



Sustainable Manufacturing and
Environmental Pollution

INVITATION TO TENDER (ITT)

TERMS OF REFERENCE: Detailed Design for Primary Calls

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This ITT process assumes a restricted procedure following a pre-qualification questionnaire (PQQ) stage (completion of the Registration of Interest questionnaire). It is an invitation sent to a shortlist of bidders (selected via the PQQ) to make a formal and detailed offer to supply the services required.

1. Introduction: SMEP programme

The Department for International Development (DFID) leads the UK's work to end extreme poverty, tackling the global challenges of our time including environmental degradation and climate change. DFID'S Research and Evidence Division (RED) is working with others to reach the Sustainable Development Goals (SDGs) by 2030 through four broad areas:

- a. Generating evidence on need and context, enabling decision-makers to better understand the changing nature of the environment in which they are working and to plan for the future;
- b. Supporting evidence on "what works", enabling decision-makers to invest in interventions that are most likely to work;
- c. Facilitating the better use of existing evidence ensuring that decision-makers can access high-quality, relevant information when they need it; and
- d. Supporting the capacity building of research organisations, enabling the development of nationally owned research agendas.

The Sustainable Manufacturing and Environmental Pollution (SMEP) programme is a DFID-funded initiative, led by RED, and supported by an investment of GBP 20 million over five years (2019-2024). DFID has partnered with the United Nations Conference on Trade and Development (UNCTAD) for the provision of a range of technical assistance in the delivery of SMEP. In November 2019 DFID appointed a Programme Management Agent (PMA) to provide programme management, logistic and administrative support, including the commissioning of research and related services. The PMA is a consortium partnership between Pegasys, SouthSouthNorth (SSN) and the International Centre for Climate Change and Development (ICCCAD).

2. Background

Manufacturing provides strong opportunities for economic growth and investment in developing countries, offering a pathway out of poverty and to higher living standards for millions of people (UNIDO, 2015). However, manufacturing in these countries is frequently associated with severe environmental degradation, high levels of pollution and negative impacts on public health (NBER, 2010; Islam et al, 2015, Pure Earth & Green Cross, 2016).

The SMEP programme will tackle the problem of pollution and environmental degradation generated by manufacturing processes in DFID priority countries across Sub-Saharan Africa (SSA) and South Asia (SA)¹, focusing on preventing pollution from being released into the environment in the first place.

SMEP will target a range of manufacturing sectors involving commodities, such as: textiles, clothing, leather, light manufacturing, household products, chemicals and petrol-chemicals, rubber and plastics. It will also focus on generating evidence and practical solutions to address the problem of ocean plastic pollution.

The SMEP programme has three core components:

- i. Research to develop the evidence to support practical solutions with a high chance of take up and impact;
- ii. Developing and testing innovative technology-based solutions that improve the environmental impacts of manufacturing;
- iii. Identifying and developing suitable supporting business models and policies to adopt innovative technology-based solutions.

As part of its Equity framework, SMEP supports DFID's Do No Harm, Leave No-one Behind (LNB) and Gender Equality and Social Inclusion (GESI) agendas, by taking account of and encouraging gender, equality and support opportunities for the empowerment of disabled people and women where possible.

The SMEP programme level intervention logic² diagram below (Fig. 1) illustrates how the programme is meant to

¹ Priority countries identified in SSA are: Democratic Republic of the Congo, Ethiopia, Ghana, Kenya, Nigeria, Rwanda, Senegal, Uganda, United Republic of Tanzania, and Zambia; and in SA: Bangladesh, Nepal and Pakistan. However, these are not absolutely determined or necessarily the only countries to be targeted.

² This Terms of Reference for Detailed Design of Primary Calls fits in the middle activity band on the left: *Detailed design of projects: sector / country.*

achieve impact through a range of possible access points and intervention areas. Research investments may take place at points anywhere along the SMEP intervention logic, and suppliers are encouraged to find a range of opportunities, including where SMEP’s Research and Development (R&D) funding might be catalytic in scaling the uptake of proven technologies.

