

ANNEX II: TERMS OF REFERENCE

“Technical Assistance for Strengthening the Institutional Capacity of Iller Bank”

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1. BACKGROUND INFORMATION

1.1. Beneficiary country

Republic of Turkey

1.2. Contracting Authority

The Central Finance and Contracts Unit (CFCU)

1.3. Relevant country background

Turkey was recognized as a candidate country at the Helsinki European Council of December 1999. The Brussels European Council of 16-17 December 2004 confirmed that Turkey sufficiently fulfils the Copenhagen Political Criteria to open accession negotiations. Finally, the Council approved a framework on 3 October 2005 and accession negotiations were opened with Turkey. The first phase of the accession process, the analytical examination of the acquis was completed in October 2006. Negotiations on one chapter, science and research, were opened and provisionally closed in June 2006 and negotiations on enterprise and industrial policy, statistics and financial control chapters were opened respectively in 2007.

European Commission has prepared a new Regulation, called Council Regulation establishing an Instrument for Pre-accession Assistance (IPA), which shall apply from 1 January 2007. IPA is the new financial instrument for all pre-accession activities funded by the European Commission. The funds will be allocated through a series of three-year plans that taking into account a set of objective criteria including absorption capacity, needs assessment, respect of conditionalities and capacity of management. Support within the IPA framework will be available to increase administrative capacity and establish the correct management structures for the funding. Assistance shall be programmed and implemented according to the following components:

- Transition Assistance and Institution Building,
- Regional and Cross-Border Cooperation,
- Regional Development,
- Human Resources Development,
- Rural Development,

The scope of this project involves "PRIORITY 22.1 Improvement of Water Quality" and its main components "22.1.5. Urban Wastewater Treatment", "22.1.6. Quality of Drinking and Potable Water" and "PRIORITY 22.2 Increasing Effectiveness of Waste Management" in the NPAA 2003. It is stated in PRIORITY 22.1 that, "as the implementation of the legislation under this priority requires heavy investment for both the public and private sector, it is deemed necessary to make infrastructural investment and to strengthen technical capacity". Also, in PRIORITY 22.2 it is noted that "in order to begin to transpose and implement acquis related to waste management, a short term priority in the Accession Partnership Document, and to complete the transposition of the acquis and strengthen the institutional, administrative, and monitoring capacity to ensure environmental protection including data collection, a medium term priority, increasing the effectiveness of waste management is designated as a priority". Moreover, main components of the project are cited in "PRIORITY 27.2. Improvement of Water Quality" of 2006 Draft National Program.

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It is stated in the “CHAPTER 22. Regional Policy and the Coordination of Structural Instruments” of 2005 Regular Report that; “Administrative capacity for the design and implementation of programs and projects is weak. In the light of the planned EU Instrument for Pre-accession Assistance, strategy issues, readiness of the responsible entities, namely line Ministries and agencies, establishment and/or reinforcement of relevant corresponding structures, capacity to present and implement programs and projects as well as staffing should be given an urgent attention. The establishment and early accreditation of managing and paying authorities for the implementation of the planned EU Instrument for Pre-accession Assistance (as precursors of structures under the Structural Funds) should be addressed as a matter of priority. These steps must be taken urgently, if the bodies concerned are to be accredited in time to implement the new instrument from 2007”. These issues are also expressed in the same chapter of 2006 Regular Report.

Establishment of the necessary legislative and administrative framework to absorb EU pre-accession funds and strengthening administrative capacity for the implementation of environmental legislation are stated as short and medium term priorities in 2005 Accession Partnership Document.

Furthermore, protection of environment and improvement of urban infrastructure is one of the priorities given by the development axis on increasing the competitiveness of the 9th Development Plan underlying the main policies of Turkey for the 2007-2013 period.

