

EUROPEAN UNION – TACIS

Promotion of Networks: TRACECA

Terms of Reference

**Trade Facilitation and Institutional Support
€ 2.000.000**

Terms of reference

1.	BACKGROUND INFORMATION	3
1.1.	Beneficiary country	3
1.2.	Contracting Authority	3
1.3.	Relevant background	3
1.4.	Current state of affairs in the relevant sector	4
1.5.	Related programmes and other donor activities	4
2.	CONTRACT OBJECTIVES & EXPECTED RESULTS	5
2.1.	Overall objectives	5
2.1.1.	Development and follow-up of the implementation of the TRACECA Visa and the TRACECA freight documentation	5
2.1.2.	RACECA Hot Line and enhanced communications initiatives	5
2.1.3.	Support to the IGC TRACECA and Permanent Secretariat	6
2.2.	Specific objectives	7
2.3.	Results to be achieved by the Consultant	7
3.	ASSUMPTIONS & RISKS	8
3.1.	Assumptions	9
3.2.	Risks	9
4.	SCOPE OF THE WORK	9
4.1.	General	9
4.2.	Specific activities	10
4.2.1.	Tasks of the Team Leader in Baku	10
4.2.2.	Tasks of the Supervisor of the Permanent Secretariat in Baku	11
4.2.3.	Tasks of the Co-ordinator in Central Asia in Almaty.	11
4.2.4.	Tasks of the Co-ordinator in Kiev	12
4.3.	Project management	13
4.3.1.	Responsible body	13
4.3.2.	Management structure	13
4.3.3.	Facilities to be provided by the Contracting Authority and/or other parties	13
4.4.	Financing of the Permanent Secretariat	13
5.	LOGISTICS AND TIMING	13
5.1.	Location	13

Terms of reference

5.2.	Commencement date & Period of execution	13
5.3.	Implementation timetable	13
6.	REQUIREMENTS	14
6.1.	Personnel	14
6.1.1.	Key experts	14
6.1.2.	Other experts	15
6.1.3.	Support staff & backstopping	16
6.2.	Office accommodation	16
6.3.	Facilities to be provided by the Consultant	16
6.4.	Equipment	16
6.5.	Incidental expenditure	16
7.	REPORTS	17
7.1.	Reporting requirements	17
7.2.	Submission & approval of progress reports	17
8.	MONITORING AND EVALUATION	18
8.1.	Definition of indicators	18
8.2.	Special requirements	19

Terms of reference

1. BACKGROUND INFORMATION

1.1. Beneficiary country

The Beneficiary countries are all the 12 countries signatories of the TRACECA Multi-Lateral Agreement (MLA) on International Transport i.e. Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Ukraine and Uzbekistan, plus Turkmenistan.

1.2. Contracting Authority

The contracting Authority is the European Commission

1.3. Relevant background

During May 1993 a conference was held in Brussels organised by the Commission and attended by authorities of eight Republics of the southern part of the former USSR: Armenia, Kyrgyzstan, Azerbaijan, Tajikistan, Georgia, Turkmenistan, Kazakhstan and Uzbekistan.

The objectives of the conference were:

- to stimulate co-operation among the participating Republics in all matters pertaining to the development and improvement of trade within the Region
- to promote the Central Asian - Trans Caucasian-Europe Transport Corridor
- to identify problems and deficiencies in the Region's trade and transport systems
- to define, in terms of contents and timing a Technical Assistance Programme to be financed by the European Union (EU)

As a result of the above meeting TRACECA (Transport Corridor Europe Caucasus Asia) was created as a component of the TACIS programme. Regional sectoral Working Groups (trade, rail, road, maritime), composed of experts and officials from each TRACECA state and the European Union (EU), have been established as part of the TRACECA programme. They meet periodically. They have inaugurated specific projects, and they will monitor results. Members of the Working Groups are drawn from appropriate sectors, usually Ministers of Transport and Cabinet of Ministers, who constitute the recipient partners of this project. Ukraine joined the TRACECA programme end of 1996 and Moldova mid-1998.

On September 7-8, 1998, delegations from 32 countries and 13 international organisations attended the International TRACECA Conference in Baku. Nine Presidents and one Prime Minister, Ministers, Ambassadors and heads of delegations discussed the importance of the TRACECA program as the shortest way of integration into the international economic structure, as a guarantee of political and economic stability and also as a means to improve regional co-operation. During this Conference, 12 countries signed a Multi-Lateral Agreement (MLA) on International Transport in the transport corridor Europe-Caucasus-Central Asia and four supplementary technical documents on customs, road, maritime and rail transport. The objectives of the MLA and its Technical Annexes are as follows:

- assisting in the development of economic relations, trade and transport communications in Europe, Black Sea region and Asia
- ensuring access to the world market of road, rail transport and commercial navigation
- ensuring traffic security, cargo safety and environment protection
- harmonisation of transport policy and legal structure in the field of transport
- creation of equal conditions of competition for transport operations

Terms of reference

A Permanent Secretariat was set up in Baku under the Multi-Lateral Agreement. The First Conference of the TRACECA Intergovernmental Commission (IGC) was held on 10-11 March 2000 in Tbilisi. The Conference adopted the Intergovernmental Commission rules and procedures for the future work as well as the Statutes of the Permanent Secretariat and elected its General Secretary. In each member state, a National TRACECA Commission was set up and a National Secretary of Permanent Secretariat was appointed. The 2nd Conference was held in Tashkent in 24-25 April 2002 where IGC TRACECA decided to form special governmental monitoring groups in their countries. In the IGC annual meeting in Yerevan in October 2003, the 12 TRACECA countries decided to co-finance the Secretariat cost, starting initially by covering 15% of its annual cost in 2004. Additionally they took important decisions, in the context of the TRACECA Multi-lateral agreement, signing protocols aiming to facilitate the transport of goods in the TRACECA countries. It is also worth mentioning that during the Conference Iran and Afghanistan applied officially to become TRACECA members.

1.4. Current state of affairs in the relevant sector

Nowadays, in the era of globalisation and economic development, there is more dependence on trade. The TRACECA members are actually witnessing an increased demand in transport. For this reason there is also an awareness and interest in TRACECA programme across the whole Eurasian continent.

In addition to the comprehensive development of sea, railway and road transport in the region, great importance is attached to the unified transport policy, harmonisation and unification of the legal basis in the TRACECA member states which will enable to reduce the time of delivery and transport costs in the TRACECA corridor.

In order to achieve the coherence of all these goals, a coordination team has been in place for several years. The last TRACECA Co-ordination Team was in place from 18/11/2001 till 18/01/2004. Starting March 2004 until September 2004, a transition period for the Permanent Secretariat, a smaller team is put in place to secure the bridging support to the Secretariat till the contract procedure, subject to this ToR, is completed and a new contractor is in place.

The need to increase the cohesion between projects and between funding institutions, the exchange of information and data between contractors, making sure the lessons learned are spread amongst the actors, is increasing with the number of projects implemented under the TRACECA and other donor's umbrellas.

The number of countries expressing strong interest in TRACECA is also increasing. Early 2004, Pakistan has officially applied to become also a member of TRACECA and is committed to sign the MLA.

1.5. Related programmes and other donor activities

As one of the major objectives of the TRACECA Programme is to facilitate investment in the beneficiary states through technical assistance projects, it is of paramount importance to establish and maintain excellent contacts with the International Financing Institutions such as EBRD, World Bank, Black Sea Trade and Development Bank (BSTDB), Kuwait Fund and Asian Development Bank.

The other financial institutions providing mainly lending facilities, the strong coordination between the grants of the EU and the lending strategies of the IFIs will be an essential part of the activities of the contractor.

2. CONTRACT OBJECTIVES & EXPECTED RESULTS

2.1. Overall objectives

AeTia ← The establishment of the Co-ordination Team will facilitate the co-ordination of the TRACECA programme and its cohesion with other regional Community-funded initiatives, such as the Black Sea Pan European Transport Association (PETrA), Trans European Network – Transport (TEN-T) networks etc. A transport project of this size with over dozen of beneficiary States and with ongoing projects for more than 10 million €, has special requirements in terms of co-ordination between experts and beneficiaries, and between the teams of contractors who are contributing to the implementation of the programme projects.

This project contains three main objectives:

2.1.1. *Development and follow-up of the implementation of the TRACECA Visa and the TRACECA freight documentation*

The general objective of this part is the follow-up of the implementation of simplified rules applicable to transport and transit developed within previous TRACECA projects and to provide additional service and systems that will assist the current freight transport users and enhance the marketing capability of the TRACECA Corridor.

TRACECA Visa and Freight Documentation will have to deal with customs and customs related rules for goods. Previous work carried out during several TRACECA projects paved the way for such a simplification: "Trade Facilitation", "Border Crossing" and "Tariffs and Fees" projects concentrated on and refined the freight aspects of transit harmonisation. This means that many of the procedures have already been simplified and thereby permits the easier introduction of the TRACECA Freight Documentation.

However, many problems are still pending regarding the transit of passengers, particularly the individuals whose activity is directly related to the transit of goods such as truck drivers in road transport or car attendants in railways. Delivery of visas for persons is both time consuming and costly; besides, for one single voyage, persons need as many visas as there are borders to cross. A second specific objective of the project will be to design a set of procedures that will ease and make less expensive the crossing of borders by the citizens of TRACECA states.

TRACECA states already participate in international customs and visas agreements, but none of them cover the whole area. A specific sub-objective of the project will be to make sure that TRACECA visa stay compatible with present customs and visa unions.

In addition, to facilitate Border Crossing Procedures and ensure that other vital information is readily available to Shippers, Cargo Owners, Freight Forwarders and Border entities the TRACECA Hot Line and Enhanced Website and the Use of Web cams are to be evaluated and developed.

2.1.2. *TRACECA Hot Line and enhanced communications initiatives*

v TRACECA Hot Line - Creation of a reliable dedicated telephone network at designated TRACECA border crossing points utilizing either 'land-line', GSM or fibre-optics communication media and linking this to a Help-Desk in the various National Secretariats that will be available 24 hours per day and 365 days per year. This can additionally be supported by the currently established TRACECA Website in the form of an 'Interactive Enquiry Section'. There should be an initial 'pilot' project to establish the methodology and the practical parameters of the overall technical and administrative system.

AB There will be a need for an Initial Evaluation of the whole concept and a requirement to provide a report on the total concept, the practical problems and limitations of the system and a detailed cost analysis including a progressive development strategy. There should be a review of the current

Terms of reference

administrative capabilities of the TRACECA structure in relation to the operation and support of the Hot Line and Help-Desk initiative. This review should evaluate and report on the realistic capabilities of the current administration and make recommendation for improvement if required.

Enhanced TRACECA Website – Evaluation of the current TRACECA Website to further refine its capabilities that will eventually include a centre for Frequently Asked Questions (FAQ's). This FAQ service within the Website will then correlate queries and information on the regular difficulties experienced by the TRACECA Corridor users. This facility should incorporate a capability to permit all users to access the information on FAQ's and to pose their own questions. The known queries will be available and the new queries will then be added to the list of FAQ's with the respective answers.

Use of Web cams – There are already current initiatives in the use of Web cams in some countries and the experience from this should be evaluated and proposals made for the use of Web cams in specific border crossings in the TRACECA Transport Corridor to give 'real-time' overview on traffic movements for the benefit of the corridor users and security for the border authorities. It is understood that the use and cost of CCTV (Closed Circuit Television) would not be financially feasible to permit international access but the media of Web cams could fulfil this need in a cost effective manner.

2.1.3. Support to the IGC TRACECA and Permanent Secretariat

- To facilitate the collaboration between the European Commission (EuropeAid co-operation office) and the transport organisations of the 13 beneficiary TRACECA countries and to co-ordinate the contacts between beneficiaries and TRACECA contractors.
- To assist the Black Sea PETrA Secretariat, the TRACECA Permanent Secretariat and the National Commissions to their work in the context of the TRACECA programme. To inform other donors, IFIs, EU commercial operators and other interested parties on the TRACECA activities. To maintain close contacts with IFIs.
- To report directly to Ministries of Transport on all aspects of projects financed by TRACECA.
- To ensure a continuous financing of the Permanent Secretariat and National Secretaries, including allowances, travelling costs and office expenses, the annual conference and working groups meetings for the period of 24 months after contract signature, according to a budget to be agreed with the Project manager in EuropeAid Co-operation Office.
- To support and supervise the Permanent Secretariat in Baku.
- To ensure follow-up of ongoing projects through analysis of project outputs, evaluation of time-tables etc. Definition of future project priorities in collaboration with the Permanent Secretariat and National Commissions.
- To assist the Commission to the identification of new projects and to prepare ToR for various projects in line with the project guidelines and the overall objectives established by the Commission and the IGC.
- To handle the general dissemination of TRACECA information including an annual brochure, quarterly magazines, posters, news-letter, and short films. To maintain the TRACECA and the Black Sea PETrA web-sites. To maintain and to up-date the TRACECA traffic database and forecasting model.
- To organise meetings and working groups for the TRACECA beneficiaries, signatories of MLA and Memorandum on the Black Sea Pan European Transport Area, and to provide secretarial support to these meetings.

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Terms of reference

2.2. Specific objectives

In order to reach the above stated overall objectives, the project purpose and deliverables are defined as follows:

- **Development and follow-up of the implementation of the TRACECA Visa and the TRACECA freight documentation**
 - In depth review of documentation and legislation impact concerning international freight in each TRACECA country, including customs and visa agreements in each TRACECA country
 - In depth study of freight and passenger movement legal and legislation processes in each TRACECA country;
 - Alignment with previous and current related projects;
 - Design and implementation of an initial "Freight Pilot Scheme" on freight only in order to apply a new set of simplified rules;
 - Organisation of seminars with all interested parties of TRACECA states in order to plan the expansion of the initial "Passenger Pilot Scheme";
 - Convergence of the implementation of the TRACECA Visa and the TRACECA Freight Documentation;
 - Ultimate harmonisation of both procedures and legislation.
- **TRACECA Hot Line and enhanced communications initiatives**
 - Establishment of methodology and practical parameters of the overall technical and administrative system;
 - Elaboration of the total concept, including the practical problems and limitations of the system and a detailed cost analysis, a progressive development strategy. This review should evaluate and report on the realistic capabilities of the current administration and make recommendation for improvement if required;
 - Technical and financial support of a centre for Frequently Asked Questions (FAQ's) on TRACECA website
 - In depth study of available experience in using the web cams on the border crossing in European countries
 - Economic and financial feasibility study for the use of Web cams in specific border crossings in the TRACECA Transport Corridor.
- **Support to the IGC TRACECA and Permanent Secretariat**
 - Organisation of the TRACECA Annual Meetings 2005 and 2006;
 - Organisation of the TRACECA Working group meetings 2005/2006; (2004?)
 - Financing support to IGC and PS TRACECA up to 2006. (incl. 2006 or not?)

2.3. Results to be achieved by the Consultant

The following results are expected as part of the deliverables of the Contractor:

Terms of reference

- Report, evaluating the impact on local legislations for all TRACECA Countries and corresponding issues to be overcome for the Visa and Freight Documentation
- Report on legal and legislation processes for freight and passenger movement in each TRACECA country
- Assure continuation with previous and current related projects
- Design and implement a Pilot scheme project on simplified rules for Freight movement
- Organise seminars in all TRACECA countries to disseminate and promote the results of the Pilot project
- Establishment of a time schedule, to be agreed with all TRACECA countries, of the actions to be taken in order to achieve the harmonisation of the TRACECA Visa and Freight Documents initiatives.
- Evaluation report on the impact of the implementation of the Hot Line on local Administrations, including recommendations for overcoming them.
- Elaboration of a complete concept, including the practical problems and limitations of the Hot Line system. This should comprise the detailed cost analysis and the development strategy to be applied.
- Provide the required technical and financial support for the establishment, operation and regular update of a web based centre for Frequently Asked Question (FAQ's)
- Report on the available experience in Europe in the domain of the use of Web Cams in border crossing points. Lessons learned and their possible use for the TRACECA conditions.
- Feasibility study on the use of the Web Cam system in the Traceca countries.
- Organise one TRACECA annual meeting in 2005 and one in 2006
- Organise two working group meetings in 2005 and two working group meetings in 2006.
- Provide the financial support to the IGC and the Permanent Secretariat of TRACECA
- Establish offices in Almaty and Kiev. The offices in Baku exist already.
- Provide the required co-ordination for the running and to-be-launched TRACECA projects
- Provide the technical support and act as webmaster of the TRACECA website by updating: i) the web site with the major events of TRACECA and ii) the database with TRACECA project reports
- Update the TRACECA traffic database.
- Provide the required support for the identification of new projects. Prepare the corresponding Terms of Reference for these and other projects and activities that are in line with the project guidelines and the overall objectives established by the Commission and the IGC.

3. ASSUMPTIONS & RISKS

Terms of reference

3.1. Assumptions

The project has received strong support and approval from the final recipients of all participating countries and therefore no major political risks are expected. Some contracts implemented previously in the region have paved already the way.

However, due to the number of national authorities and different local administrations to be involved in the achievements of the set goals, the innovation in terms of the tools to be implemented and target people to use these tools, some difficulties may be expected in terms of time and issues to be overcome in the project implementation.

3.2. Risks

Major risks, which might affect the objectives of this project, are:

- Failure to quickly reach agreement on procedures and documentation on Visa and Freight Documentation
- Infrastructure required for the implementation of the new technical solutions (Web cams) in the area
- Failure in the set up of network of local experts
- Bad/poor communications between team members located in the different offices: Baku, Kiev and Almaty
- Insufficient built-up of relations with Commission Delegations, counterparts and beneficiaries.

