

**PROJECT IMPLEMENTATION MANUAL**  
**(APPENDIX II to the BIOFUND MOP)**



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## ACRONYMS

AC(s)	Conservation Area(s)
AF	Financial Assistant
ANAC	National Administration of Conservation Areas
CA	Board of Directors
CS	Selection Committee
CTF	<i>Conservation Trust Funds</i>
BIOFUND	Foundation for the Conservation of Biodiversity
DAF	Director of Administration and Finance
DE	Executive Director
KfW	Kreditanstalt für Wiederaufbau (German Development Bank)
METT	Management Effectiveness Tracking Tool
ME	Project Implementation Manual
MOP	Operational Manual
MS	Selection Manual
Mt	Meticaïs
NGO	Non-Governmental Organisation
NIB	Banking Identification Number
NUIT	Single Tax Identification Number
PdA	Plan of Activities
PFI	Implementation Focal Point
PP	Procurement Plan
SGF	Financial Management System
USD	American Dollars

## 1. Presentation

The Project Implementation Manual documents the principles and rules that the finance granted by BIOFUND to the various beneficiaries obeys. It lays down the cycles in which this financing is organised and indicates the procedures to be observed in the various phases of the process, from the signing of the grant agreement (the moment when the Proposal becomes a Project), to the closure of the Project.

The Project Implementation Manual is part of the BIOFUND Operational Manual.

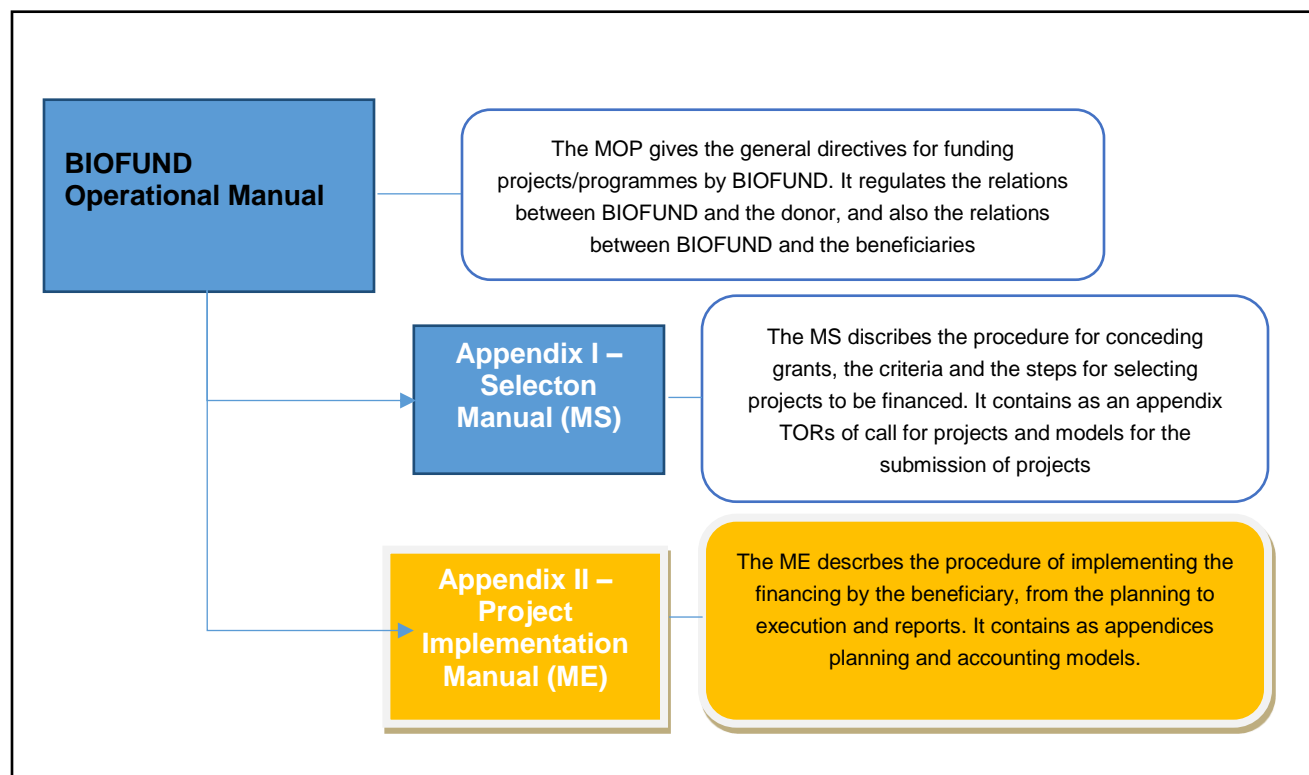


Figure 1 - Logic of the document (MOP and appendices)

### 1.1. Concepts applicable to this Manual

#### 1.1.1. Grant Agreement

At the end of adjusting the proposals, BIOFUND and the beneficiary Conservation Areas sign a grant agreement. In the event that the beneficiary does not have legal status, the body that supervises the beneficiary will sign the agreement.

As from the signing of the agreement, the proposal will be designated "project", with a specific code.

The agreement is the document signed between BIOFUND and the beneficiary (or supervisory body), which lays down the conditions for its implementation. The agreement defines the scope,

the objective, the deadline for implementation, the use of the resources and the rights and obligations of the contracting parties of the project.

To attest to their legal and financial suitability, and to allow formalisation of the contract, for implementation of the resources managed by BIOFUND, the beneficiaries shall present an original, or notarized copy as needed of the following documents:

- a. Decree setting up the Conservation Area (Approval by the competent body) and published in the official gazette (“Boletim da República”);
- b. Dispatch appointing the Administrator of the Conservation Area and the various members of the management in office;
- c. Single Tax Identification Number - NUIT

### **1.1.2. Project**

The project is the document that describes the major actions that will be financed, and the volume of resources to be mobilised, the deadlines to be observed, the expected results, the methodology, indicators and the contingencies that could affect its implementation.

### **1.1.3. Plan of Activities**

The Plan of Activities details the successive steps in implementing the Project, with the respective physical and financial calendar.

### **1.1.4. Sources of Project Resources**

The sources consist of the financial resources allocated to the project, made directly available by BIOFUND or deriving from other bodies.

### **1.1.5. Project Account**

This is the bank account opened by the body implementing the project and operating it. This account shall be used exclusively for implementing the Project in question.

### **1.1.6. Disbursement**

This is the transfer of financial resources by BIOFUND to the project account.

### **1.1.7. Eligible expenses**

These are the expenses that can be supported by BIOFUND. As listed in point 2.1.5 of this manual.

### **1.1.8. Reports**

There are three types of report:

- Quarterly accounts (narrative-financial);
- Annual reports on Project results;
- The Final Report (drawn up at the end of the project).

A more detailed description of the reports and their contents is contained in point 2.3.2.

#### **1.1.9. Financial Management System**

The Financial Management System (SGF) is a process whose mechanisms allow the registration, processing and organisation of matters concerning the accounts and the assets, in order to produce useful financial information. It should reflect the needs of the organisation and be designed to provide the financial information required by all the interested parties.

Thus, the SGF has, as its main objective, to support the management of the Foundation in its distribution of resources with a view to economy, efficiency and effectiveness in the provision of the services necessary to attain the desired objectives.

The SGF covers planning, budgeting, disbursements, accounts, internal control, procurement, reporting, auditing and performance assessment of the organisation, and its main objective is the efficient and rational management of resources.

#### **1.1.10. Planning**

Planning is an essential component in analysing and solving problems and taking decisions in organisations. There are two main types of planning: strategic planning and operational planning, detailed in Section 2.1.

## **2. Project Management**

### **2.1. Planning and Budgeting**

#### **2.1.1. Strategic Planning**

Strategic planning responds to the situation in a broad and integrated manner. It is a continual process offering a vision of the future. It is a guiding document which defines the objectives and the main lines of action (the strategies), and how to achieve them in the medium or long term

Strategic Planning should be carried out whenever an activity plan is designed, which is particularly relevant in the case of Conservation Areas, where the Management Plan should serve as the basis for management. This type of planning should be done in coordination with diverse partners and donors.

#### **2.1.2. Operational Planning**

To be successful, strategies need a good operational scheme. The defined objectives should be translated into terms of specific targets, activities to be undertaken, resources (inputs) and costs involved, responsibilities and deadlines. This planning shall be done at two levels: (i) BIOFUND with its donors; and (ii) with the Conservation Areas and implementation of definite projects.

