

International Growth Centre: Phase 3 Terms of Reference

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Programme Context and Rationale

1. The UK Department for International Development's (DFID's) mission is to help eradicate poverty in the world's poorest countries. Economic growth is the foundation for prosperity and the only route to achieving sustained reductions in poverty. DFID works to promote inclusive growth, ensuring that the benefits of growth and access to economic opportunities are spread broadly across society so that no one is left behind.
2. Governments in developing countries face distinctive growth challenges. The evidence base around country-specific barriers to growth is still not comprehensive and demand for evidence and policy advice to inform growth and economic transformation policies in low income countries outstrips supply. There is need for better policy advice to promote growth, and that it is responsive to demand, communicated effectively and owned by developing country policymakers. High quality, context specific research is the foundation of evidence-based policy advice.
3. DFID's Growth and Resilience Department intends to enter into a contract with a Supplier for the management and implementation of Phase 3 of the International Growth Centre (IGC) Programme. The IGC was launched in 2008 in response to

recommendations from the Growth Commission¹. The IGC aims to influence policy through high quality, independent and evidence-based policy advice to developing countries. This is delivered through the provision of: a) world-class, policy-relevant research; and b) sustained engagement with policy-makers in developing countries. The current contract (Phase 2) will end in September 2019.

4. Over the last 10 years the IGC has established itself as a credible partner to governments on growth related issues. It has commissioned approximately 1000 projects, had at least 59 peer reviewed journal publications and delivered over 500 instances of demonstrable policy impact. The IGC creates global public goods that are not only beneficial to the countries they serve but add to global debates on growth. The IGC's network of country offices has been critical to building relationships with policy makers. It currently has a network of offices in 11 countries² and is engaging with a further 6 countries.

The Recipient

5. The recipients of this service will primarily be developing country governments. The beneficiaries will ultimately be the citizens of these countries. Because of the public good characteristic of research, IGC outputs also have the potential to be used by a broad range of actors including civil society organisations, private sector, academics and students.

Scope

6. The Supplier will be responsible for the management and operation of the International Growth Centre as it enters its third phase of funding from DFID. **Any requirements specified in this document as being the responsibility of the IGC are ultimately the responsibility of the Supplier.** An operating model has already been established over the last 10 years, which will initially be the basis of IGC phase 3. The Supplier will evolve the model to ensure it is fit for purpose for diverse geographies and is able to maximize its policy impact. In addition, the Supplier will be responsible for transitioning the IGC from a purely DFID-funded project to a financially sustainable entity regarded globally for the provision of high-quality growth research and evidence-based policy advice.
7. The Supplier will be responsible for delivering against the **objectives set out in below in paragraphs 8- 19**. The Supplier will have flexibility in how it delivers against the objectives. However, at a minimum this shall include the delivery of the following three main functions – Research; the Country Programme; and the Responsive Policy Function.

¹ The Growth Report: Strategies for Sustained Growth and Inclusive Development, Commission on Growth and Development, World Bank, 2008,

² This number has fluctuated over time as country offices have opened and closed. 11 does not count India, which DFID have been gradually winding down funding for since 2016.

Objectives

8. The Supplier will be responsible for ensuring that Phase 3 of the IGC will help developing countries implement effective inclusive growth policies, to lift their citizens out of poverty. The programme will provide rigorous, policy-relevant research; and independent, demand-led policy advice directly to country governments on key priority areas identified in DFID's 2017 [Economic Development Strategy](#): economic governance; trade and productivity; cities and infrastructure; and energy.
9. Drawing on world-leading experts and institutions, the IGC will be a flagship of the UK's offer on global prosperity. It shall be recognised as a centre of knowledge on inclusive growth, influencing global debates and able to attract significant funding from sources other than DFID.
10. The intended impact of the programme is 'Improved policy environment for inclusive, sustainable growth in the countries and policy areas where the IGC has been active'. The expected outcome of the programme is 'Improvements in policies to promote inclusive growth implemented as a result of IGC research or technical advice.'

Research

11. One of the core functions of the IGC is to commission a substantive body of new research, delivered by world-class academics, demonstrated through publication in top peer-reviewed journals and citations in other works. The main objectives of the research are two-fold: i) providing the foundations of evidence-based policy advice to IGC partner governments; and ii) as a global public good, enhancing global knowledge and debate on inclusive growth.
12. Key to the success of the IGC is the link between the research and the policy advice to country governments. The results of world-class research shall be fed into policy advice; and the demand for evidence from policy-makers shall shape research, without undermining the credibility or quality of the research.
13. As well as delivering new research, the IGC will be responsible for thought leadership on the drivers of sustained growth in developing countries. This will include acting as a resource for country teams and others on all research and evidence under IGC priority themes, and synthesising and drawing out lessons from across research portfolios.

Country Programme

14. As a requirement of the IGC model, which relies on sustained in-country engagement to build strong relationships with country governments and other relevant stakeholders, the Supplier shall establish a physical network of offices across partner countries. The Country Programme is responsible for ensuring that policy makers can access the policy advice they need, and that the issues facing policy makers are reflected in research.

