

Section 3 -General Economic Development Framework (GEDF) Terms of Reference

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Terms of Reference for the General Economic Development Framework Agreement

About DFID

1. In September 2015 the world adopted a new set of Global Goals for sustainable development. Economic development is central to these Goals – whether in terms of economic growth, job creation, energy, cities, industry and infrastructure or the relevance of economic development to achieving the full range of Global Goals.
2. The UK Aid Strategy underlines the UK's commitment to economic development and how it is squarely in our national interest. Economic development strengthens UK trade and investment opportunities. Economic development is an engine for achieving results across the breadth of the UK Aid Strategy and for delivering vital services such as health and education.
3. DFID's mission is to end extreme poverty, leading the delivery of the global goals. Our focus is on poor and fragile states, making the international system work better for the poor, improving access to, and quality of, basic services, supporting sustainable economic development and prosperity, building resilience to crises and responding effectively when they occur, supporting peace, security and improved governance, and unlocking the potential of girls and women.
4. As an organisation DFID invests in a diverse and capable workforce, valuing and developing all staff. We invest in our partnerships, using evidence and learning to work on development challenges with others, innovating and changing in response to what works.
5. DFID wishes to work with Framework participants who are committed to ensuring that the best technical development expertise is quickly and efficiently accessible to DFID staff and to colleagues across the UK Government. The aim is to ensure that the UK development programme is at the forefront of international development capability.

Introduction

6. DFID's economic development priority is to promote growth which creates more productive jobs and secures opportunities and benefits and across society, including for women and girls and young people. DFID will:
 - Step up in particular sectors such as energy, infrastructure, cities and commercial agriculture whilst supporting manufacturing and services, trade and exports
 - Focus on catalysing private investment by using innovative financing approaches such as Development Capital.
 - Build and adapt our partnerships – notably with partner governments, other parts of the UK government, multilaterals and the private sector.
7. Across this work, we will improve the ability of the poorest and most marginalised to benefit from and contribute to economic development and help ensure that no one is left behind.

UK Aid's strategic objectives

- Strengthening global peace, security and governance
- Strengthening resilience and response to crises
- Promoting global prosperity

- Tackling extreme poverty and helping the world's most vulnerable

8. DFID's Economic Development Strategy emphasises:

- **Jobs through Economic transformation:** Creating large numbers of jobs for women and men that generate rising economic returns and improving working conditions. This entails moving into higher productivity sectors and boosting productivity within existing sectors.
- **Inclusive growth and improving opportunities for the poorest:** Ensuring that the benefits of growth and access to economic opportunities are spread broadly across society and helping ensure that no one is left behind.
- **Governance and politics:** Economic development is shaped by the distribution of power and resources and by a society's informal social rules and not just formal laws and policies. It is disruptive and creates new winners and losers. It involves difficult trade-offs between priorities and requires lasting vision and commitment. Our approach is tuned to the challenges of politics, vested interests and building state capability.
- **Climate, natural resources and environment:** Our approach promotes economic development that is sustainable and climate smart; that builds resilience to shocks; and that incorporates climate and environment-related challenges in the long-term interests of the country.

9. Economic development cannot advance far without confronting governance, peace and security challenges. It also needs to be sustainable and to build resilient economies – particularly in the face of climate change. DFID is:

- Helping to improve governance, tackle corruption and address political barriers to growth
- Working in fragile states and protracted crises to support economic development, increase stability and develop employment opportunities
- Advancing climate-smart growth to strengthen against shocks and climate change and promoting sustainable management of natural resources

Our economic development work therefore **reinforces all four objectives of the UK Aid Strategy**.

10. A key principle of DFID's approach to economic development is to do more with, and for, private enterprise, extending this work into new areas, and doing it better. This complements our work with governments to provide an environment that facilitates good investment and trade decisions by businesses of all sizes and product types. This approach will deliver results: better job opportunities and incomes; more readily available and affordable finance for households and small businesses; and more accessible, better quality healthcare, schooling and basic services.