### 2.1.3. Drawing up the budget

Planning initiates with drawing up the budget, where the sources of income must be defined. The Plan of Activities shows the actions to be undertaken over the period of the plan and the resources to be used for this purpose. The Plan and the Budget should be drawn up at the same time, since they are interdependent: the volume of resources available constrains the degree of possible implementation of the plans.

**Table 1 - Stages of Planning Project Execution under BIOFUND financing cycles**

<b>Stage</b>	<b>Planning Stages</b>	<b>Deadline* (current year)</b>	<b>Responsible for the action</b>
1	Approval of the budgetary ceilings at the beginning of the funding cycle	August	<b>Board of Directors</b>
2	Divulging the approved budgetary ceilings and launching the call for proposals	August / September	<b>Secretariat</b>
3	Drafting the Plan of Activities (PdA) of the Conservation Areas and sending it for approval	November	<b>ACs</b>
4	Approval of the Plans of Activities – PdAs	November	<b>Board of Directors</b>
5	Drafting and consolidation of the Procurement Plan – PP (as needed)	December	<b>ACs / Secretariat</b>
6	Making available the Plan of Activities (PdA) for implementation	December	<b>Secretariat</b>
7	Holding capacity building seminars with Conservation Areas for operational procedures and for implementation of the Plan of Activities (PdA)	January/ February	<b>Secretariat</b>

\*These deadlines may be altered, depending on the situation, as long as the Board of Directors approves the changes.

To begin introducing the budget, it is necessary to input the project, the source of the resource, the financing body, the budgetary codes and the activities.

Figure 2 shows the accounts and management computer application in use in BIOFUND, based on which the project budget is introduced (this system will be introduced in the ACs at a later stage).



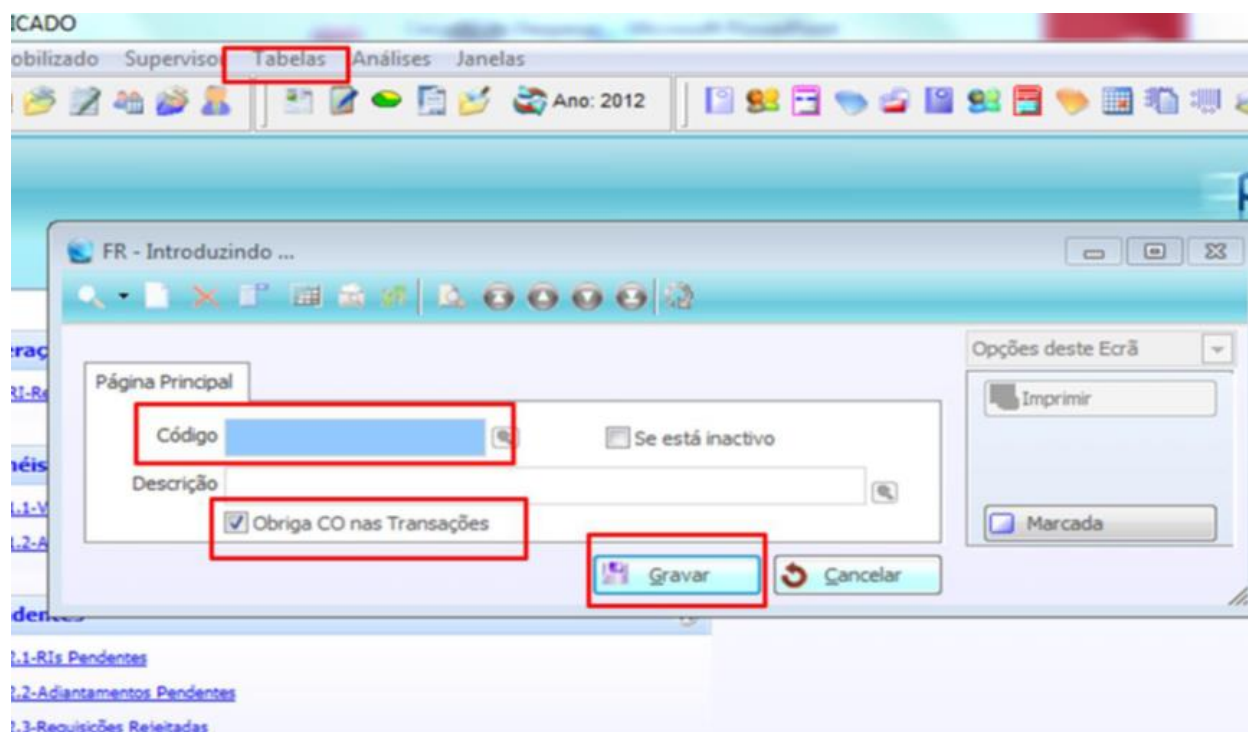


Figure 2 - Example of Table for Inputting the Budget, in use by BIOFUND

## 2.2. Disbursements

BIOFUND shall make disbursements to the Project Account based on the provision of accounts after analysis and approval. The first disbursement is an advance corresponding to 25% of the annual value of the project. A requirement for the first disbursement is to show that there is a zero balance on the project account.

Each month the sum corresponding to expenditure justified and approved by BIOFUND shall be restored.

The disbursements may be suspended if the quarterly reports are not presented or are not approved.

The Board of Directors of BIOFUND may reduce the annual budget of any project in the event that the beneficiary does not have sufficient capacity to implement it.

### 2.2.1. Opening the project account

In order to make disbursements, a specific project account must be opened. The account may be opened in any bank acceptable to BIOFUND. BIOFUND shall process the disbursements only when the following banking data are provided (in writing):

- Holder of the account;
- Name of the bank or banking agency;
- Number of the current account;
- Name and contacts of the Project Coordinator and of the other staff who will authorise the project expenditure.

### **2.2.2. Operating the Project Account**

The Project Account only contains resources of the project, and may not be used for transactions (deposits/withdrawals) foreign to the project. Operating the account is restricted to the undertakings described in the approved Project and Plan of Activities. Any eventual interest resulting from deposits in these accounts shall be used in implementing the project.

All movements in the account shall be broken down in the Physical and Financial Follow-up Report, and shall be supported by documentation that is acceptable in fiscal and accounting terms.

### **2.2.3. Use of the Financial Resources**

The body responsible for the Project shall necessarily pay the expenses of the Project by obtaining dated invoices, receipts or debit notes, indicating the name of the institution or of the project, and account for them according to the norms in force.

The purpose of the tenders launched by BIOFUND is to obtain the greatest possible participation of potential bidders, since the more attractive an auction is, the larger the number of candidates and the greater the competition, which tends to reduce the prices presented.

The aim of this guideline is to increase the competitiveness of the bidding processes, in the same way that they are concerned with the equality of treatment given to the bidders, and the transparency of the bidding.

The norms and principles used rest on four principles:

- **Principle of Economy and Efficiency:** the need for economy and efficiency, both in the acquisition of goods and building jobs and in the selection and hiring of consultancies or services;
- **Principle of Equality of Opportunity:** interest in offering all bidders, national or foreign, the opportunity to compete for the supply of goods or the provision of services to be hired;
- **Principle of National Preference:** to encourage the development of the country's national industry and services; and
- **Principle of Morality and Publicity:** The importance of transparency in the acquisitions procedure.

These principles guide the procedures for procuring goods and services, so that they may be obtained at the lowest price, without dispensing with their conformity to the technical needs within acceptable quality criteria.

The main norms to be observed are:

- a. Use of the resources exclusively for the purposes laid down in the Project and in the approved Plan of Activities. Unforeseen expenses shall be justified by the person in charge of the Project and authorised in advance by BIOFUND;
- b. Follow strictly the conditions for acquisition, hiring and payments defined in a specific manual;
- c. Use the goods acquired solely in accordance with the purpose laid down in the Project;
- d. Expenditure higher than forecast shall be justified and covered by the remainder of the resources of the project or new resources made available by BIOFUND;
- e. Use the resources only for eligible expenditure;
- f. In the event that resources are left over in the Project Account, they shall not be used until BIOFUND defines what they may be used for;
- g. Respect the period of duration of the agreement;
- h. Compliance with the deadlines established for paying for services and acquisitions, avoiding fines and interest on arrears;
- i. Justification of expenditure through documentation that is appropriate for accounting practices, and is archived for at least five years after the end of the project (or longer, if the legislation requires this).

