

**UK PACT Market Engagement Event Summary Note from Q&A and
Roundtable Discussions
27 November 2018**

1. How does the UK PACT work with the Prosperity Fund?

We work closely with the Prosperity Fund (PF), though our approach varies per country according to PF presence. In some countries (e.g. Mexico on cities and Colombia on infrastructures) we work alongside the PF, in others there's no PF or we have taken over activities from them, e.g. in China on green finance. We work together in London and in country to ensure a consistent offer.

2. What more can be done to support unsuccessful bidders to the initial calls for proposals in China, Colombia and Mexico?

We don't want to lose those good ideas, particularly as many proposals could be funded in future. Our main constraint is currently our own capacity, especially in country. We will therefore focus on the first round of projects initially, then develop our approach for the next phase.

3. What have you learned from first round of projects about the interface with partner countries, governance, etc.?

We haven't got into delivery yet so we're still learning. Governance is a big challenge, which probably needs to look different for different countries/projects.

4. What made a successful bid?

This varied per country, though there were some common points. For example, in all countries specialist organisations usually did better than generalists.

In China the focus was on the importance of partnerships; having a track record of cooperation between partners; knowing the right people in country; clarity on activities and how they linked to specific, practical outputs; value for money was a top priority and those within the indicative day rates range scored higher.

In Mexico and Colombia local partners generally fared better due to in-country knowledge; political buy-in was key, especially in defining the outputs that were really needed; sustainability of the proposal; tailoring the approach to specific needs, to ensure strong buy-in.

5. How did you identify and respond to country demand?

In Colombia our focusses on engagement and relationships held by Embassy staff with the government. In Mexico we followed a similar approach but also focussed on a broader range of relationships (e.g. civil society - often more continuity than administrations as can bridge across them). There were good ideas that didn't respond to the specific needs of the government at that time, so they needed to be tested with the host government. Another factor is understanding the UK's offer and strengths, and existing programmes run by the UK government.

6. What do you see as the key challenges for the future Lot 1 delivery partner?

Project selection was challenging due to such high numbers of proposals and the high quality of those proposals, so it was difficult to balance the different drivers (strategic fit, value for money etc.)

when scoring and evaluating. This underscored that having the right assessment criteria is critical. In addition a strong back office and project management capacity was vital. UK PACT awards grants which comes with specific risks and the Delivery Partner will need the understanding and resource to manage those. We also struggled to access neutral, external expertise to help assess bids as most experts were involved in bidding. Finally, there is a huge amount of coordination and a huge number of relationships to manage, not only in UK PACT (between London and teams in post), but cross-government (other programmes) and with key beneficiaries too.

7. Are there any reputational risks around UK PACT with the host government? How do you manage this?

We are working across the UK PACT team and across Government to understand this. There are also reputational risks around the areas of project work, fraud and corruption risks. We need to have the right mitigations in place and take risks properly into account.

8. How do you balance innovation versus risk and enabling new players to get involved?

We used a two-stage process for bidding to minimise upfront cost to bidders, we are looking at how we can translate that into a scaled-up programme to support new implementers with promising ideas that need additional support. We fund a range of projects to not put all our eggs in one basket. We want to be transformational and we have a mandate to focus on innovation. We should aim to grow the whole low carbon services sector so we want new players to get involved. Has worked well in the NAMA Facility for example. We should be proactive in seeking new potential partners. The Challenge Fund will include a focus on upskilling local bidders, improving our guidance, clarifying our expectations.

9. Is there anything you think you should have put on the Concept Bid forms to emphasis the intricacies of spending ODA money?

Yes, we should have made gender equality and social inclusion requirements clearer and more prominent, rather than coming to them in the second stage of bidding. We should have also defined key terms to maximise clarity. We are constantly reassessing the process and updating as we go.

10. How do activities from the first round of projects flow into the Monitoring and Evaluation?

M&E was built into the projects from the beginning – there is a clear link through to outputs through the application form, which feeds directly into the M&E. Additionally, our M&E tender is live now and we hope to appoint a partner this year. They will then take on the M&E and that will feed into ongoing programme design. That said, we are already learning, reflecting, changing things and very aware of the need to learn lessons from the early activities.

