



Foreign, Commonwealth & Development Office

CALL DOWN CONTRACT

Framework Agreement with: Adam Smith International Ltd

Framework Agreement for: Global Development Delivery Framework (GDD)

Lot 7 – Governance and Conflict

Framework Agreement ECM Number: 5843

Call Down Contract For: Nepal Samartha (“Empowered”): Enhancing Gender & Human Development Outcomes through Systems Strengthening

Contract ECM Number: ecm_7173

I refer to the following:

1. The above-mentioned Framework Agreement dated 18/12/2023;
2. Your proposal of 13/09/2024 (Annex C: Tender) and clarifications (Annex D: Clarifications)

and I confirm that FCDO requires you to provide the Services (Annex A: Terms of Reference), under the Terms and Conditions of the Framework Agreement which shall apply to this Call Down Contract as if expressly incorporated herein.



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1. Commencement and Duration of the Services

- 1.1 The Supplier shall start the Services no later than 27 January 2025 ("the Start Date") and the Services shall be completed by the end of 26 January 2030 ("the End Date") unless the Call Down Contract is terminated earlier in accordance with the Terms and Conditions of the Framework Agreement. The Contract will include an option for FCDO to extend the term of the contract by up to an additional 18 months, and up to £2,000,000. This option will be exercised at the sole discretion of FCDO. The Contract includes an option for FCDO to extend the term of the contract by up to an additional 18 months. This option will be exercised at the sole discretion of FCDO.

2. Recipient

- 2.1 2.1 FCDO requires the Supplier to provide the Services to the FCDO Nepal (the "Recipient").

3. Financial Limit

- 3.1 Payments under this Call Down Contract shall not exceed £10,000,000 ("the Financial Limit") and is inclusive of any government tax, if applicable as detailed in Annex B. The Contract includes an option for FCDO to increase the contract value by up to £2,000,000. This option will be exercised at the sole discretion of FCDO.

4. FCDO Officials

- 4.1. The Senior Responsible Owner is:

[REDACTED]

- 4.2. The Programme Responsible Owner / Programme Manager is:

[REDACTED]

- 4.3. The Contract Officer is:

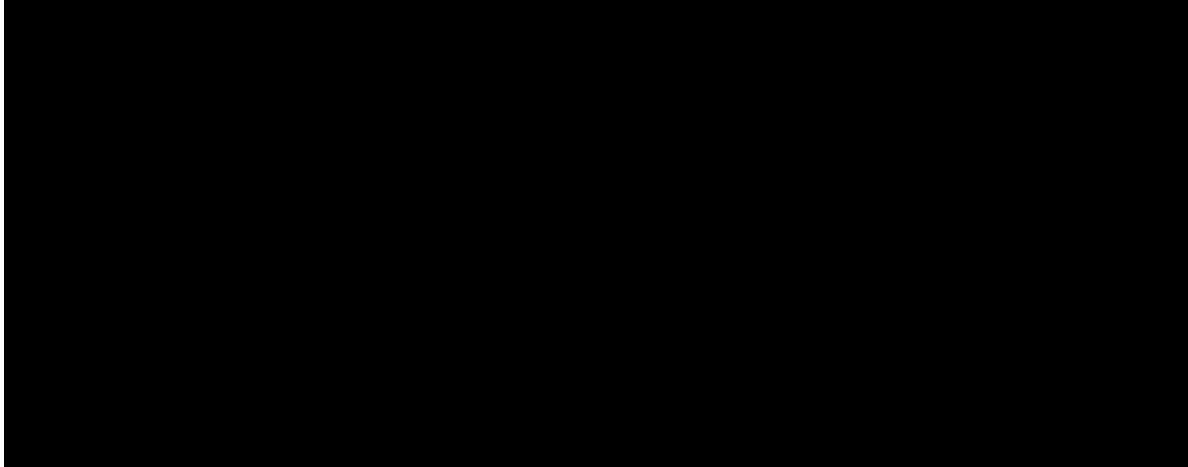
[REDACTED]

5. Key Personnel



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- 5.1 The following of the Supplier's Personnel cannot be substituted by the Supplier without FCDO's prior written consent:



6. Reports

- 6.1 The Supplier shall submit project reports in accordance with the Terms of Reference/Scope of Work at Annex A.

7. Special Conditions

- 7.1 The following paragraph shall replace paragraph 3.1 in the Framework Agreement Terms and Conditions *Annex 1: Required Insurances for Each Call-Down Contract*, Part A for this call-down contract (ecm_7173).

3.1 Not less than £5,000,000 in respect of any one occurrence, the number of occurrences being unlimited, but £5,000,000 any one occurrence and in the aggregate per annum in respect of products and pollution liability.

- 7.2 The following paragraph shall replace paragraph 3.1 in the Framework Agreement Terms and Conditions *Annex 1: Required Insurances for Each Call-Down Contract*, Part B for this call-down contract (ecm_7173).

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

8 Call Down Contract Signature



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- 8.1 If the original Form of Call Down Contract is not returned to the Contract Officer (as identified at clause 4 above) duly completed, signed and dated on behalf of the Supplier within **15 working days** of the date of signature on behalf of FCDO, FCDO will be entitled, at its sole discretion, to declare this Call Down Contract void.

No payment will be made to the Supplier under this Call Down Contract until a copy of the Call Down Contract, signed on behalf of the Supplier, returned to the FCDO Contract Officer.

Call Down Contract Annex A

Terms of Reference

**Nepal Samartha (“Empowered”): Enhancing Gender & Human Development
Outcomes through Systems Strengthening**

ecm_7173

Contents

Introduction.....	4
Background and Context.....	4
Beneficiaries.....	6
Objectives.....	7
Geographic focus	7
Budget and Timeframe	8
Payment Structure and Key Performance Indicators	8
Scope of Work	14
Inception Phase Requirements.....	17
Implementation Phase Requirements.....	19
Exit Phase Requirements	21
Approach and Methodology.....	21
Reporting Requirements	24
Monitoring, Innovation, Evidence and Learning Requirements	28
Results Framework	29
International Climate Finance (ICF) Indicators	31
Management and Technical Requirements	31
Delivery partners (sub-contractors) Management Requirements.....	34
Governance, Stakeholders' Engagement and Portfolio Management.....	34
Compliance Requirements	35
Do No Harm and Safeguarding.....	37
Modern Slavery.....	38
Financial Management	38
Value for Money	39
Contract Review and Break Points.....	41
General Data Protection Regulation (GDPR)	42
Duty of Care and Security Requirements.....	42
Annexes.....	44
Annex 1: Contract Management Key Performance Indicators.....	44
Annex 2: Illustrative Example of Linked Output-Based and Outcome-Based Results.	46
Annex 3 – Illustrative conceptual outline of workstreams and potential typologies of outputs and outcomes to be measured at the local level.....	47
Annex 4 – Samarth Theory of Change.....	48
Annex 5 – Samarth Theory of Action and Components	49
Annex 6: VfM Framework – Samarth Business Case	50

Appendix 1 of Call-down Contract (Terms of Reference)..... 51

Annex 8 Dialogue Driven Partnerships, British Embassy Kathmandu 52

Introduction

1. The United Kingdom's Foreign Commonwealth and Development Office (FCDO) leads the UK's work to pursue its national interests and project the UK as a force for good in the world. The FCDO promotes the interests of British citizens, safeguards the UK's security, defends our values, reduces poverty and tackles global challenges with our international partners, in order to end extreme poverty, address climate change and to build a safer, healthier, more prosperous world for all of us. In Nepal, our vision is to develop a broad and deep partnership that delivers both Nepal's and UK priorities and supports ambitious goals in global health, girls' education and women's empowerment.
2. Adapting to the evolving realities of federalism in Nepal originating from the 2015 Constitution, **Samartha** (*"Empowered"*): *Enhancing Gender & Human Development Outcomes through Systems Strengthening* is a programme that aims to improve systems and capacity of provincial and local governments (LGs) to deliver their new constitutional mandates. Samartha has a specific focus on expanding access to quality social services, especially for women, girls and excluded groups (such as Dalits and other minorities). This will be complemented by federal-level support to ensure national sectoral policies and resources allocations are responsive to local needs and promote resilient social systems which improve health, education and gender outcomes.
3. These Terms of Reference cover a Contract for up to 60 months with a maximum budget of up to £10 million (including local government taxes) to deliver technical assistance (TA) for the Samartha Programme, as described in the Scope of Work below.

Background and Context

4. Samartha will operate in a highly volatile political context, within complex politico-administrative dynamics linked to recent federalism reforms, and in a country that is extremely vulnerable to natural, climate and public health and global economic shocks.
5. The Samartha programme shall address Nepal's interrelated governance challenges across social sectors, including but not limited to:
 - **Fallout of federalism reform on social sectors' delivery:** Integrating the new governance and financial structures of the federal system has proven challenging in social sectors. After five years of federalism the country has yet to enact several acts that would be critical acts regulating social sectors (including the Civil Service Act, the Health Service Act and the Federal Education Act) or restructure the way the civil service is managed. This negatively impacts on a range of health and education cadres and as a result, equitable frontline service delivery. Flawed intergovernmental fiscal arrangements are a major obstacle toward contextualised and efficient planning for social sectors at the subnational level. Legal and policy uncertainty led the intergovernmental fiscal system to unintentionally evolve towards a framework that undermines LGs' agency and decision-making.
 - **Constrained and inefficient resourcing of social sectors:** Nepal's social sectors' financing faces both resource mobilisation and allocation challenges. Domestic financing for social sectors remains low by regional averages and compared to internationally recognised minimum standards. Financing for social sectors remains largely insufficient, and actual spending is negatively affected by resources misallocation, inefficient budgeting and low absorption capacity at both federal and local levels. Indeed, after progressive increase before and during COVID-19, health sector spending as a proportion of GDP is now lower than it was in 2017 (1.2% vs. 1.5%), reflecting a constrained fiscal space for health and inefficient spending trends. While education sector financing shows better trends, spending as a proportion of GDP has plateaued at between 4% and 5% over the last 10 years.

Less than three quarters of the total health budget was spend by the GoN in the last fiscal year, while education budget absorption stood at under 90% (with underspending concentrated at the federal level). While HR gaps in sector-specific workforce has been a problem long before federalism, there have been significant delays in redeploying staff and defining new civil service arrangements. Sectors have faced a challenge in securing qualified staff where they are needed given the lack of a coherent civil service planning framework across tiers of government. Accountability of staff to their new elected political leaders also remains contested, especially where civil servants do not directly report to local authorities for their performance management and appointments.

- **Quality of and access to services:** Despite achieving strong outcomes for a post-conflict country, Nepal is facing a complex array of social challenges that restricts sections of the population from fulfilling their human development potential, especially for women and girls, the poor and socially excluded. There are large variations in access, affordability, and quality of public service delivery across different regions and parts of the population, with the Human Development Index (HDI) varying considerably by sex, social group and geography. Incomplete restructuring and inequitable staffing to the 753 new LGs has degraded institutional capacity and systems to deliver health and education efficiently and effectively, undermining the quality of healthcare, education and other social services.
 - **Limited social accountability:** civic engagement in Nepal doesn't seem to translate to more participatory local decision-making. Civic space has traditionally been relatively open in Nepal, with active media and civil society working to hold government and authorities accountable, but this has not led to meaningful citizen engagement on policies or improved rule of law. This may be due to the limited expectations they have from the nascent and weak capabilities of LGs. This is particularly damaging in terms of equitable access to social services, with decision-making processes marginalising women, girls and other vulnerable groups (such as Dalits, other minorities, people living with disabilities) and the issues that matter to them, including service delivery. This affects demand for social services, which in turns negatively affects bottom-up accountability around extent and quality of delivery.
 - **Systems' vulnerability to frequent shocks:** Nepal is experiencing severe impacts of climate change, including increased floods, droughts, heat waves and reduced agricultural productivity impacting on food security. The country is also prone to major natural disasters such as earthquakes, and sits between two countries (China and India) with large populations, where the opportunities for major disease outbreaks compound local vulnerabilities. Despite Nepal's inherent vulnerability to such short-term shocks and longer-term threats and crises, the country has relatively weak preparedness mechanisms and plans to allow social sectors to respond to them and manage them, especially at the local level. Health and education systems are particularly vulnerable to such shocks, whether as health facilities become overwhelmed with sudden rises in patients, or when schools become holding centres for displaced populations or sick people.
6. Despite this overarching context, federalism presents an opportunity to bring social services in Nepal closer to its citizens, and Samartha could help identifying and leveraging the most promising pathways of change in the way social services – and especially basic services, are planned, budgeted for, financed and delivered.
 7. Samartha is a new programme that, while building on the two decades of development work in Nepal in health, education, WASH and broader governance programmes, clearly aims at bringing a paradigm shift on how the UK in Nepal think about the delivery of basic services to achieve the social impact. Samartha's ambition is to pivot away from overly structured, mostly centralised technical and financial support and refocus on local-level outcomes underpinned by enhanced institutional capacity.

8. The programme is expected to be implemented through the following programmatic components and instruments:

Component 1: Technical Assistance (TA): This component will be delivered through a combination of a contract (this ToR) and via an accountable grant with non-for-profit suppliers and will focus on removing critical policy bottlenecks, knowledge gaps and barriers to collaboration between levels of government and between political actors, bureaucracies and citizens. This will be the core delivery framework that will support the GoN across the three tiers of government to improve their systems so that they are able to achieve measurable progress against each of the outcome areas. This component will focus on LG capacities, capabilities and systems. When supporting government systems, Samarthha will prioritise embedded TA within GoN departments and administrative units rather than creating parallel systems that substitute local capacity.

Component 2: Financial Aid (NOT in scope of this Contract, delivered through an MoU with the GoN): the purpose of this component is to leverage key reforms, encourage change and reward improved outcomes through an MoU with the Ministry of Finance of Nepal, and earmarked to social sectors, specific geographies and partially tied to human development outcomes. Financial Aid (FA) will be prioritised towards local level outcomes, and it will be the main vehicle for Samarthha to support social sectors activities included in sectoral and local plans. In the spirit of increased ownership by the GoN in financing social sectors, Samarthha will phase its FA within the first years of implementation, progressively reducing and phasing out towards the end of the programme.

Component 3: Breakthrough Initiatives and Innovation Fund (NOT in scope of this Contract, delivered through a range of MoUs): Under this component, the programme will test innovative policy options and interventions, facilitate policy dialogues between reformers in government, civil society, the private sector, politicians, and others who have an interest in positive change on governance of social sectors, and identify promising and opportunistic initiatives in other relevant cross-cutting areas around inclusion, multisectoral determinants of social impact, climate mitigation, adaptation and resilience; explore innovative financing models. This component will provide the programme with flexibility to respond to political opportunities as they arise and where there is a clear added value that cannot be delivered through other components.

Component 4: Independent Oversight (NOT in scope of this Contract, anticipated to be delivered through a commercial contract): This component will provide a quality assurance role for evidence generation, fiduciary oversight on financial aid, and coherence between technical assistance and financial aid. Learning and evidence from this component will contribute to informing programme approaches and building the broader evidence base beyond the remit of this Contract.

9. The intended impact of Samarthha is to improve human development and gender outcomes, enhancing the Nepal's trajectory towards an inclusive, stable and prosperous middle-income country by boosting its human capital.
10. The Samarthha Theory of Change and programmatic structure (Annexes 4 and 5) set out these four interrelated Components and how they support Intermediate Outcome Areas, all contributing to the high-level outcome and to the impact defined above.

Beneficiaries

11. The main beneficiaries of Samarthha programme are Nepali citizens who will benefit from better and more accessible and inclusive basic services. Intermediate beneficiaries supported by programme interventions will include government institutions, civil society organisations and citizens networks/platforms, research institutions and private sector organisations at both the federal and subnational levels.

