



This Project co-funded by the
European Union and the Republic of Türkiye

REPUBLIC OF TÜRKİYE
THE MINISTRY OF LABOUR AND SOCIAL SECURITY
DIRECTORATE OF EUROPEAN UNION AND FINANCIAL ASSISTANCE

European Union Funded
**GUIDANCE ON
PREPARATION OF
TERMS OF
REFERENCE**





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European Union Funded Guidelines on How to draft Terms of Reference

WINDOW 4 COMPETITIVENESS AND INCLUSIVE GROWTH

Technical Assistance for Institutional Capacity Building for the Implementation of Employment,
Education and Social Policies Sectoral Operational Programme (EESP SOP) under IPA-II

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Republic of Türkiye, Ministry of Labour and Social Security

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Operational Structure for IPA Employment, Education and

Social Policies Sectoral Operational Programme

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ABBREVIATIONS

| | |
|----------|--|
| AD | Action Document |
| AF | Action Fiche |
| CA | Contracting Authority |
| CfO | Call for Operations |
| CfPs | Call for Proposals |
| CSP | Country Strategy Paper |
| DEUFA | Directorate of European Union and Financial Assistance |
| DEUA | Directorate for EU Affairs |
| DoA | Description of Action |
| GfA | Guidelines for Applicants |
| EC | European Commission |
| EOP | Environment Operational Programme |
| EU | European Union |
| EUD | Delegation of the European Union to Turkey |
| EESP SOP | Employment, Education and Social Policies Sectoral Operational Programme |
| EDF | European Development Fund |
| FWC SIEA | Framework Contract 'Services for Implementation of External Aid 2018' |
| IPA | Instrument for Pre-Accession Assistance |
| HOS | Head of Operating Structure |
| MoFSS | Ministry of Family and Social Services |
| MoLSS | Ministry of Labour and Social Security |
| M&E | Monitoring and Evaluation |
| NIPAC | National IPA Coordinator |
| NKE | Non-Key Expert |
| OB | Operation Beneficiary |
| OCU | Operation Coordination Unit |
| OIS | Operation Identification Sheet |
| OS | Operating Structure |
| OSC | Operation Steering Committee |
| PCM | Project Cycle Management |
| PIF | Project Idea Fiche |
| PRAG | Procurement and Grants for European Union External Actions - A Practical Guide |
| SBA | Sector Based Approach |
| SPD | Sector Planning Document |
| SROB | Senior Representative of the Operation Beneficiary |
| TA | Technical Assistance |
| TL | Team Leader |
| TAT | Technical Assistance Team |
| ToR | Terms of Reference |
| TS | Technical Specifications |

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1. PREAMBLE

The aim of this Guideline for “How to draft a Terms of Reference (ToR)” is to support the Window 4 Operation Beneficiaries (OBs) to prepare sound, reliable, cost effective and well-justified service operation. This process will follow the recent Procurement and Grants for European Union External Actions - A Practical Guide (PRAG)¹ template for a ToR and in line with the service component of the “non-objected” / preferably approved / pre-selected operations’ Action Documents (AD)² which is a new instrument of the IPA III Programming Framework which replaced the Operation Identification Sheet (OIS) used in the IPA II period.³

The IPA III Programming Framework (draft, dated November 2020) presents the overarching European Commission’s strategic document for the use of EU funds assisting the IPA III beneficiaries.

This Guideline starts with a general framework of the IPA III programming process and then outlines the steps to be followed, general principles surrounding the use of ToR. The Guideline aims to provide guidance on how to prepare a ToR more efficiently and effectively for the latest years of IPA II and IPA III funded projects.

The recommended method for writing a ToR is neither prescriptive nor imperative. This Guideline is aimed at assisting those who may be given the task of drafting ToR for any kind of service project through a series of actions in line with programming process that are identified based on lessons learned and previous experience.

The Guideline will serve both IPA II and IPA III period, which requires well-designed operations in terms of background, justification, scope of work, interventions and contribution to the sector and level of compliance to the national and EU policy framework which are all aligned with the programming process and the AD.

The Guideline is prepared based on the provisions of the following two documents; PRAG and AD. If there is a change in these documents, it is strongly recommended to use the most updated version’s provisions.

The Guideline will be regularly updated, and it is designed to be a “living” document, to evolve and adapt to the changing environment. Should any discrepancy with the related European Commission regulations occur, the latter shall prevail over the provisions and procedures described in this Guideline. For this reason, it is subject to periodic, regular revision, with the intent to incorporate improvements and new information. The principle is that the Guideline should incorporate the up-to-date IPA coordination and management practice and reference documents listed above.

Changes may also be triggered by (not exhaustive):

- Any change in the PRAG
- Any change in the programming framework
- Any change in the AD template

1 PRAG is a reference document to explain both procurement and grant award procedures applying to EU external actions financed from the general budget of the EU and the European Development Fund (EDF).

2 Please kindly note that the IPA III Programming Framework requires simultaneous preparation of the AD and the ToR to save time and accelerate the process. Ideally, the official approval of the first programming document facilitates ToR preparation process; this is not the case in the IPA III process due to time limitation and newly initiated selection criteria of “relevance” and “maturity” of the operations/projects.

3 IPA II döneminde proje belgesi olarak Operasyon Tanımlama Belgesi (OIS) şablonu kullanılmıştır.

- Knowledge gained from the daily operations
- Lessons learned from previous experience
- Audit findings, reviews, evaluations
- Results of periodic risk assessment

2. PROGRAMMING PROCESS

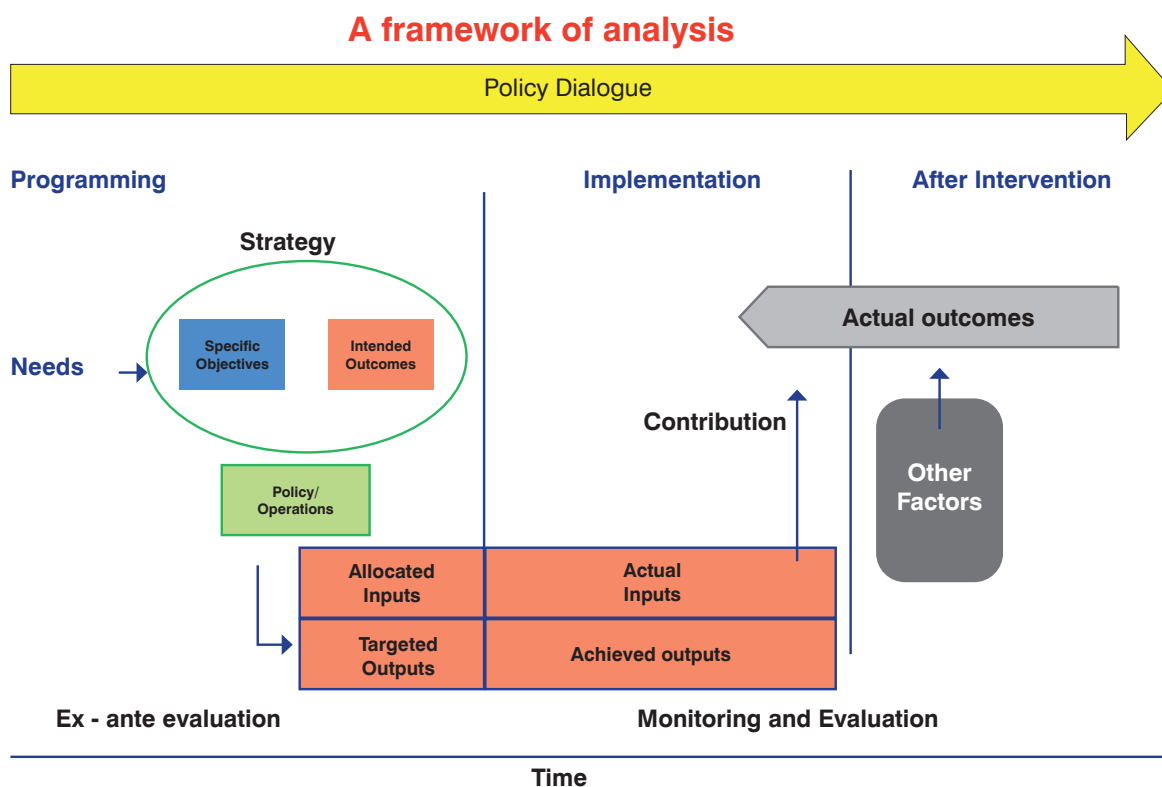
In the context of IPA II, programming is defined as a process of:

- Planning the use of the pre-accession assistance taking into account priorities and objectives defined and aligned with the EU and national planning and strategic framework
- Preparing the Strategic Response and ADs in the IPA III period
- Integrating identified priorities and objectives into operations and interventions to be implemented within a time frame and budget allocated necessary for their implementation
- Coordination and consultations and getting the EC approval on the proposed operations and interventions

Programming starts with identification of needs, analysis of objectives and outcomes, continues with review of inputs and outputs along with facts and findings of monitoring and evaluation results which are all valid in the IPA III period, as well.

Figure 1: Framework of analysis: from programming to implementation

Source: DG NEAR



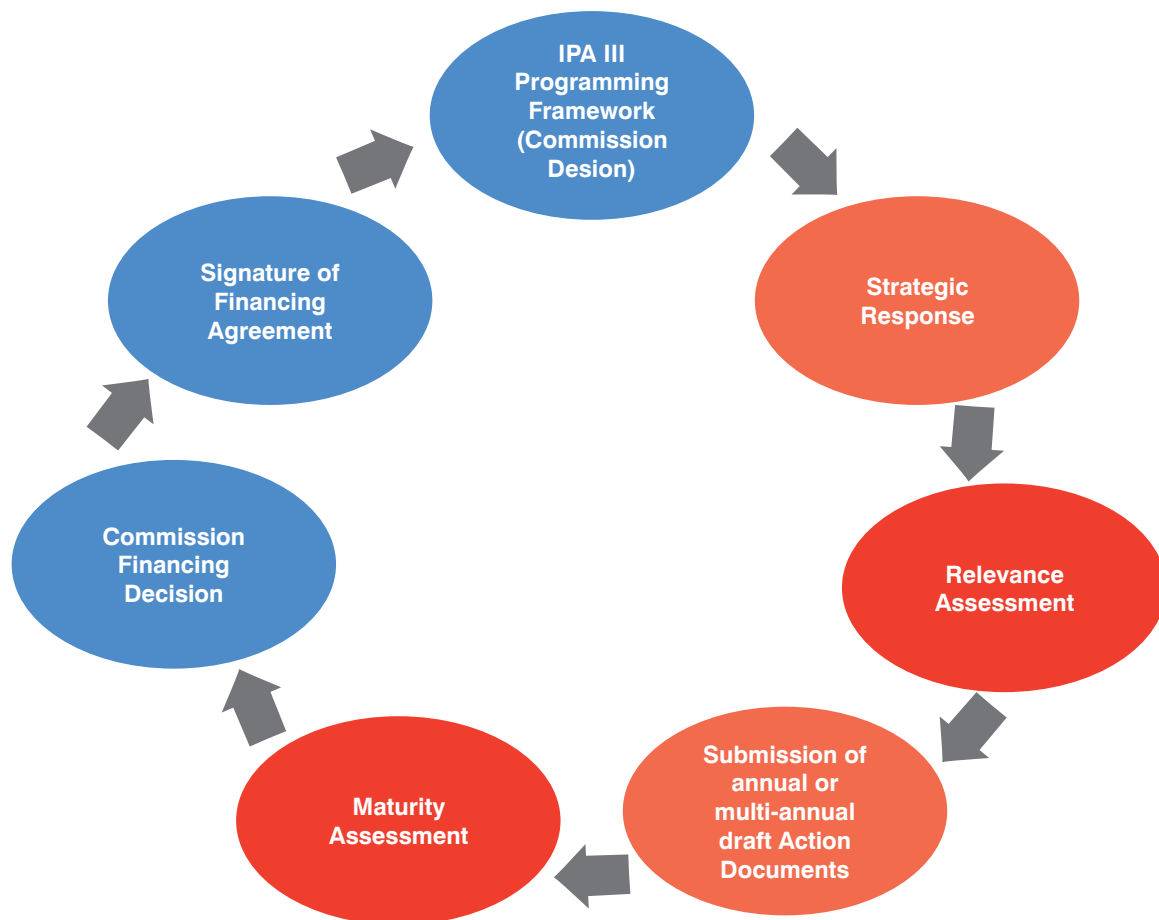
The new period, the IPA III programming framework, as presented in the following Figure 2, brings about a view to strengthening the policy-driven approach and efficiency of EU support, along with the three criteria:

- **relevance** of requested IPA interventions,
- **maturity** of the proposals,
- **progress of the beneficiaries on their enlargement agenda.**

Between the tendering and award of the contract, situations of conflict, if any, about items to be procured, rules of origin, and technical criteria should be determined and notified to the Contracting Authority.

Figure 2: IPA III Programming Framework

Source: IPA III Programming Framework Draft version, November 2020



Turkey has also prepared a **Strategic Response (draft)** which replaced with the Country Strategy paper of the IPA II and outlines how the overall policies and sectoral strategies are in line with the recommendations and requirements of the specific policy instruments of the enlargement process and how they will contribute to the objectives of IPA III Programming Framework.

IPA III Assistance are structured under the 5 Windows and the Window 4 is reserved for “COMPETITIVENESS AND INCLUSIVE GROWTH”.

The overall objective of the EU's assistance under Window 4 is to strengthen economic and social development through education, innovation, social inclusion, and employment policies, with a specific focus on private sector development as well as agriculture, rural and industrial development. Gender equality, reduction of inequalities and enhancing of social cohesion need to be taken into account.

The thematic areas and proposed indicators of the Window 4 are presented below.

Table 1: Thematic areas and proposed indicators of the Window 4 (Competitiveness and Inclusive Growth) of the IPA III Period

| Thematic Priority | Indicators |
|--|--|
| Thematic Priority 1: Education, employment, social protection and inclusion policies, and health | <ul style="list-style-type: none"> - Percentage of under-performers in PISA (Source of verification OECD) Baseline (2017): Western Balkans (x) and Turkey (x) Milestone (2023): Western Balkans (Improve by 10%) and Turkey (Improve by 10%) Target (2027): Western Balkans (Improve by 20%) and Turkey (Improve by 20%) - Employment rate of persons aged 20 to 64 (source: Eurostat) – KPI 5 of IPA III Proposal Baseline (2017): Western Balkans (x) and Turkey (x) Milestone (2023): Western Balkans (x) and Turkey (x) Target (2027): Western Balkans (x) and Turkey (x) - Public social security expenditure (percentage of GDP) (source ILO) ⁴ Baseline (2017): Western Balkans (x) and Turkey (x) Milestone (2023): Western Balkans (x) and Turkey (x) Target (2027): Western Balkans (x) and Turkey (x) |
| Thematic Priority 2: Private sector development, trade, research and innovation | <ul style="list-style-type: none"> - Ease of doing business (source: World Bank) – KPI 7 of IPA III Proposal Baseline (2018): Western Balkans (72,54) and Turkey (74,33). Milestone (2023): Approximately 5% increase, Western Balkans (76) and Turkey (78) Target (2027): Approximately 10% increase, Western Balkans (80) and Turkey (82) |
| Thematic Priority 3: Agriculture and rural development | <ul style="list-style-type: none"> - The agriculture orientation index for government expenditures (SDG indicator 2.a.1) Baseline (2017): Western Balkans (x) and Turkey (x) Milestone (2023): Western Balkans (x) and Turkey (x) Target (2027): Western Balkans (x) and Turkey (x) |
| Thematic Priority 4: Fisheries | <ul style="list-style-type: none"> - Agriculture, forestry, and fishing, value added (% of GDP) (source Eurostat) Baseline (2017): Western Balkans (x) and Turkey (x) Milestone (2023): Western Balkans (x) and Turkey (x) Target (2027): Western Balkans (x) and Turkey (x) |

Monitoring⁵, is a programme management tool for all IPA phases for on-going collection, analysis and use of information, both quantitative and qualitative, about action / programme progress and the results being achieved. Monitoring⁶, is a continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an on-going intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds.

