



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**

# **PRACTICAL GUIDE FOR SERVICE CONTRACTS**

**TECHNICAL ASSISTANCE  
PROJECTS**





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

# Practical Guide For Service Contracts (Technical Assistance Projects)

© Republic of Türkiye, Ministry of Labour and Social Security, 2022

---

**Republic of Türkiye, Ministry of Labour and Social Security**

Directorate of European Union and Financial Assistance  
Operational Structure for IPA Employment, Education and  
Social Policies Sectoral Operational Programme

Simon Bolivar Blv No: 23, 06680 Çankaya/Ankara

Tel: +90 (312) 440 99 02

Fax: +90 (312) 212 11 48

E-mail: [info@ikg.gov.tr](mailto:info@ikg.gov.tr)

Internet: <http://www.ikg.gov.tr>

# CONTENTS

1.	DEFINITION AND SCOPE OF A SERVICE CONTRACT .....	6
2.	TYPES OF SERVICE CONTRACTS .....	7
	Global Price Contracts .....	7
	Fee-based Contracts .....	7
3.	PARTS OF A SERVICE CONTRACT .....	8
	Contract Agreementts .....	9
	Special and General Conditions .....	9
	Terms of Reference - ToR .....	9
	Organization and Methodology (Technical Proposal).....	10
	Key Experts .....	10
	Budget and Budget Breakdown .....	10
	Non-key experts .....	11
	What is included in expert fees? .....	11
	Incidental Expenditure.....	12
	Lump Sums .....	12
4.	THE STRUCTURE OF THE MANAGEMENT SYSTEM .....	12
5.	RESPONSIBILITIES OF THE OPERATION BENEFICIARY (OB) .....	14
6.	MEETINGS .....	15
	Commencement of the Contract and the Kick-off Meeting .....	15
	Management Meetings .....	16
	Steering Committee Meetings.....	16
	Minutes of the Meetings.....	16
7.	PRE-APPROVAL OF NON-KEY EXPERTS .....	17
8.	PRE-APPROVAL OF TIMESHEETS .....	18
9.	PRE-APPROVAL OF INCIDENTAL EXPENDITURE REQUESTS.....	20
10.	IMPLEMENTATION OF TAX EXEMPTIONS.....	23
11.	REPORTS .....	24
	Inception Report.....	24
	Interm Reports.....	25
	Final Report .....	26
12.	PAYMENTS MADE TO THE CONTRACTOR AND THE ROLE OF OB .....	27
13.	CONTRACT MODIFICATIONS .....	29
	Administrative Order.....	30
	Addendum.....	30
14.	VISIBILITY RULES.....	31
15.	MONITORING SHEET .....	32
16.	REPORTING OF RISKS AND IRREGULARITIES.....	33
17.	SUSTAINABILITY AND AUDITS .....	33

# LIST OF ABBREVIATIONS

MoFLSS	Ministry Of Labour And Social Security	NIPAC	National IPA Coordinator
CA	Contracting Authority	NF	National Fund
EESP-SOP	Employment, Education and Social Policies Sectoral Operational Programme	OA	Operational Agreement
EU	European Union	OB	Operation Beneficiary
EUD	European Union Delegation to Türkiye	OCU	Operation Coordination Unit
FWC	Framework Contract	OCU	Operation Identification Sheet
HOS	Head of Operating Structure	OIS	Operational Programme
IPA	Instrument for Pre-Accession Assistance	OP	Operational Programme
KE	Key Expert	PRAG	Practical Guide to Contract Procedures for EU External Actions
MIS	Monitoring and Information System		Sectoral Monitoring Committee
NKE	Non-Key Expert	SMC	Senior Representative of Operation Beneficiary
NAO	National Authorizing Officer	SROB	Technical Assistance Team
		TAT	Team Leader
		TL	Terms of Reference
		ToR	

## 1. DEFINITION AND SCOPE OF A SERVICE CONTRACT

A service contract is concluded between the Contracting Authority and the Contractor to provide technical assistance for a specific area.

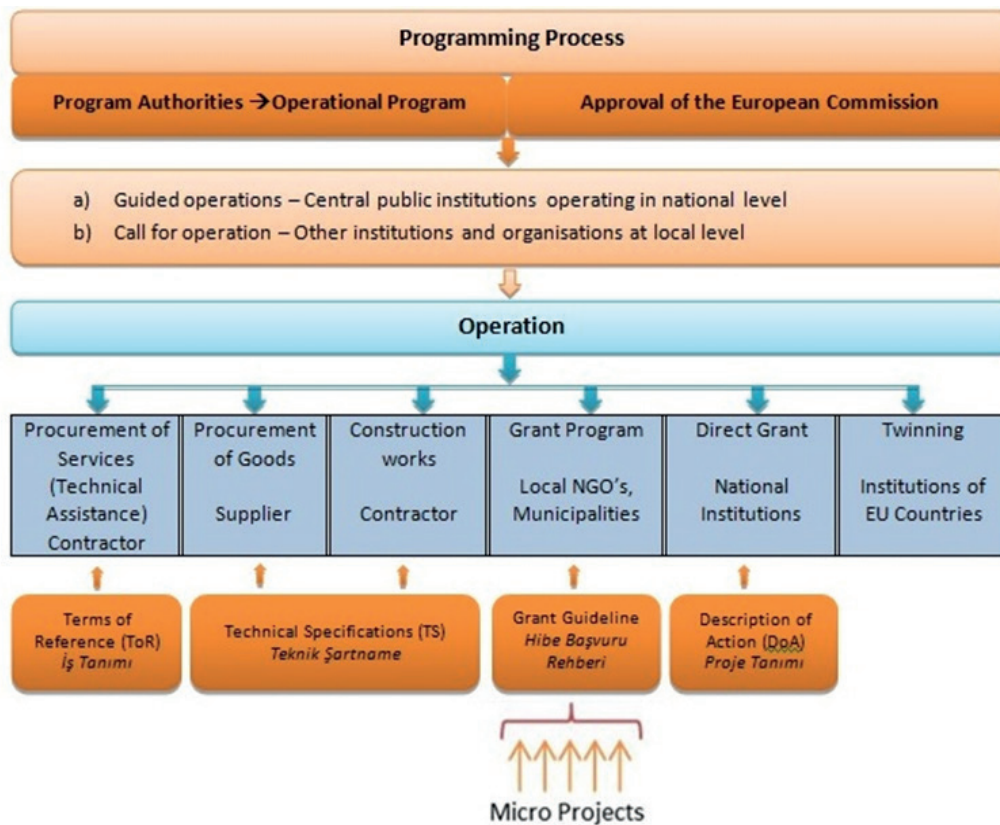
Service contracts are usually conducted to:

- identify, prepare, implement or assess a project,
- perform feasibility activities,
- receive audit or communication services,
- conduct market research and,
- give consultancy or
- provide expertise on specific areas.

Service contracts are implemented to provide direct consultation, expertise and support to the Operation Beneficiary, under a top-level operation and for the activities of that operation to be carried out by an institution. In this case, consultancy services are provided by the Contractor. In addition to service contract component, supply and grant contracts may be included in the operation.

As it can be seen in the figure below, Operational Programme developed by the Operating Structure is approved by the EU Commission. Once the programme is approved, actions and activities foreseen in the programme are put into practice through umbrella projects called operation. Two procedures are followed to determine which projects will be selected and implemented. Operations to be run by central level public institutions operating at national level are negotiated directly and developed jointly with the Operating Structure. As for the selection of the operations of other institutions and agencies such as local level institutions and agencies, call for proposals are launched and project proposals are collected, and eligible project proposals are selected after an assessment process. In both procedures, the operations selected are submitted to the EU for approval.

