Guideline

For Drafting

Operation Identification Sheet

SECTORAL
OPERATIONAL
PROGRAMME FOR
TRANSPORT

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INTRODUCTION

The purpose of the guidelines is to support the potential End Recipients of the Sectoral Operational Programme for Transport (SOPT) for designing sound Operations (also known as Projects under other sources of funding) ready for IPA II Funding. The Operating Structure of the SOPT is the Department of European Union Investment Department (EUID) under the Ministry of Transport and Infrastructure.

In order to support potential End Recipients to prepare sound, reliable, cost effective and well justified Operations that deserve EU financing, this guideline will provide guidance and will share some practical hints on designing of an Operational Identification Sheet (required in order to apply for SOPT funding) and the related financial planning. A successful implementation can only be guaranteed with a well-designed and properly prepared OIS. In fact, the document itself is rather brief (with a recommended limit of five pages) but needs to be prepared in a particular way, hence the current Guidelines document prepared.

A well prepared OIS is the key to success in applications for IPA funding under SOPT and you should follow the structure and requirements of the key documentation (e.g. the OIS itself and the related attachments, including the logframe) as explained in the current document. You should not forget that the implementation framework of your Operation will also be this OIS – i.e. the OIS will be the “real” plan for designing and implementing the Operation (project).

Your journey for IPA Funding will start with your OIS Document and will conclude within the quality framework of the OIS as designed by you.

The main criteria for the successful preparation of an OIS (and therefore the implementation of the Operation) are:

- ✓ Coherence and synergy between the Operation /OIS policy framework and the SOPT
- ✓ Understanding and commitment at all levels of responsibility
- ✓ Logical relationship between problems and objectives

- ✓ Realistic and feasible purposes with SMART indicators [1]
- ✓ Flexible and open, but effective, style of management
- ✓ Interactive approach – working and learning from other partners
- ✓ Grounded financial and budget planning, in line with the anticipated activities and resources planned

It is aimed to support the potential end –recipients of each Operation in the preparation of their OIS – using the current Guidelines.

[1] SMART is an acronym for the main requirements of indicators: Specific; Measurable; Achievable; Relevant; and, Time-bound.

PROJECT OR OPERATION

A project is a series of activities aimed at bringing about clearly specified objectives within a defined time-period and with a defined budget. The Sectoral Operational Programme for Transport (SOPT) uses the language of the EU's internal support programme (including Structural Funds) and therefore refers to Operations (covering a single project or a group of projects).

An Operation should also have:

- ✓ Clearly identified stakeholders, including the primary target group and the final end –recipients/recipients
- ✓ Clearly defined coordination, management and financing arrangements
- ✓ A monitoring and evaluation system (to support performance management)
- ✓ An appropriate level of financial and economic analysis, which indicates that the Operation's benefits will exceed its costs.

An Operation comprises a set of activities (carried out under one Operation / project or a series of projects combining to form an overall Operation) to be supported with IPA (and national) funds under the SOPT. The OIS, under which the Operation is planned and implemented, also clearly defines the implementation strategy to achieve the targets of the IPA Sector Support of the EU and directly relates with one or more Actions defined under SOPT.

An Operation can be implemented using a number of contract types: service; supply; works; and, grants.

Typical components under an Operation are:

- ✓ Service component: Technical Assistance
- ✓ Supply component: Supply of equipment
- ✓ Work Component: Small scale works
- ✓ Grant component: Grant Schemes

Technical Assistance is a form of external aid funded by international donor organisations, such as the European Commission (through IPA in this particular case). Technical Assistance contracts are implemented by consultancy firms, often by a consortium of several firms, selected through a procurement procedure. The objective is to provide expertise to the institutions benefiting from the Technical Assistance, in order to promote development and building of capacities.

In some cases, institution building also requires the development of its technical infrastructure. In well justified cases, supply of the necessary equipment may also be an eligible component under the same Operation. In rarer circumstances, with due justification, an Operation can consist of a supply component only. In fact, the supply component is normally be linked to a service component under the same Operation and should have a well-justified ground. The same applies in the case of works, if there is works component, there must be a planned supervision component as a separate contract. It should be noted that Supervision contracts are also service components defined and linked to a works component. Also for grant schemes planned under an OIS should also be defined (if possible) with a TA component to manage the grants.

An Operation may have more than one component defined underneath the same objective where the relationship between different components should be clearly identified.

In case the Operation will be selected by the OS, the End Recipient of the Assistance (ERA) will be responsible for the day-to-day management and monitoring of activities and contracts implemented under the Operation.

In case Operations are selected through a Call for Proposals (CfP), the eligibility of the components may be restricted in the 'Call for Proposals'. Therefore, please consult and read thoroughly the details of the Call for Proposals, as well as the current Guidelines, before designing an Operation.

HOW TO DESIGN AN OPERATION?

Operations are presented through an Operation Identification Sheet (OIS). OISs must follow a standard template (see Annex) designed and provided to potential End Recipients by the Operating Structure. In case of a CfP, the OIS template also serves as the ‘Application Form’ to the respective Call. Whether the potential end recipients submit their OIS in response to a CfP or a direct invitation from the OIS, the OIS serves as an "application form" and is reviewed on this basis.

Based on the quality of the OISs prepared by the potential End Recipients, the OS and the European Commission decides whether or not to finance the planned Operation after the evaluation process.

The OIS should therefore provide all basic information, conditions and requirements regarding the planned Operation, its components and activities under each component.

Let’s follow the structure of the standard OIS template (in Annex I) and see how to address and complete the various sections. The following text will use the same section numbering–Headings as the template in the Annex I of this Guideline.

1 Title of the Operation

You are requested to select a title for your Operation.

Advice: Though this is the first heading in the OIS template, it is suggested to leave the selection of the title to the end. First, design the Operation fully and only then select a completely appropriate title.

While you are developing your Operation further, you will understand the problem that is being addressed, your approach to solve this problem, and the logical framework approach to the Operation more and more. You will observe that it will be much easier to name your Operation at the end when the core issues are clearly defined. In any case, do not try to describe your Operation. Also do not simply copy the objectives in the call for proposals and/or in the SOPT.

A good title should be short, striking, to the point, and full associated with the content of your OIS.

2 Operating Structure

This part shall be filled as:

“Ministry of Transport and Infrastructure, Directorate General for EU Affairs and Foreign Relations, Department for European Union Investments.”

3 Body responsible for the implementation of the Operation

Under this heading, the official name of your organisation shall be written together with the address and website information (if applicable). In addition, you should provide full contact details (name, position, phone, fax, email etc.) of the person who will represent your organisation in contractual terms and has the right of signature with full capacity.

First Name …………………………

Family Name: ……………………..

Position: ……………………………

Institution: …………………………

Address: ………...........................

Mobile Phone: +90……………….

Office Phone: +90…......................

Fax: +90….................................

E-mail: .....@.............................

Website: www……………………

4 Compatibility and coherence with the Operational Programme

Under this part you are requested to provide information that allows the Operating Structure (OS) to place your Operation in the context of the Sectoral Operational Programme for Transport. Please make clear reference to the relevant Action of the SOPT and if appropriate, relevant Activity under the named Action.

In order to complete this section, you will need to consult and refer to the SOPT, which you may find under the following link: http://op.udhb.gov.tr/index.php?lang=En#

In fact, it would be sensible to read the SOPT before starting work on the OIS!

4.1 Title of the Programme

This heading will be filled in by the OS. Please leave this part blank.

4.2 Title of the Action

You are requested to provide here the title of the relevant SOPT Action. A direct link must be established between the Action and the planned Operation (as described in your OIS). Please note that if the planned activities of your Operation will not fit the Action indicated under this title, it will not be eligible and will not receive any support under the SOPT.

The SOPT has five Actions (including Technical Assistance for the management, implementation and monitoring of the Operational Programme). In the SOPT, each

Action is defined in terms of its Specific Objective, Action Results and the related Activities (matched with each result).