4. SCOPE OF THE WORK

4.1. General

4.1.1.1. Project description

The Co-ordination team has to provide the technical expertise to develop and execute the projects in the rail, road, maritime and horizontal sector. In order to achieve these goals, engineering, economic and operational skills are required to implement and to co-ordinate the projects identified as priority by the Commission and IGC.

The Team Leader, based in Baku, will be responsible for the supervision of the TRACECA Secretariat and for the overall co-ordination of the project; he will report on a regular basis to and defined by the Project Manager in EuropeAid Co-operation Office. The office in Baku is put at the disposal of the contractor by the Government of Azerbaijan.

The Supervisor, also based in Baku, will assist the team leader in his duties and will supervise the office in Kiev. He will support and assist on a daily basis the Staff and the General Secretary of the Permanent Secretariat. He will ensure the co-ordination of the EU participation in the financing of the Permanent Secretariat.

The co-ordinator, based in Almaty, will have to ensure in five Central Asia countries, level of co-ordination of all projects and activities linked with the TRACECA programme.

The office in Kiev will be staffed with local staff and under the authority of the Project Supervisor based in Baku. Its goal will be the co-ordination of all projects and programme activities related to TRACECA programme and its relationships with any other relevant programme of the EU.

Terms of reference

4.1.1.2. Geographical area to be covered

The co-ordination team will cover the regions of the TRACECA countries, actually 13 but that may be expanding as time goes forward.

4.1.1.3. Target groups

The target groups of this project are all the Transport administrations and stakeholders in the TRACECA countries.

4.2. Specific activities

4.2.1. Tasks of the Team Leader in Baku

where is BSPETrA?

The Team leader of the Co-ordination Team will have to ensure a central level of coordination of all projects and programmes linked to TRACECA and to Black Sea PETrA, namely:

- To establish a head office in Baku in order to ensure co-ordination with all contractors, TRACECA beneficiaries, signatories of MLA and Memorandum on the Black Sea Pan European Transport Area (The Steering Committee).
- To oversee the operational use of resources: human (team members, short terms experts, local experts) and financial (working groups, secretarial support). The Team leader will be fully responsible for the different components of the project: Co-ordination, studies, and reports, activities ad hoc of the group of experts, dissemination of TRACECA Information, maintenance of the TRACECA website and the traffic database, organisation of meetings and working groups for the TRACECA beneficiaries, signatories of MLA and Memorandum on the Black Sea Pan European Transport Area. The Team leader will report to the Project Manager in EuropeAid Co-operation Office on all aspects of the project, including co-ordinating team member's activities in the participating states.
- To assist beneficiaries in the co-ordination of all contractors, Permanent Secretariat, National Commissions, other donors, EU commercial operators, and other interested parties.
- To report directly to Ministries of Transport (and other relevant eventual other local Administrations) on all aspects of the projects including co-ordinating team member activities in the participating countries
- To identify new projects and to organise of the drawing up of Terms of Reference for various projects and activities in line with the project guidelines and the overall objectives established by the Commission and the IGC.
- Assistance in tender evaluation meetings for new TRACECA Projects if required.
- To ensure follow-up of ongoing projects through analysis of project outputs, evaluation of time-tables, definition of future project priorities in close collaboration with the Permanent Secretariat.
- To co-ordinate closely with other donors and investors involved in TRACECA activities. In particular, close contact will need to be maintained with IFIs and International Transport Organisations.
- To liaise directly with all relevant recipient country institutions to maximise the implementation of the projects and to preserve the regional character and coherence of projects.

Terms of reference

- To organise and co-ordinate meetings and working groups for the TRACECA beneficiaries, signatories of MLA and Memorandum on the Black Sea Pan European Transport Area (The Steering Committee).

4.2.2. Tasks of the Supervisor of the Permanent Secretariat in Baku

The supervisor will have to ensure support and follow-up of the Permanent Secretariat Activities, in particular:

- To establish a regional office (Kiev) in order to ensure co-ordination with all contractors and all beneficiaries.
- To ensure the continuity of the supervision of the Permanent Secretariat activities.
- To supervise and assist the Staff of the Permanent Secretariat.
- To ensure and supervise the EU participation in the financing of the Permanent Secretariat.
- To assist the Permanent Secretariat and the General Secretary in the co-ordination of all contractors, Beneficiaries, National Commissions, other donors, EU commercial operators and other interested parties.
- To assist the Permanent Secretariat in the preparation and the organisation of the IGC working group meetings and the IGC annual meeting.
- To ensure co-ordination and reporting of programme activity for each project and any activity linked to the TRACECA Project and the activities of the Permanent Secretariat.
- To assist the Team Leader in the identification and the drawing up of Terms of Reference for new projects.
- To assist the Team Leader in the definition of future regional transport priorities.
- To liaise with the other regional co-ordinators for projects which cover respective regions
- To review and comment on all reports issued by the contractors.
- To report directly to the Team Leader in Baku.
- To maintain the Technical TRACECA library, placed in the Permanent Secretariat in Baku by updating it with all relevant information concerning the projects implemented in the respective region

4.2.3. Tasks of the Co-ordinator in Central Asia in Almaty

The co-ordinator will have to ensure in Central Asia, level of co-ordination of all projects and programme activities linked with TRACECA in particular:

- To establish a regional office (Almaty) in order to ensure co-ordination with all contractors and all beneficiaries.
- To assist beneficiaries in the co-ordination of all contractors, Permanent Secretariat, National Commissions, other donors, EU commercial operators and other interested parties.

Terms of reference

- To report directly to Ministries of Transport on all aspects of the projects, including co-ordinating team member activities in the participating countries
- To organise working party meetings on site for all ongoing projects with concerned and related contractors, with representatives of participating states and possibly with representatives from International Institutions or commercial partners.
- To ensure co-ordination and reporting of programme activity for each project and any activity linked to the TRACECA Project.
- To assist the Team Leader in the drawing up of Terms of Reference for new projects.
- To assist the Team Leader in the definition of future regional transport priorities.
- To liaise with the other regional co-ordinator for projects which cover respective regions
- To review and comment on all reports issued by the contractors.
- To report directly to the Team Leader in Baku.
- To maintain the Technical TRACECA library, placed in the Permanent Secretariat in Baku by updating it with all relevant information concerning the projects implemented in the respective region

4.2.4. Tasks of the Co-ordination office in Kiev

The Kiev office will have to ensure in Europe a level of co-ordination of all projects and programme activities linked with TRACECA in particular:

- To assist beneficiaries in the co-ordination of all contractors, Permanent Secretariat, National Commissions, other donors, EU commercial operators and other interested parties.
- To support the Team leader and task Co-ordinators in reporting to Ministries of Transport on all aspects of the projects, including co-ordinating team member activities in the participating countries
- To organise working party meetings on site for all ongoing projects with concerned and related contractors, with representatives of participating states and possibly with representatives from International Institutions or commercial partners.
- To ensure co-ordination and reporting of programme activity for each project and any activity linked to the TRACECA Project.
- To assist the Team Leader in the drawing up of Terms of Reference for new projects.
- To assist the Team Leader in the definition of future regional transport priorities.
- To liaise with the other regional co-ordinators for projects which cover respective regions
- To review and comment on all reports issued by the contractors.
- To maintain the Technical TRACECA library, placed in the Permanent Secretariat in Baku by updating it with all relevant information concerning the projects implemented in the respective region

Terms of reference

4.3. Project management

4.3.1. Responsible body

The project will be managed by EuropeAid Co-operation office (AIDCO/A2). The Team Leader will be responsible for managing the contract.

4.3.2. Management structure

The Team Leader will be reporting on a regular basis to and defined by the Project Manager in EuropeAid Co-operation Office. The co-ordinator for Central Asia and the supervisor of the Permanent Secretariat in Baku will be reporting to the team leader.

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

The offices in Baku are provided by the Government of Azerbaijan. The contractor will be responsible for all other operational costs, beside the rent of the premises, which are put at the disposal of the contractor by the Government of Azerbaijan. The premises in Almaty and Kiev will have to be rented, staffed and organised by the contractor.

4.4. Financing of the Permanent Secretariat

The project "Trade facilitation and institutional Support" will take up the participation in the financing of the General Secretary and National Secretaries, including allowances, travelling costs and office expenses, the annual conferences and working group meetings for a period of 24 months after contract signature. For information in January 2004 the staff of the Permanent Secretariat comprised: 3 Sectoral Experts, 1 Office Manager, and 1 Office Clerk, 1 Secretary, 1 Translator, 1 Webmaster, 1 Logistician and 1 driver. The staff that will be financed by the contract has to be approved by the Project Manager in EuropeAid Co-operation Office.

Within the budget of the project (2,000,000 Euro), a certain budget (cf. paragraph 6.5 Incidental Expenditures) is to be allocated to the participation in the financing of the General Secretary, National Secretaries and Permanent Secretariat. Detailed indications of the breakdown of the costs of this amount will be given by the EC according to the financial situation of the date of the contract signature.

5. LOGISTICS AND TIMING

5.1. Location

The project will have three locations for offices, Baku, Almaty and Kiev.

It has to be noted also that in the course of the project implementation, frequent travelling will be required to all TRACECA countries, Brussels and other locations as appropriate and agreed with the Project Manager, based on the project needs. The cost for this travelling will be provided from the incidental expenditure budget.

5.2. Commencement date & Period of execution

The intended commencement date is October 1st 2004 and the period of execution of the contract will be 24 months. Please refer to Articles 4 and 5 of the Special Conditions for the actual commencement date and period of execution.

5.3. Implementation timetable

- Carrying out and finalisation of the regional study and EU practice on the use of Web Cams in border crossing points Nine months after contract signature

Terms of reference

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| - Establishment of the "Passenger Pilot Scheme" | Twelve months after contract signature |
| - Harmonisation of the implementation of the TRACECA Visa, Freight Documentation and legislation | Eighteen months after contract signature |
| - Technical and financial support of the TRACECA website | Continually |
| - Elaboration of the report of recommendations for increasing capabilities of the current administration | Eight months after contract signature |
| - Carrying out economic and financial feasibility study for the use of Web cams | Fourteen months after contract signature |
| - Support to the IGC and PS TRACECA | Continually |
| - Assistance to beneficiaries in the co-ordination of all contractors, Permanent Secretariat, National Commissions, other donors, EU Commercial operators and other interested parties | Continually |

6. REQUIREMENTS

6.1. Personnel

6.1.1. Key experts

Proposing the exact composition of the team of experts is left to the discretion of the Contractor, but it should include qualified transport practitioner with wide practical experience of International Transport as full time Team Leader based in Baku. The Team Leader will be assisted by two key experts (Supervisor of the Permanent Secretariat and Co-ordinator for Central Asia) and a range of part time specialists for short to medium term assignments.

All experts who have a crucial role in implementing the contract are referred to as key experts. The profiles of the key experts for this contract are as follows:

Key expert 1: Team Leader

Qualifications and skills: Transport Economist or Transport Engineer or International Transport Specialist

General professional experience: At least 15 years experience in the field of International Transport

Specific professional experience: At least 5 years experience in Project Management or Project Co-ordination is required. Field experience in NIS for at least three years is required. Knowledge of the Russian language is highly desirable

Key expert 2: Supervisor of the Permanent Secretariat Activities

Qualifications and skills: Transport Economist

General professional experience: At least 15 years experience in the field of International Transport

Specific professional experience: At least 5 years experience in Project Co-ordination and Management of Staff. Field experience in NIS and/or Central European countries for at least three years is required. Knowledge of the Russian language is highly desirable

Key expert 3: Co-ordinator for Central Asia

Qualifications and skills: Transport Economist or Transport Engineer

Terms of reference

General professional experience: At least 10 years experience in the field of International Transport

Specific professional experience: At least 3 years experience in Project Co-ordination is required. Field experience in NIS and/or Central European countries for at least three years is required. Knowledge of the Russian language is highly desirable

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.

The Consultant shall select from his own staff other experts as required according to the profiles identified in the Organisation & Methodology and/or these Terms of Reference. These profiles must indicate whether they are to be regarded as long-term/short-term international/local and senior/junior so that it is clear which fee rate in the budget breakdown will apply to each profile. For the purposes of this contract, international experts are considered to be those whose permanent residence is outside the beneficiary country while local experts are considered to be those whose permanent residence is in the beneficiary country.

The Consultant should pay attention to the need to ensure the active participation of local professional skills where available, and a suitable mix of international and local staff in the project teams. 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 findings of the selection panel shall be recorded. The selection of experts shall be subject to approval by the Contracting Authority.

Note that civil servants and other staff of the public administration of the beneficiary country cannot be recruited as experts.

The contractor is free to compose its team of specialists for short and medium term assignments. However, although not exclusive, the following domains of expertise should be clearly visible in its proposed staff list:

- General Transport Legislation knowledge
- International Conventions - road, rail, sea and multimodal
- International freight and logistics knowledge
- Transport Economics and planning
- Traffic forecast and modelling
- Website management
- Information Technologies and specifically use of Web Cams

The Contractor's proposal must fully describe the key experts to be assigned to the project, their precise domain of expertise applicable to the project, their individual roles in the achievement of the project objectives, the timing, duration and location of their assignments. Time spent in the beneficiary states and at home office is to be clearly shown.

Terms of reference

The proposed time-cost element for such contributions should be clearly visible in the Contractor's proposal. There should aim to be a reasonable balance between inputs from local experts in different TRACECA states.

6.1.3. Support staff & backstopping

It is mandatory to have a backstopping available for this contract. Backstopping costs are considered to be included in the fee rates.

The costs of support staff must be included in the fee rates of the experts.

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 Consultant in Kiev and Almaty. The offices in Baku are put at the disposal of the contractor by the Government of Azerbaijan.

The costs of the office accommodation are to be covered by the provision for incidental expenditure. **The cost per square metre must be in line with the prevailing local market rate for office accommodation of a reasonable standard.**

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.

If the Consultant is a consortium, the arrangements should allow for the maximum flexibility in project implementation. Arrangements offering each consortium partner 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 / beneficiary country as part of this service contract or transferred to the Contracting Authority / beneficiary country at the end of this contract. Any equipment related to this contract which is to be acquired by the beneficiary country must be purchased by means of a separate supply tender procedure.

6.5. Incidental expenditure

The Provision for incidental expenditure covers the eligible incidental expenditure incurred under this contract. It cannot be used for costs which should be covered by the Consultant as part of its fee rates, as defined above. Its use is governed by the provisions in the General Conditions and the notes in Annex V of the contract. It covers:

- Travel costs and subsistence allowances for missions to be undertaken as part of this contract from the bases of operations in the beneficiary country
- Financing of the operational cost of the TRACECA General Secretariat i.e. General, Executive and National Secretaries and Permanent Secretariat staff allowances, travelling costs and office expenses; the cost of annual TRACECA Conferences and the cost of working group meetings.
- other incidental costs, including office running costs, excluding purchase of office equipment; interpretation for events;; translation costs for printed material; telecommunication and copying costs; car hire; small studies, training, workshops;

Terms of reference

The Provision for incidental expenditure for this contract is EUR 900.000€ (including 600.000 for the financing of the IGC Permanent Secretariat; the contribution of the TRACECA countries to the operational cost of the IGC Secretariat will be added to this amount.) This amount must be included **without modification** in the Budget breakdown.

Any subsistence allowances to be paid for missions undertaken as part of this contract from the base of operations in the beneficiary country must not exceed the per diem rates published on the Web site http://europa.eu.int/comm/europeaid/index_en.htm at the start of each such mission.

7. REPORTS

7.1. Reporting requirements

Please refer to Article 26 of the General Conditions. Project Progress reports must be prepared every six months during the period of execution of the contract. They must be accompanied by a corresponding invoice.

There must be a final progress report and final invoice at the end of the period of execution. The draft final progress report must be submitted at least one month before the end of the period of execution of the contract. Note that these interim and final progress reports are additional to any required in Section 4.2 of these Terms of Reference.

In addition, an updated financial report must be submitted with each of the above progress reports. The updated financial report must contain details of the time inputs of the experts and of the incidental expenditure. The final progress report must be accompanied by the final invoice and an audit certificate (as defined in Article 30 of the General Conditions and in accordance with the template in Annex VI of the contract) confirming the final certified value of the contract.

7.2. Submission & approval of progress reports

All reports are to be delivered in the numbers, languages and locations as follows:

	Bound		Loose-leaf		CD ROM (Eng.+Rus)
	English	Russian	English	Russian	
European Commission	2	0	0	0	1
Permanent Secretariat Baku	5	2	1	1	1
National Secretary (12)	1	1	0	0	0
Final Recipient	1	1	0	0	0

The contractor is to provide reports directly to key beneficiaries, which may substitute for some of the reports to be distributed other than according to the table above. Lists of addressees for each issue of the reports are to be provided to the Permanent Secretariat.

Copies of the Delivery Notes to the recipient(s) are to be provided by fax or mail to the Permanent Secretariat.

In order to implement the reports on the TRACECA web site and to allow further data processing, reports must be provided by the contractor under an electronic file ".doc" (Word) or ".pdf" (Adobe Acrobat).

In any case, all texts must be composed with common and scannable fonts, including for tables, maps, diagrams, drawings, etc...

Terms of reference

Only photographs, logos and facsimiles of original documents will be accepted under a bitmap graphic format (inside the ".doc" or ".pdf" file) though in this case they cannot be used in the document data processing. The resolution of bitmap files must be 150 dpi or less. Each report must correspond to one single Word document (.doc) or Adobe Acrobat (.pdf) file. Reports transmitted in multiple files and of different kind will be refused. Contractors are invited to contact the Webmaster before any file transfer.