Consultancy, equipment and cooperation needs under the scope of the operation are analysed, components of the operation are identified in Operation Identification Sheet, and OIS is submitted to the EU for approval. Based on the components of the operations approved, tender documents such as terms of reference, technical specifications and documents such as grant call for proposals or direct grant contract and project descriptions are prepared. Therefore, components of the operation are determined based on consultancy, equipment and cooperation needs analysed. While grant scheme enables to develop cooperation with local institutions and agencies twinning component enables to conduct joint project activities with the institutions in the EU.



## 2. TYPES OF SERVICE CONTRACTS

There can be two types of a service contract; “Global Price” or “Fee-based”.

### Global Price Contracts

In the case of the Global Price, the contractor is expected to produce an output that can be clearly and transparently defined and verified. These projects can also be called “turn-key” projects. The payment is conditional on and made on the basis of the delivery of the specified outputs. Payments might be totally or partially deducted if the contractual results have not been reached. In such contracts, it is not possible, formally or informally, to add an additional breakdown of inputs such as how many man/days will be utilised and experts with which qualifications will be mobilised. Performing a feasibility study, a market research, a technical study or drawing up a report are the examples of global price activities.

### Fee-based Contracts

Fee-based service contracts are preferred where the output is unpredictable, or where the workload to achieve the specified output is impossible to quantify in advance. Therefore, the services are priced on the basis of time actually worked by experts. Fee-based contracts are generally used in technical assistance projects to increase the institutional capacity. Payments are made on the basis of the number of man-days used for the completion of activities. This type of contract can also include global price (lump sum) activities. For instance, in a fee-based contract related to delivery of training, it can be foreseen that training will be paid fee-based on the basis of the number of days worked; however, that development of materials to be used during the training will be paid lump sum.

	Advantages	Disadvantages
Fee-Based	<p>The OB and OS has more authority to check whether the contractor fulfils his obligations in implementation period.</p> <ul style="list-style-type: none"> <li>• Key experts are determined in tendering process and it is possible to select the Contractor according to the experts proposed.</li> <li>• Lump-sum activities can also be included in ToR.</li> </ul>	<ul style="list-style-type: none"> <li>• Requires micromanagement of all activities such as the selection of each possible expert, monthly verification of timesheets and pre-approval of incidental expenditures if needed.</li> <li>• Financial verification can be difficult if the activities committed to be charged over the working days of experts in the project are not fully performed.</li> </ul>
Global Price	<ul style="list-style-type: none"> <li>• Global price contracts requires less micro-management and supervision and therefore will be more time to work on operational and sectoral issues.</li> <li>• Financial verification can be performed easier if the activities are not fully conducted.</li> </ul>	<ul style="list-style-type: none"> <li>• It is more difficult to control whether the contractor has selected the best possible staff and also the experts' working.</li> <li>• Fee-based activities cannot be included in the global price contracts.</li> </ul>

### 3. PARTS OF A SERVICE CONTRACT

A service contract dossier is composed of the parts prepared in the following order of priority:

- Contract Agreement
- Special Conditions
- General Conditions (Annex I)
- Terms of Reference (Annex II) (including clarifications made before the expiry of deadline for submission of proposals and minutes of information meeting / field visits if any)
- Clarification and Changes to Tender Dossier
- Organization and Methodology (Annex III) (including the explanations provided by the contractor during the bid)
- Key Experts (Annex IV) (only in fee-based contracts)
- Budget and Budget Breakdown (Annex V) (budget breakdown is not obligatory in global price)
- Forms and Documents (Annex VI)
- Provisions for Expenditure Verification (only in fee-based contracts).

In case of any disagreements between these documents, the provisions of the document ranking first in order of priority shall prevail.



## **Contract Agreement**

The contract contains basic information such as topic, name, language and total budget of the project.

## **Special and General Conditions**

Administrative and financial conditions such as communication procedures, the obligations of the parties, the working procedures of the project staff, the reporting requirements, payments, the suspension and termination of the project, including the legal issues related to the implementation of the service contract are specified in the special and general provisions annexed to the contract. Unless otherwise specified in the Special Conditions, the General conditions is applied. Duration of the project, commencement date of implementation, special communication and reporting requirements and payment conditions are specified in special conditions by following same numbering in general conditions.

## **Terms of Reference – ToR**

Terms of Reference is the main document identifying the activities in detail that the contractor is obliged to perform during the implementation period. It is of great importance that terms of reference be easily understandable and clear as it includes contractual responsibilities.

Main articles of Terms of Reference are listed below:

- BACKGROUND INFORMATION
- OBJECTIVE, PURPOSE AND EXPECTED RESULTS
- ASSUMPTIONS & RISKS
- SCOPE OF THE WORK (Activities)
- LOGISTICS AND TIMING
- REQUIREMENTS
  - Staff
  - Office accommodation
  - Facilities to be provided by the contractor
  - Equipment
  - Incidental expenditure (only in fee-based contracts)
  - Lump-sums (only in fee-based contracts)
  - Expenditure verification (only in fee-based contracts)
- REPORTS
- MONITORING AND EVALUATION
- Clarification and Changes to Tender Dossier: It is a part of the contract that includes detailed clarification in response to questions of the tenderers also the changes during the tender process.

## **Organization and Methodology (Technical Proposal)**

The Contractor specifies in the Organization and Methodology section (Technical Proposal of the Contractor) how the activities will be carried out. For example, how experts and working days allocated to project activities shall be explained in this section. The technical proposal is an integral part of the contract together with the terms of reference.

### **Key Experts**

For fee-based service contracts, a section including the list of experts that the contractor committed to employ within the project together with their CVs and statement of availability shall be annexed to the contract during the tendering process. The replacement of a key expert whose CV is submitted in the contract can only be possible with an addendum and the qualifications of the proposed new expert shall be equivalent to the previous one; otherwise fee negotiation procedure shall be made with the contractor upon fee rate.

### **Budget and Budget Breakdown**

In global price contracts, the budget can be prepared alternatively either as broken down based on the outputs/deliverables in the terms of reference or a wholesale price for all activities, to be determined during tender preparation process.

In fee-based contracts, the total number of days to be worked by the experts shall be multiplied by (man-day prices) fee rate. In addition to this, budget lines for incidental expenditure, expenditure verification and, if any, lump-sums activities shall be defined in the budget.

## Budget for fee-based contracts

	Notes	Estimated number of working days	Fee rate [EUR] per working day	Amount [EUR]
<b>FEES (including overheads):</b>	1			
<b>Key experts</b>	2,4			
- Team leader				0,00
[- Senior experts]				0,00
[- Junior experts]				0,00
[- <Other> expert]				0,00
				0,00
<b>Non key experts</b>	3,4			0,00
[- Senior experts]				0,00
[- Junior experts]				0,00
[- <Other> expert]				0,00
				0,00
<b>Total fees (including overheads)</b>				0,00
<b>PROVISION FOR INCIDENTAL EXPENDITURE:</b>	5			
<b>[LUMP SUMS</b>	6			
- Activity 1				0,00
[- Activity 2]				0,00
[- Activity 3]				0,00
[- Activity 4]]				0,00
<b>PROVISION FOR EXPENDITURE VERIFICATION</b>	7			

### Non-key experts

There is a title called non-key experts referring to the experts whose CVs are not assessed during the tender and will be submitted for the approval of Contracting Authority before they start working, and the number of days allocated on the budget and fee rate per working day shall be specified for this position. Allocated days for non-key experts shall be used for various positions in different periods during implementation.

