

TERMS OF REFERENCE

FOR

FORENSIC AUDIT

Of

ÉLECTRICITÉ DU LIBAN (EDL) ELECTRIC BARGES (KARPOWERSHIP) AND RELATED FUEL PROCUREMENT TRANSACTIONS

2012-2017

Procuring Entity: Ministry of Energy and Water (MEW)

Procurement Method: Request for Consulting Services Proposals

In accordance with: Public Procurement Law No. 244/2021

Contract Duration: 6 Months

Date Approved: _____19/8/2026_____



Procurement Summary

Name of the Procuring Entity	Ministry of Energy and Water
Address of the Procuring Entity	Ministry of Energy and Water - Central Building - First Floor - Corniche El-Nahr Beirut - Lebanon
Registration Number and Date	27/1 on 19 Aug 2026
Title of the Procurement	Forensic Audit - Electric Barges (Karpowership) and Related Fuel Procurement Transactions - 2012 - 2017
Subject of the Procurement	Electric Barges (Karpowership) and Related Fuel Procurement Transactions ELECTRIC BARGES (KARPOWERSHIP) AND RELATED FUEL PROCUREMENT TRANSACTIONS
Procurement Method	Request for Consulting Services Proposals
Type of Procurement	Consulting Services
Bid Validity Period	120 days from the expiry of the bid submission deadline.
Bid Security	A bank letter of guarantee in the amount of /20,000/ (Twenty Thousand) US Dollars issued by a bank acceptable in Lebanon and in its favor.
Bid Security Validity Period	The bid security validity period shall be determined by adding /28/ days to the bid validity period.
Performance Bond	A bank letter of guarantee issued by a bank acceptable in Lebanon and in its favor. The performance bond value is set at 10% of the contract value.
Opening Price (public auction only)	Not available / Not applicable (N.A.)
Evaluation Criteria (Annex 6)	Evaluation Methodology All proposals shall be evaluated in accordance with the criteria and scoring table set out in this document. The evaluation process is based on the following principles detailed in Annex 6. Methodology and Technical Quality: 24% Relevant Experience and Qualifications of the Firm and Team: 18% Independence and Conflict-of-Interest Safeguards: 18% Financial Consideration and Offer Value: 40%
Place of Receipt of the Conditions of Contract	Published on the Public Procurement Authority's platform. Those seriously interested in participating in the tender / request for price proposals must send an email to the following address: mewgde.info@gmail.com , attaching a commercial circular of the company dated not more than one year prior, at least five days before the bid submission deadline.
Place of Bid Submission	Ministry of Energy and Water - Central Building - First Floor - Corniche El-Nahr Beirut - Lebanon
Site Visit	Not required.
Bid Submission Deadline	Thursday, 15 October 2026 at 12:00 AM
Bid Opening Date	Thursday, 15 October 2026 at 13:00 PM



Place of Bid Opening	Ministry of Energy and Water - Central Building - First Floor - Corniche El-Nahr Beirut - Lebanon
Execution Period	A maximum period of six months from the date the Contractor is requested to commence execution of the contract, including Sundays and official holidays.
Contract Currency	In US Dollars.
Payment of the Contract Value	The Procuring Entity shall pay the amounts due priced in US Dollars in Lebanese Pounds on the basis of the exchange rate adopted by Banque du Liban on the date of settlement. The "Fee" shall exceptionally be paid in foreign currency by bank transfer to a bank account outside Lebanon, and only where the contract has been awarded to a foreign contractor in accordance with due process.



PART ONE: SPECIAL PROVISIONS FOR BID SUBMISSION AND CONTRACT AWARD

Article 1: Definitions

1. The term "Procuring Entity" or "MEW" refers to the Ministry of Energy and Water of the Republic of Lebanon.
2. The term "Bidder" refers to the institution, company, or any natural person submitting a bid.
3. The term "Contractor" or "Auditor" refers to the institution or company whose bid has been accepted and awarded this contract.
4. The term "Public Procurement Law" refers to Law No. 244/21 of 29 July 2021 and its amendments.
5. **"Request for Proposals (RFP)"** refers to the procurement method for consulting services as per Articles 45 and 59 of the Public Procurement Law.
6. The term "Tender Committee" refers to the Tender Committee at the MEW as specified in Article 100 of the Public Procurement Law.
7. The term "Acceptance Committee" refers to the Acceptance Committee at the MEW as specified in Article 101 of the Public Procurement Law.
8. The term "Contract" refers to the contract to be signed between MEW and the Contractor.
9. **"Procurement Contract Subject"** refers to the Forensic Audit of Électricité du Liban (EDL) Electric Barges - specifically the Karpowership rental and operation contracts (2012, and all subsequent renewals and amendments) - including all related fuel procurement and payments, as detailed in Part Two of this TOR.
10. **"Conditions of Contract"** refers to this Terms of Reference document.
11. **"Full Access"** grants the Auditor the right to access all documents, facilities, records, and sites related to the EDL Barges transactions and related fuel procurement transactions, and to interview any official regardless of their position.
12. **"Engagement Nature"** specifies that this mission is a Forensic Investigation aimed at identifying financial crimes, corruption, and quantifying damages - not a standard compliance review. The Auditor shall formulate findings in accordance with the Preponderance of Evidence standard.

Article 2: Invitation for Bid

1. The Invitation for Bid shall be published through the Public Procurement Authority's centralized e-platform and on the MEW website (www.energyandwater.gov.lb).
2. Annexes to these Conditions of Contract:
 - Annex 1: Bidders Qualifications and List of Technical Requirements
 - Annex 2: Undertaking Letter
 - Annex 3: Integrity Declaration Form
 - Annex 4: Letter of Guarantee



- Annex 5: Price Lists and Bill of Quantities
- Annex 6: Price Analysis
- Annex 7: Compliance Letters
- Annex 8: Procurement Contract Form
- Annex 9: Non-Disclosure Agreement
- Annex 10: Checklist

The Conditions of Contract shall be subject to the provisions of the Public Procurement Law (Law No. 244 of 29 July 2021) and its amendments.

