

AusGuideline

General

6.1 Preparing terms of reference

Associated General Guidance

AusGuideline 6.2 *Planning and managing in-country missions*

AusGuideline 6.3 *Managing risk*

AusGuideline 6.4 *Promoting practical sustainability*

AusGuideline 6.5 *Activity quality standards*

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1 Purpose

Terms of Reference (TOR) provide the basis for an individual or team to undertake an agreed assignment. They also provide the yardstick against which the success of an assignment or mission will be measured. They are used in developing the contractual arrangements against which contractors, consultants, AusAID personnel and other team members have to operate.

The purpose of the TOR is to

- provide the rationale for the tasks that will be undertaken by an individual or a team
- detail the tasks to be performed and the time frame for their completion
- indicate the types of reports and documents to be produced, and
- set out the professional requirements of the individual or team.

1.1 When TOR are needed

AusAID prepares TOR to guide the work to be undertaken during the preparation, implementation and post-implementation phases of an activity, such as

- pre-feasibility studies
- feasibility design studies
- appraisal missions
- individual tasks in activity implementation
- reviews
- technical advisory groups
- independent activity completion reports, and
- evaluations.

2 Structure and contents

The typical structure for a TOR is

- background
- objectives of the assignment
- scope of the assignment

- duration and phasing
- specification of the study team, and
- reporting.

The Activity Manager may modify the structure depending, for example, on the nature of the assignment, the stage of the activity to which they refer or the team composition. The following sets out the broad contents of each section of the TOR. Suggestions regarding the detailed content of the Background, Objectives and Scope sections of the TOR for the main types of missions and studies undertaken are set out in Annexes A, B and C respectively.

2.1 Background

This section provides a briefing on the history and rationale of the assignment and places it in the context of the sector, program or activity to which it relates. It will vary in length from a few paragraphs to up to two pages. Where relevant, it should

- place the assignment in the context of partner government strategy and policy as expressed in publicly stated plans and programs
- mention related sectoral activities of the partner government and those supported by AusAID and other donors
- state partner government roles and participation in the mission. The involvement of partner government personnel can be very helpful in terms of gaining insight and information, and in providing information to the partner government about AusAID's requirements and processes and
- provide a brief history of the activity to date. During activity identification and design this should set out what preparation steps and studies have been undertaken to date, and their timing. For implementation reviews, this should summarise relevant achievements, opportunities and problems. The current assignment should be placed within this context.

A list of suggested contents of the Background section for the typical range of studies and missions undertaken is set out in Annex A.

2.2 Objectives of the assignment

The purpose of this section is to specify clearly and concisely the objectives of assignment.

There is a wide range of objectives for AusAID assignments depending on the stage of preparation, implementation or post-implementation of the activity. It is usually possible to identify one clear objective for a mission or assignment in terms of the output required from the assignment. A list of suggested generic objectives is provided in Annex B for the main types of studies and missions usually undertaken.

2.3 Scope of the assignment

The purpose of this section is to provide a detailed description of the tasks required of the individual or team and the outputs required from the assignment.

As the scope of an assignment can be very variable, the Activity Manager will need to find a balance between not specifying the tasks to be undertaken in too much detail (e.g. when the assignment involves a significant element of uncertainty and/or considerable degree of fact-finding) but still being sufficiently detailed to ensure contractual obligations for satisfying the TOR can be clearly met. In general terms, consultants and teams respond better to a more detailed definition of their assignments, but bear in mind that the more the TOR are specified, the less flexibility that an individual or team will have to respond to circumstances in the field.

The specification of the assignment's scope is probably the most difficult part of writing TOR. Suggestions on specifying the scope of the assignment include

- Use a chronological approach to specify what must be done. For a prefeasibility or feasibility design study, this might include a preparatory stage, a stage of consultation at the national level, a field or data collection stage, a consolidation and wrap-up stage, a writing stage and a report finalisation stage. These could be further distilled into preparation, consultation, assessment, activity formulation and reporting stages.
- Identify specific technical tasks and assessments that are required during the assignment. Depending on the nature of the mission, specific sectoral issues for exploration and assessment will need to be mentioned, as will the cross-cutting issues such as gender and environment. Institutional, financial, economic and social analyses may also be required
- The scope should also refer, where relevant, to the identification of risks, the assessment of risks or the strategies to manage risks. Similarly, reference should be made, where appropriate, to the identification and analysis of the factors that are likely to influence sustainability, and to the preparation and assessment of the sustainability strategy.
- Specify the outputs required. For outputs that involve documents, the scope could refer to the specific sections of AusGuide covering the type of analysis, formats and documentation to be produced.