In the OIS, the proposed Operation will be carried out under a particular Action. The name of the relevant Action will therefore be entered in the OIS (with the relevant Activity in brackets). An example could be:

4.2 Title of the Action: Action 1 - Sustainable and Safe Transport

Please write the name of the relevant Action and Activity exactly as written in the SOPT.

Please note that in case Operations are selected through a CfP, a separate guidelines document will be produced, specifically for a particular CfP. In these "CfP Guidelines" the eligibility of Actions may be restricted in some cases.

ACTION 1	Sustainable and Safe Transport
Specific Objective	Achieve a shift towards a **safer, environmentally friendly transport system** reflecting a more balanced modal split
Action Results	R1 – **TEN-T rail network connections** to the EU strengthened R2 – Investments serving environmental **sustainability and climate** change-related mitigation and adaptation measures are implemented R3 – Improved **Safety** in Transport R4 – **Inter-modal transport** solutions, and supporting technologies promoted
Activities	Activity 1.1 – Improving and Modernising Railway Infrastructure Activity 1.2 – Environmental and Climate Change-related Measures Activity 1.3 – Improving Transport Safety Activity 1.4 – Promoting Inter-modality and Modal Shift

ACTION 2	**Efficient Transport**
Specific Objective	promote the spread of smart and innovative, resource, time and cost-efficient solutions across all transport modes
Action Results	R1 –implementation of the ITS strategy and the spread of ITS in the transport sector R2 – Research, and development in the Transport Sector promoted

Activities	Activity 2.1 – Supporting the ITS Strategy and Other ITS Measures Activity 2.2 – Supporting Research and Innovation in Transport

ACTION3	**Accessible Transport**
Specific Objective	To improve the accessibility of transport services for all, increase capacity and effectiveness of urban public transport; reduce congestion and emissions created by transport in urban areas
Action Results	R1 – Accessibility of public transport further developed at urban and national level R2 – Progress towards sustainable urban public transport
Activities	Activity 3.1 –Accessible Transport Activity 3.2 –Urban Transport

ACTION 4	**Action 4 –Acquis Alignment and EU Integration**
Specific Objective	The Action's specific objective is to improve legislative and institutional capacities to facilitate the Acquis alignment process and to strengthen the policy dialogue with the EU in the field of transport
Action Results	R1 - transport legislation further harmonised with the EU acquis and institutional and administrative capacity needed to assume the obligations of membership under acquis Chapters 14 and 21 further strengthened R2 – Strengthened policy dialogue & technical cooperation with relevant EU bodies
Activities	Activity 4.1. Legislative alignment & capacity building to implement the Acquis Activity 4.2 – Supporting Policy dialogue and technical co-operation

ACTION 5	Technical Assistance
Specific Objective	to ensure that SOPT is implemented in an effective, efficient, regular, transparent and timely manner.
Action Results	R1 –The Operating Structure has services, human capacity and financial resources at its disposal needed to implement its tasks; R2 – Investment strategies and project studies for a strategic pipeline of projects prepared, funding modalities for transport developments elaborated
Activities	Activity 5.1 –Supporting the Operating Structure Activity 5.2 – Project Pipeline Development

4.3 End Recipient of Assistance

The End-Recipient of Assistance will be your organisation, i.e. the body that prepares the OIS and intends to implement the Operation. This will normally be the same organisation as mentioned in Section 3 (above) – in which case simply write the name of the organisation. If this is not the case, then provide the relevant contact details, to the same level of detail as shown in Heading 3.

5 Description of the Operation

This heading is the main section of the OIS which describes your Operation and demonstrates your justification for funding under SOPT. Therefore, this part should be researched and prepared in detail to provide solid justification for the planned Operation. It will also include the full technical content including the management initiatives of your Operation.

Work on preparing this section will be assisted by a review of the European Commission's Project Cycle Management (PCM) Guidelines. These can be downloaded using the following link. Please note that the guidelines have not been updated for some time, but are still relevant. It may be the case that some organisations – even those within the European Commission, have changed terminology and definitions over time. However, it is recommended that the OIS be prepared following the "classic" PCM Guidelines below.

https://ec.europa.eu/europeaid/sites/devco/files/methodology-aid-delivery-methods-project-cycle-management-200403_en_2.pdf

In this section, you should provide information and justification in accordance with latest statistical data (if possible), reports or strategic documents, on: why the Operation is necessary; why and how the target group of the Operation was selected; and, how the planned activities under the Operation respond to the needs of the selected target group and those of the geographical area covered by the Operation.

Please note that this section is one of the most important ones, showing the reasons behind the planned intervention under the Operation, which will directly influence the funding decision of the OS. Please pay careful attention to all

important points, but be brief and structured at the same time. The length of this paragraph shall be limited to three pages.

Advice: Keep in mind that one Operation will not be able to resolve all the problems of the targeted area / target group(s) and this section should reflect the identified problem and possible solution, while establishing exact links with the SOPT.

The structure should include, at a minimum:

- Clear identification and description of the Operation environment and needs arising from that
- Description of the target group(s) and the needs of the target group(s):
  - Why and how the target group(s) was(were) identified? How the selection of the target group(s) is(are) linked to the problems in the intervention area and also in the in the geographical location of the Operation (as appropriate)?
  - Introduction of the main characteristics of the target groups that will benefit from the Operation
  - What are the actual needs of the target group(s), what problems they face?
- Justification of the Operation based on needs of the Operation environment and needs of the target group(s)
  - How does the planned Operation contribute to the implementation of national/ sectoral/ regional policies?
  - How does the planned Operation respond to the needs of the Operation environment and needs of the target group(s)?

Advice: It is advisable to carry out a preliminary assessment of needs of the target group(s) and refer to the findings under this heading. You may also refer to any research carried out as part of the preparation process (or previous, publicly available, research / statistics). In all cases, make specific reference to the source and date of the information.

5.1 Contribution to the achievement of the Operational Programme

In this sub-heading you are requested to provide information on how the planned Operation will contribute to the achievement of the general objectives of the SOPT.

Describe the linkages between your Operation and the relevant SOPT Action / Activity. You will have to consult and refer to the Operational Programme in detail, including the relevant result indicators.

Advice: This section is very important. The more convincing your arguments that your Operation will contribute to the achievements of the strategic priorities of the OP, the more likely it is that your OIS will be selected. The length of this sub-section shall be limited to two pages as a maximum.

Whenever possible quote from / refer specifically to the SOPT, especially to the description, specific objectives and indicators of the related Action and Activity.

5.2 Overall objective

You are requested to provide under this sub-heading the overall objective of your Operation. There shall be only one overall objective, which shall be formulated as one sentence. The overall objective of the Operation shall be in line with the Action(s) under which the Operation is planned to be implemented.

The Overall Objective of the Operation should explain why the Operation is important, in terms of longer-term benefits to the beneficiaries, end-recipients, target groups, stakeholders and the wider benefits to the other groups. It should also show how the Operation fits into the SOPT. Keep in mind that the Overall Objective is a wider and higher goal, and can only partially be achieved be the Operation.

Please explain in one sentence.

5.3 Operation purpose

The purpose of the Operation, written in such a way that it can be easily linked to the relevant SOPT should be clearly stated here (in one sentence). The Operation purpose should address the core aim and be defined in the terms of the benefits to be received by the Operation end-recipients or target group as a result of utilising the activities delivered by the Operation.

Please explain in one sentence

5.4 Indicative Location(s)

You are requested to indicate here the implementation location of the planned Operation. Please provide information on the region(s) and provinces(s) covered by the activities under the planned Operation, also taking into consideration the eligible regions (if any) defined under the SOPT Actions.

If there is more than one component under your Operation (works, service, supply), you should show the location of each one. If pilot locations are selected, the selection criteria and the relevance of the selected provinces should be clearly explained, such that the link with the relevant Action is clear.

5.5 Duration

You are requested to provide detailed information on the planned duration of the Operation (component by component if more than one). The duration of the Operation shall be given in months – with the start date being the signature of the (first) contract and the end date being the completion of the last activity and/or final payment of the (last) contact.