Forecasts on the environmental investment needs of Turkey for the 2007-2023 period are stated in The National Environmental Strategy Document prepared by MoEF. According to this document, required amounts are approximately envisaged as 31.000 million € for water sector and 9.500 million € for waste sector. Concerning the large amount of investments to meet EU environmental standards in water and waste management sectors, effective use of sources is essential. Considering the source limitations and the fact that it will be unpractical to start heavy cost investments without improving the institutional capacity, giving priority to the projects on capacity building or efficiency in the environment sector will be appropriate.

Ilser Bank is the sectoral leader through its experience in water and waste sectors and municipal finance in Turkey. The Bank provides technical services to 3324 local administrations in map preparations, urban planning, water supply, sewerage network system, water and waste water treatment plants, solid waste management system, sea outfall, geothermal application and building construction (municipal buildings, cold storage, station buildings and landscape architecture etc.). Ilser Bank's financial operations include financing the eligible projects, distribution of the shares from the tax revenue to the local administrations and other banking services which investment and development banks are authorized. It is foreseen in the Turkey's Programme for Alignment with the Acquis (2007-2013) that co-finance for EU granted environmental infrastructure projects related with Environmental OP will be provided by Ilser Bank. Hence, the Bank has a potential to facilitate municipal environmental investments targeting compliance with the EU environmental standards.

1.4. Current state of affairs in the relevant sector

Main challenges presented by the current situation of Turkey in water and waste sectors are as follows; usually, the operational and financial performances of municipalities in water management are poor, revenue generation is inadequate and services are not provided in an

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efficient and cost-effective way. Wastage of resources, high levels of physical losses and lack of financial rationale in operations and investments are the major weaknesses. Financial performance is hindered by inadequate capacity in revenue administration, financial management, and investment programming and budgeting. In waste sector, investment needs are mainly in the establishment of waste management systems, including transfer stations, and in ensuring environmentally safe treatment and disposal facilities. In most of the cities, landfills are nearing the end of their useful life or are environmentally unsafe. Investment is required to rehabilitate contaminating landfills as well as to develop new ones. In addition, the total amount of waste produced is expected to increase with economic growth.

There are 3225 **municipalities** in Turkey, 16 of which are greater municipalities. Municipalities are responsible for constructing and operating the required infrastructure for water and waste management. These services are provided via water and sewage administrations in 16 greater municipalities.

Iller Bank provides financial and technical services to 3324 local administrations in their infrastructure investments. Municipalities are the shareholders of the Bank.

State Planning Organization (SPO) sets out economic and social policies through development plans and prepares annual public investment programs. These programs cover all investment projects using public or external finance. SPO is a member of Financial Cooperation Committee and plays a central role in the programming of EU financial assistance.

The **Ministry of Environment and Forestry (MoEF)** has the overall responsibility for environmental protection and pollution prevention. The Ministry sets out environmental standards. International co-operation and agreements in environment sector, harmonization of EU environmental acquis and management of EU financial assistance are in the field of authorization of the Ministry. MoEF is also responsible for the appropriate application of EIA procedures.

Central Finance and Contracts Unit (CFCU) is the contracting authority and also the management/monitoring institution during contract implementation which is subject to ex-ante control/approval of EC Delegation.

The **Ministry of Health (MoH)** is authorized in certain aspects of environmental protection through its responsibilities for public health. These responsibilities cover drinking water quality, bathing water quality and to some extent urban wastewater treatment.

1.5. Related programmes and other donor activities:

The main study for planning the future investments in order to comply with the EU Acquis is Environmental Heavy Cost Investment Planning Project (EHCIP). In the scope of this project directive-specific investment plans have been prepared to identify sectoral investment need of Turkey. A pipeline and prioritization study has been performed and produced for the EU accession projects in the EHCIP framework. At present, the MoEF has drafted an "Operational Programme on Environment" and a project prioritization database for environmental infrastructure projects has developed with contribution of all related governmental institutions including Iller Bank.

2. CONTRACT PURPOSE & EXPECTED RESULTS

2.1. Overall objective

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

Strengthening Turkey's implementation capacity for EU environmental acquis and improving the environmental quality.

2.2. Purpose

The purpose of this contract is as follows:

Strengthening Iller Bank's institutional capacity for the implementation of heavy investment EU environmental directives.