Objectives

12. The objective of this Contract is to contribute to the delivery of Samartha's high-level Outcome, which is the sustainable and equitable delivery of human development commitments and constitutional mandates for social services by the Government (across the three tiers of federalised Nepal). This will be done by promoting more inclusive and accountable institutions that respond to Nepal's interrelated governance challenges, with a focus on social sectors.
13. This objective shall be achieved through:
 - a. improving systems and capacity of provincial and local governments to deliver their new constitutional mandates.
 - b. enhancing the Nepal's trajectory towards an inclusive, stable and prosperous middle-income country by boosting its human capital.
 - c. expanding access to quality social services, especially for women, girls and excluded groups (such as Dalits and other minorities).
 - d. supporting Government of Nepal (GON) at federal-level to ensure national sectoral policies and resources allocations are responsive to local needs and promote resilient social systems which improve health, education and gender outcomes.
 - e. develop and disseminate relevant social sectors' policy in consultation GoN.
14. The Intermediate Outcome Areas are the following:

Intermediate Outcome Area 1: Improved governance of social services in selected provinces and LGs and at federal level ensures that they deliver on their constitutional mandates, with adequate and more efficient planning, budgeting and spending in social sectors.

Intermediate Outcome Area 2: Access to quality services is expanded in selected provinces and LGs, with a focus on excluded and marginalised groups, by operationalising sectoral plans & policies and mainstreaming gender equality and social inclusion within local delivery plans.

Intermediate Outcome Area 3: Demand for and social accountability of social services by intended beneficiaries increases, with citizens more empowered and better informed to challenge decision-makers and expect fulfilment of their basic constitutional rights.

Intermediate Outcome Area 4: Proactive planning for and preparedness against emergencies (including public health crises) and effective response capacity to disasters that impact on social services' business continuity.
15. The TA Samartha contract implementation structure must be linked to the Theory of Change (ToC); Annex 4).

Geographic focus

16. The Supplier will deliver TA in different locations – at the federal level (Kathmandu), as well as in targeted provinces (Madhesh and Lumbini). FCDO reserves the right to change or add geographic focus within the lifetime of the programme to reflect on any contextual changes. Selection of target local governments and duration of local level support in each municipality will be decided in an iterative way together with the Government of Nepal. Decisions on changes in geographic scope and any adaptations to budgets will be made in consultation with the supplier and changes are likely to require a formal contract amendment.
17. A contextualised approach to technical assistance will be required, with significant attention paid to ensure that interventions in each location or level of government reflect

specific localised realities. This means that a top-down “one size fits all” approach will not be appropriate for Samarthha.

18. Samarthha, and this Contract, will adopt a three-tier approach to geographic engagement:
- Tier 1: Target Local Governments: up to a 100 LGs are expected to benefit from the Supplier’s TA to help them navigate through the evolving requirements of local planning and budgeting for social sectors, ensuring that budget cycles and resources allocations are fit for local contexts and for the purpose of advancing human development outcomes.
 - Tier 2: Partner Provinces: the two FCDO priority provinces of Lumbini and Madhesh¹ would see full programme engagement across all components, with a focus on vertical and horizontal coordination, collaboration and cross-learning.
 - Tier 3: Federal Government – targeted strategic engagement, focused on political influencing, strategy and policy support, legislative change, standards and more generally interventions that support broader policy agendas, policy coordination, planning and budgeting that impact the subnational levels and the delivery of social services.
19. As mentioned above, light-touch opportunistic engagement could be envisaged with other provinces or entities (e.g., private sectors, associations of municipalities such as MuAN or NARMIN, academia), centring on TA delivered on a demand basis via a “helpdesk model”. Samarthha would look to partner with other organisations and stakeholders to ensure any UK investments leverages other donors.

Budget and Timeframe

Contract timelines

20. The Contract shall run for up to 60 months with the budget of up to £10m. The Contract is designed to comprise three phases:
- i. The Inception Phase – 6 months
 - ii. Implementation Phase – 51 months
 - iii. Exit and Closure Phase – 3 months
21. An indicative budget profile across the programme split by financial years has been provided in the table below. This is subject to change during the inception phase alongside final programme design.

	Y1	Y2	Y3	Y4	Y5	Total	total
Annual Budget	£1.5	£2.5	£3	£2	£1	£10.0	
FY	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	

22. The Contract will includes an option for FCDO to extend the term of the contract by up to an additional 18 months, and up to £2,000,000. This option will be exercised at the sole discretion of FCDO.

Payment Structure and Key Performance Indicators

23. Recognising the complexity of Samarthha programme, a high level of contextual uncertainty and the requirement to innovate, FCDO will espouse a “partnership-based” approach to managing the performance of the Contract. The Supplier will have a lot of input into the definition of the outputs to be delivered and outcomes to be achieved during

¹ These provinces, together with Karnali, are BEK priority provinces across its development portfolio in Nepal.

the Implementation Stage, and in return they will be incentivised to deliver these outputs/outcomes through a Payment By Results (PbR) regime.

24. Gross fees: For the purposes of this contract Gross fees shall be defined as the fees including Net Fees, Profit and NPAC/Overhead.
25. Expenses: All expenses shall be invoiced quarterly on actuals within the budget limit and paid based upon satisfactory (in the judgement of the FCDO) receipt of relevant regular financial reports. These will be supported by relevant evidence (e.g. receipts), which will be shared with FCDO upon request.
26. Inception Phase Payment:
27. The Inception Phase payments of gross fees will be output-based and linked to the successful delivery and acceptance of the Inception Phase deliverables set out in the table at paragraph 64 under the Section “Inception Phase Requirements”. The invoicing shall be quarterly in arrears based on deliverables achieved and accepted by FCDO. The value of payment for each deliverable will be based on the staff and other resource inputs used to deliver the output, with reference to Annex B, Schedule of Payments: Proforma Cost Template, Tab 4.0 Payment Profiling. The Inception Phase deliverables will become eligible for inclusion in invoices upon FCDO’s acceptance and approval.
28. If a deliverable does not satisfy FCDO in terms of its quality and/or content, The Supplier will be permitted to improve and resubmit the deliverable within two weeks of receipt of FCDO’s feedback on the first submission, and still be eligible to invoice for the refined deliverable subject to FCDO’s acceptance and approval of the 2nd submission.
29. Deliverables that fail the 2nd round of FCDO’s approval or where the Supplier does not deliver within a timeframe specified by FCDO shall not be eligible for inclusion in invoice and payment.
30. The Supplier shall invoice expenses in arrears on actuals on a quarterly basis.
31. Production of Outputs and Outcomes for the Implementation Phase:
32. During the Implementation Phase the Supplier will be required to propose the output-based and outcome-based results schedule (PbR schedule) for the Implementation Phase. See paragraphs 43 - 60 and 103 – 105 for the definitions of outputs and outcomes.
33. The PbR schedule shall include the definitions for the Outcome-Level Results and related Output-Level Results, an estimated gross fee costs associated with each output and outcome, and comprehensive measures of outcomes’ change in line with the ambition of the programme. The Supplier may refer to the conceptual framework in Annex 3, and on the illustrative example in Annex 2 on how the outputs shall connect to outcomes.
34. Targets for Outcome-Level Results will be refined in agreement with FCDO during the Inception Phase, where the Supplier will provide a costed workplan for the first six months of the main Implementation Phase along with the relevant PbR schedule, and indicative PbR schedule for the rest of the programme (see Inception Requirements).
35. In every subsequent year, the Supplier will be required to prepare a PbR schedule that includes a mix of Output-Level and Outcome-Level Results for the upcoming year, along with the annual costed workplan and submit them to the FCDO for review and approval no later than one month prior to the end of each contract year. These should include an outline of updated Output-Level and Outcome-Level Results and the associated costs.
36. The Supplier will be required to propose both the Output-Level and Outcome-Level results and demonstrate how they are interlinked (i.e., how the former contribute to the latter). The PbR schedule shall provide an indicative value of gross fees and associated costs associated with each output, along with the related outcomes. Example of hypothetical interlinked output-based and outcome-based results is shown in Annex 2.

37. Both Output-Level and Outcome-Level results will be subject to six-monthly revision during the Contract or (exceptionally) more frequently if circumstances require a change, for example due to major policy change or exceptional changes in the political environment. FCDO has the right to agree or disagree to any changes, as well as to whether the Supplier's rationale for sudden changes in output and outcome targets meets the threshold of exceptionality.
38. Any proposed changes to Inception Phase deliverables and Output-Level and Outcome-Level Results during the Implementation Phase, including but not limited to due date, evidence of completion, targets etc., will need to be submitted to and agreed by FCDO at least one month prior to the due date. Failure to follow this requirement will result in the result being missed, impacting on payment. Approval of any changes is an exclusive prerogative of FCDO.
39. Implementation Phase:
40. During the Implementation Phase payment of gross fees will be made quarterly on an output basis, with expenses paid on actuals.
41. During the Implementation Phase the Payment By Results regime has 3 components:
- Payment on an output basis (the Supplier can only invoice for agreed outputs delivered); Management KPIs (up to 10% of quarterly payment at risk)
 - Outcomes (up to 10% of annual payment at risk)
42. Outputs
- The Supplier shall invoice for the resource inputs (priced using the rates/prices featured in the Proforma Cost Template at Contract Annex B Schedule of Prices used to deliver the outputs agreed at the start of each year of the Implementation Phase (via the PBR schedule). All outputs will be clearly linked outcomes as per the Results Framework methodology described in the *Results Framework* section below.
43. The Supplier shall invoice quarterly in arrears for work that has been completed.
44. The Outputs must be fully completed to be eligible for inclusion in the invoice and payment, no Work In Progress/incomplete Outputs shall be paid. In case of exceptionally complex Outputs, FCDO and the Supplier may agree to intermediate milestones.
45. As detailed in the *Results Framework* section, it's expected that the majority (if not all) of the Output-Level Results to be countable and tangible results (outputs) taking the form of written products (policies, guidelines), tools, events or other types of concrete outputs from delivery (see Results Framework for more details).
46. Management KPIs: 10% of each quarterly invoice (gross fees) will be linked to achievement of Contract Management Key Performance Indicators (CM-KPIs). This will be managed on a "service credit" basis whereby for the first quarter of the Implementation Phase FCDO will pay in full all compliant quarterly invoices. After the second quarter of the Implementation Phase and quarter thereafter FCDO will verify the Supplier's performance against the CM KPIs, and where any of the KPIs are not met in full a service credit equal to the % of fees linked to the KPIs (set out below) will be applied to the next invoice. The KPIs will be assessed as follows:

Year 1 Implementation: The 10% payment linked to supplier performance will be released against the following CM KPIs:

ID	CM KPI	Description	Target for each quarter

CM KPI 1	Quality monitoring of and reporting 3%	100% of individual reports and other written products submitted on time and accepted by FCDO as per <i>Reporting Requirements</i> . These include monthly updates, quarterly reports, yearly report, contributions to annual reviews, final report and any written product (including technical documents) associated to programme delivery and agreed with FCDO. All reports include evidence of how the Supplier sought to improve programme delivery based on FCDO recommendations (as per recommendation tracker under <i>Reporting Requirements</i> .)	100% of reports and written products submitted on time within agreed quality parameters set in the <i>Reporting Requirements</i> [Pass/Fail]
CM KPI 2	Financial Management and reporting 3%	100% of financial reports and other financial planning and management documents submitted on time and accepted by FCDO as per <i>Reporting Requirements</i> . This includes quarterly workplan financial reports, quarterly and annual forecasts, costed annual workplans, audited accounts. Adherence to monthly forecast must be within 5% variance.	Timely submissions with adherence to monthly forecast within 5% variance [Pass/Fail]
CM KPI 3	Risk Management 2%	Regular and ad-hoc reporting of risks as per <i>Reporting Requirements</i> . This includes updated risk register and delivery chain map (and associated risks) as part of quarterly and annual reporting, as well as immediate ad-hoc escalation of new / changed risks during monthly meetings. These should include evidence of how the Supplier is mitigating active risks and has sought to improve risk management based on FCDO recommendations (as per recommendation tracker under <i>Reporting Requirements</i> .)	Evidence that the supplier is raising all risks with FCDO that may significantly affect delivery or performance. [Pass/Fail]
CM KPI 4	Stakeholder engagement 2%	Supplier engages actively with FCDO and key stakeholders (according to <i>Stakeholders Engagement Requirements</i>), including strategic partners (e.g., key donors and their implementing partners) and government counterparts. The Supplier is responsive and flexible to client needs and aligns with the FCDO priorities.	Evidence of meetings held, and regular feedback obtained from stakeholders (yearly) and shared with FCDO. [Pass/Fail]

47. FCDO will assess and provide feedback to the Supplier no later than the last day of the month following the end of the quarter. The Supplier will review and provide feedback and/or acceptance within 2 weeks of receipt of FCDO's feedback.

48. To be clear: if the Supplier achieves all outputs for the quarter but fails any of the Management KPIs, they will incur a service credit charge that will be deducted against the following quarter's invoice.
49. The table below illustrates an example scenario. In this scenario, the Supplier has delivered all outputs as per the plan agreed at the start of the year. At the end of each quarter an assessment of performance against the management KPIs will be carried out by FCDO. The table below shows the impact when management KPIs are not fully met, and the related proportions of fees linked to the KPIs are deducted:

Quarter	Invoiced figure (gross fees)	Management performance KPI	Service credits brought forward	Service credits carried forward	Figure paid (eligible invoice credits brought forward) less
Quarter 1	£100,000	1 KPI failed = 2% gross fees deducted	£0	£2,000	£100,000
Quarter 2	£100,000	All KPIs passed	£2,000	£0	£98,000
Quarter 3	£150,000	KPI 1 and 2 failed = 6% of gross fees deducted	£0	£9,000	£150,000
Quarter 4	£150,000	All KPIs passed	£9,000	£0	£141,000
	£500,000				£489,000

50. There will be a review of the Management KPIs at the end of year 1 and FCDO may propose changes for year 2, which will need to be the subject of formal Contract Amendment.
51. Outcomes:
52. For Outcome-Level Results, FCDO will adopt a risk-sharing approach whereby the risk of failing to achieve the specific outcome targets will be shared with Supplier depending on the extent of variance from the agreed targets.
53. The PBR schedule will detail the metrics to be used to measure the achievement of each Outcome.
54. During the Implementation Phase of the Contract up to 10% of gross fees will be linked to the achievement of Outcome-Level Results. FCDO will verify the Supplier's achievement against the Outcome-Level Results at the end of each year of the Implementation Phase. A service credit linked to the achievement of Outcome-Level Results will be applied pro-rata to the quarterly invoices from year two of the Implementation Phase as follows: 90% or more of Outcome-Level Results achieved – no service credit applied; 80-89% of Outcome-Level Results achieved – 5% service credit applied; less than 80% of Outcome-Level Results achieved – 10% service credit applied
55. The table below provides an overview of the proposed PBR model for the Outcome-Level Results. Following on from the scenario in the previous table (in which the supplier invoiced £500,000 throughout the year where the output quality and management KPI related reductions affected the service credit and resulted in the reduced payment of £489,000) the table below shows the permutations that would result from the end of year assessment of outcomes. The outcome related gross fees are calculated on the basis of the sum of the four quarterly invoices before output or KPI linked fees at risk have been applied, so in this example they are calculated against the £500,000 figure (sum of the four quarterly invoices gross of fees at risk).