### What is included in expert fees?

Key and non-key expert fees allocated within the budget include fees paid to persons employed as experts to carry out activities and related social security and tax cuts. Budget fees also cover the infrastructure costs necessary for the realization of the activities and the preparation of

the work environment for the experts, the costs for the transportation of experts from their normal place of residence to the place where the project (in operation base) is implemented (mobilisation and demobilisation) and all costs that are not pre-determined but incurred to complete the work as well as general expenditures of the contractor including backstopping facilities and contractor's commercial profit. Whether the activities carried out according to the working days allocated to the experts have been fulfilled is verified by the progress/final reports, supporting documents and timesheets filled by the related expert. In other words, the contractor is not obliged to submit expenditure documents (such as invoices for each expense) for activities carried out under fees.



Key and non-key experts may use up to 60 calendar days per year with the approval of the Beneficiary institution and Contracting Authority.

## Incidental Expenditure

Incidental expenditure is a fixed amount determined by the Contracting Authority, before the procurement phase, and specified in Article 6.5 of the ToR to cover costs that are not included in the fees. During the implementation of the contract, some of the necessary expenditures which usually do not require expertise and are defined in the scope of terms of reference are met under this budget. Each expenditure occurred under incidental budget must be proven by expenditure documents such as invoices and flight tickets based on actual costs incurred. Costs are often used to cover travel costs and subsistence allowances for missions, outside the normal place of posting, undertaken as part of this contract.

## Lump Sums

Lump sums activities can be included in the budget of the fee-based contracts. In this case, the activities shall be presented in detail in the budget. This cost item is especially used for activities such as conferences, seminars and trainings where the technical output is very clear and can be priced per piece. Unless otherwise specified in the terms of reference, experts cannot claim working days via timesheet for an activity under lump sum or with exceptions expenditure from the incidentals, and no payment shall be made. No progress payment can be made until an activity included under lump sum is fully completed.

Since processes such as the pre-approval of experts to work in the related activities are not performed, the activities to be carried out under the lump sum include less bureaucracy and less micro-management, as in the case of global price contracts.

**Provisions for lump sums are defined in Terms of Reference “Article 6.6”.**

## 4. THE STRUCTURE OF THE MANAGEMENT SYSTEM

MoFLSS, Directorate of EU and Financial Assistance is responsible for tendering, contracting, the administrative and financial verification of the contracts as well as the payments as the “**Operating Structure**” and the “**Contracting Authority**”.

The institutions and organizations supported with technical assistance projects are called **Operation Beneficiaries**.

Some Operation Beneficiaries whose operations are supported under the Employment, Education and Social Policies Sectoral Operational Programme are as follows:

- Ministry Of Labour And Social Security (MoFLSS), General Directorate of Occupational Health and Safety
- Ministry Of Labour And Social Security (MoFLSS), General Directorate of Labour
- Ministry Of Labour And Social Security (MoFLSS), General Directorate of Social Assistance
- Ministry Of Labour And Social Security (MoFLSS), General Directorate of International Labour Force
- Ministry Of Labour And Social Security (MoFLSS), General Directorate of Services for People with Disabilities and the Elderly
- Ministry Of Labour And Social Security (MoFLSS), General Directorate on the Status of Women
- Ministry Of Labour And Social Security (MoFLSS), General Directorate of Family and Community Services
- Ministry of National Education (MoNE), General Directorate of Special Education and Guidance Services
- Ministry of National Education (MoNE), General Directorate of Vocational and Technical Education
- Ministry of National Education (MoNE), General Directorate of Secondary Education
- Ministry of National Education (MoNE), General Directorate of Primary Education
- Ministry of National Education (MoNE), General Directorate of Lifelong Learning
- Ministry of Health, General Directorate of Health Services
- Social Security Institution (SSI), Directorate for Strategy Development
- Social Security Institution (SSI), Directorate General for Insurance Premiums
- Social Security Institution (SSI), Directorate for Guidance and Inspection
- Turkish Employment Agency (İŞKUR)
- Vocational Qualifications Authority (MYK)
- Centre for Labour and Social Security Training and Research (ÇASGEM)
- Dicle Development Agency
- Güney Marmara Development Agency
- Fırat Development Agency

In accordance with the Operational Agreement signed between the MoFLSS, the Operating Structure and the Operational Beneficiaries, beneficiaries are responsible for the overall management of the projects and activities implemented under the Operation, the thematic monitoring of the project activities and reporting the monitoring results to the Operating Structure.

Each Operation Beneficiary establishes an **Operation Coordination Unit (OCU)** to manage and control the timely implementation of the grant scheme, technical assistance and supply projects under the operation. In this unit, at least one staff shall be appointed as an **Irregularity Officer** and as a **Risk Manager**. This unit, which shall be formed by an adequate number of staff, is chaired by **Senior Representative of Operation Beneficiary (SROB)**.

Monitoring the project in detail and ensuring the sustainability including participation to the regular/ad-hoc meetings, examining the reports and technical documents submitted, and carrying out provisional/final acceptance procedures for supplies and works are among the duties of OBs.

**TAT (Technical Assistance Team)** refers to a team of experts employed and assigned directly by the Contractor under the technical assistance project. TAT carries out all the activities specified in the terms of reference under the supervision of the beneficiary and provides support for the monitoring of the project activities. Within the scope of the operation, assistance provided by TAT is also important in ensuring conformity between other components such as grant scheme programmes and supply projects, where applicable.

## 5. RESPONSIBILITIES OF THE OPERATION BENEFICIARY (OB)

The responsibilities of the Operational Beneficiary are determined in the Operational Agreement signed between the Contracting Authority and the Operation Beneficiaries in the context of the implementation of the service contracts. The OB shall ensure timely composition of the OCU and be responsible for overall management of meetings and reports under the operation.

The beneficiary shall ensure that the project activities are carried out by the contractor within the time limits and quality specified in the terms of reference. In this context, **the OB shall monitor whether the assigned experts are regularly in the office if required and ensure that relevant staff of the beneficiary's work with TAT interactively.**

In addition, one of the major responsibilities of the OB is to notify the Contracting Authority regarding the activities not performed by the Contractor, irregularities, risks and difficulties faced to face during the implementation period promptly.

In the implementation and management process of service contracts, the Operational Beneficiary;

- Give pre-approval to non-key experts who are recommended to be employed by the Contractor, their resumes and description of tasks of the experts before the beginning of the related activity
- Confirm the working days claimed via timesheets for the key and non-key experts on monthly basis in terms of the tasks and outputs stated in specific ToR
- Give pre-approval to the incidental expenditure requests regarding how and how much to use the incidental budget items.
- Pre-approval of secondary purchases to be made, identification of all kinds of information and activities, and persons and institutions to benefit from the project activity, output and results.

All requests (KE, NKE, Incidental, Visibility, Administrative orden, Homebased/Weekend working etc.) and reports (progress and final) shall be submitted to the Beneficiary before Contracting Authority for preapproval

- Under the scope of General Communique of the Framework Agreement, tracking and if needed approving the documents submitted by the contractor in relation to the procurements made.
- Give pre-approval to requests regarding minor modifications
- Give pre-approval to the progress/final reports.

## 6. MEETINGS

### Commencement of the Contract and the Kick-off Meeting

If the commencement date of the project is not specified in Article 19 of the Special Conditions of the contract, the commencement date of the project and kick-off meeting date shall be officially notified by the Contracting Authority to the Contractor and Operation Beneficiary via an administrative order within 3 months following the most recent signature date of the contract. The following topics shall be discussed at the kick-off meeting attended by TAT and the representatives of EU Delegation to Türkiye:

- Overview of the Project purpose and activities,
- Introduction of the parties, their personnel and responsibilities
- Management Structure and OCU staff,
- Inception Report,
- Schedule of meetings,
- Communication and approval procedures,
- Reporting requirements,
- Workplace and work procedures<sup>1</sup>,
- Residence permit of foreign experts,
- Requirements for tax exemptions,
- Visibility Rules

---

<sup>1</sup> Provisions regarding the provision of around 10 square meters of office space to the experts to be mobilised are specified in Article 6.2 of the terms of reference. According to this, the party bearing this liability should provide office facilities as soon as possible.

