**GUIDANCE NOTE: DRAFTING TERMS OF REFERENCE FOR APEC PROJECTS**

1. **What are Terms of Reference?**

**Terms of Reference** (ToR) provide an agreed basis for a **contractor** (such as an individual consultant, expert, or a specialist consulting firm) to undertake a task or assignment to deliver outputs or activities under an **APEC-funded Project** approved by BMC. The work that a contractor performs is generally described as the **services** under the contract. ToR are used for APEC Project contracts with a value less than US$20,001. Above this value, service requirements are outlined within Request for Proposal (RFP) documentation. Please refer to Contracting Forms & Resources on [www.apec.org](http://www.apec.org) for more information.

We use contractors in Projects where specialist services are required to ensure the outcomes of the Project are delivered. Contractors provide their services under the supervision of the **Project Overseer** (PO) but the contract itself is a legal agreement between the APEC Secretariat and the contractor. All contracting must be consistent with the project scope as defined in the BMC-approved **Project Proposal** and any proposed changes must be submitted to the APEC Secretariat.

The purpose of a ToR is to:

* Set the scene by providing a background of the Project and a rationale for the services.
* Define the specific tasks to be performed and describe a service delivery timeline. These should be consistent with the BMC-approved Project Proposal.
* Identify verifiable milestones that will trigger contract payments.
* Specify all outputs the Contractor will be responsible for producing, including services or products like Project Reports. The outputs should be consistent with the BMC-approved Project Proposal.
* Set out the professional requirements (skill sets, experiences) of the individual or firm.

In APEC, the PO is tasked with the job of developing the draft ToR and identifying the preferred contractor. Every ToR must be submitted for approval by the Secretariat well in advance of when work is expected to start. This gives the Secretariat the opportunity to review the ToR and if required, make changes to enhance the ToR. The APEC Project Letter of Acceptance will identify the lead-time recommended, but 6-8 weeks is the general guideline and POs should ensure that the overall project Work Plan accommodates the time required to get contracts in place. The APEC Secretariat will not pay contractors for work that commences before the contract starts.

Once approved, the content contained in the ToR will usually be transposed (with edits as necessary) into the draft contract under *Special Conditions*, under ‘Scope of Services’ and associated sub-clauses. The *Expected Milestones Schedule* table in the ToR also forms part of the *Special Conditions* in the contract. The value of individual milestone payments should reflect the scale of work undertaken to deliver the milestone. If in doubt, milestone payments can be evenly spread. Payments should not be triggered merely by signing the contract. Contracts under $20,001 will generally have between one and three milestone payments.

1. **What should my Terms of Reference look like?**

A good ToR will be clearly written, and contain the detail necessary to leave no doubt regarding the exact expectations of the Contractor. Ask yourself – would it provide a clear understanding to someone unfamiliar with the Project? For the avoidance of doubt, specific terms for outputs must be capitalised (*Final* *Project Report*, not *final* *project report*) and used consistently if they describe the same thing throughout the ToR (don’t switch from writing *Final Project Report* to *Project Report* for example). All acronyms should be spelled out the first time. Following these basic rules will help eliminate confusion for the reader.

To assist those looking for a basic structure, the information and example provided below provide a suggested ToR framework. However, a ToR can still be effective based on a different framework.

***Suggested ToR framework:***

1. *Background and Objectives*

This section should set the scene. It should provide some background on the objectives of the Project; describe the form the Project will take (e.g. a workshop/policy dialogue/research paper); and overview the desired outcomes of the Project, including what kinds of services and activities will be expected of the Contractor. This section will vary in length but is usually around half a page.

1. *Scope of Work*

The purpose of this section is to provide a clear and specific description of the tasks and services required of the Contractor, and the outputs the Contractor is expected to deliver. This has to be sufficiently detailed to provide a basis for a contract and to ensure expectations on all sides (the PO, Contractor and Secretariat) are the same. Please note that Contractors respond better to a detailed definition of their tasks or assignments. Careful and detailed specification in this part of the ToR will help to reduce possible disputes or misunderstandings during project implementation.