The importance of high quality Russian texts, delivered on time, cannot be over emphasized. The reporting dates in these TOR are for the delivery of the Russian language text and the English language text to be provided at the same time. Reporting is to be in accordance with TACIS Guidelines.

Project inception report: An Inception Report will be issued within 2 month of the start of the project (see note on languages above). It shall summarise initial findings and propose any modifications to the methodology and work plan. It will also confirm or modify institutes/organisations/consulting bodies to be directly involved in the implementation. The report distribution lists will be included.

Deliverables: Working Papers on the many issues covered by the project should be issued regularly and discussed with the beneficiaries.

The Contractor is to compose and provide in his Technical Proposal a schedule of separate Deliverables appropriate to specific technical and commercial components of the project. Formal Draft versions are not required, but the contractor should carefully discuss the proposed contents with, and provide draft extracts upon request to the EC Task Manager in Brussels, before issuing Deliverables.

Project progress reports: These reports will be submitted at the end of month 6, 12 and 18.

Final Report: The Final Report will be submitted at month 24.

All Reports must include an Executive Summary. The importance of high quality Russian texts, delivered on time, cannot be over emphasized. The reporting dates in these TOR are for the delivery of the Russian language text and the English language text to be provided at the same time. All Reports must include an Executive Summary

8. MONITORING AND EVALUATION

8.1. Definition of indicators

The contractor shall incorporate monitoring mechanisms for periodic assessment of the progress of the project components. These mechanisms shall be specified in the project plan and the observed performance shall be described in the periodic progress reports.

The essential points to be monitored are:

- deviations of milestones and deliverables from their planned dates
- adherence to the work plan in terms of content of the activities actually carried out
- deviations in effort needed to complete an activity, as compared to plan

Terms of reference

- introduction of work not initially planned
- shifting of the common understanding of the objectives and priorities between contractor and recipient
- appearance of unexpected difficulties likely to require special measure or shift of project resources

8.2. Special requirements

None

Public document to be completed by the Contracting Authority
Compulsory use for supply tender procedures of EUR 150,000 or more

(C 01)

SUPPLY CONTRACT FORECAST

Trade Facilitation and Institutional support

Location – Azerbaijan, Armenia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan

1. Publication reference

EuropeAid/119185/C/S/Multi

2. Procedure

Open

3. Programme

Tacis

4. Financing

Regional Programme 2003

5. Contracting authority

European Commission, on Behalf of the Beneficiary Countries

6. Contract description

The project contains three main objectives:

Objective 1: Development and follow up of the Implementation of TRACECA Visa and TRACECA freight documentation

Objective 2: Establishment of TRACECA Hotline and enhanced communication initiatives

Objective 3: Support to the Inter Government Commission (IGC) and Permanent Secretariat

The general objectives of this project is the follow-up if the implementation of simplified rules applicable to transport and transit developed within previous TRACECA projects and to provide additional services and systems that will assist the current freight transport users and enhance the marketing capabilities of the TRACECA Corridors.

7. Indicative number and titles of Lots

N/A

8. Intended timing of publication

April 2004

9. Additional information

None

10. Legal basis

Council Regulation (EC, Euratom) No 99/2000 of 29.12.1999 concerning the provision of assistance to the Partner states in Eastern Europe and Central Asia

Remarks:

There must be a minimum period of 30 calendar days between the publication of this contract forecast and the publication of the corresponding procurement notice.

No applications or requests for further information should be sent at this stage.

STATEMENT OF ENDORSEMENT

Council Regulations (EEC, Euratom) No 99/2000 of 29.12.1999 concerning the provision of assistance to the Partner States in Eastern Europe and Central Asia.

Action Programme: TACIS REGIONAL 2003
Title of project : Trade Facilitation and Institutional Support
Duration: 24 Months
EU Input: Euro 2.0 million

We, Permanent Secretariat of TRACECA hereby declare that we:

(1) have carefully read the Terms of Reference of the project (hereinafter ToR), which are attached to the present Statement of Endorsement as Annex I;

(2) approve the ToR and are prepared to accept the technical assistance therein described;

(3) accept that the experts in charge of rendering the technical assistance according to the ToR have been selected according to the procedures of the Commission of the European Communities, as mentioned in the General Rules signed between the European Commission and the Partner countries;

(4) undertake to exert all our best efforts in order to make the rendering of the experts' technical assistance possible and to extend said experts our fullest co-operation. In particular, we undertake to put at the expert's disposal, free of charges, our facilities and staff, as they may be necessary;

(5) undertake to acquire, free of charges, the ownership of the equipment purchased for the implementation of the Projects, if and when the transfer of property of said equipment is provided for under the outline ToR and/or the contract between the Commission of the European Communities and the experts, and to provide said experts with separate official statement certifying the receipt of the equipment;

(6) shall allow, upon reasonable notice, independent inspectors appointed by the Commission of the European Communities, and/or the Court of Auditors of the European Communities, to monitor the development of the Project and undertake to give said inspectors and/or the Court of Auditors the necessary assistance

For and on behalf of:

Recipient Institution:

Name: **Position:**

Date : **Place:**

Signature:

Public document to be completed by the Contracting Authority
Compulsory use for service tender procedures of EUR 200,000 or more

SERVICE PROCUREMENT NOTICE

Trade facilitation and Institutional Support

Location – Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Turkmenistan, Ukraine and Uzbekistan

1. Publication reference

EuropAid/119185/C/SV/Multi

2. Procedure

Restricted

3. Programme

Tacis

4. Financing

Regional programme 2003

5. Contracting Authority

European Commission, on behalf of the 13 above mentioned TRACECA Beneficiary countries (centralised tender procedures).

CONTRACT SPECIFICATION

6. Nature of contract

Fee-based

7. Contract description

The project contains three main objectives:

- Objective 1: Development and follow up of the Implementation of TRACECA Visa and TRACECA freight documentation
- Objective 2: Establishment of TRACECA Hotline and enhanced communication initiatives
- Objective 3: Support to the TRACECA Inter Government Commission (IGC) and Permanent Secretariat

The general objectives of this project is the follow-up of the implementation of simplified rules applicable to transport and transit developed within previous TRACECA projects and to provide additional services and systems that will assist the current freight transport users and enhance the marketing capabilities of the TRACECA Corridors.

8. Numbers and titles of lots

Not applicable

9. Maximum budget

€ 2.000.000

10. Scope for additional services

Not applicable

CONDITIONS OF PARTICIPATION

11. Eligibility

Participation is open on equal terms to all natural and legal persons of the EU Member States, the beneficiary countries of the TACIS programme but also to the beneficiary countries of the Phare programme.

12. Candidature

All eligible natural and legal persons (as per item 11 above) or groupings of such persons (consortia) may apply.

A consortium may be a permanent, legally-established grouping or a grouping which has been constituted informally for a specific tender procedure. All members of a consortium (ie, the leader and all other partners) are jointly and severally liable to the Contracting Authority.

The participation of an ineligible natural or legal person (as per item 11) will result in the automatic exclusion of that person. In particular, if that ineligible person belongs to a consortium, the whole consortium will be excluded.

13. Number of applications

No more than one application can be submitted by a natural or legal person (including legal persons within the same legal group), whatever the form of participation (as an individual legal entity or as leader or partner of a consortium submitting an application). In the event that a natural or legal person (including legal persons within the same legal group) submits more than one application, all applications in which that person (and legal persons within the same legal group) has participated will be excluded.

14. Shortlist alliances prohibited

Any tenders received from tenderers comprising firms other than those mentioned in the short-listed application forms will be excluded from this restricted tender procedure. Short-listed candidates may not form alliances or subcontract to each other for the contract in question.

15. Grounds for exclusion

As part of the application form, candidates must provide the evidence required in Section 2.3.3 of the Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external actions (available from following Internet address: http://europa.eu.int/comm/europeaid/index_en.htm).

16. Sub-contracting

Sub-contracting will be allowed, up to 20% of the contract value.

17. Number of candidates to be short-listed

On the basis of the applications received, at least 4 and at most 8 candidates will be invited to submit detailed tenders for this contract.

PROVISIONAL TIMETABLE

18. Provisional date of invitation to tender

June 2004

19. Provisional commencement date of the contract

October 2004

20. Initial period of execution and possible extension of the contract

24 months. However the Contracting Authority may, at its own discretion, extend the project in duration and/or scope, subject to the availability of funding.

SELECTION AND AWARD CRITERIA

21. Selection criteria

The following selection criteria will be applied to candidates. In the case of applications submitted by a consortium, these selection criteria will be applied to the consortium as a whole:

1) Economic and financial standing of candidate

Total turnover of candidate(s) must exceed 3 times the maximum budget of the contract i.e. € 6 million for each of the last three years (2001, 2002 and 2003).

2) Professional capacity of candidate(s)

Candidates should have the necessary support organisation and resources to provide strong technical management to the project on the field. The candidate(s) should have 20 or more permanent staff working currently in fields related to this contract.

3) Technical capacity of candidate(s)

Candidate(s) should have:

(a) Experience in policy advice for the transport sector. He/they should have experience of at least three similar projects of equivalent budget in the transport sector in the last 5 years.

(b) Experience in managing projects in the NIS and/or Central European countries. He/they should have managed at least three projects of similar importance (budget at least € 1.000.000) in NIS and/or Central European countries in the last 3 years.

If more than 8 eligible candidates meet the above selection criteria, the relative strengths and weaknesses of the applications of these candidates must be re-examined to identify the eight best applications for the tender procedure. The only factors which will be taken into consideration during this re-examination are:

-Experience in managing projects related to transport in the NIS and/or Central European countries

-The higher number of projects respecting the criteria 3 (a) & 3 (b),

22. Award criteria

As specified in the tender dossier annexed to the letter of invitation to tender which will be sent to short-listed candidates.

APPLICATION

23. Deadline for receipt of applications

16:00 Central European Time on 3/05/2004

Any application received after this deadline will not be considered.

24. Application format and details to be provided

Applications must be submitted using the standard application form (available from the following Internet address: http://europa.eu.int/comm/europeaid/index_en.htm), whose format and instructions must be strictly observed.

Any application which does not observe these provisions will be automatically eliminated. Any

additional documentation (brochure, letter, etc) sent with an application will not be taken into consideration.

25. How applications may be submitted

Applications must be submitted in English exclusively to the Contracting Authority:

- EITHER by **recorded delivery** (official postal service) to :
European Commission
EuropeAid Co Operation Office
(Unit A6 Loi 41 4/17)
1, rue de Genève
B – 1049 Brussels
- OR **hand delivered** (including courier services) **directly** to the Contracting Authority in return for a **signed and dated receipt** to:

Same address as above

The **Contract title** and the **Publication reference** (see item 1 above) must be clearly marked on the envelope containing the application and must always be mentioned in all subsequent correspondence with the Contracting Authority.

Applications submitted by any other means will not be considered.

26. Operational language

All written communications for this tender procedure and contract must be in English.

27. Additional information

None

28. Date of publication of contract forecast

JO S 37 22.02.04 corrigendum JO S 43 02/03/04

28. Legal basis

Council regulation (EC, EURATOM) no 99/2000 of 29 December 1999 concerning the provision of assistance to the partner states in Eastern Europe and Central Asia.

Annex II

Terms of Reference (including Tender Clarifications)

**Trade Facilitation and Institutional Support
(TRACECA)**

Reference: 81324


B.T. Papadopoulos



EUROPEAN UNION – TACIS

Promotion of Networks: TRACECA

Terms of Reference

**Trade Facilitation and Institutional Support
€ 2.000.000**


B.T. Papadopoulos



Terms of reference

1.	BACKGROUND INFORMATION	3
1.1.	Beneficiary country.....	3
1.2.	Contracting Authority.....	3
1.3.	Relevant background	3
1.4.	Current state of affairs in the relevant sector.....	4
1.5.	Related programmes and other donor activities	4
2.	CONTRACT OBJECTIVES & EXPECTED RESULTS	5
2.1.	Overall objectives	5
2.1.1.	Development and follow-up of the implementation of the TRACECA Visa and the TRACECA freight documentation.....	5
2.1.2.	TRACECA Hot Line and enhanced communications initiatives	5
2.1.3.	Support to the IGC TRACECA and Permanent Secretariat	6
2.2.	Specific objectives.....	7
2.3.	Results to be achieved by the Consultant	7
3.	ASSUMPTIONS & RISKS	8
3.1.	Assumptions	8
3.2.	Risks	9
4.	SCOPE OF THE WORK.....	9
4.1.	General	9
4.2.	Specific activities.....	10
4.2.1.	Tasks of the Team Leader in Baku	10
4.2.2.	Tasks of the Supervisor of the Permanent Secretariat in Baku.....	11
4.2.3.	Tasks of the Co-ordinator in Central Asia in Almaty.....	11
4.2.4.	Tasks of the Co-ordination office in Kiev	12
4.3.	Project management.....	13
4.3.1.	Responsible body.....	13
4.3.2.	Management structure	13
4.3.3.	Facilities to be provided by the Contracting Authority and/or other parties	13
4.4.	Financing of the Permanent Secretariat	13
5.	LOGISTICS AND TIMING	13
5.1.	Location.....	13

h

Terms of reference

5.2. Commencement date & Period of execution 13

5.3. Implementation timetable 14

6. REQUIREMENTS 14

6.1. Personnel 14

6.1.1. Key experts 14

6.1.2. Other experts..... 15

6.1.3. Support staff & backstopping 16

6.2. Office accommodation..... 16

6.3. Facilities to be provided by the Consultant 16

6.4. Equipment..... 16

6.5. Incidental expenditure 16

7. REPORTS..... 17

7.1. Reporting requirements 17

7.2. Submission & approval of progress reports..... 17

8. MONITORING AND EVALUATION 18

8.1. Definition of indicators..... 18

8.2. Special requirements..... 19


B.T. Papadopoulos



Terms of reference

1. BACKGROUND INFORMATION

1.1. Beneficiary country

The Beneficiary countries are all the 12 countries signatories of the TRACECA Multi-Lateral Agreement (MLA) on International Transport i.e. Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Ukraine and Uzbekistan, plus Turkmenistan.

1.2. Contracting Authority

The contracting Authority is the European Commission

1.3. Relevant background

During May 1993 a conference was held in Brussels organised by the Commission and attended by authorities of eight Republics of the southern part of the former USSR: Armenia, Kyrgyzstan, Azerbaijan, Tajikistan, Georgia, Turkmenistan, Kazakhstan and Uzbekistan.

The objectives of the conference were:

- to stimulate co-operation among the participating Republics in all matters pertaining to the development and improvement of trade within the Region
- to promote the Central Asian - Trans Caucasian-Europe Transport Corridor
- to identify problems and deficiencies in the Region's trade and transport systems
- to define, in terms of contents and timing a Technical Assistance Programme to be financed by the European Union (EU)

As a result of the above meeting TRACECA (Transport Corridor Europe Caucasus Asia) was created as a component of the TACIS programme. Regional sectoral Working Groups (trade, rail, road, maritime), composed of experts and officials from each TRACECA state and the European Union (EU), have been established as part of the TRACECA programme. They meet periodically. They have inaugurated specific projects, and they will monitor results. Members of the Working Groups are drawn from appropriate sectors, usually Ministers of Transport and Cabinet of Ministers, who constitute the recipient partners of this project. Ukraine joined the TRACECA programme end of 1996 and Moldova mid-1998.

On September 7-8, 1998, delegations from 32 countries and 13 international organisations attended the International TRACECA Conference in Baku. Nine Presidents and one Prime Minister, Ministers, Ambassadors and heads of delegations discussed the importance of the TRACECA program as the shortest way of integration into the international economic structure, as a guarantee of political and economic stability and also as a means to improve regional co-operation. During this Conference, 12 countries signed a Multi-Lateral Agreement (MLA) on International Transport in the transport corridor Europe-Caucasus-Central Asia and four supplementary technical documents on customs, road, maritime and rail transport. The objectives of the MLA and its Technical Annexes are as follows:

- assisting in the development of economic relations, trade and transport communications in Europe, Black Sea region and Asia
- ensuring access to the world market of road, rail transport and commercial navigation
- ensuring traffic security, cargo safety and environment protection
- harmonisation of transport policy and legal structure in the field of transport
- creation of equal conditions of competition for transport operations


B.T. Papadon



Terms of reference

A Permanent Secretariat was set up in Baku under the Multi-Lateral Agreement. The First Conference of the TRACECA Intergovernmental Commission (IGC) was held on 10-11 March 2000 in Tbilisi. The Conference adopted the Intergovernmental Commission rules and procedures for the future work as well as the Statutes of the Permanent Secretariat and elected its General Secretary. The Permanent Secretariat of the Intergovernmental Commission was set up in Baku under the provisions of the Basic Multi-lateral Agreement. In each member state, a National TRACECA Commission was set up and a National Secretary of Permanent Secretariat was appointed. The 2nd Conference was held in Tashkent in 24-25 April 2002 where IGC TRACECA decided to form special governmental monitoring groups in their countries. In the IGC annual meeting in Yerevan in October 2003, the 12 TRACECA countries decided to co-finance the Secretariat cost, starting initially by covering 15% of its annual cost in 2004. Additionally they took important decisions, in the context of the TRACECA Multi-lateral agreement, signing protocols aiming to facilitate the transport of goods in the TRACECA countries. New legal documents namely the Rules of Procedure of the IGC and the Statute of the Permanent Secretariat were adopted. It is also worth mentioning that during the Conference Iran and Afghanistan applied officially to become TRACECA members.

1.4. Current state of affairs in the relevant sector

Nowadays, in the era of globalisation and economic development, there is more dependence on trade. The TRACECA members are actually witnessing an increased demand in transport. For this reason there is also an awareness and interest in TRACECA programme across the whole Eurasian continent.