**Disbursement shall be suspended when any of the following occur:**

- a. Non-compliance with the contractual obligations and conditions;
- b. Making expenditure not envisaged in the Plan of Activities, without justification and without the prior approval of BIOFUND;
- c. Provision of delayed, incomplete accounts, without the documentation required, or not approved by BIOFUND;
- d. Operating the Project Account in ways not approved by this manual;
- e. Acquisition, hiring and payments that do not obey the provisions in this Manual;
- f. Activities held without the desired quality, negligence or incorrigible incapacity in attaining the goals and targets of the project;
- g. Use of the resources, goods or services of the project for personal benefit or the benefit of third parties;
- h. Occurrence of illegal acts;

**2.2.4. Eligible expenses**

- a. Daily costs: includes food, accommodation and travel (the daily costs correspond to the allowance to cover expenditure on accommodation, food and transport when the employee is

working for the project outside of his home municipality. This means of payment is forbidden as remuneration for the provision of services);

b. Tickets: national, air, overland and river.

c. Maintenance of infrastructures: When the scale of the work to be done so demands, the environmental licence of the regulatory body shall be shown so that the work may be undertaken.

d. Goods: furnitureoffice equipment, tools and utensils.

Support may only be given to the categories of running costs identified below (and similar) may be supported by resorting to this financing, and they shall be described and proven individually in the accounts:

- Acquisition, hire and maintenance of office material and equipment;
- Mail, communications, and electricity, water and gas;
- Assorted materials for use and consumption (lubricants, field materials, various tools, items for domestic use, etc.);
- Maintenance of infrastructures;
- Services to maintain equipment and vehicles (materials and labour);
- Insurance for vehicles, boats and motorcycles;
- Licensing and use fees;
- Transport (fuel, hire of vehicles, boats, etc.);
- Travel (tickets and accommodation within Mozambican territory);
- Uniforms and equipment for wardens;
- Food for wardens;
- Short duration capacity building sessions;
- Organisation of events (accommodation, meals, room hire);
- Activities to raise environmental awareness;
- Production of documents and publicity material (maps, leaflets, posters, calendars, videos, documentaries, T-shirts, caps, jackets, etc.);
- Reproduction of documents;
- Hiring general services (such as field auxiliaries, casual and contracted staff);
- Hiring consultancies;
- Regular monitoring activities.

**Expenditure that is not eligible includes:**

- Expenditure paid by other projects or by the state;
- Wages of permanent staff, their costs, benefits or subsidies;
- Building of infrastructures;
- Acquisition of durable goods (e.g. vehicles);
- Community activities costing more than 10% of the total value of the project;
- Firearms and ammunition;
- Interest and fines;

- Debts of previous projects;
- Research activities;
- Scholarships;
- Subventions or sponsorship of individuals or third parties;
- Articles for personal use;
- Alcoholic drinks, cigarettes, cigars and similar items.

Any tax obligations resulting from the agreement shall be the entire responsibility of the implementing body.

### 2.2.5. Expense Management

Various expenses occur during budget execution. Once the project budgets have been created, their execution at the BIOFUND level is done via the information management systems, the functioning of which is shown in Figure 3.

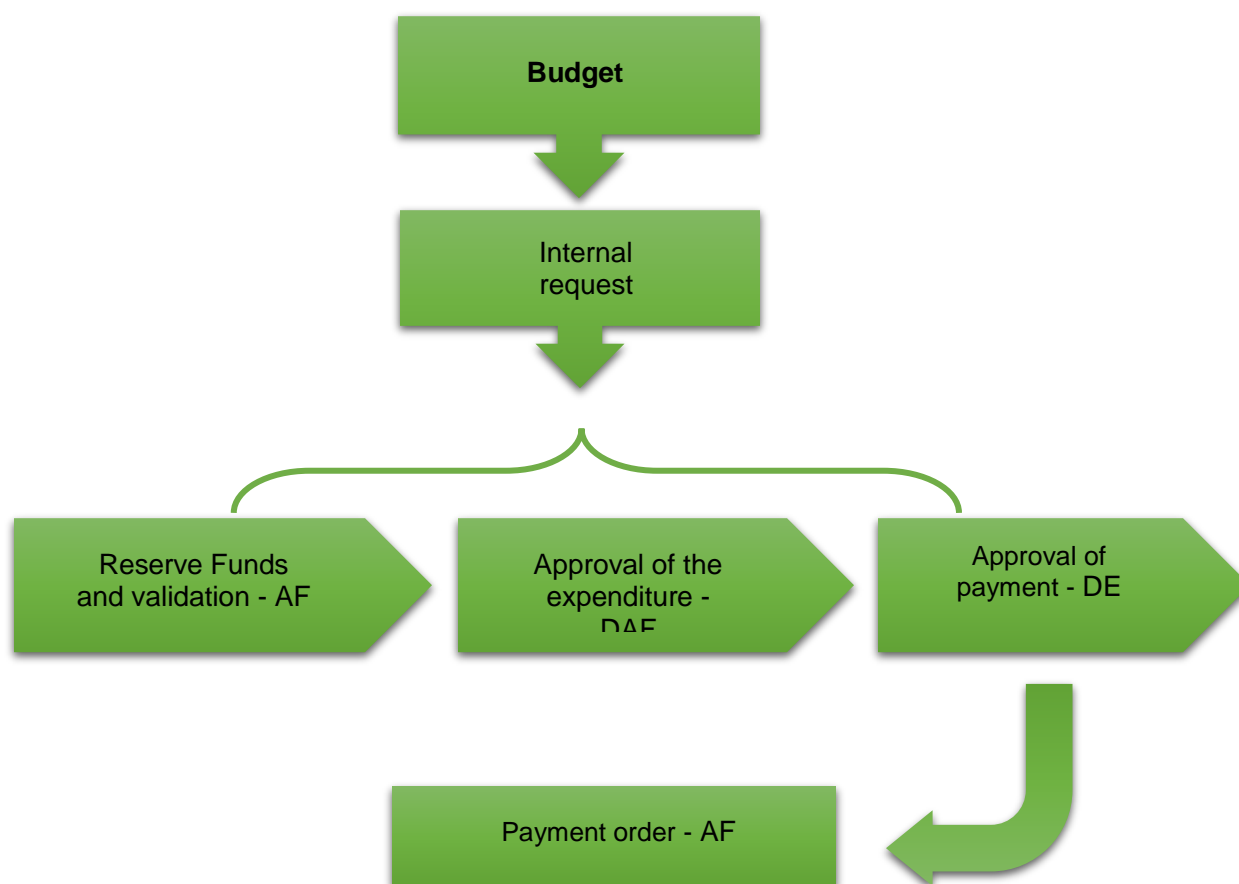


Figure 3 – Payments

These operations are executed via the electronic system (at a later stage to be introduced at the AC level), as exemplified in Figure 4.

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- a) Requests for quotations;
- b) Letter of award;
- c) Invoices, sales notes and receipts;
- d) Correspondence;
- e) Service contracts;
- f) Products of consultancies (reports, diagnoses, studies etc.).

BIOFUND may offer models of correspondence for purchases and hiring (e.g. requests for quotation), when asked by the organisation responsible for the Project.

Taxes paid on goods obtained or services hired shall be considered and included in the value envisaged in the Project Document, and shall be reflected in the prices proposed by the suppliers. Transport shall be included in the price or envisaged in the Plan of Activities.

If there is a need for large payments to third party service providers, it is possible to solicit a direct payment by BIOFUND.

If there is a need for international purchases and/or hiring, they may only be undertaken with the prior approval of BIOFUND, because they involve a series of more complex measures.

### **2.3.1. Acquisition of good and materials**

The batches of goods and connected services to be acquired shall obey the following basic criteria:

- Satisfactory quality and compatibility with the characteristics of the Project;
- Delivered or finalised in due time;
- Offered at prices that do not adversely affect the economic and financial viability of the Organisation.

It is advisable that a comparison of prices be made for all expenditure; however, this will only be obligatory for expenditure above 3,500.00 Mts, where the division of a single expense is not permitted. Whenever possible, the requests for quotations by the institution responsible for the Project and the proposals presented by the suppliers shall be submitted by letter, fax or electronic means (e-mail).

For each item of expenditure, a minimum of three quotations shall be requested. They shall all be presented to the same specification, to guarantee selection of the best proposal. The request shall contain:

- a. Description of the goods or materials;
- b. Indication of the amount, the deadline, and the place for the delivery of the goods;
- c. Request for information about additional costs (taxes, transport, and others);
- d. Relevant commercial information (place and time of delivery).

The proposals analysed will only be valid if they meet the same specifications and conditions listed above. Thus, the institution responsible for the Project will have the same parameters for comparing prices.

Should it not be possible to gather three quotations and instead prove necessary to resort to direct award, BIOFUND shall be consulted and there shall be a letter of justification.

BIOFUND shall be consulted when the choice is imposed by quality and not by price, followed by a justification in writing.

