



Sustainable Manufacturing and
Environmental Pollution

Call for solutions that address Manufacturing Pollution in the Tanneries and Leather Sectors

Procurement to identify solutions that are applicable to the value chains of the tanneries and leather sectors, and that contribute to reducing or eliminating manufacturing pollution and waste in sub-Saharan Africa and South Asia.

Priority Countries: Bangladesh, Pakistan, Ethiopia, Kenya, and Tanzania

Aug 2023

TERMS OF REFERENCE

Expression of Interest

[for REQUEST FOR PROPOSALS]

Pre-Procurement Communication [Brochure](#)

Expression of Interest opens: 4 Aug 2023

SMEP Call number: C_005c

The Sustainable Manufacturing and Environmental Pollution (SMEP) programme has been established by the Foreign, Commonwealth and Development Office (FCDO) and is implemented in partnership with the United Nations Conference on Trade and Development (UNCTAD).

FCDO has appointed a Project Management Agent (PMA) to manage programme delivery. The PMA comprises a consortium partnership between Pegasys and SouthSouthNorth (SSN)

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List of Acronyms

C_005c	SMEP Procurement Call 005c
CETP	Common Effluent Treatment Plant
CoI	Conflict of Interest
EoI	Expression of Interest
FCDO	Foreign, Commonwealth & Development Office
GESI	Gender Equality and Social Inclusion
GHG	Greenhouse Gas
IP	Intellectual Property
LNB	Leave No-one Behind
OHS	Occupational Health and Safety
PMA	Programme Management Agent
R2U	Research-into-Use
RECP	Resource Efficient Cleaner Production
RfP	Request for Proposals
RoI	Registration of Interest
SMEP	Sustainable Manufacturing and Environmental Pollution
SA	South Asia
SSA	Sub-Saharan Africa
ToR	Terms of Reference
TRL	Technology Readiness Level
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
VAT	Value-Added Tax
VfM	Value for Money

Part 1 – Tanneries Procurement: Documents Pack and Instructions

Applicants to the SMEP C_005c procurement call are receiving this Expression of Interest (EoI) & Request for Proposal (RfP) Terms of Reference (ToR) as a **critical guidance document** to the two-step procurement process concerning the SMEP Programme's 'Call for Solutions that address manufacturing pollution resulting from the tanneries and leather sector in Sub-Saharan Africa and South Asia (C_005c).

Applicants can draw from this Terms of Reference when:

- Completing *Stage 1 of the procurement, the Expression of Interest and Capability Assessment (see Section 2.1.1)*.
- And again for guidance when preparing a full proposal, for those candidates shortlisted to advance to *Stage 2* of the process (**the Request for Proposals**). It is anticipated that between 8 and 12 candidates will be shortlisted for this stage.

Procurement Stage	Terms of Reference sections	Guidance
STAGE 1: Expression of Interest submission	Section A, B, 1 and 2. [Especially section 1.3]	Essential information
	Sections 3 – 4. [Especially section 3.5.]	Guiding information
STAGE 2: Request for proposal (shortlisted candidates)	Sections A, B, 1 - 4	Essential information

Up to GBP 3 million will be made available to fund between three to six solutions in this sector, each with a budget of between GBP 250 000 to GBP 1 million. It is anticipated that contracts would commence in Jan / Feb 2024. Shortlisted applicants will detail the nature of the intervention, piloting, and research-related services to be funded, through the presentation of the workplans, budgets, descriptions of technologies and tasks, roles, and responsibilities of implementing partners over an **implementation period not longer than 24 months**.

Selection of proposals for funding will be made based on the objectives and requirements outlined in this ToR, quality of the proposals, potential for impact and scalability, co-benefits, cost, value for money, and the requirements of the SMEP Steering Committee.

In addition, please note that the selection of successful candidates will be subject to the SMEP geographical spread of projects at that time.

A. Submission Instructions (Stage 1 & 2)

This section outlines practical steps in how to apply under this procurement call and should be read together with Section B as well as the definitions of key terms as outlined in Section 4.3 below. Please read carefully and ensure that all annexures are developed and submitted as requested.

Stage 1: Expression of Interest

To respond to **Stage 1**, applicants are required to follow Steps 1 & 2 outlined below.

A.1 Step 1: Registration of Interest (RoI)

All applicants must submit a registration of interest via the [SMEP website](#) to receive a unique SMEP identifier and login details needed to apply to SMEP funds. For candidates already registered on the SMEP RoI, please review, and [update](#) the RoI submission before continuing with the procurement process.

A.2 Step 2: Expression of Interest & Capability Statement

Use the RoI login details to access the SMEP submission portal and navigate to the Tanneries Call (C_005c) section. Complete the Stage 1: Expression of Interest (EoI) application form. The EoI will be open for applications from **4 August to 11 September 2023**. Please note that only forms submitted through the Submissions Portal will be accepted. Submissions by email are not acceptable.

Stage 2: Request for Proposal [*only for applicants shortlisted*]

To respond to Stage 2: Request for Proposal, only **shortlisted applicants from Stage 1** must follow Steps 3 to 6 outlined below once the Submission Portal is open for submissions (dates to be confirmed with successful candidates).

A.3 Step 3: Access Submission Portal

The SMEP online Submissions Portal contains forms (digital and offline versions) required for **due diligence, technical and budget submissions; templates for required supporting documents**; as well as the documents we recommend you familiarize yourself with before completing and making your submissions. Responses to queries will also be published on the Submissions Portal.

To access the [Submissions Portal](#) use the same login details provided during Stage 1. Please note that all online forms are designed to “save as you go,” allowing the form to be completed in sections before final submission.

A.4 Step 4: Read the Request for Proposal Pack

The Request for Proposal pack is available on the Submissions Portal. Together, these documents provide an overview of the requirements for developing a proposal that meets SMEP’s funding criteria and the subsequent contracting and project management requirements over the lifetime of the project. These should help you determine the role you would like to play

(single entity submission/consortium member/consortium lead), what elements in this Terms of Reference will apply to you, and how best to fulfil them.

The following documents are provided on the Submissions portal for your consideration before developing your proposal:

[Model Framework Services Agreement](#) with attachments:

- SMEP Terms and Conditions
- SMEP Draft Call Down Contract

A.5 Step 5: Submit Online Due Diligence forms.

Shortlisted candidates will be asked to meet the following due diligence requirements during the RfP stage:

- Complete the online Due Diligence form (link will be made available to shortlisted candidates).
- Review and update [Registration of Interest form](#)
- Submit organisation references.

Due diligence form

The online due diligence form should be completed by the applicant's designated Point of Contact responsible for the entity's due diligence information, enquiries, and questions. We realise that the due diligence Point of Contact often differs from the person submitting the proposal. An offline version of the due diligence form is available on the Submissions portal for reference purposes.

Please ensure that due diligence is completed timeously and may be submitted ahead of the technical proposal.

Review and update your Registration of Interest (Step 1 above)

As stated in Step 1, applicants are requested to review and [update](#) their Registration of Interest (RoI) completed before/during Stage 1: Expression of Interest. This ensures the RoI is completed, and the information corresponds with the due diligence submission. The information provided in the RoI will be used in the due diligence assessment.

Organisation references

References are required to indicate the entity's ability to manage international donor-funded projects, including organisational, financial, operational, administrative, delivery and reporting capabilities. (The Application Form requests additional evidence that indicates the capabilities of the team to produce the research, research-related services and practical implementation proposed in your submission.)

Applicants are advised to arrange for the references early on, before completing the due diligence form, to ensure that the references are submitted directly to SMEP by the due diligence submission deadline. The due diligence form (online and reference) provides full details on the reference requirements.

A.6 Step 6: Submit the Proposal and budget.

Technical proposal

Shortlisted candidates will receive links to an online **technical Request for Proposal Form**, together with a **Workplan template**, for completion by the lead applicant. Guidance for submitting a proposal will be provided to shortlisted candidates. The objective of the procurement is to identify and fund promising proposals that have the potential to drive manufacturing pollution reduction in the context within which the solutions are proposed. For this reason, the information presented on the feasibility of the intervention proposed is critical for favourable evaluation and has several dimensions, including technical, logistical, commercial, and regulatory.

Financial

Similarly, shortlisted candidates will also be asked to complete an online Request for Proposal Budget form. Guidance regarding allowable costs and expenses and calculations of overheads is available in the [SMEP Supplier Operations Manual](#), referred to above.

B. Review and Assessment

The SMEP PMA and independent technical experts will review and assess the responses to **Stage 1: Expression of Interest** and evaluate candidates' ability and capability to implement a project in the SMEP regions. The evaluation process will take aspects such as experience, team members' qualifications, consortium composition, and previous experience into account before shortlisting between 8 and 12 candidates to proceed to **Stage 2: Request for Proposal**.

The proposal submissions will subsequently be evaluated against the criteria as set out below (Section 1.3). The evaluation team may require proposal presentations from the shortlisted candidates before recommending a final award to the SMEP Steering Committee. The SMEP Steering Committee will decide on the awarding of contracts, and contracting procedures will begin for successful applicants thereafter. Applicants will be notified of the outcome of the Steering Committee decisions.

B.1 Submission Support

B.1.1 Queries and questions

Proposal development and due diligence assistance is available on Mondays to Thursdays from 07:00 – 15:00 GMT and Fridays 07:00 – 11:00 am GMT. Queries regarding the development and submission of proposals, budget and due diligence should be addressed to procurement@smepprogramme.org, with the subject line: *C_005c RFP: APP-000XXX*.

For any technical questions regarding the online forms e.g., log-in details, access issues, saving the online forms, submission etc., please contact the SMEP Technical Helpdesk at techsupport@smepprogramme.org, and copy procurement@smepprogramme.org, with the subject line: *C_005c RFP: APP-000XXX*.

B.1.2 Data Protection

Note that data in the forms and attachments, and each instance of data transfer, are protected through TLS Encryption (HTTPS). Full disk encryption is enforced while data is at rest, post-data transfer.