Achievement vs. Targets	% of annual invoice (gross fees at risk)	Outcome linked gross fees at risk	Impact on this scenario
90% of target and above	0%	No gross fees at risk	Total payment for year remains at £489,000
80%-89% of target	5%	£25,000 gross fees at risk	Total payment for year remains at £489,000 £25,000 will be deducted from the following year's invoices
Less than 80% of target	10%	£50,000 gross fees at risk	Total payment for year remains at £489,000 £50,000 will be deducted from the following year's invoices

56. In the final year of the Contract up to 10% of gross fees will be linked to the achievement of the Outcome-Level Results. The quarterly invoices submitted in the final year will be subject to the service credit applicable from the penultimate year. Additionally, before the final invoice of the final year is submitted FCDO will verify the Supplier's achievement of Outcome-Level Results for the final year. If the Supplier achieves 90% or above of the Outcome-Level Results, no further service credits will be applied to the final invoice. If the Supplier achieves 80 -89% of the Outcome-Level Results 5% of the value of gross fees incurred over the final year will be deducted from the final invoice, in addition to any service credit due from the previous year. If the Supplier achieves less than 80% of the Outcome-Level Results 10% of the value of gross fees incurred over the final year will be deducted from the final invoice in addition to any service credit due from the previous year.
57. Illustrative scenario for final year of the contract (a new scenario not linked to previous examples):
- In this scenario, outcomes at the end of penultimate year have been 84% achieved, resulting in an equivalent of 5% of gross fees being deducted from the final year's quarter 1 invoice.
 - The sum of 4 quarterly invoices in the final year is £600,000.
 - £30,000 (equivalent of 5% of gross fees linked to the Outcome-Level Results for the penultimate year) deducted from the quarter 1 of the final year's invoice.

- In the final year of contract an equivalent of 10% of gross fees for four quarterly invoices will be retained from the quarter 4 invoice pending final year's assessment of outcomes.
- The retained gross fees shall be released by FCDO subject to final Outcome-Level Results assessment with the amount withheld by FCDO calculated as per Clause 57.

Quarter	Invoiced figure (gross fees)	Management KPI performance	Service credits brought forward	Service credits carried forward	Figure paid (eligible invoice less credits brought forward)
Quarter 1	£150,000	All KPIs passed	£30,000 (prior year outcomes) £15,000 (10% service credit)	£15,000	£120,000
Quarter 2	£150,000	KPI 3 failed = 2% gross fees	£15,000	£3,000 (KPI) £30,000 (Q1&Q2)	£150,000
Quarter 3	£150,000	All KPIs passed	£30,000 (Q1 & Q2 service credit) £3,000 (KPI failed gross fees)	£45,000 (Q1-Q 3)	£147,000
Quarter 4	£150,000	All KPIs passed	£45,000	£60,000 retained (Q1-4)	£90,000
	£600,000				£507,000 (Plus £60,000 retained gross fees from Q4 invoice pending final year outcomes assessment.

Scope of Work

58. The Supplier will provide day-to-day management of the programme, including intervention design, development and implementation through the programme budget, financial and fiduciary management, managing downstream partners (as relevant) and their related due diligence, risk management, internal monitoring, learning (MERL) activities necessary for the effective delivery of the Contract, and logistical and administrative duties, including adherence to FCDO policies. Please note that there will

be a separate contract for independent review of the programme, such that independent MEL is not within the scope of this TA contract.

59. The Supplier will be responsible for effective engagement, communication, coordination and collaboration with relevant stakeholders including Government of Nepal at various levels², other components of Samarthta, other FCDO programmes³, and other partners and projects working in social sectors, governance, resilience and climate change in Nepal.
60. The Supplier is required to participate in the Dialogue Driven Partnerships initiative (see requirements in Annex 8)
61. The Supplier shall also adhere to the reporting requirements, facilitate programme meetings (including with FCDO and other stakeholders) and deliver on interventions and activities that meet the needs of the recipients of Samarthta.
62. Under this Contract, the Supplier will be responsible for delivering TA across the following workstreams:

Workstream 1 - Core Governance Capability for Social Sectors

The Supplier will support the core government capability development and base their approach on the achievements and lessons from over 20 years of UK health, education and governance programmes in Nepal, focused on supporting 'supply-side' reform to government systems to address social service delivery issues. It will support governance interventions to strengthen the capabilities of all tiers of Government (and especially LGs) to budget, plan for, resource and effectively deliver social services, with a focus on systemic reform, institutional capacity building and organisational change.

Indicative interventions: the Supplier will support all tiers of Government and especially local governments by placing/embedding staff and by means of peer learning to strengthen vertical integration between the federal and subnational governments, as well as horizontal collaboration across LGs. The Supplier will:

- support the delivery of deliberative, evidence-based budgeting and planning processes at the subnational level.
- support the federal level evidence-based prioritisation of policy reform and sectors' resourcing.
- provide support to legislatures to scrutinise government plans, budgets and delivery achievements across tiers of government; support to multisectoral systems thinking, planning and collaboration.
- support achievement of functional and allocative efficiencies (including HR) enhancements in public procurement and financial management (PPFM) transparency and accountability agenda.
- support leadership enhancements and social sectors' systems analytics and learning.

While the Supplier will not hold the financial aid envelope in this Contract and has no expectation to provide fund management oversight, the Supplier shall play a key role in improving PPFM practices to ensure that the Government strengthens sound fiduciary risk management processes and practices across social sectors and tiers of government. In the event of potential pilots within Samarthta to test innovative performance-based conditional granting mechanisms towards LGs, the Supplier will act as a first line of

² For instance, the Supplier shall engage and collaborate with the new phase of the Nepal's Provincial and Local Governments Support Programme (PLGSP), also supported by the British Embassy.

³ Besides supporting PLGSP, BEK is developing a new governance programme that is expected to support core governance capacity, and with which the suppliers are expected to collaborate. BEK's Security & Justice programme (SJP, focusing among other areas on women's right, including GBV and education rights) and Resilient and Inclusive Nepal (RAIN, focusing on climate resilience and disaster preparedness) are also programmes to collaborate with, on workstream 2 and 3 respectively.

verification of conditions met before FCDO authorises transfers through Nepal's Treasury.

Workstream 2- Inclusive Quality Services

Under this workstream, the Supplier will provide technical support to Government (and especially subnational governments) for the expansion of quality social services, with a focus on selected provinces and LGs and a clear ambition to mainstream gender, equity and social inclusion (GESI) dimensions in the delivery of social services.

Indicative interventions shall include:

- embedded TA to enhance capacity to deliver and monitor minimum sectoral activities standards.
- support to quality enhancements (quality of care, quality of education, contextualisation of sectoral guidelines into subnational contexts) and improved quality assessment and reporting.
- better people-centred services (e.g., public provider behaviour change).
- contextualised adaptation of basic service packages in social sectors.
- GESI mainstreaming in local plans, guidelines and down to the service delivery level (including tracking).
- policy and regulation development / refinement / implementation for public and private services (including private sector oversight and alignment to best practices and standards).
- Frontline staff mentoring (e.g., health workers, teachers, officials involved in social sectors), coaching and continuing education.
- expansion of referral systems and integrated services (e.g., GBV, adolescents' health).
- continuum of services (e.g. continuum of (health)care; continuum of learning).
- multisectoral approaches and integration of social and commercial determinants.

Workstream 3 - Social Sectors' Resilience

Under this workstream, the Supplier will focus on the strengthening of vertical and horizontal integration, coordination and collaboration among federal and subnational governments and relevant entities and stakeholders that are critical for social sectors' systems resilience and preparedness to crises. Building on the lessons learned from the COVID-19 pandemic and on account of Nepal's inherent vulnerability to natural disasters and climate shocks, the Supplier will focus on enhancing capacities and capabilities of local institutions and actors for resilient, shock-responsive social sectors, to ensure anticipatory actions and continuity of service delivery in the event of crises.

Indicative interventions shall include:

- embedded TA to support proactive planning for and preparedness against large-scale emergencies.
- development of business continuity plans with a focus on provincial and local health facilities and schools.
- support to integrated disease surveillance.
- expert support on IHR implementation / improvements.
- opportunistic support to response to public health emergencies, disasters and climate-related events on a demand-led basis.

Inception Phase Requirements

63. During the Inception Phase the Supplier shall ensure operational deployment and deliver work in order to fine-tune and confirm the programme design, making change proposals to FCDO where necessary, The Supplier shall undertake a series of analytical studies (as necessary) and propose governance arrangements, operational structures, and reporting standards (including quality assurance processes).
64. The Inception Phase requirements are the deliverables to be completed by the end of the Inception Phase, except where clearly stated that they are due at a specific point during the Inception Phase. A list of expected outputs (deliverables) during the Inception Phase are presented in the table below and Suppliers are required to plan and price to deliver all of these outputs. The list is non-exhaustive and new deliverables may be proposed during the Inception Phase by either FCDO or the Supplier. The expectation is that minor refinements and elaborations of the listed outputs will be accommodated by the Supplier within existing plans and resources, but more material changes and additions may require a formal Contract Amendment

Deliverables due on the last calendar day of month 3 of the Inception period	
Deliverable 1	<p><u>Core Team mobilised and programme management structures set up.</u> Office(s) set up and hosting arrangement with Government(s) for embedded staff finalised, including at subnational level; organogram and delivery chain map finalised; agreements with consortium partners (where applicable) finalised; agreement on roles and responsibilities and ways of working. Reporting processes and formats agreed with FCDO. Documents to be submitted:</p> <ul style="list-style-type: none"> • <u>Refined Organogram.</u> • <u>Refined Delivery Chain Mapping.</u> • <u>Procurement plan</u> • <u>Refined Governance Structures for Samartha TA contract and broader programme delivery.</u> Agreement on ways of working with GoN and Samartha implementing partners. • <u>Finalised reporting formats and deadlines.</u> Confirmed format, content and deadlines for all standard reporting during implementation, including quarterly and annual progress reports, as well as quality standard for any written submissions.
Deliverable 2	<p><u>ToR for scoping, mapping and analysis to inform final programme design to be agreed with FCDO, including:</u></p> <ul style="list-style-type: none"> • <u>Political Economy Analysis.</u> To inform opportunities for programme co-design priorities with government, and the Communications and Policy Influencing Strategy. • <u>Provincial diagnostics</u> to improve contextualised understanding of some of the key provincial realities impacting on social sectors. • <u>Gender Equality, Disability and Social Inclusion Analysis.</u> To improve understanding of the drivers of gender inequality and broader dimensions of exclusion (e.g. minorities, disabilities) and to inform mainstreaming approaches.
Deliverable 3	<p><u>Core Inception Phase documents finalised::</u></p> <ul style="list-style-type: none"> • <u>Refined Inception Phase Workplan .</u> A refined and finalised workplan will require to be agreed by FCDO and other key stakeholders and must be informed by evidence, stakeholders consultations and discussions with GoN. It will be shared with and approved by FCDO.

	<ul style="list-style-type: none"> • <u>Stakeholder Engagement Plan.</u> This will become the core strategic document underpinning stakeholder engagement approaches and schedules, targeting all levels of government, relevant FCDO and other donors' programmes and other key relevant stakeholders (academia, private sector, civil society etc.) with stakes in social sectors. This plan should proposed key engagement milestones for the remainder of the inception period and indicative milestones for the first year of implementation. This will also include agreed institutional governance arrangement for the delivery of this programme. • <u>Draft Risk Register</u> to monitor and mitigate programme risk. • <u>Exit Plan</u> as per the Terms and Conditions. • <u>First Quarterly Report</u> (<i>as per Reporting Requirements</i>)
Deliverables due on the last calendar day of month 5 of the Inception Phase	
Deliverable 4	<ul style="list-style-type: none"> • <u>Draft Inception Report.</u> To include all finalised Deliverable 1 and 2 documents (all the draft strategic documents, plans, reports etc.) approved by FCDO , as well as: <ul style="list-style-type: none"> ○ <u>Narrative Report of Inception Phase activities</u>, outputs and outcomes, including final programme design, as agreed by programme partners (<i>see Reporting Requirements</i>). ○ <u>Implementation Phase Workplan</u>, including a detailed workplan for the remainder of Year 1 and a high level workplan for the full implementation phase, broken down year-by-year. This will be informed by evidence, findings of scoping work and discussions with FCDO. ○ <u>Results Framework</u> will include an adapted Theory of Change (ToC) for the whole programme as agreed with partners, and a detailed Theory of Action to ensure each of three workstreams fit within the ToC. ○ <u>Risk Register</u>. This should include fiduciary risk management approach, delivery chain risk maps, and clarify monitoring and reporting mechanisms, and assess risks against all FCDO risk register categories, including robust mitigation measures. ○ <u>Final output-based and outcome-based payment plan and schedule (PbR Schedule)</u>, including proposed output and outcome targets for the remainder of year 1 and indicating targets for the full programme. ○ <u>Draft scoping reports (e.g., PEA, GESI analysis, subnational diagnostics, as applicable)</u>
Deliverable 5	<ul style="list-style-type: none"> • <u>Draft Innovation, Evidence and Learning (IEL) Strategy.</u> This shall be aligned with the Theory of Change and results framework, it shall integrate a VfM Schedule to support regular VfM analysis (covering economy, efficiency effectiveness, equity, and cost-effectiveness) and aligned with Samarth's monitoring framework.
Deliverable 6	<ul style="list-style-type: none"> • <u>Draft Communications and Policy Influencing Strategy.</u> This should outline the programme's communications and policy influencing approach and objectives with respect to social sectors, with milestones and targets to measure impact.
Deliverable 7	<ul style="list-style-type: none"> • Programme output and outcome indicators and targets shall be defined/finalised and agreed with FCDO by the end of the Inception Phase

Deliverables due on the last calendar day of month 6 of the Inception Phase	
Deliverable 8	<ul style="list-style-type: none"> Final Inception Report agreed and approved by FCDO, including all draft strategic documents, plans, analytical reports and matrices listed above. <u>Expenditure Report</u> and expenses for all workstreams for the inception phase, detailed forecast for the remainder of the programme's year and the remainder UK's fiscal year, as well as indicative forecast for subsequent years (by both FCDO financial year and by programme year).

65. During the Inception Phase, the Supplier will be required to secure any hosting arrangements for embedded staff within the Government administrative offices of relevant sectoral ministries. This will be particularly important for embedded staff to closely and effectively collaborate with federal government counterparts and for the Core Team leadership to work politically with key government stakeholders. The Supplier must adopt and ensure a minimised operational footprint outside the Government buildings, both at federal level and in terms of size of offices in the provincial capitals, prioritising embedded presence as much as possible.
66. Any analytical work and scoping study will be informed by a review of prior work of FCDO's Nepal social sectors, governance, climate and social development programmes, and a mapping of other development partners' programming and knowledge outputs. Consultation with LGs and relevant non-state actors will form part of this Phase, as their willingness to engage with Samarthā (especially LGs) will be a key factor in the selection of geographies.
67. This phase will also be used to finalise strategy, design and management of the Implementation Phase, including its strategic approach, budget, results framework, and output-level results, as per table above. A detailed IEL Strategy will also be designed in partnership with FCDO, establishing a schedule of learning events and processes required, including the Annual Review cycle. All required governance, stakeholder, advisory, and financial management policies will be finalised and documented.
68. As per FCDO requirements, a draft exit plan should be produced within 3 months of the commencement date of the contract and then further reviewed, finalised and agreed 6 months prior to closing. The plan will cover exit, continuity, and handover strategies for each intervention, including for multiple linked interventions that will require consolidation or coordinated exit (e.g., embedded functions). The exit plan and implementation will be reviewed monthly with FCDO Samarthā Team during the last six months of the programme.
69. At the end of the Inception Phase there will be a break point, following a review by FCDO that will include assessing progress against the draft Results Framework, assessment of the broad delivery strategy, agreement on implementation workplans and a discussion on future workplan priorities. Progress to the Implementation Phase will be subject to the satisfactory performance of the Supplier during the Inception Phase and FCDO's approval of the Inception Phase deliverables and report. If FCDO deems that sufficient progress has not been made, or that the Supplier's performance at Inception Phase has not been satisfactory, FCDO may choose not to progress to the Implementation phase.

Implementation Phase Requirements

70. During the Implementation Phase the Supplier will deliver the required levels of Technical Assistance to each tier of government to achieve the agreed outcome targets. This will

include embedded demand-led support across the workstreams 1-3, in line with the approach and methodology outlined in the section below.