⁴ Data available only for Bosnia and Herzegovina, Montenegro North Macedonia, Serbia and Turkey.

⁵ NIPAC Secretariat IPA II Manual 2017

⁶ OECD Definition

Evaluation⁷, is the systematic and objective assessment of an on-going or completed action or policy, its design, implementation, and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact, and sustainability. An evaluation can be carried out on various levels: policy, strategy, sector, theme, country, region, programme, project, etc.

Link between programming, monitoring and evaluation has been strengthened in the last phases of the IPA, which is underlined by the DG NEAR, as underlined by the “Guidelines on linking planning/programming, monitoring and evaluation” (July 2016).

2.1. Sector-based approach and a policy-based instrument (policy framework) of IPA III in programming

In the framework of IPA II and even for IPA III, the delivery of EU financial assistance is targeted at a Sector-Based Approach (SBA) (although the sectors are covered by the Windows under the IPA III) that constitutes a basic framework for programming. National plans or sector strategies (where compatible with pre-accession objectives) are considered as the key instruments to support the programming process, which also necessitates full compliance with the high-level EU policy framework.

The SBA is a central guideline for programming and strengthening policy and institutional coherence and it is also mentioned in the IPA III Programming Framework. The SBA is defined as a process which targets at broadening government and national ownership over public sector policy and decisions on resource allocation within the Sector, thereby increasing the coherence between sector policy, government spending and the achievement of results. The SBA's main pillars are

- National leadership and ownership
- Single budgetary framework
- Functional sector
- Donor coordination.

The practical meaning of the SBA is to define a coherent set of actions, which will transform a given Sector and bring it up to European standards. It involves both an analysis of the conditions in that particular Sector, and also the needs for changes, the actions required to bring about these changes, the sequencing of the actions, the actors and the tools. It could include adoption of the *acquis*, institution building activities, etc.

While the SBA constitutes the main core of programming and implementation of IPA II and it is mentioned in the IPA III programming framework, IPA III brings about a solid policy-driven approach, with strategic and dynamic deployment of assistance, putting the fundamental requirements for membership at the core of the instrument. IPA III will provide even bigger leverage for supporting reforms fostering sustainable socio-economic development and bringing the partners closer to the Union's values and standards along with further focusing EU financial assistance on key priorities.

⁷ NIPAC Secretariat IPA II Manual 2017

2.2. Roles and responsibilities

In the context of indirect management under IPA, a body or bodies, which are called as the OS, deal with management and implementation at the level of a specific IPA policy. The OS is responsible for the preparation, implementation, monitoring and reporting of programmes, as well as evaluation. It is also responsible for the legality and regularity of the expenditure incurred in the implementation of the relevant programmes. The OS is the Directorate of the European Union and Financial Assistance (DEUFA) of the Ministry of Labour and Social Security (MoLSS). The OS does not only fulfil programming of the projects; but also deals with tendering, contracting, implementing, and monitoring tasks of these projects as the Contracting Authority (CA).

OSs other duties and responsibilities are:

- Preparing the sector specific programmes
- Carrying out all necessary actions regarding tendering, monitoring and evaluation processes
- Managing the technical implementation ensuring quality control
- Reporting the programmes' progress
- Managing the communication and visibility activities
- Ensuring the legality and regularity of the expenditure incurred in the implementation process, in accordance with the principle of sound financial management.

The programming process is carried out by the OSs of the multi-annual programmes in close consultation and cooperation with the National IPA Coordinator (NIPAC) Secretariat and in alignment with the relevant sector policy paper. The Ministry of Foreign Affairs, the Directorate for EU Affairs (DEUA) is assumed to have a role of National IPA Coordinator (NIPAC). NIPAC is a high-level the state official responsible for overall coordination of IPA programmes in a beneficiary country. The NIPAC ensures close connection between the overall accession process and utilisation of EU financial assistance and bears the responsibility for coordination of programming and monitoring of IPA assistance.

In particular, in the IPA II period, the NIPAC is responsible for achieving the objectives set out in the IPA Country Strategy Paper (CSP) that is a multi-annual strategic document to address the political priorities of the enlargement strategy for the IPA II period (2014-2020). In the IPA III period, the Strategic Response has been drafted and it describes Turkey's plan to utilise IPA III Financial Assistance to contribute to the overall and specific objectives in the IPA III Programming Framework. In particular, it provides an articulation of actions planned across the key thematic priorities within each of the five thematic Windows.

The EU has local offices in the countries within the EU (EU Representations) and outside (EU Delegations). Delegation of the European Union to Turkey (EUD) is responsible for monitoring the political situation (including progress towards meeting the accession criteria) and administering EU funds.

The institutions and the organisations, which plan to prepare/implement an operation under EESP SOP in the IPA II period / Window 4 in the IPA III period, are identified as potential Operation Beneficiaries (OBs). The OB will be responsible for the technical and thematic implementation of the operation, closely monitoring the Contractor's

activities and performance, and performing the tasks and responsibilities defined in the Operational Agreement, which has been signed with the OS. To that end, the OB will assign high level manager who will act as Senior Representative of the OB (SROB) that will be the official representative of the OB. The OB will also establish an Operation Coordination Unit (OCU), which is the responsible body for supervision of implementation of the Operation.

2.3. Hierarchy of programming documents

The Institutions and the organisations, to proceed in the programming process, have to prepare the following documents with reference to the type of operation (service, supply and grant) in line with the Strategic Response of the IPA III;

- Action Fiche (AF)
- Action Document (AD) and the budget
- Terms of Reference (ToR) for service component/ Technical Specifications (TS) for supply component / Guidelines for Applicants (GfA) for grant component / Description of Actions (DoA) for direct grant component

Please kindly note that the OBs, which will plan to implement service (technical assistance) operations, have to prepare AF, AD, budget and ToR. This Guideline targets at supporting and providing guidance for preparation and drafting a ToR.

The first two documents (AF and AD) are called “programming documents” which define the scope, justification, overall and specific objectives, and compliance of the operation with the relevant national and EU policy framework and budget of the operation. AF and AD are documents that are required by the DEUFA to receive project ideas from the OBs and to assess the level of maturity of the operation, while the AD is the official document that needs to be approved by the DEUFA and EC.

While the first two documents, programming document (AD) and tendering document (ToR and budget) constitute a base for deciding whether to be funded or not. This methodology is a new attempt in the IPA III period and especially ToR/TS are coupled and simultaneously prepared and submitted to the EC for pre-selection.

The operation budget, that is always an attachment to all programming/tendering documents, is estimation of all indicative costs, which are calculated based on current market values and the operation’s needs.

The ToR is a document specifying the background of the sector and operation as well as presenting specific work of the operation, which is identified as interventions to be carried out and elaborate project management issues. The Guideline follows the structure of generic template formats of a ToR as set by the PRAG⁸. The Guidelines also provides information regarding the expected content of the ToR, depending on the phase of the project cycle management of revised logical framework matrix.

2.4. Guidance and principles of effective programming for IPA III

The main purpose of the programming process is to design operations in line with the sector level objectives, national and EU policy framework. More specifically, general and specific objectives of the sector –(previously

⁸ Relevant templates for Service Project at the PRAG web site are available at: http://ec.europa.eu/europeaid/prag/annexes.do;JSESSIONID_PUBLIC=hCZ9_mmupyud_giYbhvQZEwNVOsxcbmudANrOJOg1A5cnSjZdix-O!-194138927?chapterTitleCode=B

called as EESP SOP under the IPA II, now covered and extended by the Window 4 in the IPA III)- can be achieved through the following three complementary conditions that constitute main principles of effective programming;

1. Effective collaboration and fast coordination with the stakeholders
2. Properly designed operations and projects in line with requirements of programming process – simultaneous preparation of the AD and ToR (as described in this Guideline, as well)
3. Linking programming with monitoring and evaluation (M&E) through well integrating lessons learned and feedbacks from previous operations and phases to the current operations.

The meaning of programming in IPA II period which is also valid for the IPA III is creation of a link between strategy and implementation which means programming translates the priorities identified in the CSP (for the IPA II) and Strategic Response (for the IPA III), where appropriate, other sector policy or planning documents, into operations to be carried out on the ground. Therefore, the most critical aspect of the operation design is to elaborate a strong link of the operation with the Strategic Response and AD along with properly identified interventions to reach the outputs, results, and the specific objective.

The IPA III period, on the other hand, will address a different programming perspective, which will have again continuity of SBA, but with five thematic windows (which are previously listed with indicators and presented below and grouped in the logic of specific objectives), performance-based assessment, fair share principles. This new IPA III period will consider the programming as a strategic response that will be focusing on assessment of relevance, maturity level of the operations, expected impacts and progress on accession.

Turkey benefits from the IPA funds since 2007. The EU programmes have been formulated and implemented under the IPA I (2007-2013) and the IPA II (2014-2020). As the successor to IPA II of which Regulation (EU) No 231/2014 expiring on 31 December 2020, IPA III will be implemented for 2021-2027 period as part of the Multi-annual Financial Framework with reference to the “Thematic Windows” listed below.

Thematic Windows of IPA III

1. Rule of Law, Fundamental Rights and Democracy

Thematic Priority 1: Judiciary

Thematic Priority 2: Fight against corruption

Thematic Priority 3: Fight against organised crime / security

Thematic Priority 4: Migration and border management

Thematic Priority 5: Fundamental rights

Thematic Priority 6: Democracy

Thematic Priority 7: Civil Society

2. Good Governance, Acquis Alignment, Good Neighbourly Relations and Strategic Communication

Thematic Priority 1: Good governance

Thematic Priority 2: Administrative capacity and acquis alignment

Thematic Priority 3: Good neighbourly relations and reconciliation

Thematic Priority 4: Strategic communication, monitoring, evaluation and communication activities

3. Green Agenda and Sustainable Connectivity

Thematic Priority 1: Environment and climate change

Thematic Priority 2: Transport, digital economy and society, and energy

4. Competitiveness and Inclusive Growth

Thematic Priority 1: Education, employment, social protection and inclusion policies, and health

Thematic Priority 2: Private sector development, trade, research, and innovation

Thematic Priority 3: Agriculture and rural development

Thematic Priority 4: Fisheries

5. Territorial and cross-border cooperation

Establishing correlation and compliance between national policies/strategies and windows in the framework of the project will be especially important within IPA III, in this regard, it is of great importance to determine relevancy with policy documents and assess the preparedness of the OB.

3. SERVICE CONTRACTS

3.1. Types of service contract

Service contracts shall comprise study and technical assistance contracts.

Study contracts include studies for the identification and preparation of projects, feasibility studies, economic and market studies, technical studies, evaluations, and audits. This type of contracts generally specifies an outcome, i.e., the contractor must provide a given product.

Technical assistance contracts are called as service contracts, where a service provider is selected after a tender procedure to play an advisory role, to manage or supervise a project/operation, or to provide the expertise specified in the contract.

There are two different types of methods by which payment is made to the contractors, or two types of service contracts:

- Global price where specified output(s) is/are set out: the service will be paid based on the delivery of the specified outputs. Generally, the study contracts are Global price contracts.
- Fee-based where the output(s) is/are unpredictable, or where the workload to achieve the specified output is impossible to quantify in advance. In this case, it is economically more advantageous to pay the service based on the time actually worked. Generally, most of the technical assistance contracts are Fee-based contracts.

In most cases the whole contract is set out in the form of either a global price contract or a fee-based contract.

Some contracts may however combine both global price and fee based. In such cases, each item or each section of the contract should have a clear method of measurement and verification; global price or fee based. This should be clearly defined in the ToR and furthermore stated in the financial offer template.

For example, technical assistance projects may contain a mix of fee-based and global price for projects that are structured into different phases:

- A first critical phase may consist of a diagnostic, analysing institutions and stakeholders, assessing capacity, facilitating a joint process for defining precise actions and concrete outcomes. This part shall be considered as a fee-based activity.
- A second phase including realisation of those specific actions along with the individual output. This part may be contracted as global price.

In the case of fee-based contracting, the CA maintains tighter control over the project activities / the operation interventions and corresponding results. In contrast, in the case of global-price contracting, the CA focuses less on the activities of the service provided and more assess quality of the project results.

The decision for using either a fee-based or a global price contract is currently not based on any regulation, but on an unwritten rule (mostly based on previous experience and lessons learned) stating that the first should mainly be used for the projects / the operations which focus on the performance of tasks, whilst the second should essentially be used for the projects / the operations which should lead to a specific outcome. The decision largely depends on assessment and interpretation of the interventions. As a result, technical assistance projects are all too often considered as “task” oriented, thus falling under fee-based contracts. The lack of any clear legal basis for selecting the one or the other, and continuing confusion between outputs, outcomes, and results, requires an evaluation of the pros and cons of both systems, and which system should apply when.

The choice of contracting mode (fee-based vs. global price) relates to the type, content and the expected outputs of the interventions stated in the ToR. This decision should be taken at the time of drafting ToR, or preferably even earlier in the AD preparation phase.

3.2. Fee-based service contract

As stated above, Fee-based contracts are used where a service provider is selected after a tender procedure 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.

Fee-based contracts often only specify the means. The contractor should, however, contribute to improve the performance of the institution he is seconded to. A service contractor also has a duty of care under the contract: it must warn the CA in any case and in a proper time of anything that might affect the proper implementation of the operation.

For a fee-based contract, either the ToR sections or the budget shall include the allocated budget headings including:

- **The fees:** The services are provided based on a fixed daily fee rate in the budget for the days allocated for the experts work under each intervention for each result in the contract.

- **Incidental expenditure:** The budget consists also of a fixed provision for incidental expenditure which covers actual expenses incurred by the contractor that are not included in the fees.
- **The expenditure verification:** It covers the fees of the auditor charged with verifying the expenditure of the contract to proceed with the payment of any pre-financing instalments and/or interim and/or the final payments.
- **Lump sums:** Fee-based contracts may also include activities paid based on lump sums. An example could be a fee-based contract for training, where the training programme would be paid on a fee-based basis, and where the development of the training material would be paid on a lump sum basis.

The budgets for incidental expenditure and expenditure verification are fixed by the CA in line with instructions laid down in ToR template. They must meet the requirements of the ToR and must be carefully estimated.

Project supervision, technical assistance, facilitation in a multi-stakeholder process (depending of the complexity of the environment) are examples of fee-based activities.

3.3. Global price service contract

In **global price contract**, where specified output(s) is/are set out and the contractor must provide a given output(s), the technical and operational means by which it achieves the specified outcome are insignificant. The service will be paid based on the delivery of the specified output(s) - the contractor will be paid only if the specified outcome is achieved. Payments might be totally or partially withheld if the contractual result(s) have not been reached in conformity with the detailed ToR. Partial payments have to be determined according to the partial implementation of the outputs.

Studies, evaluations, audits, organisation of events such as conferences and training programmes are examples of global price activities. Studies include a variety of tasks like identification and preparation of projects, feasibility studies, economic and market studies, interviews, technical studies, drafting a legal document, evaluations, and audits.

Global price always specifies the output(s), i.e., the contractor must provide a given product.

Global price contracts may include where relevant a price breakdown based on output(s) against which partial/interim payments can be made (e.g., the deliverables could be related to the progress report/interim report/final report or to the different parts of a study/report/event) depending on the operation in question.