Part 2 – Expression of Interest & Request for Proposals: Terms of Reference

1. Introduction and scope

The Terms of Reference (ToR) detail key procurement information. Section 1 covers the procurement objectives, Sections 2 outlines the application process and key requirements for developing a successful proposal, Section 3 details the technical aspects of the RfP, and Section 4 provides information around general procurement terms,

The Sustainable Manufacturing and Environmental Pollution (SMEP) Programme, funded by the United Kingdom's Foreign Commonwealth Development Office (FCDO), implemented in partnership with the United Nations Conference for Trade and Development (UNCTAD), supports innovative and investible solutions that prevent pollution from manufacturing being released into the environment. The programme has an investment fund of GBP 20 million to be disbursed over five years (2019-2024¹). From this fund, SMEP is contracting research and service providers that address the following four priorities:

1. Research to develop the evidence to support practical solutions with a high chance of uptake and impact.
2. It is developing and testing innovative technology-based solutions that improve the environmental impacts of manufacturing.
3. Identifying and developing suitable supporting business models and policies to adopt innovative technology-based solutions; and
4. Generating evidence and practical solutions to address the problem of waste and manufacturing pollution in the tanneries industry.

More information can be found at www.smepprogramme.org.

1.1. Solutions for cleaner production in the tanneries value chain in sub-Saharan Africa and South Asia

As one element of this broader SMEP mandate, the programme is launching a tanneries-focused procurement call for solutions. This industry-specific procurement builds on SMEP scoping research based on initial research undertaken by the Stockholm Environment Institute research titled, '[Manufacturing Pollution in sub-Saharan Africa and South Asia: Implications for the environment, health and future work](#)'.² Subsequent research contracted by SMEP has highlighted the challenges in the two broader geographic regions of South Asia and sub-Saharan Africa. These are:

- Global Alliance for Health and Pollution (GAHP), 2022. SMEP Manufacturing pollution. Synopsis Series 1: Bangladesh – Used Lead Acid Battery Manufacture; **Pakistan – Tanneries**.³
- Pure Earth, 2022. SMEP Manufacturing Pollution. Synopsis series 1: Bangladesh – Used Lead Acid Batteries & **Tanneries**.⁴

¹ Note that a programme extension is under consideration to allow implementation to March 2026.

² Stockholm Environment Institute Report. Manufacturing Pollution in sub-Saharan Africa and South Asia: Implications for the environment, health, and future work, 2020. [SMEP Programme](#).

³ GAHP, 2022. [Synopsis Series 1: Bangladesh – Used Lead Acid Battery Manufacture; Pakistan – Tanneries](#).

⁴ Pure Earth, 2022. [Synopsis Series 1: Bangladesh – Used Lead Acid Battery Manufacture & Tanneries](#).

- TeifaIQ, 2022. SMEP Manufacturing Pollution Synopsis Series 1: Country and Sector Priorities. Kenya – Distilleries; **Ethiopia – Leather**; Tanzania – Textiles.⁵

The outcomes of these SMEP studies are encapsulated in a published academic journal article.⁶

These studies and market assessments identified preliminary intervention opportunities for addressing tanneries-related manufacturing pollution in the SMEP priority countries within sub-Saharan Africa and South Asia, which include, but are not limited to, **Bangladesh, Pakistan, Ethiopia, Kenya, and Tanzania.**⁷

Poor management of liquid effluents and solid waste and polluting emissions produced in the processing of hides for leather often contains more than 40 different chemicals, including acids, dyes, and heavy metals, of which hexavalent chromium is noted as one of the more persistent and problematic for health and environment. These processes often lead to high volumes of contaminated effluent and wastewater severely impacting the surrounding environment and receiving communities.

This procurement call thus encourages proposals that address problematic manufacturing practices in the tanneries sector, including but not limited to ineffective pollution and health and safety controls which have a detrimental impact on *human health and the environment*.

The SMEP tanneries procurement covers four thematic areas, as shown in Table 1 below, and described in more detail in Table 2.

Table 1: SMEP Call for Concepts in the Tanneries Sector: Thematic Areas

<p>A. Technology: Technical solutions relating to physical, chemical or bioprocesses in the manufacturing system.</p>
<p>B. Value chain analysis and design: Innovative solutions to encourage resource efficiency and circularity, better data transparency and traceability of polluting processes and environmental performance.</p>
<p>C. Operations and Governance: Solutions to improve occupational health and safety in the sector and ensure effective waste management.</p>
<p>D. Knowledge and Education (through a gender equity and social inclusion lens): Interventions or innovations to improve training on staff wellbeing, wage labour, and to improve knowledge of cleaner technologies. Concepts aligned with and supporting the objectives of the Gender Equity and Social Inclusion (GESI) agenda, as discussed in Section 3 below, is encouraged.</p>

1.2. Rationale and context

The tanneries sector is of strategic importance for many countries in sub-Saharan Africa and South Asia, with an important contribution to exports, and employment, accommodating many enterprises of different scales within the value chain. However, the tanneries sector is ranked as the fourth most dangerous global industry to human health. Many tanneries in the Global

⁵ Teifa IQ, 2021. [Synopsis Series 1: Country and Sector Priorities. Kenya, Ethiopia, Tanzania.](#)

⁶ Hira, A., Pacini, H., Attafuah-Wadee, K., Sikander, M., Oruko, R., & Dinan, A. (2022). Mitigating Tannery Pollution in Sub-Saharan Africa and South Asia. *Journal of Developing Societies*, 38(3), 360–383. <https://doi.org/10.1177/0169796X221104856>

⁷ **Although the call is focused on solutions in these five countries, the final decision-making process will be guided by the SMEP geographic spread / footprint at the time.**

South lack basic protection for the workers and leach pollutants into water sources⁸ and some have been associated with child labour practices.⁹

The sector has a large scope to adopt improved and cleaner manufacturing processes, thus addressing environmental and social issues in situ and meeting the market demand for more sustainably sourced leather and leather products. There is increasing consumer and public awareness of the detrimental impact of the tanneries sector on health and the environment, and the industry is under the critical eyes of the communities, regulatory bodies, and consumers of leather products. Leather brands have a strong role in enabling and supporting transitions to greater circularity and better pollution governance in the industry.

1.2.1. Key challenges in the tanneries sector:

Tannery waste has severe environmental consequences for air, water, and soil, if untreated. Effluents, solid wastes, and emissions produced in the processing may contain more than 40 different chemicals, including acids, dyes, and heavy metals with some of the more problematic chemicals including calcium hydroxide, sodium chloride, sodium sulphide, acids, carbonates, and sulphates, particularly chromium sulphate, and hexavalent chromium, the latter resulting from the widespread practice of chrome tanning. The high volumes of water required, and in turn, discharged as wastewater, compound this challenge. A medium-sized tannery can discharge over 300 million cubic meters of waste liquor and tanning sludge with high levels of chromium per day.¹⁰ With effluent treatment plants in many locations largely ill-equipped for volumes or pollutant types, uncontrolled discharges lead to surface and groundwater contaminations. The consequences for environmental functioning and communities exposed to contaminated water and land can be severe. The International Agency for Research on Cancer (IARC) has listed the wastes from leather industries as human carcinogens. Several studies have associated the pollutants from leather processing with the incidences of blood, bladder, colon, lung, nasal, paranasal sinuses, respiratory tract, and rectum cancers in exposed workers. Diseases such as asthma, acute respiratory infections, diarrhoea, typhoid, hypertension, dermatitis, neuropsychiatric disorders, eye diseases, nephritis and prolonged cough are commonplace in affected areas due to contaminated soil, dust, and consumption of polluted groundwater.

1.3. Call objectives and criteria

The SMEP Programme takes a complete value chain view of how the tanneries sector is defined. This includes the acquisition of the hides, processing of the hides, which may consist of processes of fleshing, preservation or curing, soaking, liming, unhairing, splitting, delimiting, bating, degreasing, bleaching, pickling, de-pickling, and tanning. While many businesses handle some of these processes, some factories span the entire range of the value chain.

SMEP calls for proposals to address one (or more) of the four key thematic areas in Table 2 below.¹¹

⁸ *Green Cross and Pure Earth, 2016, World's worst pollution problems: The toxics beneath our feet.*

⁹ Stockholm Environment Institute Report. Manufacturing Pollution in sub-Saharan Africa and South Asia: Implications for the environment, health, and future work, 2020. [SMEP Programme](#).

¹⁰ Hira, A., Pacini, H., Attafuah-Wadee, K., Sikander, M., Oruko, R., & Dinan, A. (2022). Mitigating Tannery Pollution in Sub-Saharan Africa and South Asia. *Journal of Developing Societies*, 38(3), 360–383. <https://doi.org/10.1177/0169796X221104856>

¹¹ Concepts that do not directly fit within the themes but are aligned to their intention will be considered on their merits.

Table 2: Thematic areas and example activities prioritised for this RfP.

<p>A: TECHNOLOGY and BIOPROCESSING</p> <p>Technical solutions relating to physical, chemical or bioprocesses in the tanneries manufacturing system¹²</p>	<ul style="list-style-type: none"> • Analyses of the tanneries' process chains and proposing technical solutions for improving one or more processes to minimise the use of process inputs, including chemicals, water, and energy. • Technical solutions to minimise the use of toxic chemicals and production of toxic effluents. For example, green chemistry solutions / interventions that could minimise the reliance on chromium sulphate in the chrome tanning process. • Technical solutions to minimise and effectively manage tannery waste (wastewater and solid waste) with zero waste manufacturing systems as the aim. Proposals here could involve: <ul style="list-style-type: none"> ○ Wastewater effluent treatment technologies, centralised (such as a Common Effluent Treatment Plant – CEPT) and decentralised infrastructure. ○ Biological treatment processes that can potentially treat wastewater, such as anaerobic digestion, aerobic bacterial systems, macrophyte and algal systems. ○ Technologies for bioprocessing the waste to convert to valuable by-products, e.g., bioenergy and composting. ○ Recycling technologies for recovery of chemicals and clean water. ○ Effective solid waste management interventions such as waste minimisation at source, recycling techniques to reuse chemicals, valorisation of the waste (biogas, biopolymers, biochar, etc.).¹³ • Solutions to reduce the consumption of freshwater in the tanning process.
<p>B: VALUE CHAIN ANALYSIS and DESIGN</p>	<ul style="list-style-type: none"> • Value chain / full lifecycle assessments (cradle-2-cradle¹⁴ / cradle-2-grave and / or cradle-2-gate) that provide a comprehensive analysis of the leather value chain (be it the formal / informal sector) in a specific tannery / or cluster of tanneries / tannery industry of a country as a whole. Such assessments to pay attention to the international certification processes (e.g., LWG, ISO etc.). • Digital solutions around value chain transparency for data/information acquisition, analysis, and its use in improving traceability, processes, environmental and OHS performance at process and system level and business metrics. <ul style="list-style-type: none"> ○ Develop solutions to trace and track hides from sourcing through the entire tannery process chain and beyond, e.g., coding of hides in combination with a software solution. ○ Develop solutions that could assist in meeting stringent international certification processes (e.g., LWG, ISO). • Solutions to improve natural (and physical) resource circularity¹⁵ in the manufacturing process, which could include

¹² Pilots under this procurement should ideally apply solutions between technology readiness levels (TRL) 5–9 to be tried and developed in the real-world context. The Technology Readiness Levels (TRLs) 5-9 as defined by the <https://www.gov.uk/government/news/guidance-on-technology-readiness-levels>: TRL9: Operations, TRL8: Active Commissioning, TRL7: Inactive Commissioning, TRL6: Large Scale, TRL5: Pilot Scale.