When drafting the Scope of Work, please consider the following:

* Ensure the scope is aligned to the Project Proposal.
* List activities/tasks in chronological order, especially if the task is complicated or multi-faceted. This could be separated into different stages of the activity e.g. ‘Preparation’, ‘Implementation’ and ‘Reporting’.
* Capitalise key outputs so they are easily identified e.g. Final Project Report; Workshop etc
* Specify the actual outputs to be delivered. For outputs that involve information products, such as reports, the scope should refer to the size, layout and content of the report e.g. *No more than 20 pages, including a 2-page Executive Summary and 2-page list of policy recommendations*. See Reporting Requirements below for further information.
* Ideally, the Scope of Work should also refer to the identification of risks which are included in the Project Proposal.
* Identify the specific tasks to be undertaken and disclose the breakdown (hours to be worked, rates of pay, and number of staff hired) of the proposed remuneration.
* Proposed remuneration must be commensurate with the nature of the duties required and local market rates.
* For research-based work (including case-studies, surveys and reviews) the ToR must set out the purpose and scope of the proposed work; the methodology to be used; and the level of experience and qualifications expected of the researcher. Work should be original, high quality, and be produced for the specific purpose of the APEC-funded project.
* For website development and databases, identify objectives, clear timelines and methodology. Specify Contractor tasks required such as design, supporting analysis, development, testing, training, roll-out, and the production of associated documents like user manuals. Funding for websites and databases must be compliant with the APEC with the Guidebook on APEC Projects.
1. *Duration and phasing*

The purpose of this section is to clearly specify the time frame for the assignment with a clear statement of the proposed deadlines. The proposed activities, Contractor deliverables/outputs, number of hours the Contractor is expected to spend on specified tasks, and delivery timeframes can be identified here. The ToR should specify the start date and end date and approximate dates for stages of the activity if needed.

1. *Specifications of the skills and expertise required*

The purpose of this section is to specify the skills, qualifications and expertise required from the Contractor. If the tasks involve a team of Contractors please ensure that the details about who does what are detailed and clarified. In the case of individuals, the skills, qualifications and experiences that are required for the task should be very detailed to ensure that the right person or team is selected for the task.

1. *Reporting requirements.*

Practically all ToR will specify that a Contractor deliver/coordinate project reporting, or other information products such as best practice compendia, policy guidelines, case-study reports, and so on. It is critical that ToR are very specific about the form and content of these products, especially since these products are often a key deliverable for the Project and trigger contractual payments. The ToR should identify the purpose of the report and stipulate the terms of reference or methodology that may apply to the report, especially if the report or information product is based on research, surveyed information, or is a technical report. The ToR should state: when reports are due; the length of the document in question (number of pages); the expectations regarding layout; the format (the number of copies required if printed); and who is responsible for delivering the report or product if it involves more than one person. For more specific information in relation to the preparation of *Project Final Reports* specifically, please visit the Projects pages of the APEC website ([www.apec.org](http://www.apec.org)).

It is important that any product that is intended for publication as an APEC publication is identified as such within the ToR. The ToR must state that these be prepared in accordance with the Guidebook on APEC Projects, the APEC Publication Guidelines and the APEC Logo Guidelines; and state the requirement that all such products must first be accepted by the APEC Secretariat for publication, then endorsed by the APEC forum in question. Material submitted to the APEC Secretariat for circulation to the forum and for publication must not require any further copy-editing and be written to a good standard of English.

**An example ToR is provided below.**

**EXAMPLE TERMS OF REFERENCE (ToR)**

**Project Number & Title: ECG 01 2021X – Generating Low-Emission Improvement Strategies (LEIs) in the Transport Sector**

**Project Overseer’s**

**Contact Details: William Smith**

**Department of Energy and Environment**

**Email: william.smith@doee**

**Contract Value: US$17,000 for Contractor fee**

 **Nil reimbursable costs**

1. **BACKGROUND AND OBJECTIVES**

Globally, the transport sector is responsible for approximately 23% of total energy-related carbon dioxide (CO2) emissions. The transport sector offers considerable potential for climate change mitigation and low carbon, energy efficiency gains through the implementation of comprehensive policies, behavioral change and adoption of energy efficient technologies. The Intergovernmental Panel on Climate Change (IPCC) states that a 15-40% reduction of CO2e from the global transport sector is plausible by 2050 compared to baseline growth. Planning to implement climate action in the transport sector to meet contributions is a common and key issue in APEC economies (and beyond). There is a need to address the reduction of emissions in the transport sector, at both economy and regional levels, because CO2 emissions from fuel combustion in the APEC region are forecast to rise by around 32% between 2010 to 2035. APEC economies will need support to i) transition to a low-carbon economy and ii) increase ambition towards their individual emission reduction targets.