Global price contracts generally do not require key experts. In such cases, the ToR could include profiles, which the tenderer will have to demonstrate in their offer that they have access to. An example where the key experts are not deemed necessary for a mission, which consists in a well-defined technical output, e.g., design documents for an investment project. In that case, the contractor has assumed to have internal capacities and professional responsibility to select/mobilise the best possible staff to deliver the expected results. However, depending on the particularities of the operation, the contract may need key experts.

An example of an operation where the key experts could be useful is an operation which obliges soft skills and a good understanding of the local context, e.g., drafting legislation or a reform proposal, which requires con-

sultation and meeting with various stakeholders, building trust and listening to them. In such a case, facilitation, communication, and language skills should be an asset.

The methodologies contained in the technical offers (that is called Organisation and Methodology) must include a work plan indicating the envisaged resources to be mobilised, ensuring a fair evaluation of offers, and presenting a basis for negotiation in case of amendment to the contract.

Global price contracts' practical meaning for the OSs and the CA is that they generate less micromanagement issues, verification of time sheets and incidental expenditures and, therefore, will free more time for working on operational and sector issues as well as concentrating more on outputs. In other words, timesheets for experts or supporting documents for incidental expenditure will not be requested to process payments.

4. PROCUREMENT PROCEDURES OF SERVICE CONTRACTS

4.1. Procurement and grants for European Union external actions - Practical Guide (PRAG)

PRAG provides users with the comprehensive information necessary to undertake procurement (services, works and supplies contracts) or grant award procedures from the very first steps to the award, signature, and implementation of contracts. It provides also templates for all types of documents, related to the procurement, evaluation, contracting, reporting, etc. of all types of EU funded projects.

An easier way is to access to EuropeAid at <https://ec.europa.eu/europeaid/> and it is strongly suggested to always use the most recent version and its annexes.

4.2. Procurement of service contracts

Procurement procedures for the service contracts are issued for thresholds listed below.

- Contracts with a value of EUR 300 000 or more
 - o Restricted Procedure (All service contracts worth EUR 300 000 or more may be awarded by restricted tender procedure following international publication of a prior information notice (not compulsory), a contract notice and additional information about the contract notice)
 - o Framework contract 'Services for implementation of external aid 2018' (FWC SIEA 2018) (Contracts worth less than EUR 1 000 000 may be awarded under the framework contract procedure laid down in FWC SIEA 2018.)
- Contracts with a value of less than EUR 300 000 (It may be awarded either under the framework contract procedure laid down in framework contracts or under a simplified procedure.)
- Contracts with a value of less than EUR 20 000 (It may be awarded either under framework contracts or based on a single tender. For the single tender procedure, the specific annexes for simplified tenders must be used (administrative compliance grid, contract, contract notice, invitation letter, instructions to tenderer, ToR and tender form) for this procedure.

- Contracts with a value of less than EUR 2 500 (The CA may simply pay against invoices without prior acceptance of a tender.
- Procedures applicable without ceiling (Negotiated Procedure; Competitive Dialogue; Framework Contract)

All service contracts worth EUR 300 000 or more must be awarded by restricted tender procedure following international publication of a prior information notice (not compulsory), a contract notice and additional information about the contract notice. To ensure the widest possible participation in competitive tendering and the requisite transparency, Contract Notices are published by EuropeAid official web site and the websites of the CAs simultaneously. The following list presents the whole procurement process and milestones till contract implementation.

I. Prior information Notice

II. Contract Notice

- Minimum of 30 calendar days after publication of Prior Information Notice
- At least 30 calendar days for the publication duration
- Applications are submitted
- Applications are evaluated and short list are established (from 4 to 8 candidates)
- Short List Report is approved by the CA and the EUD.
- Shortlist Notice is published

III. Evaluation

- After the approval of the Short List Report, Tender Dossier including the ToR is dispatched to short-listed tenderers, by offering them minimum 50 days to submit offers
- Offers are evaluated (technical and financial evaluation)
- Evaluation Report is approved by the CA and the EUD.

IV. Notifying the award decision

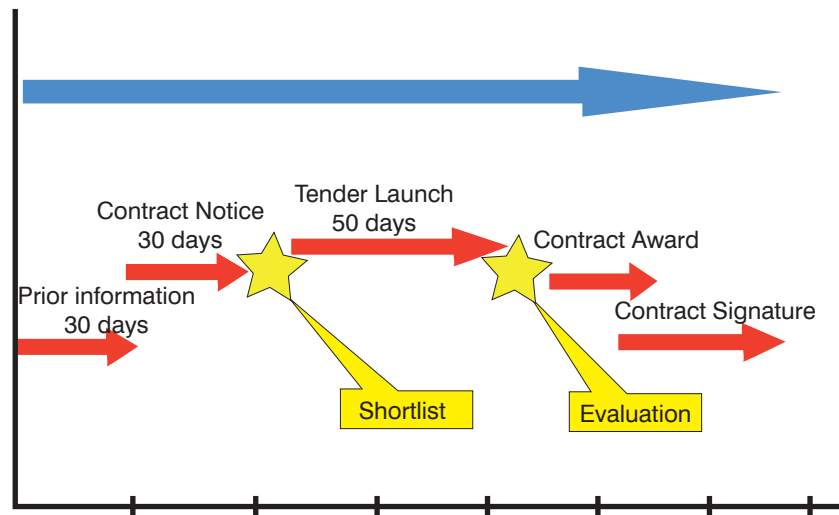
- The successful tenderer is invited to provide supporting documents for the preparation of the contract
- 60 calendar days for submission and checking documents, contract preparation and signature

V. Contract implementation

- Starts once the contract enters in force (signed by all parties and endorsed by the EUD) or with the commencement order issued by the Contract Manager.

The Timeline of an international restricted tender procedure for a service contract, as specified in PRAG is presented below.

Figure 3: Timeline of an international restricted tender procedure for a service contract



Above-mentioned process is important while drafting ToR, since the duration of such procedure (from the publication of the contract notice to the signing the contract) takes more than a year, thus any urgent activities/interventions should not be planned.

5. TERMS OF REFERENCE (ToR)

5.1. Project Cycle Management (PCM) as a basis for ToR preparation

The European Commission has utilised PCM since 1992 as its primary set of project design and management tools based on the Logical Framework method of analysis. PCM is a tool to describe 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).

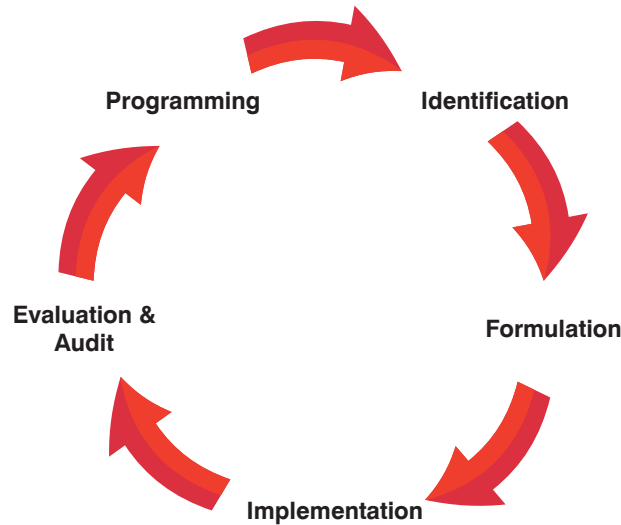
The objectives of the PCM⁹ are to ensure

- Clear and realistic objectives for projects and programmes
- Quality factors to enhance project benefits in the long run
- Consistency with and contribution to “overarching policy objectives” by projects and programmes

9 EC, Manual Project Cycle Management, March 2001

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

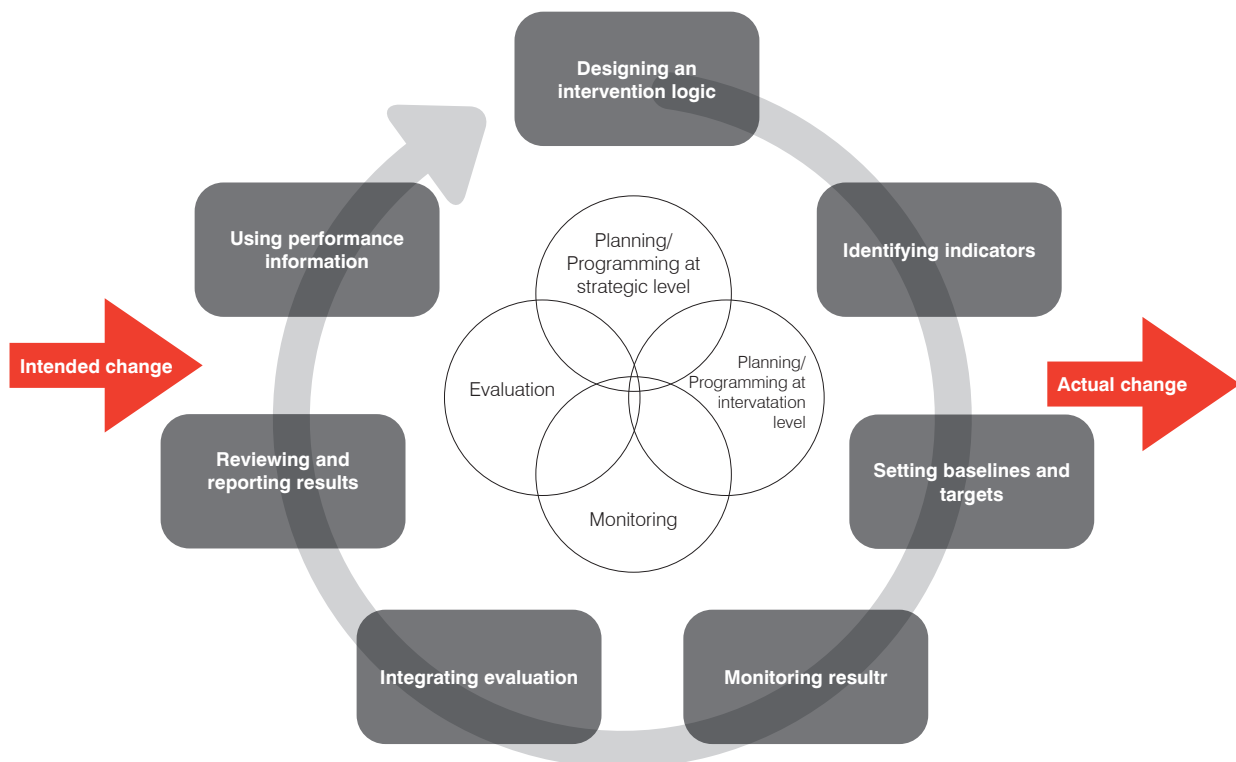
Figure 4: PCM phases



Compared to 1992, the PCM approach has extended the traditional project approach since 2002, much more focusing on sector programmes for which its principles are equally applicable.

An important contribution of the IPA II period, as mentioned previously, is SBA along with linking planning-programming with monitoring and evaluation (M&E), as presented below. The intended change which is sought by means of a strategy and its operational modalities (a policy and a set of actions) can generate the actual change, when the planning of activities, their monitoring and evaluation interact contributing to the final result.

Figure 5: The Interaction between planning-programming with M&E



The general structure of the ToR for services reflects the principles of PCM.

The aim is to ensure that all technical and management issues are covered systematically and that the key factors related to clarity of objectives, specific work and sustainability are thoroughly examined

The logic of ToR writing is closely connected with the PCM¹⁰.

PCM highlights three main principles:

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

In practice, PCM based on the Logical Framework methodology of analysis should always be taken into account an important design and management tool in drafting the ToR, as presented below.

- Concept of project cycle
- Stakeholder analysis
- Logical framework analysis
- Key quality factors
- Activity and resource schedules
- Standardised and coherent structures for key project documents

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

5.2. ToR and Logical Framework Approach (revised Log-Frame matrix)

Logical Framework Approach (LFA) has been used since 1970s involving presentations of the results of analysis in such a way that it is possible to set out the objectives of the project / operation / programmes in a systematic and logical way. This should reflect the causal relationships between the different levels of objectives and indicators and indicate how to check whether these objectives would be achieved and establish what assumptions outside the control of the project / operation may influence its success.

The LFA is also used in design of the project as presented below.

10 Project Cycle Management Guidelines; European Commission, March 2004

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 through the following main stages:

Table 2: Main phases of the LFA

| Analysis Phase | Planning Phase |
|---|---|
| <ul style="list-style-type: none"> Stakeholder analysis Problem analysis Objective analysis Strategy analysis | <ul style="list-style-type: none"> Developing logical framework matrix Activity scheduling Resource scheduling |

Other means of utilisation of LFA in all cycles of PCM are presented below.

- The LFA is used during the identification stage of PCM to help analysing the existing situation, investigate the relevance of the proposed project/operation and identify potential objectives and strategies.
- During the formulation stage, the LFA supports the preparation of an appropriate project/operation 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 audit stage, the Log-frame matrix provides a summary record of what was planned (objectives, indicators, and key assumptions), and thus provides a basis for performance and impact assessment.

While the LFA is a project design methodology, the Log-frame Matrix is a document, which provides the following key elements of the project/operation and defines project structure, tests its internal logic and risks, formulating measurable indicators of success.

- Project's/operation's hierarchy of objectives (Result chain, previously called project description or intervention logic)
- How the project's achievements will be monitored and evaluated (indicators and sources of verification along with the three new values requested **in the new template – baseline, current value, and target value**). The Intervention Logic which is used in the IPA I and II period in the logical framework matrix is rephrased with the **Results Chain** along with
 - Impact (formerly indicated as Overall Objective)
 - Outcomes (formerly indicated as Specific Objectives)

Key external factors critical to the project's success (assumptions) that may influence on the other outcome(s)/ outputs linkage. The revised structure and information required by a Log-frame Matrix is presented in the following table:

Table 3: Log-frame matrix (revised template)

| | Result chain | Indicator | Baseline (value & reference year) | Target (value & reference year) | Current value* (reference year) (* to be included in interim and final reports) | Source and mean of verification | Assumptions |
|------------------------------------|--|--|--|--|--|--|---|
| Impact (Overall objective) | The broader, long-term change to which the action contributes at country, regional or sector level, in the political, social, economic and environmental global context which will stem from interventions of all relevant actors and stakeholders. | Quantitative and/or qualitative variable that provides a simple and reliable mean to measure the achievement of the corresponding result. To be presented, when relevant, disaggregated by sex, age, urban/rural, disability, etc. | The value of the indicator(s) prior to the intervention against which progress can be assessed or comparisons made. (Ideally, to be drawn from the partner's strategy) | The intended final value of the indicator(s). (Ideally, to be drawn from the partner's strategy) | The latest available value of the indicator(s) at the time of reporting (* to be updated in interim and final reports) | Ideally to be drawn from the partner's strategy. | Not applicable |
| Outcom (s) (Specific objective(s)) | The main medium-term effect of the intervention focusing on behavioural and institutional changes resulting from the Action (It is good practice to have one specific objective only, however for large Actions, other short term outcomes can be included here) | (yukarıdaki açıklamaya bakınız) | The value of the indicator(s) prior to the intervention against which progress can be assessed or comparisons made. | The intended final value of the indicator(s). | (same as above) | Sources of information and methods used to collect and report (including who and when/how frequently). | Factors outside project management's control that may influence on the other outcome(s)/ outputs linkage. |
| Outputs | The direct/tangible products (infrastructure, goods and services) delivered/generated by the intervention (*Outputs should in principle be linked to corresponding outcomes through clear numbering) | (same as above) | (same as above) | (same as above) | (same as above) | (same as above) | Factors outside project management's control that may influence on the other outcome(s)/ outputs linkage. |

The LFA also provides a strong basis on which resource requirements (inputs) and costs (budget) are determined.

