

Standard formats for terms of reference

Chapter 15

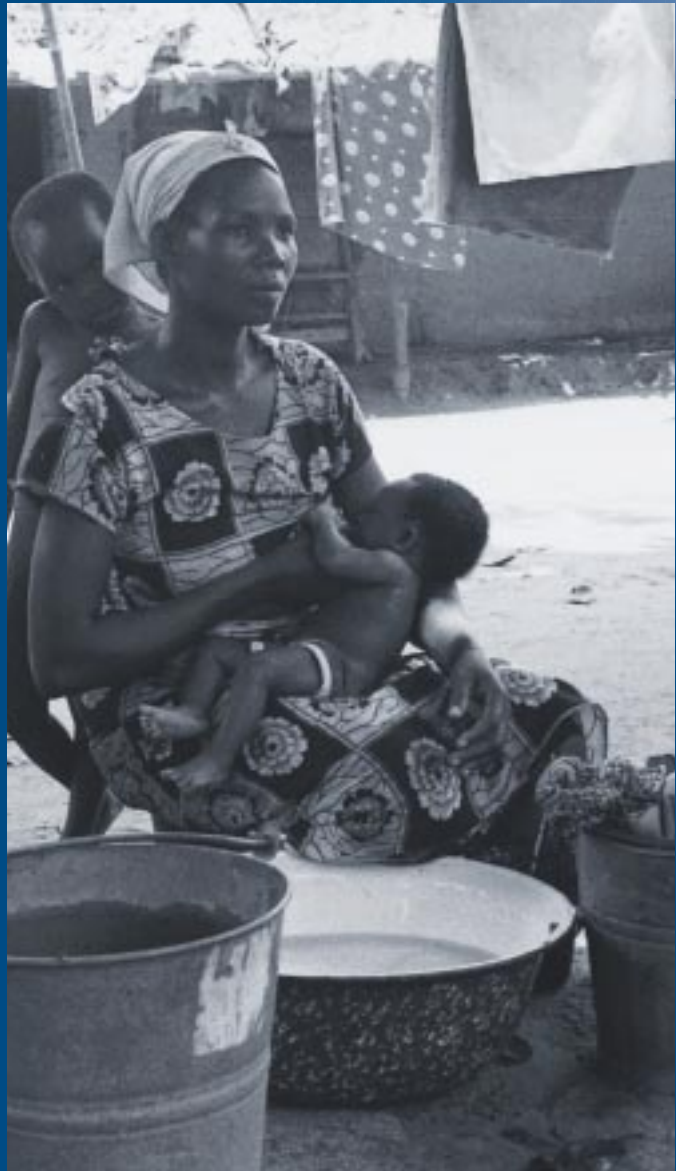
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Standard formats for terms of reference

1 Standard format terms of reference for a Water Resources Country Study

A water resources country study is required during the Programming phase to ensure at an early stage in the Project Cycle that the programming of EC support is based on a realistic assessment of the national problems, opportunities, priorities and constraints, and of the role of the donors.

Guide for preparing Terms of Reference

This standard format is for use in preparing Terms of Reference for a water resources country study. It is based on the logical framework and provides an outline of the approach and the issues for study. For more information on these issues, see Chapter 6 (Programming).

This standard format should be used to prepare the detailed Terms of Reference for individual country studies, in each case filling in and describing the specific requirements. The text in shaded boxes will assist in identifying the individual requirements for the study. It should be stressed that clear formulation will help ensure that all relevant issues are considered, thus enabling informed decision making.

The Terms of Reference are to be drawn up by the EC Unit/Delegation in collaboration with the partner country.



A Study background

The co-operation agreement [....., e.g. National/Regional Indicative Programme (NIP/RIP)] signed by the Government of [.....] and the European Commission (EC) in [...../.....] reflects the EC's willingness to support water resource development co-operation in [.....] as a means to develop the economic, social and environmental potential of [.....].

Within the framework of this agreement, the EC has received a request from [....., e.g. the National Authorising Officer] to help identify priority areas for support by the EC and to help prepare a coherent strategy for water resources development co-operation to ensure maximum effectiveness, efficiency and sustainability of future support by the EC.

The study is required as part of the **Programming** phase to ensure at an early stage in the Project Cycle that EC support is based on a realistic assessment of the national problems, opportunities, priorities and constraints. It will complement and deepen the initial assessment which was made by using the checklists presented in Chapter 6 (Programming).

This section should contain further detailed information or reference to relevant documents such as studies and evaluation reports.

B Study objectives

The study will provide decision makers in the [.....] Government and the European Commission with a proposal for a coherent country strategy for Water Resources Development Co-operation. It will give sufficient background information and justifications to enable the Government and the EC to make an informed decision on future co-operation. The study should facilitate the continuous policy dialogue between the partners and improve the participation of all stakeholders in this process. This will strengthen the country's capacity to implement its National Water Resources Programmes or other broader planning frameworks.



C Study results

The study will deliver the following:


- An EC water resources development co-operation strategy for [.....], including:
 - i. background information on water resources,
 - ii. definition of water resources issues (constraints and opportunities)
 - iii. definition of priority areas for EC co-operation, and their assessment with regard to the EC's strategic approach and general principles of Water Resources Development Co-operation,
 - iv. definition of mechanisms for improved co-ordination between the European community, the Member States of the Community and other donor and financing agencies,
 - v. definition of policy and operational constraints which need to be resolved before assistance can be initiated;
- Recommendation for the next steps and further action to be taken [possibly, outline for new project/programme ideas, detailed Terms of Reference for pre-feasibility or feasibility studies];
- Strengthened national capacity in sectoral analysis and programme identification through active participation of the major stakeholders concerned.

D Issues to be studied

This section of the Terms of Reference should contain information (where known) about the broad issues, or gaps in present knowledge, to be studied. Use Chapter 6 (Programming) and elements of Chapter 7 (Identification) to identify the main issues.

The main issues to be studied are outlined below. Detailed analysis is presented in Appendix I: Format for the Water Resources Country Study Report.

- An analysis of water resources, identifying the main characteristics in and contribution to the economic, social and environmental development of the country. The analysis will include an assessment of:
 - i. macro-economic setting, development objectives and policies;
 - ii. institutional settings and processes;
 - iii. the principal stakeholders, their roles and interests, and possible conflicts between these stakeholders;
 - iv. the resource base and its potential, including access to transboundary waters and considerations of 'virtual water';
 - v. current and estimated future demand and supply of surface, soil and ground waters;
 - vi. regional and international agreements;
 - vii. relevant revenues and financing;
 - viii. cross-sectoral links.

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- Based on the above, an analysis of the principal issues in development, including issues relating to (i) production and trade, (ii) protection and conservation, and (iii) participation of the various stakeholders in development. The analysis will result in the identification of a set of national priorities (constraints and/or opportunities) for water resources development and management.
 - An assessment of the compatibility of national priorities with the strategic principles of EC assistance, as defined in these Guidelines (using the principles set out in Chapter 2 as the point of reference). This assessment will lead to the identification of shared priority areas for co-operation.
 - An assessment of the possibilities and mechanism for improved co-ordination and coherence with on-going and planned assistance from the Member States, other bilateral and multilateral donor agencies and international financing institutions. This will help to avoid overlaps and improve the efficiency of external assistance.
 - An assessment of policy (including legal), institutional and operational constraints to the co-operation in the identified priority areas and the water resources in general. Based on this assessment, a proposal will be developed on the issues which need to be resolved, before co-operation begins. This is a necessary step towards developing a coherent approach.