2.3. Results to be achieved by the Consultant

Main results of the project are as follows:

- Banking capacity of Iller Bank considering consistency to EU legislation was analysed.
- Capacity of Iller Bank in terms of financial and economic evaluation of EU financed projects was improved.
- Capacity of Iller Bank to raise the effectiveness of investments required by heavy investment EU environmental directives was strengthened.

3. ASSUMPTIONS & RISKS

3.1. Assumptions underlying the project intervention

- Priority of EU accession and environmental protection in the government's agenda
- Good co-operation and co-ordination among the Bank and local authorities
- Active participation of the Bank's personnel in programmes
- Good selection of participants

3.2. Risks

- Lack of motivation of the personnel
- Change of Bank's current position in the municipal environmental investment sector

4. SCOPE OF THE WORK

4.1. General

4.1.1. Project description

The project focuses on raising the effectiveness of investments required by heavy investment EU environmental directives. Capacity building activities for Iller Bank will be implemented within the scope of the project. These activities include training and technical assistance

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services under banking capacity assessment, financial-economic evaluation of EU financed projects and raising the effectiveness of investments components.

4.1.2. Geographical area to be covered

N/A

4.1.3. Target groups

Iller Bank

4.2. Specific activities

The activities to be carried out in the course of the project are aimed at producing the specified results. The tenderer should elaborate in detail how they would address all these activities in their proposed organisation and methodology. They should show examples of the type of materials they would use and approach they intend to adopt for each of the activities below as well as any other activity they consider necessary for a successful implementation of the programme.

The Consultant is free to offer additional activities / workshops as necessary in their proposal.

4.2.1. Assessment of Iller Bank's Banking Capacity

- Institutional and operational analysis focused to compliance of procedures and operations with existing rules, policies and mandates with emphasis on EU regulations, directives, decisions or recommendations.
- Gap analysis with reference to the procedures of international financing institutions.
- Workshop on institutional and operational analysis
 - Duration shall be 1 day
 - With the participation of the Bank's senior management
 - Will be held both in English and Turkish
- Introduction of possible operating models
- The Consultant shall provide following reports within the scope of the assignment (refer to the Section 7.2 for submission and approval of these reports);
 - **Institutional and Operational Analysis Report** (within the 5th month)
 - **Gap Analysis Report** with reference to the procedures of international financing institutions (within the 7th month)
 - **Possible Operating Models and Strategies Report** (within the 7th month)

4.2.2. Capacity Building Programme on Financial and Economic Evaluation of EU Financed Projects

- A training program covering following topics:
 - Credibility Analysis (with particular focus on municipal investments)
 - Financial statement analysis
 - Risk analysis
 - Institutional-operational analysis
 - Sectoral analysis

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- Economic-Financial Analysis
 - A review of project cycle management
 - Cost-benefit analysis
 - EU grant calculation
 - National/international funds
- Proposed schedule;
 - Duration of each course shall be 4 weeks
 - Same course shall be implemented twice
 - Number of participants for each course shall be 20 persons
 - Total number of trained staff in two rounds shall be 40 persons
 - Course topics shall be exercised on a selected environmental infrastructure project
 - Training will be held both in English and Turkish
- Supply of the training materials and complementary services.
 - Preparation of training materials
 - Translation/interpretation during training if necessary
 - Translation of training documents as well as reports
 - Copying

4.2.3. Capacity Building Programme to Raise the Effectiveness of Investments Required By Heavy Investment EU Environmental Directives

- Two training programmes covering following topics:

Module 1

- Requirements of **Directive 2000/60/EC** of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, **Council Directive 91/271/EEC** of 21 May 1991 concerning urban wastewater treatment, **Council Directive 86/278/EEC** of 12 June 1986 on the protection of the environment, and in particular of the soil, when sewage sludge is used in agriculture, **Council Directive 98/83/EC** of 3 November 1998 on the quality of water intended for human consumption, **Council Directive 75/440/EEC** of 16 June 1975 concerning the quality required of surface water intended for the abstraction of drinking water in the Member States, **Council Directive 79/869/EEC** of 9 October 1979 concerning the methods of measurement and frequencies of sampling and analysis of surface water intended for the abstraction of drinking water in the Member States, **Directive 2006/118/EC** of the European Parliament and of the Council of 12 December 2006 on the protection of groundwater against pollution and deterioration, **Council Directive 80/777/EEC** of 15 July 1980 on the approximation of the laws of the Member States relating to the exploitation and marketing of natural mineral waters, **Commission Directive 2003/40/EC** of 16 May 2003 establishing the list, concentration limits and labelling requirements for the constituents of natural mineral waters and the conditions for using ozone-enriched air for the treatment of natural mineral waters and spring waters, **Directive 2006/12/EC of the European Parliament and of the Council of 5 April 2006 on waste**, **Council Directive 1999/31/EC** of 26 April 1999 on the landfill of waste, **Council Directive 97/11/EC** of 3 March 1997 amending Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment, **Council Directive 92/43/EEC** of 21 May

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1992 on the conservation of natural habitats and of wild fauna and flora, **Council Directive 79/409/EEC** of 2 April 1979 on the conservation of wild birds.

- Comparative analysis of water and wastewater treatment technologies with reference to best practices
 - Waste management technologies with reference to best practices
 - Network monitoring technologies and preventive measures for physical losses
- Proposed schedule;
 - Duration of each course shall be 2 weeks
 - Same course shall be implemented twice
 - Number of participants for each course shall be 30 persons
 - Total number of trained staff in two rounds shall be 60 persons
 - Logistic arrangements are specified under the section 6.3 "Facilities to be provided by the Consultant."

Module 2

- IPA Regulation and financing rules
 - EU-PRAG and FIDIC training
 - PRAG (Service, Supply and Works types of contracts)
 - General introduction to commonly used FIDIC contract types (Red, Yellow, Silver, Orange and Green Books)
 - Contract management
 - Conflict resolution and arbitration
 - Case studies
- Proposed schedule;
 - Duration of the course shall be 2 weeks in two levels (basic and advanced)
 - Each level shall be 1 week
 - Same course shall be implemented twice
 - Number of participants shall be 40 persons for basic level and 20 persons for advanced level per each round
 - Total number of trained staff in two rounds shall be 120 persons
 - Logistic arrangements are specified under the section 6.3 "Facilities to be provided by the Consultant."
- Supply of the training materials and complementary services.
 - Preparation of training materials
 - Translation/interpretation during training if necessary
 - Translation of training documents as well as reports
 - Copying
- Study visit aiming to observe best available wastewater treatment technologies to one of the following countries; Netherlands, Sweden or Denmark
 - 1 week for 10 persons from Iller Bank (participation from TAT shall be organized by the Consultant)
- Assistance to alignment of the Bank's technical specifications in accordance with EU Acquis
 - Determination of needs through a fact-finding meeting

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- Comparative analysis of Bank's technical specifications by concerning consistency to the EU acquis and best available technologies
- Submission of **Comparative Analysis of Bank's Technical Specifications Report** within the 10th month (refer to the Section 7.2 for submission and approval of this report)
- Preparation of a booklet introducing EU financial instruments and application requirements for the environmental investments of municipalities
 - Proposed format shall be coloured on approximately 20 pages of A4 offset paper in Turkish
 - Content shall be liaised with relevant institutions and approved by Iller Bank
 - Number of copies shall be approximately 5000.

4.3. Project management

4.3.1. Responsible body

The Central Finance and Contract Unit (CFCU) is the contracting authority and the implementing agency for the project. CFCU will be responsible for all procedural aspects of the tendering process, contracting matters and financial management, including payment of project activities.

The beneficiary of the project is Iller Bank. International Relations Unit of the Bank will execute the project. Besides, Ministry of Environment and Forestry shall be a stakeholder of this project.

4.3.2. Management structure

The Central Finance and Contracts Unit will perform the contract management including the post-tendering services. The role of EC Delegation will be to carry out the ex-ante control/approval during the procurement and the contract implementation.

