



***Guideline***  
***For Drafting***  
***Terms of Reference***





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# 1 Introduction

This manual aims to outline the general principles and rules of a Terms of Reference. It is expected to provide support to the potential End Recipient of Assistances (ERAs) of the Transport Sectoral Operational Programme 2014-2020 for Turkey (SOPT) on “**How to Write a Terms of Reference**” in an effective and efficient way to use IPA funding.

As the Terms of Reference -ToR is a common document widely accepted by the international funding agencies including EC that must be prepared in line with some rules and procedures to specify the activities and tasks to be carried out in an Operation.

This manual is prepared to support the continuous improvement of the capacity of ERAs to formulate their needs and figure out the demand for service contracts, based on the recommendations for formulating ToR included in the Project Cycle Management Guidelines of the European Commission<sup>1</sup>.

This manual follows the structure of the template of Terms of Reference as set by the European Union (EU) procurement rules and administrative guidelines for the implementation of EU-financed external aid programmes and projects. The manual also provides information regarding the expected content of the ToR, depending on the phase of the project cycle.

The recommended method for writing a ToR is not prescriptive, however with this manual is aimed at assisting those who may be given the task of drafting ToR for any kind of project.

## 2 What is a project?

**Definition:** A project is a series of activities aimed at bringing about clearly specified objectives within a defined time-period and with a defined budget and In the context of the Logical Framework Matrix a project is defined in terms of a hierarchy of objectives (inputs, activities, results, purpose and overall objective) plus a set of defined assumptions and a framework for monitoring and evaluating project achievements (indicators and sources of verification).

A project should also have:

- Clearly identified stakeholders, including the primary target group and the final beneficiaries;
- Clearly defined coordination, management and financing arrangements;

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<sup>1</sup> [https://ec.europa.eu/europeaid/sites/devco/files/methodology-aid-delivery-methods-project-cycle-management-200403\\_en\\_2.pdf](https://ec.europa.eu/europeaid/sites/devco/files/methodology-aid-delivery-methods-project-cycle-management-200403_en_2.pdf)

- A monitoring and evaluation system (to support performance management); and
- An appropriate level of financial and economic analysis, which indicates that the project's benefits will exceed its costs.

The tool for defining the project is called as Terms Of Reference where a terms of Reference is expected to clear the path through a good and successful project.

## 3 Service Contracts

Service contracts are the provision of pre-defined services to a targeted group within the framework of provisions detailed in the Terms of Reference.

The foreseen technical and economic support in the course of cooperation policy involves recourse to outside know-how on the basis of service contracts, where most of them scheduled as the studies contracts or technical assistance contracts.

Study contracts include studies to identify and prepare projects, feasibility studies, economic and market studies, technical studies, evaluations and audits. Whereas technical assistance contracts require an expert input generally to perform an advisory role to provide the specific expertise detailed in the contract.

There are two different methods by which payment is made to the contractors, or two types of service contracts: fee-based and global price.

### 3.1 Fee-based contracting

Technical assistance contracts (fee-based) are used where a service provider is called on to play an advisory role, to manage or supervise a project, or to provide the experts specified in the contract.

The contractor is responsible for performing the tasks entrusted to it in the ToR and ensuring the quality of the services provided. Payment for these contracts is dictated by the resources and services actually provided. The contractor does, however, have a duty of care under the contract: it must warn the contracting authority in good time of anything that might affect the proper execution of the project.

For a fee-based service contract, ToR sections include the allocated budget headings. They consist of:

- a) The fees – the only part of the budget where competition takes place. The services are provided on the basis of a fixed daily fee rate for the days the experts work under the contract.

b) Furthermore, the budget consists of a fixed provision for incidental expenditure which covers all actual expenses incurred by the contractor that are not included in the fees. The section for incidental expenditure should specify the type of expenditure which could be included in the expenditure verification of the contract.

c) The ToR also specifies a provision for expenditure verification. The budget for incidental expenditure and expenditure verification is fixed by the contracting authority, must correspond with the ToR requirements, and must be carefully estimated.

## 3.2 Global price contracting

Global-price service contracts generally specify an outcome – that is, the contractor must provide a given product; the technical and operational means by which it achieves the specified outcome are irrelevant. These are, therefore, lump-sum (global-price) contracts and the contractor will be paid only if the specified outcome is achieved.

In the case of fee-based contracting, the contracting authority maintains tighter control over the project activities and corresponding results. In contrast, in the case of global-price contracting, the contracting authority focuses less on the activities of the service provided.

It is important to note that the choice of contracting mode (fee-based vs. global price) relates to the perceived risk that the contracting authority is ready to accept or share with the future service provider / contractor.

Generally it can be said that the risk the contracting authority accepts is higher in a fee-based than in a global-price contract. Naturally, transferring a larger share of risk to a third party (as in the case of global-price contracting where a risk is transferred to a service provider) may result in a higher-priced bid.

Some service contracts may, however, combine both types, specifying both the means and the outcome, can be named as hybrid contracts.

## 4 Terms of Reference – from the scratch

Terms of Reference is an instruction documents also provides guidance to contractors to submit a tender which responds to all technical and administrative requirements of the Contracting Authorities and defines the scope of works , and later to serve as the contractor's mandate during project implementation.

Being the key document of a “service”, the preparation of the Terms of Reference is extremely important for the ultimate success of the project.

Remember that ToR aims to ensure that the project has been properly conceived, that the work is carried out on schedule and that resources will not be wasted. Therefore the maximum effort during project preparation with the preparation of ToR will save time and money at later stages of the project cycle.

A ToR should provide a clear description of:

- the rationale for undertaking an assignment, study or task
- the expected methodology and work plan (activities), including timing and duration
- the anticipated resource requirements, particularly in terms of personnel
- the reporting requirements

A ToR serves as:

- a selection tool
- a tool for communication between the service provider – the successful bidder and the contracting authority
- a tool for following up and monitoring the contract during project implementation
- a tool for project evaluation, being a part of the tender document and a key contracts document against which the performance of the contractors, service providers can be evaluated.

Important: The contract is the legal link between the contracting authority and the contractor / the service provider where in the contract the Terms of Reference is the key for the services.

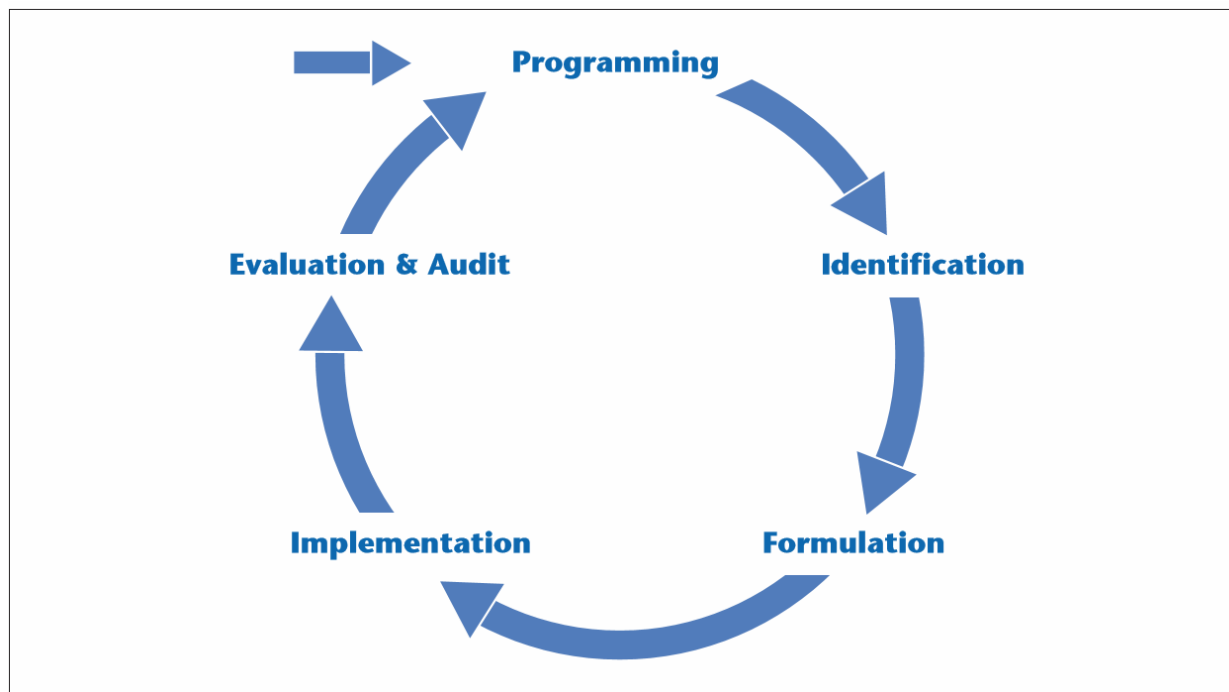
## 5 Project Cycle Management as a basis for ToR preparation

The logic of ToR writing is closely connected with the project cycle of operations or Project Cycle Management (PCM).

Project Cycle Management highlights three main principles:

1. Decision-making criteria and procedures are defined separately at each project phase (including key requirements and quality assessment criteria).
2. The phases in the cycle are progressive – each phase should be completed for the next to be tackled with success.
3. New programming and project identification draws on the results of monitoring and evaluation as part of a process of feedback and institutional learning.

The, PCM for managing the EC's external assistance projects has five phases, as shown below;



In practice, the duration and importance of each phase of the project cycle will vary for different type of projects, depending on their scale and scope and on the specific operating and management modalities under which they are set up.

For example, a large and complex engineering project may take many years to pass from the identification through to the implementation phase, whereas a project to provide emergency assistance may take only a few weeks or months to commence operations on the ground.

Nevertheless, ensuring that adequate time and resources are committed to project identification and formulation is a critical factor in supporting the design and effective implementation of relevant and feasible projects. This explains the essence of the project cycle, as no phase can be elaborated alone.

