



## إعلان طلب تقديم عروض مالية وفنية

لتقديم خدمات التدقيق المالي والفني ونظام الرقابة الداخلي والمشتريات لمشروع إدارة النفايات الصلبة  
للسنوات 2021/2022/2023/2024

الممول من الاتحاد الأوروبي وتحت إشراف الوكالة الفرنسية للتنمية

## "Selection of Consulting Services for: Financial, Internal Control System, Procurement, and Technical Audits of SOWP for The Years 2021, 2022, 2023 and 2024"

عطاء رقم ( CJO1062/2332/SER/2023 )

تدعو وزارة الإدارة المحلية شركات (مكاتب) تدقيق الحسابات المحلية والمعتمدة والمسجلة لغايات تقديم خدمات التدقيق المالي والفني والتي ترغب بالمشاركة في طلب تقديم العروض أعلاه لتقديم عروضها الفنية والمالية لتدقيق مشروع النفايات الصلبة للأعوام 2021/2022/2023/2024 وفقاً للإطار التنظيمي المعمول به لمشروع النفايات الصلبة والوثائق التكميلية والموقعة من قبل الوكالة الفرنسية للتنمية ووزارة الإدارة المحلية وفقاً للشروط التالية:

- تقديم رخصة مهن سارية المفعول
- يجب ان تكون شركات التدقيق مسجلة ومرخصة وفقاً للتشريعات الأردنية للقيام بخدمات مماثلة في الأردن وتقديم الوثائق المعززة لذلك.
- حاصل على عضوية الاتحاد الدولي للمحاسبين (International Federation of Accountants (IFAC) أو عضوية هيئة أو مؤسسة وطنية للمحاسبة أو التدقيق شريطة الالتزام بمعايير الاتحاد الدولي للمحاسبين.
- تقديم إجازة تدقيق سارية المفعول.
- يجب ان لا يقل عدد المدققين المجازين في الشركة (مكتب التدقيق) عن ثلاثة مدققين (3) ووفقاً للشروط المرجعية.

مع ملاحظة ما يلي:

- 1- وصف العمل: تقديم خدمات التدقيق المالي والفني ونظام الرقابة الداخلي والمشتريات لمشروع إدارة النفايات الصلبة للسنوات 2021/2022/2023/2024 والممول من الاتحاد الأوروبي وتحت إشراف الوكالة الفرنسية للتنمية .
- 2- الجهة المشترية والجهة المستفيدة: وزارة الإدارة المحلية.
- 3- الدعوة متاحة للشركات المحلية وفقاً للإرشادات الواردة في وثيقة طلب تقديم العروض، ووفقاً لنظام المشتريات الحكومية الأردني رقم 8 لسنة 2022.

- 4- وثيقة طلب تقديم العروض متاحة باللغة الانجليزية للتحميل المجاني من الموقع الإلكتروني لوزارة الإدارة المحلية ([www.mola.gov.jo](http://www.mola.gov.jo)) وموقع الوكالة الفرنسية للتنمية <http://afd.dgmarket.com>.
- 5- يتم ارسال الاستفسارات الى البريد الإلكتروني [hussain\\_mhaidat@yahoo.com](mailto:hussain_mhaidat@yahoo.com) في [solid.waste@moma.gov.jo](mailto:solid.waste@moma.gov.jo) في موعد لا يتجاوز الساعة 1:00 (حسب التوقيت المحلي الأردني) من مساء يوم الأربعاء الموافق 2023/4/12.
- 6- تأمين دخول عطاء على شكل كفالة بنكية أو شيك مصدق بقيمة ( 1200 يورو أو ما يعادلها بالدينار الأردني)، حسب شروط العطاء ترفق مع العرض المقدم.
- 7- تأمين حسن تنفيذ بقيمة 10% من قيمة العقد.
- 8- تقدم الشركات عروضها في مغلف واحد يتضمن ثلاثة مغلفات منفصلة ومغلقة على النحو التالي: **المغلف الأول يتضمن تأمين دخول العطاء، المغلف الثاني يتضمن العرض الفني، المغلف الثالث يتضمن العرض المالي الى العنوان التالي:** وزارة الإدارة المحلية / مديرية النفايات الصلبة، مكتب رقم 613 الطابق الرابع، شارع زهران- جبل عمان الدوار الثالث عمان، الأردن، في موعد أقصاه الساعة 1:00 (حسب التوقيت المحلي الأردني) من مساء يوم الأحد الموافق 2023/4/30، وسيتم رفض استلام اي عروض متأخرة عن الموعد أعلاه.
- 9- سيتم فتح العروض الفنية وتأمينات دخول العطاء في تمام الساعة 1:30 (حسب التوقيت المحلي الأردني) من مساء يوم الأحد الموافق 2023/4/30 في مبنى وزارة الإدارة المحلية – الطابق الثالث / شارع زهران – جبل عمان الدوار الثالث – عمان، الاردن.
- 10- تحفظ العروض المالية مغلقة وستفتح لاحقاً للشركات التي تم تأهيلها فنياً وستعاد العروض المالية مغلقة للشركات التي لم تتأهل فنياً.
- 11- يحق للجهة المشتريّة (وزارة الادارة المحلية) او لجنة الشراء الخاصة إلغاء طلب تقديم العروض أو إعادة الطرح دون إبداء الأسباب ودون ان يترتب أي التزامات مالية أو قانونية.
- 12- على الشركات المهتمة متابعة الموقع الإلكتروني لوزارة الإدارة المحلية [www.mola.gov.jo](http://www.mola.gov.jo)، وموقع الوكالة الفرنسية للتنمية <http://afd.dgmarket.com> للحصول على اي ملاحق و/أو إعلانات قد تصدر على طلب تقديم العروض.
- 13- أجور الاعلان في الصحف المحلية (مهما تكرر ذلك) ستنحملها الشركة التي سيحال عليها العطاء وتدفع خلال فترة توقيع العقد.

المهندس حسين مهيدات

أمين عام وزارة الإدارة المحلية

رئيس لجنة الشراء الخاصة



## SELECTION OF CONSULTANT

# National Competitive Bidding

## Request for Proposals

RFP No.: CJO1062/2332/SER/2023

### Selection of Consulting Services for:

**Financial, Internal Control System, Procurement, and  
Technical Audits of SOWP for The Years 2021, 2022, 2023  
and 2024**

**Client:** Ministry of Local Administration

**Country:** Jordan

**Issued on:** 22-3-2023

Support to the Implementation of the National Solid Waste Management Strategy

Funded by the EU through the French Development Agency (AFD)



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# PART I – SELECTION PROCEDURES AND REQUIREMENTS

## Section I - Instructions to Consultants

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## A. General Provisions

- 1. Definitions**
- 1.1 **"Affiliate(s)"** means an individual or an entity that directly or indirectly controls, is controlled by, or is under common control with the Consultant.
- 1.2 **"Applicable law"** means the laws and any other instruments having the force of law in Jordan, as they may be issued and in force from time to time.
- 1.3 **"AFD"** means *Agence Française de Développement* (AFD).
- 1.4 **"Client"** means the Ministry of Local Administration of Jordan that signs the Contract for the Services with the selected Consultant.
- 1.5 **"Consultant"** means a legally established professional consulting firm or an entity that may provide or provides the Services to the Client under the Contract.
- 1.6 **"Contract"** means a legally binding written agreement signed between the Client and the Consultant. It includes all the attached documents listed in its Clause 1 [(the Conditions of Contract (CC)], and the Appendices).
- 1.7 **"Day"** means a calendar day.
- 1.8 **"Experts"** means, collectively, Key Experts, Non-Key Experts, or any other personnel of the Consultant, or Joint Venture member(s).
- 1.9 **"Joint Venture (JV)"** means an association with or without a legal personality distinct from that of its members, of more than one Consultant where one member has the authority to conduct all business for and on behalf of any and all the members of the JV, and where the members of the JV are jointly and severally liable to the Client for the performance of the Contract.
- 1.10 **"Key Expert(s)"** means an individual professional provided by the Consultant, whose skills, qualifications, knowledge and experience are critical to the performance of the Services under the Contract and whose CV is considered in the technical evaluation of the Consultant's Proposal.
- 1.11 **"ITC"** (this Section I of the RFP) means the Instructions to Consultants that provide the interested Consultants with all information they need to prepare their Proposals.
- 1.12 **"Non-Key Expert(s)"** means an individual professional provided by the Consultant and who is assigned to perform the Services or any part thereof under the Contract and whose CVs are not evaluated individually.
- 1.13 **"Proposal"** means the technical Proposal and the financial Proposal of the Consultant.
- 1.14 **"RFP"** means the Request for Proposals document prepared by the Client for the selection of Consultant.
- 1.15 **"Services"** means the consulting services work to be performed by the Consultant pursuant to the Contract.
- 1.16 **"TOR"** (Section VII of this RFP) means the Terms of Reference that explain the objectives, scope of work, activities, and tasks to be performed, respective responsibilities of the Client and the Consultant, and expected results and deliverables of the Services.

- 2 Introduction**
- 2.1 The Client intends to select a Consultant in accordance with the **Quality and cost** ("QCBS) method of selection.  
Type of Contract is **Lump-sum**.
- 2.2 The interested Consultants are invited to submit a technical Proposal and a financial Proposal for the Services named 'Financial and Technical Audit of the SOWP for the fiscal years 2021 to 2024'. The Proposal will be the basis for negotiating and ultimately signing the Contract with the selected Consultant.
- 2.3 The Consultants should consider the Applicable law in preparing their Proposals. A pre-Proposal conference will not be held.
- 3 Conflict of interest**
- 3.1 The Consultant is required to provide professional, objective, and impartial advice, strictly avoiding conflicts with other assignments or its own corporate interests and acting without any consideration for future work.
- 3.2 The Consultant has an obligation to disclose to the Client any situation of actual or potential conflict of interest that impacts its capacity to serve the best interest of its Client. Failure to disclose such situations may lead to the rejection of the Consultant's Proposal or the termination of its Contract.
- 3.3 Without limitation on the generality of the foregoing, the Consultant shall not be hired under the circumstances set forth below:
- 3.3.1 Conflicting activities
- 3.3.1.1 Conflict between consulting activities and procurement of goods, works or non-consulting services: a firm that has been engaged by the Client to provide goods, works, or non-consulting services for a project, or any of its Affiliates, shall be disqualified from providing consulting services resulting from or directly related to those goods, works, or non-consulting services. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, or any of its Affiliates, shall be disqualified from subsequently providing goods or works or non-consulting services resulting from or directly related to the consulting services for such preparation or implementation.
- 3.3.2 Conflicting assignments
- 3.3.2.1 Conflict among consulting assignments: a Consultant (including its Experts) or any of its Affiliates shall not be hired for any assignment that, by its nature, may be in conflict with another assignment of the Consultant for the same or for another Client.
- 3.3.3 Conflicting relationships
- 3.3.3.1 Relationship with the Client's staff: a Consultant (including its Experts) that has a close business or family relationship with a professional staff of the Client who are directly or indirectly involved in any part of (i) the preparation of the Terms of Reference for the Services, (ii) the selection process for the Contract, or (iii) the supervision of the Contract, may not be awarded a Contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the



Client throughout the selection process and the execution of the Contract.

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| <b>4 Unfair competitive advantage</b>     | 4.1 Fairness and transparency in the selection process require that the Consultants or their Affiliates competing for the assignment do not derive a competitive advantage from having provided consulting services related to the assignment in question. To that end, the Client makes available to all interested Consultants together with this RFP all information that would in that respect give such Consultant any unfair competitive advantage over other competing Consultants.   |
| <b>5 Corrupt and fraudulent practices</b> | 5.1 AFD requires compliance with its policy regarding corrupt and fraudulent practices as set forth in Section IV.   |
| <b>6 Eligibility</b>                      | <p>6.1 AFD financing may benefit to Consultants (firms, including Joint Ventures and their individual members) from all countries to offer consulting services for AFD-financed projects subject to compliance with the eligibility criteria specified in Section III.</p> <p>6.2 Furthermore, it is the Consultant's responsibility to ensure that its Experts, Joint Venture members, agents (declared or not), service providers, suppliers and/or their employees meet the eligibility requirements as established by AFD in Section III.</p> <p>6.3 Government officials and civil servants of Jordan are not eligible to be included as Experts in the Consultant's Proposal unless such engagement does not conflict with the Applicable law, and they (i) are on leave of absence without pay, or have resigned or retired; (ii) are not being hired by the same agency they were working for before going on leave of absence without pay, resigning, or retiring; and (iii) their hiring would not create a conflict of interest.</p> <p>6.4 Subcontracting of part or whole of the Services is not permissible.</p> |

## B. Preparation of Proposals

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| <b>7 General considerations</b>             | 7.1 In preparing the Proposal, the Consultant is expected to examine the RFP in detail. Material deficiencies in providing the information requested in the RFP may result in rejection of the Proposal.   |
| <b>8 Cost of preparation of Proposal</b>    | 8.1 The Consultant shall bear all costs associated with the preparation and submission of its Proposal, and the Client shall not be responsible or liable for those costs, regardless of the conduct or outcome of the selection process.  |
| <b>9 Language</b>                           | 9.1 The Proposal, as well as all correspondence and documents relating to the Proposal exchanged between the Consultant and the Client shall be written in English.  |
| <b>10 Documents comprising the Proposal</b> | <p>10.1 The Proposal shall comprise (a) the <b>Bid Security</b>, (b) the <b>technical Proposal</b>; and (c) the <b>financial Proposal</b>.</p> <p>10.1.1 The <b>Bid Security</b> amounting to <b>One thousand and Two Hundred Euros (€1,200)</b> or equivalent in JOD in benefit of the Minister of Local Administration of Jordan in addition to His job. The Bid Security must be an <u>unconditional guarantee in original form or certified check issued by a bank legally established in Jordan</u>. The bid Security shall be submitted in the 'Bid Security Form' format provided in Section II, or in another substantially similar format approved by the Client prior to bid submission.</p> |

The Bid Security shall be valid for twenty-eight (28) days beyond the original validity period of the bid, or beyond any period of extension if requested under ITB 12.4.

The Bid Security of a JV shall be in the name of the JV that submits the Proposal. If the JV has not been legally constituted into a legally enforceable JV at the time of bidding, the Bid Security shall be in the names of all future members as named in Technical Proposal submission form (Section II / Form TECH-1).

The Bid Security may be forfeited:

- (a) If a Consultant withdraws its Proposal during the Proposal validity period specified by the Consultant on the Technical Proposal submission form (Section II / Form TECH-1) as per ITC 12.1, or any extension thereto provided by the Consultant; or
- (b) If the successful Consultant fails to execute the Contract Agreement in accordance with ITC 29.

10.1.2 The **technical Proposal**, including the following :

- (1) **Letter of Submission of the Proposal** prepared using the standard Form TECH-1 provided in Section II, and duly signed.
- (2) **Power of Attorney** to sign the Proposal. In case of JV, either all members will sign the Proposal or a Power of Attorney authorising the JV leader will be signed by each member.
- (3) **Statement of Integrity, Eligibility and Social and Environmental Responsibility** prepared using the Appendix to Proposal Submission Form provided in Section II, and duly signed.
- (4) **Administrative documents evidencing the legitimacy of the Bidder to participate in this tender** comprising the following :
  - (i) Documentation of legal establishment and professional operation of the Consultant.
  - (ii) Documents that legitimise the Consultant's right to apply in this tender and sign the Proposal, as those documents are specified in the Consultant's articles of association (such as Minutes of the Board of Directors, authorisations, etc.).
- (5) A **brief description** of the background, structure and organization of Consultant, including an organisational chart, a list of board of directors, and beneficial ownership.
- (6) **Valid professional classification certificates** issued by the competent bodies.
- (7) **Demonstration of Experience** prepared using the standard Form TECH-2 Experience provided in Section II, completed according to the instructions and accompanied by Certificates of good performance.

**In case of JV, the documents numbered (4) to (8) above must be submitted by each member.**

- (8) **Description of methodology, work plan and team composition** prepared using the standard forms Form TECH-3, Form TECH-4, Form TECH-5, and Form TECH-6 provided in Section II.

10.1.3 The **financial Proposal** including :

- (1) Financial Proposal submission prepared using the standard Form FIN-1 provided in Section II.
- (2) Summary of costs prepared using the standard Form FIN-2 provided in Section II.
- (3) Breakdown of prices prepared using the standard Form FIN-3 provided in Section II.

**11 Only one Proposal** 11.1 The Consultant shall submit only one Proposal, either in its own name or as a member of a Joint Venture. If a Consultant (including any Joint Venture member) submits or participates in more than one Proposal, all such Proposals shall be disqualified and rejected.

Participation of Key Experts and Non-Key Experts in more than one Proposal is not permissible.

**12 Proposal validity** 12.1 The period during which the Consultant's Proposal must remain valid after the Proposal submission deadline is **120 calendar days**.

12.2 During this period, the Consultant shall maintain its original Proposal without any change, including the availability of the Key Experts, the proposed rates and the total price.

12.3 If it is established that any Key Expert nominated in the Consultant's Proposal was not available at the time of Proposal submission or was included in the Proposal without his/her confirmation, such Proposal shall be disqualified and rejected for further evaluation.

12.4 Extension of validity period

12.4.1 The Client will make its best effort to complete the negotiations within the Proposal's validity period. However, should the need arise, the Client may request, in writing, all Consultants who submitted Proposals prior to the submission deadline to extend the Proposals' validity.

12.4.2 If the Consultant agrees to extend the validity of its Proposal, it shall be done without any change in the original Proposal and with the confirmation of the availability of the Key Experts.

12.4.3 The Consultant has the right to refuse to extend the validity of its Proposal in which case such Proposal will not be further evaluated.

12.4.4 In exceptional circumstances, prior to the expiration of the Proposal validity period, the Client may request Consultants to extend the period of validity of their Proposals. The request and the responses shall be made in writing. The Bid Security requested in accordance with ITC 10.1 shall also be extended for twenty-eight (28) days beyond the deadline of the extended validity period. A Consultant may refuse the request without

forfeiting its Bid Security. A Consultant granting the request shall not be required or permitted to modify its Proposal.

#### 12.5 Substitution of Key Experts in case of extension of validity period

12.5.1 If any of the Key Experts become unavailable for the extended validity period, the Consultant shall provide a written adequate justification and evidence satisfactory to the Client together with the substitution request. In such case, a replacement Key Expert shall have equal or better qualifications and experience than those of the originally proposed Key Expert. The technical evaluation score, however, will remain to be based on the evaluation of the CV of the original Key Expert.

12.5.2 If the Consultant fails to provide a replacement Key Expert with equal or better qualifications, or if the provided reasons for the replacement or justification are unacceptable to the Client, such Proposal will be rejected.

### 13 Clarification and amendment of RFP

13.1 The Consultant may request for clarification on any part of the RFP **no later than 12<sup>th</sup> April, 2023 at 1:00 pm (Jordan local time)**. Any request for clarification must be sent in writing via email to the Client's address indicated below:

Eng. Hussain Mhaidat

E-mail: [hussain\\_mhaidat@yahoo.com](mailto:hussain_mhaidat@yahoo.com) , [solid.waste@moma.gov.jo](mailto:solid.waste@moma.gov.jo)

The Client will respond to all requests in writing via email, by sending the responses (including an explanation of the query but without identifying its source) to all Consultants who requested for clarification, and also by uploading the responses on the Client's website ([www.mola.gov.jo](http://www.mola.gov.jo)) and AFD's website (<http://afd.dgmarket.com>). The Consultants shall acknowledge receipt of all amendments in writing via email.

Should the Client deem it necessary to amend the RFP or/and the Procurement Notice as a result of a clarification at any time before the Proposal submission deadline, it shall do so following the procedure described below:

13.1.1 The Client may amend the RFP or/and the Procurement Notice at any time before the Proposal submission deadline by issuing an amendment. The amendment shall be uploaded on the Client's website ([www.mola.gov.jo](http://www.mola.gov.jo)) and AFD's website (<http://afd.dgmarket.com>) and will be binding on Consultants. Interested Consultants shall follow the above websites for any amendments.

13.1.2 If the amendment is substantial, the Client shall extend the Proposal submission deadline to give the interested Consultants reasonable time to take an amendment into account in their Proposals.

13.2 The Consultant may submit a modified Proposal or a modification to any part of it at any time prior to the Proposal submission deadline. No modifications to the technical or financial Proposal shall be accepted after the deadline.