¹³ Rigueto, C.V.T., Rosseto, M., Krein, D.D.C., Ostwald, B.E.P., Massuda, L.A., Zanella, B.B. and Dettmer, A. (2020). Alternative uses for tannery wastes: a review of environmental, sustainability, and science. *Journal of Leather Science and Engineering*, 2(1). doi:<https://doi.org/10.1186/s42825-020-00034-z>.

¹⁴ Cradle-2-cradle is the most desirable state of analysis even if this may be a futuristic scenario for a project. Candidates could motivate how the proposed solution can transform/change/impact the considered value chain to a cradle-2-cradle system in the foreseeable future, if not in project duration.

¹⁵ For the sake of clarity, circularity in this context can be defined as follows: A zero waste system ensuring recovery of all chemicals, minerals, biomaterials, and clean water free of any toxic elements and suitable for reuse or a cascade use while pledging to safe disposal of the recovered toxic elements.

	<p>piloting ideas, and evaluating their potential to scale up. These resources could include water, chemicals, energy, bio-content.</p> <ul style="list-style-type: none"> • Feasibility studies / piloting ideas to introduce state-of-the-art technologies, already successfully deployed in tanneries in technically advanced countries, and demonstrate the potential of these circularity-driven manufacturing systems to succeed in different geographic and socio-economic contexts – in terms of circularity, resource efficiency, and environmental and health co-benefits.
<p>C: OPERATIONS and GOVERNANCE</p>	<ul style="list-style-type: none"> • Interventions proposing improvements and innovations to the CETP operations and governance models, e.g., public-private partnership with independent waste management expert companies. • Developing an incentivised model to enforce the occupational health and safety (OHS) regulatory requirements, for all workers including the wage labour and temporary workers. • Solutions around the development of supply chain development models inspired by automotive manufacturers such as the Toyota model, requiring the demand side large corporates to invest in upstream supply partners for knowledge, information, and risk sharing- the incentive is a reliable supply chain for hassle-free international audits and certification. • Solutions proposing institutional models (national / regional scales/ local spatial cluster scale) to bring together actors from government, industry, academia to drive environmental pollution policy and enforcement, certification audits and compliance, etc. [Links to Theme D].
<p>D: KNOWLEDGE and EDUCATION (through a gender equity and social inclusion lens).</p>	<ul style="list-style-type: none"> • Training programmes directed at the wage labour and workers on temporary contracts, especially on OHS, and the social and environmental impact of processes. • Training and education of the middle management (ideally gender balanced), focusing on staff wellbeing (esp. OSH), gender equity and social inclusion, environment, and business metrics (KPIs). • Accessible and replicable vocational training courses / programmes in tannery and leather technologies. • Collaborative knowledge development with local context as a focus (consortium with local research institutes, academics, and industry). [Links to Theme C.] • Proposals aiming to deliver key research outputs focussing on knowledge of technologies and solutions available for the local context. For example, on closed-loop or circular manufacturing systems as a business case, knowledge on the availability of and advantages of environment-friendly or non-toxic chemicals (green chemistry alternatives), and study on the benefits of the spatial clustering of tanneries.

NOTE: The SMEP Programme acknowledges that some of the solutions listed above may be associated with externalities (or unintended consequences). These should be noted as risks at the proposal stage and will be interrogated in detail.

Proposals for this tanneries sector procurement should aim to meet the following **criteria**:

- a) A rationale for delivering systemic change: Project ideas which can demonstrate potential for improvement or innovation under one or more of the four themes in Table 2 and that can show a rationale for delivering systemic change within the tanneries industry are encouraged. Ideally, a systemic perspective will provide a sustainable solution to an unsustainable challenge and not simply move problems or hazards to another part of the supply chain or system. While concepts are sought within four identified SMEP themes, any project proposal would need to consider how changes in one area might impact the other three areas (positive or negative and with what intensity). Alternatively, proposals should earmark how such envisaged externalities in other areas can be circumvented to ensure that the proposed solution succeeds in its purpose.

The call thus welcomes solutions that, in themselves, can address broader systemic and contextual challenges. These include, but are not limited to:

- Barriers to investments in water treatment and/or cleaner production technologies, including structural challenges within the sector and limited internal; and external servicing capacity in managing solid waste and wastewater aspects.
 - Structural challenges relating to the bifurcated nature of the industry (formally established large companies vs. numerous informal businesses) and the microeconomics of the value chain (e.g., limited environmental premiums, sub-contracted employees, and prevalence of informal and unregulated operations).
- a) Eliminating pollutants: Solutions should aim to reduce or eliminate waste and manufacturing pollution in the tanneries sector, driving tangible improvements in the **environment and to human health**.
- b) Collaboration: Applicants are requested to propose solutions that include collaboration from various actors necessary to ensure ultimate success. Concepts may bring together different stakeholders, either as individuals or in a consortium, with at least one consortium member being based in the target country, including:
- Tanneries business customers and possible retailers (demand-side).
 - Manufacturers operating in the tanneries value chain (supply-side parties).
 - Solution providers, including technology providers and research institutions in the pollution-control & circularity areas.
 - Regulatory bodies (especially those involved with *occupational health and safety* and *pollution control*) and policymakers (especially local government departments in charge of labour, industry, public health, environmental protection and gender equity and social inclusion).

See Section 3.5 and 4.2 below for more detail on collaboration.

- c) Evidence-based: In general, applicants are encouraged to consider and draw on current research and robust evidence to ensure that proposed interventions maximise its potential to address key environmental challenges, and human health implications, in this sector. *For example, the SMEP funded research listed here suggests that an intervention's impact can be amplified if concentrated around an existing industrial cluster of tanneries (spatial specificity)*. In addition, concept proposals that are research-focused should be designed in such a way as to make a case for long-term

pollution mitigation. Such proposals should develop/present evidence to ensure they are designed to deliver the following:

- Efficacy to mitigate the targeted type of pollution.
 - A use case for new solutions in the industry: i.e., a strong rationale that conveys a pathway for the uptake of the solution by the industry or a method to interrogate and address key aspects.
 - Commercial viability and a business case for investment by manufacturers.
- d) Co-finance is encouraged, particularly from demand-side partners (leather buyers and retailers), and this includes in-kind contributions¹⁶ such as facilitating testing or piloting concepts.

In addition, proposals should also aim to meet the following SMEP Programme requirements:¹⁷

- e) Solutions that can also show potential for direct or indirect Greenhouse Gas (GHG) mitigation are encouraged.^{18,19}
- f) Target countries: These include, but are not limited to, the SMEP focus countries **Bangladesh, Pakistan, Ethiopia, Kenya, and Tanzania**. At least one target country should ideally form part of the proposal and the lead applicant, or a key implementing partner, should ideally be based in the subject target country. *Please note that the selection of successful candidates will be subject to the SMEP geographical spread of projects at that time (amongst other call criteria outlined in this ToR).*
- g) Technical feasibility of the solution and improved Technology Readiness Level (TRL): Where proposals include the piloting of technological solutions, the SMEP programme calls for solutions between TRL levels 5–9, which can be tested, piloted, and developed in the real-world context.²⁰
- h) Social and environmental co-benefits: Proposals that meet programme objectives and can show potential for co-benefit delivery will be considered favourably. Such benefits can include, but are not limited to:
- Wider benefits for human health and the environment.
 - Opportunities for local economic development/upliftment.
 - Economic opportunities for women and/or marginalised groups (see GESI priority criteria in Section 3.5.3).

In the same light, the SMEP programme seeks to do no harm, and ideally address existing inequalities for the better, whilst implementing or testing innovative concepts, intentionally, or unintentionally. Here, special mention is made to **Gender Equity and Social Inclusion (GESI)** and the need for proposals to consider and ensure careful consideration of its impact and alignment with broader goals such as social inclusion, ideally proof of how concepts will aim to improve current inequalities.

¹⁶ This modality would require discussions and agreement on a contractual relationship which requires a level of transparency & credible “spill over” effect of the funded project.

¹⁷ Details of criteria weighting (criteria for evaluation) are listed in Section 3.

¹⁸ Avoided emissions that occur at the facility where piloting takes place.

¹⁹ Avoided GHG emissions that are a consequence of the piloting but occur at sources owned or controlled by another entity.

²⁰ The Technology Readiness Levels (TRLs) 5-9 as defined by the <https://www.gov.uk/government/news/guidance-on-technology-readiness-levels>: TRL9: Operations, TRL8: Active Commissioning, TRL7: Inactive Commissioning, TRL6: Large Scale, TRL5: Pilot Scale.

- i) **Safeguarding:** FCDO takes safeguarding very seriously and requires the PMA and Grantees to regularly monitor and report on it. Under SMEP, safeguarding is broadly defined to cover issues around sexual harassment and exploitation; fair labour practices; human rights; duty of care; protection of children; bullying; whistleblowing; environmental protection; and social responsibility. SMEP has the responsibility to make sure that projects receiving FCDO funds comply with legal and fair practices, aligned with FCDO's safeguarding policies.

The tanneries sector, in some countries, has a reputation of high levels of child labour, modern day slavery, and occupational health and safety (OHS) issues.²¹ SMEP has an obligation to make sure that funding provided does not promote unfair practices and / or exacerbate safeguarding issues, with particular emphasis on child labour, modern-day slavery, occupational health and safety, as it applies to the tanneries sector. This applies to project partners, their suppliers, and sub-contractors.