The contract(s) will be signed after the approval of the OS and all the activities should be finished before the final closure date of the OIS. Therefore, the duration of the Operation should be calculated as a whole and in no case exceed the relevant deadlines in the respective Financing Agreement. This point should be noted careful as lack of attention to detail can result in serious problems, both legal and financial, for the relevant organisations.

Advice: The duration of the Operation can be easily defined after preparing a schedule of the activities to be implemented under the contract (s). The schedule should include realistic timing for each activity. A Gantt chart is suggested, as this would allow an accurate representation of the timing of activities together with the critical path. Note: in some cases the component(s) may be linked to other, therefore while preparing the Gantt chart, the relations between different components should be considered.

5.6 Target group(s)

You are requested to provide information on the target group(s) of the planned Operation. Target group(s) will be directly and indirectly affected by the Operation, at the Operation Purpose level (Section 5.3 above). Please note that target group(s) should not be confused with recipient and end recipient.

The term Target group(s) refers to the group(s) of people whom the activities of the Operation will address. For each target group, there shall be activities in the Operation that address their needs. You shall therefore identify your target group(s) in line with your planned activities. Furthermore, the target group(s) shall be compatible with one or more of the possible target groups defined under the relevant SOPT Actions and Activities.

Note, however, that it is not compulsory to design the activities of the Operation such that they refer to all the target group(s) under the relevant Action of the SOPT. The Operation may aim to reach some of the target groups only that are mentioned under the relevant Action of the SOPT.

Advice: You do not have to select several or very broad target groups. Just think of the results of your Operation while identifying the group(s). Always keep in mind that each target group has different needs. If you choose a very broad target group, the proportions of your Operation might be questionable.

5.7 Results with Measurable Indicators

In this sub-section, you must identify the indicators of your Operation. Careful attention should be paid as they will be used to assess the progress made with implementation of the Operation and the results achieved by the Operation. In other words, you are describing the results of your Operation in terms of objectively verifiable indicators that are widely accepted and understandable.

Therefore, it is important to understand what indicators are. There are several definitions in the context of development cooperation.

The European Commission describes (planning) indicators as “Description of the project’s objectives in terms of quantity, quality, target group(s), time and place”

According to OECD, an indicator is “A quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect changes connected to an intervention, or to help assess the performance of a development actor”.

An indicator also includes a timeframe and a base and target value to the variable, where the indicators will (also) be used to elaborate the objectives at further stages such as evaluation.

Advice: an indicator is a marker pointing the correct route to take and each indicator will be clear and objective enough to measure progress.

On what basis you will identify your indicators?

According to the Project Cycle Management (PCM) approach, indicators must be SMART: Specific; Measurable; Achievable; Relevant; and Time-bound.

- **(S)pecific**: Specific enough to measure progress towards the result, including clear targets focusing tasks including clear targets; (the OIS should focus on clear targets). For example, a sample indicator of "10% increase in the accessibility of disabled" may reflect a "more accessible transport systems".
- **(M)easurable**: in terms of quality and/or quantity where statistically verified from identified sources;
- **(A)chievable**: at an acceptable cost; (consistency between the activities and budget) shows how realistic is the planning of the Operation.
- **(R)elevant** : to your Operation and also to the SOPT Actions under which you will implement the Operation;
- **(T)imely**: to be produced in good time in order to be useful also for the management of the implementation of the Operation.

Examples of Measurable indicators include:

1. 10km of railway line completed
2. Road accidents reduced by 10%
3. 100 staff trained in accessible transport

Your Operation may include a deadline for the expected results. For example, "action plan for SUMP provided to Municipal Council by the end of month 12".

There are three types of indicators:

- output indicators;
- result indicators;

- impact indicators. (Under SOPT impact indicator is not necessary)

Output indicators are always quantifiable (‘How much?’ ‘How many?’ ‘How often things happen?’) and represent the products/outputs of the Operation’s activities.

Output indicators are monitored throughout the implementation of the Operation, assessed regularly and their values are regularly reported to the OS.

At this stage of intervention there is no need to detail the result and impact indicators as result and impact indicators will be studied after the approval and further detailing of the OIS.

At this point, please refer to the SOPT in order to clarify/verify your Operation’s indicators

It is suggested to first select at least two indicators for each of your main activities and identify the baseline figure (i.e. at the beginning of the implementation) of these indicators. In many cases the baseline figure will be “none” or “0” as you start the Operation. In some cases though, the baseline figure may have an actual value implying that the Operation will achieve an increase in an existing situation. Nevertheless, identification of the baseline figure depends on verifiable indicators of that particular service. For example, your Operation will build 10km of railway line between two cities that lie 50km apart. In such cases the feasibility and the respective calculations of the whole line (i.e. 50km) should be taken into consideration.

After identifying the output indicators and their baseline figures you have to identify the values of the indicators you want to achieve by the end of the Operation. During the implementation period you will be requested to regularly report on the actual value of the output indicators in your progress reports.

Finally, you should identify your result indicator(s). Please provide the source of verification for the result indicator(s) in line with the method you choose for the evaluation of your Operation.

Sources of verification are the sources of information that will be used to measure the indicators. When the indicators are selected, you should consider the appropriate evidence for each indicator as they should be:

- **Available:** if you want to use secondary data, will you be able to gain permission to access it? Will it be available?
- **Affordable:** will the information be too expensive to collect? For example, will additional surveys be needed to verify your indicators – and, if so, how much will they cost?
- **Timely:** will you be able to collect all the information required by the anticipated deadline? If you want to use secondary data, will it be collected by the right time, as indicated in the OIS?

Advice: if the required evidence is not available at the right cost and in time, the indicator should be changed to one which can be measured more effectively. Please try to use existing systems and sources of information before identifying new ones and make sure the information used is reliable and trustworthy.

Example of such sources that can be used as verification: regular reports, evaluation reports, minutes of meetings, attendance sheets, surveys, research, participatory evaluations, certificates, accounts, official statistics etc.

With the indicators of your Operation, you will have to contribute to the indicators of the relevant Action of the SOPT. Therefore, please always keep a copy of the SOPT at hand while designing your Operation and check the indicators identified for the Action under which you are designing your Operation. Select your Operation's indicators and their values in a way that you can contribute to the OP indicators sufficiently.

5.8 Indicative Activities

Under this heading you should define the activities planned for implementation of the Operation. Activities should be compatible with the objectives of the Operation and should be designed in a way to contribute to the achievement of these objectives.

Activities are planned and implemented to achieve results. The link between activities and the results is important in respect of functional efficiency. Activities that do not clearly contribute to the results do not support the implementation of the Operation. Non-functional or insufficient activities result in a loss of efficiency: they do not lead to the desired result or may even have a negative impact. It should possible to demonstrate the positive contribution of the activities to the achievement of the Operation's aims.

Advice: It is also important to differentiate between preparatory activities (before start-up of the Operation) - which are mainly done without IPA support – such as preparation of reports necessary for completion of the OIS. Also, certain other costs cannot be covered by, and should not be included in, the OIS budget. These include Operation and Maintenance costs, project management costs (human resources).

The description for the activities shall also provide an outline of the methodology to be followed during their implementation. Please note that the description of the activities shall be sufficiently detailed to justify their inclusion.

Check that all sub-activities are budgeted and that your budget does not include any item to which none of the sub-activities is linked. Please explain the links between the activities and relevant programmes and policies.

The direct quantifiable outputs of the activities contribute to achievement of the Operation results and help meet the indicators determined for each measure under SOPT.

While drafting an OIS, the potential end recipients need to ensure that all activities selected for financing demonstrate a positive contribution to the achievement of the expected outputs and results under each Action and are eligible under IPA rules and regulations.

There should also be a clear link between the method of implementation (category/type of Activity) – e.g. service, supply, works, works supervision contracts – and activities and expected results. This should help the reader to follow the logic behind each Operation.

Should the Operation cover a wide geographical area, involving a number of organisations, the proposed activities (as well as other information in the OIS) needs to be properly disseminated. If a proposal covers more than one region/province, the location of the activities should be clearly described, activity by activity and location by location.