## **Management Meetings**

If the time interval is not specified in the terms of reference, how often management meetings are to be held can be decided at the kick-off meeting.

In fee-based contracts it is recommended to hold formal meetings at least once per month.

Since the outputs that the Contractor shall provide in the global price contracts depend on more specific activities to arrange, the meetings may need to be done for shorter periods and for more precise purposes.

## **Steering Committee Meetings**

These meetings are held usually every 6 months with the participation of representatives of the stakeholders specified in the terms of reference. This meeting especially where the progress of the project indicators and the risks are expected to be discussed shall be chaired by the SROB or the Deputy SROB.

Within this scope, it is important to share progress reports, indicator charts, monitoring sheets and risk management tables at the meeting with the stakeholders to discuss aspects to decide on.

## **Minutes of the Meetings**

Meeting minutes shall be prepared by the Contractor and submitted to the parties for their views together with participant signature lists. During the audits and the implementation period, meeting minutes and reports shall be used as the initial source of information on the progress of the project. Poor meeting minutes or reports are indicative of poor project implementation.

It should be noted that decisions taken at meetings and stated in minutes thereof will not be sufficient to reduce and/or revise the requirements in the technical offer and the terms of reference, and require an Administrative Order or Addendum for the necessary amendments pursuant to Article 20 of the General Conditions of the contract.



## 7. PRE-APPROVAL OF NON-KEY EXPERTS

It shall be decided during implementation period working days for NKEs specified in the project budget will be utilised by mobilising which experts.

The expert selection process can be predetermined in the terms of reference or in the Inception period. In practice, the contractor requests to use a certain number of working days of non-key experts for the performance of some of the project activities. For this, contractor shall:

1. specify the work, with a specific term of reference, to be done on the days to be allocated and
2. add this to its request (NKE Allocation Form) along with the CV of the expert who is recommended to employ in the activities in question and present it to the Operation Beneficiary for pre-approval.

The Beneficiary may request multiple CVs from the contractor for the subject NKE position. Furthermore, the beneficiary can request additional documentation or interviews to observe the competence of the proposed experts. The tasks defined in the specific terms of reference shall match with the purpose of overall terms of reference of the project. It should be noted that it is not required to implement general nationality rule for experts. Requested working days and the working period shall comply with the complexity of the job and be cost effective.

The proposed expert's CV shall be suitable for the position, and qualifications of the expert shall meet the requirements in the specific terms of reference. In principle, experts with qualifications more than those required by the task shall not be mobilised. In order to mobilise public officials such as civil servants and academicians as NKEs, first of all, pre-approval of the EU Delegation shall be sought, and required assignment and approval shall be obtained from relevant public institutions in accordance with the provisions of national legislation. As for public officials to be mobilised as KE, relevant justification, added value to be provided by the public official to the project and approvals regarding his/her assignment by relevant public institution or that he/she is on leave should be submitted together with the proposal during the tender.

Pre-approval of the beneficiary is also required for some of the allocated working days to be used on weekends or holidays or without coming to the usual working place, or for the working period to be changed.

All requests regarding working days of the experts shall be submitted by the Contractor to the Contracting Authority for final approval after the pre-approval of the Beneficiary. Key and non-key experts can use leave up to maximum 60 calendar days per year upon the approval of the beneficiary and contracting authority.

## 8. PRE-APPROVAL OF TIMESHEETS

The Operation Beneficiary is responsible for the approval of the timesheets prepared by the experts (NKE/KE) on a monthly basis pursuant to operational agreement concluded with the Operating Structure, and the signature of the SROB's on the timesheets shall be deemed to be the declaration that the TAT staff has provided the necessary input and contributions to the project.

The original version of the timesheets shall be kept confidential by the Contractor and submitted to the Contracting Authority with 6-monthly interim/final reports for payments.

In fee-based contracts, timesheets are one of the most important verification sources for verifying that project activities have been fulfilled and making payments to the contractor. Therefore, it should be noted that the approval of these timesheets has legal and financial consequences.

TIMESHEET FOR EXPERT S					
Contractor		XXX			
Contract number		TRXXXX.XX-XX/XXX			
Contract Title		TECHNICAL ASSISTANCE FOR XXX			
Name of expert:		XXX			
Position		Key Expert 2 - Training Expert			
Period of Performance		Month:	January	Year:	2012
Date	Day of the Week	Days Worked	Per-Diems Requested	Place of Performance	Detailed Description of Tasks
1	Sun				
2	Mon				
3	Tue				
4	Wed				
5	Thu				
6	Fri				
7	Sat				
8	Sun				
9	Mon				
10	Tue				
11	Wed				
12	Thu				
13	Fri				
14	Sat				
15	Sun				
16	Mon				
17	Tue				
18	Wed				
19	Thu				
20	Fri				
21	Sat				
22	Sun				
23	Mon				
24	Tue				
25	Wed				
26	Thu				
27	Fri				
28	Sat				
29	Sun				
30	Mon				
31	Tue				
<b>Total</b>		<b>0</b>	<b>0</b>		
Hereby, I <name of the expert> declare that during the days worked for this project, I did not work in any other IPA project					
Signature of Expert			Signature of Team Leader		
Date:			Date:		
			Signature of SROB/Beneficiary		
			Date:		

While approving the timesheets, OB should take into account the following via tools such as check list

- The timesheet shall belong to relevant personnel,
- The number of days allocated to an expert shall not be exceeded,
- The claimed working days shall be within the approved working period,
- Pre-approval shall be granted for working on weekends or holidays, if any,
- The description of the activities in the timesheet shall comply with the activities specified in the terms of reference,
- The tasks shall conform to the activities in the specific terms of reference approved for the relevant expert,
- The tasks declared in the relevant month shall be consistent with the terms of reference and the relevant activity schedule<sup>2</sup> in the technical proposal,
- Whether the tasks and activities specified in general or specific terms of reference are declared in the timesheet,
- Necessary interactive work with the beneficiary has been performed in the declared days,
- Verification sources and supporting documents, such as reports on the fulfilment of activities in specific terms of reference and on the realization of the outputs, shall be submitted and approved<sup>3</sup>,
- The information declared on the timesheets by different experts for the same activity shall be consistent,
- Whether the per diems used are eligible,
- Whether the arithmetic information is correct,
- Whether the activities under lump sum have been included in total sum.

While calculating the working days of the key and non-key experts, OB should take into account the following:

- Travels of experts from countries of residence or that of local experts from current cities of residence to the base of operation or to the workplace or vice versa shall not be included in working days. Therefore, travel and per diem expenditures within this scope cannot be covered from the incidentals budget of the project.
- The days when the expert leaves his/her normal place of posting and is involved in project activities in another city or country shall be considered to be working days for all experts;
- In this case, per diem shall be paid to experts. Per diems is a fixed amount paid in lump sum to cover expenses such as accommodation, food, local transport, airport transfers and taxis, and it is explained in Section 6.5 of the terms of reference (ToR) according to which procedures it will be paid. As there are changes in PRAG in some years, the PRAG version to which the contract is subject should be taken into consideration in per diem calculation, and the terms of reference (ToR) of the directly signed contract should be considered for correct implementation:

---

<sup>2</sup> It shall be taken into consideration that activity schedule foreseen in these documents might have been amended via reports.