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| <b>14 Technical Proposal format and content</b> | <p>14.1 The technical Proposal shall not include any financial information. A technical Proposal containing material financial information shall be declared non-responsive.</p> <p style="padding-left: 40px;">14.1.1 Consultant shall not propose alternative Key Experts. Only one CV shall be submitted for each Key Expert position. Failure to comply with this requirement will make the Proposal non-responsive.</p> <p style="padding-left: 40px;">14.1.2 Variations are not allowed.</p> <p>14.2 The technical Proposal shall be prepared using the standard forms provided in Section II.</p>   |
| <b>15 Financial Proposal</b>                    | <p>15.1 The financial Proposal shall be prepared using the standard forms provided in Section II. The proposed prices shall incorporate all costs associated with the Services.</p> <p>15.2 <u>Price adjustment</u><br/>No price adjustment applies to remuneration rates.</p> <p>15.3 <u>Taxes</u><br/>The financial Proposal should clearly estimate, as a separate amount, the taxes and other charges imposed in Jordan under the Applicable law on the Consultants, if any. The Consultant and its Experts are responsible for meeting all tax liabilities arising out of the Contract.</p> <p>15.4 <u>Currency of Proposal</u><br/>The Consultant shall express the price for its Services in Euro (EUR).</p> <p>15.5 <u>Currency of payment</u><br/>Payment under the Contract shall be made in the currency in which the payment is requested in the Proposal.</p> |

### C. Submission, Opening and Evaluation

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| <b>16 Submission, sealing and marketing of Proposals</b> | <p>16.1 The Consultant shall submit a signed and complete Proposal comprising the documents and forms in accordance with ITC 10 (Documents comprising Proposal). The submission can be done by mail or by hand. Option for electronic submission of Proposals is not provided.</p> <p>16.2 An authorised representative of the Consultant shall sign the original submission letters in the required format for both the technical Proposal and the financial Proposal and shall initial all pages of both. The authorisation shall be in the form of a written power of attorney attached to the technical Proposal.</p> <p style="padding-left: 40px;">16.2.1 A Proposal submitted by a Joint Venture shall be signed by all members to be legally binding on all members, or by an authorised representative who has a written power of attorney signed by each member's authorised representative.</p> <p>16.3 Any modifications, revisions, interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the Proposal.</p> |
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16.4 The signed technical and financial Proposals shall be marked "**ORIGINAL**", and its copies marked "**COPY**" as appropriate. The number of copies must be as following:

- a) Technical Proposal: one (1) original and two (2) paper copies + one (1) digital copy (CD or flashdisk);
- b) Financial Proposal: one (1) original and two (2) paper copies + one (1) digital copy (CD or flashdisk).

All copies shall be made from the signed original. If there are discrepancies between the original and the copies, the original shall prevail.

16.5 The original and all the copies of the technical Proposal shall be placed in a sealed envelope clearly marked "**TECHNICAL PROPOSAL**", bearing a warning "**DO NOT OPEN UNTIL TECHNICAL PROPOSAL OPENING**", and the following references:

- For the Selection of Consultant for « Financial, Internal Control System, Procurement, and Technical Audits of SOWP for The Years 2021, 2022, 2023 and 2024 »
- Support to the Implementation of the National Solid Waste Management Strategy.
- Ref.# CJO1062/2332/SER/2022.
- Name and address of the Consultant, and, if JV, Name of all JV Members.

16.6 Similarly, the original financial Proposal shall be placed in a sealed envelope clearly marked "**FINANCIAL PROPOSAL**", bearing a warning "**DO NOT OPEN WITH THE TECHNICAL PROPOSAL**", and the same references as on technical Proposal envelope (ITC 16.5).

16.7 The sealed envelopes containing the technical and financial Proposals shall be placed into one outer envelope and sealed. This outer envelope shall be clearly marked "**PROPOSAL**", bearing a warning "**DO NOT OPEN BEFORE TECHNICAL PROPOSAL OPENING**", and the same references as on technical Proposal envelope (ITC 16.5).

16.8 If the envelopes and packages with the Proposal are not sealed and marked as required, the Client will assume no responsibility for the misplacement, loss, or premature opening of the Proposal.

16.9 The Proposal or its modifications must be received by the Client no later than **30<sup>th</sup> April, 2023, at 01:00 p.m. (Jordan local time)**, or any extension to this deadline, to the following address:

Ministry of Local Administration / Project Implementation Unit (PIU),  
Solid Waste Management Directorate, Office #613, 4<sup>th</sup> Floor, Zahran  
Str. 3<sup>rd</sup> Circle, P.O Box : 1799, Amman 11118, Jordan.

Any Proposal or its modification received by the Client after the deadline shall be declared late and rejected, and promptly returned unopened.

## 17 Confidentiality

17.1 From the time the Proposals are opened to the time the Contract is awarded, the Consultant should not contact the Client on any matter related to its technical and/or financial Proposal. Information relating to the evaluation of Proposals and award recommendations shall not be disclosed to the Consultants who submitted the Proposals or to

- 
- any other party not officially concerned with the process, until the publication of the Contract award information.
- 17.2 Any attempt by Consultants or anyone on behalf of the Consultant to influence improperly the Client in the evaluation of the Proposals or Contract award decisions may result in the rejection of its Proposal.
- 17.3 Notwithstanding the above provisions, from the time of the Proposals' opening to the time of Contract award publication, if a Consultant wishes to contact the Client on any matter related to the selection process, it should do so only in writing.
- 18 Opening of outer envelopes and technical Proposals**
- 18.1 The SPC shall conduct the opening of the outer envelopes, Bid Security envelopes and technical Proposals in the presence of the Consultants' authorised representatives who choose to attend in person. The opening shall take place at: Ministry of Local Administration, 3rd Floor, Zahran Str, **on 30<sup>th</sup> April, 2023, at 01:30 p.m. (Jordan local time).**
- The envelopes with the financial Proposal shall remain sealed and shall be securely stored under the responsibility of the Client until they are opened in accordance with Clause ITC 21.
- 18.2 At the opening of the outer envelopes and technical Proposals the following shall be read out: (i) the name of the Consultant or, in case of a Joint Venture, the name of the Joint Venture, the name of the lead member and the names of all members; (ii) The presence or absence of a Bid Security; (ii) the presence or absence of a duly sealed envelope with the financial Proposal; and (iv) any modifications to the Proposal submitted prior to Proposal submission deadline.
- Any technical Proposal which does not have a signed submission form or is not accompanied with a written power of attorney, according to Sub-Clause ITC 16.2, will not be considered.
- 19 Proposals evaluation**
- 19.1 Subject to provision of Sub-Clause ITC 18.1, the evaluators of the technical Proposals shall have no access to the financial Proposals until the technical evaluation is concluded.
- 19.2 The Consultant is not permitted to alter or modify its Proposal in any way after the Proposal submission deadline. While evaluating the Proposals, the Client will conduct the evaluation solely based on the submitted technical and financial Proposals.
- 20 Evaluation of technical Proposals**
- 20.1 The Client's evaluation committee shall evaluate the technical Proposals based on their responsiveness to the Terms of Reference and the RFP, applying the evaluation criteria, sub-criteria, and point system specified below.

- (1) **The Bid security** will be checked for compliance with the requirements set out in **Sub-clause ITC 10.1.1**. Any Proposal not accompanied by a substantially responsive Bid Security shall be rejected by the Client as non-responsive. The Bid Security of the unsuccessful Consultants shall be returned as promptly as possible upon the successful Consultant's signing the Contract.
- (2) The **documents numbered (1) to (7) in Sub-clause ITC 10.1.2** will be checked for duly submission that is existence, content, validity, certification and signing -as applicable- in compliance with the requirements set out in the Sub-clause concerned. Any Proposal not accompanied by substantially responsive documents as above may be rejected by the Client as non-responsive. In the event of minor deviations from the requirements are found (where minor deviations are defined as those that are a matter of form and not substance), the Client shall request in writing the Consultants concerned to supplementary furnish any item needed to fully comply with the requirements. In case the Consultant does not adequately respond to the Client's request, the Proposal shall be rejected by the Client as non-responsive.
- (3) **The documents numbered (8) in Sub-clause ITC 10.1.2** will be assessed for evidence of experience, which must meet the following criteria:
  - (i) At least ten (10) years of experience -preceding the Proposal submission date- in Services of similar nature and expertise specified below.
  - (ii) At least three (3) completed contracts of similar nature and expertise during the last ten (10) years in Jordan or MENA region -preceding the Proposal submission date- each of minimum value EUR 10,000 or at least One (1) completed contract of similar nature and expertise during the last ten (10) years in Jordan or MENA region -preceding the Proposal submission date of minimum value EUR 30,000 . At least One (1) of those contracts must be certified with Certificate of satisfactory completion. In the case of a contract completed by a consortium in which the Consultant participated as a member, the minimum value required to meet the criterion must have been carried out by the Consultant demonstrated by its share (%) in the consortium.

The similar nature and expertise are specified as follows :

- (a) Similar nature : Financial audits, Technical audits.
- (b) Similar expertise : auditing infrastructure development projects/programs that may include Works or/and Supplies or/and Services

If the Consultant is a consortium (JV or intending to establish a JV), the experience requirements may be met by all members of the consortium, combined.

If the Consultant's experience does not meet all the requirements set out above, it shall be disqualified, and the Proposal shall be rejected by the Client.



- (4) **The methodology, work plan and team composition numbered (9) in Sub-clause ITC 10.1.2** will be evaluated and be given a technical score according to the criteria and point system specified below:

Criteria		Points
<b>1. Adequacy and quality of the proposed methodology and work plan in responding to the TOR</b>		40
<b>2. Key Experts' (KE) qualifications and competence for the Services in responding to the TOR :</b>		60
<i>KE-1: Audit partner</i>	25	
<i>KE-2: Team Leader (Financial)</i>	20	
<i>KE-3: Senior Auditor (Technical)</i>	15	
<b>TOTAL</b>		<b>100</b>

**Evaluation of criterion N°1:**

The number of points to be assigned for this criterion shall be determined considering the following sub-criteria and relevant percentage weights:

(i) The approach and methodology is relevant, clear and complete: all services, organisation described, resources mobilised, list of activities, risks and assumptions.	40%
(ii) The work plan is detailed, realistic and in line with the TOR and proposed methodology	40%
(iii) The expected number of working days for each expert are adequate to satisfactorily perform each activity specified in the TOR.	20%
<b>Total Weight</b>	<b>100%</b>

**Evaluation of criterion N°2 :**

(i) General qualifications (education, training, and general experience)	20%
(ii) Adequacy for the Services [specific experience in contracts of similar nature and expertise specified under number (3) above]	80%
<b>Total Weight</b>	<b>100%</b>

**The minimum technical score (St) required to pass to the next evaluation stage is Seventy (70).** A Proposal that fails to achieve the minimum technical score shall be rejected at this stage by the Client.

An interview with the project manager will be conducted at the Client's offices or by videoconference -if the health situation requires it- during the evaluation of the Technical Proposals. Questions and answers will be recorded in the Proposal Evaluation Report.

**21 Public opening of financial Proposals**

- 21.1 After the technical evaluation is completed, the Client shall notify those Consultants whose Proposals were considered non-responsive to the RFP and TOR or did not meet the minimum qualifying technical score (and shall provide information relating to the Consultant's overall technical score) that their financial Proposals will be returned unopened after completing the selection process and Contract signing. The Client shall simultaneously notify in writing those Consultants that have achieved the minimum overall technical score and inform them of the date, time and location for the opening of the

financial Proposals. The opening date should allow the Consultants sufficient time to make arrangements for attending the opening. The Consultant's attendance at the opening of the financial Proposals in person is optional and is at the Consultant's choice.

An online option of the opening of the financial Proposals is not offered.

21.2 The financial Proposals shall be opened by the Client's evaluation committee in the presence of the representatives of those Consultants whose Proposals have passed the minimum technical score. At the opening, the names of the Consultants, the overall technical scores, and the total prices shall be read aloud and recorded. Copies of the record shall be sent to all Consultants who submitted Proposals.

## 22 Correction of errors

22.1 Activities and items described in the technical Proposal but not priced in the financial Proposal, shall be assumed to be included in the prices of other activities or items, and no corrections will be made to the financial Proposal.

22.2 The Consultant is deemed to have included all inputs that are necessary to perform the Services in the financial Proposal, so neither arithmetical corrections nor price adjustments shall be made. The total price, net of taxes understood as per Clause ITC 23, specified in the financial Proposal (Form FIN-1 in Section II) shall be considered as the offered price.

## 23 Taxes

23.1 The Client's evaluation of the Consultant's financial Proposal shall exclude taxes. During negotiations of the Contract, the calculation of applicable taxes will be examined and agreed upon.

Applicable taxes shall be added, if needed, to the Contract Price on a separate line with a reference to the Sub-Clause CC 35.1 of the Conditions of Contract for payment modalities (Part II of RFP).

## 24 Conversion to single currency

24.1 For the evaluation purposes, prices shall be converted to **EUR**. The official source of the selling (exchange) rate is: Central Bank of Jordan. The date of the exchange rates is the date which is seven (7) days prior to the deadline for Proposal's submission.

## 25 Combined quality and cost evaluation

25.1 The total score is calculated by weighting the technical and financial scores and adding them as below:

(1) The lowest evaluated financial Proposal (Fm) is given the maximum financial score (Sf) of 100.

(2) The formula for determining the financial scores (Sf) of all other Proposals is calculated as following:

**Sf = 100 x Fm/F**, in which "Sf" is the financial score, "Fm" is the lowest price, and "F" is the price of the Proposal under consideration.

(3) The weights given to the technical (T) and financial (F) Proposals are: **T = 70**, and **F = 30**.

(4) The total score of a Proposal (S) is calculated according to the following formula : **S = (St x T%) + (Sf x F%)**, where St is the technical score as per Sub-clause 21.1(4) above, and Sf is the financial score as in point (2) above.

- (5) Proposals are ranked according to their total score (S). The Consultant achieving the highest total score (S) will be invited for negotiations.

#### **D. Negotiations and Award**

#### **26 Negotiations**

- 26.1 The negotiations will be held at the date and address indicated below with the Consultant's representative who must have written power of attorney to negotiate and sign a Contract on behalf of the Consultant.

**Expected date for Contract negotiations:** July 2023.

**Address:** Ministry of Local Administration, Solid Waste Management Directorate, Jebal Amman, 3<sup>rd</sup> Circle, Zahran Street, Amman 11118, Jordan.

- 26.2 The Client shall prepare minutes of negotiations that are signed by the Client and the Consultant's authorized representative.

#### 26.3 Availability of Key Experts

- 26.3.1 The invited Consultant shall confirm the availability of all Key Experts included in the Proposal as a pre-requisite to the negotiations, or, if applicable, a replacement in accordance with Clause ITC 12. Failure to confirm the Key Experts' availability may result in the rejection of the Consultant's Proposal and the Client proceeding to negotiate the Contract with the next-ranked Consultant.

- 26.3.2 Notwithstanding the above, the substitution of Key Experts at the negotiations may be considered if due solely to circumstances outside the reasonable control of and not foreseeable by the Consultant, including but not limited to death or medical incapacity. In such case, the Consultant shall offer a substitute Key Expert within the period specified in the letter of invitation to negotiate the Contract, who shall have equivalent or better qualifications and experience than the original Key Expert.

#### 26.4 Technical negotiations

- 26.4.1 The negotiations include discussions about the Terms of Reference (TOR), the proposed methodology, the Client's inputs, the conditions of the Contract, and finalising the "Description of Services" part of the Contract. These discussions shall not substantially alter the original scope of services under the TOR or the terms of the Contract and shall not modify the ranking of the Proposals.

#### 26.5 Financial negotiations

- 26.5.1 The negotiations include the clarification of the Consultant's tax liability in Jordan and how it should be reflected in the Contract.

- 26.5.2 The total price stated in the financial Proposal shall not be negotiated.

#### **27 Conclusion of negotiations**

- 27.1 The negotiations are concluded with a review of the finalised draft Contract, which then shall be initialled by the Client and the Consultant's authorised representative.

- 27.2 If the negotiations fail, the Client shall inform the Consultant in writing of all pending issues and disagreements and provide a final opportunity to the Consultant to respond. If disagreement persists, the

Client shall terminate the negotiations informing the Consultant of the reasons for doing so. The Client will invite the next-ranked Consultant to negotiate a Contract. Once the Client commences negotiations with the next-ranked Consultant, the Client shall not reopen the earlier negotiations.

27.3 The Client reserves the right to annul the RFP process and reject all Proposals at any time prior to Contract award, without thereby incurring any liability to Consultants.

## **28 Performance Security**

28.1 After completing the negotiations, the Client shall send a Letter of Acceptance to the successful Consultant, inviting them to furnish a Performance Security guarantee within ten (10) days of the receipt of the Letter, using for that purpose the Performance Security Form provided APPENDIX D in Part II.

28.2 Failure of the successful Consultant to submit the Performance Security shall result in the rejection of the Consultant's Proposal and forfeiture of the Bid security. In that event, the Client will invite the next-ranked Consultant to negotiate a Contract.

## **29 Award of Contract**

29.1 After completing the negotiations and furnishing the Performance Security guarantee, the Client shall sign the Contract; if applicable, publish the award information; and promptly notify the other shortlisted Consultants.

29.2 The following documents attached hereto shall be deemed to form an integral part of the Contract and with the following priority order of prevalence:

- a) The Conditions of Contract, including Attachment 1 (AFD Policy – Corrupt and Fraudulent Practices – Social and Environmental Responsibility), and Attachment 2 (Eligibility Criteria).
- b) Appendices to Contract:
  - Appendix A: Terms of Reference;
  - Appendix B: Consultant's technical Proposal (including methodology and Experts, and the signed Statement of Integrity);
  - Appendix C: Breakdown of the Contract Price;
  - Appendix D: Form of Performance Security;
  - Appendix E: Form of Advance Payment Guarantee.

29.3 The Consultant is expected to commence the Services in July 2023 at the Ministry of Local Administration. The Consultant shall begin carrying out the Services not later than ten (10) days after the date of signing the Contract by the Parties.

# Section II – Proposal Submission Forms

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## Form of Bid Security

### (Demand Guarantee)

*[Pursuant to Section II – Data Sheet / ITC 10.1]*

*[Guarantor letterhead or SWIFT identifier code]*

**Beneficiary:** The Minister of Local Administration of Jordan in addition to His job.

**Invitation of Bid No.:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Bid Security No.:** \_\_\_\_\_

**Guarantor:** \_\_\_\_\_

We have been informed that \_\_\_\_\_ (hereinafter called "**the Consultant**") has submitted or will submit to the Beneficiary its Proposal (hereinafter called "**the Proposal**") for the execution of \_\_\_\_\_ under Invitation for Request for Proposals No. \_\_\_\_\_ ("**the RFP**").

Furthermore, we understand that, according to the Beneficiary's conditions, Proposals must be supported by a bid guarantee.

At the request of the Consultant, we, as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of \_\_\_\_\_ (\_\_\_\_\_) upon receipt by us of the Beneficiary's first demand, supported by the Beneficiary's statement, whether in the demand itself or a separate signed document accompanying or identifying the demand, stating that either the Consultant:

- i. as withdrawn its Proposal during the period of Proposal validity set forth in the Consultant's Letter of Technical Proposal submission ("the Proposal Validity Period"), or any extension thereto provided by the Consultant ; or
- ii. Having been notified of the acceptance of its Proposal by the Beneficiary during the Proposal Validity Period or any extension thereto provided by the Consultant, (i) has failed to execute the Contract Agreement, or (ii) has failed to furnish the Performance Security, in accordance with §2.2.4.2 of the Beneficiary's RFP Document.

Address and details of the Bank office where the Beneficiary's demand shall be sent to:

\_\_\_\_\_

This guarantee will expire :

- a) if the Consultant is the successful Consultant, upon our receipt of copies of the Contract Agreement signed by the Consultant, and the Performance Security issued to the Beneficiary in relation to such Contract Agreement ; or
- b) if the Consultant is not the successful Consultant, upon the earlier of (i) our receipt of a copy of the Beneficiary's notification to the Consultant of the results of the bidding process ; or (ii) twenty-eight days after the end of the Proposal Validity Period.

Consequently, any demand for payment under this guarantee must be received by us on or before that date at the Bank office indicated above.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No. 758.

\_\_\_\_\_ *[Signature(s)]*

## TECHNICAL PROPOSAL FORMS

### Form TECH–1: Technical Proposal submission form

\_\_\_\_\_ [Location, Date]

To: \_\_\_\_\_ [Name and address of the Client]

Dear Sirs:

We, the undersigned, offer to provide the Services for [Insert title of Services] in accordance with your Request for Proposals dated [Insert Date] and our Proposal. We are hereby submitting our Proposal, which includes this technical Proposal and a financial Proposal sealed in a separate envelope.