In addition to the comprehensive development of sea, railway and road transport in the region, great importance is attached to the unified transport policy, harmonisation and unification of the legal basis in the TRACECA member states which will enable to reduce the time of delivery and transport costs in the TRACECA corridor.

In order to achieve the coherence of all these goals, a coordination team has been in place for several years. The last TRACECA Co-ordination Team was in place from 18/11/2001 till 18/01/2004. Starting March 2004 until September 2004, a transition period for the Permanent Secretariat, a smaller team is put in place to secure the bridging support to the Secretariat till the contract procedure, subject to this ToR, is completed and a new contractor is in place.

The need to increase the cohesion between projects and between funding institutions, the exchange of information and data between contractors, making sure the lessons learned are spread amongst the actors, is increasing with the number of projects implemented under the TRACECA and other donor's umbrellas.

The number of countries expressing strong interest in TRACECA is also increasing. Early 2004, Pakistan has officially applied to become also a member of TRACECA and is committed to sign the MLA.

1.5. Related programmes and other donor activities

As one of the major objectives of the TRACECA Programme is to facilitate investment in the beneficiary states through technical assistance projects, it is of paramount importance to establish and maintain excellent contacts with the International Financing Institutions such as EBRD, World Bank, Black Sea Trade and Development Bank (BSTDB), Kuwait Fund and Asian Development Bank.

The other financial institutions providing mainly lending facilities, the strong coordination between the grants of the EU and the lending strategies of the IFIs will be an essential part of the activities of the contractor.


B.T. Papadopoulos



2. CONTRACT OBJECTIVES & EXPECTED RESULTS

2.1. Overall objectives

The establishment of the Co-ordination Team will facilitate the co-ordination of the TRACECA programme and its cohesion with other regional Community-funded initiatives, such as the Black Sea Pan European Transport Association (PETrA), Trans European Network – Transport (TEN-T) networks etc. A transport project of this size with over dozen of beneficiary States and with ongoing projects for more than 10 million €, has special requirements in terms of co-ordination between experts and beneficiaries, and between the teams of contractors who are contributing to the implementation of the programme projects.

This project contains three main objectives:

2.1.1. Development and follow-up of the implementation of the TRACECA Visa and the TRACECA freight documentation

The general objective of this part is the follow-up of the implementation of simplified rules applicable to transport and transit developed within previous TRACECA projects and to provide additional service and systems that will assist the current freight transport users and enhance the marketing capability of the TRACECA Corridor.

TRACECA Visa and Freight Documentation will have to deal with customs and customs related rules for goods. Previous work carried out during several TRACECA projects paved the way for such a simplification: "Trade Facilitation", "Border Crossing", "Tariffs and Fees" and "Common Legal Basis for Transit Transportation" projects concentrated on and refined the freight aspects of transit harmonisation, and implemented in close cooperation with the Permanent Secretariat. This means that many of the procedures have already been simplified and thereby permits the easier introduction of the TRACECA Freight Documentation.

However, many problems are still pending regarding the transit of passengers, particularly the individuals whose activity is directly related to the transit of goods such as truck drivers in road transport or car attendants in railways. Delivery of visas for persons is both time consuming and costly; besides, for one single voyage, persons need as many visas as there are borders to cross. A second specific objective of the project will be to design a set of procedures that will ease and make less expensive the crossing of borders by the citizens of TRACECA states.

TRACECA states already participate in international customs and visas agreements, but none of them cover the whole area. A specific sub-objective of the project will be to make sure that TRACECA visa stay compatible with present customs and visa unions.

In addition, to facilitate Border Crossing Procedures and ensure that other vital information is readily available to Shippers, Cargo Owners, Freight Forwarders and Border entities the TRACECA Hot Line and Enhanced Website and the Use of Web cams are to be evaluated and developed.

2.1.2. TRACECA Hot Line and enhanced communications initiatives

TRACECA Hot Line - Creation of a reliable dedicated telephone network at designated TRACECA border crossing points utilizing either 'land-line', GSM or fibre-optics communication media and linking this to a Help-Desk in the various National Secretariats that will be available 24 hours per day and 365 days per year. This can additionally be supported by the currently established TRACECA Website in the form of an 'Interactive Enquiry Section'. There should be an initial 'pilot' project to establish the methodology and the practical parameters of the overall technical and administrative system.

There will be a need for an Initial Evaluation of the whole concept and a requirement to provide a report on the total concept, the practical problems and limitations of the system and a detailed cost analysis including a progressive development strategy. There should be a review of the current


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Terms of reference

administrative capabilities of the TRACECA structure in relation to the operation and support of the Hot Line and Help-Desk initiative. This review should evaluate and report on the realistic capabilities of the current administration and make recommendation for improvement if required.

Enhanced TRACECA Website – Evaluation of the current TRACECA Website to further refine its capabilities that will eventually include a centre for Frequently Asked Questions (FAQ's). This FAQ service within the Website will then correlate queries and information on the regular difficulties experienced by the TRACECA Corridor users. This facility should incorporate a capability to permit all users to access the information on FAQ's and to pose their own questions. The known queries will be available and the new queries will then be added to the list of FAQ's with the respective answers.

Use of Web cams – There are already current initiatives in the use of Web cams in some countries and the experience from this should be evaluated and proposals made for the use of Web cams in specific border crossings in the TRACECA Transport Corridor to give 'real-time' overview on traffic movements for the benefit of the corridor users and security for the border authorities. It is understood that the use and cost of CCTV (Closed Circuit Television) would not be financially feasible to permit international access but the media of Web cams could fulfil this need in a cost effective manner.

2.1.3. Support to the IGC TRACECA and Permanent Secretariat

- To facilitate the collaboration between the European Commission (EuropeAid co-operation office) and the transport organisations of the 13 beneficiary TRACECA countries and to co-ordinate the contacts between beneficiaries and TRACECA contractors.
- To assist the TRACECA Permanent Secretariat, the Black Sea PETrA Secretariat, and the National Commissions to their work in the context of the TRACECA programme. To inform other donors, IFIs, EU commercial operators and other interested parties on the TRACECA activities. To maintain close contacts with IFIs.
- To report directly to Ministries of Transport on all aspects of projects financed by TRACECA.
- To ensure a continuous financing of the Permanent Secretariat and National Secretaries, including allowances, travelling costs and office expenses, the annual conference and working groups meetings for the period of 24 months after contract signature, according to a budget to be agreed with the Project manager in EuropeAid Co-operation Office.
- To support and supervise over the EU financial and technical assistance to the Permanent Secretariat in Baku.
- To ensure follow-up of ongoing projects through analysis of project outputs, evaluation of time-tables etc. Definition of future project priorities in collaboration with the Permanent Secretariat and National Commissions.
- To assist the Commission to the identification of new projects and to prepare ToR for various projects in line with the project guidelines and the overall objectives established by the Commission and the IGC.
- To handle the general dissemination of TRACECA information including an annual brochure, quarterly magazines, posters, news-letter, and short films. To maintain the TRACECA and the Black Sea PETrA web-sites. To maintain and to up-date the TRACECA traffic database and forecasting model.
- To organise meetings and working groups for the TRACECA beneficiaries, signatories of MLA and Memorandum on the Black Sea Pan European Transport Area, and to provide secretarial support to these meetings.


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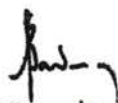
2.2. Specific objectives

In order to reach the above stated overall objectives, the project purpose and deliverables are defined as follows:

- ***Development and follow-up of the implementation of the TRACECA Visa and the TRACECA freight documentation***
 - In depth review of documentation and legislation impact concerning international freight in each TRACECA country, including customs and visa agreements in each TRACECA country
 - In depth study of freight and passenger movement legal and legislation processes in each TRACECA country;
 - Alignment with previous and current related projects;
 - Design and implementation of an initial "Freight Pilot Scheme" on freight only in order to apply a new set of simplified rules;
 - Organisation of seminars with all interested parties of TRACECA states in order to plan the expansion of the initial "Passenger Pilot Scheme";
 - Convergence of the implementation of the TRACECA Visa and the TRACECA Freight Documentation;
 - Ultimate harmonisation of both procedures and legislation.
- ***TRACECA Hot Line and enhanced communications initiatives***
 - Establishment of methodology and practical parameters of the overall technical and administrative system;
 - Elaboration of the total concept, including the practical problems and limitations of the system and a detailed cost analysis, a progressive development strategy. This review should evaluate and report on the realistic capabilities of the current administration and make recommendation for improvement if required;
 - Technical and financial support of a centre for Frequently Asked Questions (FAQ's) on TRACECA website
 - In depth study of available experience in using the web cams on the border crossing in European countries
 - Economic and financial feasibility study for the use of Web cams in specific border crossings in the TRACECA Transport Corridor.
- ***Support to the IGC TRACECA and Permanent Secretariat***
 - Organisation of the TRACECA Annual Meetings 2005 and 2006;
 - Organisation of the TRACECA Working group meetings 2005/2006;
 - Financing support to IGC and PS TRACECA up to 2006.

2.3. Results to be achieved by the Consultant

The following results are expected as part of the deliverables of the Contractor:


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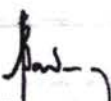


Terms of reference

- Report, evaluating the impact on local legislations for all TRACECA Countries and corresponding issues to be overcome for the Visa and Freight Documentation
- Report on legal and legislation processes for freight and passenger movement in each TRACECA country
- Assure continuation with previous and current related projects
- Design and implement a Pilot scheme project on simplified rules for Freight movement
- Organise seminars in all TRACECA countries to disseminate and promote the results of the Pilot project
- Establishment of a time schedule, to be agreed with all TRACECA countries, of the actions to be taken in order to achieve the harmonisation of the TRACECA Visa and Freight Documents initiatives in order to promote multimodal transportation
- Evaluation report on the impact of the implementation of the Hot Line on local Administrations, including recommendations for overcoming them
- Elaboration of a complete concept, including the practical problems and limitations of the Hot Line system. This should comprise the detailed cost analysis and the development strategy to be applied
- Provide the required technical and financial support for the establishment, operation and regular update of a web based centre for Frequently Asked Question (FAQ's)
- Report on the available experience in Europe in the domain of the use of Web Cams in border crossing points. Lessons learned and their possible use for the TRACECA conditions
- Feasibility study on the use of the Web Cam system in the Traceca countries
- Organise one TRACECA annual meeting in 2005 and one in 2006
- Organise two working group meetings in 2005 and two working group meetings in 2006
- Provide the financial support to the IGC and the Permanent Secretariat of TRACECA
- Establish offices in Almaty and Kiev. The offices in Baku exist already
- Provide the required co-ordination for the running and to-be-launched TRACECA projects
- Provide the technical support and act as webmaster of the TRACECA website by updating: i) the web site with the major events of TRACECA and ii) the database with TRACECA project reports
- Update the TRACECA traffic database
- Provide the required support for the identification of new projects. Prepare the corresponding Terms of Reference for these and other projects and activities that are in line with the project guidelines and the overall objectives established by the Commission and the IGC

3. ASSUMPTIONS & RISKS

3.1. Assumptions


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Terms of reference

The project has received strong support and approval from the final recipients of all participating countries and therefore no major political risks are expected. Some contracts implemented previously in the region have paved already the way.

However, due to the number of national authorities and different local administrations to be involved in the achievements of the set goals, the innovation in terms of the tools to be implemented and target people to use these tools, some difficulties may be expected in terms of time and issues to be overcome in the project implementation.

3.2. Risks

Major risks, which might affect the objectives of this project, are:

- Failure to quickly reach agreement on procedures and documentation on Visa and Freight Documentation
- Infrastructure required for the implementation of the new technical solutions (Web cams) in the area
- Failure in the set up of network of local experts
- Bad/poor communications between team members located in the different offices: Baku, Kiev and Almaty
- Insufficient built-up of relations with Commission Delegations, counterparts and beneficiaries.

4. SCOPE OF THE WORK

4.1. General

4.1.1.1. Project description

The Co-ordination team has to provide the technical expertise to develop and execute the projects in the rail, road, maritime and horizontal sector. In order to achieve these goals, engineering, economic and operational skills are required to implement and to co-ordinate the projects identified as priority by the Commission and IGC.

The Team Leader, based in Baku, will be responsible for the supervision over the financial and technical assistance of the EU to the TRACECA Secretariat and for the overall co-ordination of the project; he will report on a regular basis to and defined by the Project Manager in EuropeAid Co-operation Office. The office in Baku is put at the disposal of the Permanent Secretariat by the Government of Azerbaijan. Management of the Permanent Secretariat will provide the offices for the Contractor in the premises of the Secretariat in Baku **free of charges**.

The Supervisor, also based in Baku, will assist the team leader in his duties and will supervise the office in Kiev. He will support and assist on a daily basis the Management and the Staff of the Permanent Secretariat. He will ensure the co-ordination of the EU participation in the financing of the Permanent Secretariat.

The co-ordinator, based in Almaty, will have to ensure in five Central Asia countries, level of co-ordination of all projects and activities linked with the TRACECA programme.

The office in Kiev will be staffed with local staff and under the authority of the Project Supervisor based in Baku. Its goal will be the co-ordination of all projects and programme activities related to TRACECA programme and its relationships with any other relevant programme of the EU.


B.T. Papadopoulos



Terms of reference

4.1.1.2. Geographical area to be covered

The co-ordination team will cover the regions of the TRACECA countries, actually 13 but that may be expanding as time goes forward.

4.1.1.3. Target groups

The target groups of this project are all the Transport administrations and stakeholders in the TRACECA countries.

4.2. Specific activities

4.2.1. Tasks of the Team Leader in Baku

The Team leader of the Co-ordination Team will have to ensure a central level of coordination of all projects and programmes linked to TRACECA and to Black Sea PETrA, namely:

- To establish a head office in Baku in order to ensure co-ordination with all contractors, TRACECA beneficiaries, signatories of MLA and Memorandum on the Black Sea Pan European Transport Area (The Steering Committee).
- To oversee the operational use of resources: human (team members, short terms experts, local experts) and financial (working groups, secretarial support). The Team leader will be fully responsible for the different components of the project: Co-ordination, studies, and reports, activities ad hoc of the group of experts, dissemination of TRACECA Information, maintenance of the TRACECA website and the traffic database, organisation of meetings and working groups for the TRACECA beneficiaries, signatories of MLA and Memorandum on the Black Sea Pan European Transport Area. The Team leader will report to the Project Manager in EuropeAid Co-operation Office on all aspects of the project, including co-ordinating team member's activities in the participating states.
- To assist beneficiaries in the co-ordination of all contractors, Permanent Secretariat, National Commissions, other donors, EU commercial operators, and other interested parties.
- To report directly to Ministries of Transport (and other relevant eventual other local Administrations) on all aspects of the projects including co-ordinating team member activities in the participating countries
- To identify new projects and to organise of the drawing up of Terms of Reference for various projects and activities in line with the project guidelines and the overall objectives established by the Commission and the IGC.
- Assistance in tender evaluation meetings for new TRACECA Projects if required.
- Assistance during the phase of equipment/material acceptance, delivered in the context of supply projects, if required.
- To ensure follow-up of ongoing projects through analysis of project outputs, evaluation of time-tables, definition of future project priorities in close collaboration with the Permanent Secretariat.
- To co-ordinate closely with other donors and investors involved in TRACECA activities. In particular, close contact will need to be maintained with IFIs and International Transport Organisations.


B.T. Papadopoulos

Terms of reference

- To liaise directly with all relevant recipient country institutions to maximise the implementation of the projects and to preserve the regional character and coherence of projects.
- To organise and co-ordinate meetings and working groups for the TRACECA beneficiaries, signatories of MLA and Memorandum on the Black Sea Pan European Transport Area (The Steering Committee).

4.2.2. Tasks of the Supervisor of the Permanent Secretariat in Baku

The supervisor will have to ensure support of the Permanent Secretariat Activities, in particular:

- To establish a regional office (Kiev) in order to ensure co-ordination with all contractors and all beneficiaries.
- To ensure the continuity of the supervision of the financial and technical assistance provided by the EU to the Permanent Secretariat activities.
- To supervise and assist the Staff of the Permanent Secretariat.
- To ensure and supervise the EU participation in the financing of the Permanent Secretariat.
- To assist the Permanent Secretariat and the General Secretary in the co-ordination of all contractors, Beneficiaries, National Commissions, other donors, EU commercial operators and other interested parties.
- To assist the Permanent Secretariat in the preparation and the organisation of the IGC working group meetings and the IGC annual meeting.
- To ensure co-ordination and reporting of programme activity for each project and any activity linked to the TRACECA Project and the activities of the Permanent Secretariat.
- To assist the Team Leader in the identification and the drawing up of Terms of Reference for new projects.
- To assist the Team Leader in the definition of future regional transport priorities.
- To liaise with the other regional co-ordinators for projects which cover respective regions
- To review and comment on all reports issued by the contractors.
- To report directly to the Team Leader in Baku.
- To maintain the Technical TRACECA library, placed in the Permanent Secretariat in Baku by updating it with all relevant information concerning the projects implemented in the respective region

4.2.3. Tasks of the Co-ordinator in Central Asia in Almaty

The co-ordinator will have to ensure in Central Asia, level of co-ordination of all projects and programme activities linked with TRACECA in particular:

- To establish a regional office (Almaty) in order to ensure co-ordination with all contractors and all beneficiaries.