71. During the Implementation Phase, the Supplier will deliver the programme against the VfM schedule agreed and approved at the end of the Inception Phase. Costed workplans will be agreed and revised on a six-monthly basis thereafter. During the Inception Phase, an agreement will be reached on the types of changes that require FCDO's approval, and on the mechanisms required to capture all key changes to the programme, including to the workplan.
72. The Supplier is required to produce costed workplans that, to the greatest extent possible, adhere to the volume, pattern and schedule of the resources that the supplier originally tendered through the pricing pro forma Annex B, Schedule of Prices, so as to minimise the need for material changes and formal Contract Amendments. The Supplier must endeavour to maintain the same mix of international and national staff and staff experience levels and maintain the use of the same named individuals. The Supplier is not permitted to exceed the rates/prices tendered in the pricing pro forma or produce workplans that exceed the overall contract value.
73. During the Implementation Phase, the Supplier will deliver output-level and outcome-level results agreed during the Inception Phase and within each of the yearly workplans, as described under the *Results Framework* section below. Successful delivery of such results is associated with payments as described under the Payment Structure section.
74. The Implementation Phase will also include the following routine deliverables:
 - Continuous review process to ensure effective delivery and VfM.
 - Quarterly submission of financial statements and quarterly progress reports by the Programme Delivery (see also *Reporting Requirements*).
 - Monthly catch-ups and quarterly Programme Management meetings (see also *Reporting Requirements*).
 - Annual Strategy Advisory Group and six-monthly Samarthha Governance Committee meetings, as well as quarterly Provincial Coordination Committee meetings (see paragraphs 131-143 on programme governance)
 - Annual reviews of the programme will be conducted by FCDO and will serve as decision points for the programme. In consultation with FCDO, the Supplier will amend the programme workplan to reflect the recommendations of the annual reviews. The Supplier will contribute all relevant information for each Annual Review as requested by FCDO.
75. The programme has been designed to scale activity and maximise value from available budget. There is sufficient flexibility to scale up or down according to available budget, built within the programme structure.
76. FCDO reserves the right to exit from this Contract should there be reasonable cause. Decision points are embedded within the lifecycle of the programme (notably, at the end of the Inception Phase, mid-term review after approximately 30 months, and as part of Annual Reviews) and can be introduced at other times. Exit from the programme would be likely in the case of sustained programme failure. This would require clear evidence that making progress against the intended outcomes and impact will not be possible in the current context (i.e. as a result of significant changes in the context) or with the established delivery model, and therefore no longer represents good VfM. Failure will lead to a managed exit from Samarthha.

Exit Phase Requirements

77. The Supplier is required to deliver in full and final results by the end of Month 57. Following this, a 3-month responsible close down/exit will be required, although the Supplier should be prepared to retain flexibility for scale up and expand after this point if required. Any extension of the Contract shall be at the sole discretion by FCDO and shall be done in consultation with Supplier to allow for timely planning and implementation of close-down or contract extension. A formal, high-quality final report will be required, documenting overall programme results, breakdown of costs and delivery, and lessons learned. A detailed assets register will also be required to be submitted for the asset disposal discussions. The report will need to be provided prior to the commencement of a Programme Completion Review (PCR). Cooperation with the PCR team will be essential.
78. FCDO expects the Supplier to work with any future FCDO Supplier(s) in relation to the Samarth programme and/or with national and subnational governments to ensure smooth handover of and sustainability of activities into the future. The Supplier is expected include a sustainability plan as part of its final year's outputs.
79. During the Exit and Closure phase the Supplier shall consolidate lessons and learning, carry final evidence dissemination and ensure a smooth transition of any embedded roles and continuing interventions to either the government counterparts or a successor technical assistance supplier, as relevant. This also includes closure of financial and programme funded assets.
80. The Supplier will also contribute bespoke content for the Programme Completion Review (PCR). work

Approach and Methodology

81. The Supplier will deliver TA to cover three main workstreams as described above. The TA will support the government institutions at the federal and subnational levels, by means of embedding the staff into the government institutions, with the aim to strengthen public policy and strategy development, evidence-based technical guidance, public service management, PPFM, legislation, and/or other TA support based on demands from government (across tiers) and agreed with FCDO.
82. It is expected that the majority of the Supplier's technical experts will be embedded within the GoN entities, to provide transformative rather than substitutional TA. However, the Supplier will have some flexibility to keep some limited functions outside the GoN's entities: this may include core management and operations staff, roaming expert personnel, Short-Term Technical Assistance (STTA), depending on need and programme demands.
83. The balance of deployment between federal and subnational expertise must reflect the programme's core aim to improve governance and support subnational delivery of social services, especially at local levels. FCDO requires that a significant proportion of TA experts to be deployed across the subnational governments.
84. Samarth promotes local ownership of decision-making in social sectors delivery. As such, the Supplier shall apply a demand-led approach that supports the contextualisation of national policy at the local level, backed by evidence and political buy-in and opportunities. The Supplier shall define how this approach will work in practice in terms of both guiding informed decision-making while being respectful of stakeholders, building on local plans rather than imposing interventions.

85. Notwithstanding the focus on demand-led approaches, the Supplier will ensure that they align to key critical programme criteria as follows:
- Non-negotiable focus on human development outcomes
 - Emphasis on women & girls and broader inclusion
 - Health & Education as core (proactive) social sectors' support offer, but opportunistic support on other social themes.
86. Samarth is a flexible and adaptive programme, and as such the Supplier must ensure that the approach applied leads to achievement of sustained change in how the social services are delivered to meet intermediate outcome and outcomes level-results.
87. The role of learning to enhance adaptation shall be carefully considered and defined. This Supplier shall integrate learning across all elements of the programme, to avoid disconnect between learning and delivery and enhance the effectiveness of interventions. This will imply the adoption of a systems approach underpinned by dedicated evidence and learning framework, collaborating with FCDO Nepal's Evidence & Knowledge Hub and adopting innovative ways in how we measure change and success. The Supplier shall develop a flexible analytical framework that combines qualitative methods focused on the analysis of the overall structure of the system (including actors, networks) and the process of systems changes, and quantitative analysis of (proxy) indicators that capture impacts and results while also considering their complex nature.
88. The Supplier will be responsible for developing and maintaining a five-year strategy for the duration of the Contract (refined and finalised during the Inception Phase). The strategy must include a detailed strategic approach for each of the three workstreams within the scope of these Terms of Reference. The contract-specific theory of action must respond to Samarth's Theory of Change, including assumptions, that reflects its strategy. The strategy should be dynamic rather than static, to where the approach will evolve during implementation, to remain flexible and adaptive.
89. The programme interventions will be guided by:
- **Political Economy Analysis/Thinking and Working Politically:** Samarth takes an explicitly political approach in addressing governance challenges, including social sectors' governance. The Supplier is required to use the results of Political Economy Analysis (PEA) to tailor their interventions/activities to the context to incentivise different stakeholders and facilitate constructive partnerships between government and non-state actors to jointly tackle social sectors' governance and delivery challenges. The approach should reflect how the Supplier will influence government policy and support Nepal to own and lead Samarth supported reforms.
- Samarth's focus is on working politically and facilitating coalition-building, by providing support to reform-minded groups and individuals across the political spectrum that are interested in identifying and resolving tractable but complex social sectors' governance issues. The Supplier will develop and apply criteria to assess and select which issues - within the three core workstreams - to work on with cross-government political counterparts, where stakeholders have incentives to resolve them. Criteria may include but not be limited to: 1) potential for the issue to bring stakeholders together with power to act; 2) potential to be transformative (i.e., tackle root causes and create sustainable change); 3) where there is a realistic chance of building or leveraging political consensus and legislative change; 4) likely benefits to the poorest and most marginalised; 5) level of coverage by or potential for collaboration with other development partners/actors. At the end of the Inception Phase, the Supplier would be expected to identify a set of realistically tractable issues (which could be relevant for either the federal sphere, or subnational levels, or both) to support and promote across governments. Except where FCDO advises otherwise, the Supplier will ensure that (*see also below*):

- All interventions promoted at the local level align with and support the roll-out of sectoral plans roll-out (as a minimum health, education, nutrition and WASH).
 - at least one of the issues identified is GESI-related and could build towards achieving Samarth's objectives of mainstreaming GESI across social sectors' policy and service delivery.
 - At least one of the issues identified will focus on exploring innovative ways to tackle human resources challenges in social sectors, with a focus on LGs' data- and evidence-driven functional requirements that would allow them to effectively deliver social services (for instance by supporting rational workforce planning and testing alternative deployment approaches).
 - at least one of the issues identified is climate-related and could build towards achieving Samarth's objectives of mainstreaming climate considerations in social sectors.
- **Flexible and adaptive programming:** The Supplier will be required to apply a flexible and adaptive approach to contract delivery that will enable Samarth to take advantage of political opportunities (across tiers of government) as they arise, allowing scale up or scale back of activities. The Supplier will be required to build in testing, deliberate learning, and experimentation on how best to achieve the desired outcomes. While Samarth is a flexible programme, the Supplier must still develop and maintain a workplan to implement its strategy: flexibility allows for this plan to change at the defined intervals, but a plan must still exist. Plans across workstreams and specific plans related to specific issues shall be regularly shared and endorsed by the FCDO.
 - **Systems strengthening and systems thinking:** The Supplier will be required to enhance institutional capacity of government (and where relevant, non-government) actors through TA and cross-learning on health, education and other social sectors' systems, including around PPFM systems, allocative and functional efficiencies (including around human resources), deliberative and participatory planning, social protection, and climate related agencies. Institutional capacity building of government counterparts across tiers of government will be a key requirement of this programme to enable long-term impact. It is expected that most of TA expertise is embedded within the government departments, divisions and entities both at federal and (especially) at the provincial and local levels. However, the Supplier should make sure that this capacity support is transformational rather than substitutional, clearly identifying from the start the opportunities for transitioning key functions to Government counterparts. While identifying key areas to support and guiding national counterparts (especially local governments), the Supplier should adopt a systems thinking approach, looking beyond simple sectoral processes and identifying interconnected drivers and barriers that might affect change.
 - **Gender, equity and inclusion:** The Supplier will be required to demonstrate a strong and clear approach to embedding gender and social inclusion (GESI) throughout all aspects of programme delivery including compliance with the International Development (Gender Equality) Act 2014 and other relevant legislation. The Supplier will integrate GESI in PEA, policy and technical support initiatives, risk management and safeguarding. All programme data and results will be disaggregated by gender and other relevant inclusion markers, aligning to the Leave No-One Behind agenda.
 - **Climate and environment mainstreaming:** in line with FCDO guidelines, the Supplier will require to align interventions with the Paris Climate Agreement, its "do no environmental harm" principles, and identify, record and report all climate-related activities, where relevant. The Supplier will also need to demonstrate how climate change considerations will be integrated across Samarth's interventions, whether from an adaptation or mitigation perspective. That will require an in-depth

understanding of subnational level climate change risks and their impact on social sectors (and on health security in particular), the national climate governance architecture and sectoral commitments, and the identification of politically feasible opportunities to apply climate-smart interventions across programme components, including where they can lead to ICF-eligible funding.

- **Partnerships:** The Supplier will be required to maximise synergies with other UK and development partners' programmes and mobilise additional resources to support Samarth priority reforms and interventions, with a focus on both federal and subnational collaboration. The Supplier is required to participate in the Dialogue Driven Partnerships initiative (see requirements in Annex 8)
- **Evidence-based programming:** The Supplier will be required to deploy robust Monitoring, Evidence and Learning system that is fit for Samarth as a politically smart and flexible programme. The applied approach must support the results framework revision (at the Inception Phase and after annual reviews), to enable programme learning and adaptation, analysis, and knowledge management.
- **Working with national and subnational platforms:** While the bulk of Samarth activities will be at the subnational level, the programme will collaborate with national and subnational platforms with convening powers, to support other key stakeholders and actors (e.g., other provinces, academia, private sector, associations) through learning events and targeted TA. The Supplier will be required to work with diverse platforms, to broaden support to state and non-state actors across Nepal.

Crosscutting – Innovation and Learning: Suppliers will ensure that investments are underpinned by strong analysis and evidence, improving their likely effectiveness. A robust monitoring, innovation and evidence function is important for flexible and adaptive programming and vital if the programme is to contribute to strengthening the national and global evidence base on the applicability of political economy approaches to addressing wicked governance and delivery problems in social sectors.

Reporting Requirements

90. The Supplier is required to meet the following reporting requirements:

91. Reports and other outputs must be clear and concise. **All reports and written documents submitted to FCDO must be thoroughly quality assured.** The Supplier is required to ensure all reports meet high technical standards, are written clearly, professionally edited and proof-read in Standard British English (including evidence of quality assurance chain) before being sent to FCDO. Reports and written documents without evidence of this quality assurance will be rejected.

92. The Supplier will provide the following as a minimum:

Reporting	Detail
Inception Report:	<p>Page limit: Maximum of 40 A4 pages, Arial font size 11.</p> <p>Content shall include:</p> <ul style="list-style-type: none"> ○ Summary of progress and achievements against Inception Phase Deliverables, including set up of the programme teams, offices and hosting arrangements for embedded staff. ○ Key outcomes of consultations and of scoping analyses and how they helped revise implementation approaches across the workstreams. ○ A mapping of all other donors and stakeholders, including complementary interventions and leveraging options, with an analysis of gaps and opportunities

	<ul style="list-style-type: none"> ○ A narrative overview of the IEL framework establishing a schedule of learning events and processes required. ○ An agreed Results Framework. ○ A narrative overview of the initial 6-month implementation phase workplan, as well as an outline of the following years. ○ A narrative overview of the VfM Schedule <p>Annexes</p> <ul style="list-style-type: none"> ○ Indicative budget for the life of the contract together with a detailed annual budget for the remainder of year 1. ○ Costed workplan with PbR schedule for remainder of year 1, as well as indicative PbR outcomes for the duration of the programme. ○ Final VfM Schedule ○ Final risk register with mitigation measures ○ Final Scoping Reports ○ Final IEL strategy ○ Final Communication and Policy Influencing Strategy ○ Financial Report for the inception period
Submission	<p>A draft by email to programme SRO/PRO and Samarthu Core Team (as indicated by FCDO) on the last calendar day of the 5th month of the Samarthu programme inception phase.</p> <p>Final report for approval by email to programme SRO on the last calendar day of the 6th month of the Samarthu programme inception phase.</p>
Monthly Reporting	
Monthly updates / dashboards	A four-page maximum briefing format (or 10-page maximum slide deck) providing concise updates on key achievements, upcoming events/actions and emerging risks and mitigations.
Submission	Email to SRO/PRO and Samarthu Core Team, to be presented and discussed during monthly check-ins.
Quarterly Reporting	
Quarterly Reports	<p>20-page maximum, Arial font size 11.</p> <p>The report shall summarise in a concise manner key achievements in the previous quarter, an assessment of how the programme performed against the objectives and priority objectives for the next quarter. The report will include:</p> <ul style="list-style-type: none"> ○ interim progress against output, outcome and value for money indicators, ○ updated risk analysis and “every-day PEA” ○ stakeholders’ engagement highlights ○ key learning ○ key recommendations ○ financial highlights ○ key HR issues / changes ○ progress against the key KPIs* ○ any suggested changes to output-level / outcome-level results and targets. <p>Annexes will include:</p> <ul style="list-style-type: none"> • Financial report (including quarter and cumulative variance analysis) • Updated Workplan • Updated risk register (highlighting any changes)

	<ul style="list-style-type: none"> Any written product due within the quarter[#] <p><i>[#]The Supplier may submit any agreed written products (such as studies, assessments, reports) due in a quarter anytime within the quarter for review, but all agreed written products must be submitted in any case before then end of the relevant quarter.</i></p>
Financial Report	As per format agreed during the Inception Phase with FCDO: reports will include spend disaggregated by workstreams and cost categories, covering all requirements outlined in Section 8 to be delivered throughout the Inception, Implementation and Exit Phases. Financial reports will also include disaggregated summaries by downstream implementation partner (as relevant).
Quarterly Invoices	Quarterly invoices with summary of achievements against output-based results due in the quarter (in a table format), accompanied by a simple Contract Management KPI self-assessment with relevant evidence and the PbR schedule for the next quarter updated to reflect progress
Submission	<p>Draft submitted by email to SRO/PRO and Samarth Core Team on or before the 15th calendar day after the end of the relevant quarter.</p> <p>Final report approved by FCDO by the end of the month following the end of the quarter.</p>
Annual Reports and Strategy Refresh	
Annual Reports	<p>30-page maximum, Arial font size 11.</p> <p>The report shall include the similar information as quarterly reports but cover the full year and provide more in-depth analysis of contextual changes, the political economy, and progress against objectives and targets. The report should also include a strategy refresh based on lessons learnt from the year under review, recommendations (including updates on actions against recommendations from FCDO) and, where appropriate, the independent mid-term review. The report must include at a minimum the following sections:</p> <ul style="list-style-type: none"> Executive Summary including strategic recommendations (max 1 page) Brief overview highlighting changes in context and in the political economy, including how they impacted on programme's progress (max 2 page) An overview of the progress towards outcomes across the workstreams, and how they relate to the programme's Theory of Change and its assumptions, including any proposed changes or adaptations and an assessment of contribution to meaningful and sustainable change at different levels (from immediate outcomes through to projected longer-term impact). (max 4 pages) A detailed narrative on delivery, including highlights of any output-based results, how they compare to targets, what activities were implemented to achieve them, and how they contributed to the outcome-level results (max 10 pages). An overview of IEL activities, with a focus on actionable learning identified during the year and how is this expected to guide future action within the programme (max 2 pages). A detailed table summarising the VfM analysis for the programme, including measures of economy, efficiency, (cost-) effectiveness and equity, evidence of VfM, and a broader appraisal of fitness for purpose of the programme and its individual workstreams (max 2 pages).