Suggestions for the specification of the Scope section by type of assignment are set out in Annex C.

2.4 Duration and phasing

The purpose of this section is to specify the time frame for the assignment with a clear statement of deadlines, and the phases it will go through.

Missions will generally go through the following phases:

- briefing, including desk studies where appropriate
- fieldwork
- in-country debriefing
- write-up
- in-Australia debriefing
- draft report preparation
- feedback on the report and
- finalising the documents required.

In calculating the time required to undertake the assignment, the following should be borne in mind:

- the number of people available to undertake the tasks
- the extent of preparatory or research work likely to be required
- the likely range of issues that need exploring
- the extent to which a participatory approach to the assignment is envisaged. It is desirable that the stakeholders play a full part in the study. However, they may need sufficient warning and preparation to undertake their roles. The time needed to fully involve stakeholders or beneficiaries in the activity preparation process is often underestimated
- the number of institutions which need to be visited
- the number of different locations that the team or individuals in the team will have to visit
- the remoteness of locations. Assignments requiring extensive community consultations in remote areas will require more time
- the likely availability of transport
- the extent to which extensive preliminary or wrap-up activities or meetings are required and
- the likely time requirements for writing reports, and the expected size and composition of reports, such as the number of essential annexes.

Usually the TOR will specify a start date, a finish date and approximate dates for the various phases of the activities envisaged. Thus a feasibility and design study TOR might specify the date briefing in Australia will commence and the date the first draft of the document should be provided to AusAID. It might also specify the number of days that will be allowed between the provision of comment on the first draft and the submission of the final draft. It might also specify time periods allocated for the different phases (such as initial consultation, field visits and concluding consultations).

2.5 Specification of the study team

The purpose of this section is to specify the professional requirements of the individual and/or team for the assignment including required experience, skills and qualifications.

There are two broad approaches to establishing the requirements for an individual or team in terms of reference

- a skills or attributes approach in which the skills and other qualities required of a team are specified but neither the number nor composition of the team or
- a duties approach in which individual team members are identified by title within the team, and specific duties laid out for them.

The attributes approach broadly corresponds to the use of outputs style contracts. In this case, AusAID is not as concerned, in theory at least, with who is to undertake which tasks as long as the team can adequately demonstrate (through their proposal or bidding) that it can produce the outputs required. The attributes approach is relevant to missions for which contractors are asked to put forward a whole team.

However, AusAID might wish to put conditions, such as which professional area undertakes the leadership of a team. It might also wish to specify the level of seniority or academic qualification that should be present in certain professional areas. It might also wish to specify that young professionals are included in a team and to indicate which professional tasks it would be appropriate for young professionals to undertake. AusAID will wish to ensure adequate attention to gender balance in teams.

The duties approach, by contrast, will specify

- the exact number of team members and their required qualifications, experience and other attributes
- the period of time of engagement for each team member
- the exact duties each member will be required to undertake, and
- the relationship between the team member and other team members (eg in terms of who is to lead whom).

In many cases, the attributes approach is more appropriate as it leaves the exact composition of the team, and who does what, up to the individual team leader or contractor. This can result in a more flexible team in which the team leader can get the best out of each team member. Conversely it can also result in mismatched teams if the scope of services is unclear or if the selection procedure results in a less than ideal team.

The duties approach is appropriate to cases where individuals are contracted separately to form a team. If a duties approach is utilised, it is important to remember that the sum of all the

duties required of different individuals must add up to the total scope of the mission. It is also important to clearly differentiate the duties required of different individuals and to ensure that overlap between team members is minimised.

A hybrid approach to establishing team requirements is also possible. This would see a varying degree of flexibility given to the team leader or contractor, but with AusAID specifying key needs as it sees appropriate.

If partner government personnel are to be involved in the mission, their roles should be specified. It is important to ensure that responsibility for dealing with cross-cutting issues (such as gender, environment, population and poverty) are allocated where appropriate

2.6 Reporting requirements

This section is provided so that the reporting requirements are clearly set out in one place. Usually reporting requirements are referred to in the scope of assignment. However, it is useful to recapitulate these in one clear, concise section of the TOR. In many cases, the acceptance of reports is the trigger for payment of contractors.