11. DFID will support interventions with the potential to transform the business environment; reducing barriers, costs and risks of doing business, expanding markets and trade, boosting energy availability, and strengthening transport and communications. At the same time, DFID will strive to increase the level of business activity by stimulating private investment through a revitalised CDC and innovative new financial instruments. DFID will work to ensure investments and responsible, and support programmes on land rights and tenure. DFID is committed to the delivery of better and more affordable basic services, including financial services to the poor through private sector mechanisms.

12. DFID's absolute commitment to economic development and poverty reduction includes embracing diversity, empowering girls and women, fighting and coping with climate change, helping recovery from conflict and natural disasters, greater transparency and more use of evidence and independent evaluation.
13. These terms of reference cover the supply of selected economic development services for components of DFID bilateral programmes to be contracted out for delivery by non-state Framework Participants that may be profit or not-for-profit organisations. DFID may commission these services on its own behalf or that of a multi-donor group.
14. The GEDF along with the Specialist Economic Development Framework will replace the Wealth Creation Framework.

Recipient

15. The recipients of the services will be DFID; additionally, this service will be accessible for all evaluation and monitoring of overseas development assistance (ODA) by other government departments (OGDs). The other government departments (OGDs) are:-
 - Foreign and Commonwealth Office
 - Department for International Trade
 - Home Office
 - Department of Health
 - Department for Business, Energy and Industrial Strategy
 - Department for Environment Food and Rural Affairs
 - Department for Culture Media and Sports
 - Office for National Statistics
 - Ministry of Defence
 - HM Revenue and Customs
 - HM Treasury
 - Department for Education
 - Department for Work and Pensions
 - Department for Transport
 - Scottish Government
 - Welsh Government

This list is not exhaustive and may change through the life of this framework.

Scope

16. The Framework Agreement for Economic Development services will be a multiple Framework Participant framework designed to enable the procurement of technical assistance for components of DFID bilateral programmes.
17. The geographic scope of the Framework Agreement is global and will include the priority countries in which DFID has a bilateral programme. The Framework Agreement will focus on priority countries where DFID interventions will have a measurable impact on economic development outcomes. The Framework Agreement will be awarded to 13 Framework Participants. This Framework will be used for individual pieces of work over £5m in value.

18. This Framework Agreement will be awarded for 2 years with possible extensions in additional one-year intervals (for up to two years) as determined by DFID. Individual programmes to which call-down contracts relate will typically be 3-5 years duration, although individual call-down contracts may be for shorter periods. The Framework Agreement will be subject to an Annual Review at the end of the first and second years and any subsequent years for which the framework is extended. Framework Participants will only be granted an extension if a high quality service has been provided in the first 2 years of the Framework Agreement. If a Framework Provider provides poor quality outputs and does not meet milestones DFID will reserve the right to remove them from the framework.
19. For the avoidance of doubt, the Framework Participant's provision of the Services pursuant to this Framework Agreement or any Call-down Contract shall be on a non-exclusive basis and DFID reserve the right to contract with or employ directly any third-party contractors, consultants or employees to provide similar services at any time.
20. DFID is seeking Framework Participants that can operate in a number of DFID priority countries and who can demonstrate in competition the skills, knowledge, capability and competence to deliver DFID's strategy with demonstrable Value for Money through committing to measurable and objective deliverables.
21. Framework Participants will need to demonstrate that they have the requisite expertise to ensure that gender equality is mainstreamed into all the work they are commissioned to do. The nature of the Economic Development Framework also demands that special attention is given to women's economic empowerment.
22. In addition to specific requirements there are the following general requirements which are applicable
 - where applicable, demonstrated ability to identify, prioritise and benefit groups with particular needs or terms of exclusion in a given context such as girls and women, the poorest, marginalised groups, displaced populations and adolescents/youth;
 - technical capability, capacity and management structures to deliver development outcomes;
 - awareness of emerging technologies and ability to use them as appropriate;
 - an ability to demonstrate on-going innovation and value for money;
 - and an ability to collaborate where appropriate with other DFID projects and with other donors.