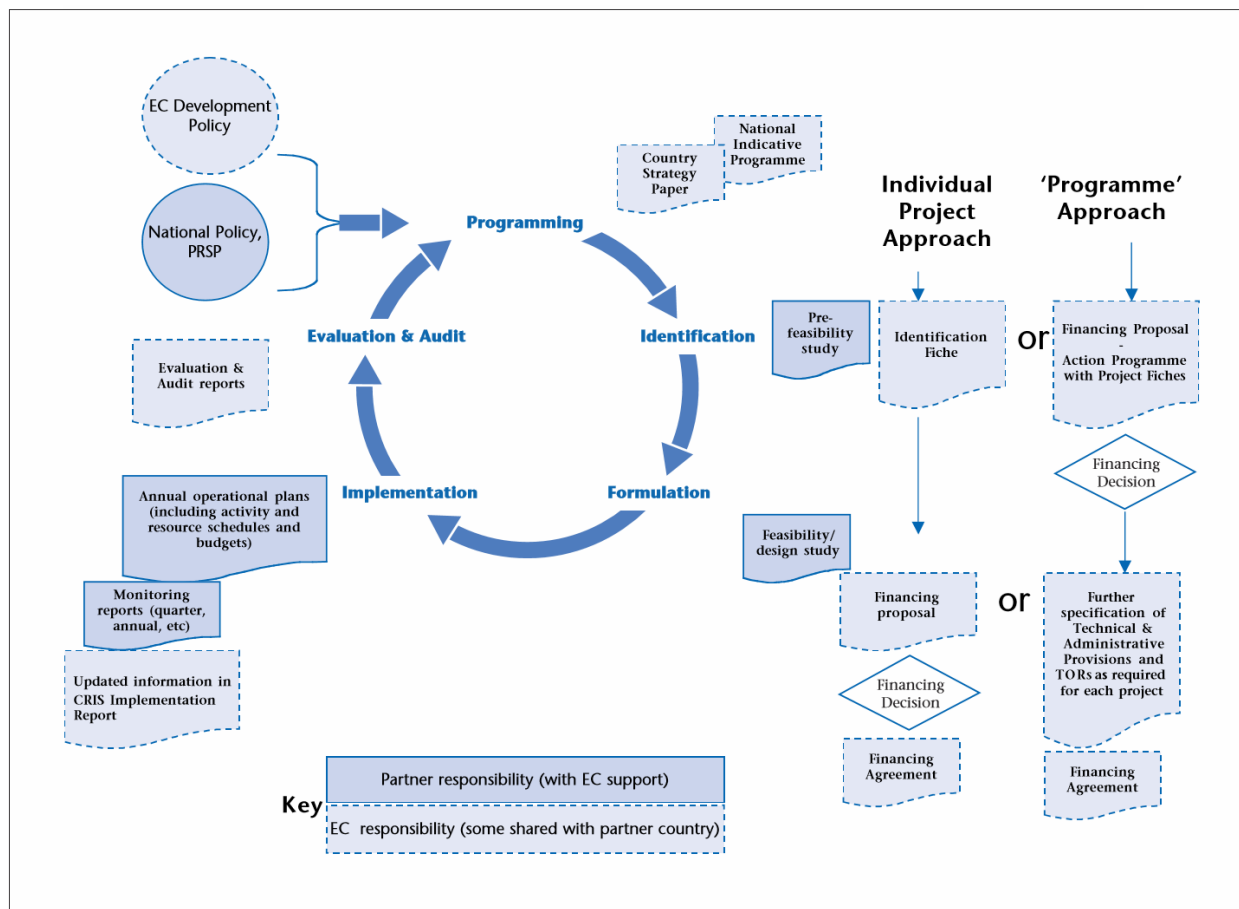
Therefore, PCM is a term also describing the management activities and decision-making procedures used during the life-cycle of a project (including key tasks, roles and responsibilities, key documents and decision options etc.)



PCM helps to ensure that:

- Projects support the overarching policy objectives of the EC and of development partners.
- Projects are relevant to an agreed strategy and to the real problems of target groups / beneficiaries.
- Projects are feasible, meaning that objectives can be realistically achieved within the constraints of the operating environment and the capabilities of the implementing agencies.
- The benefits generated by projects are likely to be sustainable.
- Projects are feasible, meaning that objectives can be realistically achieved within the constraints of the operating environment and the capabilities of the implementing agencies.
- The benefits generated by projects are likely to be sustainable.

The below table shows the PCM route with the required types of documents to be prepared.



The Terms of Reference can be prepared for different phases of the Project Cycle where the Partner Country has to prepare the respective documents as specified above.

The function of the ToR consists in specifying the demand/needs at the different phases of the project management cycle in order to:

- better integrate the provision of services (contract performance) in the project at different stages of the cycle, from its preparation to its implementation and evaluation
- for the tenderers: to enable potential tenderers to decide whether they can/want to bid in the light of the demand
- obtain proposals that are relevant and adapted to the specific needs
- evaluate proposals
- facilitate, manage and follow-up during implementation
- allow for final evaluation of achievements in terms of indicators

To support the achievement of the above purposes, the PCM:

- Requires the active participation of key stakeholders and aims to promote local ownership
- Uses management tools (such as the Logical Framework Approach and others) to support a number of key assessments /analyses (including stakeholders, problems, objectives and strategies)
- Incorporates key assessment criteria into each stage of the project cycle
- Requires the production of good-quality key document(s) in each project phase (with commonly understood concepts and definitions), to support well-informed decision-making.

In any case, the ToR must provide to the prospective bidder an optimal and clear definition of the needs for the provision of services, which follow on from the preceding project cycle phase, and comply with the structure of the project.

Important: The general structure of the Terms of Reference has to be drafted in accordance with the principles of project cycle management. The aim is to ensure that all issues are covered systematically and that key factors related to clarity of objectives and sustainability are thoroughly examined.

## 6 Drafting Terms of Reference - Service Contracts

For services contracts, as outlined above, the Terms of Reference is the main document in which the requirements and expectations of the contracting authority should be clearly described. On the other hand, the ToR contains information for the tenderers, including a clear statement of the purpose of the contract and a list of tasks and services to be provided.

After the award of a service contract, the same ToR is used by the contracting authority to manage the activities and outputs of the contractor and to monitor progress of the contract.

The contract signed between the contracting authority and the contractor will include the ToR as an annex (or appendix). The ToR will also serve as a reference document concerning any non-compliance of the provisions of the contract during contract implementation.

The ToR should provide a clear description of:

1. the rationale for undertaking an assignment, study or task
2. the expected methodology and work plan (activities), including timing and duration
3. the anticipated resource requirements, particularly in terms of personnel
4. the reporting requirements

ToR is used throughout all stages of the project cycle described above to help specify the work that must be carried out or supported. For example, ToR drafting is usually required for:

- pre-feasibility studies, feasibility and design studies (at PCM formulation stage)
- appraisal / quality support missions (at PCM implementation stage)
- implementation contracts
- monitoring and review missions / contracts (at implementation PCM stage)
- evaluation studies (at PCM evaluation stage)
- other technical advisory / support work required by the contracting authority at any stage of the project cycle
- audits
- The exact content of the ToR may vary greatly, depending on:
  - the scope of the project
  - the assignment in question
  - the stage of the project cycle to which the ToR applies
  - the donors' requirements

According to the EU PCM Manual, every ToR must contain the following information:

- Context / Background to the assignment
- Description of the assignment (Objectives and Results)
- Issues to be studied
- Methodology
- Work plan and timetable
- Expertise required
- Reporting requirements

The following information can be added to the ToR when relevant:

- Services rendered by the organisation
- Templates of the reports
- Guidance documents
- Bibliography

## 7 EU – PRAG

Tender procedures for all kind of contracts that have been established by the European Commission are consolidated in the document **Procurement and Grants for European Union external actions - A Practical Guide – PRAG**.

ToR templates and guidance notes for Fee-Based and Global Price tenders are presented in Annex B8 of the PRAG

The PRAG is the first working tool that explains the contracting procedures that apply to all EU external aid contracts financed from the EU budget. Therefore, ToR templates financed from the EU budget should follow the standard templates for Terms of Reference (fee-based and global price) that are laid down in the PRAG and are available on the European Commission EuropeAid website:

You may reach Standard EU – PRAG template for service contracts from below link:

<http://ec.europa.eu/europeaid/prag/>

See also the PRAG Annex 'Standard service tender dossier'.

[http://ec.europa.eu/europeaid/prag/annexes.do;JSESSIONID\\_PUBLIC=zD3QuYidZAtA1tdZ6igZw5KdFRD3dzA-8norbXph\\_XIH\\_dXkPBM7!-1909337148?chapterTitleCode=B](http://ec.europa.eu/europeaid/prag/annexes.do;JSESSIONID_PUBLIC=zD3QuYidZAtA1tdZ6igZw5KdFRD3dzA-8norbXph_XIH_dXkPBM7!-1909337148?chapterTitleCode=B)

This template is periodically reviewed and thus subject to changes to comply with the latest procurement rules and administrative guidelines of the EU PRAG. Therefore in each case please start the ToR writing exercise with the new downloaded format.

ToR information as organised in PRAG template (annex B8) sections as summarised below.

ToR information required	EU PRAG ToR template
<b>Context / Background to the assignment</b>	1. BACKGROUND INFORMATION
<b>Description of the assignment (Objectives and Results)</b>	2. OBJECTIVE, PURPOSE & EXPECTED RESULTS
<b>Context / Background to the assignment</b>	3. ASSUMPTIONS & RISKS
<b>Issues to be studied / Methodology</b>	4. SCOPE OF THE WORK
<b>Work plan and time schedule</b>	5. LOGISTICS AND TIMING
<b>Expertise required</b>	6. REQUIREMENTS
<b>Reporting requirements</b>	7. REPORTS
<b>Monitoring</b>	8. MONITORING AND EVALUATION

It is important to note that the ToR format prescribed by EU PRAG rules provides all the information required by PCM, organised in specific PRAG sections.

## 8 Template- Terms of Reference

The EU PRAG template for fee-based contracting (with comments on global-price contracting) is provided below.

### EU PRAG TERMS OF REFERENCE – FEE-BASED template / with GLOBAL PRICE template commented on as necessary

Please insert the information requested between the <> brackets, as appropriate for each tender procedure. Square brackets [ ] and parts shaded in grey indicate options to choose: they should be included when applicable. All other text should only need to be amended in exceptional cases, depending on the requirements of specific tender procedures. In the final version of each set of Terms of Reference, please remember to delete this paragraph, any other text with yellow highlighting, and to suppress all brackets.

