UK government in broader communications, but no publicity is to be given to this Contract without the prior written consent of DFID.

Not all deliverables will be explicitly UK Aid branded, however for published items such as research and analysis products this will be determined on a case-by-case basis. Workshops and larger conferences organised through the programme will likely have UK Aid branding. The Communications Strategy, to be discussed with and approved by DFID, will detail policy and expectations regarding how different programme elements will be branded.

If any press releases on work which arises wholly or mainly from the project are planned, this should be in collaboration with DFID's Communications Department. Country-facing and UK-facing branding guidelines will be provided by the respective DFID Programme Teams.

The Supplier may be required to produce communication materials summarising some of the stories of change in the programme for a wider audience inside and outside Malawi. The Supplier may, from time to time, need to produce briefings for DFID, FCO and other representatives of the international community.

16.3 Transparency

Transparency, value for money, and results are top priorities for the UK Government. DFID has a duty to show UK taxpayers where their money is being spent, its impact, and the results achieved. DFID has guidance on the use of its logos, which will be shared with the Service Provider(s) as necessary.

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

It is a contractual requirement for all Service Providers to comply with this, and to ensure they have the appropriate tools to enable routine financial reporting, publishing of accurate data and providing evidence of this DFID – further IATI information is available from: <http://www.aidtransparency.net>.

16.4 Digital Spending Policy

Any expenditure on digital services will fall under DFID's Digital Spending Policy. Expenditure plans for such item(s) must first be reviewed and approved at the earliest possible stage in the planning process by DFID's Digital Service Team via the Senior Responsible Owner (SRO) of the KPISM programme.

The review and prior approval are necessary to ensure that the best digital tools are selected to deliver the biggest impact and offer the best value for money for the programme.



Delivery Chain Mapping is part of DFID's Due Diligence Framework and DFID's programme cycle management. However, the Supplier will identify and directly manage implementing partners.

Delivery Chain Mapping is a process that identifies and captures, usually in visual form, the names of all partners involved in delivering a specific good, service or charge, ideally down to the end beneficiary. Addressing this is the actions/activities required to manage regular and exceptional risk throughout the network to reduce exposure and vulnerability.

The Supplier shall provide and maintain an up-to-date and accurate record (map of the supply chain) of named downstream delivery partners in receipt of DFID funds and/or DFID funded inventory or assets. This record must demonstrate how funds/Assets flow from the initial source to end beneficiaries. This record needs to be updated regularly by the Supplier and when there are material changes to the delivery chain. Delivery Chain Mapping should be included as a standing agenda item in the regularly scheduled (no less than quarterly) progress meetings, for discussion and review.

16.6 Scale up/down

The contract must have adequate provision for variation to adapt to changes that occur during the life of the programme. Following DFID reviews, DFID shall reserve the right to scale the requirement up or down over its lifetime to include potential changes to programme scope, geographical and country reach (where appropriate). Any such changes will be fully communicated to the Supplier and implemented in accordance with the terms and conditions and procurement regulations.

Likewise, the MEAL strategy must have sufficient flexibility to respond to potential changes to programme scope. The Supplier must regularly revisit the MEAL strategy (i.e., strategy testing) to propose refinements based on programmatic adaptations, data gaps, and changes to assumptions within the theory of change.

17. Duty of Care

The Supplier is responsible for the safety and well-being of their Personnel and Third Parties affected by their activities under this Contract. They will also be responsible for the provision of suitable security arrangements for their domestic and business property. The respective DFID Programme Offices will share available information with the Supplier on security status and developments in-country where appropriate.

The Supplier is responsible for ensuring appropriate safety and security briefings for all their Personnel working under the Contract and ensuring that their Personnel register and receive security briefings. Travel advice is also available on the FCO website (<https://www.gov.uk/foreign-travel-advice/malawi>) and the Supplier must ensure they (and their Personnel) are up to date with the latest position.



Bidders must develop their proposal on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix developed by DFID (see Annex A of this ToR). Bidders must confirm in the Tender that:

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

If a bidder is unwilling or unable to accept responsibility for Security and Duty of Care as detailed above, their Tender will be viewed as non-compliant and excluded from further evaluation.

18. General Data Protection Regulations (GDPR)

Please refer to the details of the GDPR relationship status and personal data (where applicable) for this project as detailed in App A and the standard clause 33 in section 2 of the contract.