15. The Supplier shall ensure that country teams will have a deep understanding of both technical and political economy issues constraining economic growth and use this to guide research and policy advice. The Supplier will ensure that the country teams use all functions of the IGC to deliver relevant policy advice to partner governments, including influencing the main research function, drawing on existing research to provide policy advice directly, and making use of the responsive policy function.
16. DFID expects that the level of engagement and activity that will be undertaken in delivery of the services will vary between countries. This will be influenced by the level of need; the appetite of, and relationship with, partner country governments; and the ability of partner governments to access research and policy advice from elsewhere. The Supplier will be required to justify the value for money of each of the country programmes to the Governance Board (as defined under paragraphs 53 to 58).

Responsive Policy Function

17. This is a demand led function and will respond to partner country requests that cannot be met by either the country team or the central research hub. It will provide rapid advice to target country governments on growth policies. It will have the mandate to operate both within and outside of the geography covered by the country programme, however it shall be in line with the geographic focus described in (paragraphs 22 - 25).
18. Policy advice will draw on a) existing research combined with specific data analysis; and b) advice of experienced academics or policy practitioners. This will be delivered either through in-house expertise, or through sub-contracting relevant experts. The Supplier will be responsible for assessing which route offers best value for money, taking into consideration the expertise of available staff, the comparative advantage of the IGC, timeliness and cost.
19. The Responsive Policy Function will have the mandate to deliver policy advice that falls within the thematic scope of the overall IGC programme. Requests for advice on themes/topics outside the country strategy will be permissible, subject to agreement with the country team. This will allow for new areas of focus to emerge and for the IGC to remain flexible and responsive to changing needs of government.

Thematic Focus

20. Research and policy themes covered by the IGC's work will, at least initially, align with the areas identified in DFID's 2017 [Economic Development Strategy](#). At the highest level this shall link to the vision set out in the strategy: "Our vision seeks ***to transform economies and ensure that growth delivers for everyone***". This will be delivered through a focus on the following themes:

- **Economic Governance:** increasing capabilities and effectiveness of governments to deliver higher rates of economic growth.
- **Trade and productivity:** increasing productivity to compete internationally
- **Cities and Infrastructure:** bringing customers closer to suppliers, employees closer to employers and clustering firms together to form new industries.
- **Energy:** enhancing connectivity to reliable, cost-efficient energy.

These themes are similar to the themes under IGC phase 2³. Further details on the existing themes is available on the research page of the IGC website: <https://www.theigc.org/research-themes/>.

21. There is no requirement for all thematic areas to be covered in each country. Research and policy themes shall be appropriate to each country context and responsive to Government demand, as well as the supply of research and policy advice from other stakeholders. A methodology for prioritising research based on themes outlined, as well the overarching vision of growth delivering for everyone, will be agreed by DFID with subsequent changes agreed by the Governance Board. If the Supplier wishes to change, or add to, the research themes, these must be approved by the Governance Board (as defined in paragraphs 53 - 58).

Geographic Focus

22. The following categories of countries will be eligible for DFID funding via the IGC in phase 3:

- **Least Developed Countries (LDCs) and Low-Income Countries (LICs):** Responding to demand where support is most needed to reduce poverty and increase prosperity.
- **Fragile and conflict affected states** (see below for further information under Appendix C)
- **DFID-priority Lower Middle-Income Countries (LMICs) and Middle-Income Countries (MICs):** Supporting these countries to accelerate economic transformation and ensure no one is left behind through inclusive growth.

A current list of DFID focus countries is at Appendix B. It should be noted that this may change over the life of the contract. DFID shall notify the supplier if any countries are added to or removed from this list.

23. The Supplier will also have the mandate to work in **Middle Income Countries (MICs) and LMICs that are not DFID-priority countries**. DFID will not finance work in these countries. However, as part of a transition to financial sustainability it is likely to be necessary to work in a broader geographic area than that prioritised by DFID. The Supplier will be required to obtain funding from sources external to DFID in order to work in non-DFID priority countries.

³ The themes under IGC Phase 2 are: firms, state, cities, energy.

24. It is expected that the Supplier will start the inception phase for IGC Phase 3 with the current (i.e. phase 2) IGC country footprint. During the inception phase, the Supplier shall undertake a review of the existing country footprint and make recommendations to DFID on if/how this shall change. The country footprint shall be reviewed regularly to ensure it remains relevant. Any changes to the country footprint during the implementation phase will be agreed by the Governance Board. In the case of a change in the political or economic context in any IGC country, the Governance Board will have the ability to hold an exceptional meeting to discuss the appropriateness of the IGC's engagement.
25. The current geographic focus of the IGC is summarised in the table below. Where countries are listed as "country programmes" the IGC has a physical presence in country. Where countries are listed under "flexible engagements" there is no permanent physical presence in country and work is undertaken remotely and/or with visits to the country. Further details are available on the countries page of the IGC website: <https://www.theigc.org/countries/>