Article 3: Procurement Method and Award Criteria

The service contract (consulting) shall be awarded through Consulting Services Proposals announced on the Public Procurement Authority's centralized e-platform. The contract shall be temporarily awarded to the administratively, technically, legally, and financially responsive bidder offering the Most Economically Advantageous Proposal (MEAP), as per the evaluation criteria in Annex 6:

- Methodology and Technical Quality: 24%
- Relevant Experience and Qualifications of the Firm and Team: 18%
- Independence and Conflict-of-Interest Safeguards: 18%
- Financial Consideration and Offer Value: 40%

Article 4: Conditions for Bidders' Participation

I. General Conditions: Any legal or natural person that meets the following conditions shall be eligible to participate:

1. Bids must be submitted clearly and legibly, without any erasures or uncertified corrections.
2. Bidders must declare in their bid that they have reviewed these Conditions of Contract and their appendices, that they accept all terms, and undertake to fully comply therewith.
3. Bidders must demonstrate legal capacity to enter into the contract and must commit to protecting all information obtained during the mission as strictly confidential.
4. Any bid containing reservations or corrections that have not been officially approved shall be rejected.

II. Mandatory Documents — Envelope (1): Administrative and Technical Documents:

5. Commercial circular authenticated by the Trade Register within the last 12 months.
6. Certificate of Registration in the Trade Register issued within the last 12 months.
7. Duly authenticated legal authorization to sign on behalf of the Bidder.
8. Certificate of registration at the Ministry of Finance, valid and not older than one year from the bid submission date.
9. Certificate of registration at the Ministry of Finance, VAT directorate valid and not older than one year from the bid submission date.
10. National Social Security Fund (NSSF) clearance certificate.



11. Minutes of the latest General Assembly meeting with attendance sheet.
12. Comprehensive statement from the Trade Register.
13. If the Bidder is a foreign company: the legal authorization to sign, the Certificate of Registration with the relevant authorities in the home country, and a statement from the Lebanese Ministry of Economy and Trade confirming compliance with the Israel Boycott Law.
14. Statement by the competent Court confirming the Bidder is not bankrupt or under liquidation.
15. Detailed CVs of the proposed engagement team, including years of experience, certifications, and evidence of relevant past assignments.
16. Professional Indemnity Insurance certificate covering errors and omissions, with a minimum limit of USD 10,000,000 per occurrence (or equivalent).
17. List of at least three (3) comparable forensic audit engagements completed within the last ten (10) years, with client references.
18. Integrity Declaration Form (Annex 3).
19. Conflict-of-Interest Declaration confirming no prior engagement with EDL, Karpowership, or any directly related party within the last five (5) years.
20. Beneficial Ownership Declaration (Economic Right Form issued by the Ministry of Finance M18)

III. Mandatory International Forensic Firm Requirement:

In view of the exceptional scale, cross-border dimension, and judicial sensitivity of this engagement, the lead proposing firm must be an International Forensic Audit Firm meeting the following minimum requirements:

- Minimum average annual turnover of USD 100,000,000 (One Hundred Million US Dollars) over the last three (3) fiscal years.
- Valid professional indemnity insurance with a minimum limit of USD 10,000,000 per occurrence.
- Demonstrable experience in forensic audits of energy sector, public utilities, or large-scale state procurement investigations.

Bids must be submitted as a Joint Venture comprising: (a) an International Forensic Audit Firm meeting the requirements of Article 4(III) above, designated as Lead Partner; and (b) a Lebanese firm or entity registered in Lebanon as local partner. Solo bids from international firms without a Lebanese partner shall be rejected. All financial standing requirements apply to the international Lead Partner. The joint venture agreement must be submitted with the bid in accordance with Article 5 below.

IV. Envelope (2): Financial Proposal:

The Bidder shall submit the Price Lists and Bill of Quantities, duly signed and stamped, in a sealed envelope. Prices shall be quoted in USD and written in both figures and letters. In case of a discrepancy, the unit price written in words shall prevail. Prices shall include all expenses,



fees, taxes (including VAT if applicable), wages, and any other charges for the full contract period.

Article 5: Joint Bids (Article 23 of the Public Procurement Law)

In accordance with Article 23 of Law 244/2021, several suppliers or service providers may participate jointly in the execution of this procurement contract, subject to the following conditions:

1. The partners must appoint, by an official letter, a Lead Partner to represent them jointly and severally.
2. All members of the joint venture shall be held jointly and severally liable toward MEW for the full execution of the contract.
3. The Lead Partner must be an international forensic audit firm meeting the criteria in Article 4(III) above.

Article 6: Requests for Clarification (Article 21 of the Public Procurement Law)

Bidders may request written clarification on these Conditions of Contract within ten (10) days prior to the bid submission deadline. MEW shall reply at least six (6) days prior to the deadline, simultaneously to all bidders without disclosing the identity of the requesting party.

Article 7: Bid Validity Period (Article 22 of the Public Procurement Law)

1. The bid validity period is set at 120 days from the bid submission deadline.
2. MEW may request an extension of the bid validity period before its expiry. Bidders may reject this request without forfeiting their Bid Security.
3. Bidders accepting an extension must extend their Bid Security accordingly.
4. A Bidder may not withdraw or modify their bid during the period between the bid submission deadline and the end of the bid validity period.
5. A Bidder who exercised the right of withdrawal prior to the deadline retains the right to submit a new bid before the deadline expires.
6. In the event of a bid withdrawal request received prior to the bid opening session, withdrawn bids shall be returned sealed to the respective Bidders after the opening session.

Article 8: Bid Security (Article 34 of the Public Procurement Law)

1. The Bid Security for this procurement contract shall be set at USD 20,000 as per Annex 4.
2. The validity period of the Bid Security shall be 148 days from the date of the bid opening session.
3. The Bid Security shall be automatically renewed until a decision is made to return it to the Bidder.
4. The Bid Security shall be returned to the Contractor upon submission of the Performance Bond, and to unsuccessful bidders by the contract implementation date.

Article 9: Performance Bond (Article 35 of the Public Procurement Law)

1. The Performance Bond shall not exceed ten percent (10%) of the contract value, as per Annex 4.



2. The Performance Bond must be submitted within fifteen (15) days from the date of contract entry into force. Failure to submit shall result in forfeiture of the Bid Security.
3. The Performance Bond shall be blocked throughout the contract duration.
4. The Performance Bond shall be returned to the Contractor after final acceptance and the Acceptance Committee's written confirmation of satisfactory execution.