Background

Intervention logic and procurement response

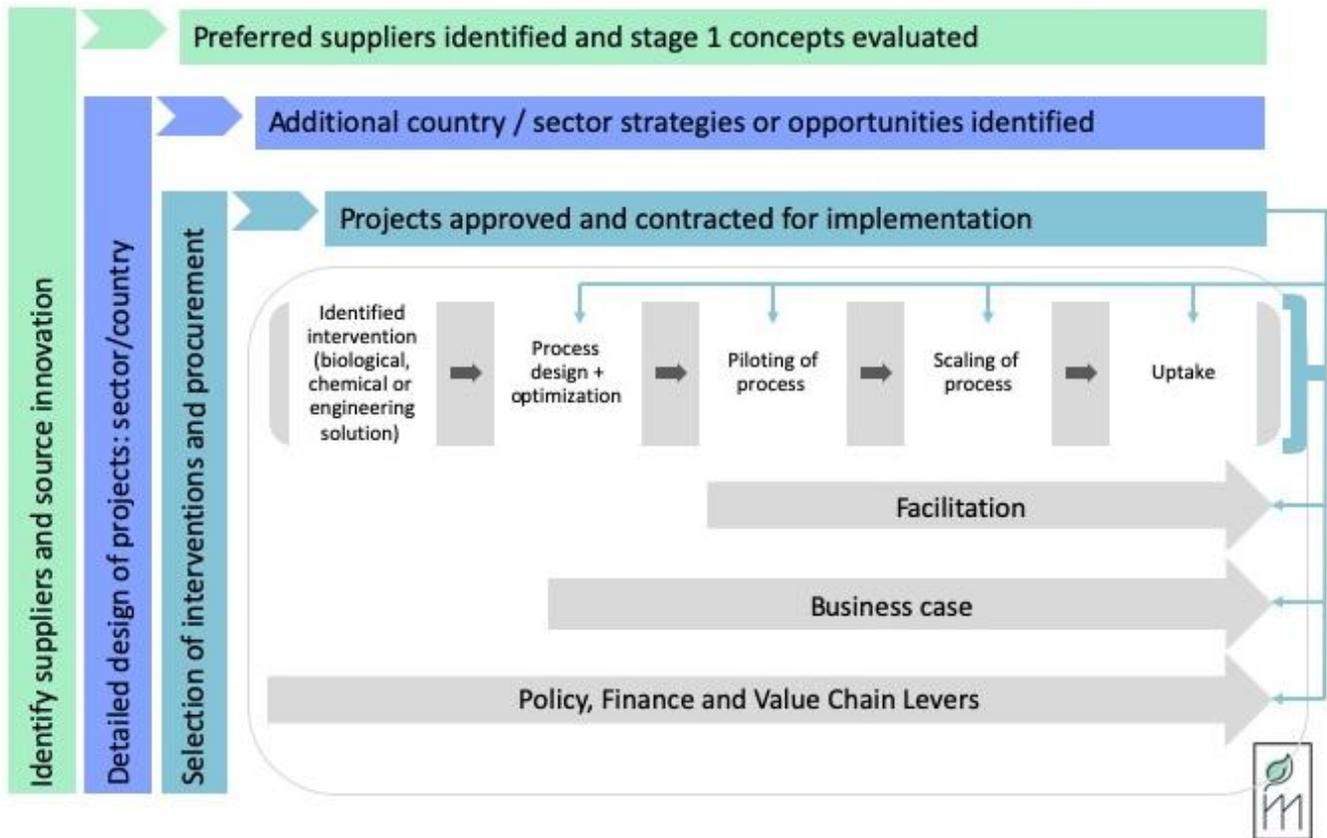


Fig.1: SMEP programme level intervention logic

3. Invitation to Tender (ITT): Problem statement

A scoping study³ was commissioned to determine key polluting industries in SSA and SA and their effects on environmental pollution and public health⁴. However, although the SEI report identifies several “pockets of opportunity” – areas where existing pollution mitigation solutions in the manufacturing process have potential for refinement and wider application to address regional pollution hot spots – it did not support targeted intervention at the country level; hence, further investigation is required.

SMEP does not have full information regarding industry characteristics (who, where, what, at which levels, why?) at country/sector or regional levels, and where SMEP could best intervene given barriers, political drivers and other factors. Therefore, SMEP needs a targeted approach, including obtaining local knowledge, granular analysis, and engagement with local stakeholders to complete the detailed design for the next round of SMEP interventions.