Table 1: IGC Phase 2 Country Footprint

| Country Programmes | Flexible engagements |
|--------------------|----------------------|
| Bangladesh | Afghanistan |
| Burma | Jordan |
| Ethiopia | Lebanon |
| Ghana | Liberia |
| India* | Somaliland |
| Mozambique | South Sudan |
| Pakistan | |
| Rwanda | |
| Sierra Leone | |
| Tanzania | |
| Uganda | |
| Zambia | |

**DFID no longer provides funding for new projects in India therefore it will not be in scope for DFID funding under IGC phase 3.*

Fragile and Conflict Affected States

26. Based on current projections, fragile and conflict affected states would come to comprise nearly 80% of global poverty by 2030. As such, DFID has committed to spend at least half its budget in fragile and conflict affected states and regions every year of this parliament. A list of states considered by DFID to be fragile and conflict affected is included at Appendix C. Inclusive economic development is one of five building blocks identified in DFID's building stability framework. The IGC will be uniquely positioned to contribute to this agenda, using long term country engagement and world class research to influence priority economic growth policy areas.

27. Fragility calls for distinctive policy approaches and therefore working in fragile and conflict affected states may require a different way of working. This will differ by context, but factors to be considered include security concerns limiting the ability to operate from a physical perspective, difficulty in attracting researchers to work in difficult environments, lack of data availability, or difficulty engaging with policy makers on economic policy issues. The IGC's operating model in fragile states shall have the flexibility to respond to issues related to fragility and have a model of engagement that can test if the political environment is conducive to IGC research and policy advice.
28. The Supplier will be responsible for identifying and prioritising work areas in each country. However, based on experience of phases 1 and 2 we expect the scope in fragile and conflict affected states to be narrower. The process for agreeing the strategic focus in fragile states will be the same as for all geographies, as set out in paragraph 21, however there may be additional scrutiny and consultation related to operational and risk considerations.

Requirements

29. The Supplier is (subject to DFID approval of any variations or exclusions proposed by the Supplier from time to time) responsible for the following (activities to be undertaken will include but are not limited to those set out below):

Inception Phase (6 months or such lessor period as DFID and the Supplier may agree)

The below shall be delivered by the Supplier during or by the end of the 6-month Inception phase:

- Maintain operations of the 11 country offices from IGC phase 2.
- Conduct a review of the country programme (in line with the methodology proposed during the bid process), making recommendations on future country footprint and associated country strategies. This will build on country strategy notes where they exist from phase 2, but may include a wider or narrower range of countries.
- Produce a draft paper for each of the themes set out above setting out the state of the evidence in each area, and identifying focus areas for future research. This shall be kept up to date during the implementation phase.
- Refine the detailed budgets and work plans for year 1 and 2 of the programme
- Refine the approach to monitoring, evaluation and learning proposed at the tender stage.
- Develop a knowledge management and communications strategy.
- Develop a development impact strategy to reflect how gender and social inclusion is reflected in programme processes e.g. commissioning, and Monitoring Evaluation and Learning (MEL).
- Produce a draft work plan for the Responsive Policy Function, based on the findings from the country review. As this is a demand-led facility it is

acknowledged that work plans are likely to change significantly from the draft developed during inception.

- Develop an operations manual which clearly sets out how the regular operations of the IGC will function. This shall include but not be limited to: reporting and meeting schedules, risk management processes, processes for commissioning research, processes for identifying and contracting experts under the Responsive Policy Function.
- Develop a programme Risk Register.

Implementation Phase (from the end of the Inception Phase until Month 84)

30. Management and operation of a global research programme:

- Deliver a commissioning function which can efficiently source, select and competitively award funding to world class research.
- Commission world class research on priority growth policy constraints and opportunities, considering individual country and global priorities and the existing evidence base.
- Retain flexibility to directly commission a small amount of research, and extend research awards, where appropriate. The criteria for this shall be agreed with DFID during inception.
- Ensure that the IGC country office network can benefit from cutting edge evidence and research through targeted dissemination and communication of evidence in appropriate formats.
- Summarise evidence papers and disseminate in a targeted way to relevant research and policy networks
- Collate and synthesise specific country/regional and sector analytical outputs suitable for dissemination
- Demonstrate attribution to growth policy design, implementation and outcomes in developing countries
- Provide thought leadership on growth related issues to the broader IGC programme and in global debates.

31. Fully staffing, management and operation of a network of country offices able to deliver locally grounded, globally informed research and policy advice. Including but not limited to:

- Develop and maintain strong relationships with key host country policymakers and officials as a priority, to both identify research priorities and to influence with outputs from global research.
- Ensure country strategies are kept up to date to ensure that the IGC's research and policy advice is relevant to countries' growth policy needs and can deliver growth policy impact. This shall be based on rigorous gap analysis on strategic growth-related issues at a macro, institutional, sectoral and microeconomic level, and grounded in a sound understanding of the political economy.
- Effectively deliver policy advice to country governments, using all the functions of the IGC. This will include working with researchers to ensure their research is context specific and addresses the need in country; commissioning country specific research based on discussions with host country governments

and other relevant stakeholders; adapting and effectively communicating relevant IGC research to the local country context.