The more detailed issues to be included in the Terms of Reference will be identified during a preliminary assessment, using the checklists presented in Chapter 6 (Programming). If possible, this preliminary assessment and the establishment of the Terms of Reference should be done in collaboration with the main water resources institutions of the country.

These lists of issues are not exhaustive. The consultants are required to use their professional experience to review and bring to the attention of the Government and the EC all relevant factors.

E Work plan

This section suggests an approach to the study, and lists key resource persons and organisations to be consulted. The consultants may propose alternative approaches to collecting information and carrying out the study.

On the basis of the proposed time schedule outlined in the Terms of Reference, the consultants will prepare a work plan for the study, present this in their offer, and report on the approach taken in the study report.



The work plan should set out the consultants' approach to the following activities:

- fact finding/data collection/surveys;
- local/national/regional workshops and consultations to be held during the process with stakeholders at various levels; training to be given to local/national/regional counterparts during the process;
- co-ordination of the activities of the European Community with those of Member States, and bilateral and multilateral aid/financing institutions;
- identification of possible options for the proposed strategy;
- analysis of options and constraints;
- preparation of the draft and final country study report.

F Expertise required

This section specifies the expertise (qualification, experience) required for each person assigned to the study.

Country studies require multidisciplinary analysis at all levels and for all relevant sectors, demanding at least the following areas of expertise: policy, planning, resource economics, institution and capacity building. Technical specialists (in water resource management, industry, environment/conservation etc.) should be included as indicated by the preliminary assessment of priorities, using, where possible, local/national experts.


For each expert proposed, a curriculum vitae, of no more than four pages, should be submitted.

G Reporting

This section specifies the types of reports required, the language in which they should be written, the date of submission, the number of copies required and the recipients. The format of the report for a water resources country study is presented in Appendix I.

The consultants will present the briefing report (10-15 pages) within [.....] weeks. This report will set out the various options in sufficient detail to enable an informed decision to be made on the preferred option. The conclusion of the study should be presented in a report in the format set out in Appendix I. The underlying analysis is to be presented in the appendices of the report.

A draft water resources country study ([.....] copies) will be presented to [.....] for comments by [date]. Within [.....] weeks, comments on the draft country study report will be received from [list of authorities].



The consultants will take account of these comments in preparing the final water resources country study report (30-40 pages excluding appendices). The reports will be in [language] and [.....] copies will be submitted to [.....] by [date].

H Time schedule

A time schedule should be prepared for each element of the work plan (section E) and of the reporting requirements (section G).

The consultants should respond to this timetable in their offer, indicating whether and how they can adhere to or improve on it.

I Assistance to the consultants by the Contracting Authority

This section specifies assistance to be made available by the Contracting Authority to the consultants including data, documents, offices, transport, counterpart staff, facilitation of the entry and exit of expatriate personnel and any study equipment required.

The Contracting Authority will make available the following information and facilities to the consultants' staff:

- All relevant report, documents, maps and data;
- Where available, office space, furniture, and access to computers and communication facilities;
- Where available, the use of vehicles and drivers;
- Counterpart staff.

The Contracting Authority will facilitate:

- Entry and exit visas for the consultants' expatriate staff;
- Any permits required for the consultants' staff to carry out their duties within the country;
- The import and export of personal belongings of the consultants' expatriate staff during the execution of the contract, and of equipment for the study in accordance with the provisions of the [.....; specify the co-operation agreement, e.g. Lomé Convention or similar agreements].



Appendix I: Standard Reporting Format for a Water Resources Country Study

Maximum length excluding appendices: 30-40 pages.

The report must be structured using the headings given below. Under each heading, a list of key words and explanatory notes is given to indicate the topics to be handled in that part of the report. These key words and explanatory statements refer to the main issues considered in Chapter 6 (Programming). It is essential, therefore, to use these guidelines to gain a full understanding of the reporting requirements.

The following text should be appear on the inside of the cover:

This report is financed by the [.....; source of financing, e.g. European Development Fund] and is presented by [name of consultant] for the Government of [.....] and the European Commission. It does not necessarily reflect the opinion of the Government or the European Commission.


1. Summary

2. Background

For example:

- macro-economic setting, development objectives and policy,
- institutional settings and processes,
- the principal stakeholders, their roles and interest, and possible conflicts between them,
- the resource-base and its potential,
- current and estimated future demand and supply and balances,
- regional and international agreements,
- relevant revenues and financing,
- cross-sectoral links.

3. Main issues and priorities for co-operation



Identification of principal issues in water resources development, including issues relating to:

- the institutional environment for water resources development and management,
- water resources and its sustainable use,
- participation, knowledge and expertise linked to water resources.

Part I of the Guidelines gives more information on these issues. The analysis will result in the identification of a set of national priorities (constraints and/or opportunities) for water resources development co-operation.

4. Compatibility of national priorities with EC principles

Compatibility of national priorities with the strategic approach and general principles of EC assistance, as defined in the Guidelines (using Part I as the point of reference). Identification of shared priority areas for co-operation.

5. Co-operation and co-ordination

Possibilities and mechanism for improved co-ordination and coherence with the on-going and planned assistance from Member States, other bilateral and multilateral donor agencies, and international financing institutions. This will help to avoid overlap and improve the efficiency of external assistance.

6. Constraints to co-operation

An assessment of policy (including legal), and operational constraints to co-operation in the identified priority areas and water resources use and management in general. Based on this assessment, a proposal will be developed on issues which should be resolved before co-operation begins, or during the initial stages.



7. Proposed co-operation strategy

Description of:

- objectives;
- priority areas (Focus Areas) for co-operation;
- co-operation arrangements, including those for counterpart institutions and any mechanism to be used in providing EC assistance;
- specific interventions to be supported (project briefs to be presented in Technical Appendix 1);
- estimation of the overall budget for co-operation.

8. Proposed next steps

Suggested action, e.g. pre-feasibility and/or feasibility studies (Draft Terms of Reference to be presented in Technical Appendix 2), issues to be negotiated between the EC and the government, action needed by the government, issues relating to donor co-ordination, etc.

Administrative appendices to the water resources country study report

1. Study methodology/work plan (2-4 pages).
2. Itinerary (1-2 pages).
3. List of persons/organisations consulted (1-2 pages).
4. Literature and documentation consulted (1-2 pages).
5. Curricula vitae of the consults (1 page per person).

Technical appendices to the water resources country study report

1. List of proposed action to be taken (1-2 pages per action).
2. Outline of the respective Terms of Reference.



2. Standard format Terms of Reference for a Pre-feasibility Study

A pre-feasibility study is required in the Identification phase of the project cycle to ensure all problems are identified, alternative solutions are appraised and the preferred solution meets the sustainability criteria. The pre-feasibility study should determine whether the proposed water resources intervention is well founded and likely to fulfill the needs of the productive and social sectors.

Guide for preparing Terms of Reference

This standard format is for use in preparing Terms of Reference for a pre-feasibility study in water related projects and programmes. It is based on the logical framework and provides an outline of the approach and issues for study. For more information and understanding of the issues, see Chapter 7 (Identification).

Use this standard format to prepare the detailed Terms of Reference for pre-feasibility studies, in each case filling in and describing the specific requirements. The text in shaded boxes will assist in identifying the individual requirements for the study. It should be stressed that clear formulation will help ensure that all relevant issues are considered, thus enabling informed decision making.

The Terms of Reference are to be drawn up by the EC Unit/Delegation in collaboration with the partner country.