The text of the ToR should provide sufficient background information related to the assignment, and then move in logical order from the objectives and results of the assignment, associated assumptions and risks, scope of the work, logistics and timing, to the required qualifications of the contractor or team and the resources available.

The level of detail and ordering of specific sections will vary based on the nature and typology of the project intervention but standard sections are typically covered. A description of the appropriate content for each section is provided below. The content of each section has been presented as a guide, taking into consideration EU PRAG standard template for ToR, and provides tips (where relevant) on how to prepare each of these sections of the ToR effectively. These tips / recommendations are shaded in grey in order to be distinguished from standard EU PRAG template for ToR.

### 1- BACKGROUND INFORMATION

The source of most of the background information in the ToR is the Operational Identification Sheet – OIS; however, it is recommended that special care is taken over describing sections 1.3. to 1.5. since information from the **Operation Identification Sheet** could be modified in the time between the drafting of the OIS and the launching of the tender. For this reason, it is important to update all background information when preparing the ToR.

#### 1.1. Partner country

< Name >

#### 1.2. Contracting Authority

< Name >

#### 1.3. Country background

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**< Provide an overview of the situation in the country as relevant to the proposed project. This should include any global or national economic and social factors that may affect the proposed project. >**

#### **1.4. Current situation in the sector**

**Describe the current situation in the sector or institutional area in which the proposed project will operate. This section should be no longer than half a page. Include:**

- national/local policies and strategies and/or economic data for the sector or institutional area;
- the origin and recent history of organisational structures, institutions and operating systems in the sector or institutional area;

**and, if appropriate and not covered elsewhere in these Terms of Reference:**

- responsibilities and mandate of institutions;
- human resource capacity and constraints;
- infrastructure development;
- market development;
- information systems and flows;
- priority setting and decision making;
- access to identified, priority social groups;
- financial structures and flows.

#### **1.5. Related programmes and other donor activities**

**< Identify and describe the link, if any, between the proposed contract and the work and programmes carried out by other providers of external assistance in the same sector >**

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## **2. OBJECTIVE, PURPOSE & EXPECTED RESULTS**

Once key aspects of the overall context have been established in the background section, the ToR can elaborate into the specific details of the envisioned assignment. The framing and presentation of the objectives, purposes and results to be achieved by the Contractor is usually a brief but important section in any ToR.

Common understanding of, and consensus around, the stated objectives / purpose / results will be important throughout the negotiation and implementation of the assigned tasks. The source for this section of the ToR is the Operation Identification Sheet-OIS (from the narrative OIS sections and from the OIS Logframe). However, these could be modified in due to the time gap between the drafting of the OIS and the preparation of the ToR in accordance with new information (e.g. new laws, new institutional framework, new similar projects implemented in the meantime, etc.)

#### **2.1. Overall objective**

**The overall objective of the project of which this contract will be a part is as follows:**

**< objective >**

#### **2.2. Purpose**

**The purpose[s] of this contract [is] [are] as follows:**

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- < purpose 1 >
- < purpose 2, etc >

For larger/complex projects there can be more than one purpose (i.e. one per project component).

### 2.3. Results to be achieved by the contractor

< These may be presented either in order of importance or in chronological order, as appropriate >

- < result 1 >
- < result 2, etc. >

## 3. ASSUMPTIONS & RISKS

It is recommended that the first step in preparation of the ToR would be drafting of the logframe. Again the basis for the logframe preparation within the ToR is the **Operation Identification Sheet**. In case there are modifications related to the assumptions in the ToR logframe (compared to OIS logframe) these should be clearly addressed in this section. The assumptions can change in accordance with the political institutional economic and judicial context.

### 3.1. Assumptions underlying the project

< Insert information from the Logical Framework prepared for the project as part of the Financing Proposal >

### 3.2. Risks

< Insert information from the Logical Framework prepared for the project as part of the Financing Proposal >

## 4. SCOPE OF THE WORK

This section presents the parameters of the project intervention in terms of its scope and limits. The scope should be realistic given the timeframe and resources available for project implementation. Details here include:

### 4.1. General

#### 4.1.1. Project description

< As appropriate, but with a recommended maximum of 2 pages >

- Provide description of the background to the preparation of the project,
- describe the objectives of the project,
- describe the key stakeholder groups,
- provide brief information on the type of activities foreseen and specify related results,
- indicate the broad timeframe for the action and describe any specific factor that has been taken into account.

#### 4.1.2. Geographical area to be covered

< As appropriate >

#### 4.1.3. Target groups

< As appropriate >

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## 4.2. Specific work

**While the OIS provides only an indicative list of activities, the ToR provides a specific list of the tasks that shall be undertaken by the Contractor.**

The list of activities presented in this section is the same as in the ToR logframe. The outputs and reporting requirements expected should be specified, along with the required or proposed timeline for the project intervention.

**Clear guidance in this section will help ensure that the outputs of the project meet expectations.**

- A clear and detailed list of the tasks to be undertaken in order to achieve the contract objective and/or Contractor's job description.
- The tasks should be listed either in order of importance or in chronological order. If any task need to be paid on the basis of a lump sum (to be proposed by the tenderer), it should be clearly specified.
- The list of the tasks should include any reports that the Contractor must prepare (in addition to the interim and final reports referred to in Section 7.1 of the Terms of Reference).
- Any tasks requiring specific expertise should be clearly identified. If appropriate, the time schedule for completing the various tasks should be stipulated here.

This section should contain only major managerial, economic, institutional, and technical requirements (+ criteria) regarding this project's activities. It may address the issue of splitting the project into phases, or organising it into distinct components. It should not be too prescriptive. It is up to tenderers to prepare their own detailed organisation and methodology and technical proposals to fulfil the general requirements set out in the Terms of Reference.

**For contracts that include an element of supervision of progress of contractors on other contracts (e.g., works or supplies), the tasks of the supervisor should include a description of the types of checks to carry out.** When the supervisor issues a certificate, he/she must be satisfied that relevant, reliable and sufficient evidence exists that:

- the tasks have been properly performed; and
- the amounts claimed by the contractor(s) to be supervised have actually been incurred, in line with the requirements of the contract he/she is supervising.

**In preparing this section, focus should be placed on ensuring the sustainability and dissemination of project results.**

The Contractor must also comply with the latest Communication and Visibility Manual for EU External Action

[https://ec.europa.eu/europeaid/funding/communication-and-visibility-manual-eu-external-actions\\_en](https://ec.europa.eu/europeaid/funding/communication-and-visibility-manual-eu-external-actions_en)

The compliance with this shall be made an output of the contract and the contractors shall include in its reporting what have been accomplished.

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Add as an option: The Contractor shall ensure the capitalisation and sharing of knowledge related to the implementation of the project. It concerns observations of technical and pedagogical value, which are interesting for other professionals, and which do not infringe with the obligations of article 14 of the General Conditions of the Contract. For sharing such information, the Contractor shall use the **capacity4dev.eu** web platform.

#### **4.3. Project management**

##### **4.3.1. Responsible body**

< Identify the specific department of the Contracting Authority / partner country (or its agent, if appropriate) which will be responsible for managing the contract / project >

##### **4.3.2. Management structure**

- Describe the management structure of the Contracting Authority / partner country administration, including all decision-making processes involved in managing this project.
- Include information on the basic management structure of the project (e.g. Project Management Unit, Steering Group) and project planning.
- Identify any decisions that may be taken by the Project Manager alone (as identified in Article 20 of the General Conditions) and any that must be authorised by, for example, a more senior colleague or project steering committee.

##### **4.3.3. Facilities to be provided by the Contracting Authority and/or other parties**

< As appropriate >

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## **5. LOGISTICS AND TIMING**

### **5.1. Location**

Identify the location (i.e. city/town etc.) of the operational base for the project, any other location(s) where short-term inputs may be provided and/or where pilot projects may be established (e.g., regions or neighbouring countries with which cross-border cooperation is encouraged)

### **5.2. Start date & period of implementation**

The intended start date is **<date>** and the period of implementation of the contract will be **<number>** months from this date. Please see Articles 19.1 and 19.2 of the Special Conditions for the actual start date and period of implementation.

If the intention is to award a contract for additional services depending on the outcome of the initial contract, such as for the second phase of a study or operation, this must be stated here. If it is possible to procure additional services by negotiated procedure, this must be clearly indicated, with their estimated cost.

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## **6. REQUIREMENTS**

### **6.1. Staff**

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Note that civil servants and other staff of the public administration, of the partner country or of international/regional organisations based in the country, shall only be approved to work as experts if well justified. The justification should be submitted with the tender and shall include information on the added value the expert will bring as well as proof that the expert is seconded or on personal leave.

#### **6.1.1. Key experts**

Key experts have a crucial role in implementing the contract. The terms of reference contain the required key experts' profiles. The tenderer shall submit CVs and Statements of Exclusivity and Availability for the following key experts.

- Identify the profiles sought for a minimum of 1 key expert which will typically be the team leader.
- The number of key experts may be extended up to a maximum of 4 key experts.
- The skills required may include professional and technical skills, team management skills, communication and facilitation skills, and/or language skills.
- While it is not necessary to identify all key positions in detail (Global Price Contracts), it is recommended to be as clear as possible to guarantee a fair technical evaluation. Remember to set the scores in the evaluation grid accordingly.
- **The precise time inputs of the experts shall be left to the discretion of tenderers as part of their technical proposal. However, it may be useful to identify a minimum input for the contribution of key experts.**

When deciding on the profiles, equal access must be guaranteed and they must not create unjustified obstacles to competitive tendering.

The profiles should be clear and non-discriminatory. For example, 'local expertise' may be required but not a 'local expert' (i.e. a national/resident of a country). Remember that participation in tendering procedures must be open on equal terms to all eligible persons (see point 11 in Contract notice).

The minimum percentage of time which each expert should work in the partner country could be specified, e.g. 75 %, to avoid the scenario where experts spend a large proportion of their time outside the partner country to which they are supposedly giving technical advice.