32. Management and operation of a Responsive Policy Function:

Provide timely advice on government policies and/or the wider operating environment, based on the specific requirements/terms of reference set out by the IGC country office or partner government requesting support. The responsive policy function will:

- Operate in a flexible and responsive way, responding to requests for support on growth related issues from partner country governments.
- Deliver policy advice and implementation support for a period of up to 18 months. Support beyond this duration will be considered on a case by case basis and approved by DFID or the Governance Board.
- Develop a 6-monthly work plan, which will be approved by the Governance Board. A process for responding to requests outside of the 6-monthly cycle will be agreed by the Governance Board at the end of the inception phase.
- Co-ordinate closely with IGC country and research functions and make use of existing IGC research as relevant
- Reflect key conclusions and lessons learnt into wider IGC country-level diagnostics and central strategic work.
- Identify entry points for deeper support and/or other donor programming.
- Have the ability to provide surge support to IGC country programmes at times of high demand, for example, following a change in government or major policy shift.

33. Ensure IGC is able to influence global debates on inclusive growth:

- Work with each of the programme components to identify where research and policy analysis outputs can be communicated and/or disseminated in a way that maximises the likelihood that outputs are used by policy makers globally.
- Ensure that individual pieces of research and policy advice produced by the IGC add up to more than the sum of their parts, positioning the IGC as a thought leader influencing global debates.

34. Fully staffing and operating the core administration functions of the IGC, including but not limited to:

- **Financial management:** Responsibly manage all finances of the IGC, including research and the country programme. The Supplier will verify, authorise and disburse all financial requests from downstream suppliers and staff, in line with agreed budget allocations and timelines. The Supplier will maintain accurate financial records and provide audited accounts annually to DFID.
- **Monitoring, evaluation and learning:** The Supplier will be responsible for monitoring all IGC activities. Core monitoring activities will be based around the DFID IGC Phase 3 log frame (draft log frame attached at Appendix F) and further refined during Inception phase. This will be used by DFID to monitor

programme performance. The Supplier will be required evidence performance against the logical framework indicators.

The approach to monitoring, evaluation and learning (“MEL”) will be agreed with DFID following the inception phase but shall be adapted to remain relevant and to account for any innovations in this area. MEL shall include mechanisms to capture beneficiary feedback. Where possible/applicable, reporting shall also capture the impact of its intervention on different groups, including women, people with disabilities, and the poorest.

- **Risk management:** The Supplier will have an effective process in place to manage risk across all programme function and geographies. This will feed into DFID’s risk management process and have clear escalation processes in place.
- **Secretariat Functions for the Governance Board:** The Supplier will act as secretariat for the Governance Board. This will include being first point of contact for all board members, handling meeting logistics, preparing and circulating papers in advance, taking minutes.
- **Transitioning the IGC to a financially sustainable entity:** Implement the financial sustainability plan agree at inception phase. Preparation for raising funds from other donors shall begin as soon as is feasible following contract signature in order to ensure funds are secured for the second year of operation. Details of the scale of fund-raising required are presented in paragraphs 39 and 40

Reporting

35. Reporting requirements will be finalised during inception phase, but it is planned that the Supplier will report to DFID as follows:

- **An annual report** at the end of each 12-month period, timed to inform DFID’s annual review process. This shall clearly set out progress over the 12-month period, in a way that is easily relatable to the DFID log frame. It shall include a summary of progress by country and a commentary on how the political and economic context may have affected this, and a summary of the progress of the research programme. Key risks and their mitigating actions shall be discussed. A breakdown of financial spend over the period shall also be included.
- **A 6-monthly progress report**, summarising progress made during the period against the agreed work plan, including details of resources deployed. As with the annual report, this shall include any relevant updates on risk and a financial overview.
- **Quarterly reports**, to be delivered in the two quarters between the annual report and the 6-monthly report. These shall be light touch relative to the annual and 6-monthly reports. They shall ideally be in PowerPoint format and

presented to DFID during a quarterly meeting. This report shall focus on key highlights from the preceding quarter, risk updates, and a financial overview.

Financial Reporting

36. Financial reporting requirements will also be finalised during inception phase, but it is planned that the Supplier will provide DFID with:
- Annual and monthly forecasts of expenditure
 - Detailed monthly statements of actual and accrued expenditure, at the level of individual transactions
 - For the 6-monthly and annual progress reports, expenditure shall be presented broken down by:
 - Country
 - Theme
 - Cost category (fees, projects and expenses)

Constraints and Dependencies

Independent Monitoring and Evaluation

37. DFID will contract a supplier to conduct independent monitoring and evaluation. The independent M&E supplier will work closely with, and in a complementary fashion to, the in-house monitoring, evaluation and learning (MEL) function of the IGC. In line with DFID's commitment to transparency and learning, evaluation reports produced by the independent M&E supplier shall be public documents.