SMEP will assess the extent to which applicants are meeting safeguarding standards. Applicants will be required to provide evidence or show commitment to put in place reasonable measures to prevent misconduct and illegal acts; and to ensure compliance with relevant and applicable laws, codes of practice and international standards. The project partners are required to ensure that these measures are implemented throughout the supply chain.

- j) **Implementation period:** Proposals should have an implementation period of between 18 to 24 months.²² Please refer to Section 2.2 below.
- k) **Budget range:** Up to GBP 3 million will be made available to fund between three to six solutions, each with a budget of between GBP 250 thousand to GBP 1 million.

Applicants are also directed to Section 4 of this Terms of Reference, which refers to the general SMEP Programme terms and requirements.

²¹ *References to safeguarding issues in the tanneries sector:*

- Human Rights Watch (2016) *Human Rights in Supply Chains: A Call for a Binding Global Standard on Due Diligence* <https://www.hrw.org/report/2016/05/30/human-rights-supply-chains/call-binding-global-standard-due-diligence>
- Maksud, A.K.M.; Hossain, K.R.; Sayed, S. and Arulanantham, A. (2021) *Mapping of Children Engaged in the Worst Forms of Child Labour in the Supply Chain of the Leather Industry in Bangladesh*, CLARISSA Emerging Evidence Report 5, Brighton: Institute of Development Studies.
- Junaid, M., Malik, R. N., & Pei, D. S. (2017). *Health hazards of child labour in the leather products and surgical instrument manufacturing industries of Sialkot, Pakistan*. *Environmental pollution* (Barking, Essex: 1987), 226, 198–211.
- Eusuf, M.A.; Khaleque, A.; Rana, E.A. (2022) *Employment and working conditions in Bangladesh's leather industry: Evidence from a survey of tannery workers*, *The Research and Policy Integration for Development Society*
- I. Král' and N. Niedźwiedz (2021) *Occupational Safety and Health Aspects of Leather Manufacturing*, 2nd edition, United Nations Industrial Development Organization
- Hira, A; Pacini, H.; Attafuaah-Wadee, K., Sikander, M.; Oruko, R.; Dinan, A. (2022) *Mitigating Tannery Pollution in Sub-Saharan Africa and South Asia*, *Journal of Developing Societies*, Volume 38, Issue 3, Pages 360-383 Sage Journals

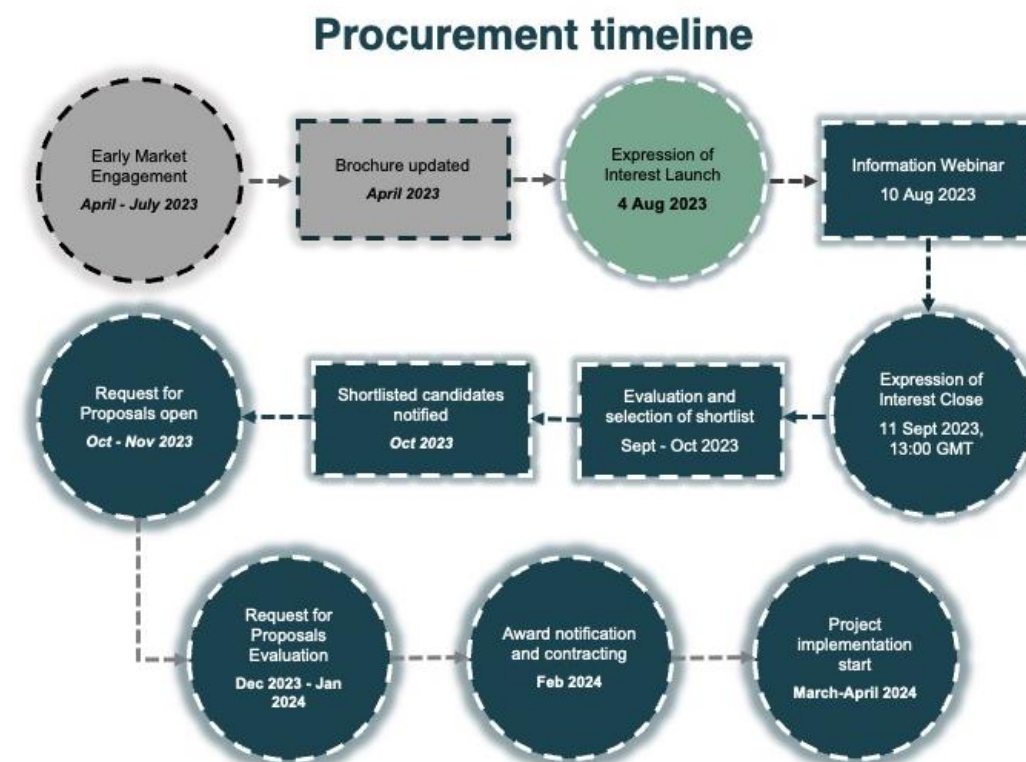
²² Implementation period is an estimate, it depends on the final contracting date and possible SMEP programme extension.

2. Application Overview

This section outlines the *two-stage procurement process*.

2.1. Application stages

This procurement follows a two-stage, open procurement call process to identify potential manufacturing pollution interventions in the tanneries industry best suited for SMEP. The process is outlined below and procedures for completing the application are provided in Section A above.



2.1.1. Stage 1: Expression of Interest (Eoi) & Capability Assessment [Open to all candidates]

This stage aims to assess candidates' organisational capability, track records, experience and team competency, capacity and prior experience in the subject matter and sector-specific field and/or related supporting services – specifically in the country of implementation. Candidates are also required to undergo preliminary due diligence screening at this stage. Although a project concept is not the focus of this stage, candidates are asked to briefly introduce their proposed concept, including the construct of the project consortium, potential project partners and rationale behind the envisaged partnerships, should they be advanced to the next stage.

For this procurement, “organisational capability” is defined as:

- Physical presence in the country of implementation.
- Relationships and networks based on the organisation's core activity, experience, and prior engagements.
- Staff capacity with the requisite skills.
- Experience in convening or implementing work described in the proposal required for the implementation of the project.

- Internal administration and project management infrastructure to deliver the assignment.

Team members assigned with the role of leading the project implementation will need to show “technical experience” defined as:

- For the team lead, in the region of 10 years of experience relevant to the nature of the proposal and has a track record of external funding and implementation on the scale as proposed.
- Technical expertise and competence should be demonstrated in the following areas: piloting and scaling of innovative solutions relevant to the tanneries industry, circular economy, manufacturing pollution risk management, impacts and vulnerability assessment, and/or integration or mainstreaming of cleaner production technologies, research, etc.
- The team must include members with local or regional knowledge/expertise.
- Experts should have excellent relevant technical skills; a track record in developing and implementing applied research is advantageous.

This requires candidates to complete an Expression of interest form (via the [SMEP online portal](#)).

Candidates will be evaluated based on this initial procurement prerequisite, and **shortlisted candidates will be invited to prepare full proposals (Request for Proposals)** detailing their proposed solutions/ interventions.

The Eol form will be open for at least four weeks. The SMEP (PMA) will evaluate all submitted Eol applications. Those deemed to have a high degree of relevance and potential impact will be shortlisted and forwarded to the Steering Committee to determine a shortlist to proceed Stage 2: Request for Proposals.

The evaluation criteria for Stage 1 Eol are weighted as follows:

- Due diligence (15%)
- Organisational capability (35%)
- Technical experience (30%)
- Project idea and implementation location (20%)

This evaluation and decision-making process will take approximately 4 - 6 weeks after the Stage 1 closing date. All applicants will be notified of the outcome of their submission.

2.1.2. Stage 2: Request for Proposals [for Shortlisted Candidates only]

For the second stage, shortlisted applicants will need to submit a detailed proposal, a detailed project implementation plan and budget as outlined in Section 3 below. The selected applicants will be given up to 10 weeks to prepare and submit their proposals. During this stage, further guidance on submitting the full proposal will be provided to applicants to support the process.

This stage will also include detailed due diligence on the organisation submitting the concept.

The evaluation of proposals and initial due diligence processes result in a score, which becomes part of the final grant award process, where the SMEP Steering Committee decides on the award of contracts, and contracting procedures will begin. All applicants will be notified of the outcome of their submission.

2.2. Indicative timeframe for the procurement process

Indicative timeframes for the Tanneries procurement process are provided below. Please note that some timelines might be adjusted.

Step	Time period	Date
Stage 1: Expression of Interest		
Eol launch		Tuesday 4 Aug 2023
Information webinar	10 days after launch	Monday, 10 Aug 2023, 14:00 GMT
Eol closing date	4 weeks	Monday, 11 Sept 2023, 13:00 GMT
Eol evaluation	~ 4 weeks	Sept – Oct 2023
Eol application outcome notification	1 - 2 weeks	Oct 2023
Stage 2: Request for Proposals		
Request for Proposals open for shortlisted candidates	10 weeks	Oct 2023 – early Dec 2023
Request for Proposal evaluation	~ 9 weeks	Dec 2023 – end of Jan 2024
Request for Proposal outcome notification	1 - 2 weeks	Early Feb 2024
Contracting negotiations and Due diligence	~ 8 weeks	Early Feb 2024 – End of March 2024
Project implementation	~ 24 months	April 2024 – March 2026

2.3. Who may apply?

Stage 1 (Eol): Any organisation, consortium or individual that can prove experience in this sector and the implementation country, can apply.

Stage 2 (RfP): *The RfP stage is restricted as only shortlisted candidates advanced from Stage 1, are invited to submit detailed proposals.* Proposals may be submitted by single entities or by a consortium.

For more information on permissible organisational arrangements, refer to Section 4.2.

2.4. Supporting documents

Applicants must submit the following compulsory documents (as attachments) as part of the two-stage process. Applicants may submit other supplementary information but note that SMEP is under no obligation to include such additional information in the adjudication process other than as specified below:

Expression of Interest:

When completing the Eol form, applicants should include information to show a proven track record and skill, which may comprise *academic qualifications, technical skills, delivery of similar*

pieces of work, funding history, capability, and prior experience in the subject matter and sector-specific field and/or related supporting services required for their proposal. Team competence must include the ability to design and implement commercially sustainable solutions and develop established relationships to enable rapid and effective stakeholder engagement toward market uptake of the solution developed.