Advice: Please make sure that the explanation of the activities follows the order and numbering of each activity in the relevant plan / schedule attached to your OIS.

6 Implementation arrangements

Under this heading you should demonstrate the structure of your organisation, its readiness to be an end–recipient, and the implementation arrangements that you are planning use in order to successfully manage the Operation.

6.1 Institutional framework:

In this sub-heading, please first provide a "Who's Who?" description. This will clarify the responsible bodies / organisations for the management of the Operation. You may also strengthen this sub-heading by providing the clear description of the responsible structures and the relationships / interactions between these structures.

After the explanation of the responsible bodies, the OIS should clearly describe the management structure of the Operation.

Operation management can be done through different structures, to be defined in respect of the activities defined under the Operations. The below sample management structures can be used in your OIS – making sure that they are appropriate for your particular case.

Operating Structure (OS): (Insert the following text)

Ministry of Transport and Infrastructure, Directorate General for EU Affairs and Foreign Relations, Department for European Union Investments is the Operating Structure. Functions and responsibilities of the OS in regard to the implementation of the MAAP-T are stipulated in Article 10 of the Commission Regulation (EC) No 447/2014.

End Recipient of Assistance (ERA): (Insert the following text)

……………………………………..(name of your institution) is the End Recipient of Assistance for the Operation, and is responsible for the management and performance of the Operation. To that end, ………………. (name of the applicant institution) will assign a high-level staff member as the Senior Representative of the End Recipient of Assistance (SRER) for the daily management of the contracts.

Senior Representative of End Recipient of Assistance (SRER): (Insert the following text)

The Senior Representative of the End Recipient (SRER) will act as the formal representative of the ………………………………. (name of your institution) for this Operation. The SRER is the high-level representative of the organisation and will be responsible for the implementation of the Operation, according to the principles of the effective financial management. The SRER will be responsible for prior approval and/or written consent of the appropriateness of the outputs/deliverables etc. of the relevant contracts.

Project Coordination and Implementation Unit (PCIU): (Insert the following text)

A Project Coordination and Implementation Unit (PCIU) will be established within the ……………………... (name of your institution). The PCIU will manage, monitor and analyse compliant contract outputs. The PCIU will also be responsible for prior approval and/or written consent of reports, identification and management of experts, time-sheets, arrange provisional and final approval of supplies, manage the taking over procedure for the works contracts, control and verify payment certificates and invoices of the contractors, etc.

The PCIU is responsible for supervising the implementation of the operation. The PCIU, chaired by a Director.

Contracting Authority (CA): (Insert the following text)

Ministry of Transport and Infrastructure, Directorate General for EU Affairs and Foreign Relations, Department for the European Union Investments will be the Contracting Authority of this Operation. The EUID shall procure, evaluate, award and implement the services contract in accordance with the principles contained in the "Procurement and Grants for European Union external actions – a Practical Guide (PRAG)".

If your Operation requires the below additional structures to be established, please also add the following committees (as appropriate) and the possible members of the committees. In general, for service contracts and for contracts that involve more than one organisation, it is advised to define such additional committees for the sustainability of your Operation.

Other than the above defined implementation arrangements you may decide to establish some more structures to be active during the implementation of your Operation. This decision should be made in parallel to the specifics of your Operation. E.g. ıf your operation requires more than one institutions as the ERA of the operation, you might want to add a management committee to monitor the activities with all different target groups.

The below additional management structures are examples that you might want to add under this heading of the OIS., they are not obligatory.

Management Committee (MC): (Insert the following text)

A general Operation management meeting will be held, on a quarterly basis, to assess progress and propose corrective measures if and when necessary. Management Committee meetings, which will be held at ………….. (organisation) premises in ……………, (location) will be chaired by the End Recipient of Assistance (ERA). The ERA will call and take the minutes of the MC meetings. Representatives of the PCIU, Contractor(s), Operating Structure might be the members of MC. EUD may participate as an observer.

Advisory Committee (AC): (Insert the following text)

An Advisory Committee (AC) may be proposed if a joint decision of different organisations is required. The committee will serve as a platform for sharing results achieved, exchanging experience etc. The SRER will initiate the establishment of the AC, which may be composed of representatives of the OS (MoTI), ……………, and other institutions of the Operation and EUID. EUD may participate as an observer. The Advisory Committee will meet on a six-monthly basis and serve as a platform of coordination among relevant public and private sector institutions. During implementation of the Operation, the ACs could develop into a platform for disseminating policy advice.

The main duties of the AC will be to monitor the implementation and help ensure the success and sustainability of the Operation. It will also be responsible for calling, and taking the minutes of, these meetings.

6.2 Proposed monitoring structure and methodology:

Under this heading the OIS should clearly identify the foreseen monitoring structure of the Activities and/or components of the Operation, methodology (workflow and reporting lines) and frequency of the monitoring instruments (regular meetings, inception report, interim reports, final reports, site visits).

Also, information in this sub-section should be able to answer the following questions:

- Who will be responsible for monitoring activities? Operation?
- How will the Operation be monitored? Tools should be defined.
- What will be the flow of monitoring actions within SRER and to the EUID?

For example, some possible tools to monitor different contracts include:

- An inception report, interim reports, and final report. Interim reports must be prepared every six months during execution of the contract. They must be provided along with the corresponding invoice, the financial report and an expenditure verification report.
- The contractor will keep project status and financial status reports of the contract(s). This covers technical and financial implementation of the contracts, status, bottlenecks, targets, etc.
- The works contractor will prepare field survey based evaluation reports on the outcomes of the Operation.
- Monthly payment certificates for works contracts
- Delivery of equipment to the site etc.

Reporting is a very effective way of monitoring contracts. The details of the monitoring reports must at least include:

Inception Report: The contractor will prepare an inception report in line with PCM Rules, which will outline the general approach, methodology and timetable for the preparation and implementation of the activities.

Interim Reports: They will describe the technical progress and the financial situation of the Operation. They will compare actual progress with the agreed work plan and activities. They will suggest revisions if necessary. They will also identify problems that emerged or potential issues that may create problems.

Necessary precautions will be suggested in these interim reports. These reports will be sustained with publications, audio-visual materials, photographs, meeting notes, agreements etc.

Final Report: A final report will be prepared by the end of the Operation. It will include an evaluation report, including further recommendations, lessons learned, handbooks, manuals and guidelines that could be used by the end recipient of assistance for further applications.

6.3 Required procedures and contracts for the implementation of the Operation and their sequencing:

List the type of procedures and the corresponding contracts (services, supplies, works, etc.) for the proposed activities, together with their sequencing. Please provide a detailed sequence for preparatory stages, tendering stage, contracting stage and start of Operations. Detailed information shall be provided in below mentioned table.

The sequencing of the contracts should be as follows:

Contracts	**Start of Tendering (Contract Notice)** **Quarter / Year**	**Signature of contract** **Quarter / Year**	**Contract Completion** **Quarter / Year**
Service Contract	e.g. 01/2018		
Supervision Contract			
Supply Contract			
Works Contract			
Grant Scheme			

7 Risks and Assumptions

Under this heading you must indicate your assumptions and identify the risks you foresee.

What is meant by Assumptions?

In terms of project planning, an ‘assumption’ is an estimation about some characteristic of the future that underlies the current Operations or plans of your institution.

Assumptions can be interpreted as pre-conditions you take as guaranteed and they are key external factors which are critical for the success of the Operation.

Examples of Assumptions:

- Effective donor coordination and timely financial disbursement
- The legislation to establish a new institutional structure will be passed before commencement of the Operation
- Effective and efficient cooperation and coordination amongst all the stakeholders
- Target groups willing to take part to the activities of the Operation.
- Stakeholders are committed to the Operation.

What is meant by Risks?

Risks are about events, actions, decisions where the probability of occurrence is uncertain and out of your control. These events, if they occur, will most likely hinder implementation of the Operation. Hence, risk identification can start with the source of problems, or with the problem itself.