Financial Sustainability

38. DFID may choose to reduce its share of funding with the aim of the IGC transitioning to long-term financial sustainability, with increased funding from sources other than funding paid or payable by DFID to the Supplier under the terms and conditions of this contract. At the end of year 4 DFID will review the IGC's financial position and its own funding levels.
39. To reflect any agreed changes to the IGC's funding the governance (and potentially legal) structures need to be designed such that the IGC is capable of receiving funding from multiple sources. As other sources of funding materialise, DFID will reduce their control of IGC operations in line with the proportion of funding. As this happens, the Governance Board may transition to include other funders.

IGC Brand Ownership

40. DFID's intention (without this being contractually binding on the Supplier) is that by the end of phase 3 the IGC shall be in receipt of funding from multiple sources; will be governed by a Governance Board representative of its stakeholders and/or shareholders; and will own 100% of the IGC brand name and IGC Project Specific IPRs. DFID and the Supplier will agree a plan for transferring ownership of the IGC brand name at the review point at the end of year four (provided the

Supplier has at that review point attracted at least 51% funding from sources other than funding paid or payable by DFID to the Supplier under the terms and conditions of this contract, or otherwise whenever, during the term of the contract, the Supplier attracts such funding, at the point when this funding threshold is met by the Supplier). As part of this agreement, DFID will seek assurances about the longer-term financial sustainability of the IGC. **This is therefore the last time DFID will procure a supplier to run the IGC.** Beyond Phase 3, DFID funding for the IGC will be dependent on the performance of the IGC, and its legal structure.

Programme budget and Payment Model

41. The total financial limit of the contract for the initial term is a maximum of £56 million. This includes all salaries, fees and expenses across all programme functions, as well as research funding that will be allocated through the research commissioning process. Management costs shall be minimised, whilst ensuring that there is sufficient resource to support effective delivery of the programme.
42. The Supplier shall maintain the budget based on their proposed operating model as follows:
 - At least 20% of total funds to be allocated to the research “fund” i.e. that which will be competitively awarded
 - Approximately 10% of total funds, over the life of the contract, to be allocated to the Responsive Policy Function
43. The budget ceilings for each function are flexible. Within the total financial limit, budgets can be moved between budget lines with the approval of the Governance Board. The parameters for such virement of funds between budget lines in this way will be agreed during the Inception period
44. Payments will be made quarterly in arrears, based on actual expenditure.

Programme Timeframe, Contract Review Dates and Flexibility

45. The duration of the contract will be 7 years (inclusive of the mutually agreed inception phase) beginning on the contract start date. It is expected the new Supplier will be ready to start the operations immediately following contract award. There will be Review Points in the contract where the Supplier will require formal approval from DFID before starting work on the next stage. The Review Points will be as follows:
 - **Review Point 1 (post-inception):** Based on delivery of inception phase deliverables to sufficient quality and establishment of operations, including staffing.

- **Review Point 2 (Year 2):** 18 months after the contract start date. Based on satisfactory performance during the first 12 months of implementation phase, as assessed by DFID Annual Review.
 - **Review Point 3 (Year 4):** 48 months after the contract start date. At this point DFID will review the financial position of the IGC. If the total income is not sufficient for the programme to deliver its intended outcomes, DFID will review its funding and decide whether to terminate support with an 18-month wind-down period for responsible exit.
46. Movement from one stage to the next will be dependent on DFID's acceptance of the implementation approach within the inception period and satisfactory performance and progress of the Supplier.
47. Suppliers must maintain flexibility in approach and be able to exit from high risk environments as required and with agreement from DFID. Review point 3 is also an opportunity to consider extending the length and value of the contract to continue the delivery of the core programme requirements as detailed in these Terms of Reference. Any such time extension will be mutually agreed by DFID and the relevant Suppliers.

Scaling up and Scaling down of the contract

48. DFID reserves the right to scale back the value and scope of the contract or discontinue this programme at any point in line with the Terms and Conditions. Scaling down is at DFID's discretion. Scaling down conditions could include:
- A change in respective countries' political environment leading to withdrawal of support
 - A change in the political landscape which reduces DFID's ability to deliver programme funds
 - A change in the security conditions which restrict operations in one or more areas
 - Conflict affecting the Supplier's access and ability to deliver
 - Programme budgetary constraints
 - A change in geographical, or thematic focus
49. Conversely, DFID may also scale up the value and scope of the programme – in the event additional donor funding is secured for example - should it prove to be having a strong impact and has the potential to yield better results, dependent on budget and ongoing effectiveness of the programme. DFID may scale up the programme by increasing the number of countries or regions to receive services, increasing the funding amount under each programme function or add funding for new functions to support the delivery of programme requirements.
50. In such event that DFID take the decision to increase the scale of the programme during its entire term (including any extensions), the increase will be up to an additional £28 million over and above the financial limit of the original contract.

Programme Governance

51. Governance structures for the IGC will evolve as the financial, and potentially institutional, set-up of the programme changes over the seven years of the contract. For the year(s) of IGC phase 3 funded exclusively by DFID, the Supplier will be accountable to DFID. Once other funders join, the IGC will be accountable to its funding membership. The transition from accountability to a single donor to accountability to multiple donors will need to account for individual donors and therefore the process will retain flexibility.