Article 10: Method of Payment of Guarantees (Article 36 of the Public Procurement Law)

The Bid Security and the Performance Bond shall be submitted by means of an irrevocable bank letter of guarantee issued by a bank acceptable to MEW, payable upon first demand, in favor of MEW.

Article 11: Bid Submission

1. Bids shall be sent by registered post or delivered by hand directly to MEW's Procurement Unit.
2. The bid submission deadline shall be set as per the announcement published on the Public Procurement Authority's centralized e-platform.
3. MEW shall provide each Bidder with a receipt bearing a serial number and the date and time of receipt.
4. MEW shall guarantee the security and confidentiality of all bids until the official opening session.
5. Any bid received after the bid submission deadline shall not be opened and shall be returned sealed to the Bidder.
6. A Bidder may submit only one bid; otherwise all of their bids shall be rejected.

Article 12: Opening and Evaluation of Bids

1. Bids shall be opened by the Tender Committee as specified in Article 100 of the Public Procurement Law, in a public session held immediately following the bid submission deadline.
2. The Tender Committee Chairperson and all members shall recuse themselves upon identifying any conflict of interest.
3. The Tender Committee may resort to external technical and financial experts if necessary.
4. All bidders or their duly authorized representatives are entitled to attend the bid opening session. The official observer from the Public Procurement Authority also has the right to attend.
5. The Tender Committee shall evaluate bids using the criteria in Article 3 and Annex 6. No criteria or method not listed in this TOR shall be applied.
6. The Tender Committee shall be considered responsive to the technical and substantive requirements if it meets all the requirements listed in Annex 1. Bids not meeting all mandatory qualifications shall be rejected outright.

Article 13: Contract Award and Notification

The contract shall be awarded to the bidder submitting the Most Economically Advantageous Proposal (MEAP) as evaluated by the Tender Committee. The decision shall be published on the



Public Procurement Authority's centralized e-platform. Unsuccessful bidders shall be notified in writing.

Article 14: Contract Entry into Force

The contract shall enter into force upon the Contractor's receipt of the written notification of contract signature by the competent authority, in accordance with Article 29 of the Public Procurement Law.

Article 15: Contract Execution Period

Total Duration: 6 (six) months from the date of contract entry into force, inclusive of all phases defined in Part Two, Section 8 of this TOR.

1. **Phase 1 — Set-Up and Data Access:** Weeks 1-4. Mobilization, establishment of secure working environment, submission and approval of the Inception Report.
2. **Phase 2 — Forensic Work:** Weeks 5-20. Transaction testing, digital forensics, interviews, data analysis.
3. **Phase 3 — Reporting, Recommendations, and Asset Recovery Pathway:** Weeks 21-26. Drafting, review, finalization, and delivery of all reports.

The contract execution period includes Sundays and official public holidays only if the Contractor has explicitly committed to working on such days in its methodology.

Article 16: Contract Currency and Payment Terms

(a) Contract Currency: United States Dollars (USD).

(b) Payment to Local Contractor: Payments shall be settled in Lebanese Pounds equivalent to the USD value, calculated at the Banque du Liban reference rate on the date of settlement.

(c) Payment to Foreign Contractor: Payments shall be exceptionally settled in USD via bank transfer to a bank account outside Lebanon, only if the contract is awarded to a foreign Contractor.

(d) Payment Schedule:

- **Down Payment:** 20% of the Contract Value, disbursed within 15 business days from the date of contract entry into force, against a Down Payment Guarantee Letter submitted by the Contractor. Released upon approval of the Inception Report.
- **Second Payment:** 40% of the Contract Value, disbursed within 15 business days from MEW's written approval of the final Interim Progress Report.
- **Final Payment:** 40% of the Contract Value, disbursed within 15 business days from MEW's written approval of the Final Forensic Audit Report (Provisional Acceptance).

Article 17: Retentions

A retention of ten percent (10%) shall be deducted from each interim payment as a performance guarantee for technical quality and completeness of deliverables. The total accumulated retention shall be released upon Final Acceptance.



Article 18: Stamp Duties and Fees

Local Contractor: All stamp duties (4%) and fees, including VAT, shall be borne by the Contractor and paid within five (5) business days from contract authentication.

Foreign Contractor: All stamp duties (0.4%), 11% VAT, and Income Tax equivalent to 8.5% of the Contract Price shall be borne by the Contractor. MEW shall withhold VAT and Income Tax on behalf of the Contractor.

Article 19: Penalties (Article 38 of the Public Procurement Law)

A cash delay penalty of 1% of the contract value per calendar day of delay in the completion of required works shall be automatically imposed, up to a maximum of 10% of the contract value. If penalties exceed 10%, MEW has the right to revoke the contract pursuant to Article 33 of the Public Procurement Law.

Article 20: Contract Termination and Consequences (Article 33 of the Public Procurement Law)

Breach of Contract: If the Contractor violates execution terms, MEW may issue a prior written notice to comply within 5 to 15 days. Failure to comply shall constitute automatic breach and contract termination.

Revocation: The contract shall be automatically revoked if a final judgment is issued against the Contractor for corruption, fraud, money laundering, or other crimes under Article 33 of the Public Procurement Law.

Consequences: In all termination cases, the provisions of Article 33, Paragraph Fourth of the Public Procurement Law shall immediately apply.

The Contractor may not be deemed to have abandoned the contract except by a reasoned decision of MEW based on the written approval of the Public Procurement Authority.

Article 21: Force Majeure

If exceptional circumstances beyond the Contractor's control prevent delivery within the specified timeframe, the Contractor must immediately notify MEW in writing with the reasons and expected duration. If the delay exceeds 15 business days and no agreement is reached, MEW may revoke the contract or extend the time limit in justified and exceptional cases.

Article 22: Bank Secrecy Lifting

By submitting a proposal, the Bidder and its partners explicitly commit to lifting bank secrecy on any bank account into which public funds related to this contract are deposited or transferred, for the benefit of the competent regulatory and judicial authorities of Lebanon.