	<ul style="list-style-type: none"> ○ A narrative overview of key risks and risk management (max 1 page), linked to an annexed updated Risk Register. ○ An overview of programme management, including financial progress highlights (linking to annexed financial report), consortium management (if applicable), HR changes and implications (max 2 pages). ○ KPI self-assessment (max 1 page) ○ An overview of stakeholders' engagement, communication and influencing activities (max 1 page) ○ Key recommendations for the following year (max 2 pages). ○ Any other relevant reporting areas (max 2 pages) <p>Annexes:</p> <ul style="list-style-type: none"> ○ <u>Annual Costed Workplan</u>: proposed workplan and budget for the next programme year (whole and disaggregate by consortium members, if relevant), including revised PbR schedule. This should be in a Gantt chart format, detailing the activities and timelines for each output and for each outcome-based result under the various workstreams. ○ <u>Updated results framework</u> that links to the PbR schedule. The results framework should be updated with the most recent results and proposed results for the following years. ○ <u>Financial Report</u>: maximum of 6 A4 pages or Excel worksheets (excluding annual audited accounts) minimum font size 11, including spend disaggregated by consortium members (if relevant) and workstreams and covering all requirements outlined in Section X to be delivered throughout the inception, implementation and exit phases. ○ <u>Annual Audited Accounts</u> identifying FCDO funds, associated disbursements and unspent funds ○ <u>Updated detailed risk register</u> ○ <u>Updated Delivery Chain Mapping</u> ○ <u>Updated asset register</u> (FCDO-provided template)
Submission	<p>Draft by email to programme SRO/PRO and Samarthra core team no later than one month following the end of each year of the programme.</p> <p>Final report submitted for approval within 10 days of receipt of FCDO comments on the draft report.</p>
Exit Plan	
Exit Plan	<p>A draft of the exit plan should cover all the requirements outlined in Paragraphs 77-80 and be submitted by month 3 of the Inception phase.</p> <p>A revised draft of the Exit Plan should be submitted within 6 months of the end of the programme for final approval by FCDO. The Exit Plan should at a minimum include information on:</p> <ul style="list-style-type: none"> ○ What activities will be undertaken by the Supplier during the Exit Phase for a sustainable and responsible closure or handover of activities to relevant counterparts (including but not limited to FCDO, government counterparts, other donor-funded programmes, or alternative FCDO-chosen suppliers). ○ How successful closure will be measured ○ What risks and issues are involved with the programme closure and how they will be mitigated

	<ul style="list-style-type: none"> ○ What staff roles will be need for closure and how staffing will be progressively phased out. ○ How the Supplier will handle communications and disseminations of learning with all key stakeholders ○ What outstanding issues or activities are expected to be live after the funding period. ○ Any recommendations to the FCDO that link to the programme's outcomes ○ Any excess funds ○ How the Supplier propose to dispose of the programmes' assets.
Final Report	
Final Report	<p>Maximum 40 pages Arial font size 11</p> <p>The final report shall follow the same structure of the annual reports, but cover results and lessons learned over the life of the contract and include meaningful recommendations for post-programme priorities and actions for FCDO and government counterparts.</p>
Submission	<p>Draft by email to Programme SRO/PRO and Samarththa core team no later two months after the end date of the programme.</p> <p>Final report to be submitted for approval within 20 days of feedback from FCDO.</p>

93. All routine reports (monthly, quarterly and annual) must include evidence of how the Supplier sought to improve programme delivery based on FCDO recommendations and shall include an updated recommendation tracker.
94. The final reporting requirements will be agreed between the Supplier and FCDO by the end of the Inception Phase.

Monitoring, Innovation, Evidence and Learning Requirements

95. The Supplier will adhere to the flexible and adaptive approach principles in designing and delivering the Contract based on sound evidence generation, learning and knowledge management. The key principles are:
- **Accountability.** Using appropriate tools to provide assurance that funds are spent for their intended purpose, provide good VfM for FCDO and UK taxpayers, and meet the needs of target beneficiaries, according to the scope and objectives of the programme.
 - **Evidence-based.** Ensuring that new activities supported under Samarththa (both during the Inception Phase and as the programme evolves) are informed by robust evidence. Where such evidence is weak or uncertain, Samarththa can test and learn and strengthen the evidence base.
 - **Learning.** A foundational principle and approach which cuts across all of Samarththa's activity and interventions. Principally to inform ongoing delivery of the programme, as well as other FCDO and donor partner programmes in Nepal.
 - **Strengthening local and global evidence.** Given the innovative approach of the programme and emerging evidence base on the links between governance interventions and political economy approaches to addressing climate change, the programme seeks to make a key contribution to the local and global evidence base.

This will also underpin Samartha's strategy of influencing other funders and partners for scale-up.

- **Social inclusion.** The monitoring, learning, evidence & knowledge strategy should systematically track impact on women, people with disabilities, the youth and other disadvantaged groups, and provide recommended mitigations where required. The strategy should also ensure that all data collected is, where possible, disaggregated by sex, age, disability status.
96. As mentioned in *Inception Phase Requirements*, the Supplier is required to design a robust Monitoring Framework and a comprehensive, Innovation, Evidence and Learning (IEL) framework during Samartha's Inception Phase, for continuous implementation throughout the programme. These frameworks must include:
- The development and regular update of a results framework, including regularly reporting and forecasting key results within the framework (at quarterly and annual reporting) that are associated with PbR schedules, as well as identifying broader results and indicators that may not be linked to payments but can support the effective monitoring and strategic management of Samartha.
 - Working with workstream leads to design appropriate interventions, related targets, gathering of baselined data, define required data and collection methodologies, verify assumptions, and monitor outputs, outcomes, and impacts.
 - Developing and regularly updating a robust VfM Schedule based on the 5 E's – economy, efficiency, effectiveness, equity, and cost-effectiveness, including developing benchmarks, targets, and thresholds and regularly sharing VfM analysis.
 - Building 'stop-go' procedures and rolling analysis to guide when to cut losses and not proceed with an intervention / approach that is deemed to fail, thus saving on costs; and when to continue investing in a project / intervention, balancing risks, rewards, and other criteria in the portfolio.
 - Generating management information and results data to inform decision making for the Supplier workstream leads and FCDO.
 - Supporting lesson-learning within and between programme components and interventions, facilitating information sharing and identifying synergies.
 - Providing strategic advice through – when relevant – commissioned research and diagnostics to evaluate progress, test programme performance, and assess interventions and innovations as they are being trialled.
 - Developing and regularly adapting a learning and dissemination plan, including commissioning evidence-based case studies and human-interest stories, for regular distribution to FCDO and other domestic and international stakeholders / audiences.
97. The Supplier is required to collaborate with the third-party independent oversight supplier expected to be set up through a separate contract under Samartha, responding promptly and fully to information and data requests.

Results Framework

98. The Results Framework shall be refined by the Supplier at the Inception Phase, to be integrated with the Theory of Change and VfM Schedule, and to include output, outcome and impact indicators and targets for the duration of the programme, along with the justification for these targets.
99. All Supplier activities must contribute to achieving the impact statement as laid out in Paragraph 9. The Supplier will develop and monitor indicators to measure progress

towards the impact statement, which will include human development-related indicators, good governance indicators and high-level gender and inclusion targets. Indicators may include:

- Federal, provincial (for target provinces) and local level (for target LGs) level indexes of selected indicators related to delivery of public goods and services and key human development outcomes (methodology to be agreed with FCDO during inception).
- Number of people reporting improved access to and quality of social services in targeted areas (disaggregated by gender and other relevant identity markers).
- Increased levels of women and youth leadership and participation in decision-making processes and across programme activities.

100. All Supplier activities must contribute to achieving the outcome statements laid out in Paragraphs 12-15. During the Inception Phase, the Supplier will propose and FCDO will approve indicators and methodology to measure progress towards the outcome statement, which may include but are not to be limited to:

- Share of Federal, provincial (for target provinces) and local level (for target LGs) budgets dedicated to social sectors.
- Federal, provincial (for target provinces) and local level (for target LGs) level indexes on budget participation, transparency, and accountability, including related to public procurement and financial management (methodology to be agreed with FCDO during inception).
- Federal, provincial (for target provinces) and local level (for target LGs) level indexes on budget predictability, absorption and allocative efficiency (methodology to be agreed with FCDO during inception).
- Evidence of improved efficiencies and effectiveness of government expenditure on health, education and more broadly social sectors.
- Evidence of improvements in coverage and quality of basic social services.
- Evidence of issue-based alliances or issues supported by Samarthha being adopted or scaled up by relevant Nepal stakeholders.
- Evidence of increased influence of citizen constituencies (including marginalised groups) on governance reforms to which Samarthha has contributed to.
- Evidence of targeted actors (beneficiaries, decision-makers) and other stakeholders becoming more responsive to broader multisectoral threats to social impact (social and commercial determinants of health and education, gender norms, climate and environmental issues including the interlinkages between climate, pollution and health, healthy lifestyles).
- Extent to which social sectors are prepared and able to withstand crises.
- Extent to which the Supplier are generating evidence and learning to inform policy and advocacy and adapt interventions.

101. The Results Framework shall form the basis for internal monitoring of programme progress across the three core workstreams, which underpin all expected results under this Contract. These results shall also be linked to the PbR schedule and payment mechanism described in this ToR.

102. For the purpose of this ToR, **Outcome-Level Results** are defined as results that provide a tangible measure of change compared to before Samarthha interventions. Outcome-Level Results will measure the changes from baselines and other benchmarks, with a focus on key outcome areas of social sectors' governance, services' coverage and inclusion, and preparedness set out elsewhere in the document. It is expected that most outcome-level results will be measured and paid for annually, and that most (but not necessarily all) of them will be measured as proportions rather than absolute numbers or completed processes.

103. **Output-Level Results** are results that are expected to contribute to intermediate outcomes or Outcome-Level Results. Output-Level Results are usually tangible and

countable, can be independently defined but would not, per se, generate intermediate outcome or outcome-level change. They might include discrete steps to achieve governance outcomes (policies, guidelines) or that are prerequisite to test novel approaches (e.g., a dedicated tool, software solutions), or other concrete outputs generated by the programme thanks to TA support (measured by quantity, quality and reach of outputs), which will in turn improve access to services or quality of governance processes. Depending on their focus and complexity, Output-Level Results might be achieved within a programme year or at the end of a programme year.

104. A potential conceptual outline of these workstreams and related measures of change is presented in Annex 3. The results framework must be adaptive, moving beyond traditional logical frameworks and towards a tool to track change across complex systems and interconnected workstreams. The Supplier is free to propose a bespoke format for the results framework under this Contract. The results framework shall specifically interlink with the PbR mechanism and related schedules.
105. The Supplier will provide quarterly and annual narrative reports, including a summary of progress made against the logical framework indicators (see Reporting Requirements). Achievement against output-level and outcome-level indicators will be a precondition to disbursements under the payment structure defined elsewhere in this ToR.

International Climate Finance (ICF) Indicators

106. FCDO is required to report against the International Climate Finance (ICF) Indicators on annual basis, therefore, The Supplier must report if any interventions become inadvertently on the following ICF indicators⁴:
 - KPI 1: Number of people supported to better adapt to the effects of climate change.
 - KPI 2: Number of individuals and organisations informed by International Climate Finance technical assistance.
 - KPI 4: Number of people whose resilience has been improved.
107. The Supplier is required to monitor whether the interventions carried out (and outputs / outcomes achieved under Samarth) may potentially qualify as ICF.
108. Additional ICF indicators will be considered by the Supplier and FCDO during the course of the programme implementation, as relevant.

Management and Technical Requirements

109. The Supplier must provide appropriately skilled personnel and systems to ensure strategic and effective day to day management of the Contract.
110. The Supplier will be responsible for managing agreements with downstream partners and conducting effective due diligence on all downstream delivery partners/sub-contractors, as well as internal monitoring and reviews, financial management, risk management (including safeguarding and fraud), logistics/operations, administration, procurement.
111. The Supplier will recruit, motivate, and retain appropriate personnel to deliver on the interventions, outputs and outcomes associated with the contract. Due diligence record of downstream partners/sub-contractors must be made available, on request, to the FCDO.

⁴ <https://www.gov.uk/government/publications/uk-climate-finance-results>

112. The Supplier shall deliver the requirements under this contract by deploying a Core Team and an Extended Team:
113. **The Core Team:** The Core Team will be responsible for managing and delivering the relevant workstreams of Samarthta in an effective and coherent manner, which drives value for money (VfM) and is fully accountable to the FCDO. The Core Team will have responsibility for:
- Providing strategic advice to FCDO, highlighting areas of political opportunity or challenge, and making recommendations to FCDO on priority interventions, issues, scale-up or termination.
 - Identifying, designing and managing the implementation of demand-led TA asks from federal and subnational governments, including the procurement of downstream TA delivery partners (if relevant) and ensuring alignment with the direction given by FCDO.
 - Designing and implementing a robust **Innovation, Evidence and Learning (IEL)** system that harvests data, results and learning from across the programme, iteratively informs decision-making and enables adaptive programming, and commissions periodic thematic reviews and implementation / operational research to assess effectiveness, projected impact, and test Samarthta's overall ToC and strategy.
 - Coordinating across the programme, ensuring that the any sub-components and workstreams together to deliver the desired outcomes and contribute towards the stated impact.
 - Regularly conducting PEA, Gender Equality, Disability and Social Inclusion Analysis, Stakeholders' and Power Mapping, Climate-related analysis, and other analyses to inform decisions related to Samarthta.
 - Providing proactive advice and information to inform rapid decision-making as well as quarterly (and as needed) analysis on specific issues or areas to support wider FCDO decisions and programmes.
 - Managing relationships with external stakeholders.
 - Managing relationships with FCDO to ensure effective decision-making, risk management and VfM of interventions. This will include day-to-day cooperation with the PRO/SRO; delivery of monthly progress and financial reports; and regular engagement with the Strategic Advisory Group (SAG) to report progress and results, as well as to seek approval for high-level decisions where necessary.
 - Organising and setting the draft agenda (in coordination with FCDO and government counterparts) for the annual Samarthta Strategic Advisory Group meeting, the 6 monthly Samarthta Governance Committee meetings and the provincial Technical Coordination Committees meetings.
114. Whilst flexibility is allowed on the composition of The Core Team, the following personnel would be mandatory to cover the following full-time positions: Team Leader, Province Team Leaders and a Senior Operations Manager (or equivalent roles). Flexibility is allowed on the composition of the remaining Core Team, which must however represent a mix of technical, programme delivery and management experts, covering the following technical expertise across governance, public health, education, public financial management and GESI areas.
115. All members of the Core Team shall be full-time and must be based in Nepal and ideally have local language skills (including but not limited to Nepali). The Supplier shall

prioritise a staffing structure for the Core Team that minimises the number of international staff.