The TOR should state the need for clarity, brevity and usefulness in reports. It should also specify the dates when reports are due, the number of copies required, whether an electronic copy is required (and if so, in what format), and the team member who is responsible for coordination of the report preparation. Although the nature and content of written outputs to be produced varies from assignment to assignment, in general terms, the following reporting arrangements apply:

Type of study or mission	Likely written outputs required
Prefeasibility studies	Aide memoire or exit report prior to leaving the country; pre-feasibility study document; TOR for full feasibility design study; updated activity preparation brief
Feasibility and design studies	Aide memoire or exit report prior to leaving the country; activity design documentation; updated activity preparation brief; risk analysis; draft scope of services and payment milestones for future tender documents; suggestions for clauses in the activity-specific MOU with the partner government
Appraisal missions	Aide memoire or exit report prior to leaving the country; appraisal notes or reports; amended activity design documentation (or detailed re-drafting notes to be addressed by the original feasibility design team)
Implementation assignments	Aide memoire or exit report prior to leaving the country may be required; assignment specific report
Reviews	Aide memoire or exit report prior to leaving the country; review report
Technical advisory groups	Aide memoire or exit report prior to leaving the country; monitoring visit report; change frames (if redesign work is included); recommendations

	to AusAID
Independent activity completion reports	Aide memoire or exit report prior to leaving the country may be required; independent activity completion report
Evaluations	Aide memoire or exit report prior to leaving the country; ex-post evaluation report

The TOR will normally include a generic statement that documents produced should conform with AusGuide and include references to the specific sections of AusGuide which the team will need to refer to in order to undertake their tasks.

A Background section of TOR by type of assignment

Type of study or mission	Likely inclusions
Prefeasibility studies	<ul style="list-style-type: none"> ▪ Sectoral and country background ▪ Known related activities ▪ History and details of the proposal ▪ Issues to be investigated (issues papers may be appended to the TOR) ▪ Findings of concept peer review ▪ Commencement and completion dates for in-country work
Feasibility design studies	<ul style="list-style-type: none"> ▪ Sectoral and country background ▪ Known related activities ▪ History and details of the proposal ▪ Details of the results of any prefeasibility study conducted ▪ Issues to be investigated. (Issues papers may be appended to the TOR) ▪ Commencement and completion dates for in-country work
Appraisal missions	<ul style="list-style-type: none"> ▪ Sectoral and country background ▪ Known related activities ▪ Brief history of the proposal and preparatory steps taken ▪ Details of the results of the feasibility and design study already conducted ▪ Objectives of the proposed activity ▪ Discussion of outstanding issues to be addressed by the field appraisal ▪ Key partner government agencies to be involved in field appraisal ▪ Commencement and completion dates for in-country work
Implementation assignments	<ul style="list-style-type: none"> ▪ Sectoral and country background ▪ Brief history of the proposal and preparation of the activity ▪ Details of the implementation of the activity to date, focusing on the field of the assignment and on related previous or concurrent assignments ▪ Commencement and completion dates for in-country work
Reviews	<ul style="list-style-type: none"> ▪ Sectoral and country background ▪ Brief history of the proposal and preparation ▪ Overview of activity objectives and structure ▪ Overview of management arrangements ▪ History of the implementation of the activity to date

	<ul style="list-style-type: none"> ▪ Discussion of implementation problems and issues ▪ Commencement and completion dates for in-country work
Technical advisory groups (TAGs)	<ul style="list-style-type: none"> ▪ Sectoral and country background ▪ Brief history of the proposal and preparation ▪ Overview of activity objectives and structure ▪ Overview of management arrangements ▪ History of the implementation of the activity to date ▪ Discussion of implementation problems and issues, focussing on the issues the TAG will deal with ▪ Commencement and completion dates for in-country work
Independent activity completion study	<ul style="list-style-type: none"> ▪ Findings of the Activity Completion Report ▪ Overview of activity objectives and structure ▪ Overview of management arrangements ▪ History of the implementation of the activity to date ▪ Commencement and completion dates for in-country work
Evaluations	<ul style="list-style-type: none"> ▪ Sectoral and country background ▪ Brief history of the proposal and preparation of the activity ▪ History of the implementation of the activity ▪ Summary of major features and phases of activity implementation ▪ Commencement and completion dates for in-country work

