

Conflict of Interest Management Guide

1. Introduction

This document sets out how Adam Smith International (ASI), in its capacity as the Managing Supplier (MS) for the Public Finance Resource Centre (PFRC), manages potential, perceived or actual conflicts of interest (COIs) across the programme. The goal is to provide assurance to members of the PFRC Supplier Network that COIs are being managed systematically and transparently.

ASI acts as the MS for the PFRC contract by the FCDO. This role entails responsibility for conducting short-term interventions (those less than six months in duration) and running competitive procurements for long-term PFRC interventions (those over six months in duration).

ASI is in consortium with The Policy Practice and MetricsLed, which are supporting, respectively, in relation to political economy analysis and the operation of a procurement portal for the programme. All the COI measures set out in this framework apply to all consortium partners.

2. Monitoring Conflict of Interest issues and risks

The MS will maintain a COI register to monitor potential, perceived or actual COIs. It will notify FCDO where such conflict arises, submitting a proposal on how this conflict will be managed, agreeing with FCDO how to manage the conflict, and managing the conflict as agreed.

3. Conflict of Interest risk categories

PFRC interventions are assigned to one of four COI risk levels:

Conflict of interest risk: low. This classification will generally be appropriate for standalone short-term interventions (e.g. short TA missions) and for ongoing long-term interventions (other than in the immediate lead-up to tendering of a new phase or replacement project, where it would be reclassified as appropriate).

Conflict of interest risk: medium. This classification will be appropriate for: short-term interventions which are expected to feed into the design of long-term interventions.

For medium-risk interventions a restricted access channel (in Teams and SharePoint) will be created for storage of related information, with only personnel providing substantive input to the package allowed access.

Conflict of interest risk: high. This classification will be appropriate for: (1) information on the pipeline of potential long-term interventions; (2) planned or ongoing procurements for long-term interventions.

In addition to the controls applied for medium risk interventions, for high-risk interventions:

- Interventions will be given a code name to reduce the risk of inadvertent sharing of information that could provide an advantage to particular suppliers
- Personnel working on the work packages will be reminded of the need for security of information within their work location
- Only personnel signing a specific conflict of interest declaration will be allowed access to the relevant Teams and SharePoint channel for the work package.

Conflict of interest risk: very high. This classification will be appropriate for the procurement of long-term PFRC interventions in which: (1) ASI, TPP or ML are expected to bid; or (2) another supplier is expected to bid where a substantial COI risk has been identified.

In addition to the controls applied for high-risk interventions, for very high-risk interventions a COI Management Plan will be created by the PMU (and approved by the Team Leader and Commercial Lead) setting out how the programme will manage COI risk. This will be submitted to the PFRC SRO prior to the launch of the Invitation to Bid (ITB) phase of the procurement.

4. Ethical walls and information security

Separation of functions. The MS will maintain ethical walls between the PFRC programme and ASI's corporate business development activity. Notably:

- Members of ASI's Business Development (BD) Team will have no role in PFRC management and the reporting lines the MS Core Team will be kept separate from those of the BD Team
- The MS Core Team will play no role in determining whether ASI will submit bids for PFRC long-term opportunities
- Anyone who has worked on the development of the terms of reference for a long-term intervention that is to be competitively procured or who has inputted to decision making around the design of the procurement process (e.g. determining the route to market; inputting to evaluation criteria) will be prohibited from working on producing bids to be submitted by a Supplier for that intervention (including any ASI bid)
- Members of the proposal evaluation panel for a particular intervention may not be put forward as members of the implementation team for that intervention (including any ASI bid)
- ASI staff members who have previously been involved in the implementation of a PFRC intervention cannot be part of the ASI bid team for a new intervention in that country for a period of 12 months from the date of completion of the intervention.

Electronic firewalls. Electronic firewalls will be maintained to ensure that ASI staff not involved in the programme do not inadvertently get access to information about PFRC that would give the company an unfair advantage, particularly in relation to PFRC procurement opportunities.

PFRC team documents will be kept on a secure site. Only those providing substantive inputs to PFRC delivery will be allowed access to the site. In addition, restricted access channels will be created for work identified as having medium, high or very high COI risk.

The PFRC procurement portal. The PFRC procurement portal will be used for procurement competition management and for contract management – providing an auditable record of communication with the market and of decisions in order to provide additional assurance that appropriate COI procedures are being applied across the programme. The portal will provide a secure restricted access environment: notably, members of ASI's business development team will only have the same access privileges as any other member of the supplier network with full access limited to the MS Core Team.

5. Conflict of interest management for short-term interventions

Short-term interventions are defined as those lasting less than six months. They will not require a competitive procurement process and will generally be delivered directly by the MS, utilising ASI staff and associate consultants from its network.

Some short-term interventions will be standalone interventions with no implications for the design of larger, long-term programmes. Such interventions will generally be classified as having low conflict of interest risk. However, short-term interventions may feed into the design of long-term interventions or into the design of TA projects to be procured outside of the PFRC – for instance, through PEAs, scoping studies, programme design exercises, etc. The PFRC contract explicitly states that conducting such interventions will not exclude ASI from bidding for those opportunities. Such interventions will generally be treated as medium COI risk.

6. Conflict of interest management for long-term interventions

Long-term interventions are defined as those lasting over six months. The expectation is that – unless an explicit exception is made by the FCDO – a supplier will need to be selected to conduct such interventions through a competitive procurement exercise to be managed by the MS. ASI will also be permitted to participate in these competitions, subject to the COI provisions, outlined in the sub-sections below, being adhered to.

Information related to the pipeline of long-term interventions, as well as procurements not involving ASI will generally be classified as high COI risk. Procurements in which ASI is participating, or where a substantial potential, perceived or actual COI has been identified involving another bidder, will generally be classified as very high COI risk.