It should be noted that every activity involves risks, but to different degrees. Therefore, some risks may affect the activity more than the others. An assessment of risks is essential while drafting the OIS. This way, the assessment will help you to consider the likelihood of the risks taking place and their likely impact. The objective of this exercise is to minimise the risks for implementation of the Operation and, if possible, to mitigate their impact.

Examples of Risks:

Any major change in the legislative background or any major change in the institutional set up of the Operation may be considered as serious risks. In addition, major delays in the implementation of the Operation may mean that some of the activities cannot be implemented properly or at all. Some examples of risks:

- Periodical changes in the workload of staff may be considered as a risk as e.g. they may not be available for training in peak periods.

- Lack of interest or commitment of the stakeholders the implementation of the Operation.
- Lack of coordination and cooperation between stakeholders
- Risk of losing national political support in favour of transport
- Risk of an economic crisis

Advice; risks should be written as negative statements while assumptions are written as positive statements.

You are also requested to provide information on how these risks will be taken into consideration, and mitigated, in the implementation of the Operation.

Both Assumptions and Risks are conditions that need to be met if the Operation is to continue.

Avoid mixing risks and assumptions. There will normally be fewer assumptions at activity level and the degree of uncertainty will increase at Operation level. This is because we have less control at higher levels of operation. It is easier to change activities or add new ones to reduce the risks. It is harder to take action against some of the risks that threaten the use of outputs to achieve the purpose or the way in which the purpose contributes to the overall objective.

8 Expected impact of the Operation on the target group and multiplier/spill-over effects:

Please be realistic while expressing expected impact of Operation on the target group(s). Please avoid unnecessary information and be clear. In addition, try to give answers to the following major questions under this sub-section.

1. What will be better at the end of the implementation of the Operation, when compared with initial situation?
2. How will the situation of the target group be improved by the Operation?

Multiplier and spill-over effects are externalities of an activity or processes that affect those who are not directly involved, but effected by, the Operation.

Under this sub-section it is expected that you present the indirect, but positive, effects of the Operation on other target groups - what lessons can be learnt that can be utilised as models for other stakeholders.

Some examples for multiplier and spill-over effects:

- The success of the implementation of Operations related to promotion of SUMP activities may result in increased mobility of the disabled as a spill-over effect. This is because sustainable systems will, at the same time, improve accessibility of vulnerable groups.
- Good practices for social assistance to disadvantaged people, which helped promote social inclusion in the region, at the same time may serve as a model for other regions and cities. This can result in a multiplier effect and the respective capacity and institutional development may trigger other institutions, NGOs etc.

Advice: Please be realistic when expressing expected impact of the Operation on the target group. Please avoid unnecessary information and identify expected impacts in line with the selected impact indicators at Operation level. Please do not write exaggerated statements that e.g. all society will be affected with the spill-over effect of your Operation.

9 Sustainability:

Please explain how the activities will be continued after completion of the Operation. There are two aspects of sustainability that could be discussed

a) institutional sustainability

b) financial sustainability.

The proposal should develop a “sustainability model” in order to keep the Operation “alive” and “self-sustained” during and after the implementation of the Operation, therefore it is important to distinguish between institutional and financial sustainability.

Institutional sustainability mainly relates to the skilled human resources developed and financial sustainability relates mainly to the income generating capabilities of the entity required in order to continue activities.

One of the most important components of all Operations is institutional development. From “institutional sustainability” we understand that progress under the Operation will be sustained by the “Operation Beneficiary” following the completion of the project. This mainly relates to the skilled human resources developed. In general, the main structures established during the implementation of the Operation should be sustained and financed by the end- recipient after the completion of the Operation. Some examples of sustainability can be described as below.

If your Operation foresees:

- a completely new institution to be set up, this institution will not be closed down after the completion of the Operation but will operate further
- new structures to be developed in an existing institution, these will remain after the completion of all the activities and the Operation
- new/changed Operational modes and/or procedures and/or methods were developed, these will be implemented and maintained following completion. You are also requested to provide information on how and by whom the implementation of the new system will continue after the end of Operation
- new type of service to be established, you must demonstrate that this service will be further provided by the end-recipient after completion of the Operation. You must provide information how and by whom these services will be provided further
- the capacities of the staff of the institution have been developed via training, you must demonstrate that this staff will remain with the institution and can utilise the training further in their positions following the completion of the Operation. Therefore, a “training of trainers” programme is a good tool to ensure institutional sustainability in this regard
- a supply component. The need for this purchase should be explained together with ensuring maintenance of the equipment

In respect of the financial sustainability you must be clear on the necessary financial resources required to continue to finance the development made as part of the

Operation. Therefore, financial sustainability relates to the income of the entity. You are also requested to provide information on how financial resources will be provided and where they will come from. Some examples are be listed below.

If your Operation foresees:

- that new staff will be hired and trained - there will be enough resources for the remuneration of these staff members, so that they can continue to work after the Operation completed.
- a new service will be launched - there will be enough resources to finance the further provision of these services.
- a new web-site/newsletter/information channel will be created - there will be enough resources to maintain this process
- if some equipment will be purchased - there will be sufficient funds for future operation and maintenance

Summary elements and parameters of financial analysis, and some key results of a Cost Benefit Analysis, which may be required for certain Operations, can be found in Guidance on the Methodology for Carrying out Cost-Benefit Analysis (CBA):

http://ec.europa.eu/regional_policy/sources/docoffic/2007/working/wd4_cost_en.pdf

While providing information on sustainability measures of your Operation please make clear reference to institutional and financial sustainability. Please note that the OS may request (on a case by case basis) a sustainability declaration to be signed by the end-recipient organisation. In any case, it is clear that you should be in a position to do as you say.

While drafting this sub-heading you should keep in mind that the European Commission would like to spend its money on sustainable Operations whose effects will be felt and seen after completion. Pay special attention to this part and demonstrate that both institutional and financial sustainability is assured.

10 Equal opportunity, minorities and vulnerable groups (where relevant):

These issues are “horizontal”, i.e. they are not sector specific. They may include the following considerations:

- Ensuring equal treatment and equal opportunities for all persons, without regard to their gender, ability, age, marital status, sexual orientation, religion, ethnicity etc.
- Participation in civil society
- Geographic, sectoral and thematic concentration
- Concerns of disadvantaged and vulnerable people
- Good governance

In this respect, you should demonstrate how the Operation will contribute to the above areas. It might be very critical to demonstrate, therefore please find below some examples of how you can tackle these issues.

Your Operation may, by its very nature, promote equal opportunities for women by improving their employability and/or employment situation. In this case please give detailed information on why and how the Operation will achieve this.

Your Operation may support to promote equal opportunities for disadvantaged people and vulnerable groups within society. Please identify the target group and describe how the Operation will improve their situation.

Your Operation should naturally support a gender considerate training atmosphere. For example, the provision of child care facilities can help in this regard.

In some cases, investments may not concern equal opportunities directly. However, even in these cases, you should demonstrate that your Operation will ensure equal treatment of all persons.

You may identify the civil society organisations that you will establish cooperation with in the implementation of the Operation. Please provide information also on the content of the cooperation.

11 Requested financing from the European Commission

First you are requested to plan your budget breakdown and total budget as described under item 13.

Following the identification of the budget breakdown, and the total budget of the planned Operation, enter the Euro equivalent of 85% of eligible expenditure of the planned Operation.

12 Co-financing

First you are requested to plan your budget breakdown and total budget as described under item 13.

Please enter the Euro equivalent of 15 % of the total eligible expenditure of the proposal. The SOPT national co-financing rate is fixed as 15%. The co-financing amount must be ensured by your organisation as ERA.

13 Budget Breakdown.

This section covers the breakdown of the total budget for your Operation.

While planning your overall budget, you must estimate the individual budgets for your service, supply and works contract(s) (and grant contract if this is included).

The budget estimates for service, supply, works and grant components shall be submitted together with the OIS. Supporting documentation, such as a pre-feasibility and feasibility study (if completed), the results of preliminary market research and technical specifications (where appropriate) shall be submitted together with the budget estimates.

Below you will find guidance on how to estimate and budget for service, supply, works and grants components.