Article 23: Confidentiality and Publication

The Contractor shall maintain absolute confidentiality over all information and data accessed during the mission. All team members must sign non-disclosure agreements prior to commencing work.



The Contractor shall provide written declarations of: (a) the absence of any direct or indirect conflicts of interest; and (b) full disclosure of any prior relationship with the subject matter.

The Final Report shall be published upon completion of the engagement, with redactions limited exclusively to: (a) active prosecutions where publication may compromise legal proceedings; and (b) witness protection requirements as determined by competent judicial authorities.

Article 24: Cooperation with Oversight and Regulatory Bodies

In view of the sensitive nature of this forensic engagement involving public sector transactions, the Contractor is required to cooperate fully and proactively with the following Lebanese oversight and regulatory bodies upon their request:

- The Public Procurement Authority
- The Court of Accounts
- The National Anti-Corruption Commission
- The Public Prosecution and competent judicial authorities
- Any other regulatory authority designated under applicable Lebanese law

Cooperation with oversight bodies shall not constitute a breach of confidentiality obligations.

Article 25: Dispute Resolution

1. The interpretation and execution of the contract shall be governed by the laws and regulations of the Republic of Lebanon.
2. **International Arbitration:** Pursuant to Article 114, Paragraph 3 of the Public Procurement Law No. 244/2021, any dispute arising out of or relating to this contract shall be settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce (ICC).
3. **Pre-Condition:** This arbitration clause is operative only upon authorization by a reasoned decision of the Council of Ministers. The Procuring Entity confirms that such authorization must be obtained and documented before this TOR proceeds to public tender.

Article 26: Miscellaneous Provisions

Unless otherwise provided for by these Conditions of Contract, the Contractor shall be subject to the provisions of Public Procurement Law No. 244 of 29 July 2021 and its amendments. The Bidder shall sign all copies of the Conditions of Contract and all annexes, acknowledging that they have been read and accepted.

PART TWO: TECHNICAL SPECIFICATIONS - FORENSIC AUDIT TERMS OF REFERENCE

1. Background and Rationale

Électricité du Liban (EDL) has been a major source of fiscal drain, governance failure, and systemic inefficiencies, contributing materially to Lebanon's public debt and economic collapse.



Over the past 25 years, EDL has received billions of USD in Treasury transfers while electricity supply deteriorated and losses increased.

In 2012, the Ministry of Energy and Water (MEW) entered into a contractual arrangement with Karpowership for the rental and operation of floating power barges, with fuel supplied by MEW. The agreement was subsequently renewed at least twice, spanning from 2012 through the present.

Major controversy has surrounded this transaction, particularly with respect to: procurement transparency and integrity; contract amounts and terms; and the economic rationale underlying the decision to rent these assets rather than buying them or building a power plant.

Given the magnitude of public funds involved and the continuing debate surrounding the contractual agreements and their economic foundation, a structured and professional forensic audit is warranted, in full alignment with the Ministerial Declaration adopted by the present government in February 2025.

This forensic audit aims to establish:

- Facts and accountability
- Financial, contractual, and operational irregularities
- Systemic governance failures
- Individual and institutional responsibility

2. Objectives of the Forensic Audit

2.1 Primary Objectives

- Identify fraud, corruption, mismanagement, and abuse of public funds in connection with the EDL Barges transactions and related fuel procurement transactions
- Quantify all financial losses and leakages to the Lebanese State
- Trace all fund flows, including offshore and related-party transactions
- Assess compliance with applicable laws, contracts, and procurement rules

2.2 Secondary Objectives

- Identify structural governance failures within EDL, MEW, and the Council of Ministers
- Establish responsibility chains (political, administrative, contractual)
- Support legal, judicial, and asset recovery actions
- Inform future energy sector reform and restructuring

3. Scope of Work

The forensic audit shall specifically cover all transactions, contracts, payments, and decisions related to the EDL Electric Barges (Karpowership) and related fuel procurement transactions from 2012 through the present, including all renewals, amendments, side agreements, and related fuel procurement contracts.



3.1 Procurement, Contracts, and Payments

- Tendering processes for the initial 2012 contract and all subsequent renewals
- Contract amendments, extensions, and any side agreements
- Emergency and single-source procurement procedures applied
- Conflict of interest and related-party transactions
- Advance payments, pre-financing arrangements, and off-budget payments
- Comparison of contract values and payment terms against international benchmarks for equivalent services

3.2 Governance and Internal Controls

- Board and management decisions at EDL and MEW
- Role and decisions of the Ministry of Energy oversight
- Decisions and approvals of the Council of Ministers
- Effectiveness of the internal audit function
- Compliance with Lebanese laws and regulations
- Role of regulators or absence thereof

3.3 Legal and Compliance Review

Compliance with:

- Public Procurement Law and applicable predecessor legislation
- Accounting laws and Treasury regulations
- Anti-corruption legislation

Assessment of pending litigation and arbitration, if any, and related legal exposure and contingent liabilities.

3.4 Asset and Cash Tracing

- All bank accounts (local and international) receiving or transmitting EDL Barge-related funds and / or fuel procurement-related funds
- Related-party transactions and counterparty relationships
- Offshore structures, intermediaries, and beneficial ownership chains
- Payments to consultants, agents, brokers, and intermediaries
- Beneficial ownership analysis of all material counterparties

3.5 Fuel Procurement and Quantity/Quality Reconciliation

- All fuel supply contracts associated with the barges
- Fuel quantity and quality reconciliation against delivery records and consumption data
- Over-pricing, under-delivery, or substitution of fuel specifications
- Payments to fuel suppliers and intermediaries



4. Methodology

The Auditor shall employ a comprehensive and internationally recognized forensic methodology, including:

- Forensic accounting and transaction testing
- Full access to financial systems, archives, and accounting records
- Digital forensics (emails, servers, databases, metadata analysis)
- Contract performance analysis against contractual terms and international benchmarks
- Fuel quantity and quality reconciliation
- Interviews under oath with current and former officials, contractors, and agents
- Cooperation with judicial and anti-corruption bodies
- Beneficial ownership and fund flow analysis

Advanced Forensic Analytical Techniques: The Auditor shall apply the following where relevant:

- Transaction Pattern Analysis to identify unusual or irregular transactions
- Benford's Law Testing to detect statistical anomalies in financial data
- Outlier Detection Techniques
- Network Analysis to map relationships between entities and fund flows

Evidence Standard: All findings shall be formulated based on the Preponderance of Evidence standard (balance of probabilities), consistent with professional forensic judgment. This is not a criminal investigation; findings constitute professional technical opinions and do not, by themselves, determine legal liability.