The LFA and LFM are very effective analytical and management tools, when correctly applied. However, they are not a substitute for experience, lessons learned and professional judgment. They must also be complemented by the application of other specific tools (such as Economic and Financial Analysis, social and environmental impact assessment, cost benefit analysis, ex-ante, mid-term and ex-post analysis) and of working techniques, which promote the effective participation of stakeholders and other means of rights-based and gender inclusive approaches.

A common problem with the application of the LFA (particularly the preparation of the matrix) is that it is undertaken separately from the preparation of the other required project/operation documents, such as the AF or the Financing Proposal - i.e. as an afterthought.

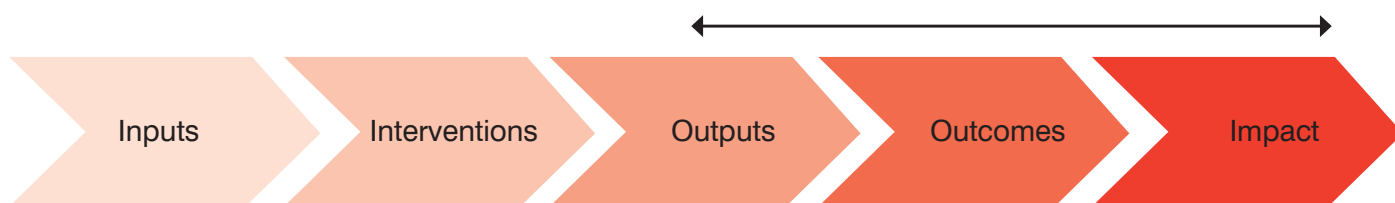
5.3. Basic terminology of the results chain (intervention logic)

The ToR should present the main structure of the operation, which is previously called intervention logic (overall objective, specific objectives, and the outputs) that will be achieved by the project/operation. Recently, it is called as the Results Chain and is to be followed by the hierarchy of objectives, along with impact, outcomes, and outputs.

The graphic below shows logical relationships between:

- Inputs - Financial and Physical Resources committed to operation activities
- Interventions (activities)- Utilisation of resources to generate products and services
- Results that will be achieved by the project/operation. The results can be divided into three types:
 - Outputs
 - Outcomes
 - Impact

Results



Outputs are those results, which are achieved immediately after implementing an activity. For example, if we are organising a workshop on vocational education, participants who attended it have now got a clear understanding on human rights issues. So, this is an output of the project/the operation has achieved and it is achieved right after the conclusion of the workshop. According to the new LF matrix, outputs are direct/tangible products (infrastructure, goods, and services) delivered/generated by the intervention.

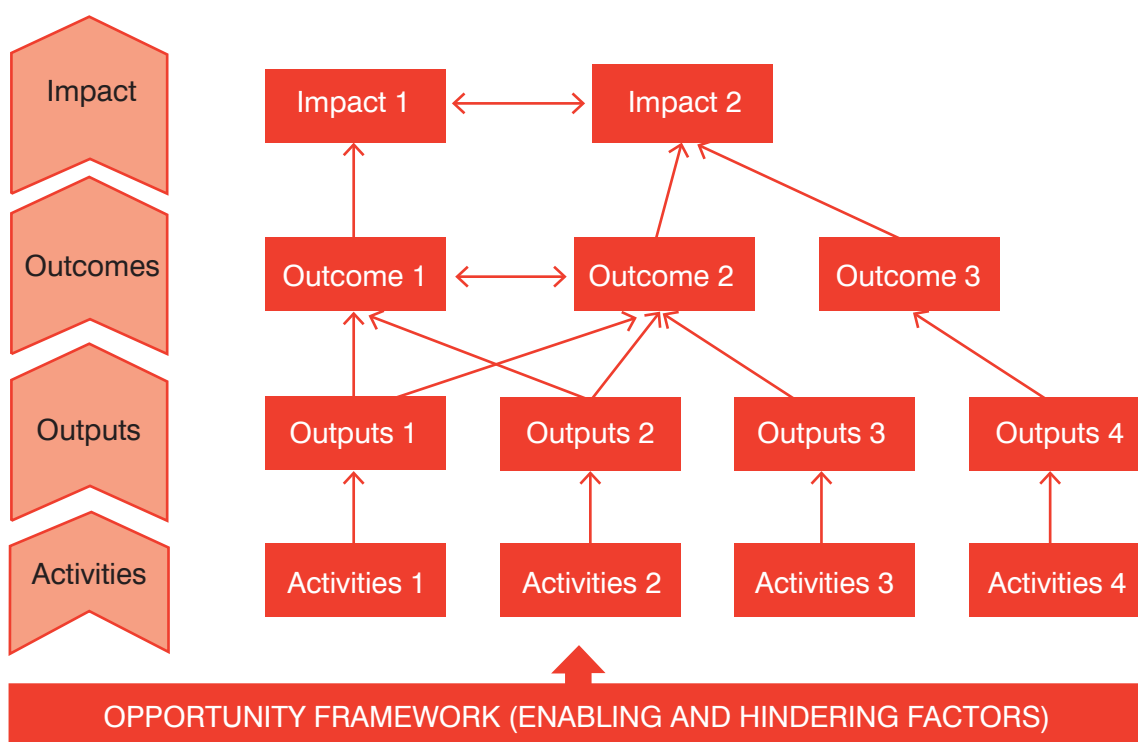
Outcomes can be considered as mid-term results. They are not seen immediately after the end of the project/the operation activity. But after some time, when we see some change at the ground level because of the

activity, then it can be termed as an outcome. Taking the above example of a vocational education workshop, if the participants have started to utilise directly the benefits of the education, then it is an outcome of the project. According to the **new LF matrix**, **outcomes (specific objectives)** are main medium-term effect of the intervention focusing on behavioural and institutional changes resulting from the Action.

Impact is usually a long-term result, and it may not be achievable even during the life cycle of the project. For example, if the community has achieved its goal of getting their human rights recognized by the government, then it is an impact created by the project though it is usually seen after several years. According to the new LF matrix, **impact (overall objective(s))** is defined as broader, long-term change to which the action contributes at country, regional or sector level, in the political, social, economic, and environmental global context which will stem from interventions of all relevant actors and stakeholders.

The links among these concepts are presented below.

Figure 6: Opportunity framework (enabling and hindering factors)



5.4. Drafting TOR in line with programming documents (Links with the Strategic Response and AD)

The EESP SOP was the main strategy and policy document, which was formally adopted by EC, was prepared for multi-annual planning and programming of IPA II assistance and the OIS was a general reference programming document, which was one of the annexes of Financial Agreement signed between the European Commission and Turkish Republic. It aimed to provide all basic information, conditions and requirements regarding the planned operation, its components, and interventions.

IPA III brings novelties along with Strategic Response and AD which are the two programming documents.

The AD should be prepared in full compliance with the Strategic Response and relevant priorities of the Window and the ToR should also be designed in conformity with the AD and naturally with the sector as well as the relevant window.

Please kindly note that AD might include more than one operation and different types of implementation modalities.

In order to support and provide full guidance to the OBs in preparation of an operation's ToR starting from elaboration of an idea, the following steps shall be followed.

1. Compliance with the AD: The ToR should be prepared respecting the provisions and content of the AD.

The AD is composed of 8 main sections. Some of them provide basic information and specific data for the relevant operation and window (i.e., DAC code, aid modality, issues related with financing agreements etc.); however, some of them are crucial for (1) justification of the need and the relevance of the operation and (2) provisions of necessary services provided and (3) implementation arrangements, performance/results monitoring and reporting, sustainability.

Some of the sections of the ToR shall be prepared in close connection with the AD. To ensure this compliance and connection, the following table shall be carefully examined.

The table below demonstrates the links between the relevant sections of the AD as a base for careful elaboration ToR.

Table 4: Links between the sections of AD and sections of ToR

| ToR (content - section) | AD (content - section) |
|--|---|
| | 1. Synopsis 1.1. Action Summary Table 1.2. Summary of the Action |
| 1. BACKGROUND INFORMATION | 2. Rationale 2.1. Context Analysis 2.2. Problem Analysis by Areas of Support 2.3. Relevance and complementarity with strategies supported by key national stakeholders |
| 1.1. Partner country* | |
| 1.2. Contracting Authority | |
| 1.3. Country background | 2. Rationale 2.1. Context Analysis 2.2. Problem Analysis by Areas of Support 2.3. Relevance and complementarity with strategies supported by key national stakeholders |
| 1.4. Current situation in the sector | |
| 1.5. Related programmes and other donor activities | 2.4. Relevance and complementarity with EU policy and EU and other donors' assistance 2.5. Lessons learned and links with previous financial assistance |

| | |
|--|---|
| 2. OBJECTIVES & EXPECTED OUTPUTS | 3. Description of the Action |
| 2.1. Overall objective | 3.1. Planned results and intervention logic (describing causal links between impact, outcome(s) and output(s) and including assumptions) |
| 2.2. Specific objective(s) | |
| 2.3. Expected outputs to be achieved by the Contractor | 3.6. Logical Framework for PROJECT MODALITY |
| 3. ASSUMPTIONS & RISKS | |
| 3.1. Assumptions underlying the project | 3.3. Risks and assumptions |
| 3.2. Risks | |
| 4. SCOPE OF THE WORK | 3. Description of the Action |
| 4.1. General | 3.1. Planned results and intervention logic (describing causal links between impact, outcome(s) and output(s) and including assumptions) |
| 4.1.1. Project description | 3.2. Indicative Types of Activities |
| 4.1.2. Geographical area to be covered | |
| 4.1.3. Target groups | |
| 4.2. Specific work | 3. Description of the Action |
| | 3.1. Planned results and intervention logic (describing causal links between impact, outcome(s) and output(s) and including assumptions) |
| | 3.2. Indicative Types of Activities |
| | 3.4. Mainstreaming (Gender Equality and Women's and Girls' Empowerment, Environment and Climate change, Rights Based Approach, systematic engagement with Civil Society, Resilience and Conflict Sensitivity, Roma, people with disabilities and other vulnerable groups) |
| | 3.5. Conditions for Implementation |
| | 3.6. Logical Framework for PROJECT MODALITY |
| 4.3. Project management | |
| 4.3.1. Responsible body | 4. Implementation. Arrangements |
| 4.3.2. Management structure | 4.6. Organisational setup and responsibilities |
| 4.3.3. Facilities to be provided by the contracting authority and/or other parties * | |
| 5. LOGISTICS AND TIMING | |
| 5.1. Location* | |
| 5.2. Start date & period of implementation* | |
| 6. REQUIREMENTS * | |
| 6.1. Staff * | |
| 6.1.1. Key experts * | |
| 6.1.2. Non-key experts * | |
| 6.1.3. Support staff & backstopping * | |
| 6.2. Office accommodation * | |
| 6.3. Facilities to be provided by the contractor * | |
| 6.4. Equipment * | |
| 6.5. Incidental expenditure * | |
| 6.6. Lump sums * | |
| 6.7. Expenditure verification * | |
| 7. REPORTS * | |
| 7.1. Reporting requirements * | 5. Performance/Results Monitoring and Reporting |
| 7.2. Submission & approval of reports * | |
| 8. MONITORING AND EVALUATION | |

| ToR (content - section) | AD (content - section) |
|--------------------------------------|---|
| 8.1. Definition of indicators | 3.1. Planned results and intervention logic (describing causal links between impact, outcome(s) and output(s) and including assumptions) 3.2. Indicative Types of Activities 3.6. Logical Framework for PROJECT MODALITY 5. Performance/Results Monitoring and Reporting |
| 8.2. Special requirements * | 3.5. Conditions for Implementation |
| | 6. Audit |
| 9. PUBLICITY AND VISIBILITY * | 7. Communication and Visibility |
| | 8. Sustainability |

Please kindly note that the sections marked with * are elaborated only in the ToR, not part of the AD.

In short, the first step in writing the ToR is to utilise the information, which is provided in the AD and in the Strategic Response. The AD will particularly support the OBs in elaboration of the following relevant sections of the ToR:

- Background information
- Objectives and Expected Outputs
- Assumptions & Risks
- Scope of the work
- Definition of indicators.

2. Provision of current data: The most current and updated data should be provided by the ToR.

Therefore, it is strongly suggested to check the following issues from the AD and it is recommended to update if necessary;

- Legislative background
- Statistics
- Institutional set-up
- Impacts/changes on sector.

In the IPA III period, both documents, the AD and the ToR are requested to be prepared simultaneously.

3. Categorisation of interventions: It is recommended to categorise eligible activities / interventions for financing under relevant sector which will be specifically designed by the OB. An example of categorisation may be according to type of interventions, as presented below; or the interventions may be grouped as according to the results that they will contribute.

- **Category of Intervention I - Trainings and other services for target persons:** Under this category only the interventions (trainings, guidance, counselling, etc.) delivered directly to the target groups/persons will be specified.
- **Category of Intervention II - Institutional capacity building:** Trainings for the staff of beneficiary institutions

should be considered as institutional capacity building activities together with any other interventions that will contribute to capacity building of the OB such as supply of equipment; development of databases, programmes, procedures, etc.

- **Category of Intervention III - Awareness-raising:** This category refers to any intervention (events, campaigns, TV/radio spots, viral films, etc.) aiming to create awareness about the topics covered by the project among public in general.
- **Category of Intervention IV - Scientific and technical studies:** This category includes academic, legal, technical, strategic desk and field studies which contribute to identification, analysis, evaluation, comparison, and solution of relevant problems and policies in the sector.
- **Category of Intervention V - Coordination and cooperation mechanisms:** This category includes efforts to create and enhance multilateral relations (at local and/or national levels) among relevant partners in the sector with a view to increase efficiency and effectiveness in policy making and service delivery.

4. Compliance of the indicators of the operation with the AD and the Strategic Response. To facilitate the process of definition of indicator, the CA – the DEUFA listed output indicators and targets of each Activity and intervention of the Strategic Response. In the AD, the OBs had specified the contribution of the OB toward the targets/priorities of the window under relevant indicators stated in Indicative Breakdown of the Outputs.

Additionally, an AD contains, inter alia, the following elements and justifications for the selection, which are relevant and provide guiding information in preparation of a ToR:

- A summary description of the operation(s) and the demonstration of its compatibility with the programme (operation contribution to the achievement of the Strategic Response)
- Implementation arrangements, risks, and assumptions
- Expected impact on the target group and multiplier/spill over effects
- Sustainability
- Equal opportunity, minorities, and vulnerable groups, including contributions to horizontal themes
- Financing arrangements and estimated budget; and
- Procedures foreseen for tenders and contracts.

6. HOW TO DRAFT TERMS OF REFERENCE?

6.1. Key functions and the basic principles of well-prepared ToR

While the ToR is designed as a tender document, which is used for procurement, it is also a contractual document that is included in the tender dossier and will become an annex to the contract which means it is the legal link between the CA and the contractor (the service provider).

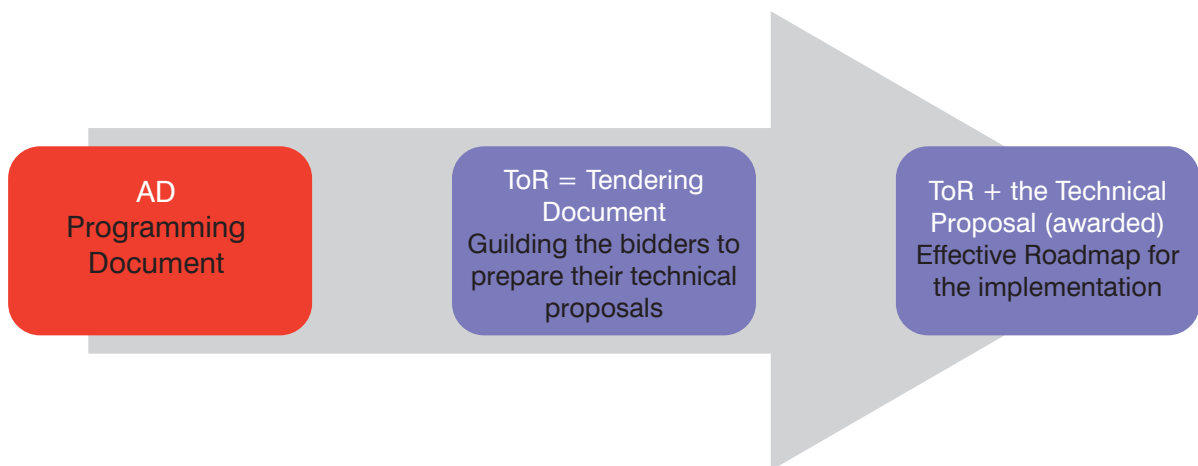
Therefore, the basic functions of the ToR are twofold.