<sup>3</sup> If the number of days allocated to that work cannot be divided into partial realisations or partial realisations cannot be considered as outputs, the declared working periods may be rejected, or the approval may be suspended until the delivery of the output. However, it shall be noted that this should not interfere with the progress of the project.

- If service contract is subject to PRAG of 2009, per diem shall be calculated according to the total hours the expert spent in the area outside his normal place of posting, and it shall be paid as full or half (50%) per diem (no other fractions are possible). One full per diem for every 24 hours and half per diem for work at least 12 hours but less than 24 hours shall be payable. Travelling time is regarded as part of the mission. Therefore, the departure and arrival times specified in the travel tickets may be taken into account in the time spent on the mission, and the time between these times shall be considered as the time spent on the mission, and payment can be made according to maximum per diem amount per 24 hours published<sup>4</sup> on the date of the service contract signature.
- According to PRAG of 2014, 2015 and 2016, total hours spent on mission are taken into consideration as in the PRAG of 2019; however, payment can be made according to maximum per diem amount per 24 hours published at the start of each such mission.
- According to the PRAG of 2018, per diems are payable on the basis of the number of nights rather than total hours. 100% per diem shall be paid on the basis of the number of overnight stays, 50% per diem shall be paid in missions not requiring accommodation (overnight). When an expert travels overnight, per diem rate of the destination country shall be paid. Payment can be made according to maximum per diem amount per 24 hours published on the date of the service contract signature. The base of operation (normal place of posting) of key experts is specified in the terms of reference, and those of other experts (NKEs) are specified in the specific terms of reference prepared to get approval in order to mobilise these experts or in the NKE allocation form.

The beneficiary should be very careful when approving timesheets since they form the basis of payments and lead to legal and financial consequences and should submit the revision requests on these timesheets to the contractor before the pre-approval. Disputes between the contractor and the beneficiary on the timesheets and the delays that may arise in their submission to the Contracting Authority shall be submitted in writing such as risk notices to the Contracting Authority.

## 9. PRE-APPROVAL OF INCIDENTAL EXPENDITURE REQUESTS

As a rule, utilisation of incidental budget is not subject to prior authorisation by the Contracting Authority or the beneficiary. However, exceptionally ToR might state that prior authorisation should be requested. **If prior authorisation is foreseen in the ToR** the contractor might be requested to prepare a plan, as shown below, to demonstrate the amounts planned to be used from the incidentals and relevant justifications.

---

<sup>4</sup> [http://ec.europa.eu/europeaid/work/procedures/implementation/per\\_diems/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm)

## INCIDENTAL EXPENDITURE PLAN and DETAILS (No: ...)

**Purpose and justification of the Incidental Expenditure: ...**

### Travels

No	Name	Title	Travel (from – to)	Activity Date	Travel Date <sup>5</sup> (tentative)	Vehicle <sup>6</sup> (Means of transportation)	Travel Cost (Approx) €
1							
2							
						<b>TOTAL</b>	

### Per Diems

No	Name	Title	Province (outside the normal place of posting)	Per diem rate <sup>7</sup> (€)	Tentative Days	Approx. Amount €
1						
2						
					<b>TOTAL</b>	

### Other daily subsistence allowances/costs

No	Name	Title	Province	Tentative Days	Daily Cost of Meals (Dinner&Lunch)	Daily Cost of Local travel	Daily Cost of Accommodation	Approx. Amount <sup>8</sup> €
1				3				
2								
							<b>TOTAL</b>	

### Other

No	Name of Costs	Date of activity	Daily Costs	Approx. Amount €
1	<... Costs of coffee breaks (when required- in at least 4-star hotel or equivalent), meals, printing materials, and cost of venue, technical services, technicians, photographer etc...>			
2				
			<b>TOTAL</b>	

**GRAND TOTAL: € ...**

<sup>5</sup> These dates could be subject to change due to the weather conditions, travel schedule etc.

<sup>6</sup> Means of transportation could be subject to change due to the weather conditions, travel schedule etc.

<sup>7</sup> This must not exceed the per diem rates published on the website - [http://ec.europa.eu/europeaid/funding/about-calls-tender/procedures-and-practical-guide-prag/diems\\_en](http://ec.europa.eu/europeaid/funding/about-calls-tender/procedures-and-practical-guide-prag/diems_en)

<sup>8</sup> Daily total must not exceed the per diem rates published by the EU. This amount will be verified by expenditure documents such as hotel invoice, flight ticket and food voucher.

While evaluating the incidental expenditure utilisation requests of the contractor, the Beneficiary shall consider the following:

- The expenditure requested shall not be an expenditure to be covered from expert fees, and it shall be in conformity with the ToR- Article 6.5 and notes specified in project budget in Annex 5.
- The shortest route and the most economical tariff<sup>9</sup> principle shall be followed for travel expenses that can be claimed for travels from one place of duty to another place of duty.
- If per diem is requested accommodation, food and/or travel expenses within the borders of accommodation cannot be requested.
- The requested per diems shall be checked according to the maximum amounts published by the EU Commission on the date of the contract signature:

[http://ec.europa.eu/europeaid/work/procedures/implementation/per\\_diems/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm)

If service contract is subject to PRAG of 2014, 2015 or 2016, total hours spent on mission are taken into consideration as in the PRAG of 2019; however, payment can be made according to maximum per diem amount published at the start of each such mission. If the service contract is subject to the PRAG of 2018, rather than total hours, number of nights shall be taken into consideration, and per diem amount published on the date of the contract signature shall be paid as it is the case of the PRAG of 2019. As there are changes in PRAG in some years, the PRAG version to which the contract is subject should be taken into consideration in per diem calculation, and the terms of reference (ToR) of the directly signed contract should be considered for correct implementation.

It is necessary to examine the amount of the requested incidental expenditure according to the principle of proportionality rule considering the other costs to be covered from the incidental expenditure. It is the responsibility of the Beneficiary and the Contractor to manage incidental expenditures effectively and efficiently throughout the project.

It should be noted that the amounts in the approved incidental request are estimated figures and the actual expenditures will be verified upon invoices.

The per diems cover accommodation and local travel. Requests taken pre-approval of the Beneficiary shall be submitted to the Contracting Authority by the Contractor. No retroactive approval shall be granted.

Lump sum payments such as per diems are not considered as eligible cost under incidental budget.

Costs actually incurred from the incidental expenditure and relevant supporting documents such as receipts, invoices, travel tickets and boarding passes shall be presented to the Contracting Authority as a part of the interim/final reports, and they shall be kept by the contractor for 7 years following the date of last payment after the finalisation of the project.

---

<sup>9</sup> While long-distance travel by train can be first class, travel by airway should be economy class.

Although it is stated in the ToR that utilisation of incidental budget is not subject to prior authorisation, for the purposes of cost effectiveness and ease of planning, the Contracting Authority and/or the Beneficiary may require the contractor to follow a procedure similar to the one described above, especially at significant events where a high amount of expenditure is foreseen.

## 10. IMPLEMENTATION OF TAX EXEMPTIONS

The contractor is exempt from some taxes such as VAT and SCT in procurement of goods and services within the scope of the service contracts. In order to benefit from the exemptions and exceptions imposed on these taxes, pursuant to General Communiqué<sup>10</sup> of IPA II Framework Agreement the contractor shall first obtain the VAT exemption certificate by applying to the relevant authorities at the beginning of the project.