³ Stockholm Environment Institute (SEI) – University of York. 2020. *SMEP Scoping Research, Main Report*.

⁴ In SSA, these were food and beverages; textiles; chemicals; and electrical equipment and metals; for SA, these were textiles and apparel; leather; pharmaceuticals; and non-metallic products especially bricks and cement.

4. Objectives

The objective of this ITT is the production of detailed, granular, specific information *for each country selected*, backed through engagement and consultation, to:

- Identify relevant local actors with significant skills, related experience or technologies and innovative ideas across the range of intervention areas required for the fulfilment of SMEP outcomes;
- Promote identification amongst these actors, who may be best placed to deliver follow-up interventions recommended as an output of this detailed design phases;
- Produce, by no later than the end of January 2021, at least two *detailed propositions* for future implementation (noting that the final number will be decided in consultation with the PMA, and some may be able to progress earlier); and
- Enable the procurement of follow-up interventions through Requests for Proposals and/or Invitations to Tender for next step implementation to be released by February/March 2021, such that contracting on the next phase can be in place from April 2021.

The PMA now invites suitably qualified service providers (“suppliers”) in Sub-Saharan Africa and South Asia, capable of engaging and collaborating across multiple countries (between two and five) or sub-regions (e.g. East Africa) and industrial sectors of interest to SMEP⁶, to tender to provide research and related services that will result in the development of detailed intervention strategies.

Specifically, *for each country the supplier elects to work in*, the supplier will:

1. Identify a variety of possible intervention opportunities (maximum 20) through using its local knowledge, network of actors, existing literature and stakeholder engagement;
2. Narrow this down to a shortlist of between five to ten, in consultation with the PMA;
3. Convene (in-person or virtually, as local Covid-19 regulations permit) a Stakeholder Consultation workshop, designed to obtain input into the shortlisting process and promote buy-in for future procurement events and the eventual uptake of SMEP-funded outputs; and
4. Provide detailed designs for up to two selected interventions⁷ and recommendations for future SMEP investment in implementation activities.

Figure 2 represents the project design:

⁵ Depending on the nature and size of potential interventions identified as a result of this call, and recommendations for priority needs, some interventions may move towards speedy contracting. Note that Terms of Reference that may arise will be developed independently of the suppliers who identified them, and not necessarily with particular suppliers in mind.

⁶ Note that the sectors identified in Footnote 3 above are not necessarily the only sectors of interest to SMEP; suppliers are invited to make recommendations based on local circumstances and opportunities for effective intervention.

⁷ Suppliers may elect to cover a region i.e. two or more contiguous countries. In this case, the design proposal would need to be specific regarding the requirements and outputs for each country in the region.