Service Contracts (estimation of budget)

Fee Based and Global Price contracts. What is the difference?

First you must clarify the type of services you require under the service component e.g. advice or studies (feasibility, design etc.). This will decide whether to go for a fee based contract or global price contract. In general, advisory services are provided through fee- based contracts while study based contracts are implemented through global price contracts.

You must follow the budget planning method of the fee-based service contract if the outputs of the services are unpredictable, or where the workload to achieve the specified output is impossible to quantify in advance. In this case the services are provided on the basis of a fixed fee rate for each work day provided by each expert (consultant). In addition, associated costs should be calculated and included in the budget as incidental expenditure. In this case the budget consists of a fixed provision for incidental expenditure which covers expenses incurred by the consultant which are not included in the fees.

Examples of fee-based service contracts: technical assistances, capacity building, institutional development support, evaluations, audits.

In the case of global price service contacts, the specified outputs are defined. The service will be paid for on the basis of the delivery of the specified outputs.

Examples of global price service contracts: studies, designs, organisation of events (e.g. conferences), drafting legal documents etc.

Even if you plan to use a global price service contract, detailed budget planning is also required. In this case, you can follow the fee-based service contract planning process.

The fee-based service contract budget planning method is as follows:

First of all, you must identify how many and what kind of experts you will need. There are the following types and categories of experts:

- Key Experts (including team leader). These experts are mentioned in the consulting company's proposal and their CVs are included
- Non-Key Experts. These experts are identified after the contract has commenced.

Experts who are technically essential for the implementation of activities, and who are required to provide more than six month's input, are considered to be Key Experts. This category includes the team leader, who is responsible for the overall co-ordination and implementation of the technical assistance contract.

Experts, that are required for specific outputs under the activities are considered to be Non-key Experts (NKEs). They fall into two categories: Senior NKE; and, Junior NKE.

Following the identification of expert type, you must estimate the number of work days required from each Key / Non-Key expert over the duration of the contact. The total estimated number of work days should be reflected in the budget breakdown.

One full working month is generally calculated as 20-22 working days. The minimum annual leave entitlement of a full time expert is maximum 2 months. Therefore a full-time expert will work 10 x 22 days or 220 work days.. Key experts, whose input is less than 200 working days/year can be considered as part-time expert.

After identifying the required input of the key experts, you must calculate the required inputs for senior and junior non-key experts.

After you have identified the estimated input required for each type and category of expert, you can estimate the budget required to implement the contract.

Experts	Estimated work days	Gross fee per work day (EUR)	Total
Team leader	…..	1,100 - 1,300	
Key experts	……	1,000 - 1,200	
Senior NKEs	……	800 - 1,000	
Junior NKEs		600 - 800	
Total Fees			
Provisions for incidental expenditure: (minimum 10% of total fees)			
Provisions for expenditure verification: (minimum 0.7% of the total contract amount)			
Maximum contract value			

Put the estimated number of working days for each type and category of experts into the second column of the above table. Sample gross fee rates are included in the fee column.. These are based on statistics from contracts under implementation in 2016.

Fee rates are calculated as “gross” values and are the amount paid to the consulting company. The expert is paid a lower amount by the company, less the following overheads (and profit margin). The “gross” amount includes also the following costs.

- administrative costs of employing the relevant experts, such as relocation and repatriation expenses, accommodation, expatriation allowances, leave, medical insurance and other employment benefits accorded to the experts
- costs related to the project office, including running costs and insurance
- costs related to the project director and the project administrative and support staff including interpretation and translation costs related to experts
- costs related to backstopping activities
- costs related to office equipment and its maintenance
- financial costs for the implementation of the contract

Based on the estimated number of work days for each type and category of expert, multiplied by the relevant fee rate, you can calculate the total fees.

Advice: while calculating the budget, man-day allocations should be indicated per activity/output.

Next, you should estimate for the provision for incidental expenditure. This covers all direct costs related to the implementation of contract activities that will be invoiced and reimbursed at actual cost.

First of all, you must think over very carefully the activities of your planned Operation and list all possible direct expenses that might occur during the implementation of the contract, but which are not covered by the overheads included in the fees (as detailed above)

The items considered eligible under incidental expenditure must be identified for each Operation, depending on the specific activities.

Some typical examples of activities that are eligible under incidental expenditure:

- subsistence allowance of the experts when travelling as part of the implementation of the project (note: this does not cover travel to or from the experts home base)
- travel costs (international and inter-city), from base of operations, and subsistence allowances for experts for missions undertaken as part of the contract
- costs related to the organisation and delivery of specific events such as training, seminars, workshops, conferences, project fairs, competitions, etc.

This includes costs like renting premises and equipment; and, travel costs, accommodation and catering costs for participants;

- interpretation and translation costs
- visibility costs in line with EU visibility requirements

Subsistence allowances for experts depend on the country where the Operation activity will take place. The rates cannot exceed the actual per diems identified by the European Commission and published under the following link:

http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm

For estimating other costs, you must carry out preliminary market research. You can ask for sample offers, search for prices on websites or in catalogues and make as realistic an estimation as possible.

As a final step, you must estimate the cost of expenditure verification. This covers the fees of the financial auditor who will verify expenditure under the contract, thus allowing payment of further pre-financing instalments and/or interim payments.

In reality, the cost of the auditor will depend on the contract amount to be verified and the number of audit missions. To estimate this cost, ask for quotes from auditors based on the total amount of fees plus incidental expenditure. As a rough estimate, the cost estimate could be 0.7- 1% of the total of fees and incidental expenditures.

Supply contracts (estimation of required budget)

You must start with the identification of the needs of your organisation with regards the purchase of equipment. Please note that equipment can only be purchased if it is directly related to an institutional building component (service contract) and if the supply is well justified in the OIS. An Operation consisting of a supply component only is not eligible under SOPT.

Compile the list of equipment you plan to purchase and group similar types of equipment that can be purchased from the same supplier. This will allow the formulation of groups, or “lots” of equipment under the supply contract.

Compile preliminary technical specifications for each type of equipment lot, and type of equipment within the lots, and carry out some preliminary market research. Ask for sample offers, search for prices on websites or in catalogues and make a realistic estimation.

Based on this preliminary market research you can now make an estimation of the total amount of the planned supply.

Technical Specifications and Market Survey for Budgeting Purposes

Technical Specifications should define the required supplies precisely. The minimum requirements defined in the Technical Specifications shall enable the Tender Evaluation Committee to determine which tenders are technically compliant.

Technical Specifications detail specific information defining the characteristics of a product, supply or material or work with regard to purpose for which they are intended. The characteristics to be included are defined in the PRAG as follows:

a) quality levels;

b) environmental performance (e.g. care is taken to ensure that specifications take into consideration the latest developments on the matter);

c) design for all requirements (accessibility for disabled people, environmental issues, etc. in accordance with the latest developments);

d) levels of and procedures for conformity assessment, including environmental aspects;

e) fitness for use;

f) safety or measurements, including, for supplies, the sales name and user instructions, and, for all contracts, terminology, symbols, testing and test methods, packaging, marking and labelling (including environmental labelling, e.g. on energy consumption), production procedures and methods.

Technical specifications should be defined by reference to national standards transposing European standards or to European standards or to common technical specifications wherever they exist.

The inclusions of brand names or the required sources of origin of products or other such criteria which may serve to favour or exclude certain products is generally not permitted. In certain circumstances or where products cannot be described in a sufficiently clear or intelligible manner, the above may be acceptable provided the named brand names are followed by the words “or equivalent”.

As with Terms of Reference for service contracts, particular attention must be paid to the preparation of the Technical Specifications for the supplies tendered. These are the key to successful procurement and a sound supply contract and project.

The Technical Specifications indicate - where applicable, lot by lot - the exact nature and performance characteristics of the supplies. One lot should contain as many items as possible, but it should be made sure that one type of companies is able to provide all items within one lot. If it would be difficult for one type of companies to provide all the items within one lot, it could happen that no offers for that lot will be received.