116. The Team Leader must have expertise in leading and managing programmes of a similar size and complexity, with a strong preference for experience in and understanding of locally-led development, local governance, human development issues and the political economy of social sectors, ideally in Nepal. They must be able to work across disciplines and ensure coherence across different elements of Samarthā and have excellent representational and communication skills.
117. The composition of Core team must ensure an adequate resource allocation to achieve Samarthā objectives. In defining the composition of the Core Team, the Supplier shall consider gender balance, diversity and social inclusion, including representation from marginalised groups.
118. The Supplier must ensure a robust contract management model supported by appropriate governance, including clear pathways and named focal points for escalation of issues with Samarthā (programmatic, operational or technical) that, for any reason, cannot be readily resolved via FCDO's ordinary regular interactions with the Team Leader and the Core Team.
119. **The Extended Team:** The Supplier must ensure access to the following long and short-term experts.
120. **Long-Term Expert Pool (namely long-term technical assistance LTTA):** The Supplier is required to determine a long-term expert pool which includes personnel with skills that Samarthā will likely require for 10+ days/month on average for the duration of Samarthā's implementation.
121. The long-term expert pool must cover the following expertise areas: Public Financial Management; Social Sectors' Governance (with a focus on local governance), Public Sector Administration, Gender and Inclusion, Public Health, Education, Programme Monitoring, Evidence & Knowledge.
122. The majority of the long-term expert pool members shall be based in Nepal. Most roles shall be filled by Nepali based staff, preferably at the subnational level and with established relations and networks within government and public administration.
123. The staff embedded with provincial and local governments or based at the subnational level are required to be Nepali based with the proficient Nepali language skills. Exceptions must be agreed by FCDO.
124. **Short-term expert pool (namely short-term technical assistance STTA):** The Supplier is required to determine a short-term expert pool including personnel with specific skills that Samarthā may draw upon if required (for instance on WASH, nutrition, climate & health, higher education etc).
125. The Supplier must ensure the extended team represents a diverse and inclusive team with a deep understanding of Nepal, including deep cultural, social, political, and linguistic knowledge. The extended team must have internationally competitive competencies regarding strategic thinking, analysis, seeing the bigger picture and communication skills.
126. The Supplier shall promote/prioritise remote working by means of using IT and digital communication technologies to minimise the travel/accommodation and subsistence costs associated with the delivery of services by international experts within the extended team.
127. The Supplier is required to design and implement robust performance management processes to deploy an extended team in most efficient way.
128. As a minimum, the following skills and expertise must be covered by extended team:

- Programme and Grant Management skills – this will include governance and management of the sub-components and workstreams.
- Technical expertise across the core areas of delivery.
- Deep understanding of the Nepali context at federal and subnational levels.
- System strengthening and systems thinking, coalition-building, ability to think and work politically to bring about change in difficult areas, expertise and competencies to manage a portfolio of social sectors' governance, GESI and climate issues that cut across diverse sectors.
- Research, evaluation and learning skills.

Delivery partners (sub-contractors) Management Requirements

129. The Supplier will be responsible for ensuring the effective management and implementation of Samartha, delegating responsibilities to delivery partners (as necessary) to achieve the programme's objectives. The Supplier will be solely accountable to FCDO and reporting to the Samartha Programme Team located in the British Embassy Kathmandu for the delivery of these Terms of Reference. The Supplier will be solely responsible for fulfilling the programme management and delivery of requirements.
130. The Supplier is responsible for managing its delivery partners, to ensure they work in an inclusive, transparent, and coordinated manner. The Supplier and all delivery partners are required to work as "one Samartha team" and not in silos. The Supplier is responsible for developing and maintaining a cohesive team spirit, based on transparency, equal partnership, and a shared vision and objectives. These requirements also apply to working relationship with external stakeholders and Samartha implementing partners.

Governance, Stakeholders' Engagement and Portfolio Management

131. Strategic direction for the programme will be set collaboratively with government counterparts through two main bodies: the Samartha Strategic Advisory Group (SAG), which will meet annually and include senior leadership of relevant line ministries; and the Samartha Governance Committee (SGC). Additionally, at the subnational level coordination and collaboration will be ensured by Provincial Coordination Committees (PCCs).
132. The Samartha Supplier will act as a secretariat for these governance mechanisms, with terms of reference and governance arrangements (including membership) finalised during the Inception Phase.
133. The Supplier will ensure that they engage constructively and proactively with GoN counterpart, with a focus on key social sector line ministries, Ministry of Finance, National Planning Commission, relevant parliamentary committees at the federal level, and with relevant subnational political and administrative authorities (including but not limited to Chief Ministers and relevant provincial line ministries, subnational social sectors' officials, mayors / chairpersons and key associations such as MuAN⁵ and NARMIN⁶).
134. The Supplier will also ensure that they engage routinely with other donors and implementing partners for programmes (including FCDO-funded programmes) that are active in the same sectors and geographies as Samartha, in order to promptly identify synergies, complementarities and risks of duplication, leveraging opportunities and swiftly

⁵ Municipal Association of Nepal.

⁶ National Association of Rural Municipalities in Nepal.

addressing coordination issues. This will include close collaboration and engagement with implementing partners for other Samarthas component, and specifically with the Independent Oversight supplier and the recipient of the Accountable Grant focused on Samartha's Intermediate Outcome 3 (promoting citizens' voice and social accountability).

135. The Supplier is required to participate in the Dialogue Driven Partnerships initiative (see requirements in Annex 8)
136. The Supplier shall provide regular proof of engagement as part of their routine reporting, for instance by keeping an engagement log and sharing samples of "one-pagers" / briefs for key meetings highlighting who they met, why, and the outcome of the discussions. The Supplier shall also attend any meetings organised by BEK with the aim to ensure portfolio-level coherence of its ODA investments.
137. Engagement with all stakeholders should be guided by the overall objectives of Samartha to improve social sectors' governance (especially at the local level) and, more specifically, by the Stakeholders Engagement Plan and the Communication and Policy Influencing Strategy submitted during the Inception Phase.
138. Any meeting and event that requires participation from FCDO Nepal staff (or where their participations would be ideal) should be notified to FCDO Nepal's Samartha Team at least one week in advance, unless shorter notices are (exceptionally) unavoidable.
139. On behalf of FCDO, this programme will be managed by the Senior Responsible Owner (SRO) based in the British Embassy Kathmadu (BEK) with overall responsibility for the programme will be FCDO Nepal's Services and Systems Team Leader. The Programme Responsible Owner (PRO) will be an FCDO Nepal Programme Manager. This staffing make-up may change depending on FCDO Nepal's future workforce requirements.
140. The SRO will take decisions on the overall direction of the programme in consultation with the Head of the 'Governance and Social Development Group' in FCDO Nepal, and with the Development Director. The PRO will be responsible for overseeing day-to-day implementation and performance of the programme, assisted by other programme management staff.
141. Programme management staff will manage the programme finances, ensure compliance with FCDO's Programme Operating Framework (PrOF) Rules and operating systems, oversee the contractual and commercial relationship with the Supplier, and manage implementation through the programme's Delivery Plan. FCDO Nepal's Samartha team will provide the necessary management inputs to maintain a balanced portfolio, provide quality assurance, ensure risk is well managed and within agreed tolerances, and review all programme components before implementation.
142. The FCDO Nepal's core Samartha team will include dedicated Health Adviser and Education Adviser. FCDO Nepal's Governance Advisers, Social Development Advisers, Climate Advisers, Economic Advisers and other relevant advisors will also support delivery with ad-hoc technical support and challenge function.
143. The Supplier will ensure proactive regular communication with the FCDO Nepal Samartha Team, including through ad-hoc communication as required.

Compliance Requirements

144. The Supplier should ensure systems that respond to the key compliance requirements set out below. These may evolve as new requirements come on board.

145. Asset management. The Supplier is required to develop and maintain an asset management plan (including disposal) and asset register. These must be developed and agreed with FCDO during the Inception Phase.
146. Audit. The Supplier will be expected to submit an independent annual audited financial statements of programme expenditure in relation to milestone payments and expenses in comparison to budgets and programme activities.
147. Delivery chain mapping is a process that identifies and captures, usually in visual form, the name of all partners involved in delivery of a specific commodity, service or charge, ideally down to the end beneficiary. Addressing this is required to manage regular and exceptional risk throughout the network to reduce exposure and vulnerability. The Supplier will be responsible for developing and maintaining a delivery chain that maps the flow of FCDO funds or support to downstream recipients. If a consortium is contracted to implement Samarth, the Supplier will be the 'Tier 1 Partner' and the subcontractors will be 'Tier 2 Partners'. All recipients that receive direct support from Samarth must be included in the delivery chain map. A risk-based approach will be developed by the Supplier and agreed with FCDO to determine which Tier 2 Partners should provide further details about their suppliers (Tier 3 Partners). The Supplier is free to design their own format.
148. Enhanced due diligence. The Supplier will be responsible for undertaking enhanced due diligence of all downstream suppliers, in particular those that are not already part of the GDD Framework Agreement. This will include verification of the strength of their internal financial and fiduciary risk mitigation systems and procedures, track record of operational effectiveness, safeguarding measures, ownership structures, links to Politically Exposed People, links to terrorist or criminal organisations or illicit financing.
149. Environmental protection. The Supplier will be responsible for ensuring there is an action plan to avoid, minimise and mitigate environmental risks throughout implementation. The Supplier will also be responsible, if relevant, for project-level environmental appraisal procedures to be built in and which apply best possible safeguards, during intervention design and development, and monitored during programme implementation.
150. Fraud. The Supplier (including any subcontractors) is required to set out their fraud and safeguarding mitigation strategies including internal risk management and reporting systems. FCDO takes a zero-tolerance approach to fraud. The Supplier and subcontractors are required to immediately report all suspicions of fraud to FCDO without delay. The requirement will also be written into any partnership agreements or contracts with Tier 2 Partners. Reporting should be at the point of suspicion of fraud, not the conclusion of the fraud case. All suppliers, staff and downstream recipients should be made aware of FCDO's counter fraud and whistleblowing hotline, details of which can be found here:

Foreign, Commonwealth and Development Office, Counter Fraud and Whistleblowing Unit (CFWU): +44 (0) 1355 843747 or reportingconcerns@fcdo.gov.uk

The Supplier should also set up a local whistleblowing mechanism and ensure this is widely communicated.

151. Personal use. The Supplier is required to ensure that assets and services paid for by Samarth are not used for staff's personal use. This includes, but is not limited to, mobile phone credit, internet, vehicles, and IT equipment.

Procurement of Goods and Equipment

152. Any procurement undertaken for this project by the Supplier shall be done in accordance with international best practice, using robust systems which ensure best value for money for the programme. The Supplier must ensure that programme assets are

accurately tracked, reach their intended beneficiary, and are used for their intended purpose. Any goods and equipment procurement must be carried out in accordance with FCDO standard T&Cs. The Supplier shall provide a Procurement Manual (setting out the way in which they shall undertake procurement) for agreement with FCDO during the inception phase. Based on the agreed Manual, FCDO shall carry out procurement audits and financial audits of any goods and services procured by the Supplier.

153. Programme closure: The Supplier is required to plan for a three-month closure period at the end of the contract. No new implementation activities will take place in the closure period. The Supplier will undertake the necessary steps to responsibly exit the programme, including handing over existing interventions to local partners, disposal of assets, finalising financial accounts and drawing down to essential staff. If FCDO has contracted a successor programme to Samarth, the Supplier (primary and subcontractors) will cooperate fully with the new programme to handover the relationships, knowledge and workstreams developed by Samarth.
154. Risk management. The Supplier will also be required to develop a risk management plan during the Inception Phase which should include a robust approach to appraising and managing risks. The Supplier is required to develop and maintain a risk register aligned with FCDO's risk register, building on the basic risk matrix included in the Business Case. The Supplier is required to update the risk register on a quarterly basis in consultation with FCDO and flag any realised risks throughout the course of the programme implementation. The risk register should cover the following categories: strategy and context, policy and programme delivery, public service delivery and operations, people, safeguarding, financial & fiduciary, and reputational.
155. Transparency. FCDO has transformed its approach to transparency, reshaping our own working practices and pressuring others across the world to do the same. FCDO requires the Supplier 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 subcontractors, sub-agencies and partners.
156. It is a contractual requirement for the Supplier to comply with this, and to ensure they have the appropriate tools to enable routine financial reporting, publishing of accurate data and providing evidence of this to FCDO. Further information is available from: <http://www.aidtransparency.net/>
157. Branding. Supplier(s) that receive funding from FCDO must follow UK Branding Guidance for ODA-funded Programmes to be transparent and acknowledge that they are funded by UK taxpayers. The branding approach should be agreed with FCDO during the Inception Phase. If the perception of donor involvement among stakeholders could undermine Samarth's objectives, exceptions may be required to ensure local ownership and buy-in.
158. Subject to prior FCDO agreement, the Supplier should actively promote the work and results of the programme throughout the programme lifecycle and are required to inform FCDO of any important milestones, events, planned media activity or queries from the media. The Supplier should also provide FCDO with first-hand human-interest stories that show how UK aid funding for the programme is making people's lives better. This can take the form of positive stories of people receiving or delivering our aid through the programme, any interesting innovations, research or statistics and results from the programme. Full guidance on branding can be found in Annex.

Do No Harm and Safeguarding

159. FCDO requires assurances regarding protection from violence, exploitation, and abuse through involvement, directly or indirectly, with FCDO 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. The design of interventions including research and programme evaluations should recognise and mitigate the risk of negative consequence for women, children, and other vulnerable groups.

160. The Supplier will be required to include a statement that they have duty of care to informants, other programme stakeholders and their own staff, and that they will comply with the ethics principles in all programme activities. Their adherence to this duty of care, including reporting and addressing incidences, should be included in both regular and annual reporting to FCDO.
161. Project-level appraisal procedures will be built in which apply best possible safeguards, during intervention design and development and monitored during programme implementation. Proportionate environmental impact assessments will also be included in due diligence procedures with downstream markets and suppliers and include implementation of safeguards.

Modern Slavery

162. FCDO is already taking action against modern slavery through current programming in the region, and we are working to expand our reach and scale-up successful country office and centrally managed programmes. Several of our programmes operating through country offices look at addressing the underlying vulnerabilities of people at risk of modern slavery, with a particular focus on those within indirect supply chains. These include:
 - Strengthening evidence base of effects of laws, policies, practices on workers in high-risk industries including migrant garment and domestic workers
 - Advocacy and common understanding of corrective legal, policy and procedural measures
 - Information campaigns among employers
 - Training and awareness programmes for direct employees and supply chain employees
 - Organising workers to protect themselves and access services
 - Sensitising labour recruiters on accountability for fair recruitment
163. The Supplier and all Partners in the delivery chain under this contract must ensure appropriate ethical training for every staff member and staff updates in ethical working practices suitable to the development sector (e.g. UN Global Compact principles) including awareness of modern-day slavery and human rights abuses.
164. The Supplier and all Partners in the delivery chain under this contract must place an emphasis on the control of these and further unethical and illegal employment practices, such as modern day slavery, forced and child labour and other forms of exploitative and unethical treatment of workers and aid recipients. We will also conduct spot check during monitoring visits and in the annual review.

Financial Management

165. Changes to the costed workplans must be agreed by FCDO. The Supplier must maintain a 'Change Log' for all recorded changes to the workplan.
166. The Supplier will be responsible for the effective oversight, management and governance of programme funds, procurement, and spending and ensure compliance with FCDO policies and international best practices in prudent financial management regulations.