B.T. Papadopoulos



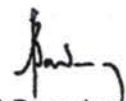
Terms of reference

- To assist beneficiaries in the co-ordination of all contractors, Permanent Secretariat, National Commissions, other donors, EU commercial operators and other interested parties.
- To report directly to Ministries of Transport on all aspects of the projects, including co-ordinating team member activities in the participating countries
- To organise working party meetings on site for all ongoing projects with concerned and related contractors, with representatives of participating states and possibly with representatives from International Institutions or commercial partners.
- To ensure co-ordination and reporting of programme activity for each project and any activity linked to the TRACECA Project.
- To assist the Team Leader in the drawing up of Terms of Reference for new projects.
- To assist the Team Leader in the definition of future regional transport priorities.
- To liaise with the other regional co-ordinator for projects which cover respective regions
- To review and comment on all reports issued by the contractors.
- To report directly to the Team Leader in Baku.
- To maintain the Technical TRACECA library, placed in the Permanent Secretariat in Baku by updating it with all relevant information concerning the projects implemented in the respective region

4.2.4. Tasks of the Co-ordination office in Kiev

The Kiev office will have to ensure in Europe a level of co-ordination of all projects and programme activities linked with TRACECA in particular:

- To assist beneficiaries in the co-ordination of all contractors, Permanent Secretariat, National Commissions, other donors, EU commercial operators and other interested parties.
- To support the Team leader and task Co-ordinators in reporting to Ministries of Transport on all aspects of the projects, including co-ordinating team member activities in the participating countries
- To organise working party meetings on site for all ongoing projects with concerned and related contractors, with representatives of participating states and possibly with representatives from International Institutions or commercial partners.
- To ensure co-ordination and reporting of programme activity for each project and any activity linked to the TRACECA Project.
- To assist the Team Leader in the drawing up of Terms of Reference for new projects.
- To assist the Team Leader in the definition of future regional transport priorities.
- To liaise with the other regional co-ordinators for projects which cover respective regions
- To review and comment on all reports issued by the contractors.



B.T. Papadopoulos



Terms of reference

- To maintain the Technical TRACECA library, placed in the Permanent Secretariat in Baku by updating it with all relevant information concerning the projects implemented in the respective region

4.3. Project management

4.3.1. Responsible body

The project will be managed by EuropeAid Co-operation office (AIDCO/A2). The Team Leader will be responsible for managing the contract.

4.3.2. Management structure

The Team Leader will be reporting on a regular basis to and defined by the Project Manager in EuropeAid Co-operation Office. The co-ordinator for Central Asia and the supervisor of the Permanent Secretariat in Baku will be reporting to the team leader.

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

The offices in Baku are provided by the Government of Azerbaijan. The contractor will be responsible for all other operational costs, beside the rent of the premises. The premises in Almaty and Kiev will have to be rented, staffed and organised by the contractor.

4.4. Financing of the Permanent Secretariat

The project "Trade facilitation and institutional Support" will take up the participation in the financing of the General Secretary, Executive Secretary, at least till the end of his actual mandate, and National Secretaries, including allowances, travelling costs and office expenses, the annual conferences and working group meetings for a period of 24 months after contract signature. For information in January 2004 the staff of the Permanent Secretariat comprised: 3 Sectoral Experts, 1 Office Manager, and 1 Office Clerk, 1 Secretary, 1 Translator, 1 Webmaster, 1 Logistician and 1 driver. The staff that will be financed by the contract has to be approved by the Project Manager in EuropeAid Co-operation Office.

Within the budget of the project (2,000,000 Euro), a certain budget (cf. paragraph 6.5 Incidental Expenditures) is to be allocated to the participation in the financing of the General Secretary, National Secretaries and Permanent Secretariat. Detailed indications of the breakdown of the costs of this amount will be given by the EC according to the financial situation of the date of the contract signature.

5. LOGISTICS AND TIMING

5.1. Location

The project will have three locations for offices, Baku, Almaty and Kiev.

It has to be noted also that in the course of the project implementation, frequent travelling will be required to all TRACECA countries, Brussels and other locations as appropriate and agreed with the Project Manager, based on the project needs. The cost for this travelling will be provided from the incidental expenditure budget.

5.2. Commencement date & Period of execution

The intended commencement date is October 1st 2004 and the period of execution of the contract will be 24 months. Please refer to Articles 4 and 5 of the Special Conditions for the actual commencement date and period of execution.


B.T. Papadopoulos

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Terms of reference

5.3. Implementation timetable

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| - Carrying out and finalisation of the regional study and EU practice on the use of Web Cams in border crossing points | Nine months after contract signature |
| - Establishment of the "Passenger Pilot Scheme" | Twelve months after contract signature |
| - Harmonisation of the implementation of the TRACECA Visa, Freight Documentation and legislation | Eighteen months after contract signature |
| - Technical and financial support of the TRACECA website | Continually |
| - Elaboration of the report of recommendations for increasing capabilities of the current administration | Eight months after contract signature |
| - Carrying out economic and financial feasibility study for the use of Web cams | Fourteen months after contract signature |
| - Support to the IGC and PS TRACECA | Continually |
| - Assistance to beneficiaries in the co-ordination of all contractors, Permanent Secretariat, National Commissions, other donors, EU Commercial operators and other interested parties | Continually |

6. REQUIREMENTS

6.1. Personnel

6.1.1. Key experts

Proposing the exact composition of the team of experts is left to the discretion of the Contractor, but it should include qualified transport practitioner with wide practical experience of International Transport as full time Team Leader based in Baku. The Team Leader will be assisted by two key experts (Supervisor of the Permanent Secretariat and Co-ordinator for Central Asia) and a range of part time specialists for short to medium term assignments. *for Website, f.e.*

All experts who have a crucial role in implementing the contract are referred to as key experts. The profiles of the key experts for this contract are as follows:

Key expert 1: Team Leader

Qualifications and skills: Transport Economist or Transport Engineer or International Transport Specialist

General professional experience: At least 15 years experience in the field of International Transport

Specific professional experience: At least 5 years experience in Project Management or Project Co-ordination is required. Field experience in NIS for at least three years is required. Knowledge of the Russian language is highly desirable

Key expert 2: Supervisor of the Permanent Secretariat Activities

Qualifications and skills: Transport Economist

General professional experience: At least 15 years experience in the field of International Transport

Specific professional experience: At least 5 years experience in Project Co-ordination and Management of Staff. Field experience in NIS and/or Central European countries for at least three years is required. Knowledge of the Russian language is highly desirable

Key expert 3: Co-ordinator for Central Asia


B.T. Papadopoulos

h

Terms of reference

Qualifications and skills: Transport Economist or Transport Engineer

General professional experience: At least 10 years experience in the field of International Transport

Specific professional experience: At least 3 years experience in Project Co-ordination is required.

Field experience in NIS and/or Central European countries for at least three years is required. Knowledge of the Russian language is highly desirable

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.

The Consultant shall select from his own staff other experts as required according to the profiles identified in the Organisation & Methodology and/or these Terms of Reference. These profiles must indicate whether they are to be regarded as long-term/short-term international/local and senior/junior so that it is clear which fee rate in the budget breakdown will apply to each profile. For the purposes of this contract, international experts are considered to be those whose permanent residence is outside the beneficiary country, while local experts are considered to be those whose permanent residence is in the beneficiary country.

The Consultant should pay attention to the need to ensure the active participation of local professional skills where available, and a suitable mix of international and local staff in the project teams. 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 findings of the selection panel shall be recorded. The selection of experts shall be subject to approval by the Contracting Authority.

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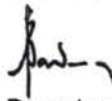
Note that civil servants and other staff of the public administration of the beneficiary country cannot be recruited as experts.

The contractor is free to compose its team of specialists for short and medium term assignments. However, although not exclusive, the following domains of expertise should be clearly visible in its proposed staff list:

- General Transport Legislation knowledge
- International Conventions - road, rail, sea and multimodal
- International freight and logistics knowledge
- Transport Economics and planning
- Traffic forecast and modelling
- Website management
- Information Technologies and specifically use of Web Cams

The Contractor's proposal must fully describe the key experts to be assigned to the project, their precise domain of expertise applicable to the project, their individual roles in the achievement of the project objectives, the timing, duration and location of their assignments. Time spent in the beneficiary states and at home office is to be clearly shown.

The proposed time-cost element for such contributions should be clearly visible in the Contractor's proposal. There should aim to be a reasonable balance between inputs from local experts in different TRACECA states.


B.T. Papadonoulou

6

Terms of reference

6.1.3. Support staff & backstopping

It is mandatory to have a backstopping available for this contract. Backstopping costs are considered to be included in the fee rates.

The costs of support staff must be included in the fee rates of the experts.

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 Consultant in Kiev and Almaty. The offices in Baku are put at the disposal of the Permanent Secretariat by the Government of Azerbaijan. Management of the Permanent Secretariat will provide the offices for the Contractor in the premises of the Secretariat in Baku, free of charges.

The costs of the office accommodation are to be covered by the provision for incidental expenditure. **The cost per square metre must be in line with the prevailing local market rate for office accommodation of a reasonable standard.**

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.

If the Consultant is a consortium, the arrangements should allow for the maximum flexibility in project implementation. Arrangements offering each consortium partner 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 / beneficiary country as part of this service contract or transferred to the Contracting Authority / beneficiary country at the end of this contract. Any equipment related to this contract which is to be acquired by the beneficiary country must be purchased by means of a separate supply tender procedure.

6.5. Incidental expenditure

The Provision for incidental expenditure covers the eligible incidental expenditure incurred under this contract. It cannot be used for costs which should be covered by the Consultant as part of its fee rates, as defined above. Its use is governed by the provisions in the General Conditions and the notes in Annex V of the contract. It covers:

- Travel costs and subsistence allowances for missions to be undertaken as part of this contract from the bases of operations in the beneficiary country
- Financing of the operational cost of the TRACECA General Secretariat i.e. General, Executive and National Secretaries and Permanent Secretariat staff allowances, travelling costs and office expenses; the cost of annual TRACECA Conferences and the cost of working group meetings.
- other incidental costs, including office running costs, excluding purchase of office equipment; interpretation for events;; translation costs for printed material; telecommunication and copying costs; car hire; small studies, training, workshops;

The Provision for incidental expenditure for this contract is EUR 900.000€ (including 600.000 for the financing of the IGC Permanent Secretariat) the contribution of the TRACECA countries


B.T. Papadopoulos

Terms of reference

to the operational cost of the IGC Secretariat will be added to this amount.) This amount must be included **without modification** in the Budget breakdown.

↑ The TFIS Project has 300 000 for incidental

Any subsistence allowances to be paid for missions undertaken as part of this contract from the base of operations in the beneficiary country must not exceed the per diem rates published on the Web site http://europa.eu.int/comm/europeaid/index_en.htm at the start of each such mission.

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7. REPORTS

7.1. Reporting requirements

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Please refer to Article 26 of the General Conditions. Project Progress reports must be prepared every six months during the period of execution of the contract. They must be accompanied by a corresponding invoice.

There must be a final progress report and final invoice at the end of the period of execution. The draft final progress report must be submitted at least one month before the end of the period of execution of the contract. Note that these interim and final progress reports are additional to any required in Section 4.2 of these Terms of Reference.

In addition, an updated financial report must be submitted with each of the above progress reports. The updated financial report must contain details of the time inputs of the experts and of the incidental expenditure. The final progress report must be accompanied by the final invoice and an audit certificate (as defined in Article 30 of the General Conditions and in accordance with the template in Annex VI of the contract) confirming the final certified value of the contract.

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7.2. Submission & approval of progress reports

All reports are to be delivered in the numbers, languages and locations as follows:

	Bound		Loose-leaf		CD ROM (Eng.+Rus)
	English	Russian	English	Russian	
European Commission	2	0	0	0	1
Permanent Secretariat Baku	5	2	1	1	1
National Secretary (12)	1	1	0	0	0
Final Recipient	1	1	0	0	0

The contractor is to provide reports directly to key beneficiaries, which may substitute for some of the reports to be distributed other than according to the table above. Lists of addressees for each issue of the reports are to be provided to the Permanent Secretariat.

do check!

Copies of the Delivery Notes to the recipient(s) are to be provided by fax or mail to the Permanent Secretariat.

In order to implement the reports on the TRACECA web site and to allow further data processing, reports must be provided by the contractor under an electronic file ".doc" (Word) or ".pdf" (Adobe Acrobat).

In any case, all texts must be composed with common and scannable fonts, including for tables, maps, diagrams, drawings, etc...

Only photographs, logos and facsimiles of original documents will be accepted under a bitmap graphic format (inside the ".doc" or ".pdf" file) though in this case they cannot be used in the document data processing. The resolution of bitmap files must be 150 dpi or less. Each report

B.T. Papadopoulos
B.T. Papadopoulos
Page 17

Po

Terms of reference

must correspond to one single Word document (".doc") or Adobe Acrobat (".pdf") file. Reports transmitted in multiple files and of different kind will be refused. Contractors are invited to contact the Webmaster before any file transfer.

The importance of high quality Russian texts, delivered on time, cannot be over emphasized. The reporting dates in these TOR are for the delivery of the Russian language text and the English language text to be provided at the same time. Reporting is to be in accordance with TACIS Guidelines.

Project inception report: An Inception Report will be issued within 2 month of the start of the project (see note on languages above). It shall summarise initial findings and propose any modifications to the methodology and work plan. It will also confirm or modify institutes/organisations/consulting bodies to be directly involved in the implementation. The report distribution lists will be included.

Deliverables: Working Papers on the many issues covered by the project should be issued regularly and discussed with the beneficiaries.

The Contractor is to compose and provide in his Technical Proposal a schedule of separate Deliverables appropriate to specific technical and commercial components of the project. Formal Draft versions are not required, but the contractor should carefully discuss the proposed contents with, and provide draft extracts upon request to the EC Task Manager in Brussels, before issuing Deliverables.

Project progress reports: These reports will be submitted at the end of month 6, 12 and 18.

Final Report: The Final Report will be submitted at month 24.

All Reports must include an Executive Summary. The importance of high quality Russian texts, delivered on time, cannot be over emphasized. The reporting dates in these TOR are for the delivery of the Russian language text and the English language text to be provided at the same time. All Reports must include an Executive Summary

8. MONITORING AND EVALUATION

8.1. Definition of indicators

The contractor shall incorporate monitoring mechanisms for periodic assessment of the progress of the project components. These mechanisms shall be specified in the project plan and the observed performance shall be described in the periodic progress reports.

The essential points to be monitored are:

- deviations of milestones and deliverables from their planned dates
- adherence to the work plan in terms of content of the activities actually carried out
- deviations in effort needed to complete an activity, as compared to plan
- introduction of work not initially planned
- shifting of the common understanding of the objectives and priorities between contractor and recipient


B.T. Papadopoulos



Terms of reference

- appearance of unexpected difficulties likely to require special measure or shift of project resources

8.2. Special requirements

The consultant can not participate to Call for Tenders for which he prepared or has been involved in the process of preparing the ToRs.



B.T. Papadopoulos





Annex I

**General Conditions for Service Contracts
Financed by the European Community**

**Trade Facilitation and Institutional Support
(TRACECA)**

Reference: 81324


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b

ANNEX I: GENERAL CONDITIONS FOR SERVICE CONTRACTS FOR EUROPEAN COMMUNITY EXTERNAL ACTIONS

CONTENTS

PRELIMINARY PROVISIONS.....	1
ARTICLE 1 DEFINITIONS AND CONVENTIONS	1
ARTICLE 2 NOTICES AND WRITTEN COMMUNICATIONS	1
ARTICLE 3 ASSIGNMENT.....	2
ARTICLE 4 SUB-CONTRACTING	2
OBLIGATIONS OF THE CONTRACTING AUTHORITY	2
ARTICLE 5 SUPPLY OF INFORMATION	2
ARTICLE 6 ASSISTANCE WITH LOCAL REGULATIONS	2
OBLIGATIONS OF THE CONSULTANT	3
ARTICLE 7 GENERAL OBLIGATIONS	3
ARTICLE 8 CODE OF CONDUCT	3
ARTICLE 9 CONFLICT OF INTEREST	4
ARTICLE 10 ADMINISTRATIVE AND FINANCIAL PENALTIES	4
ARTICLE 11 SPECIFICATIONS AND DESIGNS	4
ARTICLE 12 INDEMNIFICATION	5
ARTICLE 13 MEDICAL, INSURANCE AND SECURITY ARRANGEMENTS	5
ARTICLE 14 INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS.....	6
NATURE OF THE SERVICES.....	6
ARTICLE 15 THE SCOPE OF THE SERVICES.....	6
ARTICLE 16 PERSONNEL AND EQUIPMENT.....	6
ARTICLE 17 REPLACEMENT OF PERSONNEL	6
ARTICLE 18 TRAINEES	7
EXECUTION OF THE CONTRACT	7
ARTICLE 19 DELAYS IN EXECUTION.....	7
ARTICLE 20 AMENDMENT OF THE CONTRACT	7
ARTICLE 21 WORKING HOURS.....	8
ARTICLE 22 LEAVE ENTITLEMENT	8
ARTICLE 23 INFORMATION.....	8
ARTICLE 24 RECORDS	8
ARTICLE 25 VERIFICATION AND CHECKS BY EC BODIES.....	9
ARTICLE 26 INTERIM AND FINAL PROGRESS REPORTS.....	9
ARTICLE 27 APPROVAL OF REPORTS AND DOCUMENTS.....	9
PAYMENTS & DEBT RECOVERY	10
ARTICLE 28 PAYMENTS AND INTEREST ON LATE PAYMENT	10
ARTICLE 29 FINANCIAL GUARANTEE	11
ARTICLE 30 AUDIT CERTIFICATE	11
ARTICLE 31 RECOVERY OF DEBTS FROM THE CONSULTANT.....	12
ARTICLE 32 REVISION OF PRICES	12
ARTICLE 33 PAYMENT TO THIRD PARTIES.....	12
BREACH OF CONTRACT AND TERMINATION.....	12
ARTICLE 34 BREACH OF CONTRACT.....	12
ARTICLE 35 SUSPENSION	12
ARTICLE 36 TERMINATION BY THE CONTRACTING AUTHORITY	13
ARTICLE 37 TERMINATION BY THE CONSULTANT	14
ARTICLE 38 FORCE MAJEURE.....	14
ARTICLE 39 DECEASE.....	14
SETTLEMENT OF DISPUTES.....	15
ARTICLE 40 SETTLEMENT OF DISPUTES	15

PRELIMINARY PROVISIONS

Article 1 Definitions and conventions

- 1.1 If this contract is signed in more than one language, the English version prevails in the event of inconsistencies between the different language versions.
- 1.2 The headings and titles in these General Conditions shall not be taken as part thereof or be taken into consideration in the interpretation of the Contract.
- 1.3 The following definitions apply to the contract.