- **During the tendering:** Providing all necessary information regarding the operation and management issues (expert profiles, logistics, etc.);
- **During the implementation and monitoring and evaluation process:** Guiding the implementation process and can be utilised as a main reference document. It will serve to the CA, the OB and the contractor as a roadmap for the technical implementation and administrative requirements. The ToR presents the contractor's mandate along with the technical proposal. The ToR will also serve as a reference document concerning any non-compliance of the provisions of the contract during contract implementation.

Therefore, clear, and concrete explanations in the ToR are of utmost important not only to well guide the tendering process, but also to receive well-prepared technical proposals and finally to select the best proposal as a sound roadmap for the implementation.

Figure 7: From tendering to implementation:

ToR as a tender document and roadmap for the implementation



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

As part of tender documents, ToR is a key contractual document against which the performance of contractors, contractor and/or other stakeholders can be assessed.

The following key issues should be taken into account while drafting the ToR;

- The ToR should be prepared in full compliance with the AD but include necessary revisions and update if deemed necessary.

- When drafting a ToR, the project management should be considered from inception to final phase along with the problem to be solved and the purpose of the project.
- ToR should be written in close cooperation with the OB and the CA so that all needs and concerns are fully understood.
- The level of 'risk acceptance' and the technical capacity of the OB and the CA to monitor the services provided during implementation of the operation should be assessed in advance, so that a correct choice of contracting mode may be made (fee-based vs. global price).
- The ToR should be able to be presented with a well-designed budget including quantitatively expression (in terms of number of days and available budget) of the OB's needs and measurement 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 structure of activities in the ToR should be able to effectively distribute available resources over the operation implementation timeframe. In other words, the ToR should accurately predict the sequence of expected inputs and activities.
- The ToR should carefully consider the type of experts needed and their profiles. This is an exercise that should be done from the beginning and separately for each particular operation. Copying / pasting information from previous similar projects is not acceptable practice as each project is unique, just as the needs of each OB 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 Guidelines).
- Thorough preparation of ToR is extremely important for the ultimate success of the operation. It is important to ensure that the operation has been properly conceived, that the work is carried out on schedule and that resources will not be wasted. Greater effort during operation preparation will save time and money at later stages of the project cycle.
- ToR must allow fair evaluation, equal access for candidates and tenderers and must not have the effect of creating unjustified obstacles to competitive tendering. ToR must be clear and non-discriminatory, and proportionate to the objective and/or the budget for the operation. ToR should specify what is required of the service to be delivered and the minimum requirements whose non-compliance entails the rejection of the tender.
- ToR should provide a clear description of the following requirements which will be elaborated by the tenderers in their technical proposals explicitly:
 - o Rationale for undertaking an assignment, study or task
 - o Expected methodology and work plan (activities), including timing and duration

- o Anticipated resource requirements, particularly in terms of personnel
- o Reporting requirements

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

6.2. PRAG Templates

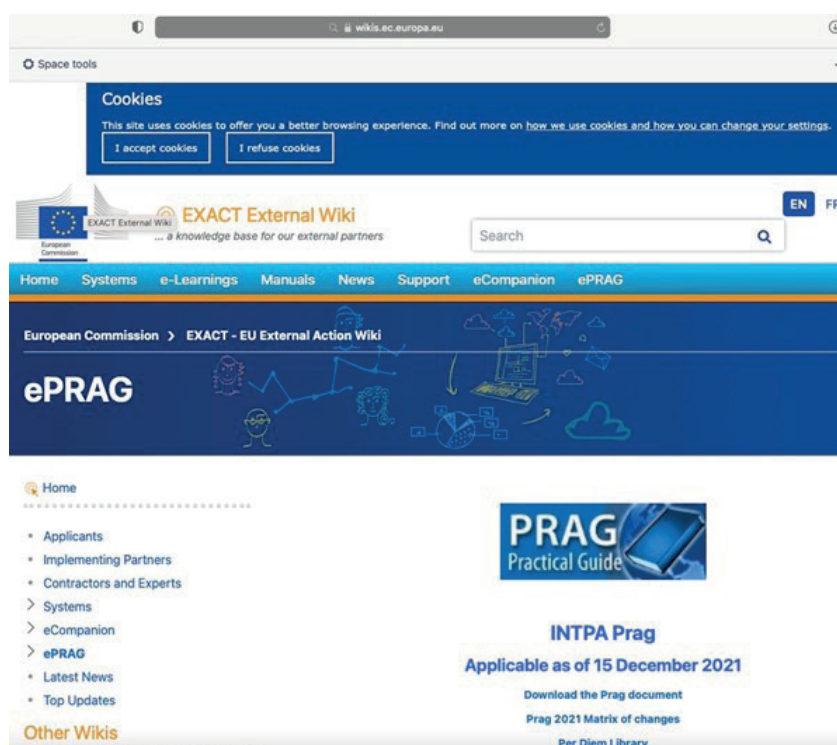
The PRAG is the first working tool that explains the tendering and contracting procedures that apply to all EU external aid contracts financed from the EU budget.

PRAG provides a set of templates for each and every step of contracting. The annexes cover both the award phase and the execution of contracts, and it is obligatory to use these annexes.

Therefore, the ToR should follow the standard ToR templates (fee-based or global price) that are laid down in the PRAG and are available on the European Commission EuropeAid website:

<http://ec.europa.eu/europeaid/prag/annexes.do?chapterTitleCode=B>

Figure 8: PRAG main document



From Annexes tab, Service annexes will be reached.

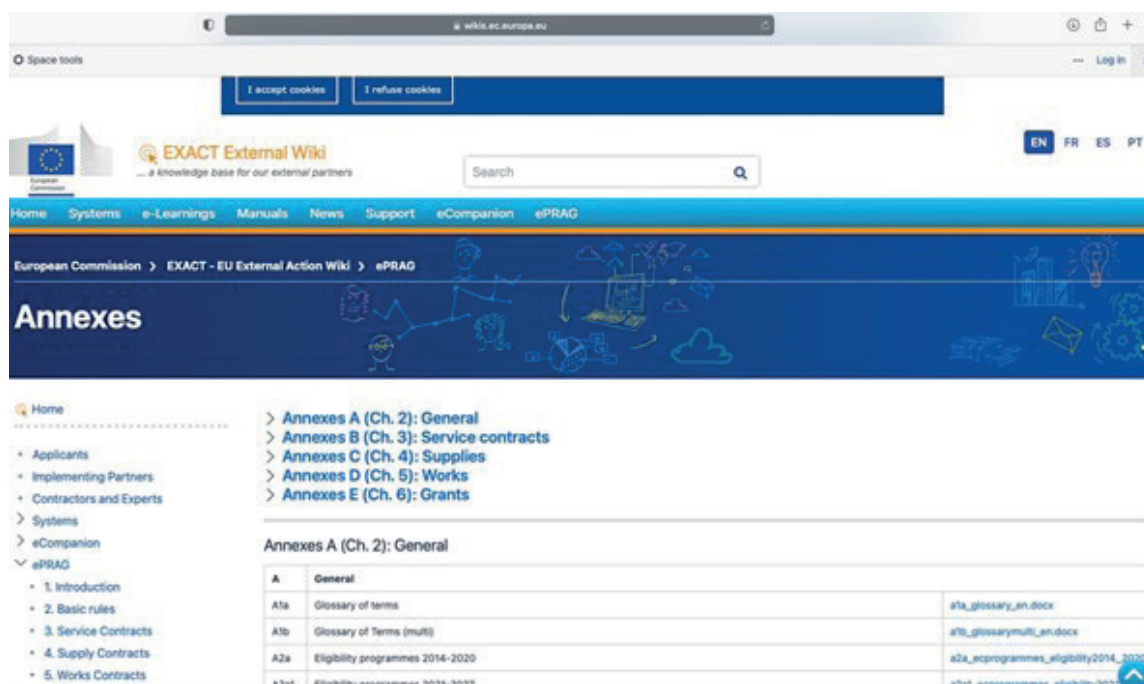
ToR templates and guidance notes for Fee-Based and Global Price tenders are presented in Annex B8 of the PRAG.

B8e - Draft contract: Terms of reference Fee-based (Annex II)

B8f - Draft contract: Terms of reference Global (Annex II)

Start by downloading the current version of ToR template that is available on the European Commission EuropeAid website.

Figure 9: PRAG annexes



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.

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 operation interventions 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.

6.3. How to work on the ToR Template?

The following issues will be taken into account while drafting the ToR;

- The content of the ToR (all titles of sections and sub-sections) must be kept. Neither title nor sections shall be removed. All paragraphs in white must be kept.
- All yellow parts in the standard template are written to support you in elaborating relevant section. In the final version of ToR, please remember to delete these yellow guidelines.
- All suggestions / options from the standard template (in grey) are to be used as relevant to the ToR. They are eliminated from the model of the EU PRAG template for fee-based contracting presented below, to be distinguished from additional tips / recommendations / examples provided in current Guidelines.

- Special comments on global-price contracting are presented separately.
- Most of the background information in the ToR is already elaborated in the AD. However, it is recommended that special care is taken over describing sections 1.3, 1.4 and 1.5 of the ToR since information from the AD could be modified in the time between the drafting of the AD and the launching of the tender / preparation of ToR. For this reason, it is important to update all background information when preparing the ToR.

7. TOR TEMPLATE FOR FEE-BASED CONTRACT

In this section, under each section of the ToR, relevant guidance will be provided along with some standard text or phrases from the template when deemed necessary.

ANNEX II: TERMS OF REFERENCE

1. Background Information

1.1. Partner country

Please use the following phrase.

Republic of Turkey

1.2. Contracting Authority

Please indicate the name of the Contracting Authority. For instance

The Contracting Authority is the Directorate of the European Union and Financial Assistance (DEUFA) of the Ministry of Labour and Social Security (MoLSS).

1.3. Country background

Please review the AD, sections 2. Rationale and 2.1. Context Analysis.

Please use as much as possible current official statistics and background information relevant to the country and the institution along with the global or national economic and social factors that may affect the project. Please provide all necessary and relevant information on the operation's environment with a particular reference to the problem.

1.4. Current state of affairs in the relevant sector

Please review the AD, sections 2.1. Context Analysis, 2.2. Problem Analysis by Areas of Support, 2.3. Relevance and complementarity with strategies supported by key national stakeholders and follow instructions presented in the ToR template.

This section should provide sufficient and current information that enable the tenderers to be familiar with the current situation in the relevant sector and accordingly well elaborate their proposal's rationale section. Please ensure that the following information is included:

- 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 in the country

Please follow the hierarchy of planning and programming documents, National Development Plan, Strategic Response, any other sectoral/thematic policy and reference document along with relevant EU counterpart documents.

It is also recommended to include the following issues on this section, as well.

- 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

Please review the AD, sections 2.4. Relevance and complementarity with EU policy and EU and other donors' assistance and 2.5. Lessons learned and links with previous financial assistance.

Please describe the previous related projects, funded by EU as well as other donors and International Financing Institutions either implemented by the OB and or other institutions in the sector. Please briefly summarise each previous project/programme with the same set of information including start-end date, project's budget amount, overall and specific objectives, and the results obtained. This section is important to present the OB's project implementation capacity and accumulated knowledge from previous experiences. In some cases, in addition to the OB's previous experience, the other relevant projects/programmes implemented by other OB's shall also be listed to demonstrate the progress in the sector. But please mention other projects if only relevant to the current operation and relevant to the sector. It is also very important, especially if the current operation is a continuation / upgrading of previous similar one.

2. Objectives & Expected Outputs

Please review the AD, sections 3. Description of the Action, 3.1. Planned results and intervention logic (describing causal links between impact, outcome(s) and output(s) and including assumptions) and 3.6. Logical Framework for PROJECT MODALITY.

This section is the most important and basic building blocks of the operation, which was previously called as "intervention logic" which indicates to causal link among results/outputs, specific objective (purpose) and the overall objective.

Change in the objectives would only be possible, if there is any institutional and legal change and deemed necessary.

Please review the results/outputs, which are well formulated to serve the achievement of the operation purpose and also please assess how the purpose will contribute to overall objective, when achieved.

2.1. Overall objective

Please review the AD, sections 3. Description of the Action, 3.1. Planned results and intervention logic -describing causal links between impact, outcome(s) and output(s) and including assumptions- and 3.6. Logical Framework for PROJECT MODALITY and review once again the EESP SOP¹¹ (if deemed necessary and the operation is interlinked with the IPA II issues) and Strategic Coherence for the current operation's overall objective. This must be designed to contribute to a general goal; for instance, contribution to decrease youth unemployment rates in Turkey, etc. compliance with the Action's aim and the Action's specific objective (for further information about the Action, please see below).

2.2. Specific objective(s)

Please review the AD, sections 3. Description of the Action, 3.1. Planned results and intervention logic -describing causal links between impact, outcome(s) and output(s) and including assumptions- and 3.6. Logical Framework for PROJECT MODALITY and review once again the EESP SOP (if deemed necessary and interlinked with the IPA II issues) and Strategic Coherence for the current operation's specific objective's (project purpose). This must be designed so that the specific objective would serve to the overall objective of the operation. For instance, strengthening capacity of an institution (OB) operating in the field of youth unemployment, etc. compliance with the Action's specific objectives (for further information about the Action, please see below).

Please kindly note that the operation could have more than one specific objective, i.e., strengthening capacity of the beneficiary, elaborating and delivery services to the target groups, awareness-raising activity toward the wide public, etc.

2.3. Expected outputs to be achieved by the Contractor

Please review the AD, sections 3. Description of the Action, 3.1. Planned results and intervention logic -describing causal links between impact, outcome(s) and output(s) and including assumptions- and 3.6. Logical Framework for PROJECT MODALITY with measurable indicators.

If in the ToR there are several components (groups of interventions), there should be accompanying result related to each component.

Please kindly remember that the expected outputs shall be presented either in order of importance or in chronological order, as appropriate.

The CA (DEUFA) in the sector/window suggests utilising the following categories of interventions for the identification of results/outputs.

¹¹ If the project is prepared in other sectors, please review similarly the most relevant programming document (Action Documents and Strategic Response.)

- Category of Intervention I - Trainings and other services for target persons:
- Category of Intervention II - Institutional capacity building
- Category of Intervention III - Awareness-raising
- Category of Intervention IV - Scientific and technical Studies
- Category of Intervention V - Coordination and cooperation mechanisms

3. Assumptions & Risks

3.1. – 3.2. Assumptions underlying the project and the risks

Please review the AD section 3.3 Risks and assumptions. The assumptions, specified in the AD, can be changed, or needs to be elaborated/specified in accordance with the current and necessary political, institutional, economic, and judicial context. There might be risks and assumptions, specific for the components of the operation.

Please consider any other risks and assumptions relevant to the other components (i.e. grant scheme and supply contract) of the operation, which might influence the implementation of the service provided.

Please do not repeat the other operation's generic risks and assumptions and try to be more specific to the current operation.