Request for Proposal [selected candidates only]

- **Curriculum Vitae.** Candidates must submit CVs for each core team member (maximum of 2 pages). The core team members could include technical staff, key consortium members, principal delivery, and investigation staff, etc.
- **Budget and Workplan.** Templates and links to the required budget and workplan forms will be made available to the shortlisted candidates. **Please refer to Section 3.3 below for a detailed guideline about budget requirements, including current SMEP funding parameters.**
- **Letter(s) confirming Co-financing:** Co-financing is not a requirement for an award. However, proposals with co-finance are favoured, especially from private sector sources, as it indicates potential commercial feasibility, financial sustainability, and commitment for long-term success beyond grant funding. The availability of, or willingness to provide a level of co-financing must be recorded in the budget form and may influence the outcome of the review process. Co-finance includes in-kind contributions. A letter regarding the co-financing must be submitted for each source of co-financing – a template will be provided to shortlisted candidates.
- **Consortium agreement example for applicants:** An agreement that governs the legal and management relationships between consortium partners is required for consortium applications. Note that this agreement must be subject to the terms of the SMEP framework services agreement entered with the lead applicant upon contracting. The Consortium agreement may be in draft form at submission but must be finalised and signed by all consortium partners before contracting. SMEP can provide an example of a consortium agreement, on request, for reference.

See Section 3.5 and 4.2 for Lead organisation, consortium, and subcontracting rules.

2.5. Due diligence background and context

The SMEP approach to due diligence is 'aspirational'. We acknowledge different requirements in different jurisdictions and for organisations at varying levels of maturity. Nevertheless, the SMEP programme operates within a strict ethical and legal framework, which our suppliers must aim to equal, or better. Where an organisation cannot currently meet a due diligence requirement, the applicant needs to provide an explanation and / or motivation.

Due diligence is aligned to the terms of the SMEP Framework Services Agreement (available on the Submissions portal) which in turn is aligned with the FCDO supplier compliance levels and the related [Supply Partner Code of Conduct](#). Currently, the FCDO compliance levels are as follows:

- **Compliance Level 1:** Supply Partners with an individual contract value of £1m or above, or two or more FCDO contracts/grants with a combined value of £5m or above.
- **Compliance Level 2:** Supply Partners with an individual contract value below £1m, or two or more FCDO contracts /grants with a value of less than £5m.

- **Compliance Level 3:** Supply Partners with an individual Contract value, or component of a Contract/Grant, with a value of £122,976²³.

Applicants are required to confirm that they can meet the applicable compliance level requirements; or commit to meeting these requirements. Applicants who do not currently meet all compliance requirements but would like to compete on this Call may:

- Partner in the consortium, led by an organisation capable of meeting the compliance requirements; or
- Commit to achieving full compliance for their contract level, provided this is a realistic aspiration given the status at the point of application and proposed timeframes.

2.5.1. Due diligence during Expression of Interest:

At the initial EoI stage, due diligence mainly relates to the standing of the Lead organisation (i.e., average three-year turnover, company registration details, etc.).

2.5.2. Due diligence during Request for Proposal:

The SMEP RfP due diligence process includes:

- Self-certification via an *online due diligence form (link to be provided)*. This covers aspects such as legal status and ability to trade, financial stability, governance and ethics, ability to deliver, downstream partner/subcontractor management and safeguarding.
- Verification of claims and documentation through research, background checks and vetting, assessment of policies and processes, and due diligence interviews.
- Ongoing due diligence over the lifetime of the contract.

Duty of Care and Security is an important requirement of SMEP contractors. If an organisation is not willing or not able to accept responsibility for Duty of Care and Security, the submission may be viewed as non-compliant and excluded from further evaluation. The Duty of Care and Security information and declaration is included in the due diligence form.

The due diligence is valid for a two-year period, with exception of documentation that expires prior to the end of the two-year period.

Due diligence will be undertaken on the organisation that will hold the contract. ***Where the application is made on behalf of a consortium, due diligence will only be undertaken (by SMEP) on the lead organisation.*** The lead organisation will be responsible for due diligence on the consortium partners. The information supplied as part of due diligence will be used to inform selection processes; and, if an application is successful, be used to inform the contracting negotiation process.

Applicants should be aware that the entity's Board (or equivalent) and senior management will be vetted via online vetting procedures, and that if awarded a contract, they may be required to participate in a due diligence interview.

²³ This level is currently set only until 31 December 2023.

3. Request for Proposal: Technical Proposal and Budget Development

The following section provides guidance for applicants in submitting the EoI, but more specifically to ***selected candidates (from Stage 1) in preparation for the Stage 2 proposal and budget development.***

3.1. Approach to Request for Proposal development

The Request for Proposal stage allows applicants to develop their project concepts in more detail. Applicants are requested to complete an application that builds on the information submitted at the concept stage (which is visible to them on the application portal). Proposals will be evaluated on:

- The quality of information detailing the rationale for and feasibility of the proposed intervention.
- The robustness of the delivery plan.
- The merits of the applicant organisation or consortium.

3.2. Delivery capacity

3.2.1. Organisational

Stage 1 of the procurement process requires applicants to set out the consortium team that will deliver the project and include examples to demonstrate the organisational capacity to do so. Applicants will be assessed on their organisational capability and technical experience.

3.2.2. Submission by a consortium

The EoI application form asks detailed questions around the delivery capacity of the applicant and requires applicants to submit information on the implementing *consortium*. The definition of a consortium, for the purpose of this Terms of Reference, is “an association comprised of at least two organisations working in partnership.”

The PMA can entertain changes to the original composition of the consortium proposed at EoI stage, on provision that it is well motivated, and such changes will be subject to Section 4 and matters relating to conflict of interest.

Lead applicants, located outside of the target country / countries, must provide information to demonstrate the ability to engage locally insofar it is necessary to ensure effective delivery of the project. To this end, it is therefore anticipated that applicants will propose a consortium, association, partnership, or sub-contractor relationship with a local entity to successful implementation.

3.2.3. Subcontractors and partners

Specialised services or supplies may be subcontracted by the lead applicant, where necessary and appropriate. Subcontractors are however not considered to be consortium partners. The lead organisation (and any consortium partner proposing to engage subcontractors) must be able to demonstrate their capacity and capabilities to manage subcontractors, to ensure value for money and performance. This aspect will form part of the due diligence on the lead organisation during contracting. Please refer to section 4.2 of the ToR for more guidance on the roles, responsibilities, and requirements of the respective project delivery agents, which includes the applicant, consortium members, and subcontractors.

3.3. Budget and Co-finance

As mentioned, ***shortlisted RfP applicants*** will be required to submit a *detailed budget at the RfP stage*. In summary, the following guidelines is noteworthy:

- Guidance on developing the budget will be provided as a downloadable document from the Submissions portal.
- Budget forecasts of up to GBP 1 million are permissible (SMEP funding ask).
- Shortlisted candidates to indicate the ***total budget for the project delivery*** on the budget form. This would include the amount requested from SMEP and any funds that are to be provided by other parties (co-finance), applicant's own funding, access to loans, etc. While co-finance is not a project pre-requisite, alternative sources of funding, particularly from beneficiaries and industrial partners, are encouraged, and will be considered favourably.
- The budget form is organised by financial years and applicants should consider the funding limit parameters (listed below) when determining the budget ask per year. To tie budgets to delivery and implementation targets, applicants are required to include the budget figures against deliverables in the project workplan template.
- Budget lines are linked to the following categories a) Personnel costs, b) Project expenses (including equipment) and c) [Non-project attributable costs \(NPAC\)](#).
- The budget should include all costs necessary to complete project delivery and should link to agreed deliverables as per the proposed workplan.
- Financial year totals on the budget form should correlate with the sub-totals of phases as indicated on the workplan. Refer to section 4.4 for detail on the proposed workplan.

3.4. The project delivery phases and project delivery plan.

Implementation should be described in a logical sequence of the rollout. A workplan template will be provided for applicants to illustrate what resources are required to implement the project activities in a calendar format. In addition, the online RfP technical form provides an opportunity to describe phased activities and interrelations between activities and measurable outcomes and / indicators.

The workplan provides a basis for tracking the delivery of activities and project milestones should applicants be contracted. It is revisited quarterly with contracted suppliers to accommodate project realities, unavoidable changes, and to ensure optimal delivery.

Please note that applicants should consider the mandatory submission of quarterly reports to the SMEP PMA (as indicated in the project workplan template) when doing their project planning. This monitoring and elevation method is key in assessing the progress of the project against the workplan, activities, projected outcomes and budget spends.

Applicants are required to structure the development of their project proposals in phases as described below. If there is a clear rationale for an alternative approach, please propose this in the application form.

3.4.1. Phase 1: Inception

An inception phase is required to address project start-up activities, initial stakeholder engagement, consortium partner alignment, verifying permitting and standards requirements, troubleshooting and planning, etc. Inception is likely to be between 6 and 12 weeks.

Inception work packages ultimately shape the implementation plan and inform the project design. We acknowledge that the specific nature of the intervention will largely dictate the

activities and sub-activities and how it will be measured under the work package, though certain generic activities might be relevant during this phase:

Note that it is entirely possible (or in some cases desirable) that in carrying out the inception work, an alternative approach or impediment arises, and that these unforeseen aspects might inform the design of the project going forward.

3.4.2. Phase 2: Project implementation.

Again, work packages and activities will be specific to the intervention but may include research, initial groundwork, field preparation and implementation.

3.4.3. Phase 3: Project embedding and scaling.

This phase includes practical steps to embed the solution further, to ensure long-term sustainability of the project and its potential impact. Activities included in this phase furthermore extend to developing the business case of the project for wider market uptake / scalability.

3.5. Technical considerations

The Request for Proposal submissions from **shortlisted candidates** (Stage 2) will be assessed on the following criteria:

3.5.1. The C_005c procurement objectives

Applicants are required to demonstrate alignment with the call objectives and parameters - **as described in Section 1.3 above.**

In summary, proposals should provide a rationale for uptake and a business case that can show a reduction in manufacturing pollution from the tanneries industry and the potential for co-benefits (environmental improvement and human health). The business case should then be developed through the implementation of the pilot project / intervention and applicants should conduct activities, to promote wider uptake of the solution.