A water resources country study was carried out during the Programming phase to ensure at an early stage in the Project Cycle that the programming of EC support is based on a realistic assessment of a country's national problems, opportunities, priorities and constraints. It complemented and deepened the initial assessment which was made by using the checklists presented in Chapter 6 (Programming).

Comments on the findings of the study, decisions taken and the report are attached to the Terms of Reference. The pre-feasibility study ensures that, for a proposed water resources intervention, all problems are identified, alternative solutions are appraised and the preferred solution meets the sustainability criteria. The pre-feasibility study should determine whether the proposed project or programme is well founded and likely to become economically, socially and environmentally sustainable.



A. Study background

The European Commission (EC) has declared its willingness to provide water resources development co-operation in [.....] region of the country, as a means to develop the economic, social and environmental potential of this region. This is reflected in (i) [....., e.g. co-operation agreement, National/Regional Indicative Programme (NIP/RIP)] and signed by the Government of [.....] and the EC in [...../.....], or (ii) in response to a project proposal presented by [..... NGO or other institution] to the EC.

The EC has received a request from [....., e.g. the National Authorising Officer, NGO or institution] to [describe the proposed water resources intervention].

A pre-feasibility study is required in the Identification phase of the Project Cycle to ensure all problems are identified, alternative solutions are appraised and the preferred solution meets the sustainability criteria.

This section should contain further detailed information or reference to relevant documents such as studies and evaluation reports.

B. Study objectives

The study will provide the decision maker in the [.....] Government and the European Commission with sufficient information to justify acceptance, modification or rejection of the proposed [water resources intervention] for further formulation.

C. Study results

The study will deliver the following:

- An analysis of the role of the proposed [water resources sector intervention] in the economic, social and environmental development of [..... country];
- An analysis of the relevance of the proposed [water resources intervention] and identification of possible options to address the existing economic, social and environmental problems;
- An assessment of the feasibility of the proposed [water resources intervention] with regard to technical, economic and financial, institutional and managerial, environmental, and socio-cultural aspects compared to other options;
- The selection of the preferred option, detailing the expected benefits to the people of [..... region], a preliminary indication of the project results and activities, required resources, timing/phasing and estimated costs, and a preliminary logical framework;
- An assessment of the potential sustainability of the project results after completion, including, for example, maintenance and secure financial resources for continued operation;
- Recommendations for the following steps and further action for project formulation [possibly, detailed Terms of Reference for the feasibility study incorporating a Draft Financing Proposal].

D. Issues to be studied

This section of the Terms of Reference should contain information (where known) about the broad issues, or gaps in present knowledge, to be studied. The specific problems which may be tackled by the proposed water resources intervention should be presented here. Use Chapter 7 (Identification), or the Country Study Report, if available, to identify the following issues:

- policy framework and support measures;
- appropriate technology and technical matters;
- environmental protection;
- socio-cultural and gender aspects;
- institutional and management capacity, public and private;
- economic and financial aspects.

The main issues to be studied are outlined below. Detailed issues for analysis are presented later in Appendix I: Standard reporting format for the pre-feasibility study. The logical framework approach set out in the EC manual Project Cycle Management (PCM Manual) should be applied.

The study will assess these issues and provide information on and analysis of the relevance, feasibility and sustainability of the proposed [water resources intervention].

- (i) The relevance of a possible intervention, as determined by: its coherence with the country's macro-economic environment, and the economic, social or environmental sector demanding additional water resources intervention; the consistency with the overall national/regional development objectives specified in the [.....e.g. National Water Resources Programme, National Environmental Action Plan, National or Regional Indicative Programme]; and the compatibility and complementarity of these projects with other projects relevant to water.

The consultants will study:

- How the proposed [water resources intervention] responds to the demands of the economic, social and environmental sectors as expressed by [..... specify the potential beneficiaries and target groups];
- How the proposed [water resources intervention] is coherent with the overall framework of national development objectives and the economic, social and environmental development policies of the relevant ministries of the Government of [.....];
- The nature, number and type of beneficiaries the proposed [water resources intervention] potentially affects;
- All organizations and agencies affected by or involved in the proposed [water resources sector intervention] and the intended improvement of the social, economic and environmental situation;
- All major problems experienced by the supposed beneficiaries of the project and by any other parties likely to be involved, the causal interrelationships of these problems and the intersectional links;

- Other interventions or priorities of ministries, agencies and donors that may affect or be affected by the proposed [water resources intervention];
- Information from previous studies and evaluations relevant to the proposed [water resources intervention].

This information is to be presented in Section 2 (Background) of the pre-feasibility study report (see Appendix I).

(ii) The feasibility of the proposed [project outline] determined by an analysis of the technical options consistent with the economic, environmental, social and institutional framework. This analysis is presented in Technical Appendix 4 to the study report. From a comparison of these options, the consultants will prepare a recommendation for the project to be structured as follows:

- *Overall objectives:* Why is the project important to the target groups and beneficiaries, the region and the government? What is the desired economic, social and environmental development/impact [as possibly expressed in the Indicative Programme]?
- *Project purpose:* Why do the target groups and beneficiaries need the project?
- *Project results:* What products and services will the project deliver to the target groups and beneficiaries? What assumptions are required to achieve the project purpose?
- *Project activities:* What is the broad scope of activities to be undertaken and what are the associated assumptions for achieving the project results.

The project purpose and results should be measurable by objectively verifiable indicators, and project activities should be quantified wherever possible. This information is to be presented in Section 3 (Intervention) and Section 4 (Assumption) of the Pre-feasibility Report (see Appendix I).

(iii) A preliminary indication of any pre-conditions, an initial cost estimate, and possible project phasing and organisation. This information is to be presented in Chapter 5 (Implementation) of the Pre-feasibility Report (see Appendix I).

(iv) Potential sustainability of the proposed project as determined by an assessment of the key sustainability factors listed in the PCM manual.

This information is to be presented in Section 6 (Factors ensuring sustainability) of the pre-feasibility report (see Appendix I). Use Chapter 7 (Identification), or the Country Study Report, if available, to identify the issues relating to these factors. These lists are not exhaustive. The consultants are required to use their professional experience to review and bring to the attention of the Government and the EC all relevant factors.



E. Work plan

This section sets out the approach for the study and key resource persons and organisations to be consulted. The consultants may propose alternative approaches to collecting information and to carrying out the study.

On the basis of the proposed time schedule outlined in the Terms of Reference, the consultants will prepare a work plan for the study and include this in their offer, and report on the approach taken in the study. The work plan should set out the consultants' approach to the following activities:

- fact finding/data collection/surveys;
- workshops, consultations and other means of ensuring local participation;
- identification of possible options for the proposed [water resources intervention];
- analysis of options;
- a briefing report summarising the analysis of the options;
- consultation meetings with decision makers to identify the preferred option;
- preparation of the draft and final pre-feasibility study report.

F. Expertise required

This section specifies the expertise (qualifications, experience) required for each person assigned to the study. Pre-feasibility studies require multidisciplinary and inter-sectoral analysis. The consultants should not propose purely technical experts but should endeavor to provide the range of expertise needed to address the issues.

For each expert proposed, a curriculum vitae, of no more than four pages, should be submitted.

G. Reporting

This section specifies the types of reports required, the language in which they should be written, the date of submission, the number of copies required and the recipients. The format for a Pre-feasibility Report is presented below.