4. Scope of the Work

This section presents the parameters and requirements of the project interventions in terms of their scope, details, and limits. The scope should be realistic given the timeframe and resources available for implementation. Details should be clear and precise to provide guidance to the tenderers.

This section, after explanation of “results chain” including general objective, specific objective, and results/ outputs, is the most critical section in presentation of interventions under each relevant category along with implementation place and target groups.

Please review the AD, sections 3. Description of the Action, 3.1. Planned results and intervention logic (describing causal links between impact, outcome(s) and output(s) and including assumptions) and 3.2. Indicative Types of Activities.

4.1. General

4.1.1 Project description

The section will provide an overall view to the operation with main pillars and components, including

- describing the key target groups
- presenting brief information on the type of activities and interventions
- foreseen and specify related results
- indicating the broad timeframe for the action
- describing any specific factors that has been taken into account.

It is recommended to keep the section maximum 2 pages.

4.1.2. Geographical area to be covered

Please review the AD, Project Synopsis – 1.1 Action Summary table, section 1.1. Zone benefiting from the action/ location and please refer to specific provinces where project activities will be implemented, if applicable. It might be several different operation locations.

EXAMPLE: The base of Operation will be Ankara. Activities like training programmes, on-the-job training, meetings, workshops, monitoring and on the spot checks, etc. will be organised in the pilot provinces.

4.1.3. Target groups

They are defined as the groups who will be directly and positively benefitting from the implementation at the operation purpose level.

Please do not forget, that in addition to the main target group(s) of the project, the indirect target groups who are general public as well as some specific target groups shall also be mentioned in this section.

EXAMPLE: While relevant staff of the Ministry and secondary school students especially at risk of early school leaving and class repetition are the target groups, CSOs and parents are indirect target groups.

4.2. Specific work

Please note that this is the most important section as it specifies the OB's expectations about the work to be done (the tasks to be implemented) by the service provider, as well as the expected methodology and approach in implementation of the interventions.

Please review the AD, sections 3. Description of the Action, 3.1. Planned results and intervention logic (describing causal links between impact, outcome(s) and output(s) and including assumptions) and 3.2. Indicative Types of Activities, and 8. Sustainability, if relevant source of information is available in these sections of the AD.

Please elaborate how each activity/intervention should be grouped under project components to achieve the expected results, as specified under "2.3 Expected outputs to be achieved by the Contractor". While the AD provides only an indicative list of activities/interventions, the ToR provides a concrete and specific list of the tasks that shall be undertaken by the Contractor.

A clear and detailed list of the tasks should be provided in the ToR to achieve the contract objective and/or contractor's job description.

EXAMPLE: Indicative activities/interventions shall be listed under relevant categories:

- **Category of Intervention I - Trainings and other services for target groups:** In this category, only the interventions such as training, counselling and advice, rehabilitation, guidance, forms of financial support directed to the target groups should be mentioned under sub-headings such as Intervention I. Trainings on Development Curricula, Intervention II. Counseling Services for Youth in the Pilot Provinces, etc. Services/

trainings for the staff of beneficiary institutions should not be mentioned here but under the following category “Institutional Capacity Building” as they usually aim to increase the performance of institutions.

- **Category of Intervention II - Institutional capacity building:** Activities which are designed to increase the quality or scope of services delivered by the institution or which focus on creating a policy-making capacity. Indicative activities, such as preparing/revising institutional procedures, manuals, guidelines, developing/improving IT capacities, establishing standards, preparing/ revising programmes / material development to be used in services, designing, and delivering training programmes to the staff of beneficiary, etc. should be mentioned under sub-headings.
- **Category of Intervention III - Awareness-raising:** Awareness-raising is a fundamental need and essential element of interventions in the sector/window. For ensuring dissemination of information, and creating spill-over and multiplier effects, interventions to reach people directly or indirectly with a view to make them aware of their rights, opportunities and available services are supported by under this category of interventions. In this category, the information regarding the persons to be targeted and the issues to be focused should be mentioned under sub-headings.
- **Category of Intervention IV - Scientific and technical Studies:** The category should include academic, legal, technical, strategic desk and field studies which contribute to identification, analysis, evaluation, comparison, and solution of relevant problems and policies in the sector. Since the sector necessitates data gathering and processing a significant necessity for effective policymaking and service delivery, the studies, which create, update, elaborate/analyse data and information regarding the sector are promoted
- **Category of Intervention V – Coordination and cooperation mechanisms:** The category should clarify whether the operation is intended to support multilateral relations (at local/national/ international levels) among relevant partners in the sector. It is requested to mention which actors and through which tools (workshops, conferences, common databases, agreements, etc.) this cooperation/coordination will be ensured. The OBs are encouraged to include sufficient number of partners and establish sustainable connections with the support of the intervention.

All the project/operation activities/interventions might logically follow the above-mentioned categories, to be elaborated as the main components.

The other key issues are listed below in drafting the specific work.

- It is possible to split the operation into phases or organising it into distinct components. It should not be too prescriptive in a way that tenderers may have flexibility to prepare their own detailed organisation and methodology and technical proposals to fulfil the general requirements set out in the ToR.
- Within each component, the activities/the interventions should be listed according to the logical sequence or to the importance of priority. The tasks should be listed either in order of importance or in chronological order.
- Usually, the component includes some activities/interventions, which illustrate the steps of implementation

and would ultimately lead to the attainment of the output indicators related to that particular intervention. Each and every activity/intervention shall contain brief explanation on the expected purpose, expected methodology, planned location and expected number of participants (if applicable) from base of the operation and out of base of the operation to that activity/intervention. Each intervention/activity should specify the expected methodology, output, reporting requirements along with the required timeline if applicable. **Such details will enable the tenderers to develop proper methodology in line with the expectations and needs.**

- Clear guidance provided in this section will help service providers (tenderers) to elaborate the most appropriate methodology and strategy that will ensure the fulfilment of the ToR requirements and produce the outputs in parallel to the OB's expectations and current needs. Please note that if any activity/intervention is not clearly defined in this section, the operation may not be implemented in a way the OB requires.
- In this section, it is also important to ensure the sustainability and dissemination of project results. Regarding the sustainability, all interventions should be reviewed in close consultation with the AD.
- Regarding visibility issues, the reference should be given to the latest Communication and Visibility Manual for EU External Action (see https://ec.europa.eu/international-partnerships/comm-visibility-requirements_en and https://www.avrupa.info.tr/sites/default/files/2018-02/VisibilityGuidelines-2010-en_0.pdf).

4.3. Project management

4.3.1. Responsible body

This is the section to identify the contracting authority and the OB along with their roles and responsibilities. Please use the first paragraph as the CA and continue with the OB as the second paragraph.

For example: Directorate of the European Union and Financial Assistance (DEUFA) of the Ministry of Labour and Social Security (MoLSS) is the Contracting Authority of the project. The Contracting Authority will be responsible institution for the overall implementation and management of the operation including tendering, contracting, administration, project supervision, review and approval of the reports, financial management, accounting, and payments of operation activities.

..... is the Operation Beneficiary institution which will be receiving the technical assistance and the owner of the deliverables and outputs of the project etc.

This section should be prepared in close communication with the CA.

4.3.2. Management structure

Please use the following paragraphs to describe the management structure including all decision-making processes involved in managing this operation.

The overall management of the Operation will be carried out by the following structures:

- Contracting Authority (CA)
- Operation Beneficiary (OB)

- Senior Representative of the Operation Beneficiary (SROB)
- Operation Coordination Unit (OCU)
- Technical Assistance Team (TAT)

Please review the AD, section 4. Implementation. Arrangements and 4.6. Organisational setup and responsibilities to describe the management structure of the CA and the OB administration, including all decision-making processes involved in managing the operation.

Roles and responsibilities of the OB, the SROB, the OCU and the TAT will be mentioned in this section including composition of the OCU and other project management/monitoring tools, such as Steering Committee meetings, Monthly Management Meetings etc.

These sections should be prepared in close communication with the OS / the CA.

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

Depending upon the content and the type of interventions of the operation, other necessary facilities, which will be provided by the OB and the CA for the smooth implementation of the project, listed by this section.

EXAMPLE:

The CA and the OB will provide necessary information such as relevant documents, reports that will facilitate the implementation of project to the Contractor. The OB will specifically provide:

- Hosting the Steering Committee and Management Meetings
- Mobilisation of OCU members, composed of technical experts from the relevant departments in the OB
- Issuing (signing and sending) the official invitation (if necessary) to the relevant parties of the events, workshops, meetings, training programmes, events
- Provision of information to the Contractor for smooth implementation of the project including current situation and legislative situation
- Necessary contacts and liaison with relevant authorities.

5. Logistics and timing

5.1. Location

In this section, the location (i.e. province/town etc.) of the operational base will be identified along with any other location(s) where short-term inputs may be provided and/or where pilot provinces will be selected.

EXAMPLE: The base of Operation will be Ankara. The main project activities will be carried out mainly in Ankara, while travels throughout pilot provinces might be required. Study visits, trainings, seminars, congresses, meetings etc. are planned to be organised also in EU Member States and EU Candidate and Potential Candidate Countries, if applicable. The project activities will be spread throughout Turkey especially in relation to activities, which will be implemented in pilot provinces, which are defined under section 4.1.2.

5.2. Commencement date & Period of implementation

In this section, indicative start date and total duration of the operation will be identified.

EXAMPLE: 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.

6. Requirements

6.1. Staff

Please use the following standard paragraph from the ToR template.

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

Please read carefully the explanations provided in ToR template and please pay attention the following issues in identification of the key experts.

1. **The first task** at this section is to identify total number of experts and their profiles that the operation requires. As stated in the explanations in the ToR template, the number of key experts may be extended up to a maximum of 4 key experts (including Team Leader/TL). However, it is recommended to keep as much as possible the number of key experts as two or three to ease the evaluation process.

2. **The second task** is to decide the profiles from the following types and categories of experts: Team Leader (TL) and Key experts (maximum 3); and then identify their expected qualification, skills, and experience.

- **Key experts** are defined as instrumental in the ToR and they are subject to evaluation as part of the tender based on their CVs and the documentary evidence. Since their CVs will be scored and they play significant roles during the implementation of the operation, identification of their profiles is important for both fair and competitive evaluation and to work with competent experts during the implementation. It is feasible and effective for each component to have a responsible Key Expert.
- **TL:** It is recommendable the TL to be responsible for the overall coordination and implementation of the technical assistance contract. In some cases, it is advisable to be a full time - 220 working days per year (excluding national holidays, annual leave, etc.), but in some operations, the TL would be part time.
- **Other Key Experts** will be identified based on the scope of the project and requirement of the activities/interventions, such as Training Expert, Employment Expert, Occupational Health and Safety Expert, etc. please see the examples in the next page.
- **Non-key expert (NKE)** is the expert who is not defined as instrumental in the ToR and who is approved by the Project Manager¹² by administrative order. They may be senior and junior NKEs); however, their

¹² The Project Manager is the Director of DEUFA to represent the CA. The Project Manager will also appoint an expert as the Contract Manager who will be responsible for monitoring the implementation of the project on behalf of the Project Manager and the main contact point of the OS for any

profiles are not allowed to be defined in ToR, unless the number of Key Experts is limited to one.

- **Man/days:** It is generally not written man/days in ToR; however, it is important for the expert to identify the tasks to be assigned to him/her, as well as expected duration of his/her input (in man-days) in the estimated budget calculation. These man/days are not included ToR to allow the tenderers propose man/days as part of their strategy; however, man/days are foreseen in the estimated budget.
- **The minimum selection criteria** for each expert are extremely important and these criteria should be not too restrictive and not discriminatory. Please note that based on these criteria, during the tender evaluation process, the evaluators will assess the competencies, qualifications, skills, and experience of all experts proposed by the bidders based on the following three categories:
 - o Qualifications and skills
 - o General professional experience
 - o Specific professional experience
- Please be sure that the real minimum requirements and the availability of such experts must be considered in the market both in Turkey and in other countries including the EU. The profile of the 'ideal expert' should not be described as it sets a threshold for acceptance of the offer. Bear in mind that if an expert does not meet the minimum requirements, which are set in the ToR, he/she must be rejected. This means that the entire tender is rejected.

EXAMPLE:

Team Leader

Qualifications and skills:

- University degree in social science, management, economics, public administration, or in the absence of such degree minimum 15 years of professional experience in one of the fields
- Excellent command of written and spoken English
- Full computer literacy
- Master's degree, preferably in social sciences or business administration or human resources management, will be an asset.

General professional experience:

- Preferably 7 but a minimum 5 years of professional experience in the area of social sector
- Preferably 10 but a minimum 7 years of experience in project management

Specific professional experience:

communication and correspondence for the implementation aspects of the project.

- Preferably 7 but a minimum 4 years of experience as team leader and/or managerial position (in the Contractor Side) in implementation of projects,
- Minimum 2 years of experience in the design and/or implementation of capacity building projects
- Minimum 2 years of experience in the field of social policy
- Experience in the field of employment policies will be an asset.

Key Expert (Education specialist)

Qualifications and skills

- Bachelor's degree in one of the fields of economic, administrative sciences, education, or social sciences or in the absence of such a degree minimum 10 years of working experience in one of the fields
- Excellent command of written and spoken English
- Full computer literacy
- Master's degree, preferably in the fields of economic, administrative sciences, education or social sciences will be an asset.

General professional experience

- Preferably 5 but a minimum of 2 years of professional working experience in education/training design/implementation projects

Specific professional experience

- Preferably 4 but a minimum of 2 years of professional experience in drafting and/or developing and/or contributing and/or implementing of policies, models, tools, programmes in education sector
- Minimum 2 years of experience in the field of inclusive education with a particular emphasis to early school leaving
- Minimum 2 years of experience in the field of design/development/implementation of tools of measurement and evaluation in education programmes

6.1.2. Non-key experts

The profiles of NKE necessary for the contract shall be specified on the condition that only one key expert is requested in ToR. If profiles of NKEs are mentioned in ToR, during the technical evaluation of the tenders, the following aspects shall be considered for the NKEs:

- Whether the number of working days estimated for each month for each type of expert proposed in the Organisation and Methodology (Annex III) are sufficient for the requirements of the ToR to be achieved.
- All necessary profiles are identified for each intervention.

CVs for the NKEs should not be submitted in the tender, but the tenderers will have to demonstrate in their offers that they have access to the experts with the required profiles along with their expert pools. Due to high competitiveness of the EU market, the tenderers tend to present a rich NKE pool in their offers. Therefore, please

kindly note during the tender evaluation that proposed NKEs shall only be mobilised during the implementation when they are available and approved by the OB and the DEUFA.

EXAMPLE:

The NKEs shall be required for the interventions related with the specific work identified in the ToR, section 4.2, what relevant for the implementation of the contract, such as

- Drafting legal acts
- Delivery of trainings on various topics
- Social inclusion; good governance
- Policy monitoring, advocacy, and campaigning
- Grant schemes management
- Labour market, youth, and employment
- Social dialogue, social entrepreneurship, social cohesion
- Innovation in social service sector, quality issues in the provision of social services, social services accountability
- Public-private partnerships for social service provision; etc.

The NKEs shall also be listed in the ToR with reference to their titles and profiles, i.e.

- Legal expert(s)
- Trainer(s)
- Social inclusion expert / Inclusive education specialist(s)
- Assessment, measurement, and evaluation expert(s)
- Monitoring and evaluation expert(s)
- Grant expert(s)
- Statistician(s) in the areas of data collection, analysis and reporting etc.
- Communication expert(s)
- Awareness raising expert(s)
- Public relations expert(s)
- Graphic designer(s)
- IT expert(s)

If local expertise is needed.