Adaptable, Flexible and Locally Led Programmes

23. In line with the latest evidence on better programme management, DFID expects all suppliers to demonstrate the capability and flexibility to adapt programmes to evolving implementation experience and to have robust monitoring, reporting and payment systems to support adaptive programming and effective risk sharing with DFID. Evidence of experience with developing different adaptation models to best suit the specific intervention and the

suppliers' demonstrated knowledge and competence in delivering effective adaptive programmes that either scale up or down or change course to respond to changing conditions will form an important part of the technical evaluation.

24. Suppliers who demonstrate an ability and commitment to work with national expertise to provide effective political economy engagement and build the capacity of local service providers to provide services within the countries in which DFID operates will have a distinct advantage in the technical assessments.

Management, Reporting and Review

25. The Framework Participant must make available appropriate management, quality control (technical reviewers, editors, proof readers, etc) replacement of expertise, secretariat and any other support staff necessary to undertake a monitoring or evaluation activity. The Framework Participant will assign a Project Director to each call down they are commissioned to undertake. The Project Director will have overall responsibility for the call down and formal contacts with the contracting authority.
26. Framework Participants will be required to report regularly on the progress of each assignment, as will be set out in the Contract awarded.
27. Framework Participants' performance will be reviewed annually against their delivery (on-time, on-scope, on budget, to quality standards and contribution to evaluation practice). These reviews will be shared with the supplier and internally within DFID. Framework Participants must attend supplier management meetings with DFID on request, either in person or by video conference, at their own cost. Historically, these meetings have taken place twice a year.

Transparency

28. DFID has transformed its approach to transparency, reshaping our own working practices and pressuring others across the world to do the same. DFID requires suppliers receiving and managing funds, to release open data on how this money is spent, in a common, standard, re-usable format and to require this level of information from immediate sub-contractors, sub-agencies and partners.
29. 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 IATI information is available from; <http://www.aidtransparency.net/>

UK Aid Branding

30. Suppliers that receive funding from DFID must adhere to the most update DFID policy on use of DFID branding.

Procurement and Contractual Requirements

31. Although it is not possible to determine in advance the precise scope of each requirement DFID will endeavour to provide reasonable notice periods for all upcoming work, and detailed Terms of Reference produced for each requirement.
32. Timetables for mini-competitions will be provided in individual call-down contract tender papers.
33. DFID wishes to work with Framework Participants who are committed to integrating climate change opportunities and mitigating risks into the content of services and products provided to DFID and also into the practices of the Framework Participants themselves. Framework Participants should demonstrate how they will seek to maximise the climate and environmental opportunities, and minimise the risks, as well as minimising their and their sub-contractors carbon footprint in the course of fulfilling any DFID call-down contract from this Framework Agreement.

Duty of Care

34. The Framework Participant 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, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.
35. DFID will share available information with the Framework Participant on security status and developments in-country where appropriate.
36. The Framework Participant is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract and ensuring that their Personnel register and receive briefing as outlined above. Travel advice is also available on the FCO website and the Framework Participant must ensure they (and their Personnel) are up to date with the latest position.
37. This Procurement may require the Framework Participant to operate in a seismically active zone and is considered at high risk of earthquakes. Minor tremors are not uncommon. Earthquakes are impossible to predict and can result in major devastation and loss of life. There are several websites focusing on earthquakes, including <http://geology.about.com/library/bl/maps/blworldindex.htm>. The Framework Participant 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 (subject to travel clearance being granted).
38. This Procurement may require the Framework Participant to operate in conflict-affected areas and parts of it are highly insecure. Travel to many zones within the region will be subject to travel clearance from the UK government in advance. The security situation is volatile and subject to change at short notice. 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 (subject to travel clearance being granted).
39. The Framework Participant 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 (such as working in dangerous, fragile and hostile environments etc.). The Framework Participant must ensure their Personnel receive the required level of training and, if required, complete a UK government approved hostile environment training course SAFE (Security Awareness in Fragile Environments). The course should be booked through DFID and factored into the commercial tender) or safety in the field training prior to deployment.