19. Modern Slavery

The HMG Modern Slavery Statement sets out how UK Government departments must take action to ensure modern slavery risks are identified and managed in government supply chains

The DFID Supply Partner Code of Conduct sets out the expectation for all supply partners to have full awareness of the International Labour Organisation (ILO) principles. The Successful Supplier will be subject to compliance checks which will involve reviewing good practice examples that reflect these principles. Our Code sets out requirements for UN Global Compact sign up and further encourages Ethical Trading Initiative (ETI) membership for our Supply Partners and their delivery chain partners (at compliance level 1).

The Successful Supplier will also be encouraged to participate in the HMG modern slavery self-assessment process which in turn will support assurance of their compliance standard.



Additional Information Documents:

- Annex A: Business Case and logframe: <https://devtracker.dfid.gov.uk/projects/GB-GOV-1-300113>
- Annex B: Country Duty of Care Risk Assessment Matrix
- Annex C: Key Performance Indicators and Performance Scoring Criteria for Project Management
- Annex D: Impact Evaluation Inception Report
- Annex E: PROSPER Summary
- DFID's Approach to Value for Money :
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/49551/DFID-approach-value-money.pdf
- UK International climate finance results indicators and methodologies:
<https://www.gov.uk/government/publications/uk-climate-finance-results>



Annex B – COUNTRY/PROJECT DUTY OF CARE RISK ASSESMENT MATRIX

Location: Malawi

Theme	DFID Risk Score
	Malawi
OVERALL RATING	2
FCO travel advice	1
Host nation travel advice	1
Transportation	4
Espionage	1
Security	2
Civil unrest	1
Violence/crime	3
Terrorism	1
War	1
Hurricane	1
Earthquake	2
Flood	2
Medical Services	3

1 Very Low risk	2 Low risk	3 Med risk	4 High risk	5 Very High risk
--------------------	---------------	---------------	----------------	---------------------

Malawi

FCO travel advice	<ul style="list-style-type: none"> No restrictions. Wildlife and livestock on roads make driving hazardous. Avoid driving at night. You should carry driver's license when driving. This is a legal requirement. Whilst most visits to Malawi are trouble-free, you should be aware of an increasing incidence of violent crime. The results of Malawi's May 2019 elections are being challenged in the High Court by two political parties. Protests have taken place in central Lilongwe and elsewhere in Malawi and have at times turned violent, with some reports of looting and damage to property. Avoid large crowds or demonstrations, monitor this travel advice and local media for updates and keep any local and international travel plans under review. You may also wish to stock up on petrol, food and essentials, including any medication, in case normal service provision is disrupted in the short term. There is a low threat from terrorism. But you should be aware of the global risk of indiscriminate terrorist attacks which could be in public areas, including those frequented by expatriates and foreign travellers.
Host nation travel advice	Not available



Transportation	<p>Malawi has good tarmac roads over some of the country but you should be careful when driving off-road. Driving; particularly outside the major urban areas, can be dangerous as stray livestock can pose a serious hazard. Main roads/motorways are not fenced and people frequently walk on the road. Some trading towns have markets at the roadside. This is a particular risk at night and caution should be taken if driving outside major towns at night.</p> <p>Heavy duty trucks are a common sight on the roads. Zambian, Mozambican and Tanzanian hauliers drive through Malawi when ferrying goods across the region. Trucks that have broken down are a hazard on the road especially at night.</p> <p>Virtually all large cities and towns offer some form of public transportation including mini buses. There are two main airports: Kamuzu International Airport in Lilongwe and Chileka International Airport in Blantyre.</p>
Security	Country threat is assessed as low.
Civil unrest	You should avoid large demonstrations and gatherings. There are currently country-wide demonstrations following the elections in May 2019. Looting (police fired live ammunition at protestors) and stoning of cars has been common. Police Crowd Management is poor. Tear gas is the main tool used to disperse crowds. This causes panic and violence ensues.
Violence/crime	<p>Attacks on tourists are rare, but petty and violent crime is increasing. House burglaries; often by armed gangs, are also increasing. There have been some cases of car-jacking. If you are attacked, do not resist. Theft from parked cars does occur. Safeguard valuables and cash. Deposit them in hotel safes, where practical. Keep copies of important documents, including passports, in a separate place to the documents themselves.</p> <p>Violence/crime is assessed as '3'.</p>
Espionage	D
Terrorism	There is a low threat from terrorism. But you should be aware of the global risk of indiscriminate terrorist attacks which could be in public areas, including those frequented by expatriates and foreign travellers. Terrorism risk is assessed as Echo.
War	No identified threat
Hurricane	Low Risk
Earthquake	Low Risk
Flood	Some localised flooding and damage to buildings. This risk is higher during the rainy season.
Medical Services	Health care in Malawi is poor. For serious medical treatment, medical evacuation to the UK or South Africa may be necessary. Private hospitals will not treat patients unless you can pay and health care may be expensive.
Nature of Project/ Intervention	