It is strictly forbidden to make a distinction/discrimination between local, international, EU experts etc. It is only possible to state that awareness raising/visibility key expert has good knowledge of any language required. Knowledge of local language, Turkish, Arabic etc. shall only be listed as an asset.

All experts must be treated equally in terms of access to any function specified in the specific ToR.

If a particular area of expertise related to specific local conditions is necessary for implementation of a given assignment, the specific expert ToRs should be prepared to indicate the requirement by means of technical, objective, transparent and non-discriminatory criteria. If any communication, reading or writing will have to be in Turkish, the specific conditions should be mentioned in the ToR, including interpretation and/or translation services. These service costs will be added to the fees for the purpose of the financial evaluation.

6.1.3. Support staff & backstopping

NOTE: Please note that fee rates will cover support staff and backstopping facilities.

Backstopping is defined as the support facilities that the contractor and the team will have during the execution of the contract, including project and financial management, expert mobilisation, organisation, and other relevant management related tasks, and sometimes substitute someone in an emergency case. The tenderers have to submit their backstopping capacity as part of their technical offer and the evaluation committee will evaluate and score the subject part.

6.2. Office accommodation

In the base of operation, an office will be required for the TAT and the backstopping team. The OB will choose the relevant option from the ToR template presented below to provide reasonable standard and of approximately 10 square metres for each expert working on the contract of office accommodation.

- Option 1: The office accommodation is to be provided by the contractor (The costs of the office accommodation are to be covered by the fee rates of the budget of the operation.)
- Option 2: The office accommodation is to be provided by the partner country that means the OB will provide the office place.
- Option 3: The office accommodation is to be provided by the contracting authority. This is valid for only exceptional cases.

Office accommodation will include basic equipment such as desks, chairs that will be responsibility of the Contractor.

Costs associated with telecommunications, internet usage is the responsibility of the Contractor.

6.3. Facilities to be provided by the Contractor

These sections detail the requirements of the facilities under the responsibility of the Contractor in accordance with the requirements of Article 16.5 of the General Conditions of Contract, the Contractor shall, within the fee

rates of the experts, provide its staff with all financial and technical means needed to enable them to carry out their tasks described under this contract efficiently, including:

EXAMPLE:

- Providing technical experts qualified to implement the tasks defined for each of the projects' activities in accordance with the ToR
- Ensuring timely and proper implementation of project activities and delivery of the reports and other relevant outputs identified in the ToR
- Timely assignment and mobilization of experts during the implementation of the project
- Coordination of all organisational and logistical arrangements for all experts including per diems and travel expense
- All relevant operations and resources regarding public information, visibility and dissemination of operation and its outcomes
- The necessary support equipment deemed necessary to enable the experts to efficiently fulfil their duties, including but not limited to workstation and portable computers
- The necessary measures to be taken to reach the relevant indicators and targets specified in the ToR
- Providing any required training (attendance to courses and seminars) and translation facilities to its own staff in connection with the performance of the contract
- Working in coordination and cooperation with the permanent staff of the OS to ensure the sustainability
- The Contractor shall provide office and any equipment necessary such as IT equipment, stationary etc. for the successful implementation of the contract.

Furthermore, the Contractor should cover these costs (The Contractor should ensure high quality of these services):

- Office related commodities including office furniture, all logistical support, the cost of the necessary equipment (e.g., PCs, printers, desks, file cabinets, telephone, fax, photocopy machines, office consumables etc.),
- Cost of the communication (the bills for the internet, telephone, and fax lines) for all experts.

6.4. Equipment

EXAMPLE: No equipment is to be purchased as part of this service contract

6.5. Incidental expenditure

The provision for incidental expenditure covers ancillary and exceptional eligible expenditure incurred under the contract. It cannot be used for costs that should be covered by the Contractor as part of its fee rates, as defined above.

First of all, the activities/interventions should be considered very carefully and all direct expenses that will occur during the implementation of the contract should be listed. Secondly, other costs like ancillary and exceptional eligible expenditure incurred under the contract should be specified under the incidental expenditure.

The total amount of incidentals should be specified and written in the ToR for the fee-based contracts.

EXAMPLE:

- Travel costs and subsistence allowances of the experts for missions, outside the normal place of posting, undertaken as part of this contract
- Subsistence allowances for experts depend on the country where the operation activity will take place. The rates cannot exceed the actual per diem rates identified by the EC and published under the following link:

https://ec.europa.eu/international-partnerships/system/files/per_diem_rates_20191218.pdf

The provisions for incidental expenditure, fixed by the CA, must correspond with the ToR requirements, and must be carefully estimated.

Other headings under the incidental expenditure have to be identified individually for each project, depending on their specific activities.

Please carefully read the explanatory box, provided in ToR template.

NOTES:

- Per diem are daily subsistence allowances that may be reimbursed for missions foreseen in these terms of reference or approved by the Contracting Authority, carried out by the contractor's authorised experts outside the expert's normal place of posting. The per diem is a maximum fixed flat rate covering daily subsistence costs.
- Please note that the Incidental expenditure provision might cover expenditures for activities for which you do not know the parameters, i.e., number of participants, location, quantity of materials to be reproduction, etc.

6.6. Lump sums

Fee-based contracts may include activities paid under the basis of lump sums. If activities paid under lump sums are required, please specify, and highlight them in this section. Lump sums describe a bulk payment to acquire a group of activities and/or sub-activities, and/or items as opposed to a series of periodic payments.

EXAMPLES:

- Logistical organisation of events (trainings, study visits, workshop activities, meetings, etc. directly related to the project objectives);

- Visibility materials – (design and production)
- Promotional / audio-visual materials – (design and production)

NOTE: Please note that for the activities to be paid under lump sums, sufficient information should be provided in order service provider to be able to price each activity, i.e., number of participants, location, etc. quality and quantity of materials to be produced, etc. Otherwise, the outputs may not be the ones the OB expected.

6.7. Expenditure verification

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

NOTE: Before payments are made for fee-based contracts an external auditor must examine and verify the invoices and the financial reports of the Contractor.

The provision for expenditure verification is fixed from 0,7 to 1% of the total contract amount. It cannot be decreased during execution of the contract.

7. Reports

Please review the AD, section 5. Performance/Results Monitoring and Reporting.

7.1. Reporting requirements

All reporting requirements are specified in this section in accordance with Article 26 of the General Conditions. This part is usually drafted as follows:

| Name of report | Content | Time of submission |
|-------------------------|---|---|
| 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. |

The Inception Report is the first start-up document, which will be prepared by the Contractor to analyse the current situation and adapt the methodology to changing conditions and needs (if applicable) as well as revising the workplan (if deemed necessary). All relevant changes should be justified and presented in the Inception Report. Please kindly note that approval of the Inception Report does not automatically mean that the changes

are approved by the OB and CA. Separate procedure will be required for any amendment to the Contract either Administrative Order or Addendum process. Submission time of the Inception Report is proposed as not later than one month, but depending on the nature of the contract, the submission time shall be extended.

Interim reports must be prepared for every six months during the period of implementation of the tasks. Interim reports are not obligatory for contracts of less than 12 months.

The Final Report must be prepared in advance as a draft and within one month of receiving comments on the draft version, the Final Report should be prepared including issues listed in the table above.

Each report (except the Inception) 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. Therefore, Interim and Final Reports should be provided along with the corresponding invoice, the financial report and an expenditure verification report defined in Article 28 of the General Conditions. Please note that this part is under the responsibility of the CA. If any other specific reports are needed, please consult the CA.

7.2. Submission & approval of reports

All reports are subject to dissemination to all relevant parties and to approval by the OB and the CA. Therefore, this section will specify the scope and requirements of the Reports along with the approval procedure.

EXAMPLE: 3 copies of the reports referred to above must be submitted to the Project Manager identified in the contract. The reports must be written in English. The Project Manager is responsible for approving the reports.

The reporting requirements are summarised as followed:

Inception Report

Inception Report will provide information on at least the following:

- Clarify specific aspects of the ToR
- Update the organisation and methodology according to the actual situation and the needs
- Develop detailed work plan and time-schedule of activities, along with planning of resource utilisation of the available man days

Interim Reports (6-month Progress Reports)

Interim reports will provide sufficiently detailed information, which accurately reflects the progress of the programme in the light of its objectives, indicators, the work-plan and the budget. Interim Reports will provide information on at least the following:

- The progress of the project activities with the descriptions of the main difficulties and the results achieved
- Assessment of success and major constraints per activity and tasks
- Overall achievements of the programme

- Recommendations for future actions to ensure sustainability to the programme activities.

Draft Final and Final Report

It should demonstrate fulfilment of project objectives. It should summarize project achievements, including the tasks and recommendations listed above under “Specific Activities” and final situation for the issues listed in interim reports.

Time of submission should be interpreted as the date of submission of final versions of the reports in which all comments are received and reflected into the document and submitted to the CA. All parties should take necessary actions to ensure timely submission including submitting draft version to parties a reasonable time before.

The Contractor shall submit final versions of each report to the OB, CA and to the EUD. An electronic copy of each report shall be sent to each of the parties. If requested, Turkish translation limited with the first draft and final version of the reports, will be prepared.

8. Monitoring and Evaluation

8.1 Definition of indicators

Under this section, monitoring and evaluation responsibilities are defined along with identification of the project indicators.

Please review the AD, sections 3.1. Planned results and intervention logic -describing causal links between impact, outcome(s) and output(s) and including assumptions-, 3.2. Indicative Types of Activities, 3.6. Logical Framework for PROJECT MODALITY and 5. Performance/Results Monitoring and Reporting.

EXAMPLE:

The Contractor will continuously monitor the implementation of contract activities according to standard procedures (inception phase monitoring, periodic monitoring, and final assessment), project monitoring and evaluation will be based on a periodic assessment of progress on delivery of specified project results and towards achievement of the project objectives.

The CA will monitor the contract activities and ensure implementation in a timely and efficient manner, in particular through commenting on inception, progress, and final reports and advising on progress on the delivery of specific project results and towards achievement of project result. All data under the contract will be collected and analysed with a sex-disaggregated approach.

The Contractor will furthermore address the issue of impact evaluation, i.e., contribution or influence of the Project’s results towards meeting the overall objective on a sector-wide perspective.

NOTES:

- **Compliance with the Strategic Response, priorities of the relevant Window, the EESP SOP** (if deemed necessary and the operation is interlinked with the IPA II) **and the AD:** The project activities should lead to the attainment of the indicators as specified in the Strategic Response and AD. However, other indicators, directly linked to project activities should also be specified. For example, while the Strategic Response/ the AD do not set indicators such as number of different types of visibility material, they can be considered as instrumental to the AD indicator “number of persons accessed through awareness-raising campaigns/ events”. However, if project includes elaboration of visibility materials, the type and quantity of these materials should be specified as indicators.
- **Qualitative or quantitative indicators:** Indicators shall be either quantitative which means measuring quantity, including statistical statements; or qualitative: judgements and perception derived from subjective analysis. Regarding quantitative indicators, they should be measurable and should answer to the question of ‘How much?’ ‘How many?’ ‘How often things happen?’) and should also represent the products and outcome of the activities of the operation.
- **Identification of the indicators at all levels:** The indicators should be identified at all levels of the intervention logic of logical framework matrix,
 - o Overall objective (impact) level,
 - o Specific objective (outcome) level,
 - o Output (activities) level.
- **Each activity/intervention should have at least one indicator!** It is strongly recommended to specify indicators for each activity, since the relevant indicators “services and trainings for target groups” and “trainings for the staff of relevant actors” are measured with quantitatively, i.e. If it is foreseen 10 trainings to be conducted with indicative participation of 20 trainees, the project indicator should be “10 trainings organised” with “200 people trained”.
- **Identification of baseline value, milestone, and target value:** Quantitative and/or qualitative indicators should be clear to measure the achievement of the corresponding expected result (i.e., outputs, outcomes, impacts). Therefore, the indicators should be formulated in a way of identification of baseline value, milestone, and target values, including reference year. These values are not necessary to write at the ToR, but they are important to review the Logical Framework matrices attached to the technical offers by the Contractors.
- **Identification of sources and means of verification:** When the indicators are selected, it is also recommended to consider the appropriate source of verification evidence for each indicator (the source of verification). Again, same as above, they are not necessary to write at the ToR, but they are important to review the Logical Framework matrices attached to the technical offers by the Contractors.

Proper definition of project indicators is very important, as later the project indicators will be used to assess the progress made within the implementation of the service contract and the results achieved after the implementation

of the contract.

8.2. Special requirements

If applicable, any special requirement will be elaborated under this section.

EXAMPLE:

For all matters regarding the timely submission of information pertaining to monitoring and evaluation the Contractor must be able to obtain, to process and to deliver basic data or aggregate information: (i) written in English language; (ii) able to be accessed by e-mail or through websites.

The Contractor should monitor and report the indicators for this project based on gender breakage.

9. Publicity and Visibility

Publicity and visibility requirements should be specified in this section.

The standard text, which will be provided by the CA, should be inserted here to highlight that the Contractor shall take all necessary measures to publicise the fact that the European Community has financed the Program.

All projects /contract implemented under this programme shall comply with the Visibility rules for European Commission Projects in Turkey published by the EU Delegation to Turkey, at

<https://www.avrupa.info.tr/en/learn-about-eu-visibility-guidelines-16>

8. NOTES ON TOR TEMPLATE FOR GLOBAL-PRICE CONTRACT

Global price contracts ToR follow the model of the Fee-based service contracts and all steps and recommendations listed in previous sections for the fee-based contracts are valid for the global price contracts. All other sections of ToR for Global Price service contracts are equal to relevant sections of the Fee-based service contracts. The sections that have differences are presented below:

Section 4.2 Specific work

The most important difference from the fee-based contract is in provision of detailed list of the tasks to be undertaken to achieve the contract results and/or Contractor's job description. Different than the fee-based, the list of tasks should refer to any reports/outputs which the Contractor must prepare described in Section 7 of these Terms of Reference of the global price contracts.

The other requirements are the same for both fee-based and global price contracts in this section.

NOTES:

- The outputs/deliverables should be clearly specified, as the price breakdown is based on outputs/deliverables against which partial payments can be made (e.g., the deliverables could be related to the progress inception report/interim report/final report or to the different parts of a study/report/event) depending on the project in question.

- The methodologies contained in the offers is required to include a work plan indicating the envisaged resources to be mobilised, allowing a better comparison of offers, and offering a basis for negotiation in case of amendment to the contract.

Section 6.1.1 Key experts

As mentioned in the ToR template, the default situation is that there are no key experts defined in the ToR. However, depending on the particularities of the project, the contract may require key experts. If key experts are required, they shall sign a Statement of Exclusivity and Availability. If the contract does not require any key experts, the profiles of non-key experts may be more elaborated. Please note that only key-experts are approved before the contract signature. Please choose between the options below.

Option 1 - when the mission consists in a well-defined technical output, e.g., design documents for an investment project. In that case, provided the contractor has got internal capacities, the professional responsibility should lead the contractor to select the best possible staff to deliver the expected results: Key experts are not required.

Option 2 – Useful when the mission requires soft skills and a good understanding of the local context, e.g., drafting a piece of legislation or a reform proposal, which requires talking to various stakeholders, building trust and listening to them. In such case, facilitation and communication skills should be an asset: Key experts are defined, and they must submit CVs and signed Statements of Exclusivity and Availability.

In this case, the provisions of the Fee-based service contracts have to be followed.

Global price contracts generally do not require key experts. In such cases the Terms of Reference could include profiles which the tenderer will have to demonstrate in their offer that they have access to. An example where key experts are not deemed necessary is a mission, which consists in a well-defined technical output, e.g., design documents for an investment project. In that case, provided the contractor has got internal capacities, the professional responsibility should lead the contractor to select the best possible staff to deliver the expected results. However, depending on the particularities of the project, the contract may need key experts.