40. Tenderers must develop their SQQ Response and Tender (if Invited to Tender) on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix prepared by DFID. They must confirm in their SQQ Response 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.

41. If you are unwilling or unable to accept responsibility for Security and Duty of Care as detailed above, your SQQ will be viewed as non-compliant and excluded from further evaluation. Acceptance of responsibility must be supported with evidence of Duty of Care capability and DFID reserves the right to clarify any aspect of this evidence. In providing evidence, interested Suppliers should respond in line with the Duty of Care section in Form E of the Selection Qualification Questionnaire (SQQ).

Methods of call off

42. DFID and OGDs will endeavour to provide a pipeline of potential opportunities to suppliers. This will be published on DFID google platform prior to the official launch of the procurement by DFID or the OGD. This will provide suppliers with advance warning of upcoming requirements.

Method : Mini competition

43. Called off will be via mini competition, with all the Framework Participants awarded to the framework being given the opportunity to bid. It is envisaged that mini-competitions will have a short timescale from issue of invitation to tender to selection of preferred bidder depending on the prior notice period before the invitation. The requirements called off of from this framework will typically be above £5 million and require consortia to meet DFID requirements.

44. Stages of the tender

The procurement competition for the Framework will consist of three stages:

Stage 1 **Selection** following evaluation of the Selection Qualification Questionnaire (SQQ) from organisations interested in being members of the Framework Agreement.

Stage 2 **Award** of Framework Agreement. Selected Framework Participants will be invited to provide evidence of their ability to

deliver high quality personnel and services in the areas listed, including the ability to do so in fragile and/or conflict-affected states. All bids will be evaluated by an independent assessment panel using the weighted evaluation criteria found in the Invitation To Tender (ITT) documentation.

Stage 3 **Further mini-competitions.** All relevant Framework Participants will be invited to bid for the Call-down Contracts for individual requirements.

45. **Timeframe**

The Framework Agreement will initially be for a period of 2 years with the option of a further extension of up to 2 years. The Framework will be reviewed after one year to ensure that it is meeting the evolving needs of DFID and OGDs.

Framework Requirements

This framework requires suppliers to demonstrate a wide range of expertise including specifically on:

- A. Economic Policy and Economic Growth Issues
- B. Inclusion in Economic Development
- C. Private Sector Development.
- D. Investment Climate Reform

A. Economic Policy and Economic Growth Issues

A stable economy with low and predictable interest rates, a stable exchange rate, predictable and broadly accepted taxation and spending and openness to trade and investment are good for economic development. Badly designed or implemented economic policy can hinder the investment, trade, and productivity gains that lead to higher wages, profits, incomes and assets. A stable macroeconomy helps businesses, households and individuals to decide how to use their resources (their time, skills, ideas, land, finance, technology, etc.). Taxation policy affects the incentives that people and firms face when making economic choices, as do regulations and the information and services that are publicly provided.

Typical requirements of the Framework Participant are likely to include:

- **Identifying economic reforms that will spark jobs-rich economic transformation with broad support and building practical collaboration to progress them:** Working with relevant ministries and agencies, civil society, academia, think tanks and Parliamentary parties and bodies, to build coalitions of support for specific changes to economic policy and management.