*[If the Consultant is a Joint Venture, insert the following: "We are submitting our Proposal as a Joint Venture with: (Insert a list with the full name and the legal address of each member, and indicate the lead member)". We have attached a copy [insert: "of our letter of intent to form a Joint Venture" or, if a JV is already formed, "of the JV agreement"] signed by every participating member, which details the likely legal structure of and the confirmation of joint and severable liability of the members of the said Joint Venture.*

We hereby declare that:

- a) All the information and statements made in this Proposal are true and we accept that any misrepresentation contained in this Proposal may lead to the rejection of our Proposal by the Client;
- b) Our Proposal shall be valid and remain binding upon us for the time period specified in Sub-Clause 12.1 of the ITC;
- c) We have no conflict of interest in accordance with Clause 3 of the ITC;
- d) We undertake to negotiate a Contract based on the proposed Key Experts. We accept that the substitution of Key Experts for reasons other than those stated in Sub-Clauses 12.5 and 26.3 of the ITC shall end Contract negotiations;
- e) Our Proposal is binding upon us and subject to any modifications resulting from the Contract negotiations.

We undertake, if our Proposal is accepted and the Contract is signed, to initiate the Services related to the assignment no later than the date indicated in Sub-Clause 29.3 of the ITC.

We acknowledge and agree that the Client reserves the right to annul the selection process and reject all Proposals at any time prior to Contract award, without thereby incurring any liability to us.

We remain,

Yours sincerely,

Authorizd Signature [in full and initials]: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Consultant (company's name or JV's name): \_\_\_\_\_

In the capacity of: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Contact information (phone and email): \_\_\_\_\_

*[For a Joint Venture, either all members shall sign or only the lead member, in which case the power of attorney to sign on behalf of all members shall be attached.]*



## Appendix to technical Proposal submission form - Statement of Integrity, Eligibility and Environmental and Social Responsibility

Reference name of the Proposal: \_\_\_\_\_ (The "Contract")

To: \_\_\_\_\_ (The "Contracting Authority")

1. We recognise and accept that *Agence Française de Développement* ("AFD") only finances projects of the Contracting Authority subject to its own conditions which are set out in the Financing Agreement which benefits directly or indirectly to the Contracting Authority. As a matter of consequence, no legal relationship exists between AFD and our company, our joint venture or our suppliers, contractors, subcontractors, consultants or subconsultants. The Contracting Authority retains exclusive responsibility for the preparation and implementation of the procurement process and performance of the contract. The Contracting Authority means the Purchaser, the Employer, the Client, as the case may be, for the procurement of goods, works, plants, consulting services or non-consulting services.
2. We hereby certify that neither we nor any other member of our joint venture or any of our suppliers, contractors, subcontractors, consultants or subconsultants are in any of the following situations:
  - 2.1 Being bankrupt, wound up or ceasing our activities, having our activities administered by the courts, having entered into receivership, reorganisation or being in any analogous situation arising from any similar procedure;
  - 2.2 Having been:
    - a) convicted, within the past five years by a court decision, which has the force of res judicata in the country where the Contract is implemented, of fraud, corruption or of any other offense committed during a procurement process or performance of a contract (in the event of such conviction, you may attach to this Statement of Integrity supporting information showing that this conviction is not relevant in the context of the Contract);
    - b) subject to an administrative sanction within the past five years by the European Union or by the competent authorities of the country where we are constituted, for fraud, corruption or for any other offense committed during a procurement process or performance of a contract (in the event of such sanction, you may attach to this Statement of Integrity supporting information showing that this sanction is not relevant in the context of the Contract);
    - c) convicted, within the past five years by a court decision, which has the force of res judicata, of fraud, corruption or of any other offense committed during the procurement process or performance of an AFD-financed contract;
  - 2.3 Being listed for financial sanctions by the United Nations, the European Union and/or France for the purposes of fight-against-terrorist financing or threat to international peace and security;
  - 2.4 Having been subject within the past five years to a contract termination fully settled against us for significant or persistent failure to comply with our contractual obligations during contract performance, unless this termination was challenged and dispute resolution is still pending or has not confirmed a full settlement against us;
  - 2.5 Not having fulfilled our fiscal obligations regarding payments of taxes in accordance with the legal provisions of either the country where we are constituted or the Contracting Authority's country;
  - 2.6 Being subject to an exclusion decision of the World Bank and being listed on the website <http://www.worldbank.org/debarr> (in the event of such exclusion, you may attach to this

- Statement of Integrity supporting information showing that this exclusion is not relevant in the context of the Contract);
- 2.7 Having created false documents or committed misrepresentation in documentation requested by the Contracting Authority as part of the procurement process of the Contract.
3. We hereby certify that neither we, nor any of the members of our joint venture or any of our suppliers, contractors, subcontractors, consultants or subconsultants are in any of the following situations of conflict of interest:
    - 3.1 Being an affiliate controlled by the Contracting Authority or a shareholder controlling the Contracting Authority, unless the stemming conflict of interest has been brought to the attention of AFD and resolved to its satisfaction.
    - 3.2 Having a business or family relationship with a Contracting Authority's staff involved in the procurement process or the supervision of the resulting Contract, unless the stemming conflict of interest has been brought to the attention of AFD and resolved to its satisfaction;
    - 3.3 Being controlled by or controlling another bidder or consultant, or being under common control with another bidder or consultant, or receiving from or granting subsidies directly or indirectly to another bidder or consultant, having the same legal representative as another bidder or consultant, maintaining direct or indirect contacts with another bidder or consultant which allows us to have or give access to information contained in the respective applications, bids or proposals, influencing them or influencing decisions of the Contracting Authority;
    - 3.4 Being engaged in a consulting services activity, which, by its nature, may be in conflict with the assignments that we would carry out for the Contracting Authority;
    - 3.5 In the case of procurement of goods, works or plants:
      - a) Having prepared or having been associated with a consultant who prepared specifications, drawings, calculations and other documentation to be used in the procurement process of the Contract;
      - b) Having been recruited (or being proposed to be recruited) ourselves or any of our affiliates, to carry out works supervision or inspection for the Contract.
  4. If we are a state-owned entity, and to compete in a procurement process, we certify that we have legal and financial autonomy and that we operate under commercial laws and regulations.
  5. We undertake to bring to the attention of the Contracting Authority, which will inform AFD, any change in situation with regard to points 2 to 4 here above.
  6. In the context of the procurement process and performance of the corresponding contract:
    - 6.1 We have not and we will not engage in any dishonest conduct (act or omission) deliberately intended to deceive others, to intentionally conceal items, to violate or vitiate someone's consent, to make them circumvent legal or regulatory requirements and/or to violate their internal rules in order to obtain illegitimate profit;
    - 6.2 We have not, and we will not engage in any dishonest conduct (act or omission) contrary to our legal or regulatory obligations or our internal rules in order to obtain illegitimate profit;
    - 6.3 We have not promised, offered or given and we will not promise, offer or give, directly or indirectly to (i) any Person who holds a legislative, executive, administrative or judicial mandate within the State of the Contracting Authority regardless of whether that Person was nominated or elected, regardless of the permanent or temporary, paid or unpaid nature of the position and regardless of the hierarchical level the Person occupies, (ii) any other Person who performs a public function, including for a State institution or a State-owned company, or who provides a public service, or (iii) any other person defined as a Public Officer by the national laws of the Contracting Authority's country, an undue advantage of any kind, for himself or for another Person or entity, for such Public Officer to act or refrain from acting in his official capacity;

- 6.4 We have not promised, offered or given and we will not promise, offer or give, directly or indirectly to any Person who occupies an executive position in a private sector entity or works for such an entity, regardless of the nature of his/her capacity, any undue advantage of any kind, for himself or another Person or entity for such Person to perform or refrain from performing any act in breach of its legal, contractual or professional obligations;
  - 6.5 We have not and we will not engage in any practice likely to influence the contract award process to the detriment of the Contracting Authority and, in particular, in any anti-competitive practice having for object or for effect to prevent, restrict or distort competition, namely by limiting access to the market or the free exercise of competition by other undertakings;
  - 6.6 Neither we nor any of the members of our joint venture or any of our suppliers, contractors, subcontractors, consultants or subconsultants shall acquire or supply any equipment nor operate in any sectors under an embargo of the United Nations, the European Union or France;
  - 6.7 We commit ourselves to comply with and ensure that all of our suppliers, contractors, subcontractors, consultants or subconsultants comply with international environmental and labour standards, consistent with laws and regulations applicable in the country of implementation of the Contract, including the fundamental conventions of the International Labour Organisation (ILO) and international environmental treaties. Moreover, we shall implement environmental and social risks mitigation measures when specified in the environmental and social commitment plan (ESCP) provided by the Contracting Authority.
7. We, as well as members of our joint venture and our suppliers, contractors, subcontractors, consultants or subconsultants authorise AFD to inspect accounts, records and other documents relating to the procurement process and performance of the contract and to have them audited by Consultants appointed by AFD.

Name: \_\_\_\_\_ In the capacity of: \_\_\_\_\_  
 Duly empowered to sign in the name and on behalf of<sup>1</sup>: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

---

<sup>1</sup> In case of joint venture, insert the name of the joint venture. The person who will sign the application, bid or proposal on behalf of the applicant, bidder or consultant shall attach a power of attorney from the applicant, bidder or consultant.

## Form TECH–2: Experience

Name of Consultant <sup>(1)</sup>: \_\_\_\_\_

#	Contract title <sup>(2)</sup>	Total contract value (EUR) <sup>(3)</sup>	Consultant's share (%) <sup>(4)</sup>	Type of service(s) included in the contract			Country <sup>(6)</sup>	Certificate of good performance <sup>(7)</sup>
				Financial Audit <sup>(5)</sup>	Technical Audit <sup>(5)</sup>	Audit of infrastructure development projects/programs <sup>(5)</sup>		
1	....							
2								
3								
...	[Etc.]							

<sup>(1)</sup> In case of JV, Form TECH-1 must be completed by each member of JV separately.

<sup>(2)</sup> Fill in the titles of contracts completed during the last ten (10) years preceding the Proposal's submission date that provide evidence of experience required to meet the criteria set out in Sub-clause ITC 20.1/(3).

<sup>(3)</sup> Fill in the total contract value in EUR.

<sup>(4)</sup> Fill in the Consultant's share (%) in the total contract value.

<sup>(5)</sup> Tick (✓) if this type of service is included in the contract concerned. Note that a contract may include more than one type of service.

<sup>(6)</sup> Fill in the country where the contract service was provided.

<sup>(7)</sup> Tick (✓) if a Certificate of good performance of the contract is provided with the Technical Proposal.

## Form TECH–3: Methodology, Work Plan, Organisation and Staffing

### A. Description of Approach, Methodology, and Work Plan in accordance with the Terms of Reference

a) **Technical approach and methodology:**

*[Please explain your understanding of the objectives of the Services as outlined in the Terms of Reference (TOR), the technical approach, and the methodology you would adopt for implementing the tasks to deliver the expected output(s), and the degree of detail of such output. Include here your comments and suggestions on the TOR and comments on counterpart staff provided by the Client. Please do not repeat/copy the TOR in here.]*

b) **Work Plan**

*[Please outline the plan for the implementation of the main activities/tasks of the Services, their content and duration, and deliverables (including Management Responses by the Client). The work schedule form (Form TECH-4) must be used for that purpose. Form TECH-4 shall be completed to present the work schedule for the fiscal year Yx (where x is each fiscal year concerned in the contract, i.e. 2021, 2022, 2023, 2024), considering that this work schedule will apply equally for each fiscal year concerned. The proposed work plan should be consistent with the technical approach and methodology, showing your understanding of the TOR and ability to translate them into a feasible working plan].*

### B. Consultant's Organisation and Staffing

*[Please describe the structure and composition of your team, including a list of the Key Experts, Non-Key Experts and relevant technical and administrative support staff. Experts' inputs should be specified and should be consistent with the proposed methodology and the TOR requirements. Form TECH-5 must be used for that purpose. CVs of all experts, both Key and Non-key experts, shall be provided. Form TECH-6 must be used for that purpose].*

**Form TECH-4: Work schedule and planning for deliverables in year Yx**

N°	WORKS/ DELIVERABLES	WEEKS														TOTAL	
		1	2	3	4	5	6	7	8	9	10	11	12	...	...		
1	<i>Engagement preparation - Preparatory meeting with the CA</i>																
2	<i>Fieldwork</i>																
3	<i>Aide-mémoire and restitution meeting</i>																
4	<i>Draft report (DR)</i>																
5	<i>CA and AFD observations on DR</i>																
6	<i>Submission of final report to CA and AFD</i>																

### Form TECH–5: Team Composition, Assignment and Key Experts' Input for Services in year Yx

N°	Name	Expert's Input (in person/weeks) per each Deliverable listed in TECH–4								Total Time Input (in Months)		
		Position	Location	W/D - 1	W/D - 2	W/D - 3	W/D - 4	W/D - 5	W/D - 6	Home <sup>1</sup>	Field <sup>2</sup>	Total
<b>KEY EXPERTS<sup>3</sup></b>												
K-1		<i>[Mission Manager]</i>	Home									
			Field									
K-2			Home									
			Field									
K-3			Home									
			Field									
			<b>Subtotal</b>									
			<b>Total</b>									

<sup>1</sup> "Home" means work in the expert's office.

<sup>2</sup> "Field" work means work carried out in the Client's headquarters.

<sup>3</sup> For Key Experts, the input should be indicated individually for the same positions as required under the ITC 20.1(4).

## Form TECH–6: Curriculum Vitae (CV)

<b>Position Title and No.:</b>	<i>[e.g., K-1, Team Leader]</i>
<b>Name of Expert:</b>	<i>[insert full name]</i>
<b>Date of Birth:</b>	<i>[day/month/year]</i>
<b>Country of Citizenship/Residence:</b>	<i>[insert country]</i>

**Education:** *[List college/university or other specialized education, giving names of educational institutions, dates attended, degree(s)/diploma(s) obtained.]*

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**Employment record relevant to the Services:** *[Starting with present position, list in reverse order. Please provide dates, name of employing organization, titles of positions held, types of activities performed and location of the assignment, and contact information of previous clients and employing organization(s) who can be contacted for references. Past employment that is not relevant to the Services does not need to be included.]*

Period	Employing organization and your title/position. Contact information for references	Country	Summary of activities performed relevant to the Services
<i>[e.g., May 2015 – present]</i>	<i>[e.g. Ministry of _____, advisor/consultant to _____  For references: phone _____ / email _____, Mr. Bbbbbbb, deputy minister]</i>		

**Membership in Professional Associations and Publications:** \_\_\_\_\_

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**Language Skills (indicate only languages in which you can work):** \_\_\_\_\_

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## FINANCIAL PROPOSAL FORMS

### Form FIN-1: Financial Proposal submission form

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[Location, Date]

To: \_\_\_\_\_

[Name and address of Client]

Dear Sirs,

We, the undersigned, offer to provide the Services for [Insert title of Services] in accordance with your Request for Proposal dated [Insert Date] and our technical Proposal.

Our attached financial Proposal is for the amount of [Indicate amount(s) in words and figures for each currency(ies)], excluding taxes as per Sub-Clause 23.1 of the ITC. The estimated amount of these applicable taxes in the Client's country is [Insert amount in words and figures and currency] which shall be confirmed or adjusted, if needed, during negotiations. [Please note that all amounts shall be the same as in form FIN-2]

Our financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e. before the date indicated in Sub-Clause 12.1 of the ITC.

We understand you reserve the right to annul the process and reject all Proposals at any time prior to Contract award.

We remain,

Yours sincerely,

Authorised Signature: \_\_\_\_\_ [In full and initials]

Name and Title of Signatory: \_\_\_\_\_

In the capacity of: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

[For a Joint Venture, either all members shall sign or only the lead member/consultant, in which case the power of attorney to sign on behalf of all members shall be attached.]

## Form FIN-2: Summary of Costs

### LUMP SUM CONTRACT

Item	Cost
	EUR
<b>Lump Sum Cost of the Financial Proposal (excluding taxes):</b>	
1. Services for year 2021	
2. Services for year 2022	
3. Services for year 2023	
4. Services for year 2024	
<b><u>Total Cost of the Financial Proposal (excluding taxes)</u></b> <i>[this amount must be the same as in the Form FIN 1]</i>	
<b>Tax Estimates in Jordan – to be discussed and finalized at the negotiations if the Contract is awarded</b>	
– Value Added Tax (VAT) or equivalent	
– Other indirect taxes <sup>1</sup>	
<b><u>Total Estimate for taxes in Jordan:</u></b>	

*NB: Payments will be made in EUR, unless payment in local currency is agreed in the negotiation stage.*

<sup>1</sup> Specify here other indirect taxes, if any.

### Form FIN–3: Breakdown of Costs

Item	Cost for year 2021	Cost for year 2022	Cost for year 2023	Cost for year 2024	Total Cost for years 2021 - 2024
	EUR	EUR	EUR	EUR	EUR
<b>Lump Sum Cost of the Financial Proposal (excluding taxes):</b>					
1. Advance payment for Services to be provided for fiscal year Yx					
2. Annual installment payments for Services provided for fiscal year Yx:					
3. Final Payment					
<b><u>Total Cost of the Financial Proposal (excluding taxes)</u></b> <i>[this amount must be the same as in the Form FIN 1]</i>					
<b>Tax Estimates in Jordan – to be discussed and finalised at the negotiations if the Contract is awarded</b>					
– Value Added Tax (VAT) or equivalent					
– Other indirect taxes <sup>1</sup>					
<b><u>Total Estimate for taxes and fees in Jordan:</u></b>					

<sup>1</sup> Specify here other indirect taxes, if any.

## Section III – Eligibility Criteria

### Eligibility in AFD-Financed Procurement

1. Financing allocated by AFD to a Contracting Authority has been entirely untied since 1<sup>st</sup> January 2002. To the exception of any equipment or any sector which is subject to an embargo by the United Nations, the European Union or France, all goods, works, plants, consulting services and non-consulting services are eligible for AFD financing regardless of the country of origin of the supplier, contractor, subcontractor, consultant or subconsultant inputs or resources used in the implementation processes. The Contracting Authority means the Purchaser, the Employer, the Client, as the case may be, for the procurement of goods, works, plants, consulting services or non-consulting services.
2. Natural or legal Persons<sup>1</sup> (including all members of a joint venture or any of their suppliers, contractors, subcontractors, consultants or subconsultants) shall not be awarded an AFD-financed contract if, on the date of submission of an application, a bid or a proposal, or on the date of award of a contract, they:
  - 2.1 Are bankrupt or being wound up or ceasing their activities, are having their activities administered by the courts, have entered into receivership, or are in any analogous situation arising from a similar procedure;
  - 2.2 Have been:
    - a) convicted, within the past five years by a court decision, which has the force of res judicata in the country where the contract is implemented, of fraud, corruption or of any other offense committed during a procurement process or performance of a contract, unless they provide supporting information together with their Statement of Integrity (Form available as Appendix to the Application, Bid or Proposal Submission Form) which shows that this conviction is not relevant in the context of the Contract;
    - b) subject to an administrative sanction within the past five years by the European Union or by the competent authorities of the country where they are constituted, for fraud, corruption or for any other offense committed during a procurement process or performance of a contract, unless they provide supporting information together with their Statement of Integrity (Form available as Appendix to the Application, Bid or Proposal Submission Form) which shows that this sanction is not relevant in the context of the Contract;
    - c) convicted, within the past five years by a court decision, which has the force of res judicata, of fraud, corruption or of any other offense committed during the procurement process or performance of an AFD-financed contract;
  - 2.3 Are listed for financial sanctions by the United Nations, the European Union and/or France for the purposes of fight-against-terrorist financing or threat to international peace and security;
  - 2.4 Have been subject within the past five years to a contract termination fully settled against them for significant or persistent failure to comply with their contractual obligations during contract performance, unless this termination was challenged and dispute resolution is still pending or has not confirmed a full settlement against them;
  - 2.5 Have not fulfilled their fiscal obligations regarding payments of taxes in accordance with the legal provisions of either the country where they are constituted or the Contracting Authority's country;

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<sup>1</sup> Means any Person whether natural or legal, firm, company, corporation, government, state or state agency or any association, or group of two or more of the foregoing (whether or not having separate legal status).