Applicants must also show direct benefits and co-benefits associated with the piloted solution / intervention, including opportunities for GHG emission reduction, the social and environmental benefits associated with the solution (pollution mitigation, natural resource savings, potential human health benefits, etc.), and GESI opportunities. These aspects are discussed below.

3.5.2. SMEP Theory of Change

The overall impact of the SMEP Programme is measured in line with the SMEP Theory of Change (also known as the 'logframe') – which is essentially a comprehensive description and illustration of how and why a desired change is expected to happen in the given context. As individual SMEP projects / interventions make up the overall SMEP impact, we acknowledge that not all projects can influence all aspects of the SMEP logframe. Notwithstanding, applicants are invited to review the SMEP logframe when developing their proposals to motivate how their interventions could potentially contribute to some of the key **outcomes** (and ultimately contribute to the desired SMEP **impact – reduction of pollution levels and improvements in human health**). Contracted grantees will need to report on progress against agreed upon outcomes and outputs. Figure 1 depicts the SMEP Theory of Change.

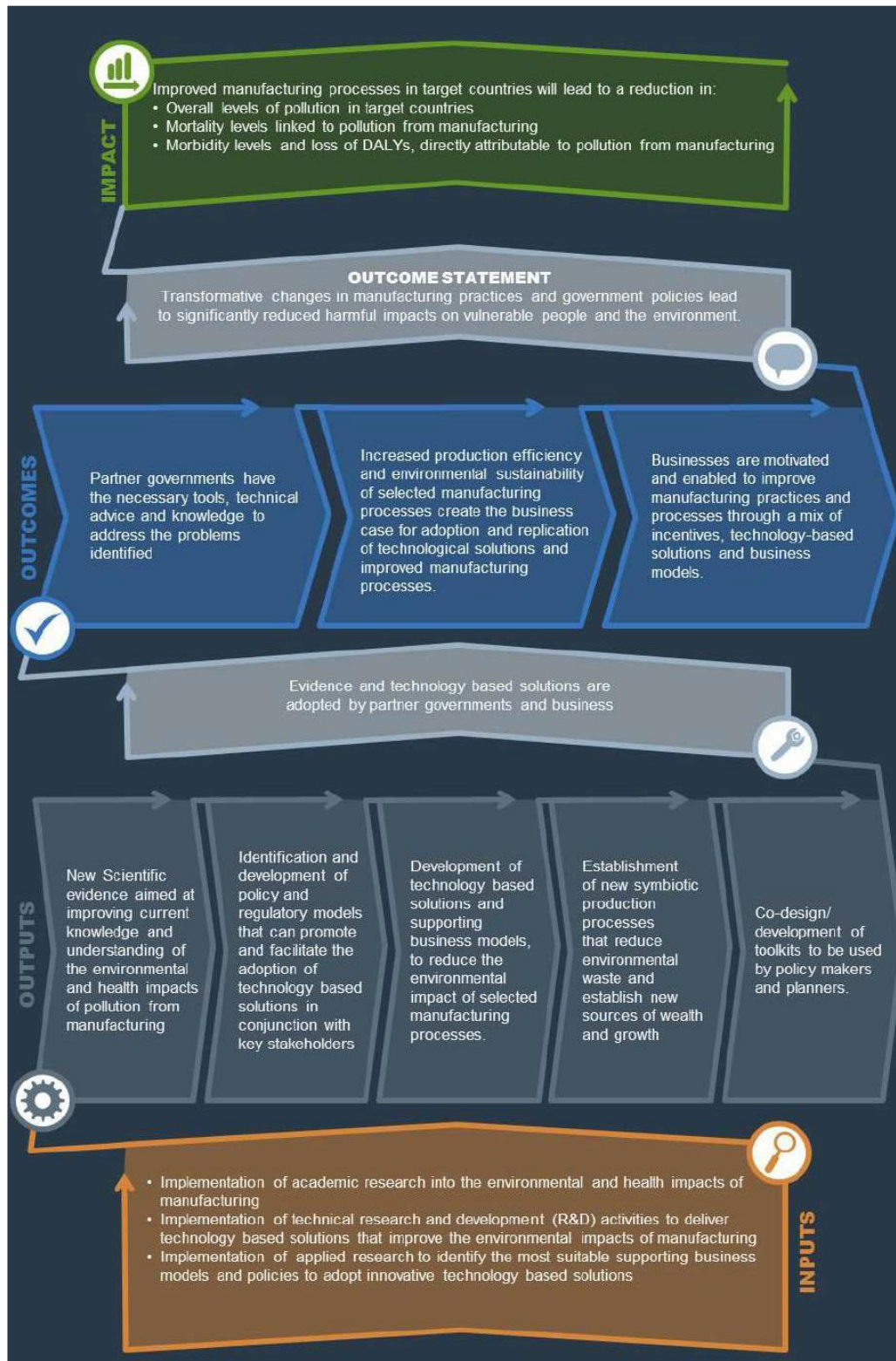


Figure 1 - SMEP Theory of Change

3.5.3. Socio-economic considerations, gender aspects and social equity (GESI)

The International Development (Gender Equality) Act of 2014, mandates that all UK Official Development Assistance programmes must aim to reduce gender inequality and social exclusion. Although this aspect is not the primary purpose of the C_005c call, we encourage applicants to identify opportunities within the consortium delivery team, the implementing site and within the affected value chains, where gender inequality aspects, once identified, can be addressed. Applicants are asked to indicate how they plan to identify and deliver on these aspects and enhance co-benefits where possible and provide estimated quantification of potential benefits where this can be shown.

Applicants should be cognisant of the issue of risks and exposures to the workforce to hazardous conditions and are expected to manage this aspect proactively.

In summary, all submissions must show how the areas listed below will be addressed.

- Gender and social inclusion (GESI), and the Do No Harm agenda. Refer to the [Supplier Operations Manual](#) and the [GESI Practical Tips Guideline document](#) accessible via the submission portal.
- Research-into-Use (R2U), please refer to section 4.3.5 below.

3.5.4. Environmental performance and mitigation of unintended consequence

A prime consideration for selection is the actual impact that the solution is [intended to have on manufacturing pollution and associated human health implications](#). Proposals which aim to intervene within the value chain should expand on this rationale to explain potential upstream and downstream impacts. Applicants should motivate how the pollution pathway will be interrupted (and disrupted), should the solution aim to intercept manufacturing pollutants, currently emitted, or destined for landfill or wastewater flow.

RfP shortlisted candidates should aim to **measure / track** the consequential volume of wastes and emissions that will be redirected/repurposed/treated and which proportion will remain as residue to be dealt with, following reprocessing operations (the net gain or ballpark efficiency of the solution). When developing the proposal, we urge candidates to **propose applicable and accepted environmental performance indicators**, and ways to determine baseline data and how to measure progress against these, to be able to report on the project's environmental performance. The indicators applied are dependent on the nature of each project. Should the proposal be funded, this will become a key contracting requirement.

Applicants are furthermore requested to discuss negative impacts including possible unintended consequences of by-products, cascading waste streams or displacements of resources upstream or downstream of the activity as well as job or livelihood losses if these are relevant. A description of how such externalities will be managed, and what its negative impact might be if not managed properly, will provide context on the applicant's overall capacity to manage impacts and benefits.

Impacts should be discussed in economic terms, broader environmental terms, and social terms, showing pre-solution and post-solution scenarios.

3.5.5. Greenhouse Gas (GHG) mitigation potentials

A key SMEP funding criteria is the potential of projects to reduce GHG emissions²⁴. These should align with Internal Climate Finance methodology²⁵. The online application form provides the opportunity to show estimates of reductions that may occur, both as a direct result of the intervention and project activities or as avoided emissions (that occur within the value chain at sources owned or controlled by another entity, because of the intervention). Should applicants be contracted, the proposed GHG tracking will be reviewed, and technical oversight will be facilitated by the PMA.

3.5.6. Business model and additionality

Shortlisted RfP applicants are asked to elaborate on the elements that determine the project's long-term sustainability in a commercial sense (suggesting solutions to other suppliers with less technical capabilities) and to explain how the project activity creates a foundation for continued activity and outcomes based on SMEP's initial funding. Applicants should provide timeframes whereby the intervention becomes self-sufficient/sustainable.

Applicants will need to provide insight into the business model, describing the unique/particular attributes of this solution, and the rationale for the business model, potential revenue streams (preferably including costing and pricing) and limiting factors (be this access to finance, supply or demand related).

This is an important section of the application and applicants are requested to address how they plan to proactively ensure business success and uptake (beyond the initial grant funding), be this through business efficiencies, pricing, communication strategies or countermeasures in response to competing offerings, cost of ownership after conclusion of project period and considering the affordability of the solution in the implementing country.

3.5.7. Stakeholder consultation

Applicants should provide information on stakeholders relevant to the project (including customers and suppliers) – including their roles in the value chain and the applicant's plan of engagement. Engagement and relationship development is required to develop these opportunities, which might include expansion of the technical knowledge base if the core team lacks technical expertise.

However, collaboration and engagement are likely required with a range of stakeholders including public bodies who may be important stakeholders for scaling up solutions, influencing policy, sustaining the solutions beyond the pilot project life, or even supporting/stopping through regulatory or governance measures in each environment.

Targeted local community consultation will also have relevance for long-term sustainability and provide insight into opportunities for social inclusion.

3.5.8. Assumptions and Risks

To better understand the context and the rationale associated with the reduction in manufacturing pollution, applicants are asked to provide a review of the key assumptions upon which the success of the proposed solution will be founded. This may include aspects such as meeting specified standards, customer acceptance and feedstock supply. Please note, the

²⁴ Not all projects can achieve this objective. However, PMA requests comprehensive information to the best of the Applicant's ability so that this aspect is factored in selection.

²⁵ Reporting on GHG emission reduction aligned with the ICF Methodology (KPI 6) will be a contracting requirement. Please refer to this explanatory note: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1139412/ICF_KPI_6_Methodology_GHG_emissions_avoided_2023.pdf

delivery of Phase 1 work (inception) should interrogate these assumptions and/or ensure that foundations are in place to deliver on the assumptions (for example, preparatory work to ensure that standards are met).