The consultants will present a briefing report (10-15 pages) within [.....] weeks [after signature of the contract, or after the start of the study]. This report will set out the various options in sufficient detail to enable an informed decision to be made on the preferred option. The



study's conclusions should be presented in the pre-feasibility report in the format specified below, with the underlying analysis included in the appendices.

A draft pre-feasibility study report ([.....] copies) is to be presented to [.....] for comments by [date]. Within [.....] weeks, comments on the draft pre-feasibility study report will be received from [list of authorities].

The consultants will take account of these comments in preparing the final pre-feasibility study report (30-40 pages excluding appendices). The reports will be in [language] and [.....] copies will be submitted to [.....] by [date].

H. Time schedule

A time schedule should be prepared for each element of the work plan (Section E) and of the reporting requirements (Section G).

The consultants should respond to this timetable in their offer, indicating whether and how they can adhere to or improve on it.

I. Assistance to the consultants by the Contracting Authority

This section specifies assistance made available by the Contracting Authority to the consultants, including data, documents, offices, transport, counterpart staff, facilitation of the entry and exit of expatriate personnel and any study equipment required.

The Contracting Authority will make available the following information and facilities to the consultants' staff:

- all relevant reports, documents, maps, data;
- where available, office space, furniture, and access to computers and communication facilities;
- where available, the use of vehicles and drivers;
- counterpart staff.

The Contracting Authority will facilitate:

- entry and exit visas for the consultants' expatriate staff;
- any permits required for the consultants' staff to carry out their duties within the country;
- the import and export of personal belongings of the consultants' expatriate staff during the execution of the contract, and of equipment for the study in accordance with the provisions of the [.....; specify the co-operation agreement, e.g. Lomé Convention or similar agreements].



Appendix I: Standard Reporting Format for a Pre-Feasibility Study

Maximum length excluding appendices: 30-40 pages.

The report must be structured using the headings (chapters, sections and subsections) given below. Under each heading, a list of key words and explanatory notes is given to indicate the topics to be handled in that part of the report. These key words and explanatory statements refer to the main issues considered in Chapter 7 (Identification). It is essential, therefore, to use these guidelines to gain a full understanding of the reporting requirements.

The following text should appear on the inside cover:

This report is financed by the [.....]; source of financing, e.g. European Development Fund] and is presented by [name of consultant] for the Government of [.....] and the European Commission. It does not necessarily reflect the opinion of the Government or the European Commission.

1. Summary

2. Background

2.1 Government/water resources policy

National policies/strategies affecting water resources, programmes (including water-related sectoral objectives, strategies, priorities and implementation mechanisms), international agreements relating to water which the country has signed, policy links (including land-use policies), and legal aspects linked to water.

2.2 Features of water resources in the country


Institutional and administrative setting, role of water resources and linkages with other sectors in the national and local economies, all relevant revenues and financing, role of water in environmental conservation and protection, and key intersectoral links, (for example with agriculture and health), condition of infrastructure in the relevant Focus Area.

2.3 Beneficiaries and parties involved

Principal stakeholders and their roles, including: water resources users (farmers, local communities), non-governmental organisations (including community-based organisations and service NGOs), private sector organisations, and relevant Government institutions. Also analysis of institutional arrangements and co-ordination mechanisms.

2.4 Problems and opportunities to be addressed

Problems/opportunities of target groups and beneficiaries and of the water resources interventions to be addressed by the project. Analysis/review of problems/opportunities described in the Terms of



Reference, Section D (Issues to be studied):

- policy, co-ordination and legal issues described in Section 2.1;
- demand for water resources services, including any regional aspects;
- alternative solutions and options to address problems and opportunities;
- the sustainability of the sector in:
 - ◆ economic and financial terms (structural adjustment impact, water resources financing, operating and maintenance budget and revenues),
 - ◆ institutional and management terms (institutional structure, responsibilities and capacity, involvement of beneficiaries, role of the private sector),
 - ◆ environmental and socio-cultural terms (potential conflicts between the stakeholders, gender issues),
 - ◆ technical terms (use of appropriate modern technologies).

2.5 Other operation/interventions

Relevant interventions by the Government, the EC, other donors to water resources or relevant sectors served by the proposed project.

2.6 Documentation available

Key documents for the study such as previous studies and evaluation reports.

3. Intervention

3.1 Overall objectives

This section outlines the justification for the selected option, with reference to the analysis in Technical Appendix 4.

Why is the project important to the target groups, beneficiaries and Government?

3.2 Project purpose


Why do the target groups and beneficiaries need the project?

3.3 Project results

What services will the project deliver to the target groups and beneficiaries?

3.4 Project activities

What are the activities that will be carried out?



4. Assumptions

This section contains preliminary assumptions required to achieve the project activities, results and purpose.

4.1 *Assumptions at different levels*

Action by other agencies required to support the achievement of the project activities, results and purpose.

4.2 *Risks and flexibility*

Capacity of the project to respond to the non-realisation of crucial assumptions that could jeopardise the project's success, and the extent to which these risks have been taken into account.

5. Implementation

This section contains preliminary information on the project implementation. Further information will be provided in the feasibility study during the Formulation phase.

5.1 *Physical and non-physical means*

Preliminary indication of physical works, equipment, supervision, technical assistance, policy or technical studies, monitoring and evaluation.

5.2 *Organisation and implementation procedures*

Choice of implementation agency, initial assignment of responsibilities, and definition of procedures.

5.3 *Time schedule*

Expected project duration and phasing.

5.4 *Cost estimate and financing plan*

Preliminary costs by component and input, in foreign exchange and local currency, indicating the financing source where possible.

5.5 *Special conditions and accompanying measures taken by the government*

Preliminary action for government and parties involved, including the private sector, possibly even prior to launching the feasibility study.



6. Factors ensuring sustainability

This section should provide confirmation that key sustainability issues have been incorporated either in the project or as external assumptions. Use the checklists provided in Chapter 7 (Identification), to assess whether the project outline covers the issues appropriately.

6.1 *Policy support measures*

The extent to which implementation of existing policy requires modification or additional policy measures at a national and/or regional level.

6.2 *Appropriate technology*

The extent to which the technology and the standards proposed are compatible with: those already in use in the country, the use of local materials and skills, the physical and financial resources of private sector.

6.3 *Environmental protection*

The extent to which the impact of the project on people, land use, water, air, noise, flora and fauna and cultural heritage is consistent with agreed environmental standards and practices. Refer to the Commission of the European Communities (1993): Environmental Manual and Chapter 13 of these Guidelines.

6.4 *Socio-cultural and gender aspects*


The degree to which the project is consistent with present socio-cultural norms and practices. Refer to the Commission to the European Communities (1991): The Integration of Women in Development and Chapter 13 of the Guidelines.

6.5 *Institutional and management capacity, public and private*

The extent of efficiency with which relevant institution, public and private, fulfill their responsibilities.

6.6 *Economic and financial analysis*

Description of economic entities included in the analysis; definition of the 'with' and 'without project' scenarios and underlying assumptions; analysis of relevant alternative scenarios; description and calculation of benefits and costs; detailed analysis and justification of affordability of water for low-income groups; description and justification of type and analysis performed and of the results of the analysis; assessment of project relevance, effectiveness, efficiency and viability from the financial and economic perspective. Refer to the Manual ***Financial and economic analysis of development projects***, EC 1997 and Chapter 13 of these Guidelines.



7. Monitoring and evaluation

This section will contain preliminary information only. Further information will be provided by the feasibility study during the Formulation phase.