ITT delivery milestones

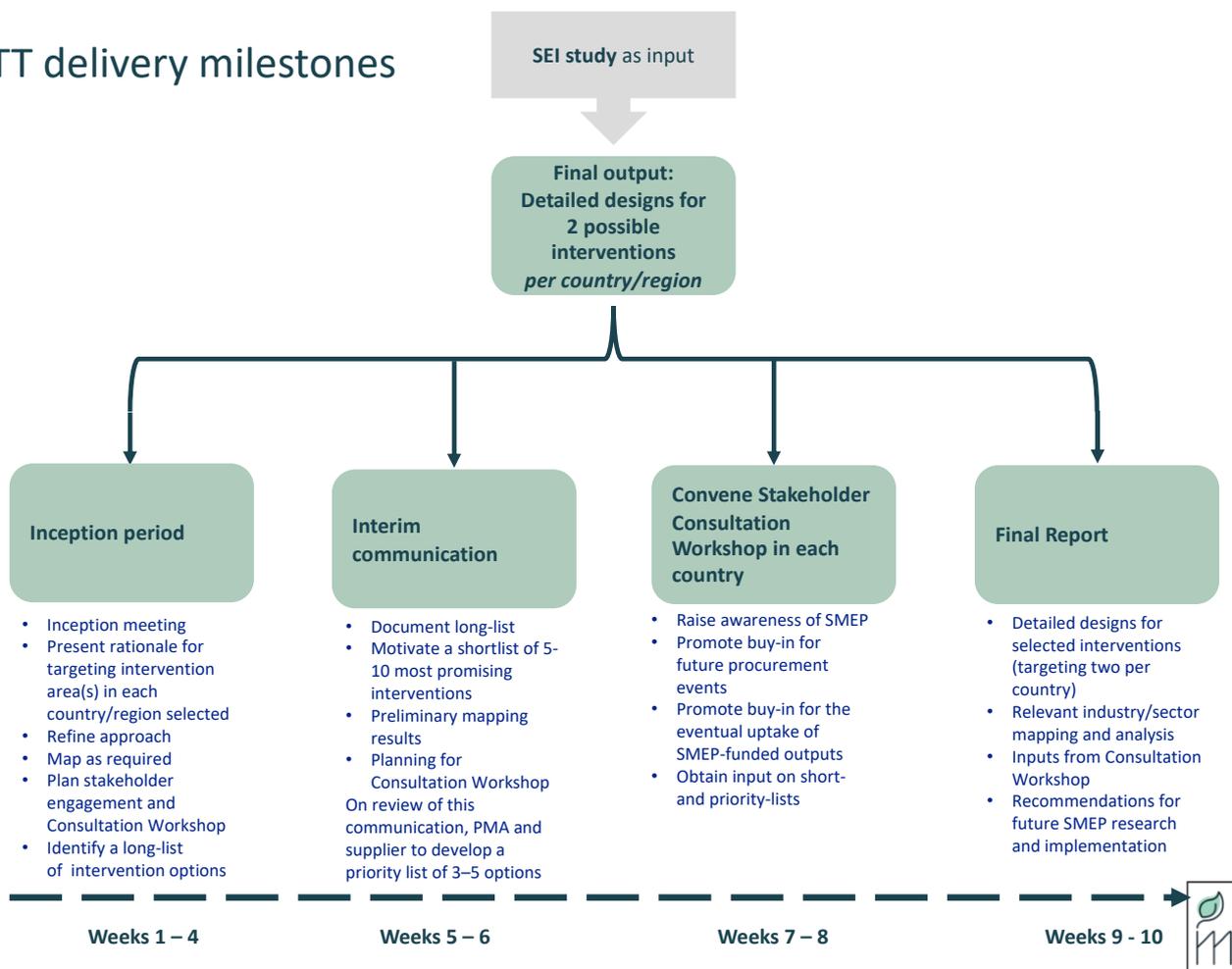


Fig. 2: Detailed Design for Primary Calls schema

5. Value, duration and who may apply

The total value of this call across both regions is capped at GBP 1 million. The value of each contract will depend on the number of countries or the extent of the region the supplier is capable of operating in. A closed list of potential suppliers will be selected from a screened supplier list generated from [SMEP's registration of interest process](#). Criteria for selection include sector experience, in-country presence, capacity to mobilise quickly and operate effectively given COVID-related restrictions. It is anticipated that a number of awards will be made for both regions, ranging between GBP 50,000 and 200,000. The contract value will depend on the number of countries or extent of the region or number of sectors the supplier undertakes to deliver upon. Each supplier will self-select the geographic scale of its bid based on capacity, experience and technical ability to deliver. The bid amount will be assessed against value for money criteria and bidders are encouraged to highlight and provide an explanation for any added value criteria they consider relevant.

Awards will cover fees and direct costs to be paid directly to the supplier and will be inclusive of all taxes and VAT, if applicable. Contract duration is approximately 10 weeks, with contracting anticipated from November 2020.

The Terms of Reference will be shared with a closed group of suppliers identified from the SMEP supplier database. To be considered for shortlisting, suppliers are required to complete the Registration of Interest (ROI) form available [here](#) by not later than 06 September 2020. Suppliers are likely to be—but not limited to—locally-based consulting firms, sector agencies or research institutes.

Delivery of future SMEP interventions (designed in response to this Terms of Reference) may be accelerated through a contract extension for selected suppliers and/or through an entirely new call. A contract extension for a selected supplier, to undertake delivery of one or more interventions identified, may be considered where the

supplier is well suited and positioned to undertake further delivery and a compelling argument can be made for this, including strong value for money considerations. The size and value of proposed contracts will factor into the ultimate decision on the follow-up procurement route. Suppliers that are awarded funding under this ITT will **not** be involved in drawing up the Terms of Reference for any possible next steps.