Governing Professional Standards: The Auditor shall comply throughout the engagement with:

A. For Audit, Investigation, and Forensic Work:

- ISA 240 - The Auditor's Responsibilities Relating to Fraud
- ISA 315 (Revised 2019) - Identifying and Assessing Risks of Material Misstatement
- ISA 500 - Audit Evidence
- IESBA Code of Ethics for Professional Accountants
- ACFE Fraud Examiners Manual

B. For Financial Damages Quantification:

- AICPA Standards for Valuation Services (SSVS No. 1)
- NACVA Professional Standards
- ASA Business Valuation Standards
- ACFE Fraud Loss Measurement Framework



5. Deliverables

5.1 Inception Report (Due: within 15 days of contract entry into force)

- Detailed work plan and timeline
- Investigation Risk Assessment covering: (a) Access Limitation Risk; (b) Data Integrity Risk; (c) Cooperation Risk — including strategies to mitigate each
- Data access requirements and status
- Preliminary assessment of available evidence

The Inception Report shall not be considered complete unless the Investigation Risk Assessment has been submitted and accepted in writing by MEW.

5.2 Interim Reports (Due: at agreed milestone dates)

- Thematic findings as each scope area is completed
- Immediate red-flag alerts requiring urgent attention
- Updated risk assessment and timeline

5.3 Final Forensic Audit Report (Due: by end of Month 6)

The Final Report must include:

- Quantified financial losses to the Lebanese State
- Identified irregularities, fraud indicators, and abuse of public funds
- Responsibility matrix (individual and institutional)
- Legal breach analysis with reference to applicable laws
- Evidence annexes suitable for use in prosecution or legal proceedings

Mandatory Appendices to the Final Report:

- (1) Detailed Transaction Schedules covering all material payments
- (2) Fund Flow Charts tracing all public fund movements
- (3) Timeline Analysis mapping events chronologically
- (4) Related Party Mapping identifying relationships between MEW counterparties and beneficial owners
- (5) Supporting Analytical Appendices including all statistical and financial models used

Financial Damages Quantification: Where the forensic audit reveals facts with probable financial consequences, the Auditor shall include a quantitative financial impact assessment. This shall include, as applicable:

- Calculation of direct financial losses
- Estimation of unjust enrichment obtained by counterparties
- Analysis of price variances and unjustified cost overruns against benchmarks
- Calculation of amounts paid without legal or contractual basis
- Assessment of cumulative financial impact of all proven violations



The following forensic techniques shall be applied where relevant: Forensic Damages Model; But-For Analysis (counterfactual assessment); Counterfactual Financial Modeling.

This financial assessment constitutes a professional technical opinion. It does not, by itself, establish legal liability — such determinations remain the exclusive jurisdiction of competent judicial authorities.

5.4 Recovery and Reform Recommendations

- Asset recovery pathways (domestic and international)
- Governance and internal control reforms
- Procurement process improvements

6. Access to Information

The Auditor shall have, in accordance with applicable laws, the following unrestricted access:

- All EDL and Ministry of Energy records, archives, and databases related to the Barges transactions and related fuel procurement transactions
- All relevant financial, contractual, and operational documents
- Bank accounts and banking records (subject to applicable banking secrecy lifting procedures)
- Access to suppliers, contractors, agents, and brokers
- Whistleblower protection mechanisms shall be established and publicized before the commencement of the audit
- Physical access to all relevant facilities and sites as needed

MEW shall issue all necessary access authorizations and shall cooperate fully with the Auditor's data requests throughout the engagement.

7. Independence and Safeguards

- The Forensic Auditor shall be selected through international competitive bidding via the Request for Proposals process.
- The Auditor must have no prior related work for EDL, Karpowership, MEW, or any directly related entity within the five (5) years preceding the bid submission date.
- Full conflict-of-interest declarations must be submitted by all proposed engagement team members.
- The Auditor must maintain independence throughout the engagement and immediately disclose any conflict that arises.

8. Timeline — 6-Month Engagement

Phase 1 Weeks 1-4

Set-Up and Data Access

Mobilization; execution of NDAs; data access requests; preliminary document review; submission and approval of Inception Report including Investigation Risk Assessment.



Phase 2 Weeks 5-20**Forensic Work**

Transaction testing; forensic accounting; digital forensics; interviews; data analysis; fund tracing; fuel reconciliation; submission of Interim Reports.

Phase 3 Weeks 21-26**Reporting, Recommendations, and Asset Recovery Pathway**

Drafting, internal quality review, MEW review period, finalization, and formal delivery of Final Forensic Audit Report with all mandatory appendices and Recovery and Reform Recommendations.

9. Required Expertise

The Auditor must field a team that includes, at minimum, the following expertise:

- **International Forensic Audit Firm:** The lead entity must be an internationally recognized forensic audit firm bidding as Lead Partner in a mandatory Joint Venture with a registered Lebanese entity (Article 4 and Article 5).
- **Energy Sector Specialists:** With direct experience in power generation contracts, barge/floating power plant operations, and energy procurement.
- **Fuel Procurement Experts:** Capable of benchmarking and reconciling fuel supply contracts.
- **Legal and Anti-Corruption Experts:** Familiar with Lebanese law and international anti-corruption frameworks (UNCAC, OECD).
- **Digital Forensics Specialists:** Experienced in email and server forensics, metadata analysis, and database investigation.
- **Asset Tracing and AML Professionals:** Capable of tracing fund flows through complex offshore structures.