Role of IGC Governance Board

52. The IGC Governance Board will be responsible for providing strategic direction for the overall programme and will be the key decision-making authority for major programme decisions.
53. The Governance Board will initially be convened by DFID and chaired by the Head of DFID's Growth and Resilience Department. It will have representation from IGC senior leadership and, potentially, independent external experts. The final constitution of the Board, and its Terms of Reference, will be confirmed by DFID by the end of the inception period. It will convene every 6 months, with the first meeting at the end of the inception period to approve the move from inception to full programme implementation.
54. As the IGC moves towards a financially viable entity, the Governance Board will transition to a multi-donor board, with DFID becoming a board member and the Supplier providing a secretariat function. The constitution, Chair and Terms of Reference of the board would be agreed with other donors/board members at that point.
55. The Governance Board will be responsible for approving:
- At the end of inception phase:**
- Country focus and associated strategies
 - The Responsive Policy Function's draft strategic work plan
 - Methodology for prioritising research
 - Draft papers on the themes identifying focus areas for future research

Throughout implementation:

- Country Strategies
- Research strategies
- Any changes to themes or geographies
- Significant decisions that are above the tolerance of the DFID Senior Responsible Owner
- Country and thematic focus (reviewed every two years)
- Annual budgets. The Governance Board will have the mandate to reallocate funding between components.

- Overall strategy of the Responsive Policy Function
56. The Governance Board will not:
- Play a role in approving individual projects/research apart from exceptional cases where the level of risk merits it
 - Influence the content of research or policy advice
 - Approve routine staff appointments
 - Approve detailed budgets for individual projects or components
57. The overall IGC programme governance structures will be finalised during inception to take account of the management and leadership structures of the Supplier. However, the role of the Governance Board will not change.

Contract Management

58. DFID will contract one Supplier (or lead consortium or joint venture), who will be responsible for delivering the full services as described in this Terms of Reference. The Supplier will report to DFID Senior Responsible Owner (SRO) in the UK. The Supplier shall appoint a senior representative with whom any contract management issues may be escalated.
59. DFID's Growth Team in the UK-based Growth and Resilience Department will be the point of contact responsible for overseeing the programme, monitoring risk and ensuring output delivery. DFID's Growth Research Team will oversee the research element of the programme. The Supplier shall also engage regularly with DFID staff in country to ensure coherence and complementarity of the portfolio. DFID will ensure that sufficient human resources are provided to effectively oversee programme delivery.
60. Meeting cadence will be agreed between the Supplier and DFID during inception phase, as part of the operations manual development. Expectations are that the Supplier and DFID will meet monthly to discuss key programme management issues, including finance. There will also be quarterly meetings to discuss the quarterly, 6-monthly and annual reports. More regular, working-level meetings are also likely to be required including weekly check-ins with the DFID SRO on priority issues and monthly updates from the country programme.

Other Contractual Requirements

General Data Protection Regulations (GDPR)

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

Digital Policy

62. All digital⁴ content produced by the Supplier is subject to UK government digital principles as set out by the Government Digital Service (GDS). All digital developments should:

- Put the needs of users first
- Learn from and improve these services over time
- Be freely available for other UK government programmes to use. For more information see <https://www.gov.uk/designprinciples>

63. The Supplier shall consider the use of digital elements to maximise value for money while ensuring the programme remains inclusive and fully accessible. Any proposed digital elements will require approval from DFID.

Transparency

64. DFID requires the Supplier, to release open data on how this money is spent, in a common, standard, re-usable format and to require this level of information from immediate sub-contractors, sub-agencies and partners. It is a contractual requirement for all suppliers to comply with this, and to ensure they have the appropriate tools to enable routine financial reporting, publishing of accurate data and providing evidence of this DFID – further information is available at: <http://www.aidtransparency.net/>

⁴ Digital is defined as any service provided through the internet to citizens, businesses, and civil society or non-government organisations. This includes, but is not limited to, information services, websites and transactional services. This includes services provided by others but funded by the UK government.

Background

65. The International Growth Centre was initiated by DFID in 2008 and the contract to operate it was awarded to a consortium led by the London School of Economics and Political Science (LSE) and the University of Oxford.
66. The IGC has evolved significantly since its inception in 2008. The number of themes has narrowed from ten⁵ to four⁶. The country footprint has changed as offices have closed (Liberia, South Sudan, and a stop to DFID funding of the India programme) and engagements have begun in others. The operating model has also evolved, with the introduction of the “small projects facility” to be able to respond more flexibly to demands from policy makers and the use of “flexible engagements” to work in countries where there is no country office⁷; often in fragile and conflict affected states.
67. There is a significant amount of publicly available information on the IGC:
- It’s website www.igc.org contains up to date information on research themes, country programmes, case studies on impact, as well as a database of all publications.
 - DFID’s [development tracker](#) website contains programme documents from phase 2 of the IGC. Where documents are missing, these will be available via the procurement portal.
68. Reports from the evaluation of IGC phases 1 and 2 have also been made available via the procurement portal.