It is recommended that, when acquiring goods and equipment outside the country, the national market be consulted first, and the acquisition may be made outside the country, as long as the final price (including customs duties) is lower than that offered on the national market, and the supplier offers post-sale maintenance guarantees.

Acquisition is proved by issuing the invoice to the consumer or by a cash sale note from the establishment where the purchase was made. If the establishment can only issue a receipt, this should be seen as an exception and the Institution Responsible for the Project shall append a justification to the accounts.

NB.: In the event that the Institution Responsible for the Project donates an item acquired with the use of funds from BIOFUND to a community benefiting from the project, it should draw up a Term of Grant that confirms this transfer (to be signed by the representative of the beneficiary community and the beneficiary Conservation Area). A copy of the Term of Grant shall be appended to the accounts file, with signatures of the beneficiary community and the beneficiary Conservation Area, confirming that the item has been delivered and received.

### **2.3.2. Hiring of third party services**

This modality envisages hiring companies (legal person) or individuals (physical person) for services such as: holding events, courses and seminars of any kind; moderating meetings; renting boats and vehicles, transport and freight services, maintenance of equipment and infrastructures, among others.



To ensure competitive prices, any hiring of services should be based on the presentation of three budgets in writing. The requests for price quotations shall, in the specification, give the detailed scope of the service, and the following items: a) quantity; b) units of measurement; c) expected deadlines for supply; d) places of delivery or implementation of services; e) expected payment conditions; f) deadlines for presentation and validity of proposal; g) guarantees required, if this is the case. To make assessment possible, in addition to the price and commercial conditions, the service provider shall demonstrate his capacity by means of curriculum, references or any other form that expresses capacity.

The quotations may be submitted by physical document, by electronic means or by fax.

Proof of payment is by an invoice or by a signature on a receipt issued by the service provider.

The Institution Responsible for the Project is responsible for retaining taxes, within the periods envisaged in the legislation.

In the case of services with casual staff, specialists or not, notably services provided by people from the community, without a competitive offer, price comparison is dispensed with, but the reasonableness of the price shall always be taken into account. As justification for the services provided, a declaration shall be drawn up, which shall be signed by the contracted party.

If it is impossible to obtain the signature of the service provider, the Institution Responsible for the Project shall draw up a declaration in writing, stating that it was not possible to obtain the signature and giving the reason.

If it is not possible to gather three quotations, and it is necessary to award the contract directly, BIOFUND shall be consulted and there shall be a letter of justification.

### **2.3.3. Maintenance of infrastructures**

Different forms of contracting shall be undertaken in accordance with the type of job. We indicate some alternatives:

- a. Small repairs, undertaken with local labour, raw materials and building techniques. No bidding is necessary, but the Work Plan should present a calendar for work and the costs of implementation. The hiring must be formalised. The maximum value for this type of hiring is 10,000 (ten thousand) meticaïs.
- b. Mixed jobs, undertaken with local labour and raw materials, but which require the presence of a contractor (physical person or company).
- c. Jobs undertaken with contracted labour, material and project (the contractor responsible for the job may be a Physical Person or the company).

For modalities (b) and (c) the contractor must be hired based on the price/experience relation. If there is no competitive supply in the region, the Institution Responsible for the Project shall append in the accounts sent to BIOFUND a justification in writing. To ensure competitive prices, any hiring of jobs shall be done through the presentation of three budgets in writing and signed by the interested party, following the same procedures mentioned for the purchase of goods.

The proposal from the contractor shall include the taxes charged on the services hired.

#### **2.3.4. Consultancies**

This is work of an intellectual nature – production of studies, research, diagnoses and others that lead to recommendations about activities, policies or strategies.

The instrument used to define the scope of the consultancy services is the Terms of Reference (ToR – Appendix B). The ToR shall detail the objectives, the coverage of the services, the activities, the calendar of activities, the qualification necessary, the products required, the form of presenting the products, the expected time periods for delivery of the products, the form of payment, the necessary inputs and the reciprocal responsibilities for supplying the inputs. With regard to the inputs, the ToR shall mention whether the Institution Responsible for the Project will or not provide the inputs necessary for undertaking the individual consultancy service, such as: daily costs, tickets for the consultant's travel, fuel for travel, satellite images, etc. These inputs will also be defined in the ToR.

NB.: In the cases envisaged in law, where the taxes and charges due must be retained at source, the responsibility for this collection lies with the Institution Responsible for the Project.

BIOFUND may support the Institution Responsible for the Project in formulating the ToR.

#### **Hiring of a consultant, either a physical or a legal person**

Individual consultants or companies may be hired for services, depending on the complexity of the work. Steps:

- a. The Institution Responsible for the Project announces the tender publicly, expressing the scope of the service to be undertaken. The announcement shall indicate how the bidders may access the ToR.
- b. The consultants shall send, within the deadline, their proposals, detailing the work plan and methodology, price, curricula and references.
- c. The Institution Responsible for the Project selects the best proposal, taking as the reference points the qualifications of the bidders, the quality of the proposal and the price offered, using assessment criteria fixed for all bidders. The selection shall be duly justified in writing, showing the criteria used.
- d. The Institution Responsible for the Project informs the winner that he has been chosen and requests information for the contracting (see below) and informs the other interested parties that their proposals have not been accepted.

- e. The Institution Responsible for the Project signs the contract with the selected consultant, with the ToR appended.

**Information necessary for hiring:**

- a. Name
- b. Complete address
- c. Contact telephone numbers
- d. E-mail
- e. NUIT
- f. Copy of identity document or permit

**Bank data:**

- a. Name of the bank
- b. Number of the bank account
- c. Name of the account holder (NB: the beneficiary should be the account holder)

In the cases envisaged in law, where the taxes and charges due must be retained at source, the responsibility for this collection lies with the Institution Responsible for the Project.

The Institution Responsible for the Project may request support from BIOFUND for each stage of selection, as well as a model contract.

Public servants or working staff from the implementing institution responsible for the Project may not be hired as consultants.

## **2.4. Monitoring and Assessment by BIOFUND**

BIOFUND takes on a participatory role in supporting the various stages of the Project, whenever asked to do so by the Institution Responsible for the Project or when either of the parties notes the necessity for this participation.

### **2.4.1. Monitoring**

Apart from monitoring through reports, BIOFUND considers the need to hold visits to the Projects. BIOFUND will send the programme of the visit at least 10 days in advance for the knowledge and adjustment of the Institution Responsible for the Project.

Within at most a month after the field visit, BIOFUND will issue an analytical report with recommendations and a proposed calendar for making alterations to solve eventual problems.

**The main aspects of *in loco* monitoring are:**

- a. Assessment of the need for adjustment in the results forecast from the Project.

- b. Guidance and clarification of doubts of the Institution Responsible for the Project and of the partners about application of the conditions and the procedures envisaged in this manual.
- c. Guidance on filling out the charts envisaged in the reports (Appendix A).
- d. Checking the documentation archive that supports the report of the Physical and Financial follow-up.
- e. Diagnosis and assessment of the need for an external consultancy for specific technical aspects concerning the actions of the project.
- f. The impacts of the activities listed in the documents sent to BIOFUND.
- g. Publicising the name of BIOFUND in the media used by the Conservation Area.
- h. Verification and analysis of the original accounting documents that prove the adequate use of the resources.

The Institution Responsible for the Project shall:

- a. Send to BIOFUND the information and clarification requested concerning follow-up and control of implementation of the Project.
- b. Support the planning and undertaking of the BIOFUND field visit and facilitate access to the information and documents related with its implementation.
- c. Attend to accredited auditors and consultants appointed by BIOFUND.

#### **2.4.2. Reports**

**Monthly accounts reports** document the expenses carried out in this period (Appendix A). Disbursements will be made according to the corresponding values in the monthly reports, as accompanied by fiscally valid justifying documents.

The **Quarterly Accounts Reports** (narrative-financial): (Appendix A) shall be presented every quarter (Table 2) and show the financial execution of the period and the implementation of the activities of the project, in line with the Plan of Activities. It shall be sent to BIOFUND, for the attention of the Executive Director of BIOFUND, and in electronic format to the email: [projectos@biofund.org.mz](mailto:projectos@biofund.org.mz), within 30 (thirty) calendar days. The period for analysis by BIOFUND is three weeks after receiving the report. At the end of this period, a communication is sent to the beneficiary, approving the report or requesting clarification or adjustments.

The **Annual Results Report** from the project (Appendix A) lists, quantifies, assesses and contextualises annually all the events related with the project, the actions undertaken, the results achieved and the outside factors (contingencies) verified over the year referring to its implementation. It shall, if necessary, propose revising the Plan of Activities for the subsequent year.

