



Department
for International
Development



Ms. Stephanie Draper
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1 May 2020

Dear Tim and Stephanie,

Thank you for your letter and many thanks for your continued engagement with DFID on issues affecting civil society. Civil society is a vital partner for DFID and the role you are playing co-ordinating and sharing information between DFID and your members is very much appreciated.

We understand the extent to which COVID-19 poses a risk to the organisational resilience of CSOs and recognise that this is a challenging time for everyone in the sector. The analysis and research that both Humentum and Bond have shared with us over recent weeks regarding the financial impact of COVID-19 on CSOs has been very useful in supporting our understanding of this and we would welcome further detail as it emerges, including from the planned Humentum survey.

As you know, DFID has pledged new funding specifically for civil society to support the international COVID-19 response, including £20 million for international NGOs, the majority of which will be allocated through the Rapid Response Facility, and a substantial amount through the DFID Unilever COVID-19 Hygiene and Behaviour Change Coalition.

In addition, much of DFID's work is delivered through our extensive country office network and we know CSOs will play a key role in delivery of our COVID-19 response through our country programmes. We are reviewing our programme portfolio in light of the COVID-19 response which will enable us to identify existing activities which can already support the response and others which can be adapted or scaled up, such as our support to health systems and humanitarian crises.

Looking further ahead, CSOs will receive funding as delivery partners as a result of DFID's significant investment in the multilateral response to COVID-19 and information on who that is reaching is becoming clearer now. We will continue to track that as, I am sure, you will too.

We are not currently considering a specific civil society sector resilience fund or loans to CSOs. You are, of course, aware that CSOs are eligible for the Government's Coronavirus Job Retention Scheme and DFID teams are already working collaboratively with our partners to find flexible and pragmatic ways to maintain delivery of essential programmes. We are prepared where necessary to alter milestones, move from output to input based payments, allow personnel to work from different locations and take a reasonable approach to workplan adjustments. We will ensure continued prompt payment of all invoices due and expect partners holding the primary funding agreement to ensure prompt payment in dealing with supply partners further down the supply chain.

The first resort for CSO partners in managing the impact of COVID-19 should be to work with DFID programme teams to take measures to vary funding agreements, and make use of what Government support is available to them through the Job Retention Scheme. We recognise that in some cases, additional DFID support to our contract and grant funded programmes may be needed to maintain delivery or ensure that delivery capacity remains intact where there is no other option than to pause programmes.

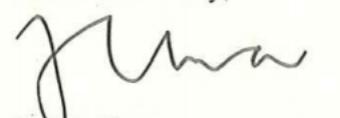
We will be applying the Cabinet Office Procurement Policy Note 02/20 and associated guidance for grants, which allow for relief on services and goods provided in the UK, to DFID aid programmes including those delivered by CSOs. For DFID contracts and grants, this means offering as a last resort and on a case-by-case basis:

- **Payment in advance** to meet ongoing costs where there is a strong value for money case (for contracts this will be up to a ceiling of 25% of the value of the contract);
- **Support for continued cash flow** for partners delivering essential aid programmes, including continuation of payments where all other options have been exhausted and the programme is paused.

Further detail is outlined in the enclosed letter which has been sent by DFID's Secretary of State to all DFID suppliers. We are working to update our external and internal guidance to reflect the measures outlined above as quickly as possible and will ensure the relevant documents are shared with you both as soon as they are available. At the level of specific programmes, I would encourage individual CSOs to continue raising issues relating to how delivery may be affected by COVID-19 with their DFID programme manager at the earliest possible opportunity.

This is of course a rapidly changing situation. We are committed to continuing our policy and delivery relationship with civil society to maximise the effectiveness of the UK's international response to COVID-19. Close communication and coordination will be critical. The first meeting of a high-level steering group of CSOs of which both Bond and Humentum are both members took place today and, along with the regular calls we have in place, will offer an additional route for engagement and information-sharing between DFID and the sector.

Yours sincerely



Juliet Chua