Where applicable, they also specify delivery conditions and installation, training and after-sales service.

Market survey is prerequisite for budgeting a Supply component and consecutively the tender procedure. It is main tool for assessing risk pertaining to the specific markets as well as an early warning considering **rule of origin.**

The purpose of the Technical Specifications is to define the required supplies precisely. The minimum quality standards, defined by the Technical Specifications, will enable the Evaluation Committee to determine which tenders are technically compliant. The tender dossier provides for all provisions and information that tenderers need to prepare and submit their tenders, e.g.: procedures to follow; documents to provide; etc. It shall be prepared in accordance with the templates prescribed in the PRAG.

Advice: After identifying the needs of your institution and identify the type of equipment to be purchased, please conduct the market survey first and then start the technical specifications. The “market survey” will help to budget your requirements where at the same time helps to overcome the risk of Origin. As all the equipment requested should be able to be purchased from EU market.

Works contracts (estimation of required budget)

Works contracts cover either the execution, or both the execution and design, of works or a work related to one of the activities referred to in Annex I to Directive 2004/18/EC of the European Parliament and the Council or the realisation, by whatever means, of a work corresponding to the requirements specified by the End Recipient. A 'work' means the outcome of building or civil engineering works taken as a whole that is sufficient of itself to fulfil an economic or technical function.

Preliminary “Bills of Quantities” and Market Survey for budget purposes

A “works” contract budget estimation is most accurate if an engineering design is in place (or, at a minimum, a good estimate of the works required and the costs). All the cost estimations will be calculated and summarised under the bills of quantities / price schedules that should be attached to the OIS. Also, the relevant pre-feasibility and feasibility study (if completed) should also be added.

In addition, a preliminary market research should also be conducted for the works component and should be completed before filling out the works budget estimation tables.

For the market survey the above descriptions and details mentioned above under the supply components will be same for works. The market survey should be conducted in parallel with the technical studies of a works design. The completed BoQs will lead a budget of the works construction.

Advice: While preparing the BoQs market prices should be considered but also a gross 10% coefficient should be applied to prices as the internationally funded works contracts must include additional costs such as insurances, etc.

Grant scheme /component (estimation of required budget)

In case the Operation will also have a grant component, you may estimate the total amount of the grant scheme by multiplying the estimated average project size by the estimated number of grant projects under the Operation.

The volume of the grant scheme must be proportionate to the problem you want to deal with. Most importantly, it must be in line with the management and monitoring capacities of your institution. You should also consider what resources you can provide to manage and monitor the grant contracts. How many full-time staff will be available for managing and monitoring of the grant contract? As a rough estimation, you can assume one full time staff member will be required to manage and monitor 15-20 grant projects. If grant projects are large scale and / or complex in nature, the number of staff members must be increased.

Ineligible expenditure

In line with the provision of Article 15, IPA II Implementing Regulation, ineligible expenditures should not be included in the Operation's budget. Therefore, the following expenditure shall not be eligible for funding under Regulation (EU) No 231/2014:

(a) purchase of land and existing buildings, except where duly justified by the nature of the action in the financing decision

(b) other expenditure as may be provided for in the sectoral or financing agreements.

The above calculations – by contract type e.g. services, works etc. - should be completed per component (if applicable) and the total amount should include all estimated eligible costs, national contribution, IPA contribution and donor contribution (if applicable).

Budget Breakdown Table (indicative, per Operation component if applicable)

Contract Type	Total Project Cost	EU IPA Funding (Max 85%) EUR	National Funding (Min 15%) EUR	Private / Donor Funding EUR	Total EUR
Service					
Supervision[2]					
Supply					
Works					
Other (specify)					
Total					

[2] Indicatively 10% of works component should be allocated to supervision.

14 Cash flow requirements by source of funding

Amounts (in EUR) contracted and disbursed by quarter for the Operation

Contracted / Q/Year	1/2017	2/2017	3/2017	4/2017	1/2018	2/2018	3/2018	4/2018	1/2019	2/2019	3/2019	4/2019	1/2020	2/2020	3/2020	……
Contract 1 (Service)																
Contract 2(Supervision)																
Contract 3 (Supply)																
Contract 4 (Works)																
Contract 5 (Grants)																
Cumulative																
Disbursed																
Contract 1 (Service)																
Contract 2 (Supervision)																
Contract 3 (Supply)																
Contract 4 (Works)																
Contract 5 (Grants)																
Total per Quarter																
Cumulative																

For Service Component:

Indicative Staff Inputs (man/days) for Service Contract			
Category	**Indicative minimum work-days**	**Estimated fee-rate (EUR/day)**	**Total Cost (EUR)**
a) Key Experts			
1 Team Leader			
2 Key Expert			
………			
b) Non-key Experts			
1……..			
2……..			
………			
Incidental*			
1……			
2…..			
Expenditure verification**			
Total			

* Generally between 5-10% of the total cost
**Generally 0.7-1.0% of the total cost

For Supervision Component (justified with works component):

Indicative Staff Inputs (man/days) for Supervision Contract			
Category	**Indicative minimum work-days**	**Estimated fee-rate**	**Indicative minimum work-days**
a) Key Experts			
1……..			
2……..			
………			
b) Non-key experts			
1……..			
2……..			
………			
Incidental*			
1……			
2…..			
Expenditure verification**			
TOTAL**			

*Generally between 5% to 10% of the total cost
** Generally 0,7% of the total cost

For Supply Component:

Indicative Budget for Supply Contract*			
Description	**Quantity**	**Unit price**	**Total**
LOT 1:			
1…			
2…			
LOT 2:			
1…			
2…			
TOTAL			

* Provide list of equipment / machinery to be procured.

For Works Component*:

Indicative Budget for Works Contract*				
Description	**Unit** ***(m^3, tons, m, etc.)***	**Quantity**	**Unit price (EUR)**	**Total (EUR)**
Work item 1				
Work item 2				
Work item 3				
Work item ..				
TOTAL				

*Provide information / supporting document(s) on the land / building which will be the subject of the works contract. Is there any issue to be resolved as regards to the ownership of the land / building? If yes, when and how this issue will be resolved?

15 Revenue Generating Operations (if applicable)

If your Operation includes an investment that is expected to generate revenue, this section should provide the relevant details. The revenue may for example be generated through tariffs or charges paid by users. In this case, you are supposed to indicate the types and the level of tariffs and charges and this section should be able to summarise on which basis the charges have been calculated and established.

Advice: while calculating the revenues, the respective data should be in line with the Feasibility Study and the CBA analysis.

While completing this section, the following questions should be answered.

- The details and the methodology of calculation of charges. That methodology should also be able to demonstrate whether the set tariffs and charges include the operational costs (covering maintenance and, if applicable, re-investment costs). Also, the depreciation of the project should be considered.
- If the charges differ by user, the method and/or the respective regulation should be included in the methodology.
- The method of calculation of charges should also be proportional to the use of the project / real consumption and also proportional to e.g. the pollution generated by users.

If, due to the nature of the project, there will be no tariffs or charges included in the calculations, you should be able to prove how you will be cover operation and maintenance costs during the lifetime of the project.

Please do not forget to include the summary of the feasibility report as an annex to the OIS.

16 Environmental Impact Assessment. (if applicable)

If the development consent has been given to this Operation through an EIA, please indicate the details of this consent and the approval date. Please include the executive summary of the EIA in an annex to the OIS.

If the EIA procedure continues while you are making this application, please indicate the following details:

- When was the formal request for the development consent submitted?
- The expected date of final decision?
- The competent authority or authorities that will provide development consent?
- How many public hearings have been / will be held?
- The details of the concerned public that has been consulted?
- Where and how was the relevant information disseminated, and made available for examination?
- The time that has been given to the public to express its opinion?

End of OIS template.

What happens next?

Congratulations you have completed the OIS! All that remains is to submit your Operation in the form of a fully elaborated Operation Identification Sheet (and annexes) to the Operating Structure.