7.1 *Monitoring indicators*

Initial identification of key indicators for monitoring project progress, results, activities and assumptions (see Chapter 13).

7.2 *Review/evaluations*

Preliminary schedules of project reviews and ex-post evaluation.

8. Conclusions and proposals

Technical appendices to the pre-feasibility report

1. Logical framework matrix of proposed project/programme design, including intervention logic, indicators, assumptions and preconditions.
2. Map of the project area.
3. Analysis of the relevance of the preferred option (the project), which is the basis for the conclusions presented in Section 2.
4. Analysis of the options for the project/programme design, incorporating feasibility and sustainability, with the preferred option presented in Sections 3, 4 & 6.
5. Other technical appendices, if any.
6. Terms of Reference.

Administrative appendices to the pre-feasibility report

1. Study methodology/work plan (2-4 pages).
2. Consultants' itinerary (1-2 pages).
3. List of persons/organisations consulted (1-2 pages).
4. Literature and documentation consulted (1-2 pages).
5. Curricula vitae of the consultants (1 page per person).



3 Format Terms of Reference for a Feasibility Study

The feasibility study should establish whether the proposed project identified in the pre-feasibility study is well founded and likely to fulfill the needs of the economic, social and environmental issues. The feasibility study should detail the technical, economic and financial, institutional and management, environmental and socio-cultural, and operational aspects of the projects.

Guide for preparing Terms of Reference

This standard format is for use in preparing Terms of Reference for a feasibility study for water resources interventions. It is based on the logical framework and provides an outline of the approach and the issues for study. For more information on these issues, see Chapter 8 (Formulation). Use this standard format to prepare the detailed Terms of Reference for feasibility studies, in each case filling in and describing the specific requirement. The text in shaded boxes will assist in identifying the individual requirement for the study. It should be stressed that clear formulation will help ensure that all relevant issues are considered, thus enabling informed decision making.


Terms of reference are to be drawn up by the EC Unit/Delegation in collaboration with the partner country.

A pre-feasibility study carried out in the Identification phase identified the key problems, appraised alternative options and checked that the preferred solution meets the sustainability criteria. Comments on the findings of the pre-feasibility study, decisions taken, and the report are attached to the Terms of Reference. The feasibility study will formulate the project components in detail.

A. Study background

The European Commission (EC) has declared its willingness to provide water resources development co-operation in [.....] region of the country, as a means to develop the economic, social and environmental potential of this region. This is reflected in (i) [....., e.g. co-operation agreement, National/Regional Indicative Programme (NIP/RIP)] and signed by the Government of [.....] and the EC on [...../.....], or (ii) in response to a project proposal presented by [..... NGO or other institution] to the EC.

The EC has received a request from [....., e.g. the National Authorising Officer, NGO or institution] to [describe the proposed water resources intervention].



On the basis of the findings of the pre-feasibility study, the [.....; authorising partner, e.g. National Authorising Office] and the European Commission decided on [date] to carry out a feasibility study of the proposed project. A copy of/summary of the pre-feasibility study is attached to these terms of reference.

This section should contain further detailed information or reference to relevant documents such as studies and evaluation reports.

B. Study objectives

The study will provide the decision makers in [.....] Government and the European Commission with sufficient information to justify acceptance, modification or rejection of the proposed [project or programme] for further financing and implementation.

C. Study results

The study will deliver the following:

- A verification of the relevance of the proposed project or programme in addressing the existing problems in economic, social and environmental terms, suggested in or in addition to the options studied in the pre-feasibility study;
- A detailed assessment of the technical, economic and financial, institutional and managerial, environmental and socio-cultural feasibility of the proposed project in addressing the identified economic, social and environmental problems in [..... Region];
- A detailed assessment of potential sustainability of the project results after completion, based on factors ensuring sustainability defined in the PCM manual;
- The detailed plan for the project activities, including indicators for project objectives and results, design specifications, required resources, the institutional structure for implementation stipulating the responsibilities of various bodies, project timing/phasing, estimated costs and a logical framework planning matrix;
- Details of engineering designs, technical specifications and tender documents for any physical works and supplies;
- A draft Financing Proposal (see Chapter 9 (Financing));
- Recommendation for the next steps and any further actions necessary to secure project financing and implementation and, possibly, draft tender documents for the selection of consultancy services.



D. Issues to be studied

This section of the Terms of Reference should contain information (where known) about the broad and more specific issues, or gaps in present knowledge, to be studied. The specific problems and opportunities relating to the proposed water resources intervention should be included in the Terms of Reference. Use Chapter 8 (Formulation) to identify the following issues:

- Water resources policy framework and support measures,
- appropriate technology, technical matters and technical assistance;
- environmental protection;
- socio-cultural and gender aspects;
- institutional and management capacity and arrangements, public and private;
- economic and financial aspects.


The main issues to be studied are outlined below. Detailed issues for verification and further analysis are presented below in Appendix I: Standard Reporting Format for a Feasibility Study. The logical framework approach described in the EC Project Cycle Management (PCM) manual should also be applied.

The study will address these issues, and verify the relevance of the project determined by the pre-feasibility study. The study will also detail the feasibility and potential sustainability of the proposed [project].

(i) The **relevance** of a possible intervention as determined by: its coherence with country's macro-economic environment, and the economic, social or environmental sector demanding additional water resources intervention; the consistency with the overall national/regional development objectives specified in the [..... e.g. National Water Resources Programme, National Environmental Action Plan, National or Regional Indicative Programme]; and the compatibility and complementarity of these projects with other water-related projects or programmes.

The consultants will verify and confirm the analysis presented in the pre-feasibility study with regard to:

- The nature, number and type of beneficiaries and other stakeholders that the proposed project will potentially affect;
- All organisations and agencies affected by or involved in the proposed project;
- All major problems experienced by the supposed beneficiaries of the project and by any other parties likely to be involved, the causal interrelationships of these problems, and the intersectoral links;
- Other interventions or priorities by any national organisation or donor which may be affected by the proposed intervention;
- Information from previous studies and evaluations relevant to the proposed project.



The extent of work required for this part of the study will vary according to the time since completion of the pre-feasibility study, changes in the assumptions on which the proposed project is based, and any major changes in the political, economic, social or environmental conditions of the country.

This information, largely based on Section 2 of the Pre-feasibility Report, will form Section 2 (Background) of the Feasibility Report (see Appendix I below).

(ii) The **feasibility** of the proposed project determined by an analysis of the alternative technical solutions consistent with the economic and financial, institutional and management, environmental and socio-cultural framework. This analysis is presented in Technical Appendix 4 to the study report.


The consultants will give a detailed recommendation for the project design, to be structured as follows:

- *Overall objectives:* Why is the project important to the target groups and beneficiaries, the region and the Government? What is the desired economic, social and environmental development/impact, as possibly expressed in the Indicative Programme?
- *Project purpose:* Why do the target groups and beneficiaries need the project?
- *Project results:* What products and services will the project deliver to the target groups and beneficiaries? What assumptions are required to achieve the project purpose?
- *Project activities:* What is the precise scope of activities to be undertaken and what are the associated assumptions for achieving the project results.

The project purpose and results should be measurable by indicators, and project activities should be quantified wherever possible. This information, which details and updates Sections 3 and 4 of the pre-feasibility study report, will form Section 3 (Intervention) and Section 4 (Assumptions) of the feasibility study report (see below).

(iii) The feasibility study will detail any *pre-conditions* necessary for the start of project activities, any project phasing and organisation necessary and will provide cost estimates. This information, which details and updates Section 5 of the pre-feasibility study will form Section 5 (Implementation) of the feasibility study report (see Appendix I).