B Objectives section of TOR by type of assignment

Type of study or mission	Generic objectives
Prefeasibility studies (See AusGuideline 3.4)	<ul style="list-style-type: none"> ▪ To formulate the proposed activity to a point where a decision can be made on whether to undertake a feasibility and design study.
Feasibility/design studies (See AusGuideline 3.5)	<ul style="list-style-type: none"> ▪ To test and improve the proposal or prefeasibility study so that a decision can be made on whether the activity can proceed to design. ▪ To prepare a draft activity design that is sound in terms of cross-cutting and sectoral issues and requirements and is likely to be feasible and sustainable.
Appraisal missions (See AusGuide Part 3C)	<ul style="list-style-type: none"> ▪ To make a formal assessment of the draft activity design with a view to recommending whether or not AusAID should proceed to implementation, and, if so, set out how the design might be improved to achieve its objectives prior to finalisation and tendering.
Implementation assignments	<p>The objectives will vary according to the specific issues to be addressed such as</p> <ul style="list-style-type: none"> ▪ to address emerging technical, professional or cross-cutting issues affecting implementation ▪ to review implementation arrangements as part of the overall risk management strategy for the activity <p>These assignments would typically refer to the activity design and to the achievement of agreed outcomes and outputs.</p>
Reviews (See AusGuideline 4.6)	<p>Reviews can be undertaken for a range of purposes such as</p> <ul style="list-style-type: none"> ▪ to address problems being faced by an activity ▪ to decide whether a pilot activity should proceed to full implementation ▪ to decide whether to proceed to the next phase of an activity
Technical advisory groups (TAGs) (See AusGuideline 4.5)	<p>The objectives of TAGs will vary depending on their purpose and whether they are appointed to work on single activities, on sectoral clusters of activities or on activities operating in several countries in a region. Objectives can include providing independent high level advice to AusAID</p> <ul style="list-style-type: none"> ▪ To help monitor inputs, activities, outputs & intermediate outcomes. ▪ To assist in identifying and resolving problems. ▪ To assist in improving activity implementation. ▪ To assess the extent to which expected benefits are being achieved.
Independent completion reports (See AusGuideline 5.1)	<ul style="list-style-type: none"> ▪ To independently assess completed activities. ▪ To validate the performance data provided in the delivery organisation's Activity Completion Report and provide a broader perspective. ▪ To identify lessons learnt. ▪ To help AusAID determine whether to conduct an ex-post evaluation.
Evaluations (See AusGuideline 5.2)	<ul style="list-style-type: none"> ▪ To assess the level of achievement of activity outcomes as identified during design and modified during implementation. ▪ To assess the appropriateness, efficiency, effectiveness and/or impact of the activity. ▪ To assess the impact of the activity on the people, sectors and areas designated in the activity design. ▪ To identify lessons learnt.

C Scope section of TOR by type of assignment

Type of study or mission	Possible inclusions
Prefeasibility studies	<p>The scope can include</p> <ul style="list-style-type: none"> ▪ identification and definition of the development problems and intended beneficiaries ▪ analysing options available to address the problem (e.g. using problem tree and objective tree analysis) ▪ initial assessment of likely viability of alternative approaches ▪ preliminary identification of risks to achieving objectives and factors affecting sustainability. Preparation of preliminary risk management and sustainability strategies ▪ initial environmental assessment of the activity ▪ preliminary assessment of likely outcomes, including poverty reduction ▪ preparation of detailed TOR for a feasibility design study
Feasibility and design studies	<p>The scope can include</p> <ul style="list-style-type: none"> ▪ confirmation of the extent of the development problem ▪ full exposition of the rationale for the activity ▪ confirmation of partner government and other stakeholder willingness to commit resources ▪ examination of feasibility and viability of options available ▪ assessing the feasibility and viability of the preferred option(s) in detail by addressing the key design issues, including, where possible, the overall net benefits ▪ confirmation and refinement of achievable and sustainable outcomes ▪ preparation of a poverty analysis ▪ full risk assessment and development of a risk management strategy ▪ detailed environmental impact assessment, an environmental management plan and a completed Environmental Protection and Biodiversity Conservation Act Referrals Information Form, if required ▪ further development of a sustainability analysis and strategy ▪ development of performance indicators within a monitoring and evaluation framework for the activity ▪ development of the design to the point where it is costed and can be tendered and implemented ▪ development of the draft Scope of Services and Basis of Payment for a future tender process and suggested clauses for inclusion in the activity-specific MOU with the partner government or similar agreement ▪ recommendations on whether to proceed to implementation
Appraisal missions	<p>The scope can aim to</p> <ul style="list-style-type: none"> ▪ confirm the overall merit, or otherwise, of the activity in being able to achieve its intended objectives ▪ recommend whether the activity should be implemented in its current or modified form ▪ assess the quality and internal consistency of the logic and rationale for the design from the point of view of all key stakeholders ▪ assess the activity's viability from technical, institutional, social and