The Contractor shall submit to the supplier a copy of the certificate approved by him as *“the same as the original”* in the procurement of goods and services within the scope of the project, and the supplier shall keep the copy of the certificate with the invoice by adding below-mentioned annotation to the invoice or similar documents:

The supplier shall keep a copy of the certificate together with the invoice by annotating *“Pursuant to Article 28/2 of IPA II Framework Agreement endorsed by the Law No. 6647, no VAT has been calculated in accordance with VAT Exemption Certificate No....., dated.....”*

On the other hand, in the following cases, the contractor shall first draw up a “supply contract”, included in the attachment (Annex 7) of the Communiqué, with the supplier and ensure that this contract is confirmed by the authorised representative (SROB) of the beneficiary by annotating that *“Procurements specified in this Supply Contract have been made under Union agreement numbered....., dated.....”*:

- If the invoice price (VAT excluded) set by the supplier is over TL 3.500,
- If goods are supplied from the supplier with SCT exemption regardless of the price of goods subject to special consumption tax.

The contractor can then perform purchases with tax exemption by submitting the approved supply contract and a copy of the VAT certificate to the institution to be purchased from.

On the other hand, the contractor shall state all procurements and expenditures with VAT or without VAT under the scope of the project in “IPA Procurement Declaration” attached to the Communiqué (Annex 8) and shall submit it to the operation beneficiary for approval. This declaration to be prepared cumulatively each time to cover previous periods as well shall be approved by SROB by annotating that *“Procurements and expenditures specified in this declaration have been made under Union agreement numbered....., dated.....”*, and its original with wet signature shall be submitted by the Contractor to the tax office stated in the VAT certificate in the attachment of a petition. This declaration should be prepared and submitted until the last day of February

---

<sup>10</sup> [https://www.gib.gov.tr/sites/default/files/uluslararasi\\_mevzuat/1\\_SIRA\\_NOLU\\_KONSOLIDE\\_GENEL\\_TEBLIGI.pdf](https://www.gib.gov.tr/sites/default/files/uluslararasi_mevzuat/1_SIRA_NOLU_KONSOLIDE_GENEL_TEBLIGI.pdf)

of each year starting from the calendar year following the date of signing of the contract and in case of the contracts ending during the year, until the end of the second month following the expiry of the contract.

## 11. REPORTS

Article 26 of the General Conditions of the Service Contract sets out the requirements for general reporting. More specific reporting requirements are included in Section 7 of the terms of reference.

Generally, it should be known that the contractor is obliged to prepare at least the following:

- Inception Report
- Interim Reports (Six-Month Progress Reports)
- Final Report

Interim report and final report shall be composed of technical (narrative) and financial sections and shall comply with the visibility rules.

### **Inception Report**

It is generally foreseen that the initial report will be prepared within the first month of the implementation period. With the initial report, current situation is analysed, the activities specified in the terms of reference are reviewed and updated. Which activities will be performed and how they will be carried out are elaborated. The report includes the planning of resources and the timing of the activities, the views on the issues specified in the terms of reference and the issues that are not understood, work schedule and the distribution of working days of experts to the activities as annex.



## **TEMPLATE FOR INCEPTION REPORT FROM CONSULTANT<sup>1</sup>**

- 1. EXECUTIVE SUMMARY**
- 2. POLICY AND PROGRAMME CONTEXT: THE CURRENT SITUATION.**
- 3. PROJECT OBJECTIVES AND REVIEW OF THE PROJECT DESIGN.**
- 4. INCEPTION PHASE ACTIVITIES**
- 5. DESCRIPTION OF IMPLEMENTATION PHASE ACTIVITIES AND REVISED SCHEDULE.**
- 6. MILESTONES AND DELIVERABLES**
- 7. RESOURCES MANAGEMENT**
- 8. MONITORING, REVIEW AND EVALUATION ARRANGEMENTS.**
- 9. REPORTING**
- 10. MANAGEMENT AND COORDINATION ARRANGEMENTS**

### **ANNEXES**

**ANNEX 1: REVISED WORK PLAN**

**ANNEX 2: REVISED LOGICAL FRAMEWORK**

**ANNEX 3: REVISED COMMUNICATION PLAN**

**ANNEX 4: RECORD OF INCEPTION PHASE MEETINGS**

**ANNEX 5: MONTHLY DISTRIBUTION OF DAYS FOR KEY AND NON-KEY EXPERTS**

Although the Inception Report is not a prerequisite for any payment, it is crucial to be prepared this report to foresee all processes throughout the project. On the other hand, different conditions may have arisen during the tender process. Under these changing circumstances, the Contractor shall submit the update of the whole activity plan and methodology in this report. In addition, the contractor who gets the chance to see the current situation in field after the tender can set a course for the project accordingly. This document describes how the contractor implements the project, what skills to prefer for the employment of non-key experts, and how to use resources for activities.

It should be noted that the beneficiary has a key role in the preparation of these reports. Review of current needs of the project properly and reflection of required updates together with their justifications to the report are highly important for the purposes of sound implementation of the project. As it is the case with all other reports, it is expected that the beneficiary examines the report carefully and that the report is approved by the beneficiary.

### **Interim Reports**

The contractor shall declare with interim reports which activities are carried out during the interim periods of the project implementation and which outputs and indicators are obtained via these activities. The reporting period is generally defined as six-month periods in the contract. These reports submitted within 1 month following the completion of every 6-month period are composed of technical and financial parts. The templates of the report are sent to the Contractor by the Contracting Authority.

The technical part of the report explains the progress achieved in the relevant reporting period in terms of the intended outcomes specified in the terms of reference, the current situation regarding the acquisition of the indicators, the risks encountered and how they are managed and the activities planned for the future.

It is expected that the activities, outputs achieved, results and indicators reached and supporting and proof information and documents are added to the technical part of the report as sources of verification.

In the financial part of the interim report, there is an invoice submitted by the contractor for the relevant period. Working days of experts spent on fee-based contracts shall be declared with timesheets; on the other side, the invoices for the costs incurred under the incidental expenditure shall also be added to the financial report.

## **TEMPLATE FOR INTERIM PROGRESS REPORT FROM CONSULTANT<sup>1</sup>**

### **1. EXECUTIVE SUMMARY**

*Result Oriented Progress and Status of Activities  
Activities to start during the next reporting period*

### **2. INTRODUCTION**

*Resources Utilisation and Contracting Authority Approvals*

### **3. PROGRESS MADE SINCE PROGRESS REPORT ..... (ACCORDING TO RESULTS)**

### **4. SUMMARY OF THE CURRENT SITUATION IN TERMS OF INDICATORS**

### **5. KEY ISSUES**

### **6. CURRENT ANTICIPATED PROBLEMS AND PLANNED REMEDIAL ACTIONS**

### **7. PLANNED MAJOR ACTIVITIES AND WORKPLAN FOR THE NEXT PERIOD**

### **8. CONCLUSIONS**

## **ANNEXES**

### **Final Report**

The final report shall be submitted by the Contractor 1 month before the envisaged completion date of the Project as a draft. Its final version shall be submitted within 1 month following the receipt of comments and shall be submitted no later than 60 days after the end of the project implementation period. The overall performance of the project is evaluated with the technical part of this report. The financial section includes relevant invoices and supporting documents as in the interim reports.