Failure to present quarterly or annual reports may lead to the suspension of disbursements

At the end of the project, the institution responsible shall send to BIOFUND the **Final Report of Activities** (Appendix A), which consolidates the information presented in the reports over the entire period of implementing the project. The Final Report must necessarily assess the actions undertaken and the results achieved, and shall give information about:

- a. The degree of attaining the established aims and the results, based on the indicators laid down.
- b. The main questions that arose during project implementation and the solutions found to solve them.
- c. The main lessons and contributions of the work undertaken in the field concerning conservation and/or the sustainable use of biodiversity.
- d. The future prospects, bearing in mind the continuity of and/or additions to the actions initially supported by BIOFUND.
- e. The financial summary of the project.

The Final Report shall be presented to BIOFUND up to 60 calendar days after the end of the project. The analysis and the reply from BIOFUND requesting adjustments shall occur within 30 days of receiving the report.

The definitive version of the report shall be sent to BIOFUND, within two weeks of receiving BIOFUND's comments.

Closure shall be formalised through a Term of Closure of the Project, drawn up by BIOFUND and signed by the parties.

The charts in Appendix A for drawing up reports shall be completed with the following regularity:

**Table 2 - Periodicity of Presenting Reports to BIOFUND**

Report	Chart – 1 – Activities and Results	Chart – 2 – Chart of Expenses	Chart – 3 – Banking control book	Chart – 4 – Banking reconciliation	Chart - 5 – Budgetary control chart	Chart – 6 – Matrix of indicators
Monthly		X	X	X		
Quarterly	X				X	
Annual	X				X	X
Final	X				X	X

- a. **Chart of Activities and Results:** a descriptive table of the activities undertaken and results obtained during the period in accordance with the approved plan of activities.
- b. **Chart of Expenses:** records the expenditure made by the project based on the respective justifying documents and the numbers of the cheques used to pay them.

- c. **Banking Control Chart:** records in chronological order the numbers of the cheques, the beneficiary and the value of the expenditure paid, as well as the bank commissions.
- d. **Banking Reconciliation Chart:** checks the bank balance with the balance on the Project Account.
- e. **Budgetary Control Chart:** presents the Plan of Activities of the project, the budget per activity, implementation by budgetary headings, the balance of the budget and the percentage of budgetary execution.
- f. **Matrix of Indicators:** Assesses the progress of the activities using the established indicators and comparing this with the results expected from the project.

## **2.5. Products generated by the project**

All the reports, brochures, posters, videos etc. envisaged in the project are regarded as products generated by the project. They shall be shared with BIOFUND during the visits and mentioned in the annual and final reports to BIOFUND.

## **2.6. Documentation and archive**

The Institution Responsible for the Project shall archive the documents necessary for verifying the processes, such as:

- Contract; Project; Plan of Activities; Follow-up reports; Dossier containing the hiring procedures: ToRs, curricula, proposal requests, purchase requests, selection procedures, contractual instruments and others.
- Fiscal and accounting documents of the Project.

All the documents are archived in chronological order, from the oldest document to the most recent.

All the original documentation concerning project implementation shall be archived for a period of five years after the end of the project, or for the period demanded by the legislation in force. Whenever requested, it shall be available for audits.

The Institution Responsible for the Project is responsible for protecting the documentation concerning the project.

## **2.7. General Conditions**

### **2.7.1. Retroactive Financing**

Under normal circumstances, payments made by beneficiaries with their own resources before the date when the contract was signed shall not be admissible. However, in some circumstances BIOFUND may authorise retroactive financing for funds disbursed to pay authorised eligible

expenses to avoid the interruption of activities under way or allow them to begin in a timely manner.

### **2.7.2. Return of funds**

BIOFUND may request the beneficiary to return funds in the following cases:

- a) Reimbursement for expenditure requested twice;
- b) A mistake on the part of BIOFUND in making payment erroneously; and
- c) Non-eligible expenses which cannot be recovered by reducing the pending disbursements.

A failure by the Conservation Area to submit documents or the submission of documents outside the standards specified in this manual may lead to the suspension of disbursements or ineligibility to benefit from new financing.

## **3. Communication**

### **3.1. Publicity**

In all publicity about the activities supported, the Projects shall recognise the participation of BIOFUND. By recognition is understood the mention of BIOFUND in public events, interviews and statements sent to the media. BIOFUND shall make its logotype available.

In addition, the institutions involved in implementing the Projects shall cooperate with BIOFUND in any and every effort to collect photos or information about the activities undertaken or other matters related with the project.

Copies of all the materials that mention or refer to the project shall be sent to BIOFUND, whether they are printed or electronic (radio, TV, internet, video, etc.), including those published after the end of the Contract.

### **3.2. Rights to the results of the Projects**

The Institutions responsible for the Projects, their eventual partners and BIOFUND are jointly guaranteed: (i) copyright on work produced under the project, including articles, publications, audio and/or video recordings, photographs, slides; (ii) trademark rights or patents on inventions, discoveries or programmes made by the partners under the Project.

The Institution Responsible for the Project shall be tasked with acquiring all the necessary authorisations, in order to ensure the rights envisaged in this section.

BIOFUND may publish publicity pieces and campaigns and disseminate results or products arising from the projects. It may also include the participation of other economic partners in publicising

or disseminating these results or products, always with the previous and formal consent (in writing) of the Institution Responsible for the Project.



## APPENDIX A. Report models

### Format of the Narrative and Financial Reports

Financing no.: \_\_\_\_\_ Conservation Area : \_\_\_\_\_

Accounting Period:

From: **(Day)/(Month)/(Year)** to **(Day)/(Month)/(Year)**

There will be two periods for presenting reports, the quarterly and annual reports. **Quarterly reports** shall be delivered within **30** (thirty) days after the end of the quarter, and the annual reports within **60** (sixty) days after the end of the year.

The reports for fund disbursement shall be only financial (see section C). The quarterly and annual reports shall also include 2 complementary sections, section A (descriptive table of the activities and results) and section B (explanatory text on the implementation of the activities), as well as section C (financial execution by activity).

#### Section A: Descriptive table of activities and results (quarterly and annual)

This section shall contain a descriptive table of the activities undertaken and results obtained during the period, in accordance with the approved plan of activities.

**Chart – 1 – Activities and Results – Quarterly and annual**

Financing:				Period of the report:
Objectives /Results		Activity	Indicator	Progress (%)
R1.1	(a)	(b)	(c)	(d)
R1.2				

- a) Objective/Results – List the objectives listed in the matrix of results and the activities of the approved project proposal. List the most up-to-date results.

- b) Activity – List the planned activities listed in the matrix of results and the activities of the approved project proposal. If there are updated activities, list the most up-to-date.
- c) Indicator – List the indicators of each activity that appear in the matrix of results and the activities of the approved project proposal. If there are updated indicators, list the most up-to-date.
- d) Progress – Estimate the percentage of progress attained for each indicator at the end of the reporting period. This percentage shall be cumulative since the start of the project (i.e. the percentage of progress of each activity in each reporting period shall be the same or larger than in the previous period).

### **Section B: Explanatory text on the activities and results (quarterly and annual)**

This section shall contain explanatory text by relevant activity and result. It shall contain a summary of the main results, as well as the main challenges and difficulties. This section shall complement and discuss the details presented in section A, adding information of interest regarding the work undertaken (photos, official reports, electronic links, etc).

The annual report shall also include:

- Mitigation measures that could be implemented to attain those objectives that, for any reason, have not been attained.
- Advantages and/or disadvantages of the BIOFUND finance, in comparison with other funding;
- Suggestions for improvement in the next financings.

### **Section C. Financial execution by activity**

This shall include financial information on the implementation of the project during the period under consideration.

According to the tables below (see excel format for more details), all the sums presented must refer to a support document that is acceptable in fiscal and accounting terms, which proves the figures presented. Should there be any deviation in the amount spent in a particular budget line, justification shall be presented, requesting redistribution of the budget figures.

The Expenditure Chart (MD) is presented to allow the disbursement of funds. It shall be accompanied with copies of the justifying documents. It is important to warn that receipts, invoices, sales notes and travel reports will be considered as documents supporting expenditure. Quotations are not valid.

### Expenditure Chart (MD)

Date     /    /    0.00

The MD shall be accompanied with the LCB chart, which shall indicate, in chronological order, all the cheques issued (including any cancelled cheques).

### Banking Control book (LCB)

## Month

Checked and approved by:

A - Date of issue of cheque  
B - No. of cheque . Sequential numbering of cheques ( Cancelled cheques should be reflected in sequential form )  
C - Name of Beneficiary (Indicated on cheque )  
D - Debits - Reflects all the money entering banks  
E - Credits - Reflects all the money leaving banks  
F - Balance Difference between debits and credits of the period

### **Monthly Banking Reconciliation (RB)**

Banking reconciliation shall be presented whenever a new reimbursement is requested. The sums presented shall correspond to the value of the cheque issued.