Administrative order: any written or oral instruction or order issued by the Project Manager to the Consultant regarding the performance of the services.

Beneficiary country: the country or state outside the European Union with which the European Community has an agreed programme of co-operation.

Budget breakdown: in a fee-based contract, the schedule which breaks down the contract value, stating out the fee rates and the provision for incidental expenses.

Cashflow forecast: the Consultant's estimate of the cashflows arising directly from the execution of a fee-based contract.

Commission: the European Commission.

Consultant: the party which contracts to perform the services.

Contract: the signed agreement entered into by the parties for the performance of the services, including all attachments thereto and all documents incorporated therein, including these General Conditions.

Contracting Authority: the government of the beneficiary country or the legal person governed by public or private law concluding the contract, or on behalf of which the contract is concluded with the Consultant.

Contract value: the amount stated in Article 3 of the Special Conditions .

Day: calendar day.

EC: the European Community.

EU: the European Union.

Euro: the European single currency.

EuropeAid Web site:
http://europa.eu.int/comm/europeaid/index_en.htm

Fee-based contract: a contract under which the services are provided on the basis of fixed fee rates for each day worked by experts.

General damages: the sum, not stated previously in the contract, which is awarded by a court or arbitration tribunal, or agreed between the parties, as compensation payable to an injured party for a breach of the contract by the other party.

Global price contract: a contract under which the services are performed for an all-inclusive fixed price.

Liquidated damages: the compensation stated in the contract as being payable by one contracting party to the other for failure to perform the contract or part thereof.

Month: calendar month

National currency: the currency of the beneficiary country.

Project: the project in relation to which the services are to be provided under the contract.

Project Manager: the natural or legal person responsible for monitoring the implementation of the contract on behalf of the Contracting Authority.

Services: activities to be performed by the Consultant under the contract such as technical assistance, studies, training and designs.

Terms of reference: the document in Annex II drawn up by the Contracting Authority giving the definition of its requirements and/or the objectives in respect of the provisions of services, specifying, where relevant, the methods and resources to be used by the Consultant and/or the results to be achieved by it.

Time limits: those periods in the contract which shall begin to run from the day following the act or event which serves as the starting point for those periods. Should the last day of the period fall upon a non-working day, the period shall expire at the end of the first working day following the last day of the period.

- 1.4 Where the context so permits words importing the singular shall be deemed to include the plural and vice versa and words importing the masculine shall be deemed to include the feminine and vice versa.
- 1.5 The word "country" shall be deemed to include State or Territory.
- 1.6 Words importing persons or parties shall include firms and companies and any organisation having legal capacity.

Article 2 Notices and written communications

- 2.1 Whenever there is a deadline for the receipt of a written communication, the sender should ask for an acknowledgement of receipt of its

General conditions for service contracts for EC external actions

communication. In any event, the sender shall take all the necessary measures to ensure timely receipt of the communication

- 2.2 Any notice, consent, approval, certificate or decision by any person required under the contract shall be in writing, unless otherwise specified, and shall not be unreasonably withheld or delayed.
- 2.3 Any oral instructions or orders shall take effect at the time of transmission and shall be confirmed subsequently in writing.

Article 3 Assignment

- 3.1 An assignment is any agreement by which the Consultant transfers its contract or part thereof to a third party.
- 3.2 The Consultant shall not, without the prior written consent of the Contracting Authority, assign the contract or any part thereof, or any benefit or interest thereunder.
- 3.3 The approval of an assignment by the Contracting Authority shall not relieve the Consultant of its obligations for the part of the contract already performed or the part not assigned.
- 3.4 Assignees must satisfy the eligibility criteria applicable to the award of the contract.

Article 4 Sub-contracting

- 4.1 Any agreement by which the Consultant entrusts performance of a part of the services to a third party is considered to be a sub-contract.
- 4.2 The Consultant must seek the prior written authorisation of the Contracting Authority before entering into a sub-contract. This authorisation will be based on the services to be sub-contracted and the identity of the intended sub-contractor. The Contracting Authority shall, with due regard to the provisions of Article 2.2, within 30 days of receipt of the notification, notify the Consultant of its decision, stating reasons, should it withhold such authorisation.
- 4.3 No sub-contract can create contractual relations between any sub-contractor and the Contracting Authority.
- 4.4 The Consultant shall be responsible for the acts, defaults and negligence of its sub-contractors and their experts, agents or employees, as if they were the acts, defaults or negligence of the Consultant, its experts, agents or employees. The approval by the Contracting Authority of the sub-contracting of any part of the contract or of the engagement by the Consultant of sub-contractors to perform any part of the services shall not relieve the Consultant of any of its obligations under the contract.

- 4.5 If a sub-contractor is found by the Contracting Authority or the Project Manager to be incompetent in discharging its duties, the Contracting Authority or the Project Manager may request the Consultant forthwith, either to provide a sub-contractor with qualifications and experience acceptable to the Contracting Authority as a replacement, or to resume the performance of the services itself.
- 4.6 Sub-contractors must satisfy the eligibility criteria applicable to the award of the contract.
- 4.7 Those services entrusted to a sub-contractor by the Consultant cannot be entrusted to third parties by the sub-contractor.
- 4.8 Any change of sub-contractor without the prior written consent of the Contracting Authority shall be considered to be a breach of contract.

OBLIGATIONS OF THE CONTRACTING AUTHORITY

Article 5 Supply of information

- 5.1 The Contracting Authority shall supply the Consultant promptly with any information and/or documentation at its disposal which may be relevant to the performance of the contract. Such documents shall be returned to the Contracting Authority at the end of the period of execution of the contract.
- 5.2 The Contracting Authority shall as far as possible co-operate with the Consultant to provide information that the latter may reasonably request in order to perform the contract.

Article 6 Assistance with local regulations

- 6.1 The Consultant may request the assistance of the Contracting Authority of the beneficiary country to obtain copies of laws, regulations, and information on local customs, orders or by-laws of the country in which the services are to be performed, which may affect the Consultant in the performance of its obligations under the contract. The Contracting Authority may charge the Consultant for such assistance, which would be provided at the Consultant's own expense.
- 6.2 Subject to the provisions of the laws and regulations on foreign labour in the country in which the services are to be performed, the Contracting Authority of the beneficiary country shall make every effort to facilitate the procurement by the Consultant of all required visas and permits, including work and residence permits, for the personnel whose services the Consultant and the Contracting Authority consider necessary as well as residence permits for their families.
- 6.3 The Contracting Authority shall issue to its employees, agents and representatives all such

instructions as may be necessary or appropriate to facilitate the prompt and effective performance of the services.

OBLIGATIONS OF THE CONSULTANT

Article 7 General obligations

- 7.1 The Consultant shall respect and abide by all laws and regulations in force in the beneficiary country and shall ensure that its personnel, their dependants, and its local employees also respect and abide by all such laws and regulations. The Consultant shall indemnify the Contracting Authority against any claims and proceedings arising from any infringement by the Consultant, its employees and their dependants of such laws and regulations.
- 7.2 The Consultant shall perform the services under the contract with due care, efficiency and diligence, in accordance with the best professional practice.
- 7.3 The Consultant shall comply with administrative orders given by the Project Manager. Where the Consultant considers that the requirements of an administrative order go beyond the authority of the Project Manager or of the scope of the contract, it shall, on pain of being time-barred, notify the Project Manager, explaining its opinion, within 30 days after receipt thereof. Execution of the administrative order shall not be suspended because of this notice.
- 7.4 The Consultant shall treat all documents and information received in connection with the contract as private and confidential, and shall not, save in so far as may be necessary for the purposes of the performance thereof, publish or disclose any particulars of the contract without the prior consent in writing of the Contracting Authority or the Project Manager after consultation with the Contracting Authority. If any disagreement arises as to the necessity for any publication or disclosure for the purpose of the contract, the decision of the Contracting Authority shall be final.
- 7.5 If the Consultant is a consortium of two or more persons, all such persons shall be jointly and severally bound to fulfil the terms of the contract. The person designated by the consortium to act on its behalf for the purposes of this contract shall have the authority to bind the consortium.
- 7.6 Any alteration of the composition of the consortium without the prior written consent of the Contracting Authority shall be considered to be a breach of contract.
- 7.7 Unless otherwise requested or agreed by the EC, the Consultant shall take the necessary steps to ensure that the financial contribution of the EU is given adequate publicity. These steps must follow the rules applicable to the visibility of external actions as defined and published by the EC.

Article 8 Code of conduct

- 8.1 The Consultant shall at all times act loyally and impartially and as a faithful adviser to the Contracting Authority in accordance with the rules and/or code of conduct of its profession as well as with appropriate discretion. It shall, in particular, refrain from making any public statements concerning the project or the services without the prior approval of the Contracting Authority, and from engaging in any activity which conflicts with its obligations towards the Contracting Authority under the contract. It shall not commit the Contracting Authority in any way whatsoever without its prior written consent, and shall, where appropriate, make this obligation clear to third parties.
- 8.2 For the period of execution of the contract, the Consultant and its personnel shall respect human rights and undertake not to offend the political, cultural and religious practices prevailing in the beneficiary country.
- 8.3 If the Consultant or any of its sub-contractors, personnel, agents or servants offers to give or agrees to offer or to give or gives to any person, any bribe, gift, gratuity or commission as an inducement or reward for doing or forbearing to do any act in relation to the contract or any other contract with the Contracting Authority, or for showing favour or disfavour to any person in relation to the contract or any other contract with the Contracting Authority, then the Contracting Authority may terminate the contract, without prejudice to any accrued rights of the Consultant under the contract.
- 8.4 The payments to the Consultant under the contract shall constitute the only income or benefit it may derive in connection with the contract and neither it nor its personnel shall accept any commission, discount, allowance, indirect payment or other consideration in connection with, or in relation to, or in discharge of, its obligations under the contract.
- 8.5 The Consultant shall not have the benefit, whether directly or indirectly, of any royalty, gratuity or commission in respect of any patented or protected article or process used in or for the purposes of the contract or the project, without the prior written approval of the Contracting Authority.
- 8.6 The Consultant and its staff shall maintain professional secrecy, for the duration of the contract and after completion thereof. In this connection, except with the prior written consent of the Contracting Authority, neither the Consultant nor the personnel employed or engaged by it shall at any time communicate to any person or entity any confidential information disclosed to them or discovered by them, or make public any information as to the recommendations formulated in the course of or as a result of the services. Furthermore, they shall not make any use prejudicial to the Contracting Authority, of information supplied to them and of the results of studies, tests and

research carried out in the course and for the purpose of performing the contract.

- 8.7 The execution of the contract shall not give rise to unusual commercial expenses. If such unusual commercial expenses emerge, the contract will be terminated. Unusual commercial expenses are commissions not mentioned in the contract or not stemming from a properly concluded contract referring to the contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a recipient who is not clearly identified or commission paid to a company which has every appearance of being a front company.
- 8.8 The Consultant shall supply to the Contracting Authority on request supporting evidence regarding the conditions in which the contract is being executed. The Contracting Authority may carry out whatever documentary or on-the-spot checks it deems necessary to find evidence in case of suspected unusual commercial expenses.

Article 9 Conflict of interest

- 9.1 The Consultant shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of the Contract. Such conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest. Any conflict of interests which could arise during performance of the Contract must be notified in writing to the Contracting Authority without delay.
- 9.2 The Contracting Authority reserves the right to verify that such measures are adequate and may require additional measures to be taken if necessary. The Consultant shall ensure that its staff, including its management, are not placed in a situation which could give rise to conflict of interests. Without prejudice to Article 7, the Consultant shall replace, immediately and without compensation from the Contracting Authority, any member of its staff exposed to such a situation.
- 9.3 The Consultant shall refrain from any contact which would compromise its independence or that of its personnel. If the Consultant fails to maintain such independence, the Contracting Authority may, without prejudice to compensation for any damage which it may have suffered on this account, terminate the contract forthwith, without giving formal notice thereof.
- 9.4 The Consultant shall after the conclusion or termination of the contract, limit its role in connection with the project to the provision of the services. Except with the written permission of the Contracting Authority, the Consultant and any other contractor, consultant or supplier with whom the Consultant is associated or affiliated

shall be disqualified from the execution of works, supplies or other services for the project in any capacity, including tendering for any part of the project.

- 9.5 Civil servants and other agents of the public administration of the beneficiary country, regardless of their administrative situation, shall not be recruited as experts in contracts financed by the EC in the beneficiary country.
- 9.6 The Consultant and anyone working under its authority or control in the performance of the contract or on any other activity shall be excluded from access to EC financing available under the same project.

Article 10 Administrative and financial penalties

- 10.1 Without prejudice to the application of penalties laid down in the contract, if the Consultant has been guilty of making false declarations or has been found to have seriously failed to meet its contractual obligations in an earlier procurement procedure, it shall be excluded from the award of contracts and grants financed by the European Commission for a maximum of two years from the time when the infringement is established, to be confirmed after an adversarial procedure with the Consultant. The Consultant may justify its arguments against the penalty within 30 days of notification of it by recorded delivery or equivalent. In the absence of a reaction for its part or of the written withdrawal of the penalty by the European Commission within 30 days of the above-mentioned arguments, the decision imposing the penalty will become binding. The period of exclusion may be extended to three years in the event of a repeat offence within five years of the first infringement.
- 10.2 Consultants who have been found to have seriously failed to meet their contractual obligations shall also be subject to financial penalties representing 10% of the total value of the Contract. This rate may be increased to 20% in the event of a repeat offence within five years of the first infringement.

Article 11 Specifications and designs

- 11.1 The Consultant shall prepare all specifications and designs using accepted and generally recognised systems acceptable to the Contracting Authority and taking into account the latest design criteria.
- 11.2 The Consultant shall ensure that the specifications and designs and all documentation relating to procurement of goods and services for the project are prepared on an impartial basis so as to promote competitive tendering.



B.T. Papadopoulos



Article 12 Indemnification

- 12.1 At its own expense, the Consultant shall indemnify, protect and defend, the Contracting Authority, its agents and employees, from and against all actions, claims, losses or damage arising from any act or omission by the Consultant in the performance of the services, including any violation of any legal provisions, or rights of third parties, in respect of patents, trade marks and other forms of intellectual property such as copyrights.
- 12.2 At its own expense, the Consultant shall indemnify, protect and defend the Contracting Authority, its agents and employees, from and against all actions, claims, losses or damages arising out of the Consultant's performance of the contract provided that:
- a) the Consultant is notified of such actions, claims, losses or damages not later than 30 days after the Contracting Authority becomes aware of them;
 - b) the ceiling on the Consultant's liability to the Contracting Authority shall be limited to an amount equal to the contract value, and such ceiling shall not apply to any losses or damages caused to third parties by the Consultant or by the Consultant's wilful misconduct;
 - c) the Consultant's liability shall be limited to actions, claims, losses or damages directly caused by such failure to perform its obligations under the contract and shall not include liability arising from unforeseeable occurrences incidental or indirectly consequential to such failure.
- 12.3 At its own expense, the Consultant shall, upon request of the Contracting Authority, remedy any defect in the performance of the services in the event of the Consultant's failure to perform its obligations under the contract.
- 12.4 The Consultant shall have no liability whatsoever for actions, claims, losses or damages occasioned by:
- a) the Contracting Authority omitting to act on any recommendation, or overriding any act, decision or recommendation, of the Consultant, or requiring the Consultant to implement a decision or recommendation with which the Consultant disagrees or on which it expresses a serious reservation; or
 - b) the improper execution of the Consultant's instructions by agents, employees or independent contractors of the Contracting Authority.
- 12.5 The Consultant shall remain responsible for any breach of its obligations under the contract for such period after the services have been performed as may be determined by the law governing the contract.