Professional Certifications: The engagement team must include at minimum two (2) members holding recognized forensic certifications:

- Certified Fraud Examiner (CFE)
- Certified in Financial Forensics (CFF)
- Certified Forensic Accountant (Cr.FA)

If the engagement involves large-scale financial data analysis, at least one team member must hold a Certified Information Systems Auditor (CISA) qualification or have proven Digital Forensics expertise.

Project Manager / Team Leader: Must possess a minimum of 15 years of forensic experience and must have served as the lead engagement partner on at least three (3) forensic audits of comparable scale.



10. Legal and Judicial Interface

- All findings and evidence collected shall be handled in a manner admissible in Lebanese and international courts.
- Chain-of-custody procedures shall be maintained throughout the engagement for all evidence collected.
- The Auditor shall coordinate, as required, with: (a) Lebanese judiciary; (b) National Anti-Corruption Commission; (c) International partners (IMF, World Bank, EU); and (d) any other relevant authority.

Digital Evidence Handling Requirements: The Auditor shall comply with the following protocols:

- Document the source of all data and the dates of extraction
- Apply Digital Forensic Imaging procedures where electronic records are accessed
- Use Hash Verification (e.g., SHA-256) to ensure the integrity of all digital files
- Maintain a Chain of Custody Log documenting all access to, transfer of, and handling of evidence

Failure to maintain these protocols may render findings inadmissible before competent judicial and oversight authorities.

11. Expected Outcomes

- Establishment of truth and accountability regarding the EDL Electric Barges transactions and related fuel procurement transactions
- Quantification of the true cost to EDL and the Lebanese State
- Preparation of evidence to support potential criminal prosecutions
- A clear pathway for recovery of potentially misappropriated funds
- Recommendations for governance reform and procurement safeguards to prevent recurrence

Beirut on:

Minister of Energy and Water

Joseph Saddi



Annex 1: Bidders Qualifications and List of Technical Requirements

1. Mandatory Pre-Qualification Requirements

Important: All requirements below are mandatory. Failure to meet any one of them results in immediate disqualification. Only bidders who satisfy all mandatory requirements proceed to the technical evaluation stage.

Requirement	Description	Compliant (Yes/No)
Legal Registration	Legally registered firm/entity with valid certificate of incorporation or registration.	☐ Yes ☐ No
Practicing License	Valid audit or forensic audit practicing license from a recognized regulatory or professional body.	☐ Yes ☐ No
Expertise and Years of Experience	Minimum 5 years of experience in: (a) forensic accounting, financial crime investigation, and audit of public entities or utilities; and (b) similar engagements in crisis or post-crisis environments.	☐ Yes ☐ No
International Requirement	Firm The lead entity must be an internationally recognized forensic audit firm with: (a) minimum average annual turnover of USD 100,000,000 over the last 3 fiscal years; (b) valid professional indemnity insurance of at least USD 10,000,000 per occurrence; and (c) must bid as Lead Partner in a Joint Venture with a registered Lebanese entity (mandatory — solo bids will be rejected).	☐ Yes ☐ No
Professional Certifications	The engagement team must include at least two (2) members holding: Certified Fraud Examiner (CFE), Certified in Financial Forensics (CFF), or Certified Forensic Accountant (Cr.FA). If large-scale data analysis is involved, at least one member must hold CISA or proven Digital Forensics expertise.	☐ Yes ☐ No
Independence and Prior Conflict	No No prior engagement with EDL, Karpowership, MEW, or any directly related party within the last five (5) years. Full conflict-of-interest declarations must be submitted for all proposed team members.	☐ Yes ☐ No
Energy Sector Expertise	At least one team member must have demonstrable experience in energy sector transactions, power generation contracts, or fuel procurement audits.	☐ Yes ☐ No
Project Manager / Team Leader	Minimum 15 years of forensic experience. Must have served as lead engagement partner on at least three (3) comparable forensic audit engagements.	☐ Yes ☐ No



2. List of Technical Requirements

In addition to the mandatory pre-qualification requirements above, proposing firms must demonstrate the following in their technical proposal:

- Extensive experience in forensic accounting, financial crime investigation, and audit of public entities; examples of past assignments must be cited with client references.
- Track record of similar engagements in crisis or post-crisis environments.
- Capacity to deploy senior forensic accountants, data analysts, and investigators with multilingual ability (Arabic, English, French preferred).
- Robust independence, impartiality, and demonstrated ability to withstand political pressures.
- A clear and mandatory back-up plan for substitution of any key expert, including profiles of designated alternates. Absence of this plan is an elimination criterion.
- Detailed CVs for all proposed team members with years of experience, certifications, and evidence of relevant past assignments.



Beirut on:

Minister of Energy and Water

Joseph Saddi

Annex 2: Undertaking Letter

Subject: Forensic Audit of Électricité du Liban (EDL) Electric Barges — Karpowership Contracts and Related Fuel Procurement Transactions 2012-2017

I, the undersigned,

Acting on behalf of:

Having elected domicile at:

Hereby declare that:

1. I have read these Conditions of Contract and their appendices and have obtained a copy thereof.
2. I accept all terms and undertake to comply therewith fully and without any reservations.
3. I have scrutinized all work conditions and have accordingly prepared and submitted a price list for the contract execution.

I undertake, if awarded this contract:

4. To fulfill all contract obligations within the specified 6-month timeframe, in accordance with the conditions and specifications of these Conditions of Contract, at the prices stated in my bid, without modification in favor of any party or for any reason.
5. To execute the required contract with honesty, integrity, full independence, and impartiality, under my sole responsibility and for the benefit of the Ministry of Energy and Water.
6. To lift bank secrecy on any account into which public funds related to this contract are deposited or transferred, for the benefit of the competent regulatory and judicial authorities.
7. To maintain absolute confidentiality over all information accessed during the engagement and to ensure all team members sign the Non-Disclosure Agreement (Annex 9) prior to commencing work.