6. Rollout and timing

Figure 3 illustrates the process and Table 1 the timeline for this tender:

Detail Design for Primary Calls (C_002)

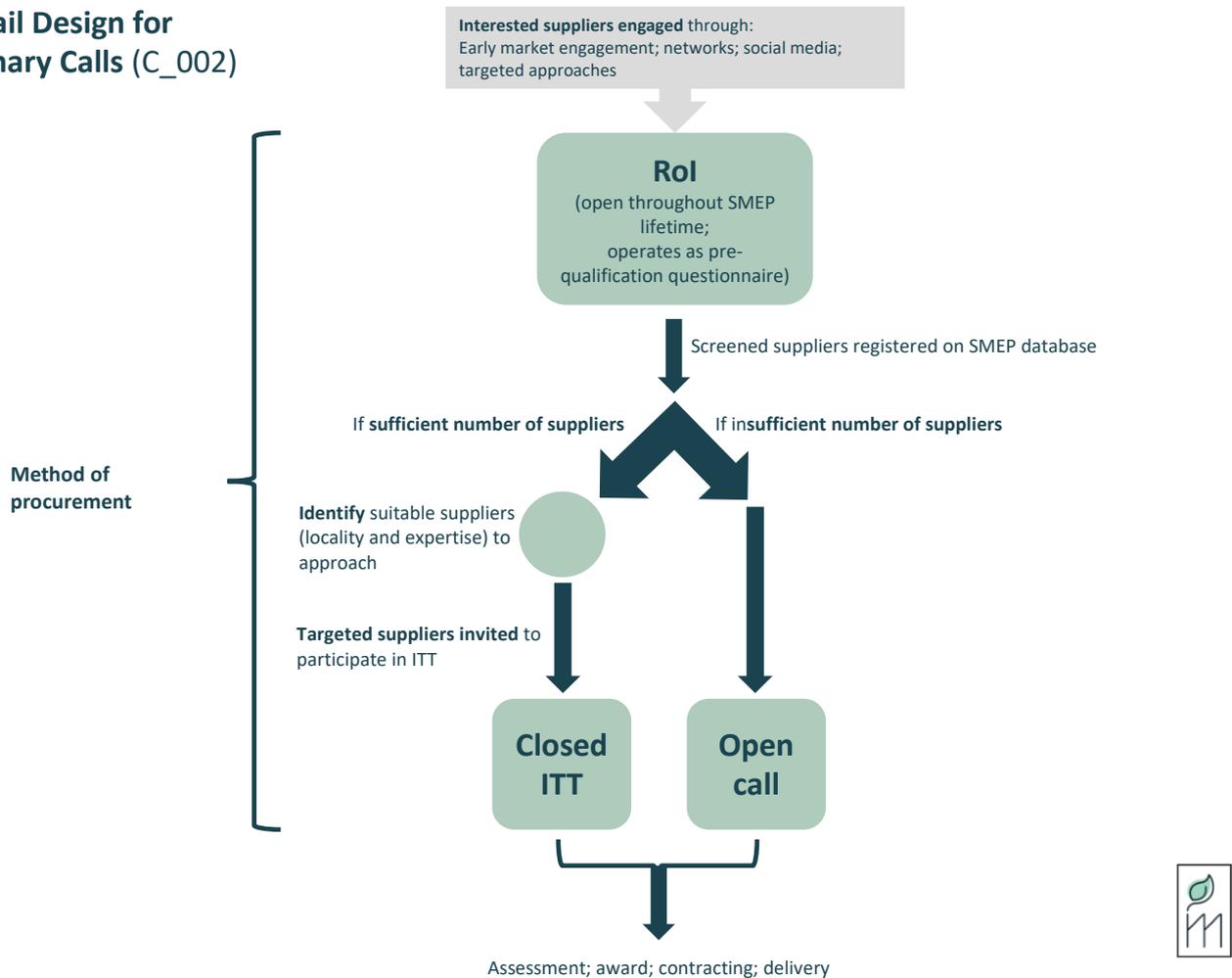


Fig. 3: Overview of ITT procurement options

Table 1: Anticipated tender timeline

Proposed date	Action
By 03 August 2020	Launch Registration of Interest questionnaire (pre-qualification phase)
By 13 August	Launch indicative Invitation to Tender Terms of Reference for call (C_002)
By 31 August	Final date for ROI completion by suppliers wishing to be shortlisted for this call
07 September	Publish Restricted ITT to selected parties identified through the ROI/PQQ as possible suppliers
14 September	Host queries webinar
15 September	Deadline for Letters of Intention to Bid
22 September	Call closes; receive completed submissions