	<p>gender, economic, financial, environmental and other design perspectives</p> <ul style="list-style-type: none"> ▪ determine whether the management and organisational arrangements are credible, implementable and acceptable, including to the partner government and other key stakeholders ▪ determine the adequacy of the monitoring and evaluation (M&E) framework, including provision for baseline studies and M&E processes ▪ assess the intended implementation arrangements including the phasing, timing and duration, resources required and Australian and partner government and agency inputs and budgets ▪ assess whether poverty reduction is a likely outcome of the activity ▪ assess likely sustainability and the adequacy of measures being taken to ensure sustainability ▪ determine whether the activity will operate within acceptable levels of risk and whether a risk management strategy has been prepared ▪ assess whether lessons learnt from previous or related activities have been incorporated ▪ assess whether an appropriate sustainability strategy and a phase-out strategy have been prepared ▪ validate the estimates of benefits, inputs and costs to ensure that they are adequate to meet objectives ▪ assess suitability of proposed inputs and respective costs on partner government agencies and seek PG agreement, including PG's allocation of necessary resources after activity completion ▪ assess whether sufficient detail has been provided to allow AusAID to proceed with preparing contract documents ▪ identify amendments to the design and assess whether they are likely to be agreed by the partner government
Implementation assignments	No description of generic inclusions is possible for this stage, given the wide variety of possible tasks.
Reviews	<p>The scope can include assessment of</p> <ul style="list-style-type: none"> ▪ whether original objectives and design of the activity are still relevant (e.g. in the light of changes that may have taken place within the sector/public service/economy) ▪ the likelihood of the activity meeting its objectives within the scheduled time frame and with the inputs as planned and budgeted ▪ progress in delivering outcomes and outputs ▪ appropriateness of approaches and mechanisms used ▪ appropriateness of institutional and organisational arrangements ▪ appropriateness of activity management, reporting and monitoring arrangements ▪ usefulness of monitoring and evaluation framework for data collection, analysis and reporting ▪ the effectiveness of training and other human resource development arrangements, and sustainability of improved capacity ▪ the likelihood of the activity reducing the poverty of the target group ▪ sustainability of outcomes and appropriateness of sustainability strategy ▪ identification and management of risks ▪ degree that environmental issues and impacts are being adequately

	<p>addressed and managed</p> <ul style="list-style-type: none"> ▪ performance of the delivery organisation ▪ quality of relationships among all stakeholders ▪ strength of PG support and provision of PG inputs ▪ likelihood of the PG providing adequate recurrent budget ▪ status of phase-out activities and exit strategy ▪ identification of problems, issues and optimal solutions ▪ recommendations for any required changes to the activity
Technical advisory groups (TAGs)	<p>Many of the issues to be covered by TAGs are similar to those for reviews. Specific TOR may be developed for each mission. The following could be considered</p> <ul style="list-style-type: none"> ▪ the split of work between overseas and home country ▪ specific issues to be dealt with by the TAG ▪ the role of the TAG in regard to recommending changes to AusAID, and its relationship with the Joint Management Committee (JMC) and partner government
Independent activity completion report	<p>The scope should include assessment of</p> <ul style="list-style-type: none"> ▪ quality of activity completion report ▪ independent examination of the extent to which planned outputs have been completed and agreed objectives met as agreed in the activity design, implementation documents, and delivery agreement ▪ assessment and comment on any changes to the original objectives and methods of implementation ▪ examination of the actual costs of the activity compared to original estimates ▪ examination of the treatment of risk and the risk management strategy adopted ▪ analysis of successes ▪ examination of any positive and negative impacts, such as on the environment, and how they were assessed and managed ▪ examination of sustainability strategy and likely sustainability ▪ identification of lessons learned ▪ contribution made to poverty reduction ▪ partner country government's view on the relative success (or otherwise) of the activity ▪ confirmation of key documents and dates
Evaluation	<p>The scope should examine</p> <ul style="list-style-type: none"> ▪ the extent to which the specific objectives, benefits and impacts were, or were not, achieved ▪ the extent, and implications of, the impact in social, economic, financial, institutional and environmental terms ▪ the views and experience of groups who have benefited from, been involved in, or affected by the activity wherever possible ▪ the extent to which the activity benefits are sustainable ▪ lessons learnt (operational and developmental)