- 2.6 Are subject to an exclusion decision of the World Bank and are listed on the website <http://www.worldbank.org/debarr>, unless they provide supporting information together with their Statement of Integrity (Form available as Appendix to the Application, Bid or Proposal Submission Form) which shows that this exclusion is not relevant in the context of the Contract;
- 2.7 Have created false documents or committed misrepresentation in documentation requested by the Contracting Authority as part of the procurement process of the Contract.
3. State-owned entities may compete only if they can establish that they (i) are legally and financially autonomous, and (ii) operate under commercial law. To be eligible, a state-owned entity shall establish to AFD's satisfaction, through all relevant documents, including its Charter and other information AFD may request, that it: (i) is a legal entity separate from their state (ii) does not currently receive substantial subsidies or budget support; (iii) operates like any commercial enterprise, and, inter alia, is not obliged to pass on its surplus to their state, can acquire rights and liabilities, borrow funds and be liable for repayment of its debts, and can be declared bankrupt.

## Section IV – AFD Policy – Corrupt and Fraudulent Practices – Environmental and Social Responsibility

### 1. Corrupt and Fraudulent Practices

The Contracting Authority and the suppliers, contractors, subcontractors, consultants or subconsultants must observe the highest standard of ethics during the procurement process and performance of the contract. The Contracting Authority means the Purchaser, the Employer, the Client, as the case may be, for the procurement of goods, works, plants, consulting services or non-consulting services.

By signing the Statement of Integrity the suppliers, contractors, subcontractors, consultants or subconsultants declare that (i) “it did not engage in any practice likely to influence the contract award process to the Contracting Authority’s detriment, and that it did not and will not get involved in any anti-competitive practice”, and that (ii) “the procurement process and the performance of the contract did not and shall not give rise to any act of corruption or fraud”.

Moreover, AFD requires including in the Procurement Documents and AFD-financed contracts a provision requiring that suppliers, contractors, subcontractors, consultants or subconsultants will permit AFD to inspect their accounts and records relating to the procurement process and performance of the AFD-financed contract, and to have them audited by Consultants appointed by AFD.

AFD reserves the right to take any action it deems appropriate to check that these ethics rules are observed and reserves, in particular, the rights to:

- a) Reject a proposal for a contract award if it is established that during the selection process the bidder or consultant that is recommended for the award has been convicted of corruption, directly or by means of an agent, or has engaged in fraud or anti-competitive practices in view of being awarded the Contract;
- b) Declare misprocurement when it is established that, at any time, the Contracting Authority, the suppliers, contractors, subcontractors, consultants or subconsultants their representatives have engaged in acts of corruption, fraud or anti-competitive practices during the procurement process or performance of the contract without the Contracting Authority having taken appropriate action in due time satisfactory to AFD to remedy the situation, including by failing to inform AFD at the time they knew of such practices.

AFD defines, for the purposes of this provision, the terms set forth below as follows:

- a) Corruption of a Public Officer means:
  - The act of promising, offering or giving to a Public Officer, directly or indirectly, an undue advantage of any kind for himself or for another Person<sup>1</sup> or entity, for such Public Officer to act or refrain from acting in his official capacity; or
  - The act by which a Public Officer solicits or accepts, directly or indirectly, an undue advantage of any kind for himself or for another Person or entity, for such Public Officer to act or refrain from acting in his official capacity.
- b) A Public Officer shall be construed as meaning:
  - Any person who holds a legislative, executive, administrative or judicial mandate (within the country of the Contracting Authority) regardless of whether that natural Person was nominated or elected, regardless of the permanent or temporary, paid or unpaid nature of the position and regardless of the hierarchical level the natural Person occupies;
  - Any other natural Person who performs a public function, including for a State institution or a State-owned company, or who provides a public service;

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<sup>1</sup> Means any Person whether natural or legal, firm, company, corporation, government, state or state agency or any association, or group of two or more of the foregoing (whether or not having separate legal status).

- Any other natural Person defined as a Public Officer by the national laws of the country of the Contracting Authority.
- c) Corruption of a Private Person<sup>2</sup> means:
- The act of promising, offering or giving to any Private Person, directly or indirectly, an undue advantage of any kind for himself or for another Person or entity, for such Private Person to perform or refrain from performing any act in breach of its legal, contractual or professional obligations; or;
  - The act by which any Private Person solicits or accepts, directly or indirectly, an undue advantage of any kind for himself or for another Person or entity, for such Private Person to perform or refrain from performing any act in breach of its legal, contractual or professional obligations.
- d) Fraud means any dishonest conduct (act or omission), whether or not it constitutes a criminal offence, deliberately intended to deceive others, to intentionally conceal items, to violate or vitiate consent, to circumvent legal or regulatory requirements and/or to violate internal rules in order to obtain illegitimate profit.
- e) Anti-competitive practices mean:
- Any concerted or implied practices which have as their object or effect the prevention, restriction or distortion of competition within a marketplace, especially where they (i) limit access to the marketplace or free exercise of competition by other undertakings, (ii) prevent free, competition-driven price determination by artificially causing price increases or decreases, (iii) restrict or control production, markets, investments or technical progress; or (iv) divide up market shares or sources of supply;
  - Any abuse by one undertaking or a group of undertakings which hold a dominant position on an internal market or on a substantial part of it;
  - Any practice whereby prices are quoted or set unreasonably low, the object of which is to eliminate an undertaking or any of its products from a market or to prevent it from entering the market.

## **2. Environmental and Social Responsibility**

In order to promote sustainable development, AFD seeks to ensure that internationally recognised environmental and social standards are complied with. Suppliers, contractors, subcontractors, consultants or subconsultants for AFD-financed contracts shall consequently undertake in the Statement of Integrity to:

- Comply with and ensure that all their subcontractors or subconsultants comply with international environmental and labour standards, consistent with applicable law and regulations in the country of implementation of the contract, including the fundamental conventions of the International Labour Organisation (ILO) and international environmental treaties;
- Implement environmental and social risks mitigation measures when specified in the environmental and social management plan (ESMP) provided by the Contracting Authority.

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<sup>2</sup> Means any natural Person other than a Public Officer.



## Section V - Terms Of Reference

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## LIST OF ABBREVIATIONS

<b>AFD (or Agency)</b>	The Agence Française de Développement
<b>AML/CFT</b>	Anti-Money Laundering And Combating The Financing Of Terrorism
<b>CA</b>	Contracting Authority
<b>DOS</b>	Department of Statistics
<b>EC</b>	European Commission
<b>ESIA</b>	Environmental and Social Impact Assessment
<b>ESMP</b>	Environmental and Social Management Plan
<b>EU</b>	European Union
<b>FS</b>	Financial Statements (monthly)
<b>GoJ</b>	Government of Jordan
<b>JSC</b>	Joint Service Council
<b>JV</b>	Join Venture
<b>MoENV</b>	Ministry of Environment
<b>MoF</b>	Ministry of Finance
<b>MoLA</b>	The Ministry of Local Administration
<b>MoPIC</b>	Ministry of Planning and International Cooperation
<b>MoPWH</b>	Ministry of Public Works and Housing
<b>MSW</b>	Municipal Solid Waste
<b>MSWM</b>	Municipal Solid Waste Management
<b>NMSWMS</b>	National Municipal Solid Waste Management Strategy (the “Strategy”)
<b>NON</b>	No-objection
<b>PIU</b>	Project Implementation Unit
<b>POAM</b>	Project Operational and Administrative Manual
<b>SC</b>	Joint Ministerial Higher Steering Committee
<b>STC</b>	Special Tender Committee
<b>SOWP</b>	Solid Waste Project
<b>SWM</b>	Solid Waste Management
<b>TA</b>	Technical Assistance
<b>TAT</b>	Technical Assistance Team
<b>ToR</b>	Terms of Reference

# 1 Audit Context, Objectives and Scope

## 1.1 Context

### 1.1.1 Presentation of AFD

AFD is a central actor in France's development policy and supports States, companies, local authorities and NGOs. It builds synergies with them to catalyze, feed into and disseminate innovative solutions that benefit people. Through its network of 85 agencies, AFD operates in 108 countries, where it is currently financing, monitoring and supporting over 2,500 development projects.

### 1.1.2 Presentation of SOWP

#### 1.1.2.1 SOWP history and background

In September 2015, the Government of Jordan endorsed a *National Strategy for the Municipal Solid Waste Management*. In 2017, RSWMP Plans for the Northern and Central Region of Jordan were prepared in line with the provisions of NMSWMS and endorsed by the GoJ.

At the Beneficiary's request to the EC to provide support for the implementation of the Strategy, the Beneficiary and the EC executed a financing agreement dated December, 18<sup>th</sup>, 2017, with reference number: ENI/2016/039-601 and ENI/2017/040-316, pursuant to which the EU undertakes to contribute to the financing of the Project up to a maximum amount of MEUR 100.

The total EU grant has been allocated into two components: (1) the Budget Support component of MEUR 40 provided directly by the EU to the GoJ in the form of a Sector Reform Contract; and (2) the Complementary Support component of MEUR 60 earmarked to improve the solid waste management in the North and Central Region of Jordan, in particular: (a) to improve the transfer and disposal management system, (b) to improve socio-economic standard of living of waste pickers and awareness campaigns, and (c) to other EU actions (evaluation, audits, visibility, etc.).

The management of part of the Complementary Support component was delegated by the EC to the AFD (Agency) under an agreement concluded on December, 20<sup>th</sup>, 2017 (*the "Delegation Agreement"*) authorising the Agency to manage a total of MEUR 53.17 for the benefit of the Beneficiary and on behalf of the EC.

The Agency and the Beneficiary have then entered into an agreement on August, 27<sup>th</sup>, 2018, with reference number: CJO 1062 03 U (*the "Financing Agreement"*) to make available the Agency-delegated amount to the Beneficiary, and to implement the *Solid Waste Project* (SOWP).

#### 1.1.2.2 SOWP Components

The SoWP consists of four (4) Components:

- Component #1: Implementation of priority infrastructures and facilities for the transfer and treatment/disposal of Municipal Solid Waste; Three projects were identified as *"priority investments"* by the GoJ through the NMSWMS and the RSWMP, namely:
  - the Upgrade of Al Ekaider Dumpsite in Irbid governorate (North West Jordan MSWM Service Area);
  - the Upgrade of Al Hussainiyat Dumpsite in Mafraq governorate (North East Jordan MSWM Service Area); and
  - the Construction of new Transfer Stations in the Northern and Central Region.

- Component #2: Project management exercised by the Project Implementation Unit (PIU) established in the newly created Solid Waste Management Directorate of MoLA, and the Technical Assistance (TA) Consultant<sup>10</sup> commissioned by MoLA on 27/8/2019 to support PIU. The TA Consultant provides its services through a team of key experts (TAT) working in-tandem with PIU staff in MoLA's headquarters, as well as through short-term experts (STE) deployed per case;
- Component #3: Capacity building and Institutional support to the beneficiaries of SOWP (JSCs, municipalities, PIU, MoEnv, DoS); and
- Component #4: Cross-cutting services including (a) Communication & Visibility activities, and (b) SOWP Audit services provided by external Auditors.

#### 1.1.2.3 Procurements

The procedures applied for procurements' tendering and contracting are specified in the SOWP regulating documents, in particular the Financing Agreement, the POAM, and the Guidelines for the Procurement of AFD-Financed Contracts in Foreign Countries.

The procurements are planned and monitored with the use of the *Project Procurement Plan* and the *Project Procurement Report*, which are prepared and updated by the PIU, reviewed by the PIU Director, and validated by the Chairman of the SC.

Tendering and contracting documents are subject to a prior no-objection from AFD.

#### 1.1.2.4 Disbursement modalities and monitoring

The disbursement of SOWP funds is carried out by the Agency in two ways:

- Disbursement of renewable advance payments (drawdown); and
- Direct payment to suppliers.

Disbursement of renewable advance payments enters SOWP Special Project Account. The management of that Account is made by the Central Bank of Jordan, which is the sole administrator of GoJ institutions' bank accounts, according to the policies and routines of the accounting system of the Jordanian state. Each transaction through the SOWP Special Project Account is made upon submission of a relevant request by the Financial Department of MoLA to the Central Bank.

Financial monitoring is carried out with the use of the *Project Financial Statements* (PFSs), which are prepared by the PIU on monthly basis, reviewed by the PIU Director, and validated by the Chairman of the SC. The PFSs include:

- A statement of receipts showing separately AFD funding and counterpart funding, and statement of expenditures for both the current month and accumulated to date;
- A summary of the activity in the SOWP Special Account (Balance Sheet);

#### 1.1.2.5 Institutional context and role of the main actors

AFD, as the delegated entity in-charge of SOWP, supervises the compliance of SOWP implementation with the Agreements' provisions.

The *Ministry of Local Administration* (MoLA) is the SOWP *Executing Agency*.

The *Project Implementation Unit* (PIU) in MoLA is the agency responsible for the day-to-day implementation of the SOWP. The PIU set-up on December 7<sup>th</sup>, 2017 and staffed with civil servants

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<sup>10</sup> LDK Consultants in a JV with Egis Structures and Environment, and Engicon.

from Solid Waste Directorate of MoLA subject to Secretary General of MoLA. PIU is organised in three Departments: 1) Investments, 2) Capacity Building, and 3) Administration and Finance, and coordinates with other MoLA Departments, in particular with MoLA Financial Directorate for its daily financial activities.

The PIU is supported by a *Technical Assistance Team* (TAT) commissioned by the MoLA in August 27<sup>th</sup>, 2019. The TAT provides its services through (a) key experts working in-tandem with the PIU public servants, and (b) short-term experts (STEs) who are deployed ad hoc to provide support depending on the needs.

SOWP key stakeholders and beneficiaries are the line Ministries (MoLA, MoEnv), the JSCs and municipalities involved in the SOWP implementation areas, and the DOS.

- The JSCs and municipalities involved in the SOWP implementation areas are responsible for the operation of the SWOP investment priorities.
- MoEnv provides guidance, recommendations and endorsement (mainly endorsement of ESIA), follow-up of ESMP, and performing of periodic on-site environmental inspections to check compliance with the ESMP.
- MoPIC and MoF provide recommendations according to their competencies for the proper and smooth implementation of the SOWP.
- DOS collects key quantitative data on waste management from the relevant waste management bodies.

Two Committees set up by the Cabinet complement the coordination and monitoring mechanism of the Strategy and SOWP, with the following responsibilities:

- The *Steering Committee* (SC), composed of representatives of the line Ministries and donors, is responsible for the coordination and monitoring of Strategy implementation; and
- The *Special Tender Committee* (STC) is responsible to follow-up and validate the tendering processes of the procurements.

### 1.1.3 Context of the Audit

The overall objective of Services is to carry out the annual financial, internal control system, procurement, and technical audits of SOWP for each of the fiscal years 2021, 2022, 2023 and 2024, on the basis of the SOWP regulating documents (Financing Agreement, POAM and complementary documents).

These TOR will form an integral part of the contract between the Contracting Authority (CA) and the auditor.

## 1.2 Audit Objectives

The objectives of this audit are to enable the auditor to express a professional opinion on whether:

- **the financial statements** of SOWP present fairly, in all material aspects, the expenditure actually incurred, and revenue actually received for SOWP for the period covered by the audit;
- **the funds allocated to the SOWP have, in all material aspects, been used in conformity with the applicable contractual conditions; the expenditure is compliant with the rules of sound financial management, assessed notably in the light of eligibility criteria (see Annex 4.2 – Nomenclature of Findings and Misstatements);**
- **the internal control system** set up and operated by the CA for the purpose of managing risks to the achievement of the objectives of the Project, was suitably designed and operated effectively in the period covered by the audit;

- **contracts** have been awarded in accordance with applicable rules and in accordance with the principles of economy, efficiency, transparency and fairness, **and in compliance with AML/CFT due diligence requirements**;
- contracts have been performed in accordance with **technical** requirements and specified standards

The auditor should also provide recommendations on the various aspects of the audit.

## 1.3 Scope of the Audit

### 1.3.1 Contractual Conditions

Key documents governing the SOWP management are listed below:

- Financing agreement, on-lending agreements, addenda >;
  - The “*Financing Agreement*” between the Beneficiary and the EC dated December, 18<sup>th</sup>, 2017, with reference number: ENI/2016/039-601 and ENI/2017/040-316, pursuant to which the EU undertakes to contribute to the financing of the Project up to a maximum amount of MEUR 100.;
  - The “*Delegation Agreement*” between EC and AFD (Agency) concluded on December 20<sup>th</sup>, 2017, authorising the Agency to manage a part of the Complementary support component of MEUR 53.17 for the benefit of the Beneficiary and on behalf of the EC;
  - The *Financing Agreement*” between AFD (Agency) and the Beneficiary dated August 27<sup>th</sup>, 2018, with reference number: CJO 1062 03 U to make available the Agency-delegated amount to the Beneficiary, and to implement the *Solid Waste Project* (SOWP).
- Regulations governing public contracts:

1	Public procurement bylaw No.8 for the year 2022
2	Instructions of organizing the procurement procedures for the year 2022
3	Amended Contractors classifications regulations for the year 2021
4	Contractors classifications instructions for the year 2020
5	Engineering offices classifications instructions for the year 2020
6	e-procurement instructions for the year 2019
7	Construction Contractors licensing instructions for the year 2012 and its amendments
8	Classification for contractors’ instructions for year 2012 and schedules and its amendments
9	Amendments for classifications – amendment to ANNEX 1 for Electromechanical
10	Instructions for variations orders for constructions and services issued further to bylaw No,28 for the year 2019
11	Instructions of inspection and auditing procedures on the constructions works for the year 2020 issued further article No.5of Jordan Building law No.7 for the year 1993
12	Instructions for the compulsory employment for Jordanian workers 131/2016

- Auditing and related legislations:

1	The Audit Bureau Law No. (28) of 1952 And its amendments contained in the amended law and Resolution No. (1) of 2022
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2	Law for Practicing of the Auditing Profession. Law No. 10 (1961)
3	Organizing the Practice of the Public Accounting Profession - Law No. 73 (2003)
4	Companies Law No. 22 (1997)
5	Securities Law No. 76 (2002)
6	Banks Law No. 28 (2000)
7	Insurance Regulatory Law No. 33 (1999)

- Procurement Plan;
- Procedures manuals approved by AFD:
  - The *Project Operational and Administrative Manual (POAM)*;
  - The *“Guidelines for the Procurement of AFD-Financed Contracts in Foreign Countries”*;
  - The Environmental and Social Management Framework

### 1.3.2 Periods Covered

The periods covered by the audit are: 2021, 2022, 2023 and 2024.

### 1.3.3 Financial and Volume Data

#### 1.3.3.1 Financial Data

Financial and volume data for year 2021, which is the first period covered by the financial component of the audit is provided below:

- Budget for 2021 (Estimated Expenditure in 2020 Annual Report for year 2021): EUR 4,383,265.
- Expenditure amount implemented over 2021: EUR 574,919.
- Bank accounts opened for SOWP:
  - MoLA's Special Account for SOWP: 01-3660-0992 / NSWMS Project. Entity authorised to operate it: Central Bank of Jordan.
- An amount of MEUR 5.0 was disbursed by the Agency and transferred to the SOWP Special Account on December 5<sup>th</sup>, 2018.
- Expenses implemented over 2021 and Expenses estimated in the next reporting period (2022) broken down between activities, investments and operational costs, and by project banking accounts are presented in Table 1-1 below. Note the following clarifications:
  - Expenses implemented over 2021 are far less than Estimated Expenditure in 2020 Annual Report for year 2021. This is due to the fact that the implementation of Infrastructure investments has not yet triggered nor is it expected to start before 2022.
  - The PIU performance bonuses (#2.1.1) are applied on a monthly basis, following a standard evaluation and validation procedure approved by the Cabinet. The applicable Performance Bonus Policy is subject to a prior "no-objection" by the AFD.
  - The amount in #2.1.3 is withheld from TAT's payments to break even an amount of EUR 341,185 that was paid directly by the AFD to the JV TA in 2019 (included in #2.1.4).
  - Service contracts (#2.2) include services outsourced after tendering;
  - The Capacity building and Institutional support to Stakeholders (#3) includes implementing the activities specified in the Capacity Building Programme (*Training*



activities outsourced #3.1.x and Material supplies #3.2.x), and a study (#3.2) to be outsourced.

- The Communication & Visibility (#4.1) includes C&V services to be outsourced and C&V products to be procured as specified in the C&V Plan of SOWP.