For the cheques in circulation which have not yet been cashed at the bank within two months a justification shall be presented and simultaneously a warning letter shall be sent to the beneficiary.

## Chart- 4 – Monthly Banking Reconciliationl

Name of Conservation Area _____								
<b>BANKING RECONCILIATION</b>								
<b>MONTH :</b> _____								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Financing agency</td></tr> <tr><td>Name of Bank:</td></tr> <tr><td>Account Holder:</td></tr> <tr><td>Account number : _____</td></tr> <tr><td>Currency</td></tr> </table>				Financing agency	Name of Bank:	Account Holder:	Account number : _____	Currency
Financing agency								
Name of Bank:								
Account Holder:								
Account number : _____								
Currency								
Balance on Banking Control Booko			0.00					
<b>Credits in bank statement not registered in LCB</b>			0.00					
Date	Nº. Document	Description	Amount					
			0.00					
			0.00					
<b>Total</b>			<b>0.00</b>					
<b>Credits in LCB not yet registered in bank statement</b>			0.00					
Date	Nº. Document	Description	Amount					
			0.00					
			0.00					
<b>Total</b>			<b>0.00</b>					
<b>Debits in bank statement not registered in LCB</b>			0.00					
Date	Nº. Document	Description	Amount					
			0.00					
			0.00					
			0.00					
			0.00					
<b>Total</b>			<b>0.00</b>					
<b>Debits in LCB not yet registered by bank</b>			0.00					
Date	Nº. Document	Description	Amount					
			0.00					
			0.00					
<b>Total</b>			<b>0.00</b>					
Reconciled balance from the Banking Control Book			0.00					
<b>Balance of the bank statement</b>								
Difference								

Drawn up by

\_\_\_\_\_

Checked and approved by

\_\_\_\_\_

- 1 - Reconciliation should be done monthly
- 2 - It should be accompanied by a bank statement stamped by the bank
- 3 - Photocopies of the reconciliation and of the duly signed bank statements should be sent to us
- 4 - Cheques not yet cashed should be considered in the reconciliation

## Chart - 5 – Budgetary Control Chart – Quarterly and Annual

Amount Spent

Budgetary Control chart

Name: \_\_\_\_\_

Month: \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Codes (A)	Description (B)	Amount budgeted (C)	Amount spent (D)	Budgetary balance (E) = (C - D)	% Execution
1					
1.1.1					
1.1.2					
1.1.3					
1.1.4					
1.1.5					
1.1.6					
1.1.7					
2					
2.1.1					
2.1.2					
2.1.3					
2.1.4					
2.1.5					
2.1.6					
...					
3					
3.1.1					
3.1.2					
3.1.3					
3.2.1					
3.2.1.1					
3.2.1.2					

Drawn up by:

\_\_\_\_\_

Checked and approved by:

\_\_\_\_\_

A - Code of activities and expenditure according to the Plan of Activities

B - Description of activities according to Plan of Activities

C - Value of budget approved, by heading

D - Value spent according to expenditure made by budget line

E - Budgetary balance - Difference between approved budget and expenditure made

The above MCO Chart is sent every quarter, allowing control of the budget based on execution of the expenditure of the period.

The narrative report shall be drawn up annually, accompanied by the matrix of indicators and the budgetary control chart (MCO) which indicates the percentage of financial attainment of the project. As shown in the models below:

**Chart 6 – Matrix of Indicators**  
**Matrix**

Objective	Results	Activity	Ref. Indicator	Descripton Of proofs	Indicators		
					Baseline (20...)	Monitoria (.../.../...)	Target (End of Project)
1	1.1	1.1.1					
		1.1.2					
2	2.1	2.1.1					
		2.1.2					
		2.1.3					
3	3.1	3.1.1					
		3.1.2					

## **APPENDIX B. GUIDANCE FOR DRAWING UP TERMS OF REFERENCE**

### **1. Drawing up Terms of Reference**

1.1 The Terms of Reference is a document the purpose of which is to provide the parameters for hiring an individual consultant (physical person) or company (legal person), in in order to undertake a particular consultancy service.

1.2 The Terms of Reference shall present, in a concise and objective manner, the information necessary to characterise the service and the directives for contracting, implementation and follow-up. In drawing up the Terms of Reference, expressions which do not have a precise meaning, or which allow doubtful interpretation, shall be avoided.

1.3 The Terms of Reference generally have the following structure:

- (1) Context
- (2) Justification
- (3) Objective
- (4) Activities to be undertaken
- (5) Coverage
- (6) Product
- (7) Form of Presentation
- (8) Time period
- (9) Qualification
- (10) Supervision
- (11) Implementation Strategy
- (12) Elements Available

1.4 It may be noted that the above topics, as well as the order in which they were given, are not necessarily obligatory. What is fundamental is that the Terms of Reference should be coherent, logically structured and describe, with precision, the consultancy services desired, thus facilitating obtaining the expected results,

1.5 In short, the Terms of Reference have the following objectives:

- To provide, through a succinct and objective description, a satisfactory understanding of the nature of the work to be done;
- To provide the data needed for interested consultants to formulate technical and financial proposals;
- To serve as a reference point for assessing the proposals presented, with regard to the qualification of the consultants, the quality of the technical proposal, the time limits and the costs;



- To define the basic aspects of hiring, and the way in which the work will be followed and assessed; and
- To resolve doubts about the object of the contract.

1.6 As a rule, the Terms of Reference should contain the following information:

- a) Indications on the context, environment and conditions under which the work must be done;
- b) A justification that explains why the work cannot or should not be done by staff of the institution, and hence had to be farmed out;
- c) The purpose to be achieved by implementing the job being contracted;
- d) The activities to be undertaken by the individual or company hired;
- e) Geographical limits, areas of knowledge, level of detail of the activities to be developed, defining the coverage of the services;
- f) Indication of the products to be obtained by virtue of the contract;
- g) Clear and precise definition of the form of presentation of the products and/or report to be supplied;
- h) The deadline for delivery of the products or the time in which the services of the consultant will be used;
- i) Definition of the minimum qualification considered necessary for carrying out the service well;
- j) Indication of the body and, if possible, the person who will be charged with supervising and approving the work;
- l) Optionally, indication of the strategy of action to be adopted;
- m) Optionally, the list of factors available for undertaking the services, be they human resources, documents, logistical support or others; and
- n) Definition of the currency in which the financial proposals can be submitted.

1.7 There follow below comments on each of the items in paragraph 1.3.

### **(1) Context**

The context should provide the candidate for the job with information about the environment in which he will work, and in which the products will be used, and the conditions surrounding implementation of the contract.

In drawing up the Terms of Reference, care should be taken not to overestimate the knowledge that the potential service providers have about the environment in which they must work, or for which the products are intended, since we often tend to consider our environment as common to all places and we are thus frequently disposed to describe it in a very limited way for someone who does not know it.

In the case of a product or of activities aimed at a specific public, the characteristics of this public should be described in this part of the Terms of Reference, so that the work may achieve the expected results. A document or video for work with rural or indigenous people will be very different from one for the urban periphery or for university students.

It is also common that this part of the Terms of Reference should contain information about sources of finance and relevant contractual aspects, which may imply special conditions for doing the work, such as national or international loans, work with other institutions apart from the contracting party, requirements of other institutions, etc. In this case, the component and, if possible, the activity of the project to which the work to be hired is bound shall be indicated.

To sum up, the objectives of this item are:

- To describe the environment in which the work will be undertaken;
- To describe the characteristics of the environment where the products of the work will be used, if relevant;
- To indicate contractual aspects that imply special conditions for undertaking the services.

As a rule, it should contain the following information:

- a) The place where the work will be done, and/or the place for which it is intended, and the general picture of the existing situation;
- b) Indication of the hiring institution and the department or sector to which the services will be allocated;
- c) How the work to be done is related with the other programmes and activities of the hiring institution;
- d) Identification of the stakeholders with whom the consultant should interact;
- e) Form of using the product of the contract;
- f) Origin of the financial resources and, if this is the case, the conditions imposed for using them in paying for the services; and
- g) Other factors that might affect working conditions.

## **(2) Justification**

The purpose of this item is to provide reasons for why the service is necessary, and why the institution wishes to hire it from third parties, instead of using its own resources.