This APEC project focuses on energy efficiency in the transport sector and aims to support the adoption of Low-Emission Improvement Strategies (LEISs) in the APEC region. The project has three components:

1. The preparation of the Background Report, based on desktop research and analysis of the energy efficiency policy landscape in the transport sector in the APEC region;
2. The planning of three, one-day virtual Workshops held between 1-31 May 2021, each one focusing on energy efficiency in the transport sectors of three identified APEC economies. Each workshop will convene domestic and regional stakeholders and international experts from the energy and transportation industry, government agencies and academia, to assist each of the three APEC economies to develop a LEIS; and
3. The preparation of a policy Roadmap that will identify specific energy efficiency policy gaps, barriers and opportunities in the region and present policy recommendations for all APEC economies on best practice design and implementation of energy efficient, low-emissions policies in transportation. The Roadmap will be published as an APEC publication.
4. **SCOPE OF WORK**

The selected Contractor will be responsible for delivering the following services and outputs:

1. **Preparing a Background Report**
	1. Conduct desktop research and analysison the energy efficiency policy landscape in APEC economies, including an overview of the key energy needs and gaps in the region, common challenges and barriers to reducing emissions shared by APEC economies, and identifying APEC economies with LEISs in place;
	2. Including in the Background Report, 3 case studies presenting successful and innovative policy approaches to reducing emissions, with at least 2 to be from APEC economies;
	3. The Background Report will be titled ‘Energy Efficiency and Low-Emission Improvement Strategies in the Transportation Sector in APEC Economies’ and be a maximum of 20 pages and include an Executive Summary of maximum 3 pages;
	4. The Report will be completed and approved by PO no later than 31 March. It will be circulated to Workshop participants before the first Workshop.
2. **Planning three (3) one-day virtual Workshops in May 2021**
	1. Identify, in collaboration with the Project Overseer (PO), three APEC economies to be the focus of the workshops;
	2. Identify, in consultation with the PO, the dates for the three Workshops (between 1-31 May 2021);
	3. Identify, in consultation with the PO, 3 experts/speakers for each Workshop (9 in total), and invite and confirm their participation in the relevant Workshop. Experts to be drawn from a mix of public and private sector organisations, academic institutions and regulatory agencies from APEC economies and international bodies;
	4. Develop the Workshop documents, including an agenda; General Information Circular (GIC); expert/speaker biographies; participant nomination form; and participant evaluation survey, for each Workshop;
	5. Attend and facilitate each virtual Workshop, including introducing speakers; moderating and summarizing panel discussions; and taking notes; and
	6. Draft a Summary Report for each Workshop, including summaries of the presentations and discussions, outcomes/recommendations for each economy, and summarised results from the participant evaluation survey, to be completed no later than 2 weeks after each workshop. Summary Reports to be 10-15 pages.
3. **Developing a Roadmap on Promoting Energy Efficiency and Emissions Reduction in the Transportation Sector in the APEC Region**
	1. Develop a Roadmap for public sector energy and transport officials in APEC economies. The Roadmap will identify the key energy challenges and needs in the region’s transport sector, compare and contrast best practice policy approaches; and provide at least 5 key policy recommendations to guide regional actions to improve energy efficiency and reduce emissions in their transportation sectors;
	2. The Roadmap will be between 15-20 pages, including an Executive Summary of 1-2 pages and a list of policy recommendations of 1-3 pages;
	3. The Roadmap will include an annex containing the customised policy approaches discussed at each of the three Workshops; and
	4. The Roadmap shall be produced for publication as an APEC Publication. It is expected a maximum of 2 drafts shall be developed, with the final draft Roadmap being ready to submitted to the APEC Secretariat for acceptance by 20 August, and any final changes required by the Secretariat effected by 30 September.

In addition, the selected Contractor will Provide general project management support, including:

1. Keeping the PO informed of progress of the work and timelines on a regular basis;
2. Ensuring all Workshop participants, including experts, are briefed on their roles, entitlements and obligations before they are engaged to participate in the Workshops; and
3. Collecting and providing all necessary information as required by APEC fora (particularly ECG) and the APEC Secretariat to monitor the progress and evaluate the results of a project.
4. **DURATION AND PHASING**

Work shall commence no earlier than February 2021 and is expected to be completed by 30 September 2021.