Article 13 Medical, insurance and security arrangements

- 13.1 The Contracting Authority may request the Consultant and/or its personnel performing the services to undergo a medical examination by a qualified medical practitioner before leaving their usual place of residence and shall as soon as is practicable furnish the Contracting Authority with the medical report resulting therefrom.
- 13.2 For the period of execution of the contract, the Consultant shall obtain medical insurance for itself and other persons employed or contracted by it under the contract. The Contracting Authority shall be under no liability in respect of the medical expenses of the Consultant.
- 13.3 Within 20 days of signing the contract, the Consultant shall take out and maintain a full indemnity insurance policy for a sum up to the higher of the maximum amount foreseen by the legislation of the country of the Contracting Authority and the amount foreseen by the legislation of the country in which the Consultant has its headquarters and covering, during the period of execution of the contract, the following aspects:
- a) the Consultant's liability in respect of sickness or industrial accident affecting its employees, including the cost of repatriation on health grounds;
 - b) loss of, or damage to, the Contracting Authority's equipment used to perform the contract;
 - c) civil liability in the event of accidents caused to third parties or to the Contracting Authority and any employee of that Authority arising out of the performance of the contract.
 - d) accidental death or permanent disability resulting from bodily injury incurred in connection with the contract; and
- 13.4 The Consultant shall also insure the personal effects of its employees, experts and their families located in the beneficiary country against loss or damage.
- 13.5 The Consultant shall furnish proof of the insurance policy and of regular payment of premiums without delay whenever required to do so by the Contracting Authority or the Project Manager.
- 13.6 The Consultant shall put in place security measures for its employees, experts and their families located in the beneficiary country commensurate with the physical danger facing them.
- 13.7 The Consultant will also be responsible for monitoring the level of physical risk to which its employees, experts and their families located in the beneficiary country are exposed and for keeping the Contracting Authority informed of the situation. In the event that the Contracting Authority or the Consultant shall become aware of an imminent threat of danger to the life or

health of any of its employees, experts or their families, the Consultant may take immediate action to remove the individuals concerned to safety. If the Consultant takes such action, this must be communicated immediately to the Project Manager and may lead to suspension of the contract in accordance with Article 35.

covered by an invitation to tender. The Contracting Authority shall provide the Consultant with the information necessary for drawing up the administrative part of the tender dossier.

Article 14 Intellectual and industrial property rights

- 14.1 All reports and data such as maps, diagrams, drawings, specifications, plans, statistics, calculations, databases, software and supporting records or materials acquired, compiled or prepared by the Consultant in the performance of the contract shall be the absolute property of the Contracting Authority. The Consultant shall, upon completion of the contract, deliver all such documents and data to the Contracting Authority. The Consultant may not retain copies of such documents and data and shall not use them for purposes unrelated to the contract without the prior written consent of the Contracting Authority.
- 14.2 The Consultant shall not publish articles relating to the services or refer to them when carrying out any services for others, or divulge information obtained from the Contracting Authority, without the prior written consent of the Contracting Authority.
- 14.3 Any results or rights thereon, including copyright and other intellectual or industrial property rights, obtained in performance of the Contract, shall be the absolute property of the Contracting Authority, which may use, publish, assign or transfer them as it sees fit, without geographical or other limitation, except where intellectual or industrial property rights already exist.

NATURE OF THE SERVICES

Article 15 The scope of the services

- 15.1 The scope of the services is specified in Annex II and Annex III.
- 15.2 Where the contract is for an advisory function for the benefit of the Contracting Authority and/or Project Manager in respect of all the technical aspects of the project which may arise out of its execution, the Consultant shall not have decision-making responsibility.
- 15.3 Where the contract is for management of the execution of the project, the Consultant shall assume all the duties of management inherent in supervising the execution of a project, subject to the Project Manager's authority.
- 15.4 If the Consultant is required to prepare a tender dossier, the dossier shall contain all documents necessary for consulting suitable contractors, manufacturers and suppliers, and for preparing tender procedures with a view to carrying out the works or providing the supplies or services

Article 16 Personnel and equipment

- 16.1 The Consultant shall give written notification to the Contracting Authority including the CVs of all personnel which the Consultant intends to use for the implementation of the contract, other than the key experts whose CVs are included in Annex IV. Annex II and/or Annex III shall specify the minimum level of training, qualifications and experience of the personnel and, where appropriate, the specialisation required. The Contracting Authority may oppose the Consultant's choice of personnel on the basis of the contract.
- 16.2 All those working on the contract shall commence their duties on the date or within the period laid down in Annex II and/or Annex III, or, failing this, on the date or within the periods notified to the Consultant by the Contracting Authority or the Project Manager.
- 16.3 Save as otherwise provided in the special conditions, those working on the contract shall reside close to their place of work. Where part of the services is to be performed outside the beneficiary country, the Consultant shall keep the Project Manager informed of the names and qualifications of staff assigned to that part of the services.
- 16.4 The Consultant shall:
- forward to the Project Manager within 30 days of the signature of the contract by both parties, the timetable proposed for placement of the staff;
 - inform the Project Manager of the date of arrival and departure of each member of staff;
 - submit to the Project Manager for his written approval a timely request for the appointment of any non-key experts.
- 16.5 The Consultant shall adopt all measures necessary to provide and continue to provide its staff with the equipment and backup required to enable them to carry out their specified duties efficiently.

Article 17 Replacement of personnel

- 17.1 The Consultant shall not make changes in the personnel agreed under the terms of the contract without notifying the Contracting Authority, which may oppose such a change on the basis of the contract.
- 17.2 The Consultant must on its own initiative propose a replacement in the following cases:
- In the event of death, in the event of illness or in the event of accident of a member of staff.

- b) If it becomes necessary to replace a member of staff for any other reasons beyond the Consultant's control (e.g. resignation, etc.).
- 17.3 Moreover, in the course of performance, and on the basis of a written and justified request, the Contracting Authority can ask for a replacement if it considers that a member of staff is inefficient or does not perform its duties under the contract.
- 17.4 Where a member of staff must be replaced, the replacement must possess at least equivalent qualifications and experience, and the remuneration to be paid to the replacement cannot exceed that received by the member of staff who has been replaced. Where the Consultant is unable to provide a replacement with equivalent qualifications and/or experience, the Contracting Authority may either decide to terminate the contract, if the proper performance of it is jeopardised, or, if it considers that this is not the case, accept the replacement, provided that the fees of the latter are renegotiated to reflect the appropriate remuneration level.
- 17.5 Additional costs incurred by the replacement of staff are the responsibility of the Consultant. Where the expert is not replaced immediately and it is some time before the new expert takes up its functions, the Contracting Authority may ask the Consultant to assign to the project a temporary expert pending the arrival of the new expert, or to take other measures to compensate for the temporary absence of the missing expert. Whatever the case may be, the Contracting Authority makes no payment for the period of the expert's or his/her replacement's absence.

Article 18 Trainees

- 18.1 If required in the terms of reference, the Consultant shall provide training for the period of execution of the contract for trainees assigned to it by the Contracting Authority under the terms of the contract.
- 18.2 Instruction by the Consultant of such trainees shall not confer on them the status of employees of the Consultant. However, they must comply with the Consultant's instructions, and with the provisions of Article 8, as if they were employees of the Consultant. The Consultant may on reasoned request in writing obtain the replacement of any trainee whose work or conduct is unsatisfactory.
- 18.3 Unless otherwise provided in the contract, remuneration for trainees and travel, accommodation and all other expenses incurred by the trainees, shall be borne by the Contracting Authority.
- 18.4 The Consultant shall report at quarterly intervals to the Contracting Authority on the training assignment. Immediately prior to the end of the period of execution of the contract, the Consultant shall draw up a report on the result

of the training and an assessment of the qualifications obtained by the trainees with a view to their future employment. The form of such reports and the procedure for presenting them shall be as laid down in the terms of reference.

EXECUTION OF THE CONTRACT

Article 19 Delays in execution

- 19.1 If the Consultant does not perform the services within the period of execution specified in the contract, the Contracting Authority shall, without formal notice and without prejudice to its other remedies under the contract, be entitled to liquidated damages for every day, or part thereof, which shall elapse between the end of the period of execution specified in the contract and the actual end of the period of execution.
- 19.2 The daily rate for liquidated damages is calculated by dividing the contract value by the number of days of the period of execution.
- 19.3 If these liquidated damages exceed more than 15% of the contract value, the Contracting Authority may, after giving notice to the Consultant:
- terminate the contract; and
 - complete the services at the Consultant's own expense.

Article 20 Amendment of the contract

- 20.1 Any amendment of the contract must be set out in writing in an addendum, to be concluded on the same terms as the original contract. If the request for an amendment comes from the Consultant, the latter must submit such a request to the Contracting Authority at least 30 days before the amendment is intended to enter into force, except in cases which are duly substantiated by the Consultant and accepted by the Contracting Authority.
- 20.2 However, where the amendment does not affect the basic purpose of the contract and, for a fee-based contract, the financial impact is limited to a transfer within the Fees involving a variation of less than 15% of the original amount for the relevant line in the Budget breakdown in Annex V, the Project Manager shall have the power to order any variation to any part of the services necessary for the proper execution of the contract, without changing the object or scope of the contract. Such variations may include additions, omissions, substitutions, changes in quality, quantity, specified sequence, method or timing of performance of the services.
- 20.3 No such order for a variation may imply any extension of the period of execution or, for a fee-based contract, any change in the Total Fees or the Provision for incidental expenditure.

- 20.4 Prior to any administrative order for variation, the Project Manager shall notify the Consultant of the nature and form of such variation. As soon as possible, after receiving such notice, the Consultant shall submit to the Project Manager a written proposal containing:
- a) a description of the service to be performed or the measures to be taken and a programme for execution; and
 - b) any necessary modifications to the programme of performance or to any of the Consultant's obligations under the contract; and
 - c) For a fee-based contract, any adjustment to the contract value in accordance with the following principles:
 - i) where the task is of similar character and executed under similar conditions to an item priced in the budget breakdown the equivalent numbers of working days shall be valued at the fee rates contained therein;
 - ii) where the task is not of a similar character or is not executed under similar conditions, the fee rates in the contract shall be applied to the estimated numbers of working days so far as is reasonable, failing which, a fair estimation shall be made by the Project Manager;
 - iii) where a variation is necessitated by a default or breach of contract by the Consultant, any additional cost attributable to such variation shall be borne by the Consultant.
- 20.5 Following the receipt of the Consultant's proposal, the Project Manager shall decide as soon as possible whether or not the variation shall be carried out. If the Project Manager decides that the variation shall be carried out he shall issue the administrative order stating that the variation shall be carried out under the conditions given in the Consultant's proposal or as modified by the Project Manager in accordance with Article 20.4.
- 20.6 On receipt of the administrative order requesting the variation, the Consultant shall proceed to carry out the variation and be bound by these General Conditions in so doing as if such variation were stated in the contract.
- 20.7 The Contracting Authority shall give written notification to the Consultant of the name and address of the Project Manager. The Consultant shall give written notification to the Contracting Authority of the name and address of its contact, bank account and auditor for the Contract. The Consultant must use the form in Annex VI for notification or modification of its bank account. The Contracting Authority shall have the right to oppose the Consultant's choice of bank account or auditor.
- 20.8 All payments made by the Contracting Authority into the bank account specified in the contract will have liberating effect.
- 20.9 No amendment shall be made retroactively. Any change to the contract which has not been

made in the form of an administrative order or an addendum or in accordance with Article 20.7 shall be considered null and void.

Article 21 Working hours

The days and hours of work of the Consultant or the Consultant's personnel in the beneficiary country shall be fixed on the basis of the laws, regulations and customs of the beneficiary country and the requirements of the services.

Article 22 Leave entitlement

22.1 Annual leave to be taken during the period of execution of the contract must be at a time approved by the Project Manager.

22.2 For a fee-based contract, the fee rates are deemed to take into account the annual leave of up to 2 months for the Consultant's personnel during the period of execution of the contract. Consequently, days taken as annual leave shall not be considered to be working days.

22.3 The Consultant's personnel shall not be entitled to either sick or casual leave provided, however, that the Project Manager may, at his sole discretion whether for compassionate reasons or otherwise, permit the Consultant to take unpaid leave during the period of execution of the contract.

Article 23 Information

The Consultant shall furnish the Project Manager or any person authorised by the Contracting Authority, the European Commission or the European Court of Auditors with such information relating to the services and the project as they may at any time request.

Article 24 Records

24.1 The Consultant shall keep full accurate and systematic records and accounts in respect of the services in such form and detail as is sufficient to establish accurately that the number of working days and the actual incidental expenditure identified in the Consultant's invoice(s) have been duly incurred for the performance of the services.

24.2 For a fee-based contract, timesheets recording the days worked by the Consultant's personnel must be maintained by the Consultant. The amounts invoiced by the Consultant must correspond to these timesheets. In the case of long-term experts, these timesheets must record the number of days worked. In the case of short-term experts, these timesheets must record the number of hours worked. Time spent travelling exclusively and necessarily for the purpose of the Contract may be included in the

numbers of days or hours, as appropriate, recorded in these timesheets.

- 24.3 Such records must be kept for a 7-year period after the final payment made under the contract. These documents comprise any documentation concerning income and expenditure and any inventory, necessary for the checking of supporting documents, including timesheets, plane and transport tickets, pay slips for the remuneration paid to the experts and invoices or receipts for incidental expenditure. Failure to maintain such records constitutes a breach of contract and will result in the termination of the contract.
- 24.4 The Consultant shall permit the Project Manager or any person authorised by the Contracting Authority, the European Commission or the European Court of Auditors to inspect or audit, at any reasonable time, the records and accounts relating to the services and to make copies thereof both during and after provision of the services.

Article 25 Verification and checks by EC bodies

- 25.1 The Consultant will allow the European Commission, the European Anti-Fraud Office and the European Court of Auditors to verify, by examining the documents or by means of on-the-spot checks, the implementation of the project and conduct a full audit, if necessary, on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the project. These inspections may take place up to 7 years after the final payment.
- 25.2 Furthermore, the Consultant will allow the European Anti-Fraud Office to carry out checks and verification on the spot in accordance with the procedures set out in the European Community legislation for the protection of the financial interests of the European Communities against fraud and other irregularities.
- 25.3 To this end, the Consultant undertakes to give appropriate access to staff or agents of the European Commission, of the European Anti-Fraud Office and of the European Court of Auditors to the sites and locations at which the Contract is carried out, including its information systems, as well as all documents and databases concerning the technical and financial management of the project and to take all steps to facilitate their work. Access given to agents of the European Commission, European Anti-Fraud Office and the European Court of Auditors shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject. Documents must be easily accessible and filed so as to facilitate their examination and the Consultant must inform the Contracting Authority of their precise location.
- 25.4 The Consultant guarantees that the rights of the European Commission, of the European Anti-

Fraud Office and of the European Court of Auditors to carry out audits, checks and verification will be equally applicable, under the same conditions and according to the same rules as those set out in this Article, to any sub-contractor or any other party benefitting from EC funds.

Article 26 Interim and final progress reports

- 26.1 The Consultant must prepare progress reports during the period of execution of the contract. For a fee-based contract, these progress reports must be accompanied by a financial report. The format of such reports is as specified by a template in Annex VI, if any, or, in the absence of a template, as notified to the Consultant by the Project Manager during the period of execution of the Contract.
- 26.2 All invoices (not including the request for the pre-financing payment) must be accompanied by a progress report and the final invoice must be accompanied by a final progress report. All invoices for a fee-based contract must also be accompanied by a financial report.
- 26.3 Immediately prior to the end of the period of execution of the contract, the Consultant shall draw up a final progress report together which must include, if appropriate, a critical study of any major problems which may have arisen during the performance of the contract.
- 26.4 This final progress report shall be forwarded to the Project Manager not later than 60 days after the end of the period of execution defined in Article 5 of the Special Conditions. Such report shall not bind the Contracting Authority.
- 26.5 Where the contract is performed in phases, the execution of each phase shall give rise to the preparation of a final progress report by the Consultant.
- 26.6 Interim and final progress reports are covered by the provisions of Article 14.

Article 27 Approval of reports and documents

- 27.1 The approval by the Contracting Authority of reports and documents drawn up and forwarded by the Consultant shall certify that they comply with the terms of the contract.
- 27.2 The Contracting Authority shall, within 45 days of receipt, notify the Consultant of its decision concerning the documents or reports received by it, giving reasons should it reject the reports or documents, or request amendments. For the final progress report, the time limit is extended to 60 days. If the Contracting Authority does not give any comments on the documents or reports within the time limit, the Consultant may request written acceptance of them. The documents or reports shall be deemed to have been approved by the Contracting Authority if it does not

expressly inform the Consultant of any comments within 45 days of the receipt of this written request.

- 27.3 Where a report or document is approved by the Contracting Authority subject to amendments to be made by the Consultant, the Contracting Authority shall, prescribe a period for making the amendments requested.
- 27.4 Where the final progress report of a global price contract is not approved, the dispute settlement procedure is automatically invoked.
- 27.5 Where the contract is performed in phases, the execution of each phase shall be subject to the approval, by the Contracting Authority, of the preceding phase except where the phases are carried out concurrently.

PAYMENTS & DEBT RECOVERY

Article 28 Payments and interest on late payment

- 28.1 Payments will be made in accordance with one of the two options below, as identified in Article 3 of the Special Conditions.

Option 1: Fee-based contract

The Contracting Authority will make payments to the Consultant in the following manner:

- a pre-financing payment of 60% of the cashflow forecast for the 12 months following the commencement date, within 45 days of receipt by the Contracting Authority of the Contract signed by both parties, of a request for the pre-financing payment and of a financial guarantee, as defined in Article 29;
- six-monthly interim payments, if any, as indicated in Article 7.2 of the Special Conditions, within 45 days of the approval by the Contracting Authority in accordance with Article 27 of the interim progress report which accompanies an invoice setting out the days actually worked and the incidental expenditure actually incurred during the period, until the sum of the pre-financing payment and any interim payments is 90% of the maximum contract value stated in Article 3 of the Special Conditions;
- the balance of the final certified value of the contract, subject to the maximum contract value stated in Article 3 of the Special Conditions, after deduction of the amounts already paid, within 45 days of the approval by the Contracting Authority in accordance with Article 27 and Article 30 of the final progress report and audit certificate which accompany the final invoice setting out the days actually worked and the incidental expenditure actually incurred during the period.