Date: _____

Place: _____

Name and Title: _____

Bidder's Signature and Stamp

Stamp Duties:
1,000,000 LBP



Annex 3: Integrity Declaration Form

Procurement Contract: Forensic Audit of EDL Electric Barges and Related Fuel Procurement Transactions

Contracting Party: Ministry of Energy and Water (MEW)

Name of Bidder / Authorized Signatory:

Name of Company:

We, the undersigned, confirm that:

8. None of us, nor any of our personnel, partners, agents, shareholders, consultants, or their relatives, have any relationships that may lead to a conflict of interest in connection with this contract, including any prior engagement with EDL, Karpowership, MEW, or any directly related entity within the last five (5) years.
9. We undertake to immediately notify the Public Procurement Authority and MEW if any conflict of interest arises or is detected during the engagement.
10. None of us, nor any of our personnel, partners, agents, shareholders, or consultants, have engaged or will engage in any fraudulent, corrupt, coercive, or obstructive practices in relation to our bid or this contract.
11. None of us have offered any payment to workers or personnel involved in the procurement process on behalf of MEW, or to any other person, in relation to this bid.
12. In the event of a violation of this Declaration, we acknowledge that we shall be ineligible to participate in any public procurement process and accept in advance any exclusion measures taken against us.

We understand that providing false information may expose us to judicial proceedings by the competent authorities.

Date: _____ Signature and Stamp: _____



Annex 4: Letter of Guarantee

To the Attention of: Ministry of Energy and Water (MEW)

Subject: Irrevocable Letter of Guarantee — [Bid Security / Performance Bond / Down Payment Guarantee] at the Request of:

With reference to the contract concerning the project: Forensic Audit of Électricité du Liban (EDL) Electric Barges and related fuel procurement transactions.

We, Bank, having our head office at, represented by the authorized signatory Mr./Mrs., in his/her capacity as, and at the request of.....:

Hereby irrevocably and unconditionally undertake to pay, immediately and in cash, in US Dollars, without any restriction or condition, any amount you may claim up to USD (..... US Dollars), upon your first written demand and with no need to state the reasons for such claim.

Our Bank expressly acknowledges that this Letter of Guarantee is entirely separate and independent from any relationship or contract between you and the Ordering Party. Our Bank shall have no right, under any circumstance, to invoke any reason to refrain from paying or to defer payment of any amount claimed under this Letter of Guarantee.

Our Bank waives in advance any right to discuss or object to any payment request from your part.

This Letter of Guarantee shall remain effective until:, and shall be automatically renewed upon expiry until you return it to us or release us therefrom in writing.

Any amount paid by our Bank under this Letter of Guarantee shall reduce the maximum amount specified herein by the same value.

This Letter of Guarantee is governed by Lebanese law and falls under the jurisdiction of the competent Lebanese courts.

Place and Date: _____ Capacity: _____
Name: _____ Signature: _____ Bank Stamp

Note: This template applies to: (a) Bid Security — USD 20,000; (b) Performance Bond — 10% of Contract Value; (c) Down Payment Guarantee — 20% of Contract Value. The applicable type must be clearly stated on the face of the guarantee.



Annex 5: Price Lists and Bill of Quantities

Important: This Price List must be filled out ONLY when included in Financial Envelope No. 2. It must be left blank when attached to Administrative Envelope No. 1. If the price list is filled out and included in Envelope No. 1, the bidder shall be excluded from competition.

#	Description	Unit Price (USD)	Total Price (USD)
1	Phase 1: Inception Report (Set-Up and Data Access) — Weeks 1-4		
2	Phase 2: Forensic Work (Transaction Testing, Digital Forensics, Interviews, Data Analysis) — Weeks 5-20		
3	Phase 3: Reporting, Recommendations and Asset Recovery Pathway — Weeks 21-26		
	TOTAL CONTRACT VALUE (inclusive of all taxes, fees, and expenses)		USD

Total Price in Words: USD

Value added tax (VAT) at 11%: USD

Grand total: USD

Total amount in Words: USD

Bidder's Signature and Stamp



Annex 6: Evaluation Criteria and Price Analysis

Evaluation Methodology

All proposals will be evaluated according to the following criteria and scoring matrix. Scores will be applied according to the weightings below. Full marks will only be awarded when the requirement is fully met; partial fulfillment will be scored proportionally.

Overall Pass/Fail Benchmark: A minimum overall weighted score of 75 points (out of 100) is required to be eligible for contract award. The 40% financial weight is compliant with Article 18 of the Public Procurement Law.

Criteria	Weight	Scoring Guidance	Minimum Threshold
1. Methodology and Technical Soundness	24%	10%: Clarity and coherence of methodology; structured work plan; realistic 6-month timeline. 15%: Forensic audit techniques (Benford's Law, Transaction Pattern Analysis, Network Analysis, digital forensics). 10%: Analytical tools and software. 5%: Alignment of deliverables with project objectives.	18/24 minimum — failure to meet results in bid rejection
2. Relevant Experience and Qualifications	18%	5%: Number of comparable forensic projects in past 10 years. 5%: Energy sector / public utility experience. 5%: Success rate (completed on time and budget). 5%: Average years of professional experience of key experts. 5%: Client references and satisfaction. 5%: Team knowledge of Lebanese law and operational context. Mandatory back-up plan for key expert substitution — absence is elimination criterion.	No minimum threshold (except mandatory back-up plan)
3. Independence and Conflict-of-Interest Safeguards	18%	5%: Demonstrated independence and neutrality; examples of past work in politically sensitive contexts. 5%: Internal policies for maintaining impartiality (code of ethics, independence statements, QC process).	No minimum threshold
4. Financial Proposal and Value-for-Money	40%	Scoring: Lowest price = 40 points. Others scored pro-rata: $(\text{Lowest Price} \div \text{Bidder Price}) \times 40$.	No minimum threshold

Note: The financial weight of 40% complies with Article 18 of the Public Procurement Law which requires price to carry sufficient weight. No separate PPA clearance is required on this point.



Annex 7: Compliance Letters

Document 1: Pledge of Compliance with Ethical Standards

I, the undersigned,,

Hereby pledge, in my name and/or in the name of the legal entity I represent, on my own responsibility, throughout my business relationship with the Ministry of Energy and Water:

13. To abide by the highest ethical standards and rules of conduct.
14. Not to exert any pressure, influence, or unlawful practices, such as offering or promising any commission, personal benefit, or gift, directly or through a third party, to any MEW employee or official.
15. To disclose to MEW the existence or likely existence of any conflict of interest prior to engaging in business or entering into a contract.
16. To promptly notify MEW, in writing, of any conflict of interest detected throughout the contract duration.