## TEMPLATE FOR FINAL REPORT FROM CONSULTANT<sup>1</sup>

- 1. EXECUTIVE SUMMARY**  
*Insert concise summary (i.e. 2 pages) of the main issues and recommendations for the attention of key decision makers.*
- 2. REVIEW OF PROGRESS AND PERFORMANCE AT COMPLETION**
  - 2.1 Policy and Programme Context**  
  
*Current state of affairs in the Programme and linkages to linkage to other ongoing operations/activities*
  - 2.2 The Overall Project Objective, Purpose and Expected Result**  
*Get the relevant section from ToR and Technical Proposal*
  - 2.3 Target Groups and Beneficiaries**  
*Get the relevant section from ToR and Technical Proposal*
  - 2.4 Activities Undertaken**  
*Insert the WBS structure from PMSS*  
*Get the activity codes, descriptions and activity list*
  - 2.5 General Comments and Progress against Objectively Verifiable Indicators**
  - 2.6 Project Outputs**  
*Insert the WBS structure from PMSS*  
*Get the activity codes, descriptions and activity list*  
*Insert the Deliverable List form PMSS*
  - 2.7 Resources Used**  
*Insert the Resource Allocation form PMSS*
  - 2.8 Assumption and Risks**  
*Update the Assumptions and Risk Section mentioned in the ToR*
  - 2.9 Project Management and Reporting**  
  
*Insert the names of the project management tools from PMSS*  
  
*Give details for the reporting structure and schedule*
- 3. CONCLUDING REMARKS**
  - 3.1 Lessons learnt**
  - 3.2 Sustainability**
  - 3.3 Conclusions and Recommendations**

The beneficiary shall check the submitted final report and invoice and share its comments, if any. For the approval of the final report, the following documents requested by the Contracting Authority shall be prepared and submitted to the Contracting Authority:

- SROB Invoice Checklist,
- Final Monitoring Sheet and
- Contractor Evaluation Form.

The beneficiary shall report the performance of the contractor in full in these documents.

## 12. PAYMENTS MADE TO THE CONTRACTOR AND THE ROLE OF OB

Payments shall be made to the Contractor by the Contracting Authority; however, the OB should have previously declared that the contractor has fulfilled its obligations by checking and approving the reports, timesheets and invoices.

Payments vary by the contract type. In the case of fee-based contracts, 20% advance payment shall be made to the contractor and interim payment shall be made in every 6-month. No interim payment shall be made in global price contract.

<b>Contract type</b>	<b>Advance payment</b>	<b>Interim payment</b>	<b>Balance</b>
Fee based	20%	In every 6-month (up to 90%)	10%
"Global Price	40%	N/A	60%

Proofs of payment shall be carefully checked and approved by the OB. It should be noted that the approval process has legal and financial consequences. When approving invoices, OB shall consider the following:

- Is the Interim/Final Report prepared in the desired content and quality?
- Is the timesheets prepared according to the actual services provided by the contractor?
- Has the contractor implemented all the activities fully and correctly within the pre-determined deadlines specified in the contract and during the implementation period?
- Is there an unfulfilled job or activity?
- Is any financial deduction required?

The contracting authority may reduce the contract value in proportion to the seriousness of any irregularities, corruption or violations, if any. Such reduction may also apply if the contractor does not implement contractual activities or implements them insufficiently, partially or late.

## Payments Made to the Contractor and Payment-related Documents

Advance Payment	Interim Payment (not applicable for global price)	Final Payment (Balance)
<ul style="list-style-type: none"> <li>Contract</li> <li>Invoice / Advance Payment Request</li> <li>Financial Guarantee</li> </ul>	<ul style="list-style-type: none"> <li>Invoice</li> <li>List of fees and incidental expenditure.</li> <li>Interim report (financial and technical)</li> <li>Timesheets</li> <li>Approval of incidental expenditure if subject to prior authorisation and if it exists,</li> <li>Approval of short-term and non-key experts</li> <li>Approval of working on weekends and holidays</li> <li>Expenditure verification report</li> </ul>	<ul style="list-style-type: none"> <li>Invoice</li> <li>List of fees and incidental expenditure.</li> <li>Final report (financial and technical)</li> <li>Timesheets</li> <li>Approval of incidental expenditure if subject to prior authorisation and if it exists,</li> <li>Approval of short term and non-key experts</li> <li>Approval of working on weekends and holidays</li> <li>Expenditure verification report</li> </ul>
<ul style="list-style-type: none"> <li>Payments are made within 30 days as of the date request received</li> </ul>	<ul style="list-style-type: none"> <li>Payments are issued within 90 days as of the date report received</li> </ul>	<ul style="list-style-type: none"> <li>Payments are issued within 90 days as of the date report received</li> </ul>

It should be noted that all approved bills are subject to inspection of the EU and other relevant Auditing Authorities. If any irregularity is detected, the EU and Türkiye has the right to impose certain sanctions and reclaim the funds provided for the project or activity. Therefore, the OB has an important role and responsibility to check all documents and invoices in detail..

Payments can be suspended during an ongoing audit or during an examination undertaken by the European Anti-Fraud Office (OLAF) or auditors assigned by it under the scope of irregularity.

### 13. CONTRACT MODIFICATIONS

Modifications can be made to the service contracts and to the contract annexes in accordance with provisions set in Article 20 of the General Conditions because of justified reasons and/or challenges in practical.

The contract, Terms and Reference and the requirements specified in the technical proposal may only be amended by a written administrative order approved by the Contracting Authority or an additional contract (addendum) to be signed between the Contracting Authority and the Contractor. It is therefore not possible to reduce or revise the contractual liabilities given in these documents through different documents such as meeting minutes or reports.

Any changes affecting the purpose and scope of the project, such as making changes to the total contract value, key experts whose CVs are part of the contract or changing the duration of the implementation can only be made through an additional contract (addendum).

### **Administrative Order**

Administrative Orders are written orders where the Contracting Authority (Operating Structure) officially informs the contractor and stakeholders by letter, or in some cases by e-mail. These orders can contain also minor amendments to the contract.

Any minor changes that do not affect the purpose and scope of the project may be made with administrative order of the Contracting Authority at the discretion of the Contracting Authority and at the request of the beneficiary or the contractor. To this end, first of all, the contractor should present a written proposal.

The following minor changes can be made by the administrative orders of the Contracting Authority:

- Changes in the order and number of activities;
- Modification of the timetable for the activities specified in the terms of reference;
- The replacement of experts who are not specified on the contract
- Addition and removal of some activities without changing the purpose of the terms of reference
- Transfers between experts' working days allocated within the budget or from experts' fees' to the incidentals.

Changes in bank accounts, addresses, auditors etc. can be made by sending a notification to the contracting authority.

### **Addendum**

An addendum is a document that is subject to pre-approval of the EU Delegation to Türkiye, and in which the major changes (such as budget increase/decrease, key expert replacement, extension of the implementation period, special conditions, etc.) in the contract are clarified and approved.

Addendum shall be signed for the changes to be made to key experts, implementation period and the total budget of the contract. Major changes in the activities specified in the terms of reference or technical proposal and transfers from incidental budget to fees or changes for increasing the budget allocated for expenditure verification require an addendum.

Under no circumstances can the budget allocated for expenditure verification be decreased.