Risk management is an important component of the RfP and is considered in several categories in the technical proposal application form to help evaluators understand the risk-reward associated with the proposal. Applicants will need to provide additional information in the areas listed below:

- Information on **policy and regulatory** environment – providing context of what regulatory solutions are required to support and enable the intervention and the plan to address these.
- Information on **product risk**, ensure that the proposal elaborates on the detail provided in the concept stage. This could include a description of contingency plans on assumptions including compliance with product standards, how product/equipment testing will be carried out, and elaboration on quality control systems and product liability considerations.
- **Health and safety risks** and how these relate to the manufacturing and operational environment, within the supply chain and the wider environment (for contractors, neighbourhoods, and communities). Broader safeguarding strategies and consumer safety bears relevance under this category as well (please refer to section 1.3 for more detail on safeguarding concerns specific to this call).
- **Environmental and lifecycle impacts:** These include compliance with environmental standards and regulations, risks relating to resource requirements and usage, emissions to air/water and solid waste generation, and lifecycle considerations including end of life (not a Lifecycle Analysis as such). Applicants will need to elaborate on the relative advantages of the product or solution over the established solution. Monitor, managing and reporting on environmental risks is also required consideration. ***Note that Applicants should specify which environmental standards and regulations they plan to comply with, i.e., local within the country of implementation, regional standards, or other globally recognised standards (EU / UK / USA).***
- **Commercial aspects** dictate the long-term success of the project, and the applicant is requested to review commercial prospects and is also requested to highlight any intellectual property aspects that may have bearing on commercial success.
- Applicants are asked to note **broader risks** in the project implementation and broader environment that FCDO should be aware of. This may include political or civil risks and potentially unsafe or exploitative practices within the supply chain where the project activity is proposed to take place.

3.5.9. Intellectual property and ownership of project assets

Please refer to Sections 4.4.8 and 4.4.9 under General Terms for information on intellectual property rights and ownership of project assets as well as to the [Model Grant Framework Agreement](#).

3.5.10. Dissemination of knowledge products

Note that the SMEP PMA will from time to time produce knowledge products emanating from the work done by the SMEP Grantees over and above knowledge products produced by the SMEP Grantees themselves. This will be done in consultation with the respective Grantees.

3.6. Evaluation of technical proposals

The evaluation of the proposals will be undertaken by the SMEP PMA, assisted by independent technical specialists. The final decision on contract awards will be taken by the SMEP Steering Committee which includes representatives from FCDO and UNCTAD.

Note that submissions on the due diligence application form will inform an overall risk profile for the Application.

3.7. Monitoring, Evaluation and Learning

SMEP grantees will be required to undertake regular Quarterly Reporting for the following purposes.

3.7.1. SMEP Theory of Change reporting

As stated in Section 3.5.2 above, SMEP Grantees will be required to report on progress towards certain agreed upon SMEP logframe targets on a quarterly and annual basis.

3.7.2. Reporting on workplan and progress

Programme Management: To inform FCDO and the PMA regarding project progress and to contribute to the management and strategic direction of the overall SMEP programme. The reports will help to inform the assessment of progress against agreed milestones, share lesson learning, and inform upcoming workplans.

Accountability: To document Supplier Partner activities and results over each quarterly and annual reporting period. This is a requirement to assure FCDO that the SMEP resources are being spent according to the approved project proposal. The quarterly progress reports will be reviewed in conjunction with the financial reports. The PMA will consolidate all Supplier Partner reports and present to FCDO a consolidated programme report for each period, including results from the other SMEP-funded activities. FCDO will use the PMA reports to populate its own reports, feed into its own annual review process, and respond to ad hoc requests for information.

Note that all capital expenditure for project activities (lab testing, purchase, and installation of equipment etc.) will require advance notification and the process of securing quotes and requesting advance payments should be factored into project activities.

3.7.3. Financial reporting

Quarterly Financial Reports (QFR) are required shortly after the financial quarter closes to deliver a reconciliation against the actual expenditure for the quarter. Note that grantees should aim to keep actual project costs closely aligned with budgeted figures as proposed in the budget workplan. There should not be more than a 10% variance between the actual and forecasted costs.

4. General Terms

Terms and Conditions that apply specifically to this Request for Proposals are highlighted below.

Applicants are also referred to the standard [Model Framework Services Agreement](#) contract template for general SMEP standard contract terms. The template references certain FCDO provisions. Applicants are encouraged to familiarise themselves with the contractual terms which will apply should their application ultimately be successful.

4.1. Communications

4.1.1. Contacting the PMA

Please use the email procurement@smepprogramme.org for all procurement-related communications, including clarifications regarding call process requirements, call queries and due diligence procedures.

Note that if engagement with applicants occurs while the Call is open, no technical advice or support will be provided on the content of the application. SMEP will entertain process-related questions or clarifications on the Terms of Reference. Where a query has implications for general interest and applicability, the query and its response will be published on the Call queries page.

IT and technical queries regarding the online portal, the Intention to Submit a Bid, and online submission of the proposal must be directed to techsupport@smepprogramme.org.

4.1.2. Potential suppliers' contact point

Contracted grantees are encouraged to appoint points of contact in their organisation for due diligence queries, technical/budget queries, GESI contact and correspondence relating to this procurement process. SMEP shall not be responsible for contacting the applicant through any route other than these points of contact and on the contact details provided. The applicant must therefore undertake to notify SMEP promptly of any changes relating to the points of contact.

4.1.3. UK Aid branding

Applicants that receive funding from FCDO must use the UK aid logo, be transparent and acknowledge that they are funded by UK taxpayers. Applicants 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 FCDO.

Branding for this programme will be co-branded with both the FCDO and the UNCTAD logos (to be provided).

4.2. Lead organisation, consortium, and subcontracting rules

4.2.1. Lead organisation responsibilities

Contractual obligations: The lead organisation becomes the PMA's sole contractual partner. It is the sole recipient of direct payments from the PMA and is responsible for the budgetary implementation of the project, disbursement of SMEP funding to consortium partners, management of the delivery by partners, and the project's reporting systems.

Oversight over consortium partners: It is the responsibility of the lead organisation to undertake necessary due diligence on and exercise oversight over other consortium partners. Lead Applicants will have to confirm that they have conducted their due diligence to a level consistent with SMEP requirements and may be called on by SMEP to provide evidence related to certain risks.

Networking: The lead organisation must demonstrate the consortium's access to relevant stakeholders in the target country or countries through appropriate project references, or letters of intent or similar statements.

Experience and capability: The lead implementing partner – through its directors, staff, or partners - should be able to demonstrate the requisite experience in thematically relevant project implementation, preferably in one or more of the SMEP countries of focus.

4.2.2. Consortium rules

Applicants may submit only one proposal as a lead organisation. However, any organisations may be a member of multiple consortia, and a party to multiple submissions, as a (non-lead) consortium partner. Each consortium must designate a lead implementing organisation that is responsible for overall delivery by the consortium and will be the holder of the contract.

Roles and responsibilities within the consortium must be clearly presented and reflect the strengths of the individual consortium partners.

Consortium members' commitment (example available on request). As part of the final submission each consortium partner must provide a letter in which it confirms that it agrees to work with the lead organisation, understands its role and responsibilities as a partner, has read the terms of the model contract and is happy for these to be passed down to them as a partner, and accepts any conditions required for the execution of the project. The letter must be signed by a person authorised to represent the institution or by their designate (preferably, the director of the organisation or by the Dean of the Faculty in academic institutions) and be printed on the letterhead of the organisation/institution. If the institution or organisation is providing co-financing as well, the numeric amount should be specified in the Letter of Commitment.

The overall budget must be divided clearly and appropriately between consortium partners. Budget allocations per partner should be based on the work to be undertaken by the partner and must be reasonable within the limits of the contract. Consortium partners are bound by the same rules regarding rates and expenses as the lead.

- *Draft consortium agreement:* This will be required as part of final contracting procedures should the consortium be awarded a contract and does not have to be signed by consortium members at the time of the bid submission. The agreement should detail arrangements on consortium governance (to the extent that it gives sufficient guarantee for effective collaboration), finances, and if applicable, basic knowledge to be contributed, liability, disputes, and information sharing within the consortium, the rights and responsibilities between consortium partners (such as copyright, publications, intellectual property etc. of products or other developments in the project), knowledge utilisation, and issues such as payments, progress- and final reports, and confidentiality. The Lead applicant may elect to refer to a generic example provided (on request) as a basis for the final agreement which shall include the precise terms arising out of discussion and agreement between the partners in the consortium.

4.2.3. Subcontractors

Applicants should indicate the identities of known subcontractors, and their roles, and provide key information on the services they are earmarked to perform. Costs related to sub-contractors (personnel and expenses) should be specified in the proposal budget form. Subcontracting arrangements are subject to standard rules of procurement. Where a proposed subcontractor is taking responsibility for key project deliverables and/or is absorbing a substantial portion of the budget, this may indicate that the relationship between the lead applicant and the subcontractor is more akin to a partnership requiring a consortium arrangement, and SMEP may decline to support such subcontracting arrangements, more especially where it appears that the subcontracting arrangement has been selected merely to circumvent the constraints (or responsibilities) of an FCDO grantee as they relate, for example, to value for money.

4.3. Definitions of call terms

4.3.1. Alignment

The application matches and potentially delivers on the key objectives of the SMEP programme, and of the current Terms of Reference.

4.3.2. Applicability

The submission must be relevant and appropriate to the requirements of this Terms of Reference. Costs reflect justifiable expenses given the scope of the technical work. Costs are reasonable and supportive of value for money.

4.3.3. Conflicts of interest and bid-rigging

A conflict of interest arises when an individual could be or is, influenced by personal considerations while doing their job. Any financial, personal, political, business, or professional activities or connections which might have the potential to give rise to a conflict of interest with the SMEP Programme, must be declared.

Applicants who respond to this Call must be free of any obvious conflicts of interest and must undertake not to engage with other bidders or contracted suppliers in a manner that constitutes collusion or bid rigging. If in doubt, Applicants should seek guidance from SMEP and engage officially through the PMA.

4.3.4. Equity provisions

Equity within the SMEP context includes wider considerations such as supply chain diversity, where geography- and community-specific research and technological benefits will be derived, and delivery and engagement approach adopted by partners or suppliers. The GESI and LNB (Leave No-one Behind) agendas will form part of these considerations.