**Table 1-1: Summary of SOWP expenditure implemented over 2021 and forecast for 2022**

#	Components	2021 Expenditure implemented over 2021			Estimated Expenditure in the next reporting period (2022)		
		AFD Direct expenses	MoLA's Special Account	Total	AFD Direct expenses	MoLA's Special Account	Total
<b>1</b>	<b>Infrastructure investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000,000</b>	<b>5,000,000</b>
<b>1.1</b>	<b>Sanitary Landfills (SL)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000,000</b>	<b>5,000,000</b>
1.1.1	<i>Upgrade of AI Ekaider site</i>	0	0	0	0	5,000,000	5,000,000
<b>1.2</b>	<b>Transfer Stations (TS)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2</b>	<b>Project management</b>	<b>524,196</b>	<b>50,723</b>	<b>574,919</b>	<b>820,000</b>	<b>380,000</b>	<b>1,200,000</b>
<b>21</b>	<b>Operation of PIU</b>	<b>524,196</b>	<b>50,723</b>	<b>574,919</b>	<b>820,000</b>	<b>70,000</b>	<b>890,000</b>
2.1.1	<i>PIU/MoLA (Bonuses, Personnel costs)</i>	0	45,370	45,370	0	50,000	50,000
2.1.2	<i>PIU/MoLA (Petty cash)</i>	0	5,353	5,353	0	20,000	20,000
2.1.3	<i>JV TA (reimbursable against advance payment)</i>	-80,635	0	-80,635	0	0	0
2.1.4	<i>JV TA (Advance payment, KE, STE, LS, Travel)</i>	602,477.27	0	602,477.27	800,000	0	800,000
2.1.5	<i>JV TA (Set up PIU offices)</i>	2,353.63	0	2,353.63	20,000	0	20,000
<b>2.2</b>	<b>Service contracts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>310,000</b>	<b>310,000</b>
2.2.1	<i>Supervision of DB works of "Upgrading of AI Ekaider Waste Disposal Site"</i>	0	0	0	0	200,000	200,000
2.2.2	<i>Independent Engineer Services for the Operation of AI Ekaider Site</i>	0	0	0	0	10,000	10,000
2.2.3	<i>Studies and documents for "Transfer Stations"</i>	0	0	0	0	0	0
2.2.4	<i>Supervision of Works of "Transfer Stations" project</i>	0	0	0	0	0	0
2.2.5	<i>Studies and documents for "Upgrade of the AI Hussainiyat site" project</i>	0	0	0	0	100,000	100,000

#	Components	2021 Expenditure implemented over 2021			Estimated Expenditure in the next reporting period (2022)		
		AFD Direct expenses	MoLA's Special Account	Total	AFD Direct expenses	MoLA's Special Account	Total
2.2.6	<i>Supervision of Works of "Upgrade of the Al Hussainiyat site" project</i>	0	0	0	0	0	0
<b>3</b>	<b>Capacity building and Institutional support to Stakeholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>105,000</b>	<b>105,000</b>
<b>3.1</b>	<b>Capacity Building Programme</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>100,000</b>
3.1.x	<i>Training activities outsourced</i>	0	0	0	0	50,000	50,000
3.2.x	<i>Material supplies</i>	0	0	0	0	50,000	50,000
<b>3.2</b>	<b>Support for the Analysis of Policy Options (service)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000</b>	<b>5,000</b>
<b>4</b>	<b>Cross-cutting services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>67,391</b>	<b>67,391</b>
<b>4.1</b>	<b>Communication &amp; Visibility</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>56,215</b>	<b>56,215</b>
4.1.1	<i>Graphic design services</i>	0	0	0	0	6,215	6,215
4.1.x	<i>Next C&amp;V activities</i>	0	0	0	0	50,000	50,000
<b>4.2</b>	<b>Audits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,176</b>	<b>11,176</b>
4.2.1	<i>Financial &amp; Technical audits of FY 2019 and 2020</i>	0	0	0	0	5,176	5,176
4.2.2	<i>Financial &amp; Technical audits of FY 2021 - 2024</i>	0	0	0	0	6,000	6,000
	<b>TOTAL</b>	<b>524,196</b>	<b>50,723</b>	<b>574,919</b>	<b>820,000</b>	<b>5,552,391</b>	<b>6,372,391</b>

- Number of supporting documents corresponding to these expenses;
  - PIU/MoLA Personnel costs (#2.1.1): 5 supporting documents (approvals);
  - PIU/MoLA Bonuses (#2.1.1): 4 supporting documents (approvals);
  - PIU/MoLA Petty cash (#2.1.2): 54 invoices; 2 supporting documents;
  - AFD Direct expenses: 5 statements of Account.

#### 1.3.3.2 Data for the audit of the internal control system

Data for the audit of the internal control system include is provided below:

- Staff allocated to SOWP: 9 civil servants of MoLA (PIU);
- Number of administrative sites involved in SOWP:
  - PIU Director;
  - PIU Deputy Director;
  - PIU Investment Department;

- PIU Financing Department;
- PIU Capacity Building Department.

#### 1.3.3.3 Data on contracts

A detailed list of contracts stipulating information about the scope, contract nature, procurement procedure, and contract signing and completion dates is provided in Table 1-2 below as per SOWP Procurement Plan – Update 3, Jan 2022, where mark (A) means “Actual”. It is noted that the contract amount is stated only if the contract has been signed.

Table 1-2: SOWP Procurement Plan – Update 3, Jan 2023

Contract name	Estimated Contract Amount and Currency (inclusive of tax)	Type of contract <sup>11</sup>	Type of competition <sup>12</sup>	Procurement procedure <sup>13</sup>	Selection method <sup>14</sup>	Review by AFD <sup>15</sup>	Estimated Specific Procurement Notice Publication date	Estimated Bid or Proposal Opening date	Estimated Contract signing date	Estimated Contract completion date
2331: Financial and Technical Audits for the Fiscal years 2019 & 2020	5,176 (Actual)	C	NPC	RFP	QCBS	PRIOR	2/11/2020 (Actual)	13/12/2020 (Actual)	28/12/2021 (Actual)	31/05/2022 (Actual)
2332: Financial and Technical Audits for the Fiscal years 2021 to 2024	EUR 40,000	C	IPC	RFP	QCBS	PRIOR	09/06/2022 (Actual) Mar. 2023 (Retendering-planned)	02/08/2022 May. 2023 (Planned)	Nov. 2023 (Planned)	April 2025
T31/2-01/DBO: Upgrading of Al Ekaider Waste Disposal Site	EUR 46,525,915 (a)	NC	IPC	PQL+IB	technically substantially compliant and lowest evaluated bid	PRIOR	PQL: 10/08/2020 (Actual) IB: 05/10/2021 (Actual) Retendering: PQL: Jan 2023 (Planned) IB: Oct. 2023 (Planned)	PQL: 25/10/2020 (Actual) IB: 26/01/2022 (Actual) PQL: Jun. 2023 (Planned) IB: Dec. 2023 (Planned)	Sep 2024	DB: Q4 2024 Operation (5y): Q4 2028

<sup>11</sup> C for consulting services; IC for individual consultants; W for works; G for goods; P for Plants; NC for non-consulting services.

<sup>12</sup> NPC: national procurement competition; IPC: international procurement competition.

<sup>13</sup> For goods, works, plants and non-consulting services: PQL+IB: Prequalification and Invitation for Bids; IB: Invitation for Bids; RQ: Request for Quotations; DC: Direct Contracting.

For consulting services: REOI: Request for Expression of Interest; RFP: Request for Proposals; RQ: Request for Quotations; DC: Direct Contracting.

<sup>14</sup> For consulting services: QCBS: Quality and Cost Based Selection; QBS: Quality Based Selection; FBS: Fixed Budget Based Selection; LCS: Least Cost Based Selection.

For goods, works, plants and non-consulting services, the contract should be awarded to the qualified bidder whose bid is technically substantially compliant and is the lowest evaluated bid; other selection method shall require prior approval from AFD.

Contract name	Estimated Contract Amount and Currency (inclusive of tax)	Type of contract <sup>11</sup>	Type of competition <sup>12</sup>	Procurement procedure <sup>13</sup>	Selection method <sup>14</sup>	Review by AFD <sup>15</sup>	Estimated Specific Procurement Notice Publication date	Estimated Bid or Proposal Opening date	Estimated Contract signing date	Estimated Contract completion date
T31/3-01/SER: Supervision of D-B works of “Upgrading of Al Ekaider Waste Disposal Site”	EUR 1,481,040	C	IPC	REOI	QCBS	PRIOR	REOI: 10/08/2020 (actual) RFP: 01/06/2021 (actual)  REOI (re-tendering): 22/05/2020 (actual). RFP (re-tendering): Nov. 2022.  REOI (re-tendering): to be rescheduled RFP (re-tendering): to be rescheduled	REOI: 23/09/2020 (actual) RFP: 08/08/2021 (actual)  REOI (re-tendering): 28/06/2022 (actual) RFP (re-tendering): Dec. 2022.  REOI (re-tendering): to be rescheduled RFP (re-tendering): to be rescheduled	to be rescheduled	to be rescheduled
T31/3-02/SER: Independent Engineer for Al Ekaider	EUR 990,000 (b)	C	IPC	REOI RFP	QCBS	PRIOR	REOI: 16/02/2021 (actual). REOI (re-tendering): to be rescheduled RFP (re-tendering): to be rescheduled	REOI: 31/03/2021 (actual). REOI (re-tendering): to be rescheduled RFP (re-tendering): to be rescheduled	to be rescheduled	to be rescheduled
T32/1-02/SER: Studies and documents for Transfer Stations	EUR 140,000	C	IPC	REOI RFP	QCBS	PRIOR	(c) REOI: Q4 2023 RFP: Q2 2024	(c) REOI: Q1 2024 RFP: Q2 2024	(c) Q4 2024	(c) Q4 2025
T32/3-01/SER: Supervision of Works of “Transfer Stations”	EUR 718,080	C	IPC	REOI RFP	QCBS	PRIOR	(c) REOI: Q4 2025 RFP: Q2 2026	(c) REOI: Q1 2026 RFP: Q3 2026	(c) Q4 2026	(c) Q4 2027 (+DLP)
T32/2-02/DB. Construction of Transfer Stations	EUR 9,600,000	W	IPC	REOI RFP	technically substantially compliant and lowest evaluated bid	PRIOR	(c) REOI: Q4 2025 RFP: Q2 2026	(c) REOI: Q1 2026 RFP: Q3 2026	(c) Q4 2026	(c) Q4 2027 (+DLP)

Contract name	Estimated Contract Amount and Currency (inclusive of tax)	Type of contract <sup>11</sup>	Type of competition <sup>12</sup>	Procurement procedure <sup>13</sup>	Selection method <sup>14</sup>	Review by AFD <sup>15</sup>	Estimated Specific Procurement Notice Publication date	Estimated Bid or Proposal Opening date	Estimated Contract signing date	Estimated Contract completion date
T33/1-01/SER: Studies and documents for Al Hussainiyat project	EUR 230,000	C	IPC	REOI RFP	QCBS	PRIOR	REOI: 20/10/2021 (actual) RFP: Feb 2023	REOI: 15/12/2021 (actual) RFP: May 2023 (Planned)	Sep. 2023	Sep. 2024
4.2 Service contracts Implementation of Capacity Building activities	EUR 900,000	NC	IPC	IB	technically substantially compliant and lowest evaluated bid	PRIOR	1 <sup>st</sup> Procurement: Mar. 2023 2 <sup>nd</sup> Procurement: 04/2024	1 <sup>st</sup> Procurement: End of Apr. 2023. 2 <sup>nd</sup> Procurement: 06/2024	1 <sup>st</sup> Procurement: Oct 2023. 2 <sup>nd</sup> Procurement: 10/2024	1 <sup>st</sup> Procurement : Oct 2023 – Oct. 2024. 2 <sup>nd</sup> Procurement : 11/ 2024 –
4.4 Service to support the analysis of policy options on key areas to ensure the sustainability of the Sector	[EUR 71,390: included in 4.2 above]	C	IPC	RFP	QCBS	PRIOR	Q1 2023	Q2 2023	Q3 2023	Q2 2024
6.3.1 Graphic design services T6/SER/1	EUR 6,215	NC	NPC	RFP	QCBS		RFP: 21/11/2021 (actual) RFP (re-tendering): 20/12/2021 (actual)	10/01/2022 (actual)	6/2/2022 (actual)	06/06/ 2022 (actual)
6.3.x Service contracts to T6/SER/x. Implementation of Communication & Visibility activities	EUR 293,785	NC	NPC IPC	IB	QCBS	PRIOR	1 <sup>st</sup> Procurement: to be rescheduled 2 <sup>nd</sup> Procurement: to be rescheduled			
<b>Total</b>	<b>EUR 60,930,211</b>									
<b>Total financed by the SoWP</b>	<b>EUR 52,967,799</b>									

(a) All dates estimated hereto depend on the date of finalisation of TSs that will be funded by SOWP.

### 1.3.4 Restrictions to the Scope of Work

The auditor reports to the CA as soon as possible about any limitations in the scope of work he/she may find prior to or during the audit.

The auditor informs the CA of any attempt to restrict the scope of the audit, or any lack of cooperation on the part of the CA. The auditor consults with the CA on what action may be required, whether or how the audit can be continued and whether changes in the audit scope or the timetable are necessary.

In the event of security problems arising, the auditor and the CA agree on the actions to be taken and adapt the scope of work accordingly.

## 2 Audit Methodology and Reference Framework

### 2.1 Conduct of the Audit

#### 2.1.1 Audit Stages

a) **The Audit Stages for each of the years 2021, 2022, 2023 and 2024 shall apply as follows:**

b) **Preparatory meeting with the Contracting Authority**

For the audited year 2021, a preparatory meeting with the CA is organised no later than ten calendar days after the audit contract has been signed. For each of the years 2022, 2023 and 2024, the preparatory meeting is organised within the first ten calendar days of the year following the audited year. The purpose of this meeting is to:

- Planning of the audit fieldwork, as well as on the timetable for preparing the audit report and to clarify the points still outstanding (in particular actions to be taken following the first request for documents).
- Ensure the availability:
  - of the final financial statements and of the original supporting documents or photocopies of the originals certified by the CA and address the CA a first request for documents (elements relating to the financial audit and to the audit of the internal control system);
  - of the contracts documentation and their location. Based on the list of contracts annexed to the TOR, the auditor will address the CA a first request for documents.
- Identify the designated focal point at the CA level and the key staff availability and set up of initial meetings.

c) **Execution of the audit engagement**

The auditor performs the procedures detailed in section 2.3 of these TOR. The auditor uses a working method as participatory as possible, to obtain as much evidence items and supporting documentation as possible during the engagement and prior to the production of the draft report.

d) **Aide-mémoire and restitution meeting**

At the end of the engagement, the auditor prepares an aide-mémoire and is required to organise a **closing meeting** with the CA, aimed at reviewing the aide-mémoire and obtaining from the CA its observations on the auditor's findings and recommendations. If necessary, the CA is invited to provide additional documents and/or information to be taken into consideration in the draft report.

e) **Draft Report to be sent to the Contracting Authority**

The draft report (DR) must be prepared within a period of 10 calendar days after the closing meeting. Submission follows the following stages:

1. The DR is sent at the same time to the CA and AFD for their comments;
2. The auditor integrates the comments from the CA and AFD and prepares the final report.

#### f) Comments on the draft report by the Contracting Authority and AFD

The Contracting Authority and AFD have 10 calendar days to provide their comments and any additional (scanned) supporting documentation to the auditor.

If, at the end of this period, the comments and supporting documentation have not been sent, the auditor then informs the CA to agree on a solution. Any additional period granted by the CA is confirmed in writing to the auditor.

#### g) Final report

The final report must be submitted by the auditor within 10 calendar days following receipt of comments and observations, and of any additional supporting documentation.

### 2.1.2 Audit Timetable

The indicative start date for the mission of the year 2021 is June 2022. Start-up must occur within ten calendar days after the audit contract has been signed. The start date for the mission of each of the years 2022, 2023 and 2024 is within the first ten calendar days of the year following the audited year.

The period between the audit closing meeting and submission of the final audit report to the CA must not exceed 30 calendar days.

The maximum duration of the mission of each audited year is set at 70 calendar days.

Example of a detailed timetable to be completed by the auditor for a mission of a maximum 3-month duration, where a month is divided into three ten-day intervals:

Months	M1			M2			M3
Ten-day intervals	1	2	3	1	2	3	1
Engagement preparation - Preparatory meeting with the CA							
Fieldwork							
Aide-mémoire and restitution meeting							
Draft report (DR) submission 10 calendar days after mission)							
CA and AFD observations on DR (10 calendar days after DR is received)							
Submission of final report to CA and AFD (10 calendar days after receiving comments and possible additional supporting documentation)							

### 2.1.3 Engagement Logistics

The audit services will be carried out (a) MoLA's offices (audits on-the-spot), and (b) at the auditor's offices.

MoLA shall ensure the auditor's and its experts' unimpeded access to MoLA's offices in respect of which access is required for the performance of the audit Services.

MoLA shall nominate its counterpart personnel who will be available to the auditor to facilitate the performance of the Services.

Audits on-the-spot will be carried out on scheduled dates and times agreed by MoLA.



The auditor shall inform in writing the PIU Director, who represents the SOWP Executing Agency, about any limitations in executing the Services that may be found prior to or during the audits.

### 2.1.4 Volume of Services

The estimated volume of audit services in person-days for the key experts of the audit team per audited year is 65 days. The table below details the volumes of services by expert:

Audit Key Experts	Person-days
Cat 1: Partner	6
Cat 2: Team Leader (Financial)	30
Cat 3: Senior Auditor (Technical)	29
<b>TOTAL</b>	<b>65</b>

### 2.1.5 Report Structure and Content

The use of the audit report template, provided to the auditor, is mandatory. It should be presented in English. Findings and misstatements will be presented in the audit report according to the nomenclature provided in Annex 4.2. and financial findings should be summarised based on the following typology: eligible expenditure, eligible with misstatements, ineligible, unaudited.

The auditor sends the draft report electronically, in Word and Excel for the annexes, simultaneously to the CA and AFD.

The auditor then sends to the CA /AFD two original paper versions on the auditor's letterhead and an electronic version (in Word and Excel for the annexes) of the final report along with a cover note. The word "draft" or "final" should appear clearly on each version. The final report is signed by the partner in charge of the engagement and its execution.

## 2.2 Audit Methodology

### 2.2.1 Sample Determination

The auditor may use sampling based on his / her risk assessment.

#### a) Financial audit relating to the use of allocated funds

To ensure that the tests results are representative, the auditor audits at least 65% (in amount) of the total expenditure stated in the financial report. In case of financial findings greater than 10% of the total amount of audited expenditure, the testing rate should be increased to 85%. 50% of each budget line, and 10% of each sub-line, should be audited.

#### b) Audit of the internal control system

The various financial and administrative management processes of SOWP assessed as part of the internal control system audit should be subject to compliance testing.

The auditor defines the extent of compliance testing based on the risks identified during the mission preparation and then, while evaluating the internal control system (see section 2.3.1).

#### c) Procurement Audit

100% of contracts are audited.

#### d) Technical Audit

Sample determination should take into account the following factors: complexity of the works, geographic dispersion, technical incidents occurring during execution, absence of private project

management, delays, suspension orders, addenda (legitimacy), poor detailed engineering design, deficient technical requirements and working plan.

## 2.2.2 Eligibility Conditions

The auditor performs tests and controls of expenditure eligibility by ensuring:

- its compliance:
  - with the financing agreement, and with the procedures' manual and contracts,
  - with procurement legislation, and AFD procurement guideline and other local regulations,
- the existence:
  - of supporting documents by type of expenditure provided for by the procedures' manual and Jordanian legislation,
  - of the required documentation for procurement procedures and contracts' technical execution;
- the probative value of supporting documentation (original supporting documentation, compliance with the chronology of dates, compliance with mandatory information requirements, affixing of stamps and signatures);
- that the SOWP has ensured to obtain the most satisfactory quality/price ratio;
- that the expenditure/contracts have been incurred/executed by the CA during the SOWP implementation period defined in the financing agreement;
- that expenditure is adequately recorded in the SOWP's accounts;
- that expenditure does not include any ineligible costs (e.g. certain taxes or VAT).

## 2.2.3 Determination of the Opinion

The possible audit opinions for financial audits and internal control system audits are an unqualified opinion, a qualified opinion, an adverse opinion and a disclaimer of opinion. The report template provided to the auditor contains guidance for the formulation of the opinions.