(iv) The potential *sustainability* of the proposed project as determined by an assessment of the key sustainability factors listed in the PCM manual. This information, which details and updates Section 6 of the pre-feasibility study report, will form Section 6 (Factors ensuring sustainability) of the feasibility study report (see below). These lists are



not exhaustive. The consultants are required to use their professional experience to review and bring to the attention of the Government and the EC all relevant factors.

E. Work plan

This section sets out the approach for the study and key resource persons and organisations to be consulted. The consultants may propose alternative approaches to collecting information and to carrying out the study.

On the basis of the proposed time schedule outlined in the Terms of Reference, the consultants will prepare a work plan for the study and include this in their offer, and report on the approach taken in the study report. The work plan should set out the consultants' approach to the following activities:

- fact finding/data collection/surveys omitted in the pre-feasibility study or requiring updating;
- identification and analysis of alternative solutions for the proposed project;
- analysis of alternative technical solutions;
- additional workshops and consultations to ensure local participation;
- a briefing report summarising the analysis;
- consultation meetings with decision makers/stakeholders to identify the preferred technical solutions;
- preparation of engineering, design and tender documents;
- preparation of the draft and final feasibility study report.

F. Expertise required

This section specifies the expertise (qualifications, experience) required for each person assigned to the study. The experience required depends on the type of project, and may include technical, economic and financial, institutional and management (public and private), environmental and social, and regulatory expertise which should be country specific.

For each expert proposed, a curriculum vitae, of no more than four pages, should be submitted.



G. Reporting

This section specifies the types of reports required, the language in which they should be written, the date of submission, the number of copies required and the recipients. The format for a feasibility study report is presented in Appendix I.

The consultants will present a briefing report (10-15 pages) within [.....] weeks [after signature of the contract, or after start of the study]. This report will set out the alternative technical solutions for the project in sufficient detail to enable an informed decision to be made on the preferred solution.

The draft tender documents in [.....] copies are to be presented to [.....] for comment by [date]. Within [....] weeks, comments on the draft tender documents report will be received from [list of authorities]. The consultants will take account of these comments in preparing final tender documents ([.....] copies) by [date]. The study conclusions should be presented in the feasibility study report which must be presented in the format given below. The underlying analysis is to be presented in appendices to this report.

The draft feasibility study report ([.....] copies) is to be presented to [.....] for comments by [date]. Within [.....] weeks, comments on the draft feasibility study report will be received from: [list of authorities].

The consultants will take account of these comments in preparing the final feasibility study report (30-40 pages excluding appendices). The report will be in [language], and [.....] copies will be submitted by [date].

H. Time schedule

A time schedule should be prepared for each element of the work plan (Section E) and of the reporting requirements (Section G).

The consultants should respond to this timetable in their offer, indicating whether and how they can adhere to or improve on it.

I. Assistance to the consultants by the Contracting Authority

This section specifies assistance to be made available by the Contracting Authority to the consultants including data, documents, offices, transport, counterpart staff, facilitation of the entry and exit of expatriate personnel and any study equipment required.



The Contracting Authority will make available the following information and facilities to the consultants' staff:

- all relevant reports, documents, maps, data;
- where available, office space, furniture, and access to computers and communication facilities;
- where available, the use of vehicles and drivers;
- counterpart staff.

The Contracting Authority will facilitate:

- entry and exit visas for the consultants' expatriate staff;
- any permits required for the consultants' staff to carry out their duties within the country;
- the import and export of personal belongings of the consultants' expatriate staff during the execution of the contract, and of equipment for the study in accordance with provision of the [.....]; specify the co-operation agreement, e.g. Lomé Convention or similar agreements].

Appendix I: Standard Reporting Format for a Feasibility Study

Maximum length excluding appendices: 30-40 pages.

The report must be structured using the headings given below. Under each heading, a list of key words and explanatory notes is given to indicate the topics to be handled in that part of the report. These key words and explanatory statements refer to the main issues considered in Chapter 8 (Formulation). It is essential to use these guidelines to gain full understanding of the reporting requirements.

The following text should appear on the inside cover:


This report is financed by the [.....; source of financing, e.g. European Development Fund] and is presented by [.....] for the Government of [.....] and the European Commission. It does not necessarily reflect the opinion of the Government or the European Commission.

1. Summary

2. Background

2.1 Government/water resources policy

National policies or strategies affecting water resources, programmes (including objectives, policies, strategies, priorities and implementation mechanisms), international agreements relating to water which the country has signed, intersectoral policy links (including land-use policies), and legal/regulatory aspects linked to water and related sectors.



2.2 Features of water resources in the country

Institutional and administrative setting, role of water resources in the national and local economies, relevant revenues and financing, role of water in environmental conservation and protection, key intersectoral links, (for example with agriculture and health), and condition of infrastructure in relevant Focus Areas.

2.3 Beneficiaries and parties involved

Principal stakeholders and their roles, including: water resources users (farmers, local communities) governmental organisations (including community-based organisations and service NGOs), private sector organisations, and relevant Government institutions. Also analysis of institutional arrangements and co-ordination mechanisms.

2.4 Problems and opportunities to be addressed

Problems/opportunities of target groups and beneficiaries and other stakeholders to be addressed by the project. Analysis/review of problems/opportunities described in Terms of Reference, Section D (Issues to be studied):

- policy, co-ordination and legal issues described in Section 2.1;
- demand for water resources services, including any regional aspects;
- alternative solutions and options to address problems and opportunities;
- the sustainability of the sector in
 - ◆ economic and financial terms (structural adjustment impact, water resources financing, operating and maintenance budget and revenues);
 - ◆ institution and management terms (institutional structure, responsibilities and capacity, involvement of beneficiaries, role of the private sector);
 - ◆ environmental and socio-cultural terms (potential conflicts between the stakeholders, gender issues);
 - ◆ technical terms (use of appropriate modern technologies).

2.5 Other operations/interventions

Relevant interventions by the government, the EC, other donors to water resources or other closely-linked sectors.

2.6 Documentation available

Key documents for the study such as previous studies and evaluation reports.



3. Intervention

This section outlines the justification for the selected option, with reference to the analysis in Technical Appendix 4.

3.1 Overall objectives

Why is the project important to the target groups, beneficiaries and the Government?

3.2 Project purpose

Why do the target groups and beneficiaries need the project?

3.3 Project results

What services will the project deliver to the target groups and beneficiaries?

3.4 Project activities

What are the activities that will be carried out?

4. Assumptions

The consultants should update the assumptions of the pre-feasibility study and formulate additional assumptions where necessary to reflect any changes.

4.1 Assumptions at different levels

Action by other agencies required to support the achievement of the project activities, results and purpose.

4.2 Risks and flexibility

Capacity of the project to respond to the non-realisation of crucial assumptions that could jeopardise the project's success, and the extent to which these risks have been taken into account.

5. Implementation


This section should detail fully the project implementation.

5.1 Physical and non-physical means

Detailed indication of physical works, equipment, supervision, technical assistance, policy or technical studies, monitoring and evaluation.

5.2 Organisation and implementation procedures

Details of the assignments to be given to the agencies involved, project organisation, responsibilities and definition of procedures.



5.3 *Time schedule*

Excepted duration and phasing of the project.

5.4 *Cost estimate and financing plan*

Cost estimate by component and input, in foreign exchange and local currency, including financing source.