I acknowledge that committing or attempting to commit any of the aforementioned unlawful acts may entail legal liability, including immediate contract termination, and that MEW reserves the right to sue and claim legal compensation.

Signature: _____ Date: _____

Document 2: Accuracy Pledge

I, the undersigned,,

Hereby pledge that:

17. All documents submitted to MEW are accurate and reflect my current status and/or that of the entity I represent, and are issued by the authorized party.
18. I will promptly inform MEW, in writing, of any amendment to such documents, in particular if the contents no longer reflect my current status.

I acknowledge that any breach of these obligations may entail immediate contract termination and legal liability.

Signature: _____ Date: _____



Annex 8: Procurement Contract Form

This Annex is a template contract form for reference only, subject to change within the scope of Public Procurement Law No. 244/2021. Filling out the draft contract is strictly prohibited and may cause exclusion of the bidder during the bid opening session.

Procurement Contract for: Forensic Audit of Électricité du Liban (EDL) Electric Barges and related fuel procurement transactions Between:

First Party: The Ministry of Energy and Water, Republic of Lebanon, Kamal Joumblatt Street, Beirut, P.O. Box 11-5544, hereinafter “MEW” or “the Procuring Entity.”

Second Party: Company, registered in the Trade Register in under No., represented by, hereinafter “the Contractor” or “the Auditor.”

The Parties agree that:

19. The Contractor shall perform all services described in the Terms of Reference (Part Two of the Conditions of Contract) in accordance with the highest professional standards, within the 6-month contract duration.
20. The total contract value is USD (all-inclusive).
21. Payment shall be made in accordance with Article 16 of the Conditions of Contract (20% down payment, 40% upon last interim report, 40% upon final report acceptance).
22. All provisions of the Conditions of Contract, Annexes, and the Public Procurement Law No. 244/2021 are incorporated herein by reference.

Date of Signing: _____ Place: Beirut, Lebanon

For MEW: _____ For the Contractor: _____



Annex 9: Non-Disclosure Agreement (NDA)

This template is subject to modification prior to contract signature.

This Non-Disclosure Agreement is entered into between:

Disclosing Party: Ministry of Energy and Water (MEW), Republic of Lebanon.

Receiving Party:, hereinafter “the Contractor.”

1. Confidential Information

“Confidential Information” means all data, documents, records, financial information, personal data, and any other information disclosed by MEW or accessed by the Contractor in the course of performing the Forensic Audit of EDL Electric Barges and Related Fuel Procurement Transactions, regardless of the format or medium in which it is disclosed.

2. Obligations of the Receiving Party

The Contractor undertakes to:

23. Keep all Confidential Information strictly confidential and not disclose it to any third party without prior written authorization from MEW.
24. Use the Confidential Information solely for the purpose of performing the forensic audit services under this contract.
25. Ensure all members of the engagement team sign individual NDAs prior to commencing work.
26. Return or destroy all Confidential Information upon completion or termination of the engagement.
27. Immediately notify MEW of any unauthorized disclosure or breach of confidentiality.

3. Exceptions

The confidentiality obligations do not apply to information that: (a) is or becomes publicly available through no fault of the Contractor; (b) is required to be disclosed by applicable law or court order, provided MEW is given prior written notice; or (c) is required for cooperation with oversight and regulatory bodies as specified in Article 24 of the Conditions of Contract.

4. Duration

This NDA shall remain in force for a period of five (5) years from the date of contract completion or termination.

Signed for and on behalf of MEW: _____ Date: _____

Signed for and on behalf of the Contractor: _____ Date: _____



Annex 10: Checklist — Documents Required for Bid Submission

Important: Do not write the Bidder's name on the outer envelope, under penalty of bid rejection. All documents must be numbered in the order listed below and submitted in the correct envelope.

Envelope 1: Administrative and Technical Documents

#	Document	Submitted	Not Submitted
1	Commercial Circular (authenticated by Trade Register, not older than 12 months)	☐	☐
2	Certificate of Registration in the Trade Register (not older than 12 months)	☐	☐
3	Legal authorization to sign on behalf of the Bidder (notarized, not older than 12 months)	☐	☐
4	Certificate of Registration at the Ministry of Finance (not older than 1 year)	☐	☐
5	National Social Security Fund (NSSF) Clearance Certificate	☐	☐
6	Minutes of latest General Assembly Meeting with attendance sheet	☐	☐
7	Comprehensive Statement from the Trade Register	☐	☐
8	Detailed CVs for all proposed team members (including certifications and past assignments)	☐	☐
9	Professional Indemnity Insurance Certificate (min. USD 10,000,000 per occurrence)	☐	☐
10	List of at least 3 comparable forensic engagements (last 10 years) with client references	☐	☐
11	Integrity Declaration Form (Annex 3), signed and stamped	☐	☐
12	Conflict-of-Interest Declaration (for all proposed team members)	☐	☐
13	Beneficial Ownership Declaration (identifying all natural persons who ultimately own or control the Bidder)	☐	☐
14	Statement by competent Court confirming Bidder is not bankrupt or under liquidation	☐	☐
15	Bid Security — Bank Letter of Guarantee (USD 20,000) per Annex 4	☐	☐
16	Undertaking Letter (Annex 2), signed and stamped with stamp duties of 1,000,000 LBP	☐	☐
17	Compliance Letters (Annex 7) — Pledge of Compliance and Accuracy Pledge, signed	☐	☐
18	If Foreign Company: Legal authorization to sign + Certificate of Registration in home country + Israel Boycott Law compliance statement	☐	☐
19	Conditions of Contract (this document), duly signed and stamped on every page	☐	☐



Envelope 2: Financial Proposal (Price Lists)

#	Document	Submitted	Not Submitted
1	Price Lists and Bill of Quantities (Annex 5), duly completed, signed and stamped — prices in both figures and words in USD	☐	☐
2	Detailed price breakdown per phase with total contract value, inclusive of all taxes and fees	☐	☐

Bidder's Name: _____ Date: _____

Signature and Stamp: _____