Auditors are now required, when expressing an opinion on the current year's financial statements, to consider the possible effect of a modified opinion (qualified opinion, adverse opinion and disclaimer of opinion) from a previous year that did not result in an appropriate amendment or solution (ISA standard 710). This avoids the accumulation of unresolved findings.

## 2.2.4 Documentation of Identified Misstatements and Weaknesses

The Excel file attached in Annex 4.3 should be used by the auditor to document procedures performed on audited expenditure and contracts and summarise identified misstatements. Annex 4.3 should be attached to the auditor's report.

Material misstatements detailed in the report must be documented in the auditor's work file electronically or in hard copy and kept for a period of 5 years after approval of the final report.

## 2.3 Audit Procedures

### 2.3.1 Audit of the Internal Control System

The auditor adapts the scope of his review of the design and operation of the internal control system based upon his prior knowledge of the CA.

#### a) Documents analysis

The auditor should particularly examine:

- the financing agreement and protocols with partners, contracts, technical and financial implementation reports, activity programs and budget procedures manual (POAM) and any other existing document;
- the organisational set up for administrative, technical and financial management, and its reliability and adequacy in terms of procedures and available human and material resources.

#### **b) Review of the internal control system**

The auditor should verify the reliability and adequacy of the internal control system's organisation, its actual design and operating effectiveness, in particular with regard to:

##### **The organisation:**

- definition of tasks and distribution of responsibilities, in particular for commitment and authorisation of expenditure, certification of services rendered and payment;
- separation of incompatible or conflicting tasks;

##### **The procedures in place:**

- existence of accurate and documented procedures for expenditure justification;
- opening of separate cash accounts based on the origin of funds, as well as implementation of cash control procedures;
- compliance with applicable procedures for supplier selection, and consultant and service provider recruitment (tender documents, tender or candidate evaluation records and selection minutes);

##### **Archiving, accountability and, as such:**

- organisation, filing and securing of financial papers and documents;
- regular and timely production of financial statements and financial and technical implementation reports, etc.

##### **Specific controls, including:**

- setup and effective operation of control methods to comply with agreements on anti-money laundering and combatting the financing of terrorism, including completion of due diligence to ensure compliance with economic and financial sanctions regulations;
- detection of double financing of expenditure by multiple donors;
- existence of operational monitoring and control structures.

#### **c) Risk assessment**

The previous stage allows the auditor to assess the risks distinctly for each source of information and based on **7 criteria: completeness, effectiveness, evaluation, allocation, rights, obligations and information.**

The auditor should assess the main risks to the achievement of the objectives of the SOWP, including risks financing provided to the Project not being used in conformity with the applicable Contractual Conditions and the risk of error, irregularities and fraud with regard to SOWP financing.

The auditor should also assess whether the design of the internal control system sufficiently mitigates those risks and whether it operates effectively.

#### **d) Obtaining evidence and control testing**

The auditor uses his understanding of the internal control system and risks to assess the robustness of controls and test their operational effectiveness, depending on the objective of the audit.

Tests of controls should concentrate on internal control areas and key controls that:

- are appropriate within the context of the SOWP, and
- prevent and/or allow to detect and correct individual errors or undesired events, such as:

- the total or partial non-achievement of the SOWP objectives,
- the non-reliability of the SOWP financial and technical implementation reports and/or financial statements,
- the fact that funds allocated to the SOWP have not been used in accordance with the financing agreement conditions,
- the occurrence of fraud and/or irregularities.

### **2.3.2 Financial Statements Review and Verification of the Use of Allocated Funds**

#### **a) Verification of financial statements**

The auditor performs the necessary procedures to verify that resources received and used by the SOWP are effectively reflected in complete, sincere and correctly drawn up financial statements. As such, the auditor:

- ensures that the SOWP financial statements have been prepared in accordance with the requirements set out in the financing agreement as well as in the SOWP procedures manual (POAM);
- ensures that the financial statements present fairly, in all material aspects, the actual expenditure incurred, and revenue received for the SOWP for the period subject to the audit, in conformity with the applicable contractual conditions;
- ensures that the financial statements are consistent with other accounting documents including the statements of the Central Bank of Jordan for SOWP's special account;
- ensures that the financial statements are consistent with the technical and financial implementation reports submitted to AFD and any other financial or statutory reports prepared within the context of the SOWP;
- reviews adjusting entries made during the financial statements closing process;
- reconciles the financial statements with the cash situation and/or bank accounts, including by obtaining direct confirmation from the banks managing the accounts;
- verifies, if applicable, the accuracy of exchange rates used for monetary conversions, as well as their compliance with the financing agreement conditions;

#### **b) Verification of the use of funds**

The objective of these procedures is to ensure that:

- the funds allocated to the SOWP by AFD for the period subject to the audit have, in all material aspects, been used in conformity with the applicable contractual conditions;
- the statement of assets presents adequately (number, description and value of assets) and exhaustively the assets acquired for the SOWP for the period subject to the audit, in conformity with the contractual conditions and information contained in the financial report.

The auditor's work covers in particular:

- the compliance verification with accounting principles and specific rules;
- the verification of expenditure's compliance with activities agreed upon in the financing agreement, activity programme and procedures manual (POAM), as well as their consistency with technical and financial performance reports;
- the verification that expenditure has been implemented during the implementation period of the audited SOWP and is supported by accurate, regular and sincere supporting documentation;
- the verification of statements of expenditure: expenditure authorisations, documentation of expenditure statements, compliance and validity of such statements.

#### **c) Verification of the use of funds prior to renewal of advances**

In the case of renewal of advances, the auditor examines the following key points:

- attainment of the advance absorption rate defined in the financing agreement to enable renewal;
- correction by the SOWP, over the audited period, of expenditure previously invalidated for a prior period.

#### **d) Analytical and budgetary procedures**

The auditor performs an analytical review of expenditure to verify whether:

- the budget presented in the technical and financial performance reports corresponds to the budget in the financing agreement and/or approved by the steering committee and/or having received a non-objection notification from AFD (authenticity and approval of the initial budget by lines and sub-lines);
- the expenditure reported in the technical and financial performance reports were foreseen in the budget lines and sub-lines;
- budgetary amendments have been validated by the steering committee and/or have received a non-objection notification from AFD and/or have been formalised in an addendum to the financing agreement;
- the SOWP absorption rate is consistent with the activities implementation schedule. The auditor examines discrepancies and obtains explanations about over- or under-execution in the budget.

### **2.3.3 Audit of Direct Payments Made by AFD**

In addition to the above procedures described in 2.3.2.b, the auditor shall ensure for direct payments:

- the actual completion of works and services, as well as of their compliance with the conditions of the contract;
- with regard to fixed-price technical assistance contracts, the consistency between the costs actually incurred by the service provider and those budgeted and integrated into the contract.

### **2.3.4 Procurement Audit**

The auditor examines and assesses the following aspects:

#### **a) Review of the procurement system (actors, regulation and procedures)**

- the functioning of procurement bodies and actors;
- the mechanisms for preventing and detecting irregularities and fraud (collusion, cover bidding and agreements between undertakings);
- deadlines compliance with applicable rules and the SOWP's specific provisions;
- the compliance and reliability of the documentation filing and archiving system.

#### **b) Requirement definition**

- contracts compliance with the procurement plan and budgets (implementation calendar and budget envelopes);
- for mutual agreement contracts or direct agreement contracts, that the grounds invoked are in compliance with the regulations and that there is no abuse of law in such circumstances.

#### **c) Competitive tender process (tender dossier phase, call for tenders)**

- the advertising methods, deadlines for presentation of bids and organisation for bids submission;
- the choice of type of consultation/selection procedure;

#### **d) Evaluation and award**

- the evaluation methods used, their consistency and compliance with the criteria defined in the tender dossier, as well as their relevance: this assessment will be made on administrative, technical and financial aspects;
- the consistency between tender analysis reports, tender award minutes, award notifications and awarded contracts;
- the cases of leniency towards companies during bid evaluations and respect of the principle of fairness;
- the award of the contract according to the best or lowest bidder rule;
- the obtaining of reasonable economic conditions, by comparing unit prices with those of similar contracts;
- cases of breach of the tender process, characterised by agreements between undertakings;
- cases of contract splitting.

**e) Contract management**

- the compliance of clauses in the initial contract;
- the existence of guarantees and their probative value;
- the consistency between technical requirements in the tender dossiers and those attached to the signed contracts;
- changes over the course of contracts, ensuring that they are supported by service orders issued by authorised persons (project management, supervision missions, etc.);
- the legality of addenda to initial contracts in terms of value, technical appropriateness and compliance with ceilings provided for in the regulations.
- The presence of the signed integrity statement.

**f) Contracts subject to an AFD NON**

For contracts subject to an AFD NON, the auditor is asked to verify that the necessary NON have been requested and delivered. If not, the same audit procedures should be performed as for contracts not subject to an AFD NON.

**g) AML/CFT due diligence**

- the performance of AML/CFT (Anti-Money Laundering And Combating The Financing Of Terrorism) due diligence by the CA prior to contract(s) award, in particular verification of the absence of contracts beneficiary(ies) or subcontractors from the financial sanctions lists adopted by the United Nations, European Union and France. Furthermore, the auditor should ensure that the results and ensuing consequences of the search carried out by the CA have been given due consideration.

**h) SER due diligence**

- The actual implementation of the Social and Environmental Responsibility due diligence requirements and of the commitments made by the counterparty to AFD. In particular:
  - the correct allocation of ear-marked budgets for SER measures (including an audit of displaced populations resettlement when such resettlement took place);
  - inclusion in tender dossiers of the Environmental and Social Management Plan commitments.

### 2.3.5 Technical Audit

The auditor examines the following aspects:

- The relevance of the technical specifications and requirements contained in the tender dossier, especially with regard to the nature of the services /works;

- The conformity of the technical requirements contained in the tender dossier, the technical bid, the contract (and its addenda) and the works execution schedule;
- The existence and quality of the operations technical monitoring documentation (e.g. Logs/diaries, site visit reports, etc.);
- The actual completion of services / works (reality, quality and compliance with contractual conditions);
- The conformity of attachments, breakdowns / invoices and any technical documents (including logs/diaries) with the project's technical progress;
- The adequacy of the prices particularly in the event of changes in the nature of services / works (by service order and / or addendum);
- Compliance with the works execution schedule (deadlines, conformity of the performance with the contract, logical phasing of tasks, etc.);
- The technical justification for addenda and service orders;
- The identification of delays in contracts' execution and verification the application of incurred penalties;
- The observance of contractual obligations by each party to prevent the risks of litigation or dispute;
- The assessment regarding the quality of the general organisation of works /services and particularly with regard to the control and monitoring of their execution by the sowp, the administration's technical services and / or control and monitoring offices.

### 2.3.6 Follow-up of the Recommendations of Previous Audits

The auditor should review the recommendations contained in previous audit reports, assess their degree of implementation and re-assess their priority level, if required. If it is found that these recommendations have not been applied, the auditor tries to identify the underlying causes and proposes solutions for adjustment purposes.

## 3 Professional obligations

### 3.1 Standards and ethics

#### 3.1.1 Professional Standards to be Used

The auditor should take into consideration the various guidelines applicable to the production of financial audit reports. With regard to the application of ISA Standards, special attention should be given to the following:

- **Fraud and Corruption:** in accordance with **ISA 240** (Consideration of the risk of fraud and error in an audit of financial statements), it is important to identify and assess the risks of fraud, obtain or provide sufficient audit evidence for the analysis of these risks, and deal with identified or suspected fraud appropriately.
- **Laws and Regulations:** when developing the audit approach and executing the audit procedures, the SOWP compliance with laws and regulations that may significantly affect financial statements should be assessed, as required by **ISA 250** (Consideration of the risk of misstatement in an audit of financial statements resulting from non-compliance with legal and regulatory texts).

- **Governance:** communication with the SOWP Management members in charge of governance on major audit matters in compliance with **ISA 260** (Communication on the mission with those charged with Governance).
- **Risks:** to reduce audit risks to a relatively low level, appropriate audit procedures in response to the risks of misstatements identified after the assessment of the internal control system should be implemented, in accordance with **ISA 330** (Audit procedures implemented by the auditor after his risk assessment).

In accordance with **ISAE 3000**, the auditor should prepare audit documentation that provides:

- sufficient and appropriate evidence of the work serving as a basis for his audit report; and
- evidence that the audit has been planned and performed according to ISA standards and in compliance with applicable legislative and regulatory requirements.

Audit documentation is defined as the presentation of the audit procedures performed, relevant evidence collected and conclusions that the auditor has reached.

Audit files consist in one or more folders or other means of archiving, in a physical or electronic form, containing documentation relating to a specific mission.

### **3.1.2 Ethics and Independence**

The auditor should comply with the IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants (IESBA).

This Code establishes fundamental ethical principles for auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behaviour and technical standards.

## **3.2 Requirements for the Auditor**

### **3.2.1 Auditor's Professional Affiliation**

By agreeing these TOR, the auditor confirms that he/she meets at least one of the following conditions:

- The auditor is a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC); or
- The auditor is a member of a national accounting or auditing body or institution; although this organisation is not a member of IFAC, the auditor commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics set out in these TOR.

### **3.2.2 Audit Team Qualifications and Experience**

The Auditor will employ staff with appropriate professional qualifications and suitable experience with IFAC standards, in particular International Standards on Auditing and with experience in auditing financial information of entities comparable in size and complexity to the Contracting Authority. In addition, the audit team as whole should have:

- Experience with audits of development aid projects and programmes funded by national and/or international institutions and/or donors;
- Experience with procurement audits and technical audits;
- Sufficient knowledge of relevant laws, regulations and rules in the country would be an asset; this includes, but is not limited to taxation, social security and labour regulations, accounting and accounting information systems, procurement;



- Excellent knowledge of Arabic and English;
- Audit experience in infrastructure development project/programme. <sup>[1]</sup><sub>[SEP]</sub>

### 3.2.3 Team Profiles

#### 3.2.3.1 Key Experts

Experts who are to perform an important role in the mission are referred to as “Key Experts”.

#### Category 1 – Audit partner

A Category 1 expert (Audit partner) should be a partner or other person in a position similar to that of a partner and be a highly qualified expert with relevant professional qualifications, and assuming or having assumed team leader and supervisor responsibilities in financial audit practice.

He should be a member of a national or international accounting or auditing body or institution. He must have at least **10 years** of experience as a professional auditor or accountant, in the field of donor-funded projects / programmes audit.

The audit partner is the person responsible for the specific contract and its performance as well as for the report that is issued on behalf of the firm.

#### Category 2 – Team Leader (Financial)

Team Leader(s) should be qualified expert(s) with a relevant university degree and professional qualifications in accounting and/or auditing, procurement, works auditing and/or supervision. They must have at least **8 years** of experience as a professional auditor in the field of donor-funded projects / programmes audit. They must demonstrate successful experience in managing audit teams.

#### Category 3 – Senior Auditor (Technical)

Senior auditor(s) should be qualified experts with a university degree and relevant professional qualifications in Engineering, which should cover the following areas: Technical auditing, procurement, works auditing, supervision, and have at least **5 years** of experience as a professional auditor in the field of donor-funded projects / programmes audit.

#### 3.2.3.2 Backstop

The auditor shall provide backstop support as needed, the cost of which is assumed to be incorporated in the expert fees.

### 3.2.4 Curriculum Vitae (CVs)

The auditor provides the CVs of all experts (key and non-key) proposed as team members. The CVs include information on the types of audits performed by the team members, demonstrating their abilities and capacity to perform the audit, as well as detailed information regarding any relevant experience.

### 3.2.5 Composition of the Audit Team

Audit Experts	Min. No. of auditors
<b>KEY EXPERTS</b>	
Cat 1: Partner	1 for each audited year
Cat 2: Team Leader (Financial)	1 for each audited year
Cat 3: Senior Auditor (Technical)	1 for each audited year
<b>TOTAL</b>	<b>3 for each audited year</b>
<b>NON-KEY EXPERTS</b>	
Cat 4: Assistant Auditor	free to propose (adequately justified)

## **4 Appendices**

### ***4.1 Nomenclature of Findings and Misstatements***

### ***4.2 List of Expenditures and Findings (Model)***

### ***4.3 Letter of Representation (Model)***

## **PART II – CONTRACT FORM AND CONDITIONS OF CONTRACT**

### **Section VI – Contract form and Conditions of Contract**

# CONTRACT FOR CONSULTING SERVICES

**Project Name:** \_\_\_\_\_

**Contract No.:** \_\_\_\_\_

**between**

---

*[Name of the Client]*

**and**

---

*[Name of the Consultant]*

**Date:** \_\_\_\_\_

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## I – FORM OF CONTRACT

This contract (hereinafter called the "**Contract**") is made the *[number]* day of the month of *[month]*, *[year]*, between, on the one hand, *[name of Client]* (hereinafter called the "**Client**") and, on the other hand, *[name of Consultant]* (hereinafter called the "**Consultant**").

*[Note: If the Consultant consist of more than one entity, the above should be partially amended to read as follows: "...(hereinafter called the "Client") and, on the other hand, a Joint Venture [name of the JV] consisting of the following entities, each member of which will be jointly and severally liable to the Client for all the Consultant's obligations under the Contract, namely, [name of member] and [name of member] (hereinafter called the "Consultant")."]*

WHEREAS:

- The Client has requested the Consultant to provide services as defined in the Terms of Reference specified in **Appendix A** of the Contract (hereinafter called the "**Services**");
- The Consultant, having represented to the Client that it has the required professional skills, expertise and technical resources, has agreed to provide the Services on the terms and conditions set forth in the Contract;
- The Client has received funds from *Agence Française de Développement* ("**AFD**") toward the cost of the Services and intends to apply a portion of these funds to eligible payments under the Contract, it being understood that (i) payments by AFD will be made only at the request of the Client and upon approval by AFD; (ii) such payments will be subject, in all respects, to the terms and conditions of the agreement between the Client and AFD providing for the funds, and (iii) no party other than the Client shall derive any rights from the agreement or have any claim to the funds proceeds.

NOW THEREFORE the parties hereto hereby agree as follows:

- The following documents attached hereto shall be deemed to form an integral part of the Contract:
  - The Conditions of Contract, including Attachment 1 (AFD Policy – Corrupt and Fraudulent Practices – Social and Environmental Responsibility), and Attachment 2 (Eligibility Criteria).
  - Appendices:
    - Appendix A: Terms of Reference;
    - Appendix B: Consultant's technical Proposal (including methodology and Experts, and the signed Statement of Integrity);
    - Appendix C: Breakdown of the Contract Price(s);
    - Appendix D: Form of Performance Security
    - Appendix E: Form of Advance Payment Guarantee.

In the event of any inconsistency between the documents, the following priority order shall prevail: the Conditions of Contract, including Attachment 1, Attachment 2, Appendix A; Appendix B; Appendix C, Appendix D and Appendix E. Any reference to the Contract shall include, where the context permits, a reference to its Appendices.

- The mutual rights and obligations of the Client and the Consultant shall be as set forth in the Contract, in particular:
  - The Consultant shall carry out the Services in accordance with the provisions of the Contract; and

- The Client shall make payments to the Consultant in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused the Contract to be signed in their respective names as of the day and year first above written:

For and on behalf of *[Name of Client]*

\_\_\_\_\_  
*[Authorized Representative of the Client – name, title and signature]*

For and on behalf of *[Name of Consultant or Name of a Joint Venture]*

\_\_\_\_\_  
*[Authorized Representative of the Consultant – name and signature]*

**[Note:** For a joint venture, either all members shall sign or only the lead member, in which case the power of attorney to sign on behalf of all members shall be attached.]