International Relations Unit of the Bank will be responsible for the implementation of the project activities. Iller Bank will also organize participation to the training and study visit programmes.

The Consultant shall be required to liaise closely throughout the project with the Bank. The Consultant and project management shall hold bimonthly monitoring and consultative meetings. Representatives of the major stakeholders will participate in these meetings, when deemed necessary. Representatives of the EC Delegation (ECD), General Secretariat for EU Affairs (EUSG) and the CFCU will participate to these meetings. Submitted draft reports, will be discussed and corrections will be recommended in these meetings. The meetings shall be chaired by project management and the Consultant shall provide the secretariat, including the processing of "minutes of meeting" and sending them to all stakeholders.

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

Trainings (excluding module 2) and workshop specified in chapter 4.2 will be held in Iller Bank's premises in Ankara. The costs of venue and catering services for participants belong to Iller Bank. No separate provision (the costs of venue and catering services) should be made for trainings in module 2.

5. LOGISTICS AND TIMING

5.1. Location

The Consultant shall undertake the work in Ankara (Turkey).

5.2. Commencement date & Period of execution

The intended commencement date is dependent on the tender process and it is envisaged to be December 2008. The period of execution of the contract shall be 12 months from the commencement date. Please refer to Articles 4 and 5 of the Special Conditions for the actual commencement date and period of execution.

6. REQUIREMENTS

6.1. Personnel

Team Leader (Institutional Expert)	I	220
Financial Expert	II	220
Technical Expert	II	220
Other (Short-term) Experts	II	240
Total		900

6.1.1. Key experts

All experts who have a crucial role in implementing the contract are referred to as key experts. It is expected that the minimum percentage of time, which experts should work in Turkey will be 100%. The profiles of the key experts for this contract are as follows:

Key expert 1: Team Leader (Institutional Expert)

Qualifications and skills

- University degree in management/business administration/accounting/banking or equivalent
- Good command of written and spoken English

General professional experience

- At least 15 years of professional working experience
- Experience with the issues related to development of institutional capacity in finance sector, preferably in new member states.
- Experience in financing environmental infrastructure investments will be an asset

Specific professional experience

- Experience related to financing methodologies and development of economic and financing strategies in the environment sector
- Familiarity with the procedures of international financial institutions.
- Background in investment and development banking will be an asset.

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Key expert 2: Financial Expert

Qualifications and skills

- University degree in economics, management or equivalent
- Good command of written and spoken English

General professional experience

- At least 10 years of professional working experience
- Ideally 3 years of experience in financial and economic evaluation of municipal environmental investments in member states

Specific professional experience

- Experience in the fields of financial management and control of investments and tariff setting procedures for water and waste sector

Key expert 3: Technical Expert

Qualifications and skills

- University degree in environmental/civil engineering
- Good command of written and spoken English

General professional experience

- At least 10 years of professional working experience
- Ideally 5 years of experience in design/construction of environmental infrastructure (sewerage/ water supply/water and waste water treatment plants/sanitary landfill etc.)

Specific professional experience

- Experience in projects implemented under international contract procedures (EC-PRAG / FIDIC / World Bank)
- Knowledge on EU environmental acquis and the requirements of heavy investment EU environmental directives
- Background in implementation of municipal environmental investment projects in new member states will be an asset

6.1.2. Other experts

CVs for experts other than the key experts are not examined prior to the signature of the contract. They should not have been included in tenders.

In addition to the above-mentioned key experts, the Consultant shall select and hire other experts such as legal adviser, IT expert, economic-financial analyst, procurement expert, translator/interpreter as required according to the profiles identified in the Organisation & Methodology and/or this Terms of Reference. These profiles must indicate whether they are to be regarded as long-term/short-term and senior/junior so that it is clear which fee rate in the budget breakdown will apply to each profile. All experts must be independent and free from conflicts of interest in the responsibilities accorded to them.

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

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the Contracting Authority and Iller Bank. The findings of the selection panel shall be recorded. These experts are required to work 95% of their scheduled time in Turkey.