Annex C: Performance Scoring Criteria for Project Management

Scorecard category	Criteria	Poor Evidence	Satisfactory Evidence	Good Evidence
Timeliness of delivery	Degree to which the deliverables (including reports) delivered by Service provider are timely, accurate, concise and reflective of business needs	Deliverables are not delivered on time on a regular basis and/or are inaccurate. Reports are usually received on time, however generally inaccurate and alterations have to be made. Where it is difficult to determine the key elements of a report or where a matter is not directly addressed.	Reports are received on time or reasonable justification for delay is provided and agreed in advance. Reports are generally accurate, with few alterations needing to be made. Returns / reports are easy to follow and are relevant.	Reports are always on time, and are clear, accurate and concise, giving DFID staff a clear and easily accessible view of progress made, the quality of work undertaken, lessons learned, and decisions required. The Supplier regularly suggests innovations and improvements.
Responsiveness	Degree to which the Supplier's management team quickly responds and adapts to changing contexts or requests as per the agreed timeline. Degree to which the Supplier's management team responds to DFID's recommendations based on the findings of Due-Diligence assessments, annual reviews, mid-term reviews, annual audit reports and performance improvement plans.	The Supplier regularly fails to recognise when changing contexts or evidence indicates that adaptations in delivery response or approach are required. The Supplier regularly fails to respond to requests for updates or to provide details of (proposed) changes, despite repeated attempts to discuss this with them. Where Supplier reports and/or returns are very rarely accurate, have to be corrected and this causes delay. Where responses from the supply partner have to be chased regularly or do not address changing requirements or circumstances.	The Supplier generally recognises when changing contexts or evidence indicates that adaptations may be required to delivery. The Supplier returns are regular and accurate but on occasion have to be chased. Where the Supplier does respond to a situation but can be slow or does not properly address the matter at hand quickly but does eventually solve the issue.	The Supplier proactively recognises when changing contexts or evidence requires adaptations to delivery and seeks out analysis and evidence to inform this decision. The Supplier identifies issues proactively in response to changing circumstances, and addresses issues quickly when raised. Adapts to changing circumstances effectively and with minimal disruption.
Value for Money	Degree to which the supply partner is able to maximise value for money.	There is a lack of transparency in figures in the supply chain making it very difficult to ascertain VfM. VfM measures are lacking detail, in reporting, or in progress being	There is transparency in own cost and profit structures and good benchmarking data available, however, sub-contract data is not made available by the Supplier.	The Supplier regularly provides benchmark data, can account for money all the way to aid recipient, and can provide VfM measures and comparators. Regularly