167. The Supplier will be responsible for aggregating expenditure and forecasts from all downstream suppliers and providing transparent, disaggregated invoices accompanied by a clear and concise narrative to FCDO. The narrative should proactively highlight issues to FCDO to maximise the efficiency of the invoice sign-off process. Invoices will be submitted quarterly in arrears within no more than two weeks of the quarter end. The Supplier should manage downstream suppliers to ensure that this deadline is met.
168. The Supplier will provide monthly and yearly expenditure forecasts based on resource accounting standards. Forecasting accuracy is a primary metric used by FCDO to assess a programme's performance. The Supplier will be expected to forecast one month ahead with an accuracy of +/- 5%. The Supplier will notify FCDO immediately if expenditure is expected to exceed this range.
169. Annual forecasts must be prepared to reflect FCDO financial reporting expectations such as Overseas Development Assistant (ODA) targets and other formats as they arise.
170. **FCDO programmes are not automatically tax exempt** and therefore Suppliers may be liable to pay tax in respective countries of operation. Full tax compliance of individuals is expected. Purchased equipment/assets should however be exempt for tax and customs on import. FCDO do not foresee any immediate potential transfer of any assets from other on-going programmes to Samarth program. However, if any opportunities do arise, then the program team will mutually agree with the supplier such transfers. The Supplier estimated funds for capital expenditure. Procurement of key assets like vehicles and high-value electronic devices (laptops, camera) should be agreed with FCDO. The Supplier is liable to undertake full custodian and management of programme assets until the end of the programme.

Value for Money

171. The Supplier shall maintain and refine the VfM Schedule for the duration the Contract.
172. Samarth will adopt a VfM Schedule nested within the wider delivery framework to inform VfM judgements, decision making and improve programme performance. The VfM Schedule will be refined during the Inception Phase and used throughout the programme life. The VfM Schedule will ensure that the VfM proposition in the Business Case can be traced through to programme completion, with decisions to change the original proposition recorded.
173. The VfM Schedule will include indicators covering economy, efficiency, effectiveness, equity, and cost effectiveness. The VfM Schedule should be co-created alongside the results framework. This will help ensure they are complementary, do not overlap and together provide a strong basis for managing performance and informing programme decisions.
174. VfM indicators will be a combination of quantitative metrics and qualitative indicators. Outputs and targets will be set for a small number of selected indicators and reported on in Annual Reviews. Indicators with outputs and targets should be developed and monitored with comparable treatment to indicators in a logical framework e.g. they should be Specific, Measurable, Achievable, Relevant and Time-Bound (SMART), have protocols for monitoring them, etc. As with logical framework indicators, VfM schedule and even indicators may change during the programme life; when this happens changes will be documented as part of the Annual Review or similar process.
175. The Supplier will report on VfM schedule, including progress on selected indicators, in the Quarterly and Annual Reports. The VfM Schedule should also ensure that FCDO Annual Review reporting is supported by a clear system for reporting on VfM in aggregate as part of the Annual Review process. The methodology for the VfM Schedule

should be included in the technical proposal and therefore must not include any commercial or budget information.

176. The VfM Schedule should include indicators that the Supplier will monitor throughout the programme. These indicators will be revised if necessary during the Inception Phase and on an annual basis.
177. The VfM Schedule for Samarththa will comprise the following pieces of reporting and information:
 - Indicators/metrics to be identified, representative of key programme outputs and proportionality in funding value. They are similar to logframe indicators but will often include a cost element. Annualised milestones will be determined for a select number of indicators. These will be adjusted in the light of implementation experience in a similar way that result milestones and budgets can be revised and decisions documented in an annual review or similar process.
 - VfM Case Studies. These are case studies or 'VfM stories' which focus on one intervention or activity, have a clear resource and benefit focus, and are systematically captured. These are particularly useful to document what is not meaningfully or feasibly captured in periodic metrics (such as qualitative benefits). Furthermore, VfM case studies present a clear opportunity to showcase examples of adaptive management that Samarththa and partners may want to highlight.
178. Suppliers will track their own performance by using year-on-year VfM results, and internal trend comparisons. External benchmarking will also be used where meaningful.
179. The Supplier, with support from FCDO, will develop VfM metrics to assess any climate-relevant elements of the programme (if applicable during implementation).
180. The VfM Schedule should include indicators that the Supplier will monitor throughout the programme. These indicators will be revised if necessary, during the Inception Phase and on an annual basis. The Business Case specified a small number of VfM areas, which the Supplier should build upon. FCDO recognise that achieving such sustained change and attributing to the programme is difficult, but the Supplier should engage in best effort to elicit and track such change.
181. The VfM Schedule will be used proactively during implementation to inform decisions and to gauge whether activities/interventions are on-track. For instance, the Supplier will be required to build in 'warning' and 'stop/go' procedures – i.e. the programme should know when to close down a workstream that is deemed to be failing. It is intended this approach will facilitate decisions on stopping interventions, ensuring resources are directed to where they are more likely have impact. This approach will need to balance risk with reward, and other criteria in the portfolio.
182. The Supplier will be responsible for developing a culture of VfM around cost management within the Samarththa team. To support this, the Supplier will detail in its bid processes that it will implement to maximise Value for Money in the day-to-day implementation of the programme. Illustrative processes may include:
 - o A policy on booking flights and hotels no later than one month ahead of the travel date unless there is a strong reason not to.
 - o Office and accommodation sharing arrangements.
 - o Determining an optimal balance between owned and leased vehicles.
183. The Supplier is required to commit to the following timelines:
 - Monthly briefs/slide decks and quarterly reports submitted to FCDO on or before the 15th calendar day after the month-end.

- Updated monthly forecasts for the current financial year submitted to FCDO on or before the 25th calendar day of the month.
 - Updated programme risk registers to be submitted to FCDO as part of an Annex to Quarterly Report; and when the need arises for an update of the risk register.
 - Updated financial year and monthly forecasts for the remaining years of the programme submitted to FCDO on or before the 28th of February of each year.
 - Updated asset register and delivery chain map to be submitted to FCDO as part of the Annexes to Annual Report, and when the need arises for an update of the asset register and delivery chain map.
184. The Supplier will need to keep records of all work and expenditure, including for 7 years after contract end, to have this in a form which can be transferred to FCDO and available upon request, for example for FCDO internal audit, National Audit Office (NAO), the Independent Commission for Aid Impact (ICAI), and so on. FCDO uses Microsoft Teams, so the Supplier is encouraged to use this platform as well for document retention and facilitating sharing of documents. The Supplier is also required to be open to changes in requirements and opportunities in relation to evolving technologies.

Contract Review and Break Points

185. The Contract will be subject to the following break points: 1) end of FY 2024/25 in Spring 2025; 2) after the review of the Inception Phase (at month 6) 3) after a Mid-Term Review (MTR) at approximately month 36 of the contract.
186. The Supplier should have the capacity to rapidly mobilise and start delivering outputs within the Inception Phase. To ensure the Supplier is held accountable to this expectation, there will be a formal review point after six months (at the end of the Inception Phase), at which FCDO will decide whether to continue the Contract. Equally, the MTR will inform the on-going direction of the Contract and programme and will be a formal review point to confirm the on-going viability of the Contract.
187. The FCDO will also require one or more additional break points in the event of Comprehensive Spending Reviews happening during the programme. It is expected that a Comprehensive Spending Review will happen within 2025, and another one in 2028.
188. FCDO reserves the right to scale back or discontinue the programme at any point in line with the Terms and Conditions. Scaling down is at FCDO's discretion, and may occur for a number of reasons, including but not limited to:
- Shortage of funds.
 - Not achieving the results anticipated or weak VfM.
 - A change in the security and/or political circumstances of the country.
 - Political economy reasons, including a change in government stability, corruption or delays in key, necessary government engagement and reforms.
189. Conversely, FCDO may also decide to scale up the programme should it prove to be having a strong impact and the potential to yield better results, dependent on budget and ongoing effectiveness of the programme.
190. The Supplier must maintain flexibility in approach, for example adjustments and changes to sectors and geographies, and be able to exit as required and with agreement from FCDO. We expect the Supplier to be able to adjust to such requests.

General Data Protection Regulation (GDPR)

191. 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.

Duty of Care and Security Requirements

192. The Supplier is responsible for the safety and well-being of their Personnel (as defined in Section 2 of the contract) and Third Parties affected by their activities under this contract, and for ensuring appropriate security arrangements are in place. They will also be responsible for the provision of suitable security arrangements for their domestic and business property. Suppliers must set out how they will respond to these requirements in their bid documentation. This should include how they will ensure subcontractors meet these requirements too (as they will have full responsibility for subcontractor compliance).
193. FCDO will share available information with the Supplier on security status and developments in-country where appropriate. A named person from the contracted organisation should be responsible for being in contact with FCDO to ensure information updates are obtained. There should be a process of regular updates so that information can be passed on (if necessary). This named individual should be responsible for monitoring the situation in conjunction with FCDO.
194. The Supplier is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract and ensuring that their Personnel register and receive briefing. Travel advice is also available on the FCDO website and the Supplier must ensure they (and their Personnel) are up to date with the latest position.
195. Under this contract the Supplier will require to operate in areas that are vulnerable to natural disasters, including those of potentially catastrophic consequences (e.g., earthquakes). The Supplier should be comfortable working in such an environment and should be capable of deploying to any areas required within the region in order to deliver the Contract.
196. The Supplier is responsible for ensuring that appropriate arrangements, processes, and procedures are in place for their Personnel, taking into account the environment they will be working in and the level of risk involved in delivery of the Contract. The Supplier must ensure their Personnel receive safety in the field training prior to deployment if judged necessary and that appropriate systems and processes and equipment are in place, including subscription to security companies who carry live information on security situations and can do due diligence on routes, hotels and work locations and use of appropriate equipment such as trackers. These facilities should be set out in the bid documents.
197. The Supplier will be contracted on the basis of being fully responsible for Duty of Care in line with the details provided above. The Supplier must confirm in their Tender that:
- They fully accept responsibility for Security and Duty of Care.
 - They understand the potential risks and have the knowledge and experience to develop an effective risk plan.
 - They have the capability to manage their Duty of Care responsibilities throughout the life of the contract.
 - They will give responsibility to a named person in their organisation to liaise with FCDO and work with FCDO to monitor the security and safety context for the evaluation.

- They have effective staff security and safety policies and know how to manage security within the company.
 - They will have appropriate facilities and/or equipment in place to cover travel across the different geographical risk categories under FCDO travel advice, as relevant.
198. FCDO will not award a contract to a Supplier who cannot demonstrate that it is willing to accept and have the capability to manage its duty of care responsibilities in relation to the specific procurement. Please refer to the Supplier Information Note on the FCDO website for further information on our Duty of Care to Suppliers Policy.
199. FCDO reserves the right to clarify any aspect of this evidence and to require that the Supplier upgrades any aspect of the policies, processes and/or working arrangements that in the opinion of FCDO compromise the Supplier's ability to discharge its Duty of Care obligations.
200. Other country-specific sources of information on potential risks can be obtained from the following sources:
- FCDO Travel advice: <https://www.gov.uk/foreign-travel-advice/nigeria>
- World Meteorological Organisation: <http://severe.worldweather.org/>
- Global Flood risk map: <http://globalfloodmap.org/>
- CIA World Fact file: <https://www.cia.gov/library/publications/the-world-factbook>

Annexes

Annex 1: Contract Management Key Performance Indicators

Contract Management Indicators (CMI) for payments of 10% during the Implementation Phase


During the Implementation and Exit phases 10% of gross fees will be linked to the achievement of Contract Management KPIs. The Contract Management KPIs will be assessed by the FCDO quarterly as either pass or fail for the preceding quarter. There will be no opportunity to recoup the service credit for the failed CM KPIs at subsequent KPI reviews.

ID	CM KPI	Description	Target for each quarter
CM KPI 1	Quality of monitoring and reporting 3%	100% of individual reports and other written products submitted on time and accepted by FCDO as per <i>Reporting Requirements</i> . These include: monthly updates, quarterly reports, yearly report, contributions to annual reviews, final report and any written product (including technical documents) associated to programme delivery and agreed with FCDO. All reports include evidence of how the Supplier sought to improve programme delivery based on FCDO recommendations (as per recommendation tracker under <i>Reporting Requirements</i>).	100% of reports and written products submitted on time within agreed quality parameters set in the <i>Reporting Requirements</i> [Pass/Fail]
CM KPI 2	Financial Management and reporting 3%	100% of financial reports and other financial planning and management documents submitted on time and accepted by FCDO as per <i>Reporting Requirements</i> . This includes quarterly workplan financial reports, quarterly and annual forecasts, costed annual workplans, audited accounts. Adherence to monthly forecast must be within 5% variance	Timely submissions with adherence to monthly forecast within 5% variance [Pass/Fail]
CM KPI 3	Risk Management 2%	Regular and ad-hoc reporting of risks as per <i>Reporting Requirements</i> . This includes updated risk register and delivery chain map (and associated risks) as part of quarterly and annual reporting, as well as immediate ad-hoc escalation of new / changed risks during monthly meetings. These should include evidence of how the Supplier is mitigating active risks and has sought to improve risk management based on FCDO	Evidence that the supplier is raising all risks with FCDO that may significantly affect delivery or performance. [Pass/Fail]

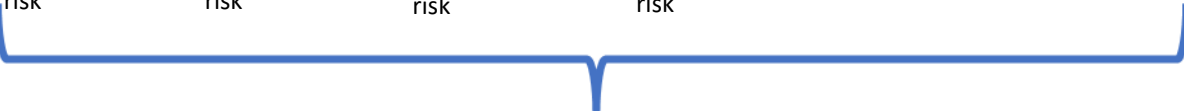
		recommendations (as per recommendation tracker under <i>Reporting Requirements</i>).	
CM KPI 4	Stakeholder engagement 2%	Supplier engages actively with FCDO and key stakeholders (according to <i>Stakeholders Engagement Requirements</i>), including stakeholders (e.g., key donors and their implementing partners) and government counterparts. The supplier is responsive and flexible to client needs and aligns with the FCDO priorities.	Evidence of meetings held and regular feedback obtained from stakeholders (yearly) and shared with FCDO. [Pass/Fail]

Annex 2: Illustrative Example of Linked Output-Based and Outcome-Based Results

The Outcome results (targets) proposed by Supplier under the Indicative Results Framework and PbR Schedule shall be refined by Supplier and agreed with FCDO during Inception (annually thereafter). FCDO reserves the right to ask the supplier to refine the Results Framework as necessary at any point in the contract to ensure that the Outcome Results, linked KPIs and methodology are fit for purpose.



Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 1
Outputs	Outputs	Outputs	Outputs	Outcome
Policy dialogue with LG decision-makers (£ value)	Development of local guidelines on evidence-based budgeting planning (£ value)	Development of toolkit for deliberative decision making (£ value)	Dissemination of learning and best practices (£ value)	% of LG practicing evidence-based budgeting & planning
	Training of local officers on budget analytics (£ value)	Social audits carried out in all target LGs (£ value)	etc...	
£80,000	£170,000	£230,000	£20,000	£50,000 fees at risk
£8,000 fees at risk	£17,000 fees at risk	£23,000 fees at risk	£2,000 fees at risk	



Example: £500,000 of gross fees in year 1

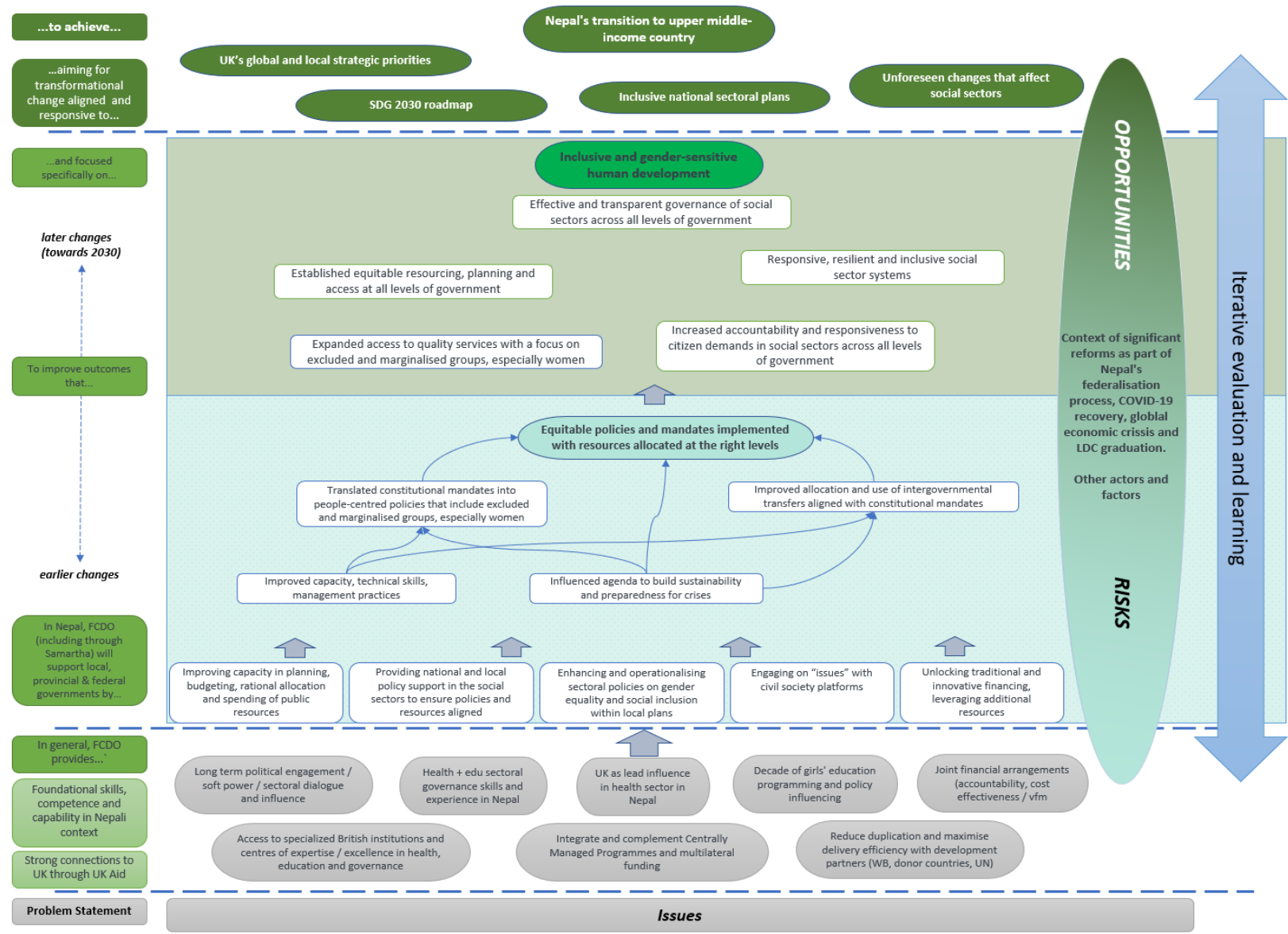
Up to 10% (£50,000) at risk subject to KPIs (per Annex 1)

Up to 10% (£50,000) at risk subject to achievement of Outcomes

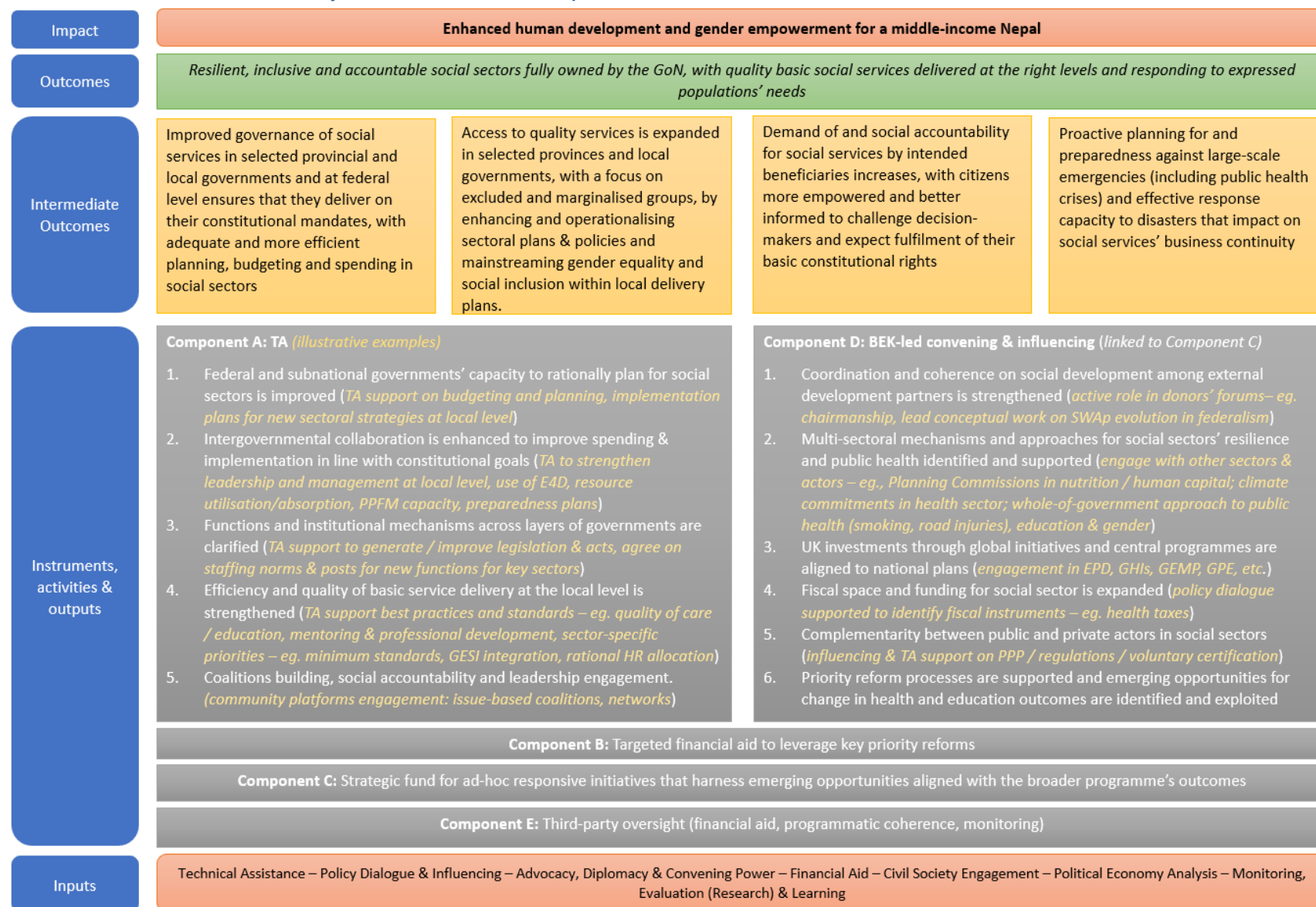
Annex 3 – Illustrative conceptual outline of workstreams and potential typologies of outputs and outcomes to be measured at the local level

Workstreams	Potential Outcome-level results	Potential Metrics (measured yearly)	Connected Output-level results
Core Governance Capability for Social Sectors	Improvements in evidence-based planning and budgeting, and decision-making in social sectors	Composite metrics including quantitative and qualitative appraisal of behavioural changes, analytics and business performance to assess how data and evidence influence decisions in social sectors	Policies / plans Guidelines / standards Toolkits and management and analytical tools (including software solutions) Policy dialogues / events / campaigns Evidence generation / dissemination
	Improved human resources planning in social sectors	Composite metrics that include classic HR planning performance indicators such as distribution, categories, time to hire, turnover and attrition patterns, absenteeism, employee satisfaction, training effectiveness, equality and equal opportunities	
	Improved quality of spend for social sectors	Composite or linked metrics around sectoral spending (improved fiscal space, allocative efficiency and relative allocation patterns, budget outturns and overall absorption capacity, PPFM metrics)	
Inclusive Quality Services	Improvements in Universal Health Coverage (across levels of government)	UHC Index at national and subnational level	
	Improvement in equitable access to quality education	Changes in Education Equity Index at national and subnational level, with potentially other interlinked priority areas (such as coverage and distribution of GIENs)	
	Improvement in social services coverage and quality (nutrition, WASH)	MIS trends for key sectors (via N-WASH and MSNP-III analytics)	
	Improved enabling environment for health and education outcomes	Changes in policy and legislative landscape around social and commercial determinants of human development outcomes	
Social Sectors' Resilience	Improved social sectors' preparedness and resilience to shocks	Proportion of provincial and local governments with active business continuity plans	
	Improved integrated surveillance	Composite metrics around coverage, representativeness, quality, use of data in response, institutional capacity	

Annex 4 – Samartha Theory of Change



Annex 5 – Samarth Theory of Action and Components



Annex 6: VfM Framework – Samartha Business Case

VfM areas	How Samartha will deliver
Economy	<p>Samartha will deliver economy through localising resourcing wherever possible to reduce the need for and costs associated with programme delivery. By working partially through financial aid and “buying” into government plans, Samartha will work under the principle of government co-funding to maximise leveraging power and generate cost-savings.</p> <p>Potential measures of economy might include: savings in daily consultancy fees by resorting to local consultants for TA; monitoring the extent of operational and administrative costs vs. programme delivery costs; utilising funding by reimbursement for FA to reduce fiduciary risks and easily resolve questions around ineligibility; use of due diligence, competition and negotiation in procurement to drive economy in contracting</p>
Efficiency	<p>Samartha will deliver efficiency through tracking timeliness of delivery and spend rates against targets, maximising efforts to convert project inputs into outputs.</p> <p>Potential measures of efficiency might include: numbers of interventions completed as per workplans; budget absorption (both within Samartha and government's budget); cost per intervention / activity</p>
Effectiveness	<p>Samartha will deliver effectiveness through working closely with government to ensure that outputs being delivered are achieving the desired outcomes. The programme is envisaged to have a mid-term evaluation to ensure that the ToC is fit for purpose and outcomes remain relevant. Beyond mid-term and end line evaluations, the effectiveness of the programme will be closely monitored on a more immediate monthly basis by collecting and analysing available and ad-hoc data and tracking citizens satisfaction.</p> <p>An embedded learning and knowledge framework will ensure proactive and adaptive programming, Samartha, so that only the most effective interventions and initiatives remain part of the programme, with the flexibility of discontinuing less effective interventions.</p> <p>Potential measure of effectiveness might include: coverage of priority interventions; qualitative assessment of beneficiary feedback and/or on quality of services provided; quantitative and qualitative assessment of results achieved across outcomes areas (e.g., improved resources allocation; improved human development outcomes; reduced exposure to public health risks and other shocks); assessed benefit-cost ratio of different interventions / workstreams.</p>
Equity	<p>Samartha will agree jointly with the governments bespoke plans and indicators to identify equity-related barriers and measure interventions meant to address them, including by tracking coverage and access based on disaggregated data (e.g., by gender, disability, geography, income, ethnicity, caste, other as appropriate).</p> <p>Potential equity measures might include: trends in education equity index and universal health coverage; qualitative analysis of geographical targeting to assess reach in marginalised areas; qualitative results in successful targeting of marginalised groups.</p>

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 FCDO and any changes to the content of this schedule must be agreed formally with FCDO 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 Call-down 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: <p>Personal Data necessary for the administration and/or fulfilment of this contract.</p>
Subject matter of the processing	Personal Data of Natural Persons
Duration of the processing	5 years (the duration of the programme for statutory and reporting requirements)
Nature and purposes of the processing	<p>Personal data collection for due diligence and contractual processes</p> <p>Personal data required for fulfilment of scope of work of this contract</p>
Type of Personal Data [and Special Categories of Personal Data]	<p>Direct Personal Data: Names, Home Address, Next of Kin, Email Address</p> <p>Indirect Personal Data: Contacts in government departments, data collected from staff and stakeholders</p>
Plan for return and destruction of the data once processing complete	Destruction of data once the contract is complete.

Annex 8 Dialogue Driven Partnerships, British Embassy Kathmandu

Objectives:

- To onboard new implementing partners into the British Embassy (BEK) portfolio, ensuring understanding of FCDO compliance and programme processes and procedures.
- To build common understanding and deliver on shared principles for the UK's development engagement in Nepal, including but not limited to developing evidence-based, adaptive, and collaborative programme and portfolio delivery.
- To examine the UK's development portfolio through theme-specific lenses (e.g. GEDSI) and to look forward at likely risks and opportunities within the dynamic context of Nepal, assuring our programming is adaptive and agile.
- Building on previous learning, to ensure that the UK portfolio is more than the sum of its programmatic parts; that all partners engage in Nepal on the basis of best practice and learning, that partners prioritise collaboration and reflection, and the UK role models an improved, portfolio approach to development assistance.
- Coherence, collaboration, learning and adaptation across portfolio themes at BEK. Stronger portfolio impacts and greater Value for Money (VFM).
- Identifying what's not working and ensuring the dialogues help solve problems, build consensus on ways of working, and support evidence-based decision making on portfolio priorities.
- Support partners to embed portfolio co-ordination vision and approaches, mutually reinforce BEK community of practices and support portfolio level harmonisation and coherence across all partners.

What Success looks like:

Programme implementing partners understand FCDO and BEK's vision, portfolio and ways of working from an early stage. Programme partners are able and proactive in spotting gaps, risks and opportunities for cross-portfolio collaboration leading to increased organic engagement outside of the

Roundtable. Programme partners contribute effectively to and provide learning across the portfolio and take on an adaptive management approach, reflecting changes in context and opportunities.

Requirements:

The supplier is required to participate in a series of dialogues. Some of these will be thematic and externally focused, covering Civil Society Organisations (CSOs), local, provincial or federal governments representatives, with relevant implementing partners and experts, others will be partnership focused, bringing together FCDO implementing programme partners and teams. These roundtable discussions will facilitate portfolio coherence, collaboration, learning and adaptation across portfolio themes at BEK.

The supplier is required to contribute constructively, proactively and effectively to these discussions and provide learning, offer recommendations and build consensus.

The supplier is required to make reasonable endeavours to reflect learnings and recommendations from the discussions in the delivery of the Samarth contract, where these are consistent with the objectives, requirements, terms and conditions of the Samarth contract. Where the supplier identifies conflict between the learnings and recommendations from the Roundtables and the objectives, requirements, terms and conditions of the Samarth contract, they are required to raise this formally with the Samarth contract manager and resolve conflicts through normal contract management processes and remedies including, if necessary, contract amendment.

Anticipated Approximate Timeline and Time Commitment

Event	Duration/Likely Location for each event	Frequency/timing
Thematic dialogues (up to 5, though participation only required where themes are relevant)	Half Day Sterling Hall, BEK	Each 2 months from August/September
Two day thematic event	Up to 2 full days Venue TBD	Once, Mid 2025

Partnership focussed discussions (up to 8)	Up to a Half Day, Sterling Hall, BEK	August, September, October, November, January, March, May, June
Six Monthly Partnership Days (2)	Up to 1 full day Venue TBD	September 2024, March 2025

Attendance will be in person and the implementing partners are required to pay for their own travel and logistics. The expectation is that the FCDO Implementing partners will send senior programme management staff who are based in Nepal.

The supplier is required to complete a survey after each programme partners event.



Foreign, Commonwealth
& Development Office

Annex B

SCHEDULE OF PRICES





Foreign, Commonwealth
& Development Office

Annex C

Tender





Foreign, Commonwealth
& Development Office

Annex D
Clarifications

[REDACTED]

[REDACTED]