**The profile of the 'ideal expert' should not be described as it sets a threshold for acceptance of the offer.**

- When choosing the criteria, consider the real minimum requirements and the availability of such experts on the market.
  - The criteria should be as broad as possible.
  - Quantifiable criteria should be drafted with vigilance. It is good practise to — where appropriate — add expressions such as 'a University degree in Economics or a relevant, directly related discipline, or equivalent' in order not to automatically disqualify offers with experts who have 40 years relevant experience but who lack a formal university degree; or 'preferably 10 years experience ...but a minimum of 5 years required'.
  - The required years of experience should be decided with due care and not inflated.
-

- Focus instead on quality rather than on quantitative aspects.
- Please specify carefully what the minimum requirement is and what the preferred requirement is.

**Bear in mind that if an expert does not meet the minimum requirements, he/she must be rejected. This means that the entire tender is rejected.**

Consider carefully the possible consequences of the drafting of the profiles as the more precise and challenging the profiles are the fewer experts will meet the minimum requirements and the result is that competition will be restricted.

**Do not demand a profile which is not justified by the nature of activity to be carried out.**

Any particular definitions used should be sufficiently clear or explained to avoid any ambiguity. Selection criteria cannot be re-used to define the key-experts' profile.

#### **Key expert 1: Team Leader**

##### **Qualifications and skills**

< As appropriate. Please differentiate between minimum and preferred requirements if applicable.>

##### **General professional experience**

< As appropriate. Please differentiate between minimum and preferred requirements if applicable.>

##### **Specific professional experience**

< As appropriate. Please differentiate between minimum and preferred requirements if applicable.>

#### **Key expert 2: e.g. Training Expert**

##### **Qualifications and skills**

< As appropriate. Please differentiate between minimum and preferred requirements if applicable.>

##### **General professional experience**

< As appropriate. Please differentiate between minimum and preferred requirements if applicable.>

##### **Specific professional experience**

< As appropriate. Please differentiate between minimum and preferred requirements if applicable.>

#### **Guidance notes on expert inputs:**

- 
- 1) **Working days:** performance of the contract (and therefore payment) is based solely on working days. The Contractor will only be paid for days actually worked on the basis of the daily fee rate contained in the budget breakdown (Annex V) –Fee Based.

Tenderers must annex the 'Estimated number of working days' worksheet contained in the spread sheet for Annex V to their Organisation and Methodology (Annex III) to demonstrate the correspondence between the proposed methodology and the expert inputs.

It is unnecessary to stipulate the holiday provision for experts. This is for the tenderer to decide. See Article 22 of the General Conditions.

- 2) **The annual leave** entitlement of the experts employed by a service provider is determined by their employment contract with the service provider and not by the service contract between the Contracting Authority and the Consultant.

However, the Contracting Authority can decide when experts take their annual leave since this is subject to approval by the Project Manager, who will assess any such request according to the needs of the project while the contract is in progress. For obvious reasons, a day of annual leave is not considered to be a working day. All this is clearly stated in the General Conditions, Articles 21 and 22.

Everything is based on **working days** to avoid difficulties in identifying working weeks, national holidays, etc. in the partner country of a given contract.

The fee rates for all experts must include all the "administrative costs of employing the relevant experts, such as relocation and repatriation expenses [including flights to and from the partner country upon mobilisation and demobilisation], accommodation, expatriation allowances, leave, medical insurance and other employment benefits given to the experts by the Consultant". This is why no further mention of an annual leave entitlement must be made in the service contract.

It may be important, though, to establish how many times each expert needs to travel (since travel is included in the fee rate, the number of flights will have an impact on that fee rate).

**All experts must be independent and free from conflicts of interest in the responsibilities they take on.**

#### **6.1.2. Other experts, support staff & backstopping**

[ As appropriate.]

**CVs for experts other than the key experts should not be submitted in the tender but the tenderer will have to demonstrate in their offer that they have access to experts with the required profiles. The contractor shall select and hire other experts as required according to the needs.**

**The Contractor must select and hire other experts as required according to the profiles identified in the Organisation & Methodology [and/or the Terms of Reference]. It must clearly indicate the experts' profile so that the applicable daily fee rate in the budget breakdown is clear. All experts must be independent and free from conflicts of interest in the responsibilities they take on.**

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**The selection procedures used by the contractor to select these other experts shall be transparent, and shall be based on pre-defined criteria, including professional qualifications, language skills and work experience.**

**The costs for backstopping and support staff, as needed, are considered to be included in the tenderer's financial offer.**

## **6.2. Office accommodation**

Office accommodation of a reasonable standard and of approximately 10 square metres for each expert working on the contract is to be provided by [the Contractor] [the partner country] [the Contracting Authority]:

- **Option 1** (If the office accommodation is to be provided by the Contractor): The costs of the office accommodation are to be covered by the fee rates.
- **Option 2** (If the office accommodation is to be provided by the partner country): No need for clarification
- **Option 3** (If the office accommodation is to be provided by the Contracting Authority – exceptionally only) The costs of the office accommodation are to be covered by the provision for incidental expenditure. The cost per square metre must be in line with the prevailing local market rate for office accommodation of a reasonable standard.

“Office accommodation of a reasonable standard and of approximately 10 square metres for each Key, Non-key expert and one project assistant (back-stopping) working on the contract is to be provided by the Contracting Authority. Office accommodation will include basic equipment such as desks, chairs, and connections to telephone and internet. Costs associated with telecommunications, internet usage are the responsibility of the Contractor”

## **6.3. Facilities to be provided by the Contractor**

“The Contractor must ensure that experts are adequately supported and equipped. In particular it must ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities. It must also transfer funds as necessary to support their work under the contract and to ensure that its employees are paid regularly and in a timely fashion.”

**If the work requires so;**

- State what is required in terms of supplies, services, documentation, logistical support, etc. for the success of the contract, indicating the source (i.e., Contractor / partner country / Contracting Authority / ... ).
- Provide as much detail as possible, especially for items to be provided by the Contractor within the fee rates of its experts.

Example; the Contractor shall, within the fee rates of the experts, provide the following:

- Interpretation services during meetings with end recipients and other stakeholders;
  - The provision of computer hardware and software and telecommunications equipment for the office accommodation;
  - Stationary, etc. to support the implementation of project activities;
-

- Provision of local transportation to support the day-to-day implementation of project activities including, if appropriate, vehicle rental/purchase, maintenance and insurance;
- Telecommunication facilities, including the costs associated with national and international telephone calls;
- The cost of copying documentation apart from that specified in paragraph 6.5 (Incidental Expenditure);
- Etc....

**If the Contractor is a consortium, the arrangements should allow for maximum flexibility in project implementation, i.e. avoiding arrangements offering each consortium member a fixed percentage of the work to be undertaken under the contract.**

#### **6.4. Equipment**

“No equipment is to be purchased on behalf of the Contracting Authority / partner country as part of this service contract or transferred to the Contracting Authority / partner country at the end of this contract. Any equipment related to this contract that is to be acquired by the partner country must be purchased by means of a separate supply tender procedure.”

**Please be informed that the 6.5, 6.6 and 6.7 headings are for Fee-Based contracts and not available in the Global Price ToR template.**

#### **6.5. Incidental expenditure**

“The provision for incidental expenditure covers ancillary and exceptional eligible expenditure incurred under this contract. It cannot be used for costs that should be covered by the Contractor as part of its fee rates, as defined above. Its use is governed by the provisions in the General Conditions and the notes in Annex V to the Contract.

**Example;** It covers:

- Travel costs and subsistence allowances for missions, outside the normal place of posting, undertaken as part of this contract. If applicable, indicate whether the provision includes costs for environmental measures, for example CO2 offsetting. **Do not give any financial estimates.**
- All costs of Training sessions such as;
  - Cost of rental of the venue (min four-star hotel standard),
  - audio-visual equipment, translation/interpretation, training books, printing and reproducing training materials and producing CD copies and costs of drafting and printing attendance certificates for all the participants.
  - For participants (excluding the Contractor’s experts): refreshments (coffee, water, tea, small snacks) and lunch;
  - If outside Ankara: in addition to the above, return travel (including, if applicable, airport transfer costs). For participants: local travel, single-occupancy accommodation (minimum four-star hotel standard), including the cost of meals and refreshments not provided for at the training venue.
  - The cost of the Contractor’s experts participating in the delivery of training shall be covered on the basis of a mission away from the normal place of posting.

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- All costs of Study Visits such as;
    - International and local travel costs,
    - accommodation (single occupancy room in minimum four-star hotel),
    - meals and refreshments for participants,
    - Charges for specific site visits, fees of training institutions.
    - The cost of the Contractor's experts accompanying the study visits shall be covered on the basis of a mission away from the normal place of posting.
  - All costs of Site visits and project-related meetings such as;
    - return travel (including, if applicable, airport transfer costs).
    - For participants (excluding the Contractor's experts): local travel, single-occupancy accommodation (minimum four-star hotel standard) and the cost of meals and refreshments.
    - Sectoral Monitoring Committee (SMC) meetings cost
    - Cost of hiring premises (minimum four-star hotel standard), including audio-visual equipment, lunch, refreshments;
    - cost of providing simultaneous translation facilities, including audio equipment for all participants;
    - cost of printing and binding copies of presentations etc. for all participants.
    - If outside Ankara: return travel (including, if applicable, airport transfer costs).
    - For participants: local travel, single-occupancy accommodation (minimum four-star hotel standard), including the cost of meals and refreshments.
    - Translation: cost of translating deliverable documents from English to Turkish and vice versa.

**The provision for incidental expenditure for this contract is EUR <amount>. This amount must be included unchanged in the Budget breakdown.**

**Per diem:** Daily subsistence costs may be reimbursed for missions foreseen in these terms of reference or approved by the Contracting Authority, and carried out by the contractor's authorised experts, outside the expert's normal place of posting.

**Per diem are payable on the basis of the number of nights spent on the mission by the contractor's authorised experts for missions carried out outside the expert's normal place of posting. The per diem may be paid in full or in half: for each night spent on the mission= 100% of the per diem rate is paid, for periods of missions not entailing overnight stay= 50% of the per diem rate is paid. Travelling time is to be regarded as part of the mission. When an expert travels during night time the full per-diem rate of the country of arrival shall be paid. In case of multi-country missions, the per diem rate of the country where the night is spent shall be paid. In case of longer stop-overs in another country the per diem rate of the country where the stop-over takes place shall be paid. Any subsistence allowances to be paid for missions undertaken as part of this contract must not exceed the per diem rates published on the website -**

**[http://ec.europa.eu/europeaid/funding/about-calls-tender/procedures-and-practical-guide-prag/diems\\_en](http://ec.europa.eu/europeaid/funding/about-calls-tender/procedures-and-practical-guide-prag/diems_en) - in force at the time of contract signature**

**The Contracting Authority reserves the right to reject payment of per diem for time spent travelling if the most direct route and the most economical fare criteria have not been applied.**

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Prior authorisation by the Contracting Authority for the use of the incidental expenditure is not needed. Please note that prior authorisation should only be requested exceptionally.