5.5 *Special conditions and accompanying measures taken by the government*

Action for Government and involved parties, including the private sector, to be undertaken prior to, and during, project implementation.

6. Factors ensuring sustainability

This section should provide confirmation that key sustainability issues have been incorporated either in the project or as external assumptions. Use the checklists provided in Chapter 8 (Formulation), of the Guidelines to assess whether the project design covers the issues appropriately.

6.1 *Policy support measures*

The extent to which implementation of existing policy requires modification or additional policy measures at a national and/or regional level.

6.2 *Appropriate technology*

The extent to which the technology and the standards proposed are compatible with: those already in use in the country, the use of local materials and skills, the physical and financial resources of the private sector.

6.3 *Environmental protection*

The extent to which the impact of the project on people, land use, water, air, noise, flora and fauna and cultural heritage is consistent with agreed environmental standards and practices. Refer to the Commission of the European Communities (1993): Environment Manual and Chapter 13 of these Guidelines.

6.4 *Socio-cultural and gender aspects*

The degree to which the project is consistent with present socio-cultural norms and practices. Refer to the Commission of the European Communities (1993): The Integration of Women in Development and Chapter 13 of these Guidelines.

6.5 *Institutional and management capacity, public and private*

The extent and efficiency with which relevant institutions, public and private, fulfill their responsibilities.

6.6 *Economic and financial analysis*

Description of economic entities included in the analysis; definition of the 'with' and 'without project' scenarios and underlying assumptions; analysis of relevant alternative scenarios; description and calculation of benefits and costs; detailed analysis and justification of affordability of water for low-income groups; description and justification of type and analysis performed and of the results of the analysis; assessment of project relevance, effectiveness, efficiency and viability from the financial and economic perspective. Refer to the Manual ***Financial and economic analysis of development projects***, EC 1997 and Chapter 13 of these Guidelines.

7. Monitoring and evaluation

This section should establish the project's monitoring system.

7.1 Monitoring indicators

Identification of key indicators and systems for monitoring project progress, results, activities, assumptions, sustainability and impact (see Chapter 13). Assignment of responsibilities to Government, involved agencies and the private sector.

7.2 Review/evaluations

Schedules of project reviews and ex-post evaluation.

8. Conclusions and proposals

Technical appendices to the feasibility report

1. Draft Financing Proposal with a logical framework planning matrix of the proposed project/programme design, including intervention logic, indicators, assumptions and preconditions.
2. Map of project area.
3. Analysis of the relevance of the preferred solution (the project) with the final conclusions presented in Section 2.
4. Detailed analysis of the technical and institutional alternatives of the project/programme design, incorporating feasibility and sustainability, with the preferred solution presented in Sections 3, 4 & 6.
5. Detailed technical specifications and design sites of the recommended solution.
6. Other technical appendices, if any.
7. Terms of Reference.

Administrative appendices to the feasibility report

1. Study methodology/work plan (2-4 pages).
2. Itinerary (1-2 pages).
3. List of persons/organisations consulted (1-2 pages).
4. Literature and documentation consulted (1-2 pages).
5. Curricula vitae of consultants (1 page per person).

4. Standard format Terms of Reference for an Evaluation¹

An evaluation study is required to analyse how successful a programme or project has been in meeting the needs and objectives originally identified as its justification. In the case of a mid-term review, the purpose is to analyse progress during the implementation phase and determine whether the original programme/project objective or design require revision.

An evaluation report should look at the project's impact (intended or not), its contribution to the overall objective and performance thus far in terms of project purpose and results. In this respect the monitoring indicators identified in the financing plan should be used to measure success.

Apart from specific variants, the terms of reference for an evaluation study will for the most part follow the format used for the feasibility study, and the reader is directed towards Section III of this chapter.

The evaluation issues should be analysed on the basis of the format below and the Project Cycle Management method. The scope of analysis may, however, be widened or focussed on more specific issues depending on the consultant's experience and the particular requirements of the study.

Guide for preparing Terms of Reference for an Evaluation.

This standard format is for use in preparing Terms of Reference for an evaluation. It is based on the logical framework and provides an outline of the approach and issues for study. For more information on these issues, see Chapter 11 (Evaluation). This standard format should be used to prepare the evaluation, in each case filling in and describing the specific requirements. The text in shaded boxes will assist in identifying the individual requirements for the study. It should be stressed that clear formulation will help ensure that all relevant issues are considered, thus enabling informed decision making.


The terms of reference are to be drawn up by the Unit/Delegation requesting the evaluation.

A. Study background

The European Commission (EC) provided support for [project/programme title.....] in the [.....] region of [...the country], as a means to develop the economic, social and environmental potential of this region. This is reflected in

- (i) [....., e.g., co-operation agreement, National/Regional Indicative Programme (NIP/RIP)] which was signed by the Government of [.....] and the EC on [...../.....], or

¹ This section can also be used for preparing terms of reference for a mid-term review but will require modification as the contents may be less comprehensive and more focussed on circumstances unique to the project/programme.

- 
- (ii) in response to a project proposal presented by [.....NGO or institution] to the EC.

The EC has decided to undertake a study to evaluate the outcome of the [project/programme].

This section should contain further detailed information or reference to relevant documents

B. Study objectives

The evaluation study will provide the [.....] government and the EC with sufficient information, as to the outcomes of the programme or project and provide lessons learned for future project design. Identify key issues of special importance in the study objectives. (Note: If it is a mid-term review it may suggest modifications.)

C. Study results

The study will deliver the following:

- The principle features of the project/programme at the time of the evaluation – to include objectives, components, location, commitments/disbursements, important dates, timetable;
- An assessment of the planning and design phases of the project from the initial project idea to the final financing proposal;
- An assessment of the problems to be identified and the project objectives against their physical and policy environment;
- An assessment of the relationship between the activities and the results of the programme in the logical framework terminology;
- An assessment of the relationship between the results of the project and the project purpose referred to in the logical framework terminology;
- An assessment of the relationship between the project purpose and the overall objectives;
- An economic/financial analysis for an appropriate period (the entire duration, current year);
- An assessment of the sustainability/replicability of the project's activities and results where relevant;
- Overall outcomes and lessons learned for future actions.

D. Issues to be studied

The main issues to be studied are outlined below. Note that some issues need not be included in the study if irrelevant to the specific project. A fuller description is given in Appendix I.

- i Project preparation and design
- ii Relevance
- iii Efficiency
- iv Effectiveness
- v Impact
- vi Economic and financial analysis



E. Work plan

This section sets out the approach for the study and identifies key resource persons and organisations to be consulted. The consultants may propose alternative approaches to collecting information and to carrying out the study.

The work plan should set out the consultants' approach to the following activities:

- comment on the methodology proposed;
- propose methods of data collection and analysis;
- present a detailed timetable for the study.

F. Expertise required

This section specifies the expertise (qualifications, experience) required for each person assigned to the study. The experience required depends on the type of project being evaluated, and may include technical, economic and financial, institutional and management (public and private), environmental and social, and regulatory expertise. Experience may also need to be country specific.

For each expert proposed, a curriculum vitae, of no more than four pages, should be submitted.

G. Reporting

This section specifies the types of reports required, the language in which they should be written, the date of submission, the number of copies required and the recipients. The format for an evaluation report is presented in Appendix I.

The consultants will present a final report of [.....] pages, within [.....] weeks after [.....]. The final report will set out the findings and conclusions of the evaluation. It will contain no more than [.....] pages and annexes and shall be in [language] and submitted by [date].