The reasons given to show the need for the service should be consistent with the general framework given in the item "Context". Normally, carrying out services by staff outside of the institution is justified because of qualitative, quantitative, structural or temporary shortages of human resources, or because of the inconvenience of using them to carry out this specific job.

This is information aimed both at the financing agency, for which it serves as a justification of expenditure, and at the service provider, who will have a better notion of the needs of the institution (although he could, in principle, draw up his proposal without knowing why his services are required).

In short, the objectives of this item are;

- To indicate why the service is necessary; and
- To give the reasons why the contracting institution cannot or should not implement it with its own human resources.

The data normally presented to justify the hiring, depending on the case, are:

- a) Demonstration of the need for the services, because of the information given in the context item;
- b) High level of specialisation of the service, so that the staff of the institution are not able to carry it out;
- c) Insufficient number of staff in the institution to do the work;
- d) The services that may eventually be needed are outside of the routine work of the institution;
- e) Need for the services to be undertaken independently, free of the influence of the contracting institution, as in assessments of the results and in audits; and
- f) Provisions in the Loan Agreement that compel this way of obtaining services.

### **(3) Objective**

This part of the Terms of Reference should clearly present what the institution wants to obtain from the service to be hired. The objective is usually defined by the general name of the product to be obtained (for example, Unit A Management Plan), by the effect expected from the activities to be undertaken (for example, advising the head of the project) or other indications which explain how it is thought that the needs referred to in the justification can be met.

It is important not to confuse the objective of the Terms of Reference with the general objective of a project or programme.

Although the work to be hired should contribute to attaining the general objective, the objective of the Terms of Reference should be restricted to the product or activity which it is expected to provide. Likewise, when, for a better understanding of the problem, it may be convenient to define the results expected, care should be taken to indicate only the results referring to the hiring, and not those of the project as a whole.

To obtain greater clarity in the description, mainly when the specified service is of greater complexity, the general objective may be defined and the specific objectives which represent stages or parts of it. This is particularly convenient when products are established which correspond to each specific objective, or when there are activities to be complied with that correspond to these objectives.

In short, this item seeks to give:

- The general objective of the hiring, normally summarised in the title of the main product or even of the project; and
- Specific objectives, consistent in stages or parts of the general objective.

It should contain the following information:

- a) Explicit and concise indication of what it is wanted do obtain from the work to be hired;
- b) Generic form under which the work will be processed; and
- c) Other information contributing to making explicit the nature of the obligations to be assumed.

#### **(4) Activities to be undertaken**

This item should identify the main actions to be undertaken seeking to obtain the products mentioned in the Terms of Reference.

Its objective is to provide the consultant with a more precise idea of the operational aspects surrounding the proposed work. For this reason, this item normally presents a list of steps involving specific stakeholders, places, periods and knowledge that will make achieving the objective or product viable.

In some cases, it is not possible to specify a product because the services consist of activities to be undertaken with the contracting party or other institutions. This is the case with providing assistance, on-the-job capacity building, research and others, in which it is difficult to give a scale to the tasks in advance. In these cases, definition of the activities is necessary in order to accompany compliance with the contract.

There may possibly also occur difficulties in defining the activities. In this case, the defects to be remedied shall be presented and the proponents shall make suggestions of corrective activities and the calendar for implementing them. This alternative generally causes greater difficulties in judging the proposals.

In short, the objectives of this item are:

- To provide a more detailed vision of the operational aspects that surround achieving the desired products;
- To indicate the nature of the obligations that the consultant will assume, when the products cannot be precisely defined; and
- Indicate the defects to be remedied, when the activities could not be explained.

Generally, they contain the following information:

- a) A list of concrete steps to be taken by the consultant, involving specific stakeholders, places, periods and knowledge; and
- b) Defects or problem to be corrected, when the activities could not be explained.

#### **(5) Coverage**

This item should establish the limits within which the Objective should be sought, so as to define the space of operations of the hired consultant, the equipment and the third party services for which he will be responsible.

Normally, under this topic information is provided such as the geographical scope of the hired consultant's activity (for example: survey of municipality X), the area of knowledge to be considered (for example: aspects of health of the public), the degree of detail (for example: all species with a diameter greater than 5 cm), temporal aspects (for example: check with daily frequency over three months), and complementary obligations (for example: supply of equipment, third party services, etc.).

The correct definition of the Coverage is fundamental for scaling the proposals and for judging them. It is to a large extent based on this detail, that one can calculate the scale of the service to be undertaken, and consequently the man/months necessary<sup>1</sup>, the equipment and materials to be used, the travel, the daily costs and other third party services, thus obtaining factors for the contracting institution to draw up the budget, and for the consultant to draw up the cost of the proposal.

In short, the objectives of this item are:

- To provide a vision of the breadth of the action to be undertaken;
- To initiate the budgetary estimate; and
- To allow the correct scaling of the proposals.

It should contain at least the following data:

- a) The thematic and geographical limits of the specified service;
- b) Temporal aspects (frequency, deadlines) of specific activities;
- c) Level of detail to be observed in the phases of diagnosis and treatment of data; and
- d) Equipment, third party services and other resources for which the consultant will be responsible.

## **(6) Product**

The easiest way of defining what is expected of hiring a consultancy service is to specify the product to be delivered by the consultant. The products may be partial, referring to a particular phase of the work, or final, corresponding to the effective object of the hiring.

Where there are specific objectives for a project, it is desirable to have products corresponding to them, except in the case of determination of activities that correspond to an objective. Other advantages of defining the expected products are the ease in clarifying the quality of the work received and the possibility of its correlation with

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<sup>1</sup> Man/hour, man/day or man/month are units of measurements corresponding to the work of one man in an hour, a day or a month.

deadlines and forms of payment, which simplify controlling implementation of the service.

Specifying the product should give information about its nature (for example: document, report, project, opinion etc.) and describe its content (for example: subject, designs, tables, synthesis, index, etc.).

It is also important to define the type of use of the product to be obtained (courses, permanent reference in work, implementation of activities described, etc.), the depth expected in the treatment of the proposed themes and the type of obligatory or desirable approach.

In short, the objectives of this item are:

- To mention the final products to be supplied by virtue of the contract; and
- To mention the partial products, corresponding to the stages envisaged in attaining the object of the Terms of Reference, if they exist.

It should contain the following information:

- a) Type of product to be supplied, and its basic content;
- b) Obligatory or voluntary approaches to the problems indicated in the "Context";
- c) Scaling of the product, with indication of the degree of depth that will be required; and
- d) Mode of use of the products.

## **(7) Form of Presentation**

This item should indicate the formal requirements for the supply of the products, with the aim of making it easier and more advantageous to use them.

Generally, the following forms of presentation are considered: in writing (in this case, it is recommended indicating the format of the paper, number of pages, organisation of chapters/appendices, number of copies, form of binding, etc.), or in electronic format (specific software recorded on CD or DVD), graphs, photos, videos (specifying the software system).

The language or languages in which the products should be written, input or narrated must be indicated, as well as the number of copies of each product.

It is worth specifying that the products will be presented to the contracting institution in a preliminary version. After they have been analysed, they will be presented again in a final version, as a condition for payment.

In cases where the consultancy consists of the performance of particular activities, and there are no specific products, the mode and frequency of presenting activity reports, which normally do not require greater formalities, should be indicated.

To sum up, the objectives of this item are:

- To describe the formal requirements for presenting the products or reports of activities; and
- To indicate the procedures for presenting the products or reports of activities, for them to be accepted by the contracting institution.

It should contain the following information:

- a) Indication of the language in which the products or reports of activities should be presented;
- b) Means of communication for presenting the product (written or recorded electronically);
- c) Detailed form of presentation for each means: format of the paper, number of copies, organisation into chapters, use of graphic resources, software system, etc;
- d) Indication of the need to present the products in preliminary and definitive versions; and
- e) Specification of the form of presentation of reports, in cases of contracts by activities.

#### **(8) Time period**

This part of the Terms of Reference should indicate the estimated time periods for obtaining each of the partial products (when required) and the final products, and the length of duration of the contract. To this end, it is important to refer to the objectives and products already defined, since the time periods should be coherent with them. In addition, the periods needed for the contracting institution to revise the products, prior to their final acceptance, should be defined.

In the case of hiring by activities, the periods refer to the time in which each of the activities will be undertaken, and the periods in which the reports referring to them should be delivered. In certain types of consultancy, especially in very specialised advisory services, a limit of man/hours, man-days or man-months can be laid down, which will be used depending on the eventual but predictable need for them, and a maximum period should also be established for using them.