**Guidance notes on estimating the provision for incidental expenditure:**

- The general rule is that the items included under the incidental expenditures should be kept at a minimum.
- All costs relating to the provision of experts (including travel to/from the partner country and subsistence once there, apart from missions specified in the Terms of Reference) must be included in the fee rates.
- The explicit explanation in the notes to the budget breakdown is as follows: the provision for incidental expenditure does not cover travel to/from the partner country for experts (other than for missions within the contract). These mobilisation and demobilisation costs are included in the fee rates. No distinction should be made between key/non-key experts. The only per diem rates and travel costs that should be covered by the provision for incidental expenditure are those relating to missions which are required by the Terms of Reference.

**Remember that the amount given in the Terms of Reference as the provision for incidental expenditure is simply an upper limit on the incidental costs.**

It need not be estimated exactly and it does not matter that the actual costs are more or less than the estimated amounts of the components, within a reasonable margin of error.

No detailed calculation of the provision for incidental expenditure must appear anywhere in the Terms of Reference or in the tender dossier, otherwise the amounts identified become legally binding.

Please note that if the contract is to be implemented in high risk or particularly dangerous countries, the budget for the incidental expenditures must be increased with the cost for specific security measures such as extra insurance, training or extra security activities. The responsibility for the specific security measures is with the contractor through the signed contract which contains funds in the incidental expenditures which is outside of competition in the tender procedure. Please specify the security under point 6.5 above.

#### **6.6. Lump sums**

Fee-based contracts may include activities paid under the basis of lump sums (e.g. of a fee-based contract for training, where the trainings would be paid on a fee-based basis, and where the development of the training material would be paid on a lump sum basis). If activities paid under lump sums are required, please highlight them in this section.

**If not applicable: No lump sums are foreseen in this contract.**

#### **6.7. Expenditure verification**

The provision for expenditure verification covers the fees of the auditor charged with verifying the expenditure of this contract in order to proceed with the payment of any pre-financing instalments and/or interim payments.

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The provision for expenditure verification for this contract is [EUR] [<ISO code of national currency> only for indirect management] < amount >. This amount must be included unchanged in the Budget breakdown.

This provision cannot be decreased but can be increased during execution of the contract.

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## **7. REPORTS**

### **7.1. Reporting requirements**

Please see Article 26 of the General Conditions.

Not obligatory for contracts of less than 12 months:

Interim reports must be prepared every six months during the period of implementation of the tasks. They must be provided along with the corresponding invoice, the financial report and an expenditure verification report defined in Article 28 of the General Conditions.

There must be a final report, a final invoice and the financial report accompanied by an expenditure verification report at the end of the period of implementation of the tasks. The draft final report must be submitted at least one month before the end of the period of implementation of the tasks. Note that these interim and final reports are additional to any required in Section 4.2 of the Terms of Reference.

**Each report must consist of a narrative section and a financial section. The financial section must contain details of the time inputs of the experts, incidental expenditure and expenditure verification.**

**[Adapt as necessary: To summarise, in addition to any documents, reports and output specified under the duties and responsibilities of each key expert above, the Contractor shall provide the following reports: ]**

<b>Name of report</b>	<b>Content</b>	<b>Time of submission</b>
Inception Report	Analysis of existing situation and work plan for the project	No later than 1 month after the start of implementation
6-month Progress Report	Short description of progress (technical and financial) including problems encountered; planned work for the next 6 months accompanied by an invoice and the expenditure verification report	No later than 1 month after the end of each 6-month implementation period.
Draft Final Report	Short description of achievements including problems encountered and recommendations.	No later than 1 month before the end of the implementation period.

Final Report	Short description of achievements including problems encountered and recommendations; a final invoice and the financial report accompanied by the expenditure verification report.	Within 1 month of receiving comments on the draft final report from the Project Manager identified in the contract.
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## **7.2. Submission & approval of reports**

The report referred to above must be submitted to the project manager identified in the contract. The project manager is responsible for approving the reports.

< Please specify here any other specific requirements. In direct management, as a standard practice the partner country needs to be involved in the comments and the approval of the reports. In the absence of comments or approval by the partner country within the set deadline, the reports are deemed to be approved.>

## **8. MONITORING AND EVALUATION**

### **8.1. Definition of indicators**

< Specific performance measures chosen because they provide valid, useful, practical and comparable measures of progress towards achieving expected results. Can be quantitative: measures of quantity, including statistical statements; or qualitative: judgements and perception derived from subjective analysis. >

### **8.2. Special requirements**

< As appropriate.>

## **9. PUBLICITY AND VISIBILITY**

**Please insert the below text as it is**

The Contractor shall take all necessary measures to publicize the fact that the European Union has financed the Program.

In addition, the Contractor shall take the necessary measures to ensure the visibility of the European Union financing or co financing. These measures must comply with the rules laid down and published by the Commission on the visibility of external operations: <https://ec.europa.eu/europeaid/node/17974>

All projects /contract implemented under this programme shall comply with the Visibility Guidelines for European Commission Projects in Turkey published by the EU Delegation to Turkey, at <https://www.avrupa.info.tr/tr/ab-dis-faaliyetler-icin-iletisim-ve-gorunurluk-sartlari-7431>.

All communication and visibility activities should be carried out in close co-operation with the Contracting Authority. The Contracting Authority is the main authority in charge of reviewing and approving visibility-related materials and activities. Before initiating any information, communication

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or visibility material and activity, Contractors and implementing partners should seek the approval of the Contracting Authority in writing.

The EU-Turkey cooperation logo should be accompanied by the following text:

“This project is co-financed by the European Union and the Republic of Turkey.”

Whether used in the form of the EU-Turkey cooperation logo for information materials or separately at events, the EU and Turkish flag have to enjoy at least double prominence each, both in terms of size and placement in relation to other displayed logos and should appear on all materials and at all events as per the Communication and Visibility Manual for European Union External Actions. At visibility events, the Turkish and the EU flag have to be displayed prominently and separately from any logos.

Logos of the end-recipient institution and the Contracting Authority should be clearly separated from the EU-Turkey partnership logo and be maximum half the size of each flag. The logos will not be accompanied by any text. The Contracting Authority and end-recipient logo will be on the lower left-hand corner and lower right-hand corner respectively. The Contractor logo with the same size will be in the middle of the Contracting Authority and end-recipient logo. If the Contractor is a consortium, only the logo of the consortium leader will be displayed.

Any publication by the Contractor, in whatever form and by whatever medium, including the Internet, shall carry the following or a similar warning: “This document has been produced with the financial assistance of the European Union”. In addition, the back cover of any such publications by the Contractor should also contain the following disclaimer: “The contents of this publication is the sole responsibility of name of the author/contractor/implementing partner – and can in no way be taken to reflect the views of the European Union”.

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## 9 ToR and Logical Framework Approach

The Logical Framework Approach (LFA) is an analytical and management tool used (in one form or another) by most multi-lateral and bi-lateral funding institutions, and EU. The EU generally requires the development of a Logframe Matrix as part of its project formulation procedures. Therefore, an application of the Logical Framework Approach at the various stages of the project management cycle is part of and indeed facilitates ToR formulation and preparation.

It is useful to distinguish between the Logical Framework Approach (LFA), which is an analytical process (involving stakeholder analysis, problem analysis, objective setting and strategy selection), and the Logical Framework Matrix (LFM) during the Terms of Reference formulation process of which, requires further analysis of objectives, how they will be achieved and the potential risks, also provides the documented product of the analytical process.

With this approach, project cycle management envisages finding a solution for the following difficulties, which arise frequently in this process:

- Confusion between results, objectives, activities

- Misconception and misunderstanding among different stakeholders concerning the exact content of the objectives
- Unrealistic objectives
- Non-specific objectives
- Lack of indicators (follow-up, evaluation) in the implementation phase of the project
- Objectives not structured around problems and actual needs of target groups

A project goes through several phases identified in the PCM. First, there is the **design phase** (programming/planning, identification and formulation/ preparation), followed by the **implementation phase** and completed by the ex-post evaluation phase.

At the end of each phase, it is important to have an output so that the results of the previous phase may be used as an input for the following phases.

Moving to the next phase will be on condition that the previous phase has been satisfactorily completed. In this way, for instance, the formulation phase cannot start unless the identification phase has been successfully completed and produced all the necessary information, or the auditing cannot start before project implementation has been completed.

During the implementation phase, if needed, the plan that was designed in an earlier stages of the PCM may be reviewed or modified. This flexibility is important, given changing realities during the life of the project.

The Logical Framework Approach (LFA) and the Logframe are, therefore, core tools used in Project Cycle Management.

- The LFA is used during the identification stage of PCM to help analyse the existing situation, assess the relevance of the proposed project and identify potential objectives and strategies.
- During the formulation stage, the LFA supports the preparation of an appropriate project plan, with clear objectives, measurable results, a risk-management strategy and defined levels of management responsibility.
- During project / programme implementation, the LFA is a key management tool to support contracting, operational work planning and monitoring.
- During the evaluation and auditing, the Logframe matrix provides a summary record of what was planned (objectives, indicators and key assumptions), and thus provides a basis for performance and impact assessment.

The LFA allows information to be analysed and organised in a structured way, so that important questions can be asked, weaknesses identified, and decision-makers can make informed decisions based on their improved understanding of the project rationale, its intended objectives and the means by which objectives will be achieved.