23 September– 13 October	Assessment of tenders, final due diligence on recommended supplier/s and recommendations for awards to Steering Committee
By 20 October	Awards finalised
21 October	Notification to successful bidders, contracting begins
2 November	Close contracting
9 November	Implementation begins (approximately 10 weeks, see Section 9.3 below)
By 8 December	Submit interim communication
01 February 2021	Contract closes; submission of final report
23 December 2020– 04 January 2021	Offices close for the holidays

7. Required expertise

This assignment shall be conducted by experts who should have capability and experience, including a thorough understanding of manufacturing in the target countries and established relationships in the public and private sector to enable rapid and effective stakeholder engagement.

For this call, “Capability” is defined as:

- “Physical presence in proposed country/ies of operation;
- Relationships and networks based on experience and prior engagements;
- IT and digital infrastructure;
- Staff capacity and experience in engagement including with senior officials, private sector actors, and internal administration and project management to deliver on the assignment”.

Experience is defined as:

- The team leader should have at least 10 years of experience in SMEP-aligned sector(s) with technical expertise in manufacturing or pollution risk, impacts and vulnerability assessment; and/or integration/mainstreaming of technologies.
- The team must include experts with local or regional knowledge/expertise.
- The experts are expected to have excellent technical skills relating to the assignment. Local languages will be appropriate for working purposes, but all official communications and the final report must be presented in English.

For each proposed member of the team, a curriculum vitae of not more than three pages must be provided setting out their relevant qualifications and experience.

8. Scope of work

Under these Terms of Reference, the supplier commits to provide a range of research and research-related services to the PMA. The Terms of Reference will be annexed to and will form an integral part of the contract to be agreed between the PMA and supplier.

The services will involve the delivery of the outputs/deliverables described in Section 9 below. The PMA reserves the right to modify and/or refine any of these to be confirmed in writing at the signing of the contract or any time after that, if the circumstances related to the implementation of the SMEP programme or contract change to an extent that both parties would recognize as posing obstacles to the delivery of any activities.

9. Outputs, deliverables and process

An indicative list of activities to be undertaken by the supplier is presented below. Whilst this is expected to provide an accurate description of the requirements, outputs and deliverables expected as part of this contract, supplier proposals for refining the methodology to best achieve the desired outcomes from the detailed design studies will form part of the call assessment metrics, under the heading Value Added by Supplier. Suppliers should be willing

to demonstrate a degree of flexibility and adaptability in meeting the demands of the programme, including making reasonable adjustments that may involve the delivery of specific functions and tasks that are not included in the list below.

It is expected that suppliers will have access to the SEI report as a starting point in so far as that report has identified pollution hot spots or even industry/sector opportunities for SMEP.

9.1 Outputs/Deliverables

The major output/deliverable per country selected is a Final Report, presenting

1. At least two detailed designs for primary calls for potential future SMEP research investment or implementation, approximately 6–9 months from now, with the rationale for their selection;
2. The details and outcomes of a Stakeholder Consultation Workshop to promote awareness of SMEP and ultimate buy-in of results and research-into-use; and
3. Recommendations for further research and priority areas for future action.