Option 2: Global price contract

The Contracting Authority will make payments to the Consultant in the following manner:

- a pre-financing payment of 60% of the contract value stated in Article 3 of the Special Conditions within 45 days of receipt by the Contracting Authority of the Contract signed by both parties, of a request for the pre-financing payment and of a financial guarantee, as defined in Article 29;
 - the balance of the contract value stated in Article 3 of the Special Conditions within 45 days of the approval by the Contracting Authority in accordance with Article 27 of the final progress report which accompanies the final invoice.
- 28.2 The payment deadline of 45 calendar days referred to in Article 28.1 shall expire on the date on which the Contracting Authority's account is debited. Without prejudice to Article 36.3, the Contracting Authority may halt the countdown towards this deadline for any part of the invoiced amount disputed by the Project Manager by notifying the Consultant that that part of the invoice is inadmissible, either because the amount in question is not due or because the relevant report cannot be approved and the Contracting Authority thinks it necessary to conduct further checks. In such cases, the Contracting Authority must not unreasonably withhold any undisputed part of the invoiced amount but may request clarification, alteration or additional information, which must be produced within 30 days of the request. The countdown towards the deadline will resume on the date on which a correctly formulated invoice is received by the Contracting Authority.
- 28.3 Once the deadline referred to above has expired, the Consultant may, within two months of late payment, claim late-payment interest:
- at the rate applied by the European Central Bank to its main refinancing transactions in euro where payments are in euro,
 - at the rediscount rate applied by the central bank of the beneficiary country if payments are in the currency of that country.
- on the first day of the month in which the deadline expired, plus seven percentage points. The late-payment interest shall apply to the time which elapses between the date of the payment deadline (exclusive), and the date on which the Contracting Authority's account is debited (inclusive).
- 28.4 Payments due from the Contracting Authority shall be made into the bank account notified by the Consultant in accordance with Article 20.7.
- 28.5 The Contracting Authority will make payments in euro or in the national currency, in accordance with Article 7.1 of the Special Conditions. Where payment is in euro, for the purposes of the Provision for incidental expenditure, actual

expenditure shall be converted into euro at the rate published by the European Central Bank in the "C" series of the Official Journal on the first working day of the month in which the invoice is dated. Where payment is in the national currency, it shall be converted into euro at the rate published by the European Central Bank in the "C" series of the Official Journal on the first working day of the month in which the payment is made.

- 28.6 For fee-based contracts, invoices must be accompanied by copies of, or extracts from, the corresponding timesheets referred to in Article 24.2 to explain the amount invoiced for the time input of the experts. For short-term experts, 7 hours worked are deemed to be equivalent to one day worked. For all experts, their time input must be rounded to the nearest whole number of days worked for the purposes of invoicing.
- 28.7 Payment of the final balance shall be subject to performance by the Consultant of all its obligations relating to the execution of all phases or parts of the services and to the approval by the Contracting Authority of the final phase or part of the services. Final payment shall be made only after the final progress report and a final statement, identified as such, shall have been submitted by the Consultant and approved as satisfactory by the Contracting Authority.
- 28.8 If any of the following events occurs and persists, the Contracting Authority may, by written notice to the Consultant, suspend in whole or in part, payments due to the Consultant under the Contract:
- the Consultant defaults in the execution of the contract;
 - any other condition for which the Consultant is responsible under the contract and which, in the opinion of the Contracting Authority, interferes, or threatens to interfere, with the successful completion of the project or the contract.
- 28.9 The payment obligations of the EC under this Contract shall cease at most 18 months after the end of the period of execution of the tasks, unless the Contract is terminated in accordance with Article 36.1 of the General Conditions.

Article 29 Financial guarantee

- 29.1 If the pre-financing payment stated in Article 7.2 of the Special Conditions exceeds EUR150,000, the Consultant must provide a financial guarantee for the full amount of the pre-financing payment. This financial guarantee must remain valid until it is released by the Contracting Authority in accordance with Article 29.5 or Article 29.6, as appropriate.

- 29.2 The financial guarantee shall be provided on the letterhead of the financial institution using the template provided in Annex VI.
- 29.3 Should the financial guarantee cease to be valid and the Consultant fail to re-validate it, the Contracting Authority may either make deductions from future payments due to the Consultant under the Contract up to the total of the payments already made, or terminate the Contract if in the opinion of the Contracting Authority such deduction is impracticable.
- 29.4 If the contract is terminated for any reason whatsoever, the financial guarantee may be invoked forthwith in order to repay any balance still owed to the Contracting Authority by the Consultant, and the guarantor shall not delay payment or raise objection for any reason whatever.
- 29.5 For fee-based contracts, the financial guarantee must remain in force until the final certified value established in the audit certificate referred to in Article 30 has been accepted by the Contracting Authority. If the final certified value is greater than the total of the payments already made to the Consultant by the Contracting Authority under the Contract, the financial guarantee must be released within 45 days of the acceptance of the final audit certificate by the Contracting Authority. If not, the financial guarantee may be reduced to cover the difference between the final certified value and the total of the payments already made to the Consultant by the Contracting Authority under the Contract and the financial guarantee must be released within 45 days of repayment of the difference by the Consultant.
- 29.6 For global price contracts, the financial guarantee must remain in force until the final payment has been made.

Article 30 Audit certificate

- 30.1 No audit certificate is required for global price contracts.
- 30.2 Before the final payment is made for a fee-based contract, an independent and impartial auditor who is a member of an internationally-recognised supervisory body for statutory auditing, notified by the Consultant in accordance with Article 20.7, must examine the invoices sent by the Consultant to the Contracting Authority.
- 30.3 The auditor must satisfy himself that relevant, reliable and sufficient evidence exists that:
- the experts employed by the Consultant for this contract have actually been working on the contract (as corroborated by independent, third-party evidence, where available) for the number of days claimed in the Consultant's invoices and in the financial reports submitted with the interim progress reports; and

- the amounts claimed as incidental expenditure have actually and necessarily been incurred in accordance with the requirements of the terms of reference of the contract.

30.4 On the basis of his examination, the auditor must certify the final value of the contract using the audit certificate template in Annex VI. The final payment, if any, is the difference between this final certified value and the total amounts already paid, subject to the maximum contract value stated in the contract.

Article 31 Recovery of debts from the Consultant

31.1 The Consultant shall repay any amounts paid in excess of the final certified value due to the Contracting Authority within 45 days of receiving a request to do so.

31.2 Any amount which the Contracting Authority has paid, or caused to be paid, in excess of the Consultant's entitlement under the contract, shall be repaid by the Consultant to the Contracting Authority within 45 days after receipt by the Consultant of a request for repayment.

31.3 Should the Consultant fail to make repayment within the above deadline, the Contracting Authority may increase the amounts due by adding interest:

- at the rate applied by the European Central Bank to its main refinancing transactions in euro where payments are in euro,
- at the rediscount rate applied by the central bank of the beneficiary country if payments are in the currency of that country.

on the first day of the month in which the deadline expired, plus seven percentage points. The late-payment interest shall apply to the time which elapses between the date of the payment deadline (exclusive), and the date on which the Consultant's account is debited (inclusive). Any partial payments shall cover the interest thus established.

31.4 Should the Consultant fail to repay the original balance within the above deadline and any interest added in accordance with Article 31.3, the Contracting Authority may call upon the financial guarantee referred to in Article 29, if any.

31.5 Amounts to be repaid to the Contracting Authority may be offset against amounts of any kind due to the Consultant. This shall not affect the right of the Consultant and the Contracting Authority to agree on repayment by instalments.

31.6 Bank charges arising from the repayment of amounts due to the Contracting Authority shall be borne entirely by the Consultant.

Article 32 Revision of prices

Unless otherwise stipulated in the special conditions, the global price of a global price contract and the fee rates of a fee-based contract shall not be revised.

Article 33 Payment to third parties

33.1 All orders for payments to third parties may be carried out only after an assignment made in accordance with Article 3.

33.2 Notification of beneficiaries of assignment shall be the sole responsibility of the Consultant.

33.3 In the event of a legally binding attachment of the property of the Consultant affecting payments due to it under the contract and without prejudice to the time limit laid down in Article 28, the Contracting Authority shall have 60 days, starting from the day when it receives notification of the definitive lifting of the obstacle to payment, to resume payments to the Consultant.

BREACH OF CONTRACT AND TERMINATION

Article 34 Breach of contract

34.1 Either party commits a breach of contract where it fails to discharge any of its obligations under the contract.

34.2 Where a breach of contract occurs, the party injured by the breach shall be entitled to the following remedies:

- a) damages; and/or
- b) termination of the contract.

34.3 Damages may be:

- a) general damages; or
- b) liquidated damages.

34.4 In any case where the Contracting Authority is entitled to damages, it may deduct such damages from any sums due to the Consultant or call on the appropriate guarantee.

34.5 The Contracting Authority shall be entitled to compensation for any damage which comes to light after the contract is completed in accordance with the law governing the contract.

Article 35 Suspension

35.1 The Contracting Authority is entitled to suspend the performance of the services or any part thereof for such time and in such manner as it may consider necessary.

35.2 If the period of suspension exceeds 90 days and the suspension is not due to the Consultant's

General conditions for service contracts for EC external actions

default, the Consultant may, by notice to the Project Manager, request permission to resume execution of the services within 30 days or terminate the contract.

35.3 Where the award procedure or execution of the contract is vitiated by substantial errors or irregularities or by fraud, the Contracting Authority shall suspend execution of the contract.

35.4 Where such errors, irregularities or fraud are attributable to the Consultant, the Contracting Authority may in addition refuse to make payments or may recover amounts already paid, in proportion to the seriousness of the errors, irregularities or fraud.

35.5 The suspension of the Contract is intended to allow the Contracting Authority to verify whether presumed substantial errors or irregularities or fraud have actually occurred. If they are not confirmed, execution of the contract shall resume as soon as possible.

Article 36 Termination by the Contracting Authority

36.1 This contract shall terminate automatically if it has not given rise to any payment within a period of three years after its signature by both parties.

36.2 Termination shall be without prejudice to any other rights or powers under the contract of the Contracting Authority and the Consultant.

36.3 In addition to the grounds for termination defined in these General Conditions, the Contracting Authority may terminate the contract after giving 7 days' notice to the Consultant in any of the following cases:

- a) the Consultant fails substantially to carry out its obligations under the contract;
- b) the Consultant fails to comply within a reasonable time with the notice given by the Project Manager requiring it to make good the neglect or failure to perform its obligations under the contract which seriously affects the proper and timely execution of the services;
- c) the Consultant refuses or neglects to carry out administrative orders given by the Project Manager;
- d) the Consultant assigns the contract or sub-contracts without the authorisation of the Contracting Authority;
- e) the Consultant becomes bankrupt or is being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;

- f) the Consultant has been convicted of an offence concerning its professional conduct by a judgment which has the force of *res judicata*;
- g) the Consultant has been guilty of grave professional misconduct proven by any means which the Contracting Authority can justify;
- h) the Consultant has been the subject of a judgement which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the financial interests of the EC;
- i) following another procurement procedure or grant award procedure financed by the EC budget, the Consultant has been declared to be in serious breach of contract for failure to comply with its contractual obligations.
- j) any organisational modification occurs involving a change in the legal personality, nature or control of the Consultant, unless such modification is recorded in an addendum to the contract;
- k) any other legal disability hindering performance of the contract occurs;
- l) the Consultant fails to provide the required guarantees or insurance, or the person providing the underlying guarantee or insurance is not able to abide by its commitments.

36.4 The Contracting Authority may, thereafter, complete the services itself, or conclude any other contract with a third party, at the Consultant's own expense. The Consultant's liability for delay in completion shall immediately cease when the Contracting Authority terminates the Contracts without prejudice to any liability thereunder that may have already been incurred.

36.5 Upon termination of the contract or when it has received notice thereof, the Consultant shall take immediate steps to bring the services to a close in a prompt and orderly manner and in such a way as to keep costs to a minimum.

36.6 The Project Manager shall, as soon as is possible after termination, certify the value of the services and all sums due to the Consultant as at the date of termination.

36.7 The Contracting Authority shall not be obliged to make any further payments to the Consultant until the services are completed, whereupon the Contracting Authority shall be entitled to recover from the Consultant the extra costs, if any, of completing the services, or shall pay any balance due to the Consultant.

36.8 If the Contracting Authority terminates the contract, it shall be entitled to recover from the Consultant any loss it has suffered up to the maximum amount stated in the contract. If no maximum amount is stated, the Contracting Authority shall, without prejudice to its other remedies under the contract, be entitled to recover that part of the contract value which is attributable to that part of the services which has

General conditions for service contracts for EC external actions

not, by reason of the Consultant's failure, been satisfactorily completed.

- 36.9 The Consultant shall not be entitled to claim, in addition to sums owing to it for work already performed, compensation for any loss or injury suffered.

Article 37 Termination by the Consultant

- 37.1 The Consultant may, after giving 14 days notice to the Contracting Authority, terminate the contract if the Contracting Authority:
- a) fails to pay the Consultant the amounts due under any certificate of the Project Manager after the expiry of the time limit stated in Article 28; or
 - b) consistently fails to meet its obligations after repeated reminders; or
 - c) suspends the progress of the services or any part thereof for more than 90 days for reasons not specified in the contract, or not due to the Consultant's default.
- 37.2 Such termination shall be without prejudice to any other rights of the Contracting Authority or the Consultant acquired under the contract.
- 37.3 In the event of such termination, the Contracting Authority shall pay the Consultant for any loss or injury the Consultant may have suffered. Such additional payment may not be such that the total payments exceed the amount specified in Article 3 of the Special Conditions.

Article 38 Force majeure

- 38.1 Neither party shall be considered to be in breach of its obligations under the contract if the performance of such obligations is prevented by any circumstances of force majeure which arise after the date of signature of the contract by both parties.
- 38.2 The term "force majeure", as used herein shall mean acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars, whether declared or not, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions, and any other similar unforeseeable events, beyond the control of either party and which by the exercise of due diligence neither party is able to overcome.
- 38.3 A party affected by an event of force majeure shall take all reasonable measures to remove such party's inability to fulfil its obligations hereunder with a minimum of delay.
- 38.4 Notwithstanding the provisions of Article 35, the Consultant shall not be liable for liquidated damages or termination for default if, and to the extent that, its delay in performance or other

failure to perform its obligations under the contract is the result of an event of force majeure. The Contracting Authority shall similarly not be liable, notwithstanding the provisions of Article 28 and Article 37, to payment of interest on delayed payments, for non-performance or for termination by the Consultant for default, if, and to the extent that, the Contracting Authority's delay or other failure to perform its obligations is the result of force majeure.

- 38.5 If either party considers that any circumstances of force majeure have occurred which may affect performance of its obligations it shall notify the other party immediately giving details of the nature, the probable duration and likely effect of the circumstances. Unless otherwise directed by the Project Manager in writing, the Consultant shall continue to perform its obligations under the contract as far as is reasonably practicable, and shall seek all reasonable alternative means for performance of its obligations which are not prevented by the force majeure event. The Consultant shall not put into effect such alternative means unless directed so to do by the Project Manager.
- 38.6 For a fee-based contract, if the Consultant incurs additional costs in complying with the Project Manager's directions or using alternative means under Article 38.5 the amount thereof shall be certified by the Project Manager subject to the maximum contract value.
- 38.7 If circumstances of force majeure have occurred and persist for a period of 180 days then, notwithstanding any extension of the period of execution that the Consultant may by reason thereof have been granted, either party shall be entitled to serve upon the other 30 days' notice to terminate the contract. If at the expiry of the period of 30 days the situation of force majeure persists, the contract shall be terminated and, in consequence thereof, the parties shall be released from further performance of the contract.

Article 39 Decease

- 39.1 If the Consultant is a natural person, the contract shall be automatically terminated if that person dies. However, the Contracting Authority shall examine any proposal made by his heirs or beneficiaries if they have notified their wish to continue the contract within 15 days of the date of decease. The decision of the Contracting Authority shall be notified to those concerned within 30 days of receipt of such a proposal.
- 39.2 If the Consultant is a group of natural persons and one or more of them die, a report shall be agreed between the parties on the progress of the services and the Contracting Authority shall decide whether to terminate or continue the contract in accordance with the undertaking given within 15 days of the date of decease by the survivors and by the heirs or beneficiaries, as the case may be. The decision of the

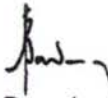
Contracting Authority shall be notified to those concerned within 30 days of receipt of such a proposal.

- 39.3 Such persons shall be jointly and severally liable for the proper performance of the contract to the same extent as the Consultant. Continuation of the contract shall be subject to the rules relating to establishment of any guarantee provided for in the contract.

SETTLEMENT OF DISPUTES

Article 40 Settlement of disputes

- 40.1 The Contracting Authority and the Consultant shall make every effort to settle amicably any dispute relating to the contract which may arise between them, or between the Project Manager and the Consultant.
- 40.2 Once a dispute has arisen, the parties to this contract shall notify each other in writing of their positions on the dispute as well as of any solution which they envisage possible. If either of the parties to this contract deems it useful, the parties shall meet and try to settle the dispute. Each party shall respond to a request for amicable settlement within 30 days of such request. The period to reach an amicable settlement shall be 120 days from the date of the request. Should the attempt to reach an amicable settlement be unsuccessful or should a party not respond in time to any requests for settlement, each party shall be free to proceed to the next stage in reaching a settlement 40.3 by notifying the other party.
- 40.3 In the absence of an amicable settlement, the parties may agree to the settlement of the dispute by conciliation by the European Commission in the case of contracts for which the Contracting Authority is not the European Commission. If no settlement is achieved within 120 days of the start of the conciliation process, each party to the contract has the right to proceed to the next stage in the dispute settlement procedure.
- 40.4 In the absence of an amicable settlement or settlement by conciliation within 120 days of the start of one of these procedures, each party may refer the dispute to either the decision of a national jurisdiction or arbitration, as specified in Article 11 of the Special Conditions.



B.T. Papadopoulos

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