The Logical Framework Matrix (the Logframe) consists of a matrix with four columns and four main rows, which summarise **the key elements of a project planing**, namely:

- the project's hierarchy of objectives (project description or intervention logic)
- the key external factors critical to the project's success (assumptions)
- how the project's achievements will be monitored and evaluated (indicators and sources of verification)

The typical structure and information included in a Logframe Matrix is shown in the following table:

Logframe Matrix – structure and information

Project description	Indicators	Sources of verification	Assumptions
<b>Overall objective:</b> The broad development impact to which the project contributes – at a national or sector level (provides the link to the policy and/or sector programme context)	Measures the extent to which a contribution to the overall objective has been made.  Used during evaluation.  However, it is often not appropriate for the project itself to try to collect this information.	Sources of information and methods used  to collect and report it (including who and when / how frequently).	
<b>Purpose:</b> The development outcome at the end of the project – more specifically, the expected benefits to the target group(s)	Helps answer the question 'How will we know if the purpose has been achieved?' Should include appropriate details of quantity, quality and time.	Sources of information and methods used  to collect and report it (including who and when / how frequently)	Assumptions (factors outside project management's control) that may impact on the purpose-objective linkage
<b>Results:</b> The direct/tangible results (good and services) that the project delivers, and which are largely under project management's control	Helps answer the question 'How will we know if the results have been delivered?' Should include appropriate details of quantity, quality and time.	Sources of information and methods used  to collect and report it (including who and when / how frequently)	Assumptions (factors outside project management's control) that may impact on the result-purpose linkage
<b>Activities:</b> The tasks (work programme) that need to be carried out to deliver the planned results (optional within the matrix itself )	(Sometimes a summary of resources / means is provided in this box)	(Sometimes a summary of costs / budget is provided in this box)	Assumptions (factors outside project management's control) that may impact on the activity-

			result linkage
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The Logframe also provides the basis on which resource requirements (inputs) and costs (budget) are determined.

The Logframe is a very effective analytical and management tool when understood and intelligently applied. However, they are not a substitute for experience and professional judgment. They must also be complemented by the application of other specific tools (such as Economic and Financial Analysis and Environmental Impact Assessment) and of working techniques which promote the effective participation of stakeholders.

A common problem with the application of the Logframe Approach (particularly the preparation of the matrix) is that it is undertaken separately from the preparation of the other required project documents, such as the Operation Identification Sheet.

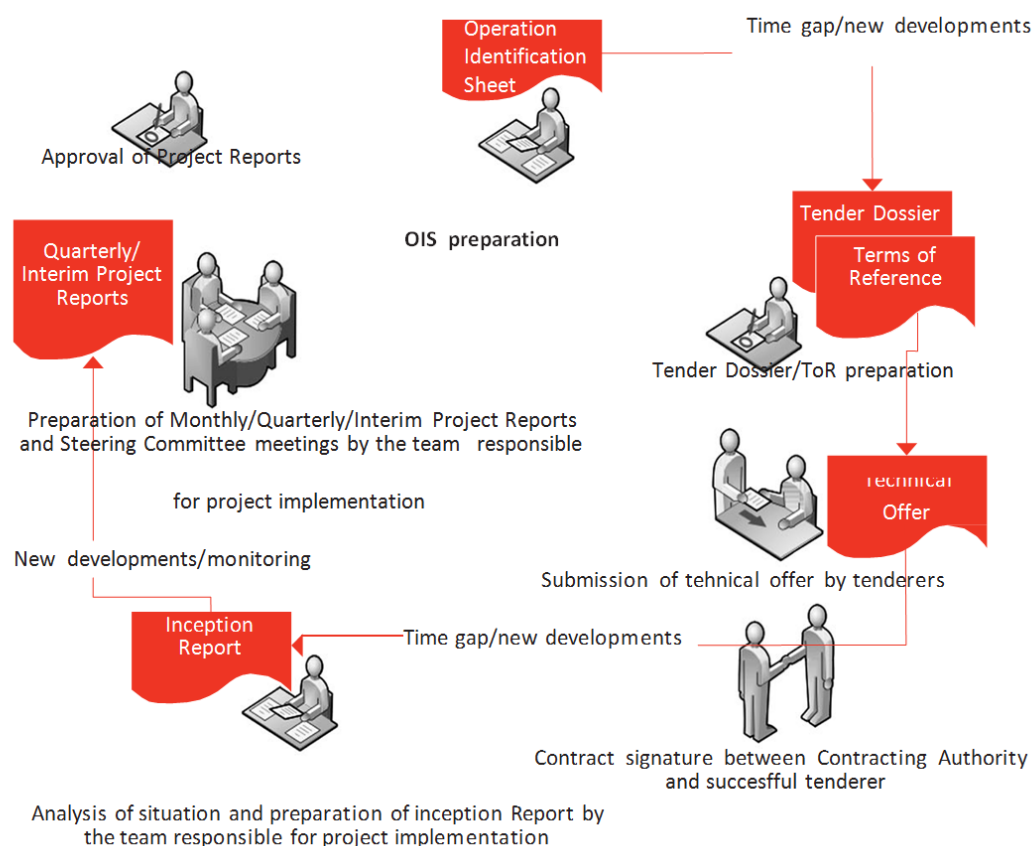
## 10 ToR and Operation Identification Sheet

There are some differences in EU programmes in the way that financing decisions are made, particularly in the timing of the financing decisions at the end of the project Identification stage or at the formulation/preparation stage. However, independently of this, the OIS document must be elaborated for each of the financed projects.

Operation Identification Sheets identify and provide details about projects to be financed and also serve as a basis for elaboration of ToRs.

PCM methodology is used for elaborating information sources such as the EU development policy, country strategy papers and national indicative programmes. Information about desirable projects contained in national indicative programmes needs to be elaborated (with detailed specifications, etc) so that it is transformed into full Operation Identification Sheet-OIS that can serve as clear and useful tools to guide implementation.

During this stage, further formulation work may therefore be carried out to develop the technical and administrative provisions, prior to concluding a financing decision.



### *Project evolution from formulation to implementation*

Key tasks generally include:

1. Revision of information regarding each project to identify issues requiring further analysis and formulation / design work, and to determine responsibilities for undertaking the work
2. Preparation of TOR (as appropriate) to contract further formulation/design work
3. Contracting of the design work and management of the contractors
4. Submission of the implementation documents (TOR / Technical and Administrative Provisions) for review
5. Other required actions prior to implementation, including ongoing dialogue

## **10.1 ToR as a key of technical offers and inception report**

As crucial document for contracting, ToRs are the main basis for the preparation of technical offers by tenderers. Good understanding of ToRs by tenderers is very important for the evaluation of the best technical offers. A good understanding of ToRs is also crucial for a tenderer to win a contract.

Once implementation of the project starts, the inception report (first project report) is based on the ToR and the technical offer. However, between submission of the technical offer and preparation of the inception report (a few months), new laws may be adopted and new, similar projects may start. It is important therefore, to update the inception report in the light of the new context.

During monitoring and evaluation, monitors and evaluators usually compare the ToR with project reports.

## 11 Hints and advise for drafting a ToR

Drafting a ToR may be considered as a skill that tends to improve as practical experience is gained.

**When drafting a ToR, an expert should already have a vision and understanding of the future services and project implementation, from inception to final phase. Therefore, the expert should have good knowledge and deep understanding of the problem to be solved and the purpose of the project.**

The ToR should be written in close cooperation with the End Recipient of Assistance and the Contracting Authority so that all needs and concerns are fully understood.

The level of 'risk acceptance' and the technical capacity of the End Recipient of Assistance and the Contracting Authority to monitor the services provided during implementation of the project should be assessed in advance, so that a correct choice of contracting mode may be made (fee-based vs. global price).

### **Important:**

The ToR drafter should be able to quantitatively express (in terms of number of days and available budget) the ERA's and the contracting authority's needs and measure that information against available resources in order that foreseen activities / related results, expert input and available resources match.

The art of balancing expected results with available resources is one of the most important but often neglected requirements for a well-written ToR.

Additionally, the ToR writer should be able to distribute available resources over the project implementation time-frame. That means that the ToR should accurately predict the sequence of expected inputs and activities

This principle is valid not only in the case of a major problem that needs to be gradually resolved through a sequence of projects (i.e. pre-feasibility study, feasibility study, technical design, works, etc) but also for the different phases of any single project being implemented at any particular PCM phase.

The ToR drafter should carefully specify the type of experts needed and their profiles. This is an exercise that should be done from the beginning and separately for each particular project.



**Copying / pasting information from previous similar projects is not acceptable practice as each project is unique, just as the needs of each ERA are unique.**

It is not possible to provide a generic expert profile that fits any ToR, but only a generic guide to writing such profiles (see instructions in the 'EU PRAG ToR and relevant template' section of this manual).

**It's suggested that checklist for the control of ToR may be filled which can be reached from Annex I.**

**Finally, the drafted ToR should always respect the EU PRAG format.**

## 12 Elaboration of the ToR

A more detailed description of the type of information that might be contained in each section of a ToR is provided below sub-titles. This is provided for guidance only. Not all the issues listed need to be considered by every study team / mission, nor does all the work necessarily need to be contracted out.

### 12.1 Background of the Project

This section of the ToR should provide an overview of the history behind the assignment and its rationale. It should clearly establish why the assignment is being carried out and relate it to the wider policy or programming context.

This section could vary in length from a few paragraphs to one or two pages, and should generally:

- Place the assignment in the context of the country strategy paper and national indicative programme, and the partner government's policy and programme priorities
- State the role of the partner government / other local stakeholders in undertaking the assignment
- Provide a brief history of the project to date – this should allow the reader to understand what important prior work has been carried out (and by whom), what formal approvals / agreements have been reached, and the current 'status' of the project in the project cycle.