Please do not forget to include the following documents in your submission:

- completed OIS and relevant annexes
- budget estimate for the service component together with detailed estimate of incidental expenditure and expenditure verification
- budget estimate for the supply component (if any)
- budget estimate for the works component (if any) and existing documentation (e.g. pre-feasibility study, CBA, EIA showing the development consent)
  budget estimate for the grant component (if any)

Please respect the OIS submission deadline provided by the OS.

After submission, the OIS and its annexes, as well as the supporting documentation provided by the potential End-Recipients (ERA), will be checked by the Programming Monitoring and Evaluation Unit of the OS. OISs selected directly, as well as OISs pre-selected via Call for Proposals or direct invitation, will be checked by the Quality Assurance and Control Unit of the Operating Structure.

Following checking by the Quality Assurance and Control Unit, the OS may provide comments and may return the OIS for revision. Potential ERAs will be requested to make the requested revisions and resubmit the OISs to the OS within 10 calendar days. In addition to the revised OIS, potential ERAs shall also submit a comments table listing the comments of the OS and the actions taken to address the comments. Additional comments by the OS, if any, are to be addressed by the potential OBs within 5 calendar days.

Next, the OISs will be shared with the EUD which may also provide comments or request revisions. Potential ERAs will then be required to return the revised OIS to the Operating Structure who will forward it to the EUD for final approval. As mentioned before, potential ERAs shall also submit a comments table. It is strongly recommended that the potential OBs comply with the time limits defined above for the revisions. The Operation can be started once EUD grants final approval to its OIS.

After approval of the OIS by the EUD, the ERA should be ready to prepare the following documentation in a timely manner.

- Terms of Reference for the Service Component
- Technical Specification and market research for the Supply Component (if any).
- Final Feasibility Study for the Works Component (if any) and full designs and respective Bills of Quantities
- In case the Operation will also contain a grant scheme, the Guideline for Applicants and the Application Package will be prepared by the OB.

Annex I - Model Operation Identification Sheet

Model Operation Identification Sheet

(max 10 pages)

1) Title of the Operation:
2) Operating structure:
3) Body Responsible for the Implementation of the Operation:
4) Compatibility and coherence with the Operational Programme
   - 4.1 Title of the programme
   - 4.2 Title of the action
   - 4.3 End recipient of assistance
5) Description of the Operation
   - 5.1 Contribution to the achievement of the Operational Programme: Describe the operation, its background, how the operation contributes to the achievement of the objectives of the Operational Programme linked with the appropriate measure.
   - 5.2 Overall Objective: Explain in one sentence
   - 5.3 Operation Purpose: Explain in one sentence
   - 5.4 Indicative location(s): Please keep in mind the eligible regions
   - 5.5 Duration: Duration of the operation cannot exceed the final date of eligibility of expenditure set in the Financing Agreement
   - 5.6 Target group(s):
   - 5.7 Results with measurable indicators:
   - 5.8 Indicative activities:
6) Implementation arrangements

(please provide detailed chronogram for preparatory stages, tendering, contracting and starting of operations)

   - 6.1 Institutional framework: institutional arrangements foreseen for the implementation of the operation, e.g. operation coordination unit, steering committee, regional and/or provincial authorities, technical assistance team
   - 6.2 Proposed monitoring structure and methodology: who will be responsible for monitoring of the operation, how will the operation be monitored, what will be the workflow and reporting lines?

6.3 Required procedures and contracts for the implementation of the operation and their sequencing: list the type of procedures (call for proposals, direct implementation by national institutions without prior call for proposals, direct agreements with international organisations, etc) and the corresponding contracts (grant contracts, contribution agreements with international organisations, services, supplies, works, etc) for the proposed activities, together with their sequencing

7) Risks and assumptions:

8) Expected impact of the operation on the target group and multiplier/spill over effects:

9) Sustainability:

10) Equal opportunity, minorities and vulnerable groups (where relevant):

11) Requested financing from the European Commission:

The Union contribution shall not exceed the ceiling of xx% of the eligible expenditure.

12) Co-financing: (please identify expected total contribution by source)

13) Budget breakdown:

(indicative, per operation component if applicable, including estimated total cost, public expenditure, IPA contribution, national public contribution and private contribution)

14) Cash flow requirements by source of funding

15) Revenue generating operations (Article 9 of the General Conditions of the Financing Agreement) (if applicable)

If the project is expected to generate revenues through tariffs or charges borne by users, please give details of charges (types and level of charges, principle on the basis of which the charges have been established).

Following questions should also be addressed:

Do the charges cover the operational costs and depreciation of the project?

Do the charges differ between the various users of the infrastructure?

Are the charges proportional:

- To the use of the project/real consumption?
- To the pollution generated by users?

If no tariffs or charges are proposed, how will operating and maintenance costs be covered?

16) Environmental Impact Assessment (if applicable)

Has development consent already been given to this project?

If yes, on which date?

If no, when was the formal request for the development consent introduced and by which date is the final decision expected?

Specify the competent authority or authorities, which has or have given or will give the development consent.

Results of the consultations with the public concerned[3].

Is the project likely to have significant negative effects on sites included or intended to be included in sites of nature conservation importance / Natura 2000 network?

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3 The information provided should cover the following:
- the concerned public which has been consulted,
- the places where the information has been consulted,
- the time which has been given to the public to express its opinion,
- the way in which the public has been informed (for example, by bill-posting within a certain radius, publication in local newspapers, organisations of exhibitions with plans, drawings, tables, graphs, models, etc.),
- the way the public has been consulted (for example, by written submissions, by public enquiry, etc.)
- the way in which the concerns of the public have been taken into account.

Annex II - Logframe Matrix

LOGFRAME PLANNING MATRIX		**Programme Name and Number:** Transport Sectoral Operational Programme (SOPT)	*Name of the proposal*
		Contracting Period Expires:	**Disbursement Period Expires:**
		Total Budget: EUR ………	IPA Budget: EUR………
Overall Objective	**Objectively Verifiable Indicators**	**Sources of Verification**	**Assumptions**
Operation Purpose	**Objectively Verifiable Indicators**	**Sources of Verification**	**Assumptions**
"	**Objectively Verifiable Indicators**	**Sources of Verification**	**Assumptions**
Activities		**Means**	
		Fees — EUR	
		Incidentals — EUR	

Annex III - Financial and Operational Capacity Tables

Please provide the following information, if applicable, on the basis of the profit and loss account and balance sheet of your organisation. Amounts in EUR.

Year	Turnover or equivalent	Net earnings or equivalent	Total balance sheet or budget	Shareholder equity or equivalent	Medium and long-term debt	Short-term debt (<1 year)
N[1]						
N-1						
N-2						

Project Experience

Please provide a detailed description of actions managed by your organisation over the past three years.

This information will be used to assess whether you have sufficient and stable experience of managing actions in the same sector and of a comparable scale to the one for which an Operation is being requested:

Project title:		Sector			
Location of the action	Cost of the action (EUR)	Lead manager or partner	Donors to the action (name)	Amount contributed (by donor)	Dates (dd/ mm/ yyyy to dd/ mm/ yyyy)
…	…	…	…	…	…
Objectives and results of the action					

Annex IV - Timeline for tendering and contracting

(Indicative - for information)

		Days	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	M13	M14	M15	M16	M17	M18	M19
Service Tenders																					
1	Preparation and publication of contract PIN	30																			
2	Preparation and publication of contract notice	180																			
3	Submission Applications	60																			
4	Establishing shortlist	60																			
5	Submission of tenders	50																			
6	Evaluation	60																			
7	Signature of contract	30																			
	Total	**470**																			
Works Tenders																					
1	Preparation and publication of contract PIN	30																			
2	Preparation and publication of contract notice	360																			
3	Submission of tenders (*)	90																			
4	Evaluation	60																			
5	Signature of contract	30																			
	Total	**570**																			
Supply Tenders																					
1	Preparation and publication of contract PIN	30																			
2	Preparation and publication of contract notice	180																			
3	Submission of tenders	70																			
4	Evaluation	80																			
5	Signature of contract	30																			
	Total	**390**																			
	(*) May be reduced to 60 days in case of local open tender																				