In each country suppliers will likely choose one or more industry/sector/pollutant or pollutant pathway to map and analyse for potential largescale SMEP implementation in the next phase. Topics for analysis should include:

- the size, composition, locality and impact (on GDP, trade, employment and workforce composition, per capita income, pollution etc.), of the chosen focus manufacturing area/site, in terms of the formal, SMME, informal and start-up sectors;
- its local and regional context, including major supply chain networks showing higher level interdependencies and connectivity nodes;
- the geographic and geophysical characteristics of local manufacturing centres or clusters with specific reference to pollutant pathways (upstream and downstream water flows; nearest population centres; transport and disposal routes; wind direction);
- the known and recorded pollution impacts and concerns of the manufacturing sector/industry under study, and public and civil society movements around these, including litigation and/or calls for regulatory reform; and the identification of a priority pollution problem—or potential solution—and possible SMEP interventions to address these;
- the industry's stakeholder ecosystem, including government actors at each level; private sector and industry bodies and local and international business chapters supporting trade in the commodities produced; academic and research institutions including think-tanks and incubators/innovation hubs/accelerators undertaking research and development activities; actors within its local circular economy and pollution management arena; and health and industrial watchdogs;
- current governing legislation/regulations, in the context of national planning, and national commitments to the SDGs, NDCs, bi-lateral agreements, etc.
- responses and critique (positive and negative) by local actors of legislation/regulations; and the identification of potential policy briefs and local actors who could deliver these, that would promote SMEP objectives;
- the current and future role of women/girls in the industry/sector under study; potential for employment by disabled individuals; areas of concern e.g. trafficking of individuals and extent of modern-day slavery or exploitation; those most affected by and at risk through the local pollution caused by the industry/sector and support networks address these; and activities at the rural and informal sector levels to engage in the industry/sector, and the barriers they face;
- the industry's development potential and/or constraints, in the national, regional and global contexts; examples of local innovation, adaptation and efficiencies; potential for start-up technology in the industry, and potential to scale and attract funding, both traditional and non-traditional (impact funding, venture capital, start-up investment);
- the industry's ability to support national efforts to address the Covid-19 impacts, especially in the areas of public health (sanitation, mask wearing and social distancing) and the provision of PPE (personal protective equipment) and oxygen supplies. This may involve re-tooling, supply chain amendments, distributed production methods, materials substitution etc. Given SMEP's focus areas, the emphasis would be to ensure sustainable, cleaner, more locally responsive mechanisms that will survive the immediate Covid crisis.

The final report to include the following sections

- i. Background mapping as described, to help ensure research-into-use of the detailed designs (if taken into implementation), and incentives and barriers to uptake of the research findings;
- ii. Identification of potential partners and current initiatives that may be supported;
- iii. Details of the Stakeholder Consultation Workshop and engagement with government and other

stakeholders to support ultimate buy-in for the proposals being presented, based on working closely with UNCTAD and country engagement leads (where available);

- iv. Overview of the process underpinning the detailed designs process, from creating a long-list of approximately 10–20 intervention possibilities, the development of the shortlist (5–10) for further interrogation, inputs from the Consultation Workshop and final selection and refining of the two designs;
- v. An intervention logic and impact pathways for the proposed interventions;
- vi. A plan of action for future delivery; and
- vii. Recommendations for future research or implementation opportunities.

9.2 Communications deliverables

For each country the supplier elects to cover, the supplier must deliver

1. An interim communication that identifies 10–20 SMEP intervention opportunities and forms the basis from which a shortlist will be generated.
2. Stakeholder Consultation workshop convened (in-person or virtually, as Covid-19 regulations permit) to promote eventual uptake of SMEP-funded outputs and obtain input on the shortlist.
3. A final report that will include a communications and engagement strategy to increase awareness and promote and encourage the LNB and GESI agendas in the final uptake of the proposed interventions, and reduce barriers to uptake.

9.3 Process

The following management, contracting and delivery provisions will apply:

- i. **Contract negotiations:** Following selection of the preferred service provider, the PMA may engage to refine and, where necessary, adapt the methodology and approach by which the supplier will deliver the services.
- ii. **Inception:** post-contracting, the PMA will hold inception meetings with the suppliers to introduce the teams (and local country leads, where appropriate) to one another to ensure effective collaboration to manage and achieve the (staged) deliverables. The PMA will work closely with suppliers to ensure the quality of the planning for the supplier-driven local stakeholders engagement processes and envisaged Consultation Workshop.
- iii. **Stakeholder Consultation:** Covid-19 dependent, stakeholders will be engaged to generate in-country/regional/sectoral awareness around SMEP objectives, to gain practical insight into existing priorities and national initiatives and to lay the foundation for interest in and support for follow-up procurement events and project delivery.