### 12.2 Description of the assignment (Objectives and Results)

The purpose of this section is to clearly and concisely state what the assignment is expected to achieve, and who the target audience is. Some generic examples of study objectives at different stages of the project cycle are shown below:

Type of mission/study	Generic objectives
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<b>Project Identification phase</b>	<b>Objective:</b> to provide sufficient information to justify the acceptance, modification or rejection of the proposed project idea, and determine the scope of follow-up planning work (i.e. a feasibility / design study)
<b>Project Formulation phase</b>	<b>Objective:</b> to provide sufficient information to justify the acceptance, modification or rejection of the project proposal, and, if deemed feasible, adequate information on which to proceed to concluding a financing agreement
<b>External Monitoring missions and mid-term reviews</b>	<b>Objective:</b> to provide sufficient information to make an informed judgment about the performance of the project (its efficiency and effectiveness), and decisions about any required changes to project scope (such as objectives, duration, financing, management arrangements, etc)
<b>Evaluations (PCM Evaluation phase)</b>	<b>Objective:</b> to provide sufficient information to make an informed judgment about the past performance of the project (its efficiency, effectiveness and impact), to document lessons learned, and to provide practical recommendations for follow-up action
<b>Audits (PCM Evaluation phase)</b>	<b>Objective:</b> to provide assurance on: <ul style="list-style-type: none"> <li>• the legality and regularity of project expenditure and income – i.e. compliance with laws and regulations and with applicable contractual rules and criteria</li> <li>• whether project funds have been used efficiently and economically – i.e. in accordance with sound financial management</li> <li>• whether project funds have been used effectively – i.e. for the purposes intended</li> </ul>

## 12.3 Generic Issues may be included in the ToR

The purpose of this section is to identify the subject matter of the service contracts that, depending on the End Recipients interest and Project Cycle Management phase, can have the most diverse scope and help to clear the picture ahead for the ToR drafting exercise. Some generic examples at different stages of the project cycle are shown below:

Type of mission/ study	Generic objectives
<b>Project Identification phase</b>	<p><b>At this stage of the PCM the following issues could be included for study / assessment:</b></p> <ul style="list-style-type: none"> <li>• Assess the proposed project's coherence with the EC's country strategy paper and national indicative programme</li> <li>• Assess the proposed project's coherence with the partner government's development policy, sector policies and expenditure plans</li> <li>• Identify key stakeholders and target groups (including gender analysis and analysis of vulnerable groups), and assess institutional capacity issues and degree of local ownership</li> <li>• Identify the key problems to be addressed and the development opportunities, and prepare a preliminary problem analysis</li> <li>• Identify lessons learned from past experience and analyse the proposed project's coherence with current / ongoing initiatives</li> <li>• Analyse and as appropriate re-formulate the preliminary project objectives and proposed implementation strategy</li> <li>• Analyse and as appropriate formulate proposed management/coordination arrangements</li> <li>• Analyse and document sustainability issues – including the likely financial and economic sustainability of the proposed measures</li> <li>• Analyse and document cross-cutting issues – including gender, environment and human-rights implications (including the human rights of disabled people), and analyse and document likely resource / cost implications</li> <li>• Prepare a draft logframe matrix (as appropriate), highlight areas requiring further analysis, and provide clear recommendations on next steps (including ToR for a feasibility / design study)</li> </ul>

Type of mission/ study	Generic objectives
<b>Project Formulation Phase</b>	<p><b>Building on the work of any previous studies, the following issues could be further assessed / analysed:</b></p> <ul style="list-style-type: none"> <li>• Analyse the proposed project's coherence with the EC's country strategy paper and national indicative programme</li> <li>• Analyse the proposed project's coherence with the partner government's development policy, sector policies and expenditure plans</li> <li>• Identify key stakeholders and target groups (including gender analysis and analysis of vulnerable groups such as the disabled), institutional capacity issues and degree of local ownership</li> <li>• Prepare a clear and appropriately structured problem analysis</li> <li>• Analyse lessons learned from past experience and ensure coherence with current / ongoing initiatives</li> <li>• Provide a clear analysis of strategy options and justification for the recommended implementation strategy</li> <li>• Provide a set of clear and logically coherent project objectives (goal, study during formulation phase, outputs) and a set of indicative activities for delivering each project output</li> <li>• Provide a logframe matrix with supporting activity and resource / cost schedules</li> <li>• Provide a description of the proposed performance measurement (monitoring, review and evaluation) and accountability system</li> <li>• Provide a description of the proposed management / coordination arrangements, which demonstrates how institutional strengthening and local ownership will be effectively supported</li> <li>• Provide an analysis of assumptions / risks, and a risk- management plan</li> <li>• Provide an analysis of sustainability issues – including the financial and economic sustainability of the proposed measures, environmental impact, benefits to both women and men, and the use of appropriate technology</li> <li>• Prepare ToR for any consultants / technical experts to be involved in project implementation</li> <li>• Prepare any other documents as may be required for supporting the preparation / conclusion of a financing agreement</li> </ul>

Type of mission/ study	Generic objectives
<b>External Monitoring missions and mid-term reviews</b>	<p>The study / mission could be asked to deliver an assessment of some or all of the following issues:</p> <ul style="list-style-type: none"> <li>• The extent to which the project is / remains consistent with, and supportive of, the policy and programme framework within which the project is placed</li> <li>• Stakeholder participation in the management / implementation of the project, and the level of local ownership</li> <li>• Project performance with respect to efficiency (input delivery, cost control and activity management) and effectiveness (delivery of outputs and progress towards achieving the purpose). Comparison should be made against what was planned. Gender issues should be specifically monitored.</li> <li>• Project management and coordination arrangements, and the extent to which timely and appropriate decisions are being made to support effective implementation and problem resolution</li> <li>• The quality of operational work planning, budgeting and risk management</li> <li>• The quality of information management and reporting, and the extent to which key stakeholders are kept adequately informed of project activities (including beneficiaries / target groups</li> <li>• The prospects for sustainability of benefits – including (as appropriate) financial viability / recurrent cost financing, equipment / asset maintenance, institutional capacity-building and local ownership, environmental impact, social acceptability, etc</li> </ul> <p>Based on these assessments, the study team would be expected to provide recommendations for any required change / modification to project scope (including objectives, management arrangements, financing, etc) in order to support effective implementation and the delivery of a sustainable benefit stream.</p>

Type of mission/ study	Generic objectives
Completion and Evaluations	<p>The analysis of relevance would focus on the extent to which the project design effectively and appropriately:</p> <ul style="list-style-type: none"> <li>• Analysed the project's coherence with the EC's country strategy paper and national indicative programme</li> <li>• Analysed the project's coherence with the partner government's development policy and sector policies</li> <li>• Identified key stakeholders and target groups (including gender analysis and analysis of vulnerable groups such as the disabled), assessed institutional capacity issues and effectively promoted local ownership</li> <li>• Clearly and accurately identified real problems</li> <li>• Analysed lessons learned from past experience and ensured coherence with current / ongoing initiatives</li> <li>• Provided a clear analysis of strategy options and justified the recommended implementation strategy</li> <li>• Established a clear and logically coherent set of project objectives (goal, purpose, outputs) and a set of indicative activities for delivering each project output</li> <li>• Developed a clear and useful Logframe matrix with supporting activity and resource / cost schedules</li> <li>• Analysed assumptions and risks</li> <li>• Established appropriate management and coordination arrangements</li> <li>• Established appropriate and effective monitoring and evaluation systems</li> <li>• Provided an analysis of sustainability issues – including the financial and economic sustainability of the proposed measures, environmental impact, benefits to both women and men, and the use of appropriate technology</li> </ul>

Regarding the above generic examples provided there are some issues are more frequent and requires particular importance while drafting a ToR. These are:

- Efficiency
- Effectiveness
- Impact
- Sustainability

## 12.4 Elaboration of Efficiency of the Project

The efficiency criterion concerns how well the various activities transformed the available resources into the intended outputs and results, in terms of quantity, quality and timeliness.

The assessment of efficiency would therefore focus on issues such as:

- The quality of day-to-day management, for example in:
  - (i) management of the budget (including whether an inadequate budget was a factor)
  - (ii) management of personnel, information, property, etc
  - (iii) whether management of risk was adequate, i.e. whether flexibility was demonstrated in response to changes in circumstances
  - (iv) relations / coordination with local authorities, institutions, beneficiaries, other donors
  - (v) respect for deadlines
- Costs and value-for-money: how far the costs of the project were justified by the benefits (whether or not expressed in monetary terms) in comparison with similar projects or known alternative approaches, taking account of contextual differences
- Partner country contributions from local institutions and government (e.g. offices, experts, reports, and tax exemption, as set out in the Logframe resource schedule), target beneficiaries and other local parties – were they provided as planned, could re-allocation of responsibilities have improved performance, were communications good?
- Commission HQ / Delegation inputs (e.g. procurement, training, contracting, either direct or via consultants / bureaux): key questions as for local / government inputs (above)
- Technical assistance: how well did it help to provide appropriate solutions and develop local capacities to define and produce results?
- Quality of monitoring: its existence (or not), accuracy and flexibility, and the use made of it; adequacy of baseline information
- Did any unplanned outputs arise from the activities

## 12.5 Elaboration of Effectiveness of the Project

The effectiveness criterion, in Logframe terminology, concerns how far the project's outputs were used, and the project purpose realised.

The analysis of effectiveness would therefore focus on such issues as:

- Whether the planned benefits have been delivered and received, as perceived by all key stakeholders (including women and men and specific vulnerable groups such as the disabled)
- In institutional reform projects, whether behavioural patterns have changed in the beneficiary organisations or groups at various levels; and how far the changed institutional arrangements and characteristics have produced the planned improvements (e.g. in

communications, productivity, ability to generate actions which lead to economic and social development)

- If the assumptions and risk assessments at results level turned out to be inadequate or invalid, or unforeseen external factors intervened; how flexibly management adapted to ensure that the results would still achieve the purpose; and how well it was supported in this by key stakeholders including government, Commission (HQ and locally), etc
- Whether the balance of responsibilities between the various stakeholders was appropriate, which accompanying measures were or should have been taken by the partner authorities, and with what consequences
- How unplanned results may have affected the benefits received
- Whether any shortcomings at this level were due to a failure to take account during implementation of cross-cutting or over-arching issues such as gender, environment and poverty

## 12.6 Impact Analysis

The term impact, sometimes referred to as outcome, denotes the relationship between the project's purpose and goal – that is, the extent to which the benefits received by the target groups had a wider overall effect on larger numbers of people in the sector, region or country as a whole.

At impact level, the analysis generally examines such aspects as:

- To what extent the planned goal has been achieved, and how far that was directly due to the project
- In institutional reform projects, how far enhanced economic and social development resulted from improved institutional capabilities and communications
- In infrastructure-type projects, how far did these also enhance economic and social development beyond the level of their immediate users?
- If there were unplanned impacts, how they affected the overall impact
- Where appropriate gender-related, environmental and poverty-related impacts were achieved
- How the economic effects have medium and long term impacts? Salaries and wages, foreign exchange, and budget, and how this relates to the project's overall objectives

## 12.7 Sustainability Analysis

The criterion, sustainability, relates to whether the positive outcomes of the project at purpose level are likely to continue after external funding ends.