6.1. Fair access to pipeline intelligence

All members of the Supplier Network should have an equal opportunity to prepare for upcoming opportunities. The MS will not share pipeline updates with members of the PFRC Supplier Network – including with the ASI BD team – until authorised to do so by the FCDO-PFRC. Once permission is given, information will be passed at the earliest opportunity to maximise preparation time for interested members of the PFRC Supplier Network. Information will only be shared by the MS with other parts of ASI on an equal basis to other members of the Supplier Network. ASI's BD team will be informed of the opportunity at the same time as other members of the Network and will be informed in the same way.

Other than for exceptional reasons and with the explicit approval of the FCDO's SRO for PFRC, information on long-term interventions in the PFRC pipeline may only be shared outside of the PFRC Core Team (including with staff from other parts of ASI) through:

- Periodic updates to an opportunity pipeline spreadsheet (and supporting documentation) published on the PFRC web site
- Formal meetings of the PFRC Supplier Network
- Announcements to the market in general via public communication channels (e.g. Contracts Finder; LinkedIn; a publicly accessible web page for the programme).

6.2. The Supplier Portfolio Ceiling

The value of long-term interventions that can be implemented by ASI under the PFRC will be capped. This cap is referred to as the "Supplier Portfolio Ceiling".

The Supplier Portfolio Ceiling is inclusive of the value of any work ASI does on long-term interventions including as a sub-contractor to another firm. It covers live interventions: where activities have commenced and where the Intervention Completion Report has not yet been approved by the FCDO.

The Supplier Portfolio Ceiling has initially been set at 20% of the total value of live long-term interventions at any one time. The Supplier Portfolio Ceiling may be raised temporarily or permanently by the FCDO.

6.3. Conflict of Interest controls within the PFRC procurement processes

The MS will conduct all procurement processes in a fair and transparent manner and in accordance with the principles and procedures set out in the PFRC Programme Manual.

These procurement processes will help ensure that, where ASI is bidding for a long-term PFRC intervention, its proposal is treated fairly on its merits and in the same way as proposals by other suppliers. Key requirements from a COI perspective include:

- All members of the Supplier Network must commit to ASI's Code of Conduct and suite of ethical policies, both of which cover COIs
- The development of a Procurement Implementation Plan at the start of each procurement process, which sets out the approach to be followed and the rationale for that approach
- Producing a COI Management Plan whenever ASI is bidding on an opportunity
- The PFRC MS Commercial Lead briefs all members of proposal evaluation panels on their COI responsibilities and any pertinent COI considerations
- All members of proposal evaluation panels read and sign a COI declaration form
- Once a preferred bidder has been identified, the Commercial Team prepares a Contract Award Information Pack (CAIP). This will include a description of any COI issues, and how these were managed. The CAIP will be submitted to the FCDO SRO for their reference prior to the issuing of any sub-contract to the preferred bidder.

6.4. FCDO assurance regarding conflict-of-interest controls in the procurement process

PFRC procurement procedures give the FCDO access to information and opportunities for engagement that provide a high degree of assurance that appropriate controls are being applied. This includes:

Procurement Implementation Plan. The MS will be responsible for designing the procurement approach for long-term interventions, which will be set out in a Procurement Implementation Plan.

FCDO participation in evaluation panels. An appropriate FCDO staff member from the relevant post may participate in evaluation panels for any long-term interventions. A commercial advisor from FCDO PFRC may attend evaluation panel meetings as an observer where judged appropriate.

FCDO sign-off on the final result. Once a preferred bidder has been selected, the MS will submit a Contract Award Information Pack to the FCDO SRO. This provides an opportunity for the SRO to intervene if they have any concerns around COI issues. The SRO can request a re-run of the competition if they strongly suspect bias, an actual COI of any other wrongdoing. The SRO may also request a pause in the award of the contract if there is a perceived COI

6.5. Response to identification of conflict-of-interest compliance failures

If it is identified during a competition that a compliance failure has occurred (i.e. potential, perceived or actual COI exists that had not been identified or appropriately mitigated at the outset of the competition process), the PFRC MS Commercial Lead will recommend appropriate mitigatory actions and the Project Director will be responsible for ensuring these are implemented.

Actions might include pausing or restarting a competition, re-evaluating an award, excluding ASI as a bidder, removing personnel from a bid or bid team, referring a conflict to ASI's Legal, Ethics and Compliance Team for investigation, seeking legal advice or seeking further advice from FCDO.

A Lessons Learned exercise will also be conducted to establish the root causes of any compliance failure and this framework will be updated where relevant.

7. Conflict of interest complaints and reporting

Complaints: Complaints channels for raising conflict of interest (or other) concerns will be advertised with suppliers. The channels in place currently are:

- The dedicated PFRC complaints mailbox (complaints@pfrc.uk), which should be used by suppliers for all complaints in the first instance
- SafeCall – an independent, third party reporting hotline provider – by email (adamsmith@safecall.co.uk) or phone (+44 191 516 7749) from anywhere in the world, which should only be used by suppliers if they are not happy with the way the PFRC Commercial Team has handled their complaint on the complaints@pfrc.uk mailbox.

Any complaints received will be documented by the PMU and notified to the PFRC MS Commercial Lead, who will investigate them and report their findings directly to FCDO and the Project Director.

8. Reviewing and continuously improving our conflict-of-interest performance and systems

The MS will continuously monitor the performance of the programme's COI processes in order to enable continuous improvements in performance and ensure processes build on experience, and remain appropriate, effective and fit to meet emerging needs.

Periodically, the MS will survey or meet with members of the Supplier Network to secure feedback on competition processes and PFRC governance, including in relation to COI controls. Outcomes will be reported to FCDO.

We will review our procurement processes, including COI processes, annually.