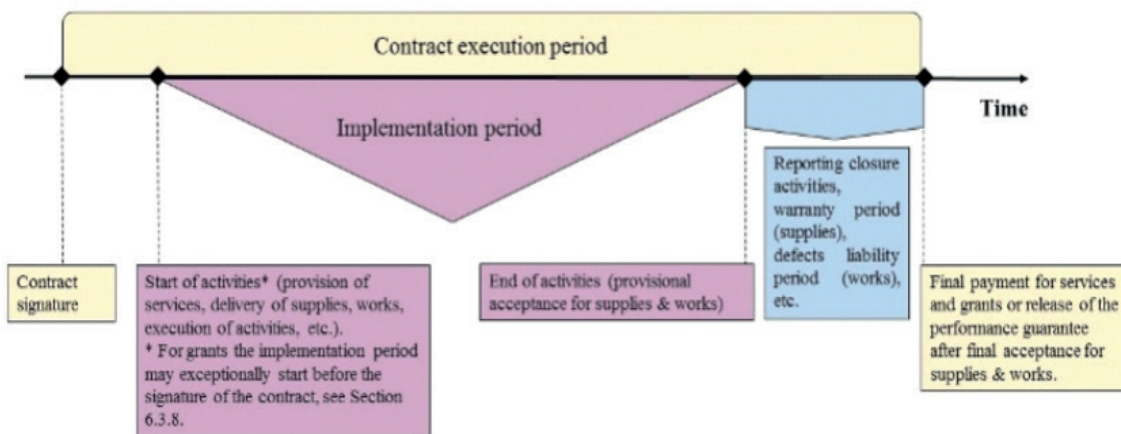
According to Article 17.4 of the General Conditions of the Contract, if a replacement of a key expert is inevitable, the Contractor is obliged to propose a new expert within 15 calendar days from the first day of the agreed staff's absence. Otherwise, the Contracting Authority can apply a delay fine up to 10% of total fee of remaining days

of the expert to be replaced. If the beneficiary is not satisfied with the performance of the non-key expert, it may request a replacement.

Where an agreed staff must be replaced, the replacement must possess at least equivalent qualifications and experience, and the remuneration to be paid to the replacement cannot exceed that received by the agreed staff who has been replaced.

In order to ensure that the cost effectiveness is not harmed in the changes involving the reduction of terms of reference requirements, output, indicators or expert qualifications, and that the award decision is not prejudiced, the budget, if necessary, shall be proportionally reduced or compensatory and substitute activities shall be added to ensure that the same project result is achieved. In other words, the amendments shall be designed in such a way as not to change the competitive and awarding conditions of the tendering stage and not to give the contractor a financial advantage.

After the pre-approval of the beneficiary, the amendment requests shall be submitted to the Contracting Authority by the Contractor. As a rule, contract changes do not have a retroactive effect and changes cannot be introduced retroactively. However, in exceptional cases, retroactive amendments may be made provided that the execution period of the contract has not expired and the contracting authority states that it has agreed to it by signing the addendum or issuing the administrative order. The execution period is a period covering the project implementation period, starting from the date when the contract is signed and entered into force and continues until the date of final payment by the contracting authority to the contractor for the final reports. However, in no case shall this period exceed 18 months after completion of the implementation process.



## 14. VISIBILITY RULES

EU's Communication & Visibility Guide (shall be followed in the implementation of EU projects. The Guide can be accessed from the following link:

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

In addition to this guide, documents published by the Delegation of the European Union to Türkiye and Contracting Authority and to be accessed from the following link shall be studied for a sound implementation of the visibility rules.

[http://www.ikg.gov.tr/wp-content/uploads/pdf/Gorunurluk\\_Rehber.pdf](http://www.ikg.gov.tr/wp-content/uploads/pdf/Gorunurluk_Rehber.pdf)

<http://www.avrupa.info.tr/eu-funding-in-Türkiye/visibility-guidelines.html>

Liabilities for the visibility rules are also specified in the Operational Agreement. All contractors are responsible for ensuring the EU visibility in their projects. The aim is to announce that the activities are partially or fully financed by EU financial instruments. Not only the contracts but also OBs are responsible for ensuring the visibility of co-financing contributions of EU and Türkiye in the projects.

All visibility materials within the scope of the operation shall be submitted for the pre-approval of the Contracting Authority before being printed. The draft program of project activities, such as opening/closing meetings, conferences and seminars, which are announced to the public by the press and which require representation, shall be submitted for the appropriation and approval of the Contracting Authority and EU Delegation to Türkiye. In addition, Contracting Authority and EUD, which are the financing institutions, shall be timely invited to these events as the keynote speakers.

## **15. MONITORING SHEET**

Monitoring Sheet is an important report to be submitted to the Contracting Authority by the OB under the Operational Agreement. The beneficiaries shall present this report every 'six-months' to provide information on the progress of all components of the operation for which they are beneficiaries. This report is a very comprehensive reporting tool at the operational level. OB shall consider the contractor reports at the project level as data and refer to them in the relevant sections of the monitoring sheet. Support to be provided by the contractor, if any, implementing the technical assistance project, can be requested during the preparation of this document.

Ongoing and completed activities within the scope of the service contract shall be analysed by the OB and reported in the monitoring sheet. In this context, the strategic contribution of the contract to the overall objective of the operation shall be summarized. Therefore, the quality of the project, how efficient it is in terms of cost-benefit ratio and how relevant it is to SOP and OIS objectives are explained. It shall also be evaluated in this section how well the project responds to national and local needs, how effective it is on those needs and how well it is aligned with relevant strategies and policies.

Indicators reached throughout the project; verification sources; increase rate compared to the previous reporting period, the justifications for deviations from the target value, and the measures to complete missing indicators, if any, shall be specified in the indicator table.

OB is obliged to ensure that the Monitoring Sheet is up-to-date and that the current version of the Sheet is submitted to members of the steering committee of the operation during the committee meeting at the latest and that its content is discussed at the meeting. The finalized Monitoring Sheet will then be forwarded to CA.



## 16. REPORTING OF RISKS AND IRREGULARITIES

OB shall record, in the 'Risk Assessment and Management Table', the risks at the operational level and the measures it has taken or will take against those risks to reduce their effects and/or the likelihood of occurrence. This table, which is also considered as a risk report, shall be presented to CA along with the monitoring sheet.

Risks can also lead to the violation of an applicable rule or financial loss. In order for CA to take corrective and preventive measures against risky projects according to the risk reports provided by the OB, the following can be performed for the contractor:

- risk/warning notification or
- additional visits and checks.

Moreover, measures such as the suspension of certain activities or payments of the contractor, or the cancellation of certain transactions of the contractor may also be specified against risks. When necessary, opinions may be requested from other related organizations.

An irregularity is defined as a violation of an existing rule arising from an act or omission of any economic operator involved in the procurement or implementation process of the project. Should any violation be detected at any stage, it shall be forwarded without delay to the Contracting Authority under the coordination of the Irregularity Officer of the OB in accordance with the format specified in the operational agreement with the signature of SROB.

If no irregularities are detected within 3 months, the "irregularity NIL report" which is an annex of the operational agreement shall be sent by the OB. It should be considered that the 3-month reporting obligation begins from the date that the operational agreement is signed and covers the tendering processes of the project.

If there is a previously reported irregularity, the irregularity follow-up report on the case shall be presented in the 3-month reporting period.

## 17. SUSTAINABILITY AND AUDITS

Projects bring certain responsibilities to Operational Beneficiaries after implementation period, as in the case of preparation and implementation phases.

In order to ensure the sustainability of project results following the completion of operations, administrative and financial precautions shall be taken, the use of equipment and materials supplied within the scope of the project as well as the use of the developed systems in line with the project purposes shall be maintained and the documents related to the projects shall be kept for at least 7 (seven) years from payment due dates of the contracts.

Whether these responsibilities have been fulfilled will be subject to ex-post monitoring, supervision and evaluation by the Board of Treasury Controllers in the capacity of the Audit Authority and by auditors or experts appointed by the European Commission and the European Court of Auditors.

If it is found that the EU funds has not been spent properly, the project outputs have not been used for the purposes or the project sustainability has not been ensured, various sanctions that could lead to the withdrawal of funds may be imposed.



This document has been produced with the financial contribution of the European Union and the Republic of Türkiye. The content of this publication is the sole responsibility of the Fondazione Giacomo Brodolini Srl SB and can under no circumstances be taken to reflect the views of the European Union.