- **Providing expertise on labour market issues and inclusive job creation that maximizes the poverty reducing effects** of economic growth and economic transformation. This includes effective diagnosis and prioritisation for addressing labour market distortions, the design and implementation of inclusive programmes that produce better job opportunities for youth, women and marginalised groups and integrating labour mobility issues (rural to urban and international migration) into economic growth policies and strategies.
- **Evaluating and developing the evidence base:** Identifying country specific drivers and constraints to trade, growth and macro-economic stability, including political economy considerations. Growth diagnostic analysis to identify binding constraints. Economic complexity and product space analysis to identify viable paths to accelerate economic transformation. Familiarity with global evidence base on growth and methodologies for measuring outputs and outcomes including job creation and distributional impacts.
- **Developing economic reforms ‘framework’:** Developing a national ‘vision’ on the drivers of growth, the most viable pathways to economic transformation and developing high levels of national ownership for policy and process changes that encourage growth, trade and large scale higher wage and higher quality job creation. Co-ordinating the work of donors, private sector and Government into a coherent framework in support of national medium term strategies and planning frameworks for jobs-rich economic transformation .
- **Providing expertise for strategic dialogue on economic policy:** Dialogue on economic reform policy across multiple stakeholders; Line ministries, Ministries of finance, central bank, private sector and donors. Working across political parties to develop support for growth reforms, and multilateral supported initiatives (e.g. IMF and Multilateral Development Bank programmes).
- **Developing institutional capacity for economic policy development and implementation:** Technical and organisational expertise to establish or strengthen Ministries of Finance, or of Economic Planning & Development, etc., who lead on revenue generation and the allocation and control of public spending. Revenue agencies that directly collect taxes and duties from firms and individuals may be supported with technical training and organisational development. Support with establishing and strengthening public financial management systems with appropriate levels of ICT to operate across several levels of government (e.g. national/ federal, state, district); this includes building strong public procurement capacity and systems, and ability to design and contract effective Public Private Partnerships in a range of sectors. Support with the management of external and domestic debt.. The updating of methodologies and improving coverage, quality and timeliness of economic statistics and the capacity of analysts and officials to use these to inform policy-making.
- **Strengthen partner governments’ capability to deliver on their climate change commitments,** including those set out in their Nationally Determined Contributions from the Paris Agreement on Climate Change. This includes supporting the development of national and sector-specific green growth plans; the evidence base to underpin them; and the financing frameworks to put them into practice.

- **Promote a ‘climate smart’ approach across our economic development work** – including by incorporating a focus on sustainable energy and the effective economic stewardship of **natural resources and the environment**.
- Help countries, communities and individuals, especially women and girls, to **manage risk and build resilience to the impacts of climate change** – for example through new insurance and other risk-finance schemes.

B. Inclusion in Economic Development

This requires suppliers to demonstrate a wide range of expertise including specifically on:

1. Agriculture and Rural Livelihoods.
2. Improving access for the poorest, for disadvantaged groups and for women and girls to economic opportunities, assets and services.

Cross-cutting requirements across these themes will be:

- increasing the resilience of the poorest, disadvantaged groups, and women and girls to the effects of climate and environment related shocks and stresses,
- Exploring opportunities for the poorest provided by climate adaptation and mitigation approaches
- Impacts on food security and nutrition of interventions
- Ability to deliver economic inclusion interventions in fragile and conflict affected environments

i. Agriculture and Rural Livelihoods

Seventy five per cent of the poor live in rural areas, dependent on agriculture for their livelihoods. DFID engagement in rural economic, agricultural development spans many sectors especially: agricultural growth and growth corridors, agricultural adaptation and mitigation actions in relation to climate change, food and nutrition security, social protection and cash transfers, rural transport and access; land reform, promoting local supply chains, and water resources management & development.

Investing in the livelihoods of the poor will help stimulate growth and tackle levels of poverty and food insecurity. Seventy five per cent of the poor live in rural areas, dependent on agriculture for their livelihoods. **DFID’s Agriculture Policy Framework** sets out how we will take an increasingly commercial approach. Our framework has three elements:

1. Promoting pathways to commercially viable agriculture by linking smallholder farmers to markets, financing agriculture infrastructure, and boosting agribusiness.
2. Helping farmers and their families to have opportunities and jobs outside of their farms, and supporting small and medium sized businesses in rural areas to thrive.
3. Supporting subsistence farmers, without other economic opportunities, to avoid hunger and extreme poverty, helping ensure no one is left behind.