| **Project Activities** | **Hours** | **Contractor Deliverable** | **Due Date** |
| --- | --- | --- | --- |
| *Timeframe: Background Paper drafting – February-31 March 2021* |
| * Research and draft the Background Report (‘Energy Efficiency and Low-Emission Improvement Strategies in the Transportation Sector in APEC Economies’) according to the specifications in the Scope of Work.
 | 30 hours | * Final Background Report
 | 31 March |
| *Timeframe: Pre-Workshop preparation – February-30 April 2021*  |
| In consultation with PO:* Identify and confirm three suitable APEC economies to be the focus of each workshop; identify dates (in May) for each Workshop; identify nine experts/speakers (three per workshop) and confirm attendance; draft all Workshop documents.
 | 50 | * 3 APEC economies identified as focus of Workshops
* Confirmed dates of the three Workshops
* Confirmed list of nine speakers
* Finalisation of all pre-workshop documents (agendas; GICs; speaker biographies; participant nomination forms; participant evaluation surveys).
 | 30 April  |
| *Timeframe: Workshop Delivery and post-Workshop reporting – 1 May-June 2021* |
| * Delivery of three Workshops, as described in Scope of Work;
* Preparation of the three Summary Reports as described in Scope of Work.
 | 100 | * Attendance at Workshop
* Moderator role (introducing speakers; moderating and summarizing panel discussions; taking notes)
* Three Workshop Summary Reports
 | 1-31 May (Workshop support)No later than 2 weeks after the final Workshop (Summary Reports) |
| *Timeframe: Drafting and Finalisation of Roadmap – June-20 August 2021* |
| * Drafting of the Roadmap to be titled ‘Promoting Energy Efficiency and Emissions Reduction in the Transportation Sector in the APEC Region’, including an Executive Summary of 1-2 pages, a list of policy recommendations of 1-3 pages, and an annex containing proposed customised policy interventions from the 3 Workshops. Two drafts are anticipated and will be circulated with ECG members for feedback/comment. The final draft will be ready to be shared with the APEC Secretariat for acceptance 6 weeks in advance to ensure Contractor can effect any necessary changes and finalise by 30 September.
 | 80 hours | * First and second draft Roadmaps
* Final Roadmap
 | No later than 30 June (first draft)No later than 30 July (second draft)By 20 August (final Roadmap, ready to be shared with APEC Secretariat)  |

***PROPOSED MILESTONE SCHEDULE***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **#** | **Services** | **Format** | **Quantity** | **Means of Verification** | **Services Delivery Date** | **Fee (in US$, inclusive of taxes)\*** |
| 1 | Background Report | English; Electronic (MS Word)  | One  | Written acceptance and certification by the PO | 31 March 2021 | $3000 |
| 1 | All pre-workshop deliverables described above, including workshop documents  | English; Electronic (MS Word) copy of all written outputs | One copy of each written output | Written acceptance and certification by the PO | 30 April 2021 | $5,000 |
| 2 | Delivery of three (3) Workshop Summary Reports, including participant evaluation results | (Summary Reports) English; Electronic (MS Word), 10-15 pages (each)  | One copy of each written output | Written acceptance and certification by the PO | 30 June 2021 | $3,000 |
| 3 | Final draft Roadmap  | English; Electronic (MS Word), between 15-20 pages and complying with the APEC Publication Guidelines | One copy | 1. Acceptance by the Secretariat.
2. Endorsement by ECG.
3. Written acceptance and certification by the PO.
 | 30 September 2021 | $6,000 |
| **Total Value (including Tax): US$** | $17,000 |

1. **SPECIFICATIONS OF SKILLS SETS AND EXPERIENCE**

The skills and experiences required of the Contractor are:

1. Qualifications and work experience in the field of energy efficiency and emissions reduction policies in transport or related sectors;
2. Proven research, analytical and report writing skills;
3. Ability to engage and consult diverse stakeholders effectively;
4. (Desirable) Experience of organising and facilitating events;
5. Strong command of English (written and spoken).
6. **REPORTING REQUIREMENTS**
7. **Background Report**

The Background Report shall be a maximum of 20 pages and contain:

1. Executive Summary of maximum 3 pages
2. Research and analysis on the energy efficiency policy landscape in APEC economies
3. An overview of the key energy needs and gaps in the region, common challenges and barriers to reducing emissions shared by APEC economies
4. A list of APEC economies with LEISs in place
5. Three (3) case studies (minimum 2 APEC economies) of innovative policy approaches to reducing emissions.
6. **Final Roadmap**

The Roadmap shall be between 15-25 pages in total length and contain:

1. Executive Summary of 1-2 pages
2. Background and overview of common energy challenges and needs in the APEC region (drawing on Background Report)
3. List of policy recommendations of 1-3 pages
4. Annex of the customised policy interventions resulting from each of the three Workshops.
5. **Workshop Summary Reports**

Each Workshop Summary Report shall be no more than 15 pages in length and contain:

1. Title Page
2. Table of Contents, Glossary and acronym list
3. Overview of the Workshop (dates, speakers, agenda)
4. Summary of presentations
5. Summary of discussions
6. Summary of policy interventions developed in the Workshops.

The Final Roadmap will be an APEC Publication. Items for publication must be prepared in accordance with the Guidebook on APEC Projects, APEC Publication Guidelines and APEC Logo Guidelines. The Roadmap must first be accepted by the APEC Secretariat as being suitable as an APEC publication. When submitted to the APEC Secretariat it must not require any further copy-editing and reflect a level of English fit for publication.