An analysis of sustainability would therefore focus on issues such as:

- Ownership of objectives and achievements, e.g. how far all stakeholders were consulted on the objectives from the outset, and whether they agreed with them and remained in agreement throughout the duration of the project



- Policy support and the responsibility of the beneficiary institutions
- Institutional capacity, e.g. the degree of commitment of all parties involved, such as government (e.g. through policy and budgetary support) and counterpart institutions; the extent to which the project is embedded in local institutional structures; if it involved creating a new institution, how far good relations with existing institutions were established; whether the institution appears likely to be capable of continuing the flow of benefits after the project ends (is it well-led, with adequate and trained staff, sufficient budget and equipment?)
- Whether counterparts were properly prepared for taking over
- Technical, financial and managerial issues. The adequacy of the project budget for its purpose
- Socio-cultural factors, e.g. whether the project is in tune with local perceptions of needs and of ways of producing and sharing benefits; whether it respects local power-structures, status systems and beliefs, and, if it seeks to change any of these, how well-accepted are the changes both by the target group and by others; how well it was based on an analysis of such factors, including target group / beneficiary participation, in design and implementation; and the quality of relations between the external project staff and local communities
- Financial sustainability, e.g. whether the products or services provided were affordable for the intended beneficiaries and remained so after funding ended; whether enough funds were available to cover all costs (including recurrent costs), and continued to do so after funding ended; and economic sustainability, i.e. how well the benefits (returns) compared to those in similar undertakings once market distortions are eliminated.
- Technical (technology) issues, e.g. whether
  - i. the technology, knowledge, process or service provided fits in with existing needs, culture, traditions, skills or knowledge
  - ii. alternative technologies were considered, where there was a choice
  - iii. the intended beneficiaries were able to adapt to and maintain the technology acquired without further assistance

Where relevant, whether cross-cutting issues such as gender equity, environmental impact and good governance were appropriately accounted for and managed from the outset of the project.

## 12.8 Formalising the Scope of Work

The section on formalisation of services by the Contractor, describes how the study / mission will be carried out, including the main methods to be used to collect, analyse, record and report information.

This section should therefore include a description of:

- Main phases in the study (i.e. preparatory activities, field work, analysis, report drafting, feedback, editing, report finalisation)

- How stakeholders will be involved and the participation promoted, including specific target groups (such as women, the poor and other vulnerable groups such as the disabled)
- The location and duration of study activities
- The data / information collection tools that will be used, including any planned surveys, questionnaires, field observations, reference to administrative records and management reports, key interviews, etc
- How data will be analysed and recorded
- How and when specific reports will be produced

## 12.9 Expertise/staff formulation

The purpose of this section is to specify the professional requirements of the individual and/or team who will undertake the assignment.

There are two broad approaches to establishing the required expertise:

- Skills or attributes-based approach, in which the skills and other qualities of the whole team are specified, but not the exact number of team members or specific composition of the team (global-price service contracting)
- Duties approach, in which individual team members are identified by title and specific duties are specified for each of them (fee-based service contracting)

The attributes approach may be preferred when the outputs of the mission can be clearly specified and the intention is to contract a team to undertake the task. This allows tenderers to be innovative in putting forward a proposed team, methodology, work plan and budget.

However, if the outputs of the mission cannot be adequately specified (but specific tasks can be), or if the contracting authority wishes to maintain more control over the inputs they are 'buying', then a duties-based approach may be preferred. The duties-based approach would generally specify:

- Exact number of team members and their required qualifications, experience and other attributes
- Period of engagement of each team member
- Exact duties and responsibilities of each team member
- Relationship between each team member, including team leadership roles

## 12.10 Reporting requirements

This section of the ToR should clearly specify the reporting requirements, and might include details of:

- Table of contents for the required report (i.e. for a feasibility / design study or an evaluation report), including annexes

- Anticipated length of the report
- Language to be used
- Format and font to be used
- Computer software programmes to be used
- Submission date(s) for drafts and final copies
- To whom the report(s) should be submitted
- Number of copies to be produced, and whether in hard copy and/or electronic copy
- Presentation of the contents of the report – when and to whom
- Responsibilities for report production and presentation

## Annex I - Checklist for The Control of the Terms of Reference

General	Yes/ No	Comments
Correct form is used (as per PRAG annex).		
<b>Background information</b>		
Partner country is correct		
Contracting Authority is correct		
Country background is completed, relevant comprehensive and correct		
Current situation in the sector is described clearly and correct		
Related programmes and other donor activities are explained		
<b>Objective, Purpose and the Expected Results</b>		
Overall objective is correct, complete and according to the OIS/IPA Application Form.		
Purposes are correct, complete and according to the OIS Form.		
Results to be achieved by the Contractor are correct, complete and according to the OIS Form.		
There is no deviation from the objectives and results of the OIS Form and Financing Agreement.		
<b>Assumptions and risks</b>		
Assumptions underlying the project are clearly stated, understandable, consistent and reconcilable with the logical framework.(if available)		
Risks are clear and understandable, correct and reconcilable with the logical framework (if available)		
<b>Scope of the work</b>		
<b>General as per project</b>		

Project description is clear, correct and maximum in 2 pages.		
Geographical area is stated clearly and correctly.		
Target group is as per the OIS Form		
Specific work are as per OIS Form		
The activities are detailed and consistent.		
The section contains only major managerial, economic, institutional and technical requirements.		
<i>In case of Supervision Service contract :</i>  It is stated what will be the controls the supervisor/engineer shall perform.		
It is stated that when the supervisor/engineer is issuing a certificate, he/she must be satisfied that relevant, reliable and sufficient evidence exists that:  The tasks have been properly performed  The amounts claimed have actually and necessarily been incurred in accordance with the requirements of the contract he/she is supervising.  Visibility guidelines are observed		
If any documents are required from the Contractor under section 4.2. does the ToR include the following information:  Type of Output/document required (e.g. Software Design Specification, training material, etc.)  Related Activity as per ToR for which the documents are required  Number of copies and language  If training is required:  Topics and location of the trainings  Number of persons to be trained  Duration of the training  Requirements for the applicable trainers – if applicable		

Project management as in OIS/IPA Application Form		
Responsible body is correct.		
Facilities to be provided by the Contracting Authority and other parties are described and relevant.		
<b>Logistics and timing</b>		
Location is correct and clearly described.		
Commencement date and period of execution are in line with the OIS/IPA Application Form and within the eligible period of FA. (check the Special Conditions)		
In line with other related contracts (e.g. works) if the services are dependent to the outcome of the initial contract, such as for the second phase of a study or operation.		
<b>Requirements</b>		
<b>Staff</b>		
Key experts' inputs are clearly identified		
Number of experts is adequate and no more than 4.		
Minimum percentage of time that Key Experts should work in Turkey has been described (e.g. 75% of the total working days for each expert)		
Timing and number / type of experts required are relevant to the scope of activities to be carried out.		
Qualification, professional experience and language skills of required key experts are in line with the services to be provided		
<b>The qualifications required are:</b>		
Broad enough not to be designed to inhibit fair competition		
Described so as to clearly establish threshold for acceptance of offer		
Potentially available on the market		
Expressed in such a way that they would not disqualify potential acceptable candidates		

It is described in a way that the fee rates include all “administrative costs”, accommodation, expatriation allowances, leave, etc...		
<p>In relation to the number of working days choose option (or mix):</p> <p>all or some working days are left at the discretion of the tenderer, i.e. for all or for some of the key experts the tenderer may propose as many working days as he thinks appropriate to fulfill the requirements of ToR</p> <p>the working days for each expert are specified as absolute minimum requirement</p> <p>the working days for each key expert are specified as indicative requirements and the tenderer may propose more or less working days, based on his/her professional experience</p>		
The working hours and any other “social issues” are handled in compliance with Turkish legislation.		
<b>Other Experts</b>		
<p>One of the following (or mix of) options is used:</p> <p>The other non key experts are specified for each position (number and type), including professional and other MINIMUM requirements. Any additional requirements are included as advantage</p> <p>The other non key experts are specified as a group/ team of experts in required fields</p> <p>Some or all of the other experts are left at the discretion of the tenderer based on his professional experience and requirements</p>		
General requirements for the experts as: equivalent degree and minimum 3 years of professional experience in the relevant field is included. Sufficient English language as needed for the implementation of their particular assignments		
The requirement for not being civil servants and other staff of the public administration of the beneficiary country is included, unless prior written approval has been obtained from the European Commission		

Support staff and backstopping is clearly described and if required the costs are included in the fee rates.		
Office accommodation is described clearly.  If the office accommodation is provided by the Contractor - two options:  All costs included in the rates  The costs of the office accommodation are to be covered by the provision for incidental expenditure. The costs per square meter must be in line with the prevailing local market rate.		
Facilities to be provided by the Contractor are clearly described.  In case of sub-contracting, the issues are dealt properly and in line with the Contract Notice as published?		
Standard wording from the template has been addressed regarding the equipment to be provided by the Contractor.		
<b>Incidental Expenditures:</b>		
For fee based contracts the incidental expenditures are specified as totals. It is mentioned that the amount should be included without modification in the Budget breakdown.  Breakdown for internal use is prepared and included to the ToR		
No financial estimates are mentioned in the ToR.		
The incidental expenditure may cover:  Travel costs and subsistence allowances for missions. The per diem rates should not be exceeded.		
Guidance notes on estimating the provision for incidental expenditure is provided.		
Template of Annex V (budget, section) has been respected.		
Expenditure verification – there is an amount left for expenditure verification		



<b>Reports</b>		
Reporting requirements are clearly specified – Refer to Art. 26 of the General Conditions.		
Approval steps are detailed.		
Number of copies of the reports specified and to whom the reports shall be delivered		
The language of the report is specified.		
Set deadline within which the report is considered approved if there are no comments.		
<b>Monitoring and evaluation</b>		
Definition of indicators are quantifiable and verifiable. (SMART)		
Special requirements are correct and understandable?		
<b>Publicity</b>		
Publicity and Visibility Article has included with standard wording.		

The points outlined above are in accordance with the basic PCM principle that the project phases in the project cycle are progressive – each phase should be completed for the next to be tackled with success.