Themes and sectors that DFID works on in rural economic and agricultural development include advancing climate-smart agriculture and growth, increasing access for the poorest to secure land tenure and land reform, and improving food security through cash transfers.

The Framework Participant will be required to demonstrate capability to support DFID and its partners in the policy and programming areas above. Typical requirements of the Framework Participant are likely to include:

- Analysis and the formulation of policies and strategies for Rural Economic Development and Rural Transition, how to take a more commercial approach to Agricultural Development, livelihoods working with government at different levels, with the private sector, civil society, research organisations, and academics.
- Identification, design, commissioning and monitoring the implementation and impact of projects, programmes and policies in Rural Economic Development, Commercial Agriculture, and Livelihoods.
- Delivery/management of interventions - the management function, which may include direct delivery of single project outputs or portfolio management of a suite of interventions being delivered through other Framework Participants. This may require dialogue and influencing with government and other stakeholders, or taking on a coordination role, as well as day-to-day programme management.
- Research and evidence on the most effective ways for development partners to support rural economic development and transition, commercial agriculture, and livelihoods without distorting private markets and/or creating negative incentive structures.

Seventy five per cent of the poor live in rural areas, dependent on agriculture for their livelihoods. DFID engagement in rural economic, agricultural development spans many sectors especially: agricultural growth and growth corridors, agricultural adaptation and mitigation actions in relation to climate change, food and nutrition security, social protection and cash transfers, rural transport and access; land reform, promoting local supply chains, and water resources management & development.

Our investments must have a particular focus on women and girls, helping to make faster and more lasting progress on all these issues. DFID also expects its rural and agriculture programmes to provide nutrition benefits in addition to economic and livelihood benefits.

ii. Improving access for the poorest, for disadvantaged groups and for women and girls to economic opportunities, assets and services

The ultimate objective of our economic inclusion work is to enable the poorest to access jobs in high growth-potential sectors with improving working conditions. Some groups - including women and girls, youth, and people with disabilities - experience multiple barriers such as exclusion, violence and discrimination that prevent them from realising their economic potential. In the absence of focused efforts, such groups will continue to be overrepresented among the most disadvantaged and have limited participation in the most productive economic sectors.

Breaking down the barriers faced by specific groups requires tackling discrimination and exclusion, investments in services and infrastructure to build human capital, improve access to markets, and increase control over assets.

The Framework Participant will be required to demonstrate capability to support DFID and its partners in the policy and programming areas above. Typical requirements of the Framework Participant are likely to include:

- Expertise in identifying barriers and context-appropriate interventions to address specific needs of disadvantaged groups, women and girls or youth
- Building incentives to address discrimination that excludes the poorest and disadvantaged groups – working with governments, community organisations, civil society partners, media and research bodies to build support for change that will result in interventions having sustainable impact
- Delivery and management of interventions - the management function, which may include direct delivery of single project outputs or portfolio management of a suite of interventions being delivered through other Framework Participants.
- Monitoring and evaluation of projects, programmes and policies, including the impact of these interventions on group-specific barriers and constraints and identifying any unintended negative consequences

Areas of technical expertise that are likely to be required for Framework Participants in this theme are:

- **Addressing gender-specific barriers** to women and girls' economic participation, including access to assets, infrastructure and services
- Working to **improve opportunities for the urban poor** – including issues on security of tenure, improving the working of the informal economy
- Implementing effective interventions for the **economic inclusion of youth**
- Incorporating considerations around the **barriers faced by the poorest and by specific disadvantaged groups** into interventions and evaluation design

C. Private Sector Development

The private sector is the engine of innovation, investment and growth. Vibrant competitive markets populated by dynamic private companies offer the most effective way to create wealth, jobs and prosperity for all on a sustained basis. The key factors in ensuring market systems work effectively are sound macro-economic management, openness to trade, access to finance services, stable political systems that offer safety, security and protection of property rights, (including land rights and tenure), and laws and regulations that are efficiently implemented, and encourage domestic and foreign investment. Market systems development approaches aim to improve markets so that they function more efficiently, effectively and sustainably, often with a focus on improving outcomes for poor men and women. Sometimes referred to as 'making markets for the poor' or M4P.¹