The following process timeframes are envisaged:

Proposed date	Action
Weeks 1 – 4	Close contracting Inception period Inception meeting to refine approach. Present a rationale for targeting the specific sector(s) for the selected intervention area per country or region, i.e. industry/sector/pollutant pathway/pollutant, Map as required. Draft routes for possible interventions (“long-list”), and present to PMA.
Weeks 5 – 6	Working with the PMA and SMEP’s Independent Technical Advisory Panel, prioritise approximately two focused opportunities per country. Conduct further engagements with key actors, revise mapping accordingly and refine shortlist of proposals
Weeks 7 – 8	Refine detailed designs. Convene Stakeholder Consultation Workshops.
Weeks 9 – 10	Finalise detailed designs of propositions for follow-up implementation. Finalise report, mapping and recommendations and submit to PMA.

10. Contract value, taxes and VAT

The contract value will depend on the number of countries or extent of the region or number of sectors the supplier will undertake to deliver upon. Each supplier will self-select the geographic scale of its bid based on capacity, experience and technical ability to deliver. The bid amount will be assessed against value for money criteria and bidders are encouraged to highlight and provide an explanation for any value add they consider relevant. The contract value will comprise fees and direct costs, to be paid directly to the supplier and will be inclusive of all taxes and VAT, if applicable.

Suppliers are expected not to exceed UN rates for travel and subsistence as relevant to each country.

11. Duration

The overall length of the contract is approximately 10 weeks. The PMA will have an option to invoke a break clause after the inception phase (end of week 4). The break clauses provide an opportunity to respond to initial performance considerations, terminate the contract and/or adapt the design of the supplier's approach.

12. Reporting

The supplier will be expected to provide the PMA with regular verbal and written feedback on progress through formal channels. Regular calls or other means of telecommunications are encouraged as part of progress reporting and consultation.

The initial communication of the long-list must be in writing by the end of week 4. The final report is anticipated by 01 February 2021.

13. Assessment, performance and payment

The PMA's preferred method of payment is to link payments to milestones (payment by results). The PMA will link payments by results to the delivery of the initial communication (end of week 4) of an acceptable standard and the second and final payment after delivery of an acceptable final report. Payment will be on submission of an invoice by the supplier.

In producing these outputs, the supplier must ensure the following:

- **Delivery requirements** in Section 9.1 are met.
- **Value for money is achieved and maintained across throughout lifetime of the contract.** The PMA is committed to maximising the impact of DFID's resources through the practice of economy, efficiency, effectiveness, and equity (the Do No Harm, LNB and GESI agendas). The supplier should ensure that value for money is achieved by considering possible objectives and delivery options; how to engage with the market; and how to obtain the best development impact to ensure that the project achieves the desired outcomes, impacts and quality at the lowest price.
- **Research-into-use and impact pathways are made explicit.** Detailed design proposals must address these issues in detail, as they form a major part of the assessment of the final product and are instrumental in the methodology.
- **Adherence to the Do No Harm, LNB and GESI agendas, and acceptance of the Duty of Care responsibilities.**

With regard to the Do No Harm agenda: DFID requires assurances regarding protection from violence, exploitation and abuse through involvement, directly or indirectly, with DFID suppliers and programmes. This includes sexual exploitation and abuse but should be understood as all forms of physical or emotional violence or abuse and financial exploitation. Suppliers will be required to include a statement that they have duty of care to informants, other project stakeholders and their own staff, and that they will comply with the ethics principles in all programme activities. Their adherence to this duty of care, including reporting and addressing incidents, will be included in both regular and annual reporting to DFID by the PMA.

With regard to Duty of Care (DoC): The supplier is responsible for the safety and well-being of their personnel

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. Suppliers are further responsible for their own in-country transport, office space, translation and other logistical support.

If Suppliers are unwilling or unable to accept responsibility for Security and DoC, the tender will be viewed as non-compliant and excluded from further evaluation.

14. UK Aid branding

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

It should be noted that branding for this programme will be co-branded with both the DFID logo and the UNCTAD logo (to be provided).

15. Contact

For any queries, please contact procurement@smepprogramme.org.