H. Time schedule

A time schedule should be prepared for each element of the work plan (Section E) and of the reporting requirements (Section G).

The consultants should respond to this timetable in their offer, indicating whether and how they can adhere to or improve on it.



I. Assistance to the consultants by the Contracting Authority

This section specifies assistance to be made available by the Contracting Authority to the consultants including data, documents, offices, transport, counterpart staff, facilitation of the entry and exit of expatriate personnel. Adequate funds should be made available to the consultants to ensure their independence as regards local travel, office space and necessary equipment.

The Contracting Authority will make available the following information and facilities to the consultants' staff:

- all relevant reports, documents, maps, data;
- where available, office space, furniture, and access to computers and communication facilities;
- counterpart staff.

The Contracting Authority will facilitate:

- entry and exist visas for the consultants' staff to carry out their duties within the country;
- any permits required for the consultants' staff to carry out their duties within the country.

Appendix I: Standard Reporting Format for an Evaluation Study

The Evaluation Report should mirror the basic project format, taking into account the nature of the project and the stage at which evaluation is taking place. It should focus on the soundness of the choices made in relation to the context, objectives, means, likelihood of sustainability, etc., and include brief remarks on any adjustments made in response to developments up to the moment of evaluation.

The report should be structured using the headings given below. Except in exceptional circumstances, the report should not exceed 100 pages + Annexes.

The following text should appear on the front cover:

This report is financed by the [.....]; source of financing, e.g. European Development Fund] and is presented by [.....] for the Government of [.....] and the European Commission. It does not necessarily reflect the opinion of the Government or the European Commission.

Preamble (Maximum 2 pages)

The preamble should briefly describe:

- The principal features of the project/programme as at the time of the evaluation (including objectives, components, location, commitments/disbursements, important dates, timetable);
- The objectives and plan of work of the evaluation study itself (names of evaluators, dates and principal methods used).



1. Summary

2. Project preparation and design

This chapter assesses the planning and design phases of the project from the initial project idea to the final financing proposal. It establishes which preparatory activities have been undertaken by which actors and how the results of such activities (pre-feasibility and feasibility studies etc.) have been incorporated into the final project document. The chapter also assesses the internal characteristics of the project that can be discerned from the analysis of the preparation and design phases.

3 Relevance of the project

This chapter assesses the problems to be solved and the project objectives against their physical and policy environment, i.e. the main macro-economic and sectoral features of the country and pertinent policies (explicit and implicit) of the various actors: government, EU, other donors and interest groups. The evolution of the context over time and its consequence for the project should also be reviewed.

4 Efficiency

This chapter relates to what is known as the relationship between the activities and the results of the programme in the logical framework terminology. It is devoted to the evaluation of the efficiency with which the activities have been undertaken in order to yield the project results. Have the means of the project been efficiently transformed through the project's activities into the various project results? Could the same or similar results have been achieved at lower costs? This will require an assessment of the following factors that affect efficiency.

5. Effectiveness


This chapter relates to the relationship between the results of the project and the project purpose referred to in the logical framework terminology. It gives an assessment of the extent to which the project results have contributed towards the achievement of the Project Purpose, or whether this can be expected to happen in the future on the basis of the current results of the project (unplanned results should also be analysed). Particular attention should be given to the beneficiaries of the project.

6. Impact

This chapter, applicable in the case of completed projects or projects which have been running for several years, assesses the contribution of the project in a broader context (the relationship between the project purpose and the overall objectives). Both qualitative and, where possible, quantitative assessment should be made. 'With/without' analysis, if not treated here, might be dealt with in Chapter 6.

7. Economic and financial analysis

Description of economic entities included in the analysis; description of the actual 'with' project situation compared to the planned situation; description and calculation of benefits and costs; detailed analysis and justification of 'affordability' of water for low-income groups; description and justification of



type of analysis performed and of the results of the analysis; assessment of the project's relevance, effectiveness, efficiency and viability from the financial and economic perspective. Refer to the Manual ***Financial and economic analysis of development projects***, EC, 1997, and Chapter 13 of these Guidelines.

8. Factors affecting sustainability/replicability.

This chapter assesses the sustainability/replicability of the project's activities and results where relevant. The evaluator should, in the first instance, give an assessment in global terms of the sustainability prospects for the project. The weighting of the six principal sustainability factors referred to below will depend upon the nature of the project. It would also be useful to examine the manner in which the concern for neglect of one or other of the six factors may have affected the achievement of sustainable results. The possibility of replicating successful outcomes should also be analysed.

8.1 Policy support measures; correspondence between priorities of donor and recipient country; extent to which project has support in the recipient country's budget, price and subsidy policy.

- Regional/district policy, sectoral policies, etc.;
- Changes in overall priorities and policies: how have they (or will they) affect the project;
- Degree of agreement on objectives;
- Support from relevant organisation (political, public, business, etc.);
- Willingness to provide resources (financial and personnel).

8.2 Appropriate technology

Did the technology offered correspond to needs (problems to be solved, technological environment, level of technological skills of the beneficiaries and technical support services)? In particular, will the intended beneficiaries be able to adapt to and maintain the technology acquired without further project assistance?

8.3 Environmental protection


Verify whether the environmental effects of the project's activities and results could jeopardise the sustainability of the project itself and/or reach levels which are unacceptable for long-term environmental protection and management.

8.4 Socio-cultural and gender issues

Verify whether social-cultural and gender aspects could endanger the sustainability of the project interventions during project implementation or, especially, after termination of assistance. The issue of 'ownership' of the project activities by the various beneficiary groups and implementing agencies should also be discussed.

8.5 Institutional and management capacity, public and private

The commitment of all parties involved, such as government (e.g. through policy and budgetary support), counterpart institutions and beneficiaries should be examined. To what extent have the project activities been



embedded in local institutional structures to ensure sustainability? Were counterparts adequately prepared for the hand-over of the project and continuation of the project activities (technically, financially, managerially)?

9. Conclusions and recommendations

Under this heading the evaluator should, drawing on the conclusions, summarise the overall outcome and formulate proposals for future actions. The conclusions should cover all-important aspects requiring action identified under points 2 to 8. Each conclusion should lead to a corresponding operational recommendation.

9.1 Overall outcome

- What were the main successes/failures of the project to-date? What were the causes underlying the outcome?
- Do the effects/impacts identified justify the costs involved?
- Were the objectives achieved within the specified time and budget?

9.2 Sustainability

Conclusions should be drawn and recommendations made regarding the key sustainability factors relevant to the project, for example,

- Is post-project maintenance of infrastructure and support for institutional structures likely to be adequately funded and executed?
- Is the policy environment likely to ensure the sustainability of the project's benefits?

9.3 Alternatives

- Could the same effects/impacts have been achieved at lower costs?
- Would there have been different ways of achieving the same outcome?
- Should the project be re-oriented and, in particular, should all activities continue? If not, describe how the project should be re-oriented and summarise the proposal in the form of a logical framework

10 Lessons learned

The main value of Evaluation is to learn lessons that can be applied to future projects, such as;

- What policy, organisational (e.g. for EC) and operational lessons can be drawn specifically from the project?
- What pre-conditions might be recommended prior to deciding on the financing of similar projects?
- What general development lessons' can be drawn from the Evaluation in relation to policies and instruments; and sectoral, country or regional strategies?

Technical and administrative appendices to the evaluation report

- Original logical framework;
- Original Financing Proposal;
- Other technical appendices, if any;
- List of persons/organisations consulted;
- Documents consulted for the evaluation.