¹ <https://beamexchange.org/guidance/m4p-operational-guide/>

Framework participants must demonstrate the capability to

- Build understanding of local business culture and strategies, including exercising political influence.
- Identify and advise on potential interventions to improve firm and sector competitiveness in local, regional and global markets.
- Identifying mechanisms to assess and better match the demand and supply of labour.
- Assess how businesses and poor people can benefit from improved markets including through investment, jobs, incomes, access to goods and services such as training.
- Apply market systems development approaches and frameworks to a range of markets/sectors at country, regional or global levels.
- Apply core concepts for market systems development such as sustainability, facilitative approaches, 'systemic change', and 'crowding in'.
- Design and manage market systems development programmes using 'flexible and adaptable' approaches.
- Determine when a market systems development approach is not feasible or not likely to deliver the best outcomes and consider alternative approaches.
- Design and implement M&E frameworks for MSD and other private sector development programmes.
- Build understanding of incentives for businesses to recruit and train more marginalised groups and advise on cost effective and demand-driven approaches to skills provision.
- Assess the potential of large inward investments (eg large infrastructure programmes) to leverage economic opportunities for young people and other groups at risk of marginalisation.

Typical requirements of Framework Participants within this lot are likely to include;

- **Analysis and the formulation of policies and strategies** for private sector development, working with government at different levels, with the private sector, civil society, research organisations, and academics.
- **Identification, design, commissioning and monitoring** the implementation and impact of projects, programmes and policies in areas such as economic development and pro-poor growth.
- **Delivery / management of PSD & MSD interventions** - the management function, which may include direct delivery of single project outputs or portfolio management of a suite of interventions being delivered through other Framework Participants. This may require dialogue and influencing with government and other stakeholders, or taking on a coordination role, as well as day-to-day programme management. The use of adaptive and flexible management practices will be expected of all suppliers operating under this Lot as per paragraph 22 above;

- **Knowledge/understanding/application** of the contribution of the private sector to employment, economic growth, the development of cross border value chains, tax revenue and poverty reduction; in the provision of education, health, and infrastructure (including water and sanitation), improving equity and reducing vulnerability.
- **Research and evidence** on the most effective ways for development partners to support firm development without distorting private markets and/or creating negative incentive structures.

More specific requirements could include:

- **Market assessments** – experience in MSD²programmes and approaches to carry out diagnosis of markets.
- **Assessments of the State of Competition and Quality of Competition Policy in specific markets**—to promote open and competitive markets and inform market development programme diagnostics and intervention priorities.
- **Design of Market development programmes**- the design and planning function. This could include a wide range of programme types and the approach can be applied to all sectors.
- **Capability to assess and advise on the most appropriate type of intervention management structures** available such as Trusts, companies limited by guarantee, donor partnerships etc.
- **Market development intervention monitoring and evaluation** - the measurement function, including annual and end-of-project reviews, and providing advice on, and developing, appropriate metrics both for enabling programmes to assess impact and progress of specific interventions and more generally metrics for measuring market development programmes including the Donor Committee for Enterprise Development (DCED) Standard.
- **Assessment of effective functioning market systems** –for goods and services – critical to achieving sustained pro-growth and expanded access to basic services and how to address the fact that pro-poor potential of market systems is often constrained by lack of information, skills, attitudes and rules.
- **Firm level constraints** – able to provide understanding and analysis of firm level constraints to operating in developing markets; able to design and implement programmes relevant to them.
- **Structure of value chains, key firms operating in them, the agendas and interests of those firms**– able to provide understanding and analysis of them, and

² Further information can be found at <https://beamexchange.org/>

the constraints to more developmentally impactful value chain structures and firm behaviour; able to design and implement relevant programmes

- **Responsible business practice** – able to provide understanding and analysis of firms' approaches to managing their social and environmental impact and the means of influencing that impact; able to design and implement relevant programmes.