For and on behalf of each of the members of the Consultant

*[Name of the lead member]*

\_\_\_\_\_  
*[Authorized Representative on behalf of a Joint Venture]*

*[add signature blocks for each member if all are signing]*

## II – CONDITIONS OF CONTRACT

### A. General Provisions

#### 1. Definitions

1.1 Unless the context otherwise requires, the following terms whenever used in this contract have the following meanings:

- "**Applicable law**" means the laws and any other instruments having the force of law in the Hashemite Kingdom of Jordan, as they may be issued and in force from time to time.
- "**AFD**" means *Agence Française de Développement* (AFD).
- "**CC**" means these Conditions of Contract.
- "**Client**" means the implementing agency that signs the Contract for the Services with the selected Consultant.
- "**Consultant**" means a legally established professional consulting firm or entity selected by the Client to provide the Services under the signed Contract.
- "**Contract**" means the legally binding written agreement signed between the Client and the Consultant and which includes all the attached documents listed in its paragraph 1 of the Form of Contract [the Conditions of Contract (CC), and the Appendices].
- "**Day**" means a calendar day unless indicated otherwise.
- "**Experts**" means, collectively, Key Experts, Non-Key Experts, or any other personnel of the Consultant, Subconsultant or JV member(s) assigned by the Consultant to perform the Services or any part thereof under the Contract.
- "**Foreign Currency**" means any currency other than the currency of the Client's country.
- "**Joint Venture (JV)**" means an association with or without a legal personality distinct from that of its members, of more than one entity where one member has the authority to conduct all businesses for and on behalf of any and all the members of the JV, and where the members of the JV are jointly and severally liable to the Client for the performance of the Contract.
- "**Key Expert(s)**" means an individual professional whose skills, qualifications, knowledge and experience are critical to the performance of the Services under the Contract and whose Curricula Vitae (CV) was considered in the technical evaluation of the Consultant's Proposal.
- "**Local Currency**" means the currency of the Client's country.
- "**Non-Key Expert(s)**" means an individual professional provided by the Consultant or its Subconsultant to perform the Services or any part thereof under the Contract.
- "**Party**" means the Client or the Consultant, as the case may be, and "**Parties**" means both of them.



- **"Services"** means the work to be performed by the Consultant pursuant to the Contract, as described in **Appendices A and B** of the Contract.
- 2. Relationship between the Parties** 2.1 Nothing contained herein shall be construed as establishing a relationship of master and servant or of principal and agent as between the Client and the Consultant. The Consultant, subject to the Contract, has the complete charge of the Experts and Subconsultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.
- 3. Law governing Contract** 3.1 The Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable law.
- 4. Language** 4.1 The Contract has been executed in the the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of the Contract.
- 5. Headings** 5.1 The headings shall not limit, alter or affect the meaning of the Contract.
- 6. Communications** 6.1 Any communication required or permitted to be given or made pursuant to the Contract shall be made in writing in the language specified in Clause 4. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified below:
- Client:** Ministry of Local Administration, Jabal Amman, 3<sup>rd</sup> Circle, P.O. Box 1799, 1118 Amman, Hashemite Kingdom of Jordan.
- Attention: Eng. Hussain Mhaidat, Secretary General.
- Email (where permitted): [Hussain\\_mhaidat@yahoo.com](mailto:Hussain_mhaidat@yahoo.com) , [solid.waste@moma.gov.jo](mailto:solid.waste@moma.gov.jo)
- Consultant** *[If the Consultant consists only of one entity, insert the communication details of the person authorised for the Contract. If the Consultant is a Joint Venture, consisting of more than one entity, insert the name of the lead member and of the person authorised for the Contract as per Sub-clause 8.1 below]:*
- \_\_\_\_\_
- Address: \_\_\_\_\_
- Attention: \_\_\_\_\_
- Email (where permitted): \_\_\_\_\_
- 6.2 A Party may change its address for notice hereunder by giving the other Party any communication of such change to the address specified in the Contract.
- 7. Location** 7.1. The Services shall be performed at such locations as are specified in Clause CC 29.1 hereto and **Appendix A** (TOR).
- 8. Authority of member in charge** 8.1. *[Note: If the Consultant consists only of one entity, state "N/A";*  
OR  
*If the Consultant is a Joint Venture consisting of more than one entity, insert the name of the lead member specified in Sub-clause 6.1*

*above to act on their behalf in exercising all the Consultant's rights and obligations towards the Client under the Contract, including without limitation the receiving of instructions and payments from the Client]*

**The Lead Member on behalf of the JV is:**

**9. Authorized representatives**

9.1. Any action required or permitted to be taken, and any document required or permitted to be executed under the Contract by the Client or the Consultant may be taken or executed by the officials specified below:

For the Client: \_\_\_\_\_ [name, title]

For the Consultant: \_\_\_\_\_ [name, title]

**10. Corrupt and Fraudulent Practices, and Social and Environmental Responsibility**

10.1. AFD requires compliance with its policy regarding corrupt and fraudulent practices, social and environmental responsibility as set forth in **Attachment 1** to the Contract.

**B. Commencement, Completion, Modification and Termination of Contract**

**11. Effectiveness of Contract**

11.1. The Contract shall enter into force on the date of signing the contract by the Parties.

**12. Commencement of Services**

12.1. The Consultant shall begin carrying out the Services not later than ten (10) days after the date of signing the contract by the Parties.

**13. Expiration of Contract**

13.1. Unless terminated earlier pursuant to Clause CC 18 hereof, the Contract shall expire upon final payment by the Client to the Consultant pursuant to Clause CC 37.1(c) hereof.

**14. Entire agreement**

14.1. The Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.

**15. Modifications or variations**

15.1. Any modification or variation of the terms and conditions of the Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. However, each Party shall give due consideration to any Proposals for modification or variation made by the other Party.

15.2. In cases of substantial modifications or variations, the prior written consent of AFD is required.

**16. Force Majeure**

16.1. Definition:

16.1.1. For the purposes of the Contract, "**Force Majeure**" means an event which is beyond the reasonable control of a Party, is not foreseeable, is unavoidable, and makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible under the circumstances, and subject to those requirements. It includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions,

bans -such as curfew and lockdown- by GoJ due to pandemic, confiscation or any other action by government agencies.

16.1.2. Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's Experts, or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to both take into account at the time of the conclusion of the Contract, and avoid or overcome in the carrying out of its obligations hereunders.

16.1.3. Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

16.2. Non breach of Contract:

The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, the Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of the Contract.

16.3. Measures to be taken:

16.3.1. A Party affected by an event of Force Majeure shall continue to perform its obligations under the Contract as far as is reasonably practical and shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

16.3.2. A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any case not later than fourteen (14) calendar days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible.

16.3.3. Any period within which a Party shall, pursuant to the Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

16.3.4. During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultant, upon instructions by the Client, shall either:

- Cease its activities and demobilize; or
- Continue with the Services to the extent reasonably possible.

16.3.5. In the case of disagreement between the Parties as to the existence or extent of Force Majeure, the matter shall be settled according to Clauses CC 39 and 40.

## 17. Suspension

17.1. The Client may, by written notice of suspension to the Consultant, suspend all payments to the Consultant hereunder if the Consultant fails to perform any of its obligations under the Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the

failure, and (ii) shall request the Consultant to remedy such failure within a period not exceeding thirty (30) days after receipt by the Consultant of such notice of suspension.

## 18. Termination

The Contract may be terminated by either Party as per provisions set up below:

### 18.1. By the Client:

18.1.1. The Client may terminate the Contract in case of the occurrence of any of the events specified in the following paragraphs:

- If the Consultant fails to remedy a failure in the performance of its obligations hereunder, as specified in a notice of suspension pursuant to Clause CC 17;
- If the Consultant becomes (or, if the Consultant consists of a Joint Venture, if any of its members becomes) insolvent or bankrupt or enter into any agreements with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary;
- If the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Sub-Clause CC 40.1;
- If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days;
- If the Consultant fails to confirm availability of Key Experts.
- If the Client, in its sole discretion and for any reason whatsoever, decides to terminate the Contract;

In such an occurrence the Client shall give at least thirty (30) days' written notice of termination to the Consultant in case of the events referred to in (a) through (d); at least five (5) days' written notice in case of the event referred to in (e); and at least sixty (60) days' written notice in case of the event referred to in (f).

18.1.2. Furthermore, if the Client determines that the Consultant has engaged in corrupt or fraudulent practices, in competing for or in executing the Contract, then the Client is entitled, after giving fourteen (14) days written notice to the Consultant, to terminate the Consultant's employment under the Contract.

### 18.2. By the Consultant:

18.2.1. The Consultant may terminate the Contract, by not less than thirty (30) days' written notice to the Client, in case of the occurrence of any of the events specified below:

- If the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause CC 40.1;
- If the Client is in material breach of its obligations pursuant to the Contract and has not remedied the

same within forty-five (45) days (or such longer period as the Consultant may have subsequently approved in writing) following the receipt by the Client of the Consultant's notice specifying such breach.

18.3. Cessation of rights and obligations:

Upon termination of the Contract pursuant to Clause CC 18 hereof, or upon expiration of the Contract pursuant to Clause CC 13, all rights and obligations of the Parties hereunder shall cease, except (i) such rights and obligations as may have accrued on the date of termination or expiration, (ii) the obligation of confidentiality set forth in Clause CC 21, and (iii) any right which a Party may have under the Applicable law.

18.4. Cessation of Services:

Upon termination of the Contract by notice of either Party to the other pursuant to Sub-Clauses CC 18.1 or CC 18.2, the Consultant shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum.

18.5. Payment upon termination:

Upon termination of the Contract, the Client shall remunerate the Consultant for Services satisfactorily performed prior to the effective date of termination.

## **C. Obligations of the Consultant**

### **19. General**

19.1. Standard of performance:

19.1.1. The Consultant shall perform the Services with all due diligence and efficiency, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate methods.

19.1.2. The Consultant shall employ and provide such qualified and experienced Experts as are required to carry out the Services.

19.1.3. The Consultant shall not subcontract part or the whole of the Services.

19.2. Law applicable to Services:

19.2.1. The Consultant shall perform the Services in accordance with the Contract and the Applicable law and shall take all practicable steps to ensure that any of its Experts comply with the Applicable law.

### **20. Conflict of interests**

20.1. The Consultant shall hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflict with other assignments or their own corporate interests.

20.2. Consultant not to benefit from commissions, discounts, etc.:

The payment of the Consultant pursuant to CC F (Clauses CC 34 through 38) shall constitute the Consultant's only payment in connection with the Contract, and the Consultant shall not accept for its own benefit any trade commission, discount or similar

payment in connection with activities pursuant to the Contract or in the discharge of its obligations hereunder, and the Consultant shall use its best efforts to ensure that any Experts and agents of either of them, similarly shall not receive any such additional payment.

20.3. Prohibition of conflicting activities:

The Consultant shall not engage and shall cause its Experts not to engage, either directly or indirectly, in any business or professional activities that would conflict with the activities assigned to them under the Contract.

20.4. Strict duty to disclose conflicting activities:

The Consultant has an obligation and shall ensure that its Experts shall have an obligation to disclose any situation of actual or potential conflict that impacts their independent role, or that may reasonably be perceived as having this effect. Failure to disclose such situations may lead to the termination of its Contract.

**21. Confidentiality**

21.1. The Consultant and its Experts and other personell shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant and the Experts and other personell make public the recommendations formulated in the course of, or as a result of, the Services.

**22. Liability of the Consultant**

22.1. The Consultant's liability under the Contract shall be as determined under the Applicable law.

**23. Reporting obligations**

23.1. The Consultant shall submit to the Client the reports and documents specified in **Appendix A** (TOR), in the form, in the numbers and within the time periods set forth in the said Appendix.

**D. Consultant's Experts**

**24. Description of Key Experts**

24.1. The title, the agreed job description, minimum qualification and time-input estimates to carry out the Services of each of the Consultant's Key Experts are described in **Appendix B** (Consultant's technical Proposal).

**25. Replacement of Key Experts**

25.1. Except as the Client may otherwise agree in writing, no changes shall be made in the Key Experts.

25.2. Notwithstanding the above, the substitution of Key Experts during Contract execution may be considered only based on the Consultant's written request and due to circumstances outside the reasonable control of the Consultant, including but not limited to death or medical incapacity. In such case, the Consultant shall forthwith provide as a replacement, a person of equivalent or better qualifications and experience, and at the same rate of remuneration.

**26. Approval of additional Key Experts**

26.1. If during execution of the Contract, additional Key Experts are required to carry out the Services, the Consultant shall submit to the Client a copy of their Curricula Vitae (CVs) for review and approval. If the Client does not object in writing (stating the reasons for the objection) within twenty-two (22) days from the date of receipt of such CVs, the additional Key Experts shall be deemed approved by the Client.

- 27. Removal of Experts**
- 27.1. If the Client finds that any of the Experts has committed serious misconduct or has been charged with having committed a criminal action, or if the Client determines that one of the Consultant's Experts have engaged in corrupt or fraudulent practice while performing the Services, the Consultant shall, at the Client's written request, provide a replacement.
- 27.2. In the event that any of the Key Experts or Non-Key Experts is found by the Client to be incompetent or incapable in discharging assigned duties, the Client, specifying the grounds therefore, may request the Consultant to provide a replacement.
- 27.3. Any replacement of the removed Experts shall possess better qualifications and experience and shall be acceptable to the Client.
- 28. Replacement / removal of Experts - Impact on payments**
- 28.1. The Consultant shall bear all costs arising out or incidental to any removal and/or replacement of such Experts.

## **E. Obligations of the Client**

- 29. Access to the Client's Services place**
- 29.1. The Services will be carried out (a) at the Consultant's place, and (b) at the Client's Services place in MoLA.
- 29.2. The Consultant shall also schedule meeting/s with AFD at the AFD's place.
- 29.3. The Client warrants that the Consultant shall have unimpeded access to the Client's Services place in MoLA in respect of which access is required for the performance of the Services. The Client will be responsible for any damage to the Services place in MoLA or any property thereon resulting from such access and will indemnify the Consultant and each of the Experts in respect of liability for any such damage, unless such damage is caused by the willful default or negligence of the Consultant or the Experts.
- 30. Change in the Applicable Law related to taxes and duties**
- 30.1. If, after the date of the Contract, there is any change in the Applicable Law in the Client's country with respect to taxes which increases or decreases the cost incurred by the Consultant in performing the Services, then the remuneration and other expenses otherwise payable to the Consultant under the Contract shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the ceiling amounts specified in Sub-Clause CC 34.
- 31. Documents, reports of the Client**
- 31.1. The Client shall make available to the Consultant and the Experts, for the purposes of the Services and free of any charge, the documents and reports as shall be necessary to perform the Services described in **Appendix A** (TOR) at the times and in the manner specified in the above mentioned **Appendix A**.
- 31.2. In case that such documents and reports shall not be made available to the Consultant as and when specified in **Appendix A**, the Parties shall agree on any time extension that it may be appropriate to grant to the Consultant for the performance of the Services.
- 32. Counterpart personnel**
- 32.1. The Client shall nominate its counterpart personnel who will be available to the Consultant to facilitate the performance of the Services.

**33. Payment obligation** 33.1. In consideration of the Services performed by the Consultant under the Contract, the Client shall make such payments to the Consultant and in such manner as provided by CC F below.

**F. Payment to the Consultant**

**34. Contract price (lump-sum)** 34.1. The Contract price (**lump-sum**) is: \_\_\_\_\_ *[insert amount and currency]* **exclusive of local indirect taxes. The amount of such taxes is:** \_\_\_\_\_ *[insert the amount as finalized at the Contract’s negotiations on the basis of the estimates provided by the Consultant in form FIN-2 of the Consultant’s financial Proposal.]*

34.2. The Contract price breakdown by fiscal year is provided in **Appendix C** (Breakdown of the Contract Price). Any change to the Contract price can be made only if the Parties have agreed to the revised scope of Services pursuant to Clause CC 15 and have amended in writing in **Appendix A** (TOR).

**35. Taxes** 35.1. Payment of the taxes applicable to the Contract are specified in the table below.

Applicable taxes	Rate (percentage)	Payment Term <i>[mark the applicable boxes]</i>	
		a) Payment by the Consultant	b) Direct payment by the Client on behalf of the Consultant
Value Added Tax (VAT)			
Other indirect tax			

In the event of direct payment of Applicable taxes by the Client on behalf of the Consultant, in accordance with the table above, the Client shall provide the Consultant with proof of payment, or equivalent proof for each payment, within thirty (30) days of the Consultant’s written request.

**36. Currency of payment** 36.1. Any payment under the Contract shall be made in the currency of the Contract.

**37. Mode of billing and payment** 37.1. Billings and payments in respect of the Services shall be made for each fiscal year separately according to APPENDIX C (Breakdown of Contract Price).

The payment for each separate fiscal year (Yx, where x = 2021, 2022, 2023, 2024) will be applied as follows:

- Advance payment for Services to be provided for fiscal year Yx:

An advance payment of 30% of the Contract Price portion allotted to fiscal year Yx (advance payment Yx) as defined in **Appendix C** (Breakdown of the Contract Price) shall be made by the Client within fifteen (15) days after the submission by the Consultant of a bank guarantee acceptable to the Client in the same amount and in the same currency as the advance payment. The bank guarantee shall be in the form set forth in **Appendix E** (Form of Advance Payment Guarantee).



The bank guarantee shall be remaining effective until the advance payment has been set off.

The advance payment Yx will be set off by deducting its entire amount from the Annual Installment payment for Services provided for fiscal year Yx.

- Annual installment payments for Services provided for fiscal year Yx:

The Client shall pay the Consultant 100% of the Contract Price portion allotted to fiscal year Yx as defined in **Appendix C** (Breakdown of the Contract Price) within sixty (60) days after the receipt by the Client of all deliverables specified for fiscal year Yx and the cover invoice for the related installment payment, following AFD's "no objection letter".

- Final Payment shall be the Annual Installment payment for Services provided for fiscal year 2024.

*[Total sum of all Annual installments should amount to the Contract price set up in CC 34.1]*

- All payments under the Contract shall be made to the accounts of the Consultant specified below:

For Foreign Currency: \_\_\_\_\_ *[insert account]*.

For Local Currency: \_\_\_\_\_ *[insert account]*.

- With the exception of the final payment under (c) above, payments do not relieve the Consultant of any obligations hereunder.

### **38. Interest on damages**

- 38.1. If the Consultant fails to comply with the Contract requirements, the Client shall be entitled to apply damages. The total amount of the damages shall not exceed 10% of the Contract amount, guaranteed by the Performance Security guarantee in **Appendix E**.

## **G. Fairness and Good Faith**

### **39. Good faith**

- 39.1. The Parties undertake to act in good faith with respect to each other's rights under the Contract and to adopt all reasonable measures to ensure the realization of the objectives of the Contract.

## **H. Settlement of Disputes**

### **40. Amicable Settlement**

- 40.1. The Parties shall seek to resolve any dispute amicably by mutual consultation.
- 40.2. If either Party objects to any action or inaction of the other Party, the objecting Party may file a written Notice of Dispute to the other Party providing in detail the basis of the dispute. The Party receiving the Notice of Dispute will consider it and respond in writing within fourteen (14) days from receipt. If that Party fails to respond within fourteen (14) days, or the dispute cannot be amicably settled within fourteen (14) days from the response of that Party, Sub-Clause CC 41.1 shall apply.

- 41. Dispute resolution**
- 41.1. Any dispute between the Parties arising under or related to the Contract that cannot be settled amicably may be referred to by either Party to the adjudication/arbitration in accordance with the provisions specified in the Applicable law.

## **ATTACHMENT 1: AFD Policy - Corrupt and Fraudulent Practices - Environmental and Social Responsibility**

- **Corrupt and Fraudulent Practices**

The Contracting Authority and the suppliers, contractors, subcontractors, consultants or subconsultants must observe the highest standard of ethics during the procurement process and performance of the contract. The Contracting Authority means the Purchaser, the Employer, the Client, as the case may be, for the procurement of goods, works, plants, consulting services or non-consulting services.

By signing the Statement of Integrity the suppliers, contractors, subcontractors, consultants or subconsultants declare that (i) “it did not engage in any practice likely to influence the contract award process to the Contracting Authority’s detriment, and that it did not and will not get involved in any anti-competitive practice”, and that (ii) “the procurement process and the performance of the contract did not and shall not give rise to any act of corruption or fraud”.

Moreover, AFD requires including in the Procurement Documents and AFD-financed contracts a provision requiring that suppliers, contractors, subcontractors, consultants or subconsultants will permit AFD to inspect their accounts and records relating to the procurement process and performance of the AFD-financed contract, and to have them audited by Consultants appointed by AFD.

AFD reserves the right to take any action it deems appropriate to check that these ethics rules are observed and reserves, in particular, the rights to:

- Reject a proposal for a contract award if it is established that during the selection process the bidder or consultant that is recommended for the award has been convicted of corruption, directly or by means of an agent, or has engaged in fraud or anti-competitive practices in view of being awarded the Contract;
- Declare misprocurement when it is established that, at any time, the Contracting Authority, the suppliers, contractors, subcontractors, consultants or subconsultants their representatives have engaged in acts of corruption, fraud or anti-competitive practices during the procurement process or performance of the contract without the Contracting Authority having taken appropriate action in due time satisfactory to AFD to remedy the situation, including by failing to inform AFD at the time they knew of such practices.