Note that civil servants and other staff of the public administration of the beneficiary country cannot be recruited as experts, unless prior written approval has been obtained from the European Commission.

The Consultant shall also provide technical assistance, which may be necessary for the proper execution of the contract from additional experts with the prior approval of CFCU and the Bank.

6.1.3. Support staff & backstopping

Backstopping costs and the costs of support staff are considered to be included in the fee rates.

6.2. Office accommodation

Office accommodation of a reasonable standard and of approximately 10 square metres for each expert working on the contract is to be provided by the Beneficiary at the Bank Headquarters in Ankara. Two telephone lines connected to the local fixed system and internet connection will be provided for the TAT. The telephone bills of the TAT will be covered by the Consultant. Iller Bank will also provide office furniture for the project office. All the electronic office equipment (computers, fax machine, copier, etc.) will be provided by the Consultant.

6.3. Facilities to be provided by the Consultant

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

The Consultant shall provide/cover the costs of technical experts, office running expenses and consumables, an adequate management of organisational and logistical support to all the experts with strong backstopping, necessary support equipment for the experts to enable them to fulfil their duties efficiently, adequate secretarial and interpreting services for all activities covered by this ToR.

Inter-alia, the Consultant shall be responsible for ensuring logistics (including, arrangement of training rooms, training equipment, lunch and coffee breaks) in minimum 4 star hotel for the first part (basic level) of training module 2 specified in chapter 4.2.3.

Second part of module 2 (advanced level) shall be organized twice for 20 people, each in an agreed venue outside of Ankara and the Consultant shall be responsible for travel and fullboard accommodation costs of the participants in minimum 4 star hotel in addition to the training costs (arrangement of training rooms and training equipment).

Also study visit costs including travel and fullboard accommodation in minimum 4 star hotel shall be provided by the Consultant.

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If the Consultant is a consortium, the arrangements should allow for the maximum flexibility in project implementation. Arrangements offering each consortium member a fixed percentage of the work to be undertaken under the contract should be avoided.

6.4. Equipment

No equipment is to be purchased on behalf of the Contracting Authority or the beneficiary as part of this service contract or transferred to the Contracting Authority or the beneficiary at the end of this contract. Any equipment related to this contract, which is to be acquired by the beneficiary must be purchased by means of a separate supply tender procedure. Any equipment and supplies including vehicles and other means of transport, computer hardware and software, printer, fax and e-mail connection, photocopy machines, training equipment, office supplies and reference materials necessary to make the experts operational and are considered as the working equipment of the Consultant. The Consultant shall be responsible for provision of his own working equipment and consumables. All related costs will be covered by the fees and remains the property of the Consultant. No separate provision should be made under incidentals for either the purchase of the above materials or indeed any running costs related to their operations.

7. REPORTS

7.1. Reporting requirements

Please refer to Article 26 of the General Conditions.

Inception Report: Within one month after the commencement of the Contract, the Consultant will prepare and submit an inception report for approval, outlining the general approach, methodology and timetable for preparation and implementation of all activities funded under the project service contract. The Inception Report will include a detailed work plan for the duration of the contract.

Progress Reports: The Progress Reports must be prepared every two months during the period of execution of the contract. The progress reports will compare in detail actual progress with the agreed work programmes and suggest revisions of these plans, if necessary. They will also identify any problems or issues that have arisen, or which are foreseen, and suggest how these should be resolved. They must also cover the minutes of any meetings including workshops and trainings held regarding to the Project.

Interim Report: Interim reports must be prepared every six months during the period of execution of the contract. It will describe in detail technical progress of the programme. It will compare in detail actual progress with the agreed work programmes and suggest revisions of these plans, if necessary. It will also identify any problems or issues that have arisen, or which are foreseen, and suggest how these should be resolved.

Final Report: A final report must be produced by the end of the project and supported with an evaluation section covering the proposals of the Consultant for Iller Bank in accordance with the results of the analysis (including activity results of the trainings, needs assessment,

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etc.) of the whole assignment of this contract. The draft Final Report must be submitted at least one month before the end of the period of execution of the contract. The final report must be accompanied with the final invoice.