D. Investment Climate Reform

Investment Climate Reform includes support to both government institutions and private and non-public bodies to increase the predictability, effectiveness and efficiency of, and to reduce risk and uncertainty in, the businesses environment and make it more conducive for investment and better able to deliver the protections it is meant to achieve. A thorough understanding of both formal and informal sectors and the interplay between them is essential in underpinning investment climate work.

Typical investment climate requirements of the Framework Participant are likely to include the following generic competencies:

- **Diagnosing key investment climate constraints and designing new programmes or strategies to address them that meet results/vfm requirements:** general Multi-disciplinary diagnostics and intervention specific diagnostics including political economy, institutional capacity, links to growth strategies and inclusive growth diagnostics to target binding constraints and key growth sectors, social and incentives analysis, evidence (building/finding/presenting it), setting and recording baselines, theories of change and core indicators along the results chain; conducting useful value for money analyses of designed programmes; effective use of existing investment climate diagnostics (business surveys) and doing business-type indicators in programme design, implementation and evaluation; development of intervention specific results investment climate indicators where necessary.
- **Building incentives and political will for reform:** work across political parties, government institutions and administrative bodies, civil society, media and research bodies to build coalitions of support for reform which extend beyond particular individuals or political alliances-to include public-private dialogue processes that strengthen mutual accountability.
- **Advising on the technical implementation of investment climate reforms and developing institutional capacity to drive reforms:** applying best practice approaches for transferring knowledge, creating and strengthening technical systems, promoting local solutions and prudent use of international best practice, strong facilitation skills to ensure reform processes are locally driven both on generic and technical constraints –within government and civil society.
- **Assessing and addressing non-technical constraints that can undermine reform:** such as generic institutional constraints like poor management, low motivation, inertia, poor performance management and low remuneration, poor administrative systems, weak internal accountability, poor communication practices, overcoming vested interests –within government and civil society.

- **Delivery and management of investment climate interventions** - the management function, which may include direct delivery of single project outputs or portfolio management of a suite of interventions being delivered through other Framework Participants. This may require dialogue and influencing with government and other stakeholders, or taking on a coordination role, as well as day-to-day programme management;
- **Monitoring or Evaluating** the effectiveness, value for money, sustainability and impact of investment climate reform programmes.

Typical investment climate requirements may also include the following core technical areas of investment climate where specialist expertise is needed:

- **Business and sector regulation:** including business registration, licensing, permits, competition enforcement and other measures to strengthen competitiveness.
- **Policy Development:** building an effective competition regime, incentivising private investment through for example, investment promotion agencies, determining advocacy priorities, government interface with SMEs, civil society interface with government, addressing informality.
- **Legal aspects of investment climate reform.** Legal expertise in a range of technical areas relevant to DFID's economic development agenda. For example expertise in: creation and implementation of investment climate laws, legal systems; legal frameworks; judicial reform; legal and judicial capacity building; commercial law; contract law; arbitration; mediation; investment law; trade law; intellectual property; secured transactions and mortgages; insolvency; competition; inheritance and family law; commercial justice (contract enforcement, dispute resolution), and judgements, cross-border disputes; environmental law; international business law; mining and extractive industries legal frameworks; concessions; financing of public private partnerships and non-state solutions to commercial justice, especially at a local level.
- **Property rights:** Strong understanding of informal and formal land markets and the continuum of rights (from perceived tenure to occupancy rights to user rights to ownership, and gender dimensions of property and inheritance rights). This includes expertise on how investments can be responsible and sustainable, This is particularly important for agriculture investments.
- **Assessing how investment climate programmes can tackle the different business environments facing women and girls:** Including laws and regulations that affect women's ability to work or run a business, rules that may be more difficult for women to comply with or affect women differently because of the sectors in which they work, and the impact of social and cultural factors.

Framework Participants must be able to demonstrate wide expertise across all the above and be aware that there will be a requirement to deliver all such interventions in fragile environments.

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