Current Structure of IGC

69. The IGC is currently structured around 4 pillars:
- The “Hub”
 - The Research Programme
 - The Country Programme
 - Communications
- There is no requirement for IGC phase 3 to be structured in the same way and this information is for background only.

The Hub

⁵ Agriculture; climate change, environment and natural resources; finance; firm capabilities; governance, accountability and political economy; human capital; infrastructure and urbanisation; macroeconomics; states capabilities; and trade.

⁶ State capability; firms; cities; and energy.

⁷ “Flexible engagements” have been/are used in: Afghanistan, Jordan, Kenya, Lebanon, Liberia, Somaliland and South Sudan

70. Based in London the hub is responsible for the administration and management of the IGC. All hub staff are employees working on the IGC.. The main activities of the hub are:

- Contract administration
- Financial management
- Human resource management
- Programme management
- Monitoring, evaluation and learning

The hub also contains policy economists who have a geographical focus and provide additional analytical capacity to the country programme.

The Research Programme

71. The Research Programme is responsible for the delivery of frontier research, organised around the four themes of IGC Phase 2: State, firms, cities and energy. Each theme is led by Research Programme Directors (these are listed on the [research pages](#) of the IGC website).

72. The core activity under the Research Programme is the commissioning and oversight of research. Phase 2 of the IGC competitively awards research an open call for proposals. Further details on the open calls is available on the [IGC website](#).

The Country Programme

73. The IGC currently has offices operating in 12 countries (see table 1). Country teams are responsible for engaging with policy makers, ensuring that policy needs are reflected in research, and that research has policy impact in country.

74. Country offices vary in size, but in general each country office comprises a country director, responsible for the leadership of the country office and building and maintaining relationships with policy makers; country economists ; and office administration . There is also one or more ‘Lead Academics’ for each country who also have a role in building and managing relationships, as well as convening researchers on pertinent issues in the respective countries..

Communications

75. The communications pillar works as part of the hub structure, but under IGC Phase 2 was reported against as a standalone output in the DFID log frame. Staff working on communications, as part of the hub, are eligible for TUPE.

76. The communications team work across the IGC programme, ensuring that research and lessons for policy are communicated to a broad audience.

Small Projects Facility (SPF) and its relationship to the Responsive Policy Function

77. Phase two of the IGC included a “Small Projects Facility” in order for the programme to be better equipped to respond quickly to requests from policy

makers and to allow flexibility in piloting projects or extending them to achieve greater impact. Launched in October 2014, the SPF enabled the IGC to launch projects of a short duration requiring a modest budget. It should be noted that the SPF reflects how work was commissioned, rather than what was commissioned. It was used for both policy-focussed work and research, as well as scoping visits and events.

78. The Responsive Policy Function is not a direct replacement of the SPF. It will be specifically focused on policy and in that sense will replace the policy aspects of the SPF. However, it shall not be used for activities that are not specifically policy focused. Flexibility shall be built into other budgets where the SPF was previously used to provide this e.g. pilot research projects. The table below more explicitly addresses the type of activity previously funded via the SPF that DFID expects would be funded via the Responsive Policy Function.

| SPF Type | % Total # of SPFs | Would this be funded by the Responsive Policy Function? |
|--|-------------------|--|
| Self-contained research projects/pilots | 37% | Potentially, if strong links to policy. In general, research shall be funded from the research budget (or equivalent). Research budget shall have flexibility to fund pilots. |
| Responsive policy analysis | 20% | Yes. |
| Scoping visits | 12.5% | No. Allowances shall be made in other budget lines for scoping visits. |
| Synthesis of existing knowledge | 10% | Only in cases where this is responding to a specific request from a policy maker. Otherwise this shall be funded from the appropriate budget. |
| Extension of existing projects | 7% | Extensions of projects shall be funded from the budget they were originally funded from. |
| Dissemination of IGC research | 1.5% | No, unless it is responding to a specific, request e.g. a workshop for policy makers. Dissemination of research shall be funded from the appropriate budget (e.g. country, research, comms etc.) |
| Allow IGC participation in external events | 1.5% | No. This shall be funded from the appropriate budget (country, research, comms etc.) |
| Capacity building | 2.2% | Yes |
| Other | 1.5% | |

Case Study: IGC's support to the Ethiopian Investment Commission

Building on the Ethiopia Enterprise Map Project the IGC developed a strong working relationship with the Ethiopia Investment Commission (EIC). The academic who lead the work on the Enterprise Map regularly engaged with senior policy makers on policies related to foreign direct investment, as well as on the detailed operations of the EIC. One aspect of this was the relationship building programme, which focused on the EIC's systems and processes for dealing with investors' issues.

The support to the EIC was initially funded from the core IGC budget. However, the continued implementation of the relationship-building programme was funded bilaterally from DFID Ethiopia as it was too large for the SPF and outside the scope of the research programme. This ongoing policy implementation support, with direct involvement and support from and IGC expert (principle investigator) could be funded from the Responsive Policy Function. If implementation is fully handed over to another party (e.g. the recipient agency, or another donor to scale up an intervention) and the IGC expert ceases to be directly involved, this shall no longer be funded from the Responsive Policy Function.