Note that these interim and final reports are additional to any required in Section 4.2 of these Terms of Reference. Each report shall consist of a narrative section.

Submission Date	Reports
1 st month	Inception Report
at the end of every two months	Bimonthly Progress Reports
5 th month	Institutional and Operational Analysis Report
6 th month	Interim Report
7 th month	Gap Analysis Report
7 th month	Possible Operating Models and Strategies Report
10 th month	Comparative Analysis of Bank's Technical Specifications Report
12 th month	Final Report

7.2. Submission & approval of progress reports

The draft version of all reports excluding inception report, bimonthly progress reports and interim report shall be prepared in **English and Turkish**. Inception report, bimonthly progress reports and interim report shall be prepared in English only. The Turkish version of the reports should be prepared after the approval of English version. The draft and final versions of the reports will be submitted to the parties in both soft and hard copies. All reports to be prepared should take into account the principles laid down in the "EU Visibility Guidelines", and the "EU's Project Cycle Management Handbook", which can be reached at,

http://ec.europa.eu/europeaid/reports/pcm_guidelines_2004_en.pdf

Reports firstly shall be sent to the related parties in soft copy at least 15 days before the submission deadline. After receiving comments of the parties, these reports will be revised accordingly and the final version will be submitted. If no comments are received from the related parties within 30 calendar days after submission of the draft reports, the final version will be submitted directly.

Submission of reports shall be as follows:

- To the Delegation of the EC to Turkey: 1 copy of each report
- To the Contracting Authority: 2 copies of each report
- To the Iller Bank: 2 copies of each report

The Contracting Authority and Iller Bank will approve all submitted reports within 30 calendar days of receipt. After this deadline the reports are considered tacitly approved. The Project Manager identified in the contract is responsible for approving the progress reports.

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8. MONITORING AND EVALUATION

8.1. Definition of indicators

Indicators include (but are not limited to)

- An appropriate operational model was introduced and applied in bank transactions of Iller Bank by 2009
- Total 220 staff of the Bank were trained and capabilities were developed until 2009 on following issues;
 - Economic and financial evaluation of EU financed projects
 - IPA Regulation and financing rules
 - PRAG and FIDIC contract procedures
 - Requirements of heavy investment EU environmental directives
 - Water and waste management technologies
- Bank's technical specifications were harmonized with the EU acquis
- A consultative capacity was build within the Iller Bank to improve the use of EU funds in municipal environmental investments by 2009
- Required reports were timely and relevantly submitted

8.2. Special requirements

N/A

9. PUBLICITY AND VISIBILITY

The Consultant shall take all necessary measures to publicise the fact that the European Community has financed the Programme. To that end, the Consultant shall refer to the Programme and Community financial contribution in information given to the final recipients of the Project, in internal and final reports and in any dealings with the media. In addition, the Consultant shall display the EU logo, wherever possible. Any such dealings related to publicity/visibility of this Project should follow the principles laid down in the "EU Visibility Guidelines for External Actions" which can be reached at the following address:

http://ec.europa.eu/europeaid/work/visibility/index_en.htm

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

Taking into consideration the nature of the services to be provided and the type of activities defined in these Terms of Reference, the Consultant is to present a communications plan, outlining his approach and proposed activities to raise the visibility and publicity of the project results within the wider framework of EU-Turkey relations. Sufficient human and financial resources should be committed to the plan, which is to form part of the Organisational and Methodology of the technical offer. The communications plan must be

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relevant to the nature of the project and seek to raise awareness among Turkish publics of the project activities and results within the context of EU financial assistance to Turkey.

The costs of implementation of the communications plan should be taken into consideration in the financial offer (under fees).

10. COPYRIGHT

The copyright of all the outputs produced within the context of this contract will be the property of the Contracting Authority. The Consultant shall not use any of the outputs produced via this contract for commercial, private and/or any other purposes.