An example of a project where key experts could be useful is a project which obliges soft skills and a good understanding of the local context, e.g., drafting a piece of legislation or a reform proposal, which demands talking to various stakeholders, building trust, and listening to them. In such a case, facilitation and communication skills should be an asset.

Section 6.1.2 Other experts, support staff & backstopping

This Section substitutes Section 6.1.2 NKEs and 6.1.3 Support staff & backstopping of the fee-based service contracts ToR.

Section 6.5 Incidental expenditure, Section 6.6 Lump sums and Section 6.7 Expenditure verification are not applicable.

NOTE: It is possible to have incidental expenditures also under a global price contract ToR in exceptional circumstances, which would make it possible to use a global price contract for organisation of seminars where

the number of participants and its financial implications are difficult to estimate for the tenderers to give an example. The tender dossier may be modified accordingly to plan incidental expenditures.

Section 7.1 Reporting requirements

This section may include the contractual reports as well as the other reports required by nature of the project. Therefore, it may be slightly different than the ToR of the fee-based contract.

Please use the following ToR template of the global price contract.

EXAMPLE:

The Contractor will submit the following reports in <language> in one original and <number (for environmental reasons, request as few paper copies as possible) > copies:

- **Inception Report** of maximum 12 pages to be produced after <one week, or other reasonable deadline> from the start of implementation. In the report the Contractor shall describe e.g., initial findings, progress in collecting data, any difficulties encountered or expected in addition to the work programme and staff travel. The Contractor should proceed with his/her work unless the Contracting Authority sends comments on the inception report.
- Please indicate here if interim reports are required. According to Article 29 of the General Conditions, the annual interim payments can be envisaged for global price service contracts of a duration of more than two years, based on approval of interim reports proving that specific objectives have been reached.
- **NOTE:** For this section, please consult the CA.
- **Draft final report** of maximum <number> pages (main text, excluding annexes) [in the format given in annex < ...>]. This report shall be submitted no later than one month before the end of the period of implementation of tasks.
- **Final report** with the same specifications as the draft final report, incorporating any comments received from the parties on the draft report. The deadline for sending the final report is <number> days after receipt of comments on the draft final report. The report shall contain a sufficiently detailed description of the different options to support an informed decision on <.....>. The detailed analyses underpinning the recommendations will be presented in annexes to the main report. The final report must be provided along with the corresponding invoice.

9. HOW TO ESTIMATE THE PROJECT BUDGET?

ToR preparation process requires drafting a project budget, which is expected to be simultaneously started. The issues listed below will provide some guidance on how to estimate the project budget for service (technical assistance) project. For the detail calculation of the budget breakdown, the OB is invited to consult the procurement experts of the CA.

First, there is a need to clarify whether the project is going to be implemented by a fee-based or global price service contract.

9.1. Budgeting the fee-based service contracts

Fee-based activities are technical assistance, consultations, on-the-job trainings, elaborations of feasibility studies, technical studies, evaluations, audits, etc. where:

- scope cannot be easily described in detail; or
- the outputs of the services are unpredictable; or
- the workload to achieve the specified output is difficult to quantify in advance.

Therefore, the services are provided based on a fixed daily fee rate for the expert days. Furthermore, the budget consists of a fixed provision for incidental expenditures, which covers all actual expenses incurred by the Contractor which are not included in the fees, lump sums (optional) and expenditure verification (for auditor conducting verification of project expenditures).

The budget template of the fee-based service contracts (Annex B8i2Budget breakdown for a fee-based contract may be downloaded from:

<https://ec.europa.eu/europeaid/prag/document.do?nodeNumber=3.7>

http://ec.europa.eu/europeaid/prag/annexes.do;JSESSIONID_PUBLIC=GzxcgEYMggsj8G5o7rN9Nved7vZbAV6PpaU1MBnD3hZDiZaN7ysz7!-194138927?chapterTitleCode=B

- **Fees of the experts**

The fee-based service contract budget planning method is presented below.

A. Identification of profiles and numbers of the (key) experts: First, there is a need to identify how many and what kind of experts the project will need. It is possible to choose from the following types and categories of experts: Team Leader; Key experts (max. 3); Senior and Junior NKEs.

- **Key Experts:** Experts, are defined as instrumental in the ToR and their inputs to the implementation of the technical assistance project over the implementation period of the contract and whose contribution to the achievement of activities are considered as 'key experts'.
- **NKEs:** Experts, who are not defined as instrumental in the ToR and their inputs to the implementation of the technical assistance project over the implementation period of the contract, are considered as 'non-key experts' (Senior and Junior).

B. Calculation of total inputs (working days) for the key experts: It is important for the expert to identify the tasks to be assigned to him/her, as well as expected duration of his/her input (in man-days).

As next the required input, in terms of working days over the duration of the contact, of each type and category of experts must be identified.

Based on the foreseen workload and tasks to be implemented by the TL and the key experts, there is a need to make estimation for their required input over the implementation period of the contract.

It is recommendable that the TL to be responsible for the overall co-ordination and implementation of the technical assistance contract, thus it's preferable in some projects depending on nature to be a full time - 220 working days per year (National holidays, annual leave, etc. are not considered as working days). One working month is generally calculated as 20-22 working days. Therefore, the yearly input of a full-time key expert can also be calculated as 200-220 working days/calendar year (official holidays and the annual leave entitlement of a full-time expert shall be entitled).

Key experts shall be either full time or part time, depending on their required input over the implementation period of the contract. Key experts, whose input is less than 200 working days/calendar year can be considered as part time.

C. Calculation of total inputs (working days) for the NKEs: After identification of the required input from key experts, there is also a need to make estimation for the required total input for senior and junior NKEs. This can be estimated based on the workload and tasks, which will not be covered by key experts.

To estimate the indicative expert's input, it is recommended to review similar type of activities in similar projects.

D. Calculation of total inputs (working days) for all key experts and NKEs: After identification of estimated input required for each type and category of experts, it is possible to make estimation for the budget required to implement the contract.

Based on the estimated number of working days for each type and category of experts multiplied with the relevant estimated fee rates, it is possible to calculate the estimated fee budget.

The Fee rates will also include overheads, which are:

- administrative costs of employing the relevant experts, such as relocation and repatriation expenses, accommodation, expatriation allowances, leave, medical insurance and other employment benefits accorded to the experts
- costs related to the project office including running costs and insurance; and, in some cases the renting of an office may be required, which may lead to the increasing of the indicative Fees provided in the template)
- costs related to the project director and the project administrative and support staff including interpretation and translation costs related to experts
- costs related to office equipment and their maintenance
- financial charges related to the implementation of the contract.

NOTES: Regarding the budget estimation of the fee-based contracts, it is recommended to use the working tool

(template for calculation of the budget of the service contracts), elaborated by the CA (electronic format), based on the standard PRAG Budget template, written below.

<https://ec.europa.eu/europeaid/prag/document.do?nodeNumber=3.7>

The estimated number of working days shall be inserted for each type and category of experts into the second column of the above-mentioned table.

- **Incidental expenditure**

As a next step, the provision of incidental expenditure will have to be estimated.

Please see page 43-44 of the definition of incidental expenditure, as briefly specified as *“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.”*

Under incidental expenditures, usually it is typically foreseen

- Travel costs and subsistence allowances for missions, outside the normal place of posting, undertaken as part of the contract.
- Travel and accommodation for contractor’s staff, Beneficiary’s staff, as well as target groups’ experts taking part in activity at place, different to their normal place of posting / working.
- Per diem are daily subsistence allowances that may be reimbursed for missions foreseen in these terms of reference or approved by the Contracting Authority. The rates cannot exceed the actual per diem rates identified by the EC and published under the following link, as previously mentioned

https://ec.europa.eu/international-partnerships/system/files/per_diem_rates_20191218.pdf

The Per-diem for Turkey has two different rates, one for Istanbul and one for the other provinces,

The indicative prices of domestic and international flights are also specified in Working tool (Template for calculation of the Budget of the Service contracts), elaborated by the CA.

The other headings under the incidental expenditure must be identified individually for each intervention, depending on their specific activities.

It is very important to carefully estimate the activities of the operation and list all necessary, direct and eligible expenses that will occur during the implementation of the contract. The headings under the incidental expenditure must be identified individually for each operation, depending on their specific nature of activities.

Regarding other costs (for instance, publication of an advertisement, etc.), there is also need to carry out a preliminary market research along with asking for dummy offers, searching for prices on web sites or in catalogues and finalisation of a realistic and feasible estimation.

- **Lump sum**

Fee-based contracts may include activities paid under the basis of lump sums. i.e.

- design and production of promotion and visibility materials
- organisation and logistic of events (workshops, conferences etc.)
- training, seminars etc.

It is recommended to provide maximum details in order the service provider to be able correctly to estimate costs under the lump sum activity.

Please also note that some activities could be budgeted under different budget lines. Please carefully plan them depending on the specificity of the activity.

EXAMPLE: TRAINING

- Option 1 – trainings in Ankara with participants from Ankara:
 - o Fees of the expert (for preparation, delivery of training and reporting) plus lump sum that included logistic of the event, reproduction of training materials, etc.
- Option 2 – trainings out of Ankara with participants from Ankara or trainings in Ankara with participants out of Ankara:
 - o Fees of the expert (for preparation, delivery of training and reporting) plus incidental, that covers logistic of the event, reproduction of training materials, transport and accommodation for participants, translation / interpretation if needed etc. (in case you cannot specify in advance transport and accommodation needed for participants).
- Expenditure verification

As the final step, there is a need to make estimation for provision for expenditure verification that is the cost of the auditor. It will depend on the contract amount to be verified. The provision for expenditure verification is fixed from 0,7 to 1% of the total contract amount.

9.2. Budget of the Global price service contracts

In case of global price service contract, the specified outputs must be clearly defined. The service will be paid based on the delivery of the specified outputs. Thus, the global price may be composed of the prices of each specified output.

The budget template of the global price service contracts (Annex B8i1Budget breakdown) for a global price contract may be downloaded from:

<https://ec.europa.eu/europeaid/prag/document.do?nodeNumber=3.7>

If a ToR of either fee-based or global price service contract will be prepared, a detailed budget planning is also required during the AD preparation process, to justify the cost of the service component.

10. FROM TOR TO TECHNICAL OFFERS AND INCEPTION REPORT

As crucial document for both tendering and contracting, ToRs are the main basis for the preparation of technical offers by tenderers and then they are important parts of the Service Contracts.

Once the tender dossier including the ToR has been finalized, the tender procedure will be launched as soon as possible to have ex-ante approval from the CA and the EUD.

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. ToR gives instructions and guidance to the contractors to submit a tender, which responds to all technical and administrative requirements, and later to serve as the main roadmap to identify the Contractor's mandate during project implementation.

ToR is included in the tender dossier and will become an annex to the contract signed with the contractor who will be awarded by the tender.

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. Therefore, the ToR should be clear, simple, and present current situation as well as describing the tasks and management structure.

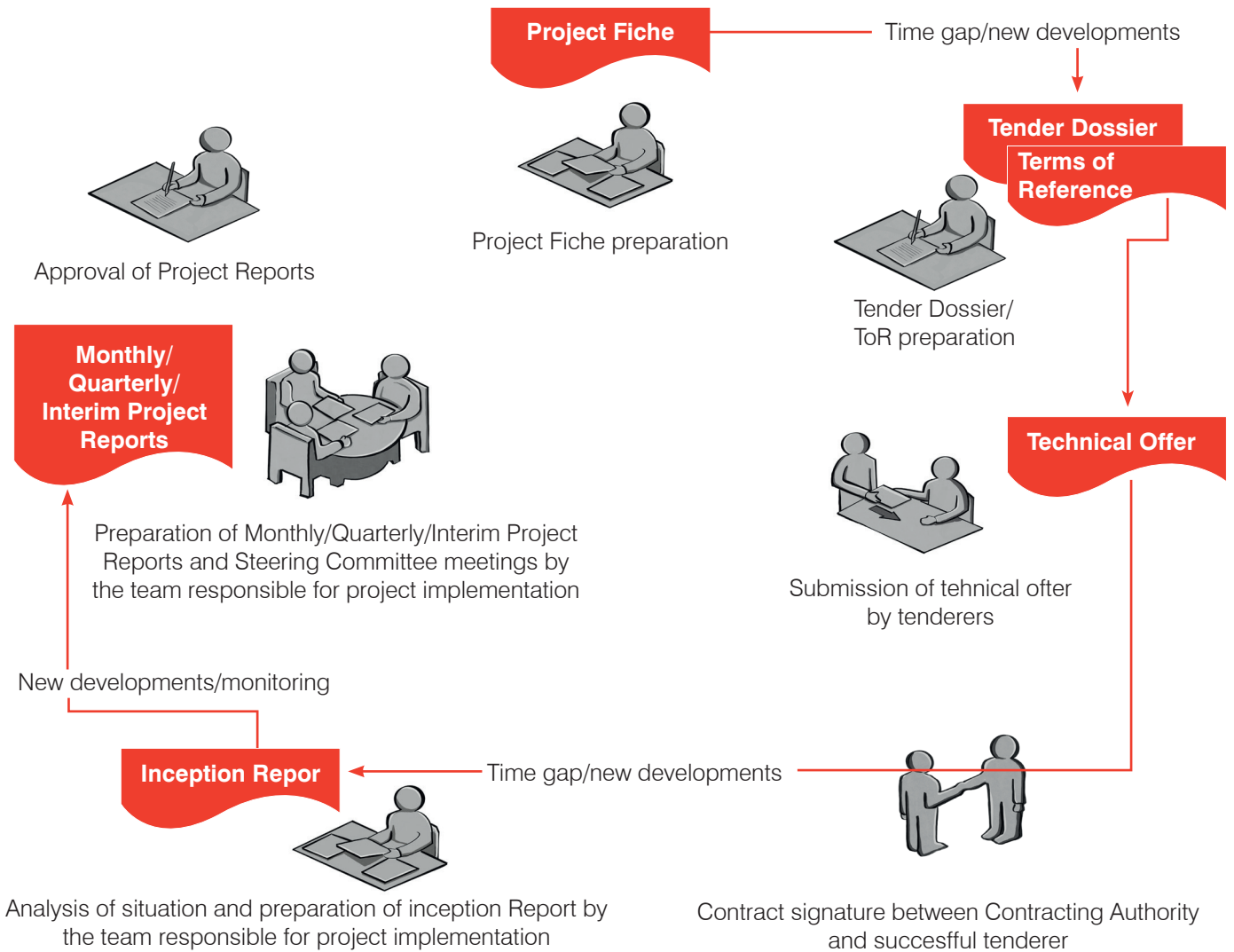
The ToR as the basis for the project and the work-plan, as an Annex to the contract - must reflect the situation at the time of project start-up to avoid considerable effort being spent on re-designing the project during the inception period.

The ToR and the technical proposal are used by the Contractor during the implementation to implement the activities and to produce outputs. The CA, on the other hands, utilise both documents to monitor progress and to supervise the contract. The ToR, therefore, will also serve as a reference document concerning any non-compliance of the provisions of the contract during contract implementation.

Another important function of the ToR is that it is also considered during monitoring and evaluation process. It will enable the monitors and evaluators to assess the progress with reference to the provision and indicators compared with the project reports.

The project's all cycles starting from programming till end of contract implementation is presented in Figure 10 below:

Figure 10: Project cycle of service contracts



Elaborating ToR, please remember, that the ToR is a very important document that serves as:

- a selection tool
- a tool for communication between the service provider – the successful bidder (offer side) – and the contracting authority (demand side)
- a tool for following up and monitoring the contract during project implementation
- a tool for project evaluation - as a part of tender documents, a ToR is a key contractual document against which the performance of contractors, service providers and/or other stakeholders can be evaluated.



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