4.3.5. Research-into-use (R2U)

SMEP is a transdisciplinary research programme aiming to affect change at a system level rather than delivering impact only at a project-specific or organisational level. Given that SMEP seeks to fund research initiatives that will result in the uptake of pollution mitigation solutions at a systems level, implementation partners will need to engage with diverse private and public sector and community interests and perceptions, political economic and other 'external' factors, and consider human dynamics, that play out against sector and geographic realities.

Some or all these factors can present as critical risks which can impact long-term results if not well considered and are thus relevant for delivering Value for Money.

Therefore, to ensure that the contracted work meets its objectives, Applicants are required to consider how to ensure research is taken up into practice. The applicant's methodology and the process should reflect their understanding of this issue, whether as (for example) researchers, innovators, or suppliers. The uptake of research must be carefully considered and orchestrated. If submitting a proposal, Applicants must describe the intervention logic, impact pathway, and plan of action in sufficient detail to enable SMEP to assess the quality and viability of the proposed intervention and to avoid the risk of delivering misaligned research which does not lead to speedy and material uptake of solutions.

SMEP suggests that Applicants:

- Pay attention to a growing body of evidence from FCDO and other development partner experience, that structured and targeted stakeholder engagement that both precedes and extends beyond the delivery of research services leads to the best uptake by ultimate end-users and decision-makers, and ensures their proposals make provision for these services.
- Inform the research, especially through end-user considerations, by ensuring early and ongoing engagement with a wide range of experts, public and private sector stakeholders, and potential partners and suppliers.
- Incorporate follow-up engagements and end-user feedback loops as part of ongoing review and lessons learned, and feed these into their Knowledge Management (KM), Monitoring and Evaluation, Reporting and Learning (MERL) and Risk Management strategies.
- Recognise that private sector partners who may be the testers and users of the research should participate in the selection and piloting of technologies.
- Include R2U in procurement for their subcontractors as a mandatory assessment criterion under the VFM approach.

4.3.6. Value for Money (VfM)

FCDO considers VfM across considerations of Economy, Effectiveness Efficiency and Equity. For the current Call, the following indicators will apply at a minimum:

VfM Economy will be determined by the financial cost to the programme, as indicated by the use and deployment of staff and associated staffing costs, and any ancillary costs: is the proposed intervention buying inputs of the appropriate quality at the right price? (Spending better)

VfM Effectiveness will be determined by the content of the application: Is the Programme/project/proposed intervention having the intended effect and impact? (Spending wisely).

VfM Efficiency will be determined by the applicant's use of resources, existing knowledge, and stakeholder network. In response to the COVID pandemic, the applicant's resilience to adapt and reduce travel and accommodation expenses that would have been otherwise required, by its ability to transition to virtual meetings and other COVID-adapted measures: Is the Programme/project/proposed intervention converting inputs into outputs at optimum level? (Spending well).

VfM Equity will be determined by the applicant's ability to promote the FCDO's equity agenda, as indicated by how it identifies barriers that impede the participation of certain groups within society and suggests ways to promote greater access and equity by taking account of and encouraging gender, equality, and support opportunities for their empowerment.

4.3.7. Viability

The application is feasible, achievable, and practical within the timeframe and budget.

4.4. Procurement Management provisions

4.4.1. Principles of good practice

SMEP follows the FCDO six compliance areas for good practice: Value for Money (VfM) and governance; ethical behaviour; transparency and delivery chain management; environmental issues; terrorism and security; and social responsibility and human rights.

4.4.2. Application submission

The following general provisions apply:

- It is the responsibility of the applicant to ensure their application is compliant, including as to submission by the due date.
- Applicants unable to submit their application because of a failure of the electronic portal, may submit a copy via email to techsupport@smepprogramme.org explaining the nature of the portal failure. In such cases SMEP may condone the change to the procurement conditions.
- Following evaluation, SMEP may request and consider amended proposals from Applicants under this procurement.
- No statement made by SMEP or implied during this procurement process is intended to form any express or implied contractual relationship between the parties unless and until the contract is awarded and signed by the parties.
- SMEP may amend the conditions should the need arise, in which case Applicants will be informed of any new conditions that apply and will be given an opportunity to update their submission accordingly.
- SMEP may amend, add to, or withdraw all or any part of this procurement at any time during the procurement process.
- SMEP may reopen the procurement should an inadequate response or no suitable proposals be received.
- If none of the proposals submitted in response to this procurement are considered satisfactory, SMEP need not award a contract and may consider alternative procurement options.
- SMEP may decide not to evaluate proposals that do not comply with the conditions for this procurement.
- SMEP may reject any proposal that departs from the conditions detailed in this Terms of Reference.

4.4.3. Costs of the applications

Applicants will remain responsible for all costs and expenses incurred by them, their staff, and their advisors or by any third party acting under their instructions in connection with this application. This will be regardless of whether such costs arise because of any direct or indirect amendments made to this procurement process by SMEP at any time.

For the avoidance of doubt, SMEP shall bear no liability whatsoever to Applicants for the costs of any amendments, changes, discussions, or communications in respect of this procurement documentation.

4.4.4. SMEP'S obligations to applicants

On receipt of Project applications, SMEP will:

- Ensure applications are registered upon receipt and held securely until after the deadline for receipt of applications.
- Maintain a clear audit trail of the opening of all electronic application submissions after the time and deadline for receipt of applications.
- Ensure that all applications are evaluated objectively, in line with the evaluation criteria specified in this procurement documentation.
- Inform Applicants of decisions made regarding award of contracts.

4.4.5. International Aid Transparency Initiative (IATI) publishing

Compliance Level 1 contractors (whether individuals, organisations, or consortia leads), and some Level 2 contractors (with FCDO contacts to a value of up to of £5 million), are required to publish SMEP funding on the IATI platform. SMEP encourages all contracted organisations to publish to IATI, but this is not a contractual condition for certain Level 2 suppliers or any Level 3 compliance suppliers. For more information on IATI follow [this link](#).

4.4.6. Contract value, taxes, and VAT

The Supplier is responsible for determining its tax status and tax liabilities and ensuring compliance with local tax regulations in its country of registration, operation and, where applicable, the UK. The funding provided is a grant, and Pegasys shall not be liable for any Value Added Tax (VAT), or other tax claimed by the Supplier. In respect of any eligible expenses which include VAT, the Supplier may not claim the VAT portion of the expense from Pegasys unless it is unable to claim the input credit.

Suppliers are expected to account for all expenses and for the purpose of budgeting should not exceed SMEP rates for travel and subsistence as relevant to each country. In line with FCDO's policy, all journeys by rail or air will be budgeted by a class of travel that is no more than "standard economy."

The agreed upon price includes all taxes, fees, and charges related to the goods/services provided under this contract. Any additional taxes, fees, or charges that may arise in connection with this contract shall be the responsibility of the party incurring such costs.

4.4.7. Management, contracting and delivery provisions.

The following management, contracting and delivery provisions will apply:

Contract negotiations: Following selection of successful Applicants, the PMA may engage to refine and, where necessary (by agreement) adapt the methodology, approach, and budget by which a provider will deliver the research and related services.

Inception: post-contracting, the PMA will hold inception meetings with the successful Applicants to introduce the teams (and local country leads, where appropriate) to one another to ensure effective collaboration to manage and achieve the deliverables, including in-country engagement and collaboration with other SMEP partner institutions or service providers.

Stakeholder Consultation: Engagement with stakeholders will take place to generate relevant stakeholder support for the project. This may include navigating feedstock considerations, ensuring market uptake, consumer awareness and so on. Project depending, this may be required to extend to include in-country awareness raising to advance project outcomes (e.g., lobbying on policy and regulatory adjustments or certification standards.). Note that programme partners, UNCTAD may provide a level of support on this aspect.

4.4.8. Project Assets

Upon contracting, grant funding can be utilised to purchase assets necessary for the successful implementation of the project, as per the agreed contract with the PMA. FCDO will retain ultimate ownership of all assets, specifically Project Assets, financial assets, and information assets, until ownership transfer or asset disposal of the Project Assets is otherwise approved in writing by FCDO normally at the end of the contracted agreement. The successful grantee shall maintain an inventory of all such project assets and shall manage and undertake the risk of assets being lost, stolen, or destroyed under its own policies and insurances.

4.4.9. Intellectual Property

Applicants should describe the relevant Intellectual Property (IP) status and whether IP restrictions will affect the research and development project outcomes. Downstream partners of FCDO are expected to comply with standard FCDO contractual requirements relating to IP as described in clause M of the [Model Grant Framework Services Agreement](#).

4.4.10. Assessment of performance and payment

The PMA's preferred method of payment is to link payments to milestones (payment by results). The PMA will link payments to the delivery of outputs of an acceptable standard, according to the requirements and timeframes stipulated in the agreed upon contract. Payment will be on approval by the PMA of an invoice, or a disbursement request (depending on type of contract), by the lead organisation.

In producing these outputs, the provider must also ensure the following:

- Adherence to the approved project proposal and any Scope of Work attached to the contract, that details delivery plans and milestones. Any adjustments made in response to the impact of the COVID 19 pandemic, risk mitigation steps, or decisions taken to promote VfM during delivery must be reported as adaptive management.
- Monitoring and reporting on:
 - o Improving the **environmental pollution** levels which the project set out to mitigate. Note that successful grantees will be required to submit progress on **measurable, and applicable, environmental indicators** to gauge and verify its impact on the receiving environment.
 - o Programme delivery against the **procurement call objectives, alignment with the [SMEP Theory of Change and Business Case](#), and programme spends** (See Sections 1.3 and 3.7.1 above).
 - o Delivery of **social and economic benefits** including those encouraged by FCDO (Do no Harm, LNB and GESI).
 - o **Direct and indirect risk management**, including those risk that affect project delivery, and those that result from project delivery.
 - o Acceptance of the **Duty of Care responsibilities** including provision of suitable security arrangements for their staff, stakeholders, and property.

4.4.11. Adjustments to Scope of Work

The scope of work, based on the applicant's proposals, will be annexed to, and will form an integral part of the contract to be agreed between the PMA and applicant/lead organisation. The PMA reserves the right to modify and/or refine the scope of work proposed by the applicant (in consultation with the applicant) prior to the contract signature or any time after that (in consultation with the provider) if circumstances related to the implementation of the SMEP programme or contract change to an extent that both parties recognise as posing obstacles to the delivery of any activities.