	The effectiveness in this area will also measure the achievement of Value for Money at economy (spend less) and efficiency (spending well) level on quarterly basis by reviewing the VFM analysis in results reporting.	made. The supply partner cannot account for sub-contract costs or determine profit levels. Lack of Benchmarking data. VFM as committed in the agreed contract/framework/strategy is not being achieved to maximise impact, given available resources.	Benchmark data is available and comparators exist but on occasion data is missing or measures missed. The Supplier can demonstrate their compliance with the VFM strategy agreed to design, procure, manage, and evaluate our interventions to maximise impact, given available resources.	demonstrates innovation to improve value for money, either by delivering more for the same cost or by reducing costs. The Supplier can demonstrate the fully compliance with the VFM strategy agreed to design, procure, manage, and evaluate our interventions to maximise impact, given available resources.
Robustness of the budget forecast	<p>Percentage of variance of project delivery in comparison to budget/estimate expectations. Degree of accuracy in quarterly budget projection (forecasted expenditure) and the Supplier's ability to work within 1% budget variance but not exceeding 5% variance in the actual expenditures.</p> <p>DFID will review the achievement of robustness of the budget forecast by reviewing the financial report on quarterly basis.</p>	The Supplier is regularly over and/or under forecast the budget. They are regularly re-forecasting plans or numbers without any strong justification due to the political changes (for eg. Three times a month). Regular difference between forecast & actuals, particularly when not flagged to DFID in advance. Variations / extensions required to address cost/timescale issues. The Supplier has difficulty in accounting for required variations. The average quarterly budget variance in the actual expenditures is more than 5%.	<p>Generally, on budget, but on occasion has to re-forecast for legitimate programme-related reasons. Few instances of exceeding budget and/or forecasting errors. Where forecasts need to be adjusted, the supply partner notifies DFID promptly, so that variances do not come as a surprise. The Supplier rarely requires variations to address cost issues.</p> <p>The Supplier should work to 1% budget variance which is the satisfactory level, but that we will round up/down, so if under 1.5% we'll pay.</p>	Regular adherence to budget. Minimal re-forecasting and when required accurate forecasting. The Supplier regularly shares ideas on how to avoid budget variances and the quarterly average budget variance in the actual expenditures is less than 1%.
Compliance	Degree of Supplier's compliance to DFID terms and conditions including fraud reporting, safe guarding and child protection, risk management, delivery chain mapping, audit, DFID visibility, information security requirement and more specific details as set out in the contract.	The Supplier has no / little evidence of compliance with DfID terms & conditions and / or is not responding to requests to demonstrate compliance. The Supplier in Country does not have access to Ts and Cs, legislation for compliance and/or does not have evidence of same.	The Supplier is partially compliant with DfID terms and conditions and is actively working towards becoming fully compliant. Evidence exists but is not comprehensive.	The Supplier demonstrates compliance in all areas, has documentation in country and can provide appropriate evidence.



Example of KPI scoring:

Date of Assessment: XXXX

Scorecard category	DFID Assessment	Evidence	Comments from quarterly meeting	Payment Status (Yes/No) to pay
Timeliness of delivery (20% of retained fees)	Satisfactory	Quarterly report received and written to a high standard with all minimum information included, only minor clarifications needed. Report deadline was extended (with extension agreed in advance) to incorporate beneficiary feedback from monitoring visiting.	Agreed assessment	Yes
Responsiveness (20% of retained fees)	Good	The Supplier recognised the change in context, proactively sought additional evidence to support decision making; and put forward a set of informed options to DFID for how the programme should adapt to the new context.	Agreed assessment	Yes
Value for Money (20% of retained fees)	Poor	Detailed financial reporting from Supplier, but poor finance reporting from sub-contractors affecting overall transparency in costs and unable disaggregate figures and benchmark unit costs.	Change in sub-contractor's finance officer, with finance report being provided by UK-based interim cover who was less familiar with project. New in-country finance officer now in place and seems good. Supplier has been working with them to review figures for the last quarter and to be clear on expectations. Revised figures for last quarter will be sent to DFID when finalised.	Yes



Scorecard category	DFID Assessment	Evidence	Comments from quarterly meeting	Payment Status (Yes/No) to pay
			Agreed to revise rating to Satisfactory. If actions not completed and performance does not improve Poor rating will be applied next quarter.	
Robustness of the budget forecast (20% of retained fees)	Satisfactory	Some changes in programme delivery meant adjustments in forecasts were required. These were received in advance so average quarterly variance was 1.8%	Agreed assessment	Yes
Compliance (20% of retained fees)	Poor	1-week delay in reporting to DFID an alleged safeguarding incident with a sub-contractor.	Agreed assessment. Incident now being responded to and monitored using agreed processes. Supplier will run refresher session with all programme staff and sub-contractors on safeguarding requirements and reporting procedures.	No

FINAL PAYMENT ELIGIBILITY: 80% from the retained Fees for the previous 3- months period (MM/YY-MM-YY)



Appendix 1 of Call-down Contract (Terms of Reference) Schedule of Processing, Personal Data and Data Subjects

This schedule must be completed by the Parties in collaboration with each-other before the processing of Personal Data under the Contract.

The completed schedule must be agreed formally as part of the contract with DFID and any changes to the content of this schedule must be agreed formally with DFID under a Contract Variation.

Description	Details
Identity of the Controller and Processor for each Category of Data Subject	<p>The Parties acknowledge that for the purposes of the Data Protection Legislation, the following status will apply to personal data under this contract</p> <ol style="list-style-type: none">1) The Parties acknowledge that Clause 33.2 and 33.4 (Section 2 of the contract) shall not apply for the purposes of the Data Protection Legislation as the Parties are independent Controllers in accordance with Clause 33.3 in respect of the following Personal Data necessary for the administration and/or fulfilment of this contract.



Section 4 - Appendix A Annex B

Proformas