AFD defines, for the purposes of this provision, the terms set forth below as follows:

- Corruption of a Public Officer means:
  - The act of promising, offering or giving to a Public Officer, directly or indirectly, an undue advantage of any kind for himself or for another Person<sup>1</sup> or entity, for such Public Officer to act or refrain from acting in his official capacity; or
  - The act by which a Public Officer solicits or accepts, directly or indirectly, an undue advantage of any kind for himself or for another Person or entity, for such Public Officer to act or refrain from acting in his official capacity.
- A Public Officer shall be construed as meaning:
  - Any person who holds a legislative, executive, administrative or judicial mandate (within the country of the Contracting Authority) regardless of whether that natural Person was nominated or elected, regardless of the permanent or temporary, paid or unpaid nature of the position and regardless of the hierarchical level the natural Person occupies;

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<sup>1</sup> Means any Person whether natural or legal, firm, company, corporation, government, state or state agency or any association, or group of two or more of the foregoing (whether or not having separate legal status).

- Any other natural Person who performs a public function, including for a State institution or a State-owned company, or who provides a public service;
- Any other natural Person defined as a Public Officer by the national laws of the country of the Contracting Authority.
  - Corruption of a Private Person<sup>2</sup> means:
- The act of promising, offering or giving to any Private Person, directly or indirectly, an undue advantage of any kind for himself or for another Person or entity, for such Private Person to perform or refrain from performing any act in breach of its legal, contractual or professional obligations; or;
- The act by which any Private Person solicits or accepts, directly or indirectly, an undue advantage of any kind for himself or for another Person or entity, for such Private Person to perform or refrain from performing any act in breach of its legal, contractual or professional obligations.
  - Fraud means any dishonest conduct (act or omission), whether or not it constitutes a criminal offence, deliberately intended to deceive others, to intentionally conceal items, to violate or vitiate consent, to circumvent legal or regulatory requirements and/or to violate internal rules in order to obtain illegitimate profit.
  - Anti-competitive practices mean:
- Any concerted or implied practices which have as their object or effect the prevention, restriction or distortion of competition within a marketplace, especially where they (i) limit access to the marketplace or free exercise of competition by other undertakings, (ii) prevent free, competition-driven price determination by artificially causing price increases or decreases, (iii) restrict or control production, markets, investments or technical progress; or (iv) divide up market shares or sources of supply;
- Any abuse by one undertaking or a group of undertakings which hold a dominant position on an internal market or on a substantial part of it;
- Any practice whereby prices are quoted or set unreasonably low, the object of which is to eliminate an undertaking or any of its products from a market or to prevent it from entering the market.
- **Environmental and Social Responsibility**

In order to promote sustainable development, AFD seeks to ensure that internationally recognised environmental and social standards are complied with. Suppliers, contractors, subcontractors, consultants or subconsultants for AFD-financed contracts shall consequently undertake in the Statement of Integrity to:

- Comply with and ensure that all their subcontractors or subconsultants comply with international environmental and labour standards, consistent with applicable law and regulations in the country of implementation of the contract, including the fundamental conventions of the International Labour Organisation (ILO) and international environmental treaties;
- Implement environmental and social risks mitigation measures when specified in the environmental and social management plan (ESMP) provided by the Contracting Authority.

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<sup>2</sup> Means any natural Person other than a Public Officer.

## ATTACHMENT 2: Eligibility Criteria

### Eligibility in AFD-Financed Procurement

- Financing allocated by AFD to a Contracting Authority has been entirely untied since 1<sup>st</sup> January 2002. To the exception of any equipment or any sector which is subject to an embargo by the United Nations, the European Union or France, all goods, works, plants, consulting services and non-consulting services are eligible for AFD financing regardless of the country of origin of the supplier, contractor, subcontractor, consultant or subconsultant inputs or resources used in the implementation processes. The Contracting Authority means the Purchaser, the Employer, the Client, as the case may be, for the procurement of goods, works, plants, consulting services or non-consulting services.
- Natural or legal Persons<sup>1</sup> (including all members of a joint venture or any of their suppliers, contractors, subcontractors, consultants or subconsultants) shall not be awarded an AFD-financed contract if, on the date of submission of an application, a bid or a proposal, or on the date of award of a contract, they:
  - 2.1 Are bankrupt or being wound up or ceasing their activities, are having their activities administered by the courts, have entered into receivership, or are in any analogous situation arising from a similar procedure;
  - 2.2 Have been:
    - convicted, within the past five years by a court decision, which has the force of res judicata in the country where the contract is implemented, of fraud, corruption or of any other offense committed during a procurement process or performance of a contract, unless they provide supporting information together with their Statement of Integrity (Form available as Appendix to the Application, Bid or Proposal Submission Form) which shows that this conviction is not relevant in the context of the Contract;
    - subject to an administrative sanction within the past five years by the European Union or by the competent authorities of the country where they are constituted, for fraud, corruption or for any other offense committed during a procurement process or performance of a contract, unless they provide supporting information together with their Statement of Integrity (Form available as Appendix to the Application, Bid or Proposal Submission Form) which shows that this sanction is not relevant in the context of the Contract;
    - convicted, within the past five years by a court decision, which has the force of res judicata, of fraud, corruption or of any other offense committed during the procurement process or performance of an AFD-financed contract;
  - 2.3 Are listed for financial sanctions by the United Nations, the European Union and/or France for the purposes of fight-against-terrorist financing or threat to international peace and security;
  - 2.4 Have been subject within the past five years to a contract termination fully settled against them for significant or persistent failure to comply with their contractual obligations during

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<sup>1</sup> Means any Person whether natural or legal, firm, company, corporation, government, state or state agency or any association, or group of two or more of the foregoing (whether or not having separate legal status).

- contract performance, unless this termination was challenged and dispute resolution is still pending or has not confirmed a full settlement against them;
- 2.5 Have not fulfilled their fiscal obligations regarding payments of taxes in accordance with the legal provisions of either the country where they are constituted or the Contracting Authority's country;
  - 2.6 Are subject to an exclusion decision of the World Bank and are listed on the website <http://www.worldbank.org/debarr>, unless they provide supporting information together with their Statement of Integrity (Form available as Appendix to the Application, Bid or Proposal Submission Form) which shows that this exclusion is not relevant in the context of the Contract;
  - 2.7 Have created false documents or committed misrepresentation in documentation requested by the Contracting Authority as part of the procurement process of the Contract.
    - State-owned entities may compete only if they can establish that they (i) are legally and financially autonomous, and (ii) operate under commercial law. To be eligible, a state-owned entity shall establish to AFD's satisfaction, through all relevant documents, including its Charter and other information AFD may request, that it: (i) is a legal entity separate from their state (ii) does not currently receive substantial subsidies or budget support; (iii) operates like any commercial enterprise, and, inter alia, is not obliged to pass on its surplus to their state, can acquire rights and liabilities, borrow funds and be liable for repayment of its debts, and can be declared bankrupt.

## **III – APPENDICES TO CONTRACT**

### **APPENDIX A – Terms of Reference**

### **APPENDIX B – Consultant's technical Proposal**

*[It will include the Consultant's technical Proposal and finalised during the Contract's negotiations. Attach the CVs (updated and signed by the respective Key Experts) demonstrating the qualifications of Key Experts.]*

### **APPENDIX C – Breakdown of Contract Price**

## APPENDIX D – Form of Performance Security

### Demand Guarantee

*[Pursuant to Clause CC 38.1]*

*[Guarantor letterhead or SWIFT identifier code]*

**Beneficiary:** The Minister of Local Administration of Jordan in addition to His job

**Date:** \_\_\_\_\_ *[insert date of issue]*

**PERFORMANCE GUARANTEE No.:** \_\_\_\_\_ *[insert guarantee reference number]*

**Guarantor:** \_\_\_\_\_  
*[insert name and address of place of issue, unless indicated in the letterhead]*

We have been informed that \_\_\_\_\_ *[insert name of Contractor, which in the case of a joint venture shall be the name of the joint venture]* (hereinafter called "**the Contractor**") has entered into Contract No. \_\_\_\_\_ *[insert reference number of the Contract]* dated \_\_\_\_\_ with the Beneficiary, for the execution of \_\_\_\_\_ *[insert name of contract and brief description of Services]* (hereinafter called "**the Contract**").

Furthermore, we understand that, according to the conditions of the Contract, a Performance Security is required.

At the request of the Contractor, we as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of \_\_\_\_\_ *[insert the amount in figures and letters]*<sup>1</sup>, such sum being payable in the types and proportions of currencies in which the Contract Price is payable, upon receipt by us of the Beneficiary's complying demand supported by the Beneficiary's statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating that the Contractor is in breach of its obligation(s) under the Contract, without the Beneficiary needing to prove or to show grounds for your demand or the sum specified therein.

The demand shall be addressed to \_\_\_\_\_ BANK, Office \_\_\_\_\_, address \_\_\_\_\_ either through SWIFT notification at SWIFT Code or registered mail \_\_\_\_\_.

This guarantee shall expire, no later than the \_\_\_\_\_ day of \_\_\_\_\_ 2\_\_\_\_<sup>2</sup>, and any demand for payment under it must be received by us at this office indicated above on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No. 758, except that the supporting statement under Article 15(a) is hereby excluded.

\_\_\_\_\_  
*[signature(s)]*

*[Note: All italicized text (including footnotes) is for use in preparing this form and shall be deleted from the final product.]*

<sup>1</sup> The Guarantor shall insert an amount representing the percentage stated in the Contract Data of the Accepted Contract Amount specified in the Letter of Acceptance, less provisional sums, if any, and denominated either in the currency(cies) of the Contract or a freely convertible currency acceptable to the Beneficiary.

<sup>2</sup> Insert the date twenty-eight days after the expected Contract Expiration Date as described in the CC Clause 13.1. In the event of an extension of this date for completion of the Contract, the Contractor would need to request an extension of this guarantee from the Guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee.



## APPENDIX E – Form of advance payment guarantee

*[Pursuant to Sub-Clause CC 37.1(a)]*

### Bank guarantee for advance payment

\_\_\_\_\_ *[Bank's Name, and Address of Issuing Branch or Office]*

**Beneficiary:** \_\_\_\_\_ *[Name and Address of Client]*

**Date:** \_\_\_\_\_

**ADVANCE PAYMENT GUARANTEE No.:** \_\_\_\_\_

We have been informed that \_\_\_\_\_ *[name of Consultant or a name of the Joint Venture, same as appears on the signed Contract]* (hereinafter called the "**Consultant**") has entered into Contract No. \_\_\_\_\_ *[reference number of the Contract]* dated \_\_\_\_\_ with you, for the provision of \_\_\_\_\_ *[brief description of Services]* (hereinafter called the "**Contract**").

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum of \_\_\_\_\_ *[amount in figures]* (\_\_\_\_\_ *[amount in words]*) is to be made against an advance payment guarantee.

At the request of the Consultant, we \_\_\_\_\_ *[name of bank]* hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of \_\_\_\_\_ *[amount in figures]* (\_\_\_\_\_ *[amount in words]*)<sup>1</sup>, upon receipt by us of your first demand in writing accompanied by a written statement stating that the Consultant are in breach of their obligation under the Contract because the Consultant have used the advance payment for purposes other than toward providing the Services under the Contract.

It is a condition for any claim and payment under this guarantee to be made that the advance payment referred to above must have been received by the Consultant on their account number \_\_\_\_\_ at \_\_\_\_\_ *[name and address of bank]*.

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Consultant as indicated in copies of certified monthly statements which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of the monthly payment certificate indicating that the Consultant has made full repayment of the amount of the advance payment. Consequently, any demand for payment under this guarantee must be received by us on or before that date.

The demand shall be addressed to \_\_\_\_\_ BANK, Office \_\_\_\_\_, address \_\_\_\_\_ either through SWIFT notification at SWIFT Code or registered mail \_\_\_\_\_.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No. 758.

\_\_\_\_\_  
*[Signature]*

*[Note: All italicized text is for indicative purposes only to assist in preparing this form and shall be deleted from the final product]*

<sup>1</sup> The Guarantor shall insert an amount representing the amount of the advance payment and denominated either in the currency(ies) of the advance payment as specified in the Contract, or in a freely convertible currency acceptable to the Client.

Appendix 4.1 - NOMENCLATURE OF FINDINGS AND MISSTATEMENTS

Finding N°	GENERAL AUDIT FINDINGS	Mis-statement N°	MISSTATEMENTS	COMMENTS
1	Completeness of supporting documentation	1	Missing documents	All missing documents except contract related expenditure (treated separately) including: vehicle maintenance logbook, mission order and report, TOR for workshops and seminars, boarding passes, proforma invoices, contracts and purchase orders, payment cheques copies, employment contracts, payslips, attendance lists, signed payment records, workshop and seminar proceedings and reports, etc.
2	Payment-related issues	2	Payment not yet debited	Payment entered in a record but not yet debited (appears in bank reconciliation)
		3	Petty cash threshold exceeded	Applicable if there is a defined threshold and unless special derogation
		4	Petty cash expense paid by bank	Cash withdrawal not recorded in the petty cash book
		5	Discrepancy between invoice amount and amount paid	Discrepancy between paid amount and invoiced amount
3	Formal regularity, accuracy and probative value	6	Absence of stamp or signature	Project manager's stamp on invoices / payment records, "certified true & correct" stamp, report not signed by the mission members, report not validated by the project manager, timesheets not approved, delivery note (DN) not signed by project, purchase order (PO) not signed by manager, unsigned attendance list, "arrival" and "departure" stamp on mission orders, etc.
		7	Absence of mandatory information on supporting documentation	Project name on invoices, supplier contact information, mandatory statements on invoices, vehicle number on repair and fuel invoices, wording "payment", revenue stamp
		8	Arithmetic errors	Addition, multiplication, quantities per unit price

		9	Inconsistencies in the supporting documentation	Discrepancies regarding description, quantities, unit prices between PO, invoice, DN, contract; payment record and attendance list; catering expenses and attendance list, etc.
		10	Incoherence of dates	Invoice dated prior to order or contract, competing proforma dated after PO
		11	Other misstatements	Altered documents, photocopies, invoices prepared by the project on behalf of third parties, invoices from different suppliers with the same presentation and font
4	Budget implementation	12	Unauthorised budget overrun/budget reallocation	Budget overrun not in conformity with AFD rules
		13	Non-compliant use of contingency reserve	Contingency reserve used without a prior written approval
		14	Accounting/budget line error	Error on expenditure account : error of principle or budget code error
5	Other regulatory and contractual provisions	15	Expenses incurred outside the budget period	Expenditure incurred prior to signature of the agreement (apart from bank charges) or after project closure
		16	Non-compliance with regulatory provisions (AFD, national counterparty, etc.)	Allowance and per diem not compliant with official rates, salaries of contract personnel not compliant with the official pay scale, fuel reimbursed at a non-compliant km rate, contract renewed without amendment
		17	Non-compliance with the terms of contracts with third parties	Non-compliance with terms of payment or delivery schedule, late delivery penalties not applied
		18	Non-compliance with the terms of contracts with a delegator of funds or a co-financing partner	Non-compliance with expenditure eligibility criteria, contractual dates, reporting and visibility obligations ; non-compliance of tasks carried out on behalf of third parties in case of a co-financing agreement
6	Price, relevance and probative value of expenditure	19	Excessive price	reference to usual market prices, market price list, comparison with other sources (other suppliers, other projects, etc.), abnormal variations from one period to another
		20	Unjustified quantities	excessive quantities compared to the requirements, which can mask excessive unit prices (actual delivered quantities being lesser)
		21	Expenses unrelated to project	expenditure not foreseen in the agreement, expenditure unrelated to project activities, planned expenditure but physically allocated to another recipient
		22	Questionable purchases at end of the project	Inability to absorb funds prior to project closure, excessive quantities, late investments, supplier not able to perform prior to project closure
		23	Undue VAT payment	VAT wrongfully included in invoices, except for lawful derogations (fuel, telephone, electricity)

7	Compliance with tax and social regulations	24	Absence of withholding tax (invoices, salaries)	Payroll deductions not applied, taxation on industrial and commercial profits not applied (varies according to national regulation), taxation on rents not applied
		25	Non-compliance with social obligations	Inappropriate basis for calculation, inappropriate social contributions rate, declarations with errors, late submission of declarations and late payments, ineligible late-filing penalties
8	Procurement procedures	26	Missing documents	Tender dossier, tender invitation letter, tenderers' bids, written record of the opening of the tenders received, evaluation report, tender award minutes, non-objection notification, service order, guarantees provided (submission and performance), statements of account of work, works acceptance report, etc.
		27	Non-compliant tendering process and contract award	Non-compliance with submission deadlines, absence of advertisement, non-compliance with procurement thresholds, lowest bidder not selected, imprecise or discriminatory evaluation criteria, unwarranted disqualification of a bid, non-compliant tender evaluation committee, absence of negotiation report (cases where there is a single offer or unsuccessful tender procedure),
		28	Non-compliant contract and execution	Absence or non-compliance of guarantees, payment of initial advance without a guarantee (when required), non-compliance with terms of payment, non-compliance with tasks/works execution schedule, late delivery penalties not applied
9	Irregularities	29	Cover bidding	Identical presentation of proformas, bids showing similarities, agreement between undertakings
		30	Expenditure splitting	Circumvention of competitive procedures by splitting orders of identical goods / supplies (that may involve several budget lines)
		31	Payment without supporting documentation	Total absence of supporting documentation
		32	Forged documents	Proven production of forged supporting documentation
		33	Double invoicing	Specific order invoiced twice, invoice paid twice
		34	Fictitious services	Invoicing without completion of any services / delivery of any supplies, rendered services unsubstantiated, fraudulent estimation of the number of participants to a seminar, excessive hotel prices or excessive number of nights
		35	Other irregularities	



# Appendix 4.3 Letter of Representation (Model)

WRITTEN REPRESENTATIONS

## Appendix 1

(Ref: Para. 2)

### List of ISAs Containing Requirements for Written Representations

This appendix identifies paragraphs in other ISAs in effect for audits of financial statements for periods beginning on or after December 15, 2009 that require subject-matter specific written representations. The list is not a substitute for considering the requirements and related application and other explanatory material in ISAs.

- ISA 240, “The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements” – paragraph 39
- ISA 250, “Consideration of Laws and Regulations in an Audit of Financial Statements” – paragraph 16
- ISA 450, “Evaluation of Misstatements Identified during the Audit” – paragraph 14
- ISA 501, “Audit Evidence—Specific Considerations for Selected Items” – paragraph 12
- ISA 540, “Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures” – paragraph 22
- ISA 550, “Related Parties” – paragraph 26
- ISA 560, “Subsequent Events” – paragraph 9
- ISA 570, “Going Concern” – paragraph 16(e)
- ISA 710, “Comparative Information—Corresponding Figures and Comparative Financial Statements” – paragraph 9
- ISA 720 (Revised), The Auditor’s Responsibilities Relating to Other Information – Paragraph 13(c)

AUDITING

**Appendix 2**

(Ref: Para. A21)

**Illustrative Representation Letter**

The following illustrative letter includes written representations that are required by this and other ISAs in effect for audits of financial statements for periods beginning on or after December 15, 2009. It is assumed in this illustration that the applicable financial reporting framework is International Financial Reporting Standards; the requirement of ISA 570<sup>1</sup> to obtain a written representation is not relevant; and that there are no exceptions to the requested written representations. If there were exceptions, the representations would need to be modified to reflect the exceptions.

(Entity Letterhead)

(To Auditor)

(Date)

This representation letter is provided in connection with your audit of the financial statements of ABC Company for the year ended December 31, 20XX<sup>2</sup> for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, (or *give a true and fair view*) in accordance with International Financial Reporting Standards.

We confirm that (, *to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves*):

*Financial Statements*

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated [insert date], for the preparation of the financial statements in accordance with International Financial Reporting Standards; in particular the financial statements are fairly presented (or *give a true and fair view*) in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. (ISA 540)
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards. (ISA 550)

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<sup>1</sup> ISA 570, "Going Concern."

<sup>2</sup> Where the auditor reports on more than one period, the auditor adjusts the date so that the letter pertains to all periods covered by the auditor's report.

- All events subsequent to the date of the financial statements and for which International Financial Reporting Standards require adjustment or disclosure have been adjusted or disclosed. (ISA 560)
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter. (ISA 450)
- [Any other matters that the auditor may consider appropriate (see paragraph A10 of this ISA).]

*Information Provided*

- We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. (ISA 240)
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements. (ISA 240)
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others. (ISA 240)
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements. (ISA 250)
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. (ISA 550)



WRITTEN REPRESENTATIONS

- [Any other matters that the auditor may consider necessary (see paragraph A11 of this ISA).]

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Management

Management