Duty of Care

Date of Duty of Care Assessment: November 2018

| Country | Overall Security | Civil Disorder | Violence/ Crime | Terrorism |
|--------------|------------------|----------------|-----------------|-----------|
| Bangladesh | 4 | 3 | 3 | 4 |
| Burma | 2 | 2 | 2 | 2 |
| Ghana | 3 | 3 | 3 | 1 |
| Mozambique | 3 | 3 | 3 | 2 |
| Pakistan | 5 | 2 | 3 | 5 |
| Rwanda | 2 | 2 | 2 | 2 |
| Sierra Leone | 3 | 3 | 3 | 2 |
| Tanzania | 4 | 4 | 4 | 3 |
| Uganda | 3 | 3 | 3 | 3 |
| Zambia | 3 | 3 | 3 | 1 |

| | | | | |
|--------------------|---------------|---------------|----------------|---------------------|
| 1 Very Low Risk | 2 Low Risk | 3 Med Risk | 4 High Risk | 5 Very High Risk |
| Low | | Medium | High Risk | |

Appendices

Appendix A: of Contract Section 3 (Terms of Reference) Schedule of Processing, Personal Data and Data Subjects

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

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

| Description | Details |
|--|---|
| Identity of the Controller and Processor for each Category of Data Subject | <p>The Parties acknowledge that for the purposes of the Data Protection Legislation, the following status will apply to personal data under this contract:</p> <p>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 necessary for the administration and/or fulfilment of this contract</p> |

Appendix B: List of DFID Priority Countries

For further details on where DFID works, please see both the 'Where We Work' [webpage](#) or [devtracker](#)

COUNTRY OFFICES

| Country | Classification ⁸ |
|----------------------------------|-----------------------------|
| Afghanistan | LIC, LDC |
| Bangladesh | LMIC, LDC |
| Burma | LMIC, LDC |
| Democratic Republic of Congo | LIC, LDC |
| Ethiopia | LIC, LDC |
| Ghana | LMIC |
| Indonesia | LMIC |
| Iraq | MIC |
| Jordan | MIC |
| Kenya | LMIC |
| Kyrgyzstan | LMIC |
| Lebanon | MIC |
| Liberia | LIC, LDC |
| Malawi | LIC, LDC |
| Mozambique | LIC, LDC |
| Nepal | LIC, LDC |
| Nigeria | LMIC |
| Occupied Palestinian Territories | LMIC |
| Pakistan | LMIC |
| Rwanda | LIC, LDC |
| Sierra Leone | LIC, LDC |
| Somalia | LIC, LDC |
| South Sudan | LIC, LDC |
| Sudan | LMIC, LDC |
| Syria | LMIC |
| Tajikistan | MIC |
| Tanzania | LIC, LDC |
| Turkey | MIC |
| Uganda | LIC, LDC |
| Yemen | LIC, LDC |
| Zambia | LMIC, LDC |
| Zimbabwe | LIC, LDC |

| REGIONAL DEPARTMENTS | DEVELOPMENT PARTNERSHIPS |
|----------------------|--------------------------|
| Africa Regional | China |

⁸ Low-income country (LIC), lower-middle income country (LMIC), middle-income country (MIC). Least-developed countries (LDCs).

| | |
|------------------------------|--------------|
| Caribbean | India |
| Middle East and North Africa | South Africa |
| Overseas Territories | |
| Sahel | |

Appendix C: Full list of Fragile States and Regions – Updated Feb 2017

| High Fragility | Moderate Fragility | Low Fragility | Neighbouring 'high fragility' states | Regions |
|--------------------------|---------------------------|----------------------|---|-----------------|
| Afghanistan | Azerbaijan | Algeria (^) | Belarus (v) | Middle East |
| Burma | Cameroon (^) | Angola (v) | Benin (^) | North of Sahara |
| Burundi | Congo, Rep. (^) | Bangladesh (v) | Colombia (v) | South of Sahara |
| Central African Republic | Egypt, Arab Rep. | Comoros (^) | Guyana (^) | |
| Chad | Guinea | Djibouti | Jordan | |
| Congo, Dem. Rep. | Guinea-Bissau | Ethiopia (v) | Laos | |
| Eritrea | Haiti | Gambia (^) | Moldova (^) | |
| Iraq | Iran, Islamic Rep. (v) | Honduras | Rwanda | |
| Korea, Dem. Rep. | Lebanon | Kenya (v) | Tanzania | |
| Libya | Mauritania (^) | Kyrgyz Republic (v) | Thailand | |
| Pakistan | Tajikistan | Liberia | Tunisia | |
| Nigeria (^) | Turkmenistan | Madagascar | Turkey | |
| Somalia | Uzbekistan | Mali (v) | Uganda | |
| South Sudan | Zimbabwe | Nepal | Zambia | |
| Sudan | | Niger | | |
| Syrian Arab Republic | | OPTs* (v) | | |
| Ukraine (^^) | | | | |
| Venezuela (^) | | | | |
| Yemen, Rep. | | | | |