11. Could you provide some examples of what is transformational in the country contexts?

In China, the scale of change and impact is unparalleled; the concept to ‘green’ the BRI is extremely transformational as an outcome. Accelerating financial disclosure in China will also be transformational. In Mexico and Colombia, the high-level buy in and engagement from a wide range of stakeholders indicate transformational impact, as well as the sustainability of these projects – they go on beyond the lifetime of UK PACT.

12. What value was put on government endorsement in the assessment criteria for projects?

There was no specific requirement. Some projects had a support letter, and most adapted the proposal at second stage in response to beneficiary feedback.

13. What governance is in place to get endorsement from government counterparts?

It varies by country. In Colombia, for example, bids went to government stakeholders for their feedback. There is no formal structure in place currently. We take an ad hoc approach based on strong relationships.

14. How was financing assessed within the proposals? Average across hours etc.?

We looked at the maximum day rates bearing in mind the reputational risk, and we did look at caps or ranges to ensure value for money. We are considering looking at the weighted average day rates.

15. What is the existing model for in-country presence?

We have approx. 2.5 people in each country and they have managed the local market engagement, calls for proposals (scoring and evaluation with steer and oversight from BEIS in London), and hold relationships with key stakeholders in partner governments. The challenge has been that this has not been enough capacity to respond to demand, but their boots on the ground presence is vital to the success of the programme.

16. Will potential delivery partners who have presence in-country benefit in the evaluation?

No.

17. What is BEIS's desired visibility in the UK PACT?

BEIS wishes to have as much visibility as possible in the UK PACT.

18. Can the lots use each other's in country presence? Does Lot 1 have to supply the in-country presence for the other lots?

This will be defined in the final ITT.

19. On option B and C for the conflicts of interest in the draft ITT, would you consider 15% of total programme budget rather than country budget to be delivered by DP?

This will be defined in the final ITT.

20. Will you be clarifying the roles and responsibilities further in the final ITT?

Yes.

21. Will this programme have fee rate caps?

This will be defined in the final ITT.

22. How will Value for Money be measured and scored?

This will be defined in the final ITT, but will involve the 4 Es framework¹.

23. How will you get the expertise you need without day rates being a lot higher in the UK than in other countries?

In the bids we received in the bilateral Call for Proposals, there was a lot of variety in day rates. Many have followed what we have requested and accept that countries are different in terms of day rates. It's not a given that UK experts will have the highest rates.

24. Will it be procured as a grant and the delivery partners as a contract?

Delivery partners as a contracts; implementers probably grants, to be defined in the final ITT.

25. How will the challenge fund operate in practice?

The challenge fund will most likely operate in thematic windows of funding. We are also considering the concept of an ideas incubator which may run in parallel.

26. Will partnership agreements happen for each of the bilateral countries?

Probably not, though we are keen to explore the possibility with each bilateral country.

27. How are country strategies developed?

These are a result of relationships in country, i.e. extensive work with our counterparts in government, in which we present our strengths, and they present their priorities. This is often cross-government and involves extensive collaboration with colleagues in post on different programmes.

28. What do you have in mind as a default governance with partner countries? What level?

The kind of governance will depend on the level of appetite and will so vary between countries.

29. What are Key Performance Indicators? Are they set for the length of the contract or reviewed? Would the KPIs be the same for Lot 1, Lot 2, Lot 3?

KPIs refer to our ICF portfolio level measures, in this case we're talking about how to measure the performance of the delivery partners themselves. The KPIs will probably be reviewed annually. The final decision on this will be defined in the ITT.

30. Who measures those outcomes?

We are procuring an M&E partner to do this.

31. Will we be sharing the list of delegates for those wanting to form consortia?

No, due to GDPR regulations.

¹ These are Economy (buying inputs at a good price), Efficiency (turning inputs into outputs), Effectiveness (translating outputs to outcomes) and Equity.

32. Is UK PACT demand-driven or impact-driven?

It's about the balance of the mission and innovation. We are demand-driven, but we also work on country strategies which include our desired impacts based on those demands.

33. How would you decide on a skill-share deployment?

Once we have the demand, which would be defined by the in-country teams with input from BEIS in London, they would put a request through and we would decide the best approach. We would then release a call to the roster of experts. There would be a decision-making panel, chaired by BEIS, with members from the Lot 3 and Lot 1 delivery partners.