Presenting a calendar in the Terms of Reference is very convenient, particularly when dealing with highly complex work, with several interdependent activities and products. The time periods should take as their point of reference the start of the work, and not a specific calendar date, which would render them easily outdated. In any case, the work proposals should be asked to present calendars in the form of a bar graph or figures that make clear the periods for implementing the products and/or activities requested, and the correlation between them.

In short, the objectives of this item are:

- To establish deadlines for presenting partial and final products or to conclude activities; and

- In the case of occasional consultancies, to determine the upper limit of man-hours, man-days or man-months to be used in the objectives of the Terms of Reference.

It should contain, depending on the case, the following information:

- a) Time envisaged for completing the partial and final products, in their preliminary and definitive versions;
- b) Time available for the contracting institution to analyse and return the documents delivered in a preliminary version;
- c) Time laid down to comply with the specified activities and deliver the respective reports;
- d) Number of hours or days envisaged in a contract for an occasional consultancy, and the period for using them; and
- e) Calendar for activities and/or delivery of products.

### **(09) Qualification**

In any of the hypotheses presented in the "Justification" to support the hiring, the minimum professional qualifications for undertaking the services should be clearly specified.

These qualifications are generally based on academic training (setting a minimum level: university course, specialisation, master's degree, doctorate) and the minimum experience that the consultant should have in the specific area of the service to be undertaken (proof of carrying out a particular number of jobs similar to those requested in the Terms of Reference and/or a particular number of years of professional activity).

The experience of the consultant in the geographical area where the work will be done (or at least in the country or continent) and knowledge of the language should also be considered, particularly when hiring international consultants. This local knowledge may be essential in environmental activities and in dealing with the local population.

Skills in writing documents, presenting them verbally, organising courses, etc., if necessary to the work, should be expressly mentioned.

In short, the objectives of this item are:

- To define the minimum qualification regarded as acceptable for undertaking the services specified in the Terms of Reference; and
- To supply, to those responsible for selecting consultants, parameters for assessing their qualifications.

It should contain the following information:

- a) The minimum type of professional training required;
- b) Nature and breadth of specific experience in the thematic area of the job;



- c) Obligatory experience in the place (specific area, country, continent), if required;
- d) Obligatory knowledge of the language and customs of the place of the job, if necessary; and
- e) Writing capacity and other skills necessary for undertaking the services, depending on the case.

#### **(10) Supervision**

The Terms of Reference should define the institution, department or sector with the responsibility for supervising the work. This implies not only inspection, but also follow-up and support of the consultant's work, in revising and discussing the documents produced and in approving them, including for purposes of partial and final payment for the services.

As far as possible, the way this supervision will take place should be defined, not necessarily by laying down detailed procedures, but through directives for this activity. It is advisable to avoid appointing more than one person to whom the consultant should report, to avoid duplicating the supervision and the problems that arise from this.

Often, the covenants or contracts that define the allocation of financial resources demand follow-up of contracted jobs, access to them at any moment, and even the final approval of some products or activity reports. When this type of situation occurs, it should be indicated in the Terms of Reference, for the knowledge of consultants interested in the service.

Frequently, executing tasks within a programme implies complying with procedures of physical and financial monitoring, as well as obedience to the implementation strategy laid down by the contracting institution. The Terms of Reference should make these obligations explicit.

The control of services hired in the form of activities depends on the presentation of regular reports subject to approval by the contracting institution. These reports should refer to the type of activities undertaken, the dates on which they occurred, the results obtained, the problems found, and should make suggestions for developing the services in the following stages.

In short, the objectives of this item are:

- To define responsibility for the supervision and acceptance of the services to be hired, and the way of complying with this function; and
- To list the obligations of the consultant concerning information for monitoring and assessment, as well as attending to follow-up missions.

It should contain the following information:

- a) Institution, department and person responsible for supervising the work; and
- b) General procedures for following and approving the services.

### **(11) Implementation strategy**

Frequently, the object of the contract is not restricted simply to obtaining a product or complying with an activity, but follows a strategy aimed at greater purposes. This is the case, for example, with consultancy work hired for on-the-job training of workers of the contracting institution.

Likewise, dealing with local people, particularly in remote areas, implies undertaking the work within the procedures determined by the institutional policy of the contracting party. Particular services, such as surveying a Conservation Area, may require working methods that are not necessarily those that provide greatest income, but which are subordinate to care for nature and protection of the species that live there.

These and several other possible factors conditioning the service correspond to implementation strategies dictated by policies of the contracting institution or by a higher directive to which it is subject, which should be indicated, albeit succinctly, in the Terms of Reference.

In short, the objectives of this item are:

- To inform the possible consultants of the implementation strategy to be adopted in providing consultancy services; and
- To allow the contracting institution to assess compliance with this strategy.

It should contain, depending on the case, the following information:

- a) Strategies of the institution concerning in-service training of its workers;
- b) Strategies on the treatment and involvement of the local population;
- c) Implementation strategies arising from aspects of environmental protection and other local specificities; and
- d) Governmental or contractual strategies to which the contracting institution is subject, and which should be considered by the consultant.

### **(12) Elements Available**

Present in the Terms of Reference the documents and other elements that will be at the consultant's disposal to facilitate the work. It will indicate the type of information (for example: data already available, documents on the matter, bibliography etc.) and physical installations, equipment and services (for example: rooms, furniture, computers, photocopiers, etc.) that will be at the consultant's disposal for his tasks.

When this is the case, it should mention the workers who will collaborate in the service and the respective levels of training.

In short, the objectives of this item are:

- To indicate the information that will be at the consultant's disposal, to help implement the services to be hired; and

- To assist the definition of the costs of the consultant's proposal, indicating the resources necessary for implementing the services. Supplying them will be the responsibility of the contracting institution.

It should contain the following information:

- a) Documents, bibliography and other information referring to the service to be hired;
- b) Availability of physical resources (rooms, furniture, equipment) that can be used by the consultant in his work;
- c) Services of the institution (inputting, copies, preparation of designs, etc.) that will be at the consultant's disposal; and
- d) Staff of the institution who will support or act as counterparts of the consultant in implementing the services.

**IMPORTANT:** The information below should not be included in the ToRs. It should be used for cost estimates (separately). Some of this information could form part of the contract, but not of the ToRs.

## **Cost**

Making a precise estimate of the cost of the services is fundamental both for approval of the Terms of Reference by the financing agency, and for the compatibility that should exist between the resources made available in the project and the market price of these services. This compatibility, in turn, ensures the viability of the bidding procedure, ensuring that it will not be revoked because the budgetary estimate is incompatible with the proposals presented by bidders in good faith.

Breaking down the components of the cost of the services is necessary both in the hirings for overall price and in the hirings by unit price (for single or specific products). For the hiring of physical person(s), it is enough to detail the price of services at the level of basic remuneration (man/hour, man/day or man/month), taxes, and, when these are not the responsibility of the contracting institution, expenses such as daily costs, travel, and support work (inputting, copies, designs, etc.).

Normally the breakdown of the costs of a consultancy company will indicate: remuneration of the team appointed to implement the contract and respective social charges; remuneration of the autonomous consultants and respective social charges; travel expenses and daily costs; printing services and consumables; indirect costs (understood here as insurance, taxes, depreciation, write-downs, rents, utilities and third party services, etc.) and the remuneration of the company.

In addition to breaking down the cost of the services, this item should indicate the currency or currencies of payment and the form of payment; the body responsible for payment; the obligatory discounts at the source of payment, and the formula for readjusting the price, if necessary and legally supported. All these aspects are of

fundamental interest for the consultant and may determine a greater or lesser interest in doing the work.

The form of paying for the services should be related to the partial and final products, activities to be undertaken, and deadlines established, as well as the norms of delivery and approval of work. Labour costs should be compatible with the professional qualifications required under the item "Qualification" of the Terms of Reference.

In short, the objectives of this item are:

- To indicate the estimated price of the hiring;
- To specify the unit costs of the various factors that make up the total price;
- To establish the form of hiring (by overall price, for services provided occasionally, for activities undertaken over a particular period of time); and
- To establish the form of payment, and the factors that will affect the disbursement of resources, at the expense of the contracting institution.

It should contain the following information:

- a) Currency or currencies of payment for the services;
- b) Estimate of the total price of the services and, when this may be the case, the estimated value for each of the partial or final products required, for the conclusion of part of the activities or for periods of work;
- c) Breakdown of the unit costs of the various factors (remunerations, tickets, daily costs, printing services, social costs, etc.) that make up the total estimated price;
- d) Indication of the contracting institution, of the form of hiring the services and of the possible limitations or advantages that this form of hiring may offer;
- e) Indication of the form of payment and of possible discounts to which the contracted party may be subject; and
- f) Form